



Summary of Consolidated Financial Statements for the First Quarter Ended March 31, 2025 [IFRS]

May 8, 2025

Company name: Lion Corporation
Listed stock exchanges: Tokyo Stock Exchange
Code: 4912
URL: <https://www.lion.co.jp/en/>

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Dividend payment commencement date: —
Supplementary materials prepared for quarterly results: Yes
Quarterly results information meeting held: Yes (for institutional investors, analysts, etc.)

Figures in this and subsequent tables are truncated at the nearest million.

1. Consolidated Results for the First Quarter Ended March 31, 2025 (January 1, 2025 – March 31, 2025)

(1) Consolidated Results (cumulative)

(Percentage figures denote year-on-year change)

	Net sales		Operating profit		Profit before tax	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2025	94,237	1.4	5,636	15.2	6,322	8.7
Three months ended March 31, 2024	92,965	2.3	4,893	107.2	5,817	120.2

	Profit for the period		Profit for the period attributable to owners of the parent		Total comprehensive income for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2025	4,755	13.3	4,026	13.5	(1,329)	—
Three months ended March 31, 2024	4,198	124.0	3,548	124.9	7,835	90.0

Note: Core operating income for the three months ended March 31, 2025 was ¥5,287 million (up 32.4% year on year).
Core operating income for the three months ended March 31, 2024 was ¥3,994 million (up 59.6% year on year).
Core operating income is an earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross profit.

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2025	14.57	14.54
Three months ended March 31, 2024	12.72	12.70

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
March 31, 2025	463,494	310,625	289,042	62.4
December 31, 2024	497,167	315,694	293,717	59.1

2. Dividends

	Cash dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2024	—	13.00	—	14.00	27.00
Fiscal 2025	—				
Fiscal 2025 (forecast)		15.00	—	15.00	30.00

Note: Changes from the most recently published forecast of dividends: No

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2025 (January 1, 2025 – December 31, 2025)

(Percentage figures denote year-on-year change)

	Net sales		Operating profit		Profit for the period attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half 2025	200,000	0.7	11,000	(17.7)	8,000	(19.4)	28.88
Fiscal 2025	420,000	1.7	35,000	23.3	25,000	17.9	90.24

Notes: 1. Core operating income forecast: First half 2025: ¥10,500 million
Fiscal 2025: ¥30,000 million

2. Changes from the most recently published financial results forecast: No

Notes

- (1) Significant Change in Scope of Consolidation during Period: No
- (2) Changes in accounting principles, procedures and presentation methods in connection with the preparation of quarterly consolidated financial statements:
 - a. Changes in accounting standards required under IFRS: No
 - b. Other changes: No
 - c. Changes in accounting estimates: No
- (3) Number of outstanding shares (common stock)
 - a. Number of outstanding shares on balance sheet dates (including treasury stocks):

As of March 31, 2025:	284,432,746 shares
As of December 31, 2024:	284,432,746 shares
 - b. Number of treasury stocks on balance sheet date:

As of March 31, 2025:	7,968,406 shares
As of December 31, 2024:	8,045,423 shares
 - c. Average number of shares outstanding over period

Three months ended March 31, 2025:	276,422,569 shares
Three months ended March 31, 2024:	279,060,166 shares

* This report is not subject to review by a certified public accountant or external auditor.

* Appropriate use of results forecasts; other special items

The forecasts and projected operating results contained in this report are based on information available at the time of preparation and thus involve inherent risks and uncertainties, including those related to economic conditions, the competitive environment and exchange rate fluctuations. Accordingly, readers are cautioned that actual results may differ materially from those projected as a result of a variety of factors. For information on forecasts of operating results, see I. Qualitative Information Concerning the Results of Operations for the First Quarter of the Current Fiscal Year (3) Forecast of Consolidated Financial Results on page 9.

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I. Qualitative Information Concerning the Results of Operations for the First Quarter of the Current Fiscal Year

(1) Consolidated Performance

Consolidated results for the first quarter of fiscal 2025 (January 1, 2025–March 31, 2025) are as follows. Net sales amounted to ¥94,237 million, a year-on-year increase of 1.4% (or an increase of 0.1% at constant currency excluding exchange rate fluctuations). Core operating income came to ¥5,287 million, up 32.4% compared with the previous fiscal year, and operating profit to ¥5,636 million, up 15.2% year on year. Profit for the period attributable to owners of the parent totaled ¥4,026 million, up 13.5% compared with the previous fiscal year.

2025 marks the first year of the Lion Group’s new three-year medium-term management plan, Vision2030 2nd STAGE. Reflecting the plan’s theme of strengthening profitability, Lion is advancing measures in line with the plan’s three basic policies: strengthening business portfolio management, strengthening the management base and generating dynamism.

The Company is continuing to pursue the top-priority material issue of expanding its oral healthcare business overseas, primarily in key countries. In Japan, we are striving to improve profitability by prioritizing the development of mainstay brands and promoting added-value products.

Consolidated Results

(Millions of yen)

	Three months ended March 31, 2025	Ratio to net sales	Three months ended March 31, 2024	Ratio to net sales	Change	Change (%)
Net sales	94,237		92,965		1,271	1.4%
Core operating income	5,287	5.6%	3,994	4.3%	1,293	32.4%
Operating profit	5,636	6.0%	4,893	5.3%	742	15.2%
Profit for the period attributable to owners of the parent	4,026	4.3%	3,548	3.8%	477	13.5%

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

Results by Business Segment

(Millions of yen)

	Net sales				Core operating income			
	Three months ended March 31, 2025	Three months ended March 31, 2024	Change	Change (%)	Three months ended March 31, 2025	Three months ended March 31, 2024	Change	Change (%)
Consumer Products	55,383	56,192	(809)	(1.4%)	4,419	3,294	1,124	34.1%
Industrial Products	14,157	13,049	1,107	8.5%	654	782	(128)	(16.4%)
Overseas	42,462	41,448	1,013	2.4%	1,801	1,519	281	18.5%
Other	2,766	3,808	(1,041)	(27.4%)	(24)	165	(190)	—
Subtotal	114,769	114,500	269	0.2%	6,850	5,763	1,087	18.9%
Adjustment	(20,531)	(21,534)	1,002	—	(1,563)	(1,769)	206	—
Total	94,237	92,965	1,271	1.4%	5,287	3,994	1,293	32.4%

Note: Previously, transactions related to overseas support functions were attributed to the Consumer Products business segment, but in light of the growing importance of the Overseas business segment, accounting for these items has been transferred to the Overseas business segment starting from the first quarter of the fiscal year under review. Segment information for the first quarter of the previous consolidated fiscal year has also been reclassified to reflect this change.

Results by business segment are as follows.

Consumer Products Business

The Consumer Products Business segment comprises the Oral Healthcare Products, Beauty Care Products, Fabric Care Products, Living Care Products, Pharmaceutical Products and Other Products businesses. Segment net sales decreased 1.4% compared with the same period in the previous fiscal year. Core operating income increased 34.1%.

(Millions of yen)

	Three months ended March 31, 2025	Ratio to net sales	Three months ended March 31, 2024	Ratio to net sales	Change	Change (%)
Net sales	55,383		56,192		(809)	(1.4%)
Core operating income	4,419	8.0%	3,294	5.9%	1,124	34.1%

Note: Net sales include internal sales within and among segments, which amounted to ¥8,271 million in the first quarter of fiscal 2025 and ¥8,335 million in the first quarter of fiscal 2024.

Net Sales by Product Segment (Millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2024	Change	Change (%)
Oral Healthcare Products	16,590	15,690	899	5.7%
Beauty Care Products	5,181	5,360	(178)	(3.3%)
Fabric Care Products	12,181	12,939	(758)	(5.9%)
Living Care Products	4,469	4,375	93	2.1%
Pharmaceutical Products	4,726	5,602	(875)	(15.6%)
Other Products	12,234	12,224	9	0.1%

Oral Healthcare Products

This product segment consists of toothpastes, toothbrushes, dental rinses and other related products.

In toothpastes, sales of *CLINICA PRO Toothpaste*, including the new *CLINICA PRO plus Periodontal Barrier Toothpaste*, increased significantly year on year. Sales of *SYSTEMA Haguki (the Gums) Plus Toothpaste* were also favorable, and overall sales increased year on year.

In toothbrushes, sales of *CLINICA PRO Toothbrush* were favorable, but sales of the *BETWEEN Toothbrush* were down year on year, and overall sales decreased slightly year on year.

In dental rinses, sales of *NONIO Plus Whitening Dental Rinse* were steady, but sales of *SYSTEMA Haguki (the Gums) Plus Dental Rinse* were down year on year, and overall sales decreased year on year.

In addition to the above, sales of products sold through dental clinics increased, resulting in overall sales of Oral Healthcare Products increasing 5.7% year on year.

Beauty Care Products

This product segment consists of hand soaps, body washes, antiperspirants and deodorants and other related products.

In hand soaps, sales of *KireiKirei Medicated Hand Conditioning Soap* increased substantially year on year, leading to an overall increase in sales year on year.

In body washes, sales of *hadakara Foaming Body Soap* were steady, but sales of the liquid version were lower year on year and, overall sales declined year on year.

Overall sales of Beauty Care Products decreased 3.3% year on year.

Fabric Care Products

This product segment consists of fabric softeners, laundry detergents and other related products.

In fabric softeners, sales of *SOFLAN Premium Deodorizer* decreased year on year, and overall sales decreased year on year.

In laundry detergents, sales of powder detergents were down year on year due to shipping price revisions, and overall sales decreased year on year.

As a result, year-on-year total sales of Fabric Care Products decreased 5.9%.

Living Care Products

This product segment consists of household cleaners, dishwashing detergents and other related products.

In household cleaners, sales of *LOOK Plus Bath Cleansing* were steady, but sales of toilet cleaners were down year on year, and overall sales declined year on year.

In dishwashing detergents, sales of *CHARMY Magica* were strong, and overall sales increased year on year.

Overall sales of Living Care Products increased 2.1% year on year.

Pharmaceutical Products

This product segment consists of antipyretic analgesics, eye drops, cooling gel sheets for feet and other related products.

In antipyretic analgesics, sales of *BUFFERIN PREMIUM DX* significantly increased year on year, but sales of *BUFFERIN A* were down year on year, and overall sales decreased year on year.

In eye drops, sales of the *Smile 40 Gold* series were steady, but there was some recoil of *Smile 40 Premium THE ONE* which was launched in March 2024, and overall sales decreased year on year.

In cooling gel sheets for feet, sales of *Kyusoku Jikan* were strong, and overall sales were up substantially year on year.

Due partially to the impact of transferring some brands to other companies in 2024, overall sales of Pharmaceutical Products decreased 15.6% year on year.

Other Products

This product segment consists of pet supplies and other related products.

In pet supplies, sales of oral care products such as *PETKISS* were up substantially and sales of *Nioi wo Toru Suna (Deodorizing Cat Litter)* were firm, and overall sales increased year on year.

Overall sales of Other Products increased 0.1% year on year.

Industrial Products Business

The Industrial Products Business segment includes the Mobility, Electronics, Life-Chemical and Detergents for Institutional Use Products fields. These businesses handle products that include anti-sticking agents for tire rubber, electro-conductive carbon for secondary batteries, surfactants derived from oils and fats, and detergents for institutional and professional kitchen use, respectively. Segment net sales increased 8.5% year on year. Core operating income decreased 16.4%.

(Millions of yen)

	Three months ended March 31, 2025	Ratio to net sales	Three months ended March 31, 2024	Ratio to net sales	Change	Change (%)
Net sales	14,157		13,049		1,107	8.5%
Core operating income	654	4.6%	782	6.0%	(128)	(16.4%)

Note: Net sales include internal sales within and among segments, which amounted to ¥5,134 million in the first quarter of fiscal 2025 and ¥4,350 million in the first quarter of fiscal 2024.

In the Mobility field, sales of anti-sticking agents for tire rubber were up year on year, but electro-conductive carbon for use in paint were down year on year, and overall sales decreased year on year.

In the Electronics field, sales of electro-conductive carbon for secondary batteries decreased year on year, and overall sales also decreased year on year.

In the Life-Chemical field, sales of surfactants derived from oils and fats increased year on year, and overall sales also increased year on year.

In the Detergents for Institutional Use Products field, sales of laundry detergents increased substantially year on year, sales of hand soaps were firm, and overall sales increased year on year.

Overseas Business

The Overseas Business segment comprises business operations located in Southeast and South Asia, including Thailand and Malaysia, as well as Northeast Asia, including China and South Korea. Overall net

sales increased 2.4% year on year (or a decrease of 0.5% at constant currency excluding exchange rate fluctuations). Core operating income increased 18.5% year on year.

(Millions of yen)

	Three months ended March 31, 2025	Ratio to net sales	Three months ended March 31, 2024	Ratio to net sales	Change	Change (%)
Net sales	42,462		41,448		1,013	2.4%
Core operating income	1,801	4.2%	1,519	3.7%	281	18.5%

Note: Net sales include internal sales within and among segments, which amounted to ¥4,692 million in the first quarter of fiscal 2025 and ¥5,428 million in the first quarter of fiscal 2024.

Net Sales by Region

(Millions of yen)

		Three months ended March 31, 2025	Three months ended March 31, 2024	Change	Change (%)
Southeast and South Asia	Net sales	26,195	24,311	1,883	7.7%
	Core operating income	1,496	1,151	345	30.0%
Northeast Asia	Net sales	16,267	17,136	(869)	(5.1%)
	Core operating income	304	367	(63)	(17.3%)

In Southeast and South Asia, net sales were up 7.7% year on year (or up 1.2% at constant currency excluding exchange rate fluctuations), and core operating income was up 30.0% year on year.

In Northeast Asia, overall sales were down 5.1% year on year (or down 2.8% at constant currency excluding exchange rate fluctuations), and core operating income was down 17.3% year on year.

Net Sales by Key Country

(Millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2024	Change	Change (%)
Thailand	16,476	15,479	996	6.4%
Malaysia	6,609	5,824	785	13.5%
China	7,328	7,292	35	0.5%
South Korea	4,851	5,875	(1,023)	(17.4%)

Thailand

In laundry detergents, sales of mainstay brand *Pao* were favorable, and overall sales were up year on year.

In body soaps, sales of *Shokubutsu Monogatari* body washes were strong as a result of proactive in-store promotions, and overall sales were up year on year.

Overall sales in Thailand were up 6.4% year on year.

Malaysia

In laundry detergents, proactive marketing campaigns drove strong sales of *TOP*, and overall sales were up year on year.

In toothpastes, sales of *Fresh & White*, a product the Company is focusing on developing, were favorable, and overall sales increased significantly year on year.

Overall sales in Malaysia were up 13.5% year on year.

China

In toothpastes, sales of *CLINICA* which launched last year under local production, were strong, but the *White&White* pricing strategy was revised and sales declined year on year, resulting in overall sales decreasing year on year.

In toothbrushes, sales *SYSTEMA* were favorable, and overall sales were up significantly year on year.

Overall sales in China increased 0.5% year on year.

South Korea

In laundry detergents, sales of *BEAT* capsule detergents were strong due to continuous market growth, and overall sales increased year on year.

In hand soaps, *Ai! Kekute* performed favorably, and overall sales increased substantially year on year.

Overall sales in South Korea decreased 17.4% year on year, due to a significant decrease in Group sales, including lowered exports of powder laundry detergent to Japan.

Other (Construction Contracting Business, etc.)

(Millions of yen)

	Three months ended March 31, 2025	Ratio to net sales	Three months ended March 31, 2024	Ratio to net sales	Change	Change (%)
Net sales	2,766		3,808		(1,041)	(27.4%)
Core operating income	(24)	(0.9%)	165	4.4%	(190)	—

Note: Net sales include internal sales within and among segments, which amounted to ¥2,433 million in the first quarter of fiscal 2025 and ¥3,419 million in the first quarter of fiscal 2024.

(2) Financial Status

Status of Consolidated Assets, Liabilities and Equity

	March 31, 2025	December 31, 2024	Change
Total assets (millions of yen)	463,494	497,167	(33,673)
Total equity (millions of yen)	310,625	315,694	(5,068)
Ratio of equity attributable to owners of the parent to total assets (% , points)	62.4	59.1	3.3

Total assets decreased ¥33,673 million compared with the previous consolidated fiscal year-end to ¥463,494 million due largely to a decrease in cash and cash equivalents. Total equity decreased ¥5,068 million to ¥310,625 million. The ratio of equity attributable to owners of the parent to total assets stood at 62.4%.

(3) Forecast of Consolidated Financial Results

Lion has made no revisions to the consolidated financial results forecasts released on February 13, 2025 for the first half of the fiscal year under review and for the full fiscal year.

Assumptions Underlying the Forecast of Consolidated Financial Results for Fiscal 2025

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

¥152 = US\$1.00

¥4.3 = 1.00 baht

2. Condensed Interim Consolidated Financial Statements and Notes
(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of yen)

	December 31, 2024	March 31, 2025
Assets		
Current assets		
Cash and cash equivalents	102,240	80,831
Trade and other receivables	76,197	64,992
Inventories	53,252	58,102
Other financial assets	16,891	17,039
Other current assets	2,843	3,636
Total current assets	251,424	224,601
Non-current assets		
Property, plant and equipment	128,143	124,214
Goodwill	327	327
Intangible assets	21,078	20,683
Right-of-use assets	30,667	30,344
Investments accounted for using the equity method	20,767	20,406
Deferred tax assets	4,638	4,356
Retirement benefit assets	12,311	12,359
Other financial assets	27,000	25,517
Other non-current assets	807	682
Total non-current assets	245,742	238,892
Total assets	497,167	463,494

Lion Corporation (Code 4912): Consolidated Financial Statements
for the First Quarter Ended March 31, 2025

(Millions of yen)

	December 31, 2024	March 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	117,129	98,198
Income tax payables	10,391	3,737
Provisions	3,054	3,688
Lease liabilities	2,099	2,268
Other financial liabilities	1,302	1,643
Other current liabilities	8,400	5,460
Total current liabilities	142,378	114,996
Non-current liabilities		
Deferred tax liabilities	3,339	2,265
Retirement benefit liabilities	1,733	2,092
Provisions	2,171	2,172
Lease liabilities	27,637	27,189
Other financial liabilities	2,384	2,368
Other non-current liabilities	1,827	1,784
Total non-current liabilities	39,094	37,872
Total liabilities	181,473	152,868
Equity		
Share capital	34,433	34,433
Capital surplus	31,327	31,415
Treasury stock	(8,730)	(8,681)
Other components of equity	23,749	18,568
Retained earnings	212,938	213,305
Equity attributable to owners of the parent	293,717	289,042
Non-controlling interests	21,976	21,583
Total equity	315,694	310,625
Total liabilities and equity	497,167	463,494

(2) Condensed Interim Consolidated Statement of Income and Statement of Comprehensive Income

Condensed Interim Consolidated Statement of Income

Three months ended March 31, 2024 and 2025

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Net sales	92,965	94,237
Cost of sales	(50,733)	(52,216)
Gross profit	42,232	42,021
Selling, general and administrative expenses	(38,238)	(36,734)
Other income	1,146	523
Other expenses	(246)	(174)
Operating profit	4,893	5,636
Finance income	402	287
Finance costs	(232)	(409)
Share of profit of investments accounted for using the equity method	754	808
Profit before tax	5,817	6,322
Income taxes	(1,619)	(1,567)
Profit for the period	4,198	4,755
Profit for the period attributable to:		
Owners of the parent	3,548	4,026
Non-controlling interests	649	729
Profit for the period	4,198	4,755
Earnings per share		
Basic (Yen)	12.72	14.57
Diluted (Yen)	12.70	14.54

Condensed Interim Consolidated Statement of Comprehensive Income
Three months ended March 31, 2024 and 2025

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Profit for the period	4,198	4,755
Other comprehensive income		
Items that will not be reclassified as profit or loss		
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	365	(575)
Remeasurements of defined benefit plans	973	(184)
Share of other comprehensive income (loss) of investments accounted for using the equity method	5	(6)
Total items that will not be reclassified as profit or loss	1,345	(765)
Items that may be subsequently reclassified as profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges	21	(5)
Exchange differences on translation of foreign operations	2,270	(5,313)
Total items that may be subsequently reclassified as profit or loss	2,291	(5,319)
Total other comprehensive income, net of tax	3,637	(6,085)
Comprehensive income for the period	7,835	(1,329)
Comprehensive income for the period attributable to:		
Owners of the parent	6,940	(936)
Non-controlling interests	895	(392)
Comprehensive income for the period	7,835	(1,329)

(3) Condensed Interim Consolidated Statement of Changes in Equity

Three months ended March 31, 2024

(Millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Treasury stock	Other components of equity		
				Subscription rights to shares	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at January 1, 2024	34,433	31,118	(7,868)	50	10,227	—
Profit for the period						
Other comprehensive income					372	973
Total comprehensive income for the period	—	—	—	—	372	973
Dividends						
Acquisition of treasury stock			(10,000)			
Disposal of treasury stock			3			
Cancellation of treasury stock			9,122			
Share-based payments		29				
Transfer from other components of equity to retained earnings						(973)
Total transactions with owners	—	29	(875)	—	—	(973)
Balance at March 31, 2024	34,433	31,148	(8,743)	50	10,600	—

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Other components of equity			Retained earnings	Total			
	Net gain (loss) on derivatives designated as cash flow hedges	Exchange differences on translation of foreign operations	Total					
Balance at January 1, 2024	(21)	8,122	18,377	204,255	280,316	17,817	298,134	
Profit for the period			—	3,548	3,548	649	4,198	
Other comprehensive income	21	2,023	3,391		3,391	245	3,637	
Total comprehensive income for the period	21	2,023	3,391	3,548	6,940	895	7,835	
Dividends			—	(3,697)	(3,697)		(3,697)	
Acquisition of treasury stock			—		(10,000)		(10,000)	
Disposal of treasury stock			—		3		3	
Cancellation of treasury stock			—	(9,122)	—		—	
Share-based payments			—		29		29	
Transfer from other components of equity to retained earnings			(973)	973	—		—	
Total transactions with owners	—	—	(973)	(11,846)	(13,666)	—	(13,666)	
Balance at March 31, 2024	—	10,145	20,795	195,957	273,591	18,712	292,304	

Three months ended March 31, 2025

(Millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Treasury stock	Other components of equity		
				Subscription rights to shares	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at January 1, 2025	34,433	31,327	(8,730)	50	10,687	—
Profit for the period						
Other comprehensive income					(558)	(184)
Total comprehensive income for the period	—	—	—	—	(558)	(184)
Dividends						
Acquisition of treasury stock			(0)			
Disposal of treasury stock			50	(7)		
Share-based payments		88				
Transfer from other components of equity to retained earnings					(394)	184
Total transactions with owners	—	88	49	(7)	(394)	184
Balance at March 31, 2025	34,433	31,415	(8,681)	42	9,734	—

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Other components of equity			Retained earnings	Total			
	Net gain (loss) on derivatives designated as cash flow hedges	Exchange differences on translation of foreign operations	Total					
Balance at January 1, 2025	1	13,009	23,749	212,938	293,717	21,976	315,694	
Profit for the period			—	4,026	4,026	729	4,755	
Other comprehensive income	(5)	(4,214)	(4,963)		(4,963)	(1,122)	(6,085)	
Total comprehensive income for the period	(5)	(4,214)	(4,963)	4,026	(936)	(392)	(1,329)	
Dividends			—	(3,869)	(3,869)		(3,869)	
Acquisition of treasury stock			—		(0)		(0)	
Disposal of treasury stock			(7)		42		42	
Share-based payments			—		88		88	
Transfer from other components of equity to retained earnings			(210)	210	—		—	
Total transactions with owners	—	—	(218)	(3,659)	(3,738)	—	(3,738)	
Balance at March 31, 2025	(4)	8,795	18,568	213,305	289,042	21,583	310,625	

(4) Condensed Interim Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Cash flows from operating activities		
Profit before tax	5,817	6,322
Depreciation and amortization	5,196	5,054
Impairment loss	3	27
Interest and dividend income	(199)	(222)
Interest expenses	193	211
Share of loss (profit) of investments accounted for using the equity method	(754)	(808)
Loss (gain) on disposal of non-current assets	50	26
Decrease (increase) in trade and other receivables	6,137	9,729
Decrease (increase) in inventories	(5,668)	(5,633)
Increase (decrease) in trade and other payables	(10,443)	(14,153)
Increase in net defined benefit liability	(573)	330
Other	(3,627)	(2,608)
Subtotal	(3,867)	(1,723)
Interest and dividends received	230	189
Interest paid	(26)	(30)
Income taxes paid	(1,470)	(8,601)
Cash flows from operating activities	(5,134)	(10,166)
Cash flows from investing activities		
Net decrease (increase) in time deposits	(1,096)	(1,131)
Purchase of property, plant and equipment	(4,135)	(4,439)
Proceeds from sales of property, plant and equipment	1	1
Purchase of intangible assets	(193)	(174)
Purchase of other financial assets	(151)	(283)
Proceeds from sales of other financial assets	—	702
Expenditures for purchase of stocks of affiliated companies	(102)	—
Proceeds from sales of businesses	596	—
Other	(7)	70
Cash flows from investing activities	(5,088)	(5,253)
Cash flows from financing activities		
Cash dividends paid	(3,707)	(3,880)
Repayment of lease liabilities	(590)	(654)
Purchase of treasury stock	(10,000)	(0)
Other	0	0
Cash flows from financing activities	(14,298)	(4,535)
Effect of exchange rate changes on cash and cash equivalents	745	(1,453)
Increase (decrease) in cash and cash equivalents	(23,775)	(21,408)
Cash and cash equivalents at beginning of period	85,526	102,240
Cash and cash equivalents at end of period	61,750	80,831

(5) Notes to Condensed Interim Consolidated Financial Statements

Notes relating to the assumption of a going concern

Not applicable.

Segment Information

(1) Overview of reportable segments

The Group's reportable segments are component units of the Company for which separate financial information is available and that are subject to regular review by the Board of Directors for the purpose of making decisions regarding the allocation of management resources and evaluating business performance.

The Group's business divisions are organized by product category; each business division formulates a comprehensive strategy and carries out business activities for the products it handles. Affiliated companies in Japan undertake business activities pertinent to the characteristics of their respective products and services.

Affiliated companies located overseas are independent management units that conduct business activities pertinent to the characteristics of the regions in which they operate.

Accordingly, the Group comprises three reportable segments divided by product and service type and by region, which are, in turn, based on business divisions and companies; namely, the reportable segments are Consumer Products Business, Industrial Products Business and Overseas Business.

The Company's reportable segments are as follows.

A. Consumer Products Business

The Consumer Products Business engages in the manufacture and sale of commodities and over-the-counter drugs, primarily in Japan.

Main products: Toothpastes, toothbrushes, hand soaps, antipyretic analgesics, eye drops, laundry detergents, dishwashing detergents, fabric softeners, household cleaners, bleaches and pet supplies

B. Industrial Products Business

The Industrial Products Business engages primarily in the manufacture, sale and trading of chemical raw materials, industrial products and other items in Japan and also includes the manufacture, sale and trading of such products for overseas markets.

Main products: Activator, electro-conductive carbon and detergents for institutional use

C. Overseas Business

The Overseas Business engages mainly in the manufacture and sale of commodities by affiliated overseas businesses.

D. Other Business

Lion subsidiaries located in Japan primarily undertake operations related to Group businesses.

Main products and services: Construction contracting, real estate management and temporary staffing

(2) Net Sales and Performance of Reportable Segments

Three months ended March 31, 2024

(Millions of yen)

	Reportable Segment			Other	Total	Adjustment ²	Consolidated ³
	Consumer Products Business	Industrial Products Business	Overseas Business				
Net sales							
External	47,857	8,699	36,020	388	92,965	—	92,965
Intersegment ¹	8,335	4,350	5,428	3,419	21,534	(21,534)	—
Total	56,192	13,049	41,448	3,808	114,500	(21,534)	92,965
Core operating income	3,294	782	1,519	165	5,763	(1,769)	3,994
Other income							1,146
Other expenses							(246)
Operating profit							4,893
Finance income							402
Finance costs							(232)
Share of profit of investments accounted for using the equity method							754
Profit before tax							5,817

- Notes:
1. Includes intra-segment transactions within the reportable segments.
 2. A negative ¥1,769 million adjustment of core operating income mainly comprises intersegment eliminations and corporate expenses not allocated to any reportable segment.
 3. Core operating income is reconciled with gross profit as follows.

	(Millions of yen)
Gross profit	42,232
<u>Selling, general and administrative expenses</u>	<u>(38,238)</u>
Core operating income	3,994

Core operating income is calculated as gross profit less selling, general and administrative expenses, and is the basis on which the Board of Directors evaluates the performance of each segment.

Three months ended March 31, 2025

(Millions of yen)

	Reportable Segment			Other	Total	Adjustment ²	Consolidated ³
	Consumer Products Business	Industrial Products Business	Overseas Business				
Net sales							
External	47,112	9,022	37,769	333	94,237	—	94,237
Intersegment ¹	8,271	5,134	4,692	2,433	20,531	(20,531)	—
Total	55,383	14,157	42,462	2,766	114,769	(20,531)	94,237
Core operating income	4,419	654	1,801	(24)	6,850	(1,563)	5,287
Other income							523
Other expenses							(174)
Operating profit							5,636
Finance income							287
Finance costs							(409)
Share of profit of investments accounted for using the equity method							808
Profit before tax							6,322

- Notes:
1. Includes intra-segment transactions within the reportable segments.
 2. A negative ¥1,563 million adjustment of core operating income mainly comprises intersegment eliminations and corporate expenses not allocated to any reportable segment.
 3. Core operating income is reconciled with gross profit as follows.

	(Millions of yen)
Gross profit	42,021
<u>Selling, general and administrative expenses</u>	<u>(36,734)</u>
Core operating income	5,287

Core operating income is calculated as gross profit less selling, general and administrative expenses, and is the basis on which the Board of Directors evaluates the performance of each segment.

(3) Changes in Reportable Segments

Previously, transactions related to overseas support functions were attributed to the Consumer Products business segment, but in light of the growing importance of the Overseas business segment, accounting for these items has been transferred to the Overseas business segment starting from the first quarter of the fiscal year under review. In addition, the Company has reclassified royalty income from overseas Group companies and revised the method of measuring core operating income and other income in the reported segments. Segment information for the first quarter of the previous consolidated fiscal year has also been reclassified to reflect this change.