



Summary of Consolidated Financial Statements for the First Half Ended June 30, 2025 [IFRS]

August 7, 2025

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

Representative: Masayuki Takemori, Representative Director, President and Executive Officer
Contact: Akihiko Takeo, Executive Officer, Director of Finance Department
Telephone: +81-3-6739-3711

Scheduled date of filing of semi-annual securities report: August 8, 2025
Start date of payment of dividend: September 2, 2025
Supplementary materials prepared for financial results: Yes
Earning announcement for financial results: Yes (for institutional investors, analysts, etc.)

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

1. Consolidated Results for the First Half Ended June 30, 2025 (January 1, 2025 – June 30, 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	%
Six months ended June 30, 2025	199,459	0.4	13,379	0.2	14,650	(5.6)
Six months ended June 30, 2024	198,634	3.0	13,357	113.9	15,517	114.6

	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	%
Six months ended June 30, 2025	11,137	(0.8)	9,609	(3.2)	6,624	(68.6)
Six months ended June 30, 2024	11,227	120.3	9,931	131.0	21,076	49.2

Note: Core operating income for the six months ended June 30, 2025 was ¥12,639 million (up 32.3% year on year). Core operating income for the six months ended June 30, 2024 was ¥9,554 (up 50.2% 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
Six months ended June 30, 2025	34.75	34.71
Six months ended June 30, 2024	35.76	35.71

(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	%
June 30, 2025	468,808	317,282	295,973	63.1
December 31, 2024	497,167	315,694	293,717	59.1

2. Dividends

	Cash dividends per share				
	First Quarter-End	Second Quarter-End	Third Quarter-End	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2024	—	13.00	—	14.00	27.00
Fiscal 2025	—	15.00			
Fiscal 2025 (forecast)			—	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
Fiscal 2025	420,000	1.7	35,000	23.3	25,000	17.9	90.24

Notes: 1. Core operating income forecast: 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 June 30, 2025:	279,782,746 shares
As of December 31, 2024:	284,432,746 shares
 - b. Number of treasury stocks on balance sheet date:

As of June 30, 2025:	3,129,795 shares
As of December 31, 2024:	8,045,423 shares
 - c. Average number of shares outstanding over period

Six months ended June 30, 2025:	276,537,786 shares
Six months ended June 30, 2024:	277,720,624 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 Half of the Current Fiscal Year (3) Forecast of Consolidated Financial Results on page 9.

Contents

1. Qualitative Information Concerning the Results of Operations for the First Half of the Current Fiscal Year -----	2
(1) Consolidated Performance-----	2
(2) Financial Status-----	9
(3) Forecast of Consolidated Financial Results -----	9
2. Condensed Interim Consolidated Financial Statements and Notes -----	10
(1) Condensed Interim Consolidated Statement of Financial Position -----	10
(2) Condensed Interim Consolidated Statement of Income and Statement of Comprehensive Income-----	12
(3) Condensed Interim Consolidated Statement of Changes in Equity -----	14
(4) Condensed Interim Consolidated Statement of Cash Flows-----	16
(5) Notes to Condensed Interim Consolidated Financial Statements -----	18
Notes relating to the assumption of a going concern -----	18
Segment Information -----	18
Significant Subsequent Events -----	21

1. Qualitative Information Concerning the Results of Operations for the First Half of the Current Fiscal Year

(1) Consolidated Performance

Consolidated results for the first half of fiscal 2025 (January 1, 2025–June 30, 2025) are as follows. Net sales amounted to ¥199,459 million, a year-on-year increase of 0.4% (or a 0.3% increase at constant currency excluding exchange rate fluctuations). Core operating income came to ¥12,639 million, up 32.3% compared with the previous fiscal year, and operating profit to ¥13,379 million, up 0.2% year on year. Profit for the period attributable to owners of the parent totaled ¥9,609 million, down 3.2% 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 addition, to expand growth, the Company acquired all shares of an equity-method affiliate in Vietnam, turning it into a wholly owned subsidiary. In Japan, we are striving to improve profitability by prioritizing the development of mainstay brands and proposing new habits. Simultaneously, Lion also implemented reforms to its profit structure, including the decision to transfer its food preparation product brand.

Consolidated Results

(Millions of yen)

	Six months ended June 30, 2025	Ratio to net sales	Six months ended June 30, 2024	Ratio to net sales	Change	Change (%)
Net sales	199,459		198,634		825	0.4%
Core operating income	12,639	6.3%	9,554	4.8%	3,085	32.3%
Operating profit	13,379	6.7%	13,357	6.7%	21	0.2%
Profit for the period attributable to owners of the parent	9,609	4.8%	9,931	5.0%	(322)	(3.2%)

Notes: 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			
	Six months ended June 30, 2025	Six months ended June 30, 2024	Change	Change (%)	Six months ended June 30, 2025	Six months ended June 30, 2024	Change	Change (%)
Consumer Products	121,739	122,262	(523)	(0.4%)	9,136	5,994	3,142	52.4%
Industrial Products	28,698	26,470	2,227	8.4%	1,462	1,495	(33)	(2.2%)
Overseas	84,237	84,615	(377)	(0.4%)	3,176	2,970	206	6.9%
Other	5,261	7,779	(2,517)	(32.4%)	(33)	294	(328)	—
Subtotal	239,936	241,127	(1,191)	(0.5%)	13,742	10,755	2,986	27.8%
Adjustment	(40,476)	(42,493)	2,016	—	(1,102)	(1,200)	98	—
Total	199,459	198,634	825	0.4%	12,639	9,554	3,085	32.3%

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 interim period of the fiscal year under review. Segment information for the interim period 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 Care Products, Beauty Care Products, Fabric Care Products, Living Care Products, Pharmaceutical Products and Other Products businesses. Segment net sales decreased 0.4% compared with the same period in the previous fiscal year. Core operating income increased 52.4% due to profit structure reform measures.

(Millions of yen)

	Six months ended June 30, 2025	Ratio to net sales	Six months ended June 30, 2024	Ratio to net sales	Change	Change (%)
Net sales	121,739		122,262		(523)	(0.4%)
Core operating income	9,136	7.5%	5,994	4.9%	3,142	52.4%

Note: Net sales include internal sales within and among segments, which amounted to ¥16,688 million in the first half of fiscal 2025 and ¥16,240 million in the first half of fiscal 2024.

Net Sales by Product Segment

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2024	Change	Change (%)
Oral Healthcare Products	36,862	35,900	961	2.7%
Beauty Care Products	12,133	11,842	291	2.5%
Fabric Care Products	26,636	27,647	(1,011)	(3.7%)
Living Care Products	10,263	10,187	76	0.8%
Pharmaceutical Products	10,918	12,059	(1,140)	(9.5%)
Other Products	24,924	24,625	298	1.2%

Oral Healthcare Products

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

In toothpastes, sales of *OCH-TUNE Toothpaste*, launched in April 2024, were lower year on year, but overall sales increased year on year thanks to the strong performance of *CLINICA PRO Toothpaste* and *SYSTEMA Haguki (the Gums) Plus Toothpaste*.

In toothbrushes, *CLINICA PRO* toothbrushes were favorable, but due to a natural fall off in demand after the launch of *OCH-TUNE* toothbrushes, overall sales decreased year on year.

In dental rinses, sales of *NONIO Plus Whitening Dental Rinse* were strong, but due to a demand recoil after the launch of *OCH-TUNE* mouthwashes, overall sales decreased year on year.

Overall sales of Oral Healthcare Products increased 2.7% 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* were up significantly 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

In addition, Lion launched a new hair care brand, *MEGAMIS*, which proposes the new habit of applying hair serum before conditioner, and sales have begun at a number of retail outlets and on e-commerce sites. This brand has received favorable customer reviews.

Overall sales of Beauty Care Products increased 2.5% 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 3.7%.

Living Care Products

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

In household cleaners, the Company launched the new *LOOK Plus Whole Toilet Antibacterial & Deodorizing Fogger*, which offers a new way of cleaning using silver ion fog to disinfect the entire toilet chamber of odor-causing bacteria, thereby preventing the development of new odors. This product has received favorable customer reviews. In addition, sales of *LOOK Plus Bath Cleansing* were steady, and overall sales increased year on year.

In dishwashing detergents, sales of *CHARMY Magica* were down year on year, and overall sales also decreased year on year.

Overall sales of Living Care Products increased 0.8% 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 *Smile 40 Premium THE ONE* decreased year on year, and overall sales also decreased year on year.

Sales of *Kyusoku Jikan Ashi-Sukkiri Sheet* cooling gel sheets for feet were strong, and *PAIR ACNE Cream W* acne medicine performed favorably, leading to substantially increased overall sales year on year.

Due partially to the impact of transferring some brands to other companies in 2024, overall sales of Pharmaceutical Products decreased 9.5% year on year, but excluding this impact, sales were higher 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 1.2% 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 8.4% year on year. Core operating income decreased 2.2%, primarily due to the impact of higher raw material prices and changes in the sales composition.

(Millions of yen)

	Six months ended June 30, 2025	Ratio to net sales	Six months ended June 30, 2024	Ratio to net sales	Change	Change (%)
Net sales	28,698		26,470		2,227	8.4%
Core operating income	1,462	5.1%	1,495	5.6%	(33)	(2.2%)

Note: Net sales include internal sales within and among segments, which amounted to ¥9,509 million in the first half of fiscal 2025 and ¥7,930 million in the first half 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 increased 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 such nitrogen compounds as surfactants increased substantially 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 decreased 0.4% year on year (or a decrease of 0.6% at constant currency excluding exchange rate fluctuations). Core operating income increased 6.9% year on year.

(Millions of yen)

	Six months ended June 30, 2024	Ratio to net sales	Six months ended June 30, 2023	Ratio to net sales	Change	Change (%)
Net sales	84,237		84,615		(377)	(0.4%)
Core operating income	3,176	3.8%	2,970	3.5%	206	6.9%

Note: Net sales include internal sales within and among segments, which amounted to ¥9,599 million in the first half of fiscal 2025 and ¥11,247 million in the first half of fiscal 2024.

Net Sales by Region

(Millions of yen)

		Six months ended June 30, 2025	Six months ended June 30, 2024	Change	Change (%)
Southeast and South Asia	Net sales	51,540	48,920	2,619	5.4%
	Core operating income	2,754	2,184	569	26.1%
Northeast Asia	Net sales	32,697	35,694	(2,997)	(8.4%)
	Core operating income	422	785	(363)	(46.3%)

In Southeast and South Asia, net sales were up 5.4% year on year (or up 1.4% at constant currency excluding exchange rate fluctuations), and core operating income was up 26.1%.

In Northeast Asia, overall sales were down 8.4% year on year (or down 3.5% at constant currency excluding exchange rate fluctuations), and core operating income was down 46.3%.

Net Sales by Key Country

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2024	Change	Change (%)
Thailand	33,367	31,388	1,979	6.3%
Malaysia	12,109	11,496	613	5.3%
China	14,661	14,890	(228)	(1.5%)
South Korea	9,831	11,998	(2,166)	(18.1%)

Thailand

In laundry detergents, sales of mainstay brand *Pao* liquid laundry detergent 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 6.3% year on year (or up 1.7% at constant currency excluding exchange rate fluctuations).

Malaysia

In laundry detergents, *TOP* liquid laundry detergent saw strong sales, 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 5.3% year on year (or up 0.9% at constant currency excluding exchange rate fluctuations).

China

In toothpastes, sales of *CLINICA* which launched last year under local production, were strong, and we launched a new high-value-added product in the mainstay *White&White* brand in the second quarter. However, overall sales were down year on year, partially due to price stabilization measures implemented to ensure profitability of the *White&White* brand.

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

Sales increased year on year on a local currency basis, but due to the impact of exchange rate fluctuations, overall sales in China were down 1.5% year on year (or up 2.9% at constant currency excluding exchange rate fluctuations).

South Korea

In laundry detergents, sales of mainstay brand *BEAT* capsule detergents were strong, but sales of powder detergents were down year on year, and overall sales decreased year on year.

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

Overall sales in South Korea decreased 18.1% year on year (or down 10.5% at constant currency excluding exchange rate fluctuations), 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)

	Six months ended June 30, 2025	Ratio to net sales	Six months ended June 30, 2024	Ratio to net sales	Change	Change (%)
Net sales	5,261		7,779		(2,517)	(32.4%)
Core operating income	(33)	(0.6%)	294	3.8%	(328)	—

Note: Net sales include internal sales within and among segments, which amounted to ¥4,679 million in the first half of fiscal 2025 and ¥7,073 million in the first half of fiscal 2024.

(2) Financial Status

Status of Consolidated Assets, Liabilities and Equity

	June 30, 2025	December 31, 2024	Change
Total assets (millions of yen)	468,808	497,167	(28,358)
Total equity (millions of yen)	317,282	315,694	1,588
Ratio of equity attributable to owners of the parent to total assets (%)	63.1	59.1	4.1

Total assets decreased ¥28,358 million compared with the previous consolidated fiscal year-end to ¥468,808 million, due primarily to a decrease in cash and cash equivalents. Total equity increased ¥1,588 million to ¥317,282 million. The ratio of equity attributable to owners of the parent to total assets stood at 63.1%.

(3) Forecast of Consolidated Financial Results

Lion has made no revisions to the consolidated financial results forecasts released on February 13, 2025 for the full fiscal year.

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	June 30, 2025
Assets		
Current assets		
Cash and cash equivalents	102,240	80,777
Trade and other receivables	76,197	69,522
Inventories	53,252	56,469
Other financial assets	16,891	18,598
Other current assets	2,843	5,130
Total current assets	251,424	230,499
Non-current assets		
Property, plant and equipment	128,143	123,625
Goodwill	327	327
Intangible assets	21,078	20,495
Right-of-use assets	30,667	29,831
Investments accounted for using the equity method	20,767	20,351
Deferred tax assets	4,638	4,403
Retirement benefit assets	12,311	12,505
Other financial assets	27,000	26,029
Other non-current assets	807	738
Total non-current assets	245,742	238,309
Total assets	497,167	468,808

(Millions of yen)

	December 31, 2024	June 30, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	117,129	96,224
Borrowings	—	81
Income tax payables	10,391	6,569
Provisions	3,054	3,356
Lease liabilities	2,099	2,199
Other financial liabilities	1,302	1,350
Other current liabilities	8,400	5,625
Total current liabilities	142,378	115,407
Non-current liabilities		
Deferred tax liabilities	3,339	1,836
Retirement benefit liabilities	1,733	921
Provisions	2,171	2,183
Lease liabilities	27,637	27,033
Other financial liabilities	2,384	2,356
Other non-current liabilities	1,827	1,787
Total non-current liabilities	39,094	36,118
Total liabilities	181,473	151,526
Equity		
Share capital	34,433	34,433
Capital surplus	31,327	31,271
Treasury stock	(8,730)	(3,303)
Other components of equity	23,749	18,854
Retained earnings	212,938	214,716
Equity attributable to owners of the parent	293,717	295,973
Non-controlling interests	21,976	21,309
Total equity	315,694	317,282
Total liabilities and equity	497,167	468,808

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

Condensed Interim Consolidated Statement of Income

Six months ended June 30, 2024 and 2025

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Net sales	198,634	199,459
Cost of sales	(108,303)	(108,920)
Gross profit	90,330	90,539
Selling, general and administrative expenses	(80,776)	(77,899)
Other income	4,216	1,034
Other expenses	(412)	(294)
Operating profit	13,357	13,379
Finance income	1,126	730
Finance costs	(420)	(966)
Share of profit of investments accounted for using the equity method	1,453	1,506
Profit before tax	15,517	14,650
Income taxes	(4,289)	(3,513)
Profit for the period	11,227	11,137
Profit for the period attributable to:		
Owners of the parent	9,931	9,609
Non-controlling interests	1,296	1,527
Profit for the period	11,227	11,137
Earnings per share		
Basic (Yen)	35.76	34.75
Diluted (Yen)	35.71	34.71

Condensed Interim Consolidated Statement of Comprehensive Income

Six months ended June 30, 2024 and 2025

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Profit for the period	11,227	11,137
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	1,108	(394)
Remeasurements of defined benefit plans	1,950	905
Share of other comprehensive income (loss) of investments accounted for using the equity method	14	2
Total items that will not be reclassified as profit or loss	3,073	512
Items that may be subsequently reclassified as profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges	22	(1)
Exchange differences on translation of foreign operations	6,753	(5,024)
Total items that may be subsequently reclassified as profit or loss	6,775	(5,025)
Total other comprehensive income, net of tax	9,848	(4,512)
Comprehensive profit for the period	21,076	6,624
Comprehensive income for the period attributable to:		
Owners of the parent	18,615	6,075
Non-controlling interests	2,460	549
Comprehensive profit for the period	21,076	6,624

(3) Condensed Interim Consolidated Statement of Changes in Equity

Six months ended June 30, 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					1,121	1,950
Total comprehensive income for the period	—	—	—	—	1,121	1,950
Dividends						
Acquisition of treasury stock			(10,000)			
Disposal of treasury stock			17			
Cancellation of treasury stock			9,122			
Share-based payments		31				
Transfer from other components of equity to retained earnings					(172)	(1,950)
Total transactions with owners	—	31	(861)	—	(172)	(1,950)
Balance at June 30, 2024	34,433	31,150	(8,729)	50	11,176	—

	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			—	9,931	9,931	1,296	11,227
Other comprehensive income	22	5,589	8,684		8,684	1,164	9,848
Total comprehensive income for the period	22	5,589	8,684	9,931	18,615	2,460	21,076
Dividends			—	(3,697)	(3,697)	(1,234)	(4,932)
Acquisition of treasury stock			—		(10,000)		(10,000)
Disposal of treasury stock			—		17		17
Cancellation of treasury stock			—	(9,122)	—		—
Share-based payments			—		31		31
Transfer from other components of equity to retained earnings			(2,123)	2,123	—		—
Total transactions with owners	—	—	(2,123)	(10,696)	(13,649)	(1,234)	(14,884)
Balance at June 30, 2024	0	13,711	24,938	203,489	285,282	19,043	304,326

Six months ended June 30, 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					(399)	905
Total comprehensive income for the period	—	—	—	—	(399)	905
Dividends						
Acquisition of treasury stock			(1)			
Disposal of treasury stock			194	(47)		
Cancellation of treasury stock			5,234			
Share-based payments		(55)				
Changes in equity interests in subsidiaries						
Transfer from other components of equity to retained earnings					(407)	(905)
Total transactions with owners	—	(55)	5,427	(47)	(407)	(905)
Balance at June 30, 2025	34,433	31,271	(3,303)	2	9,880	—

	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			—	9,609	9,609	1,527	11,137
Other comprehensive income	(1)	(4,038)	(3,534)		(3,534)	(978)	(4,512)
Total comprehensive income for the period	(1)	(4,038)	(3,534)	9,609	6,075	549	6,624
Dividends			—	(3,869)	(3,869)	(1,261)	(5,131)
Acquisition of treasury stock			—		(1)		(1)
Disposal of treasury stock			(47)	(39)	106		106
Cancellation of treasury stock			—	(5,234)	—		—
Share-based payments			—		(55)		(55)
Changes in equity interests in subsidiaries			—		—	45	45
Transfer from other components of equity to retained earnings			(1,312)	1,312	—		—
Total transactions with owners	—	—	(1,360)	(7,831)	(3,819)	(1,216)	(5,035)
Balance at June 30, 2025	—	8,971	18,854	214,716	295,973	21,309	317,282

(4) Condensed Interim Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash flows from operating activities		
Profit before tax for	15,517	14,650
Depreciation and amortization	10,335	10,058
Impairment loss	9	27
Interest and dividend income	(729)	(664)
Interest expenses	391	386
Share of loss (profit)s of investments accounted for using the equity method	(1,453)	(1,506)
Loss (gain) on disposal of non-current assets	172	106
Gain on sale of businesses	(3,425)	—
Decrease (increase) in trade and other receivables	2,694	5,470
Decrease (increase) in inventories	(2,338)	(3,790)
Increase (decrease) in trade and other payables	(6,738)	(10,792)
Increase (decrease) in net defined benefit liability	(271)	583
Other	(4,210)	(4,266)
Total	9,954	10,262
Interest and dividends received	981	860
Interest paid	(32)	(19)
Income taxes paid	(1,903)	(9,254)
Cash flows from operating activities	9,000	1,848
Cash flows from investing activities		
Net decrease (increase) in time deposits	124	(2,274)
Purchase of property, plant and equipment	(8,188)	(12,730)
Proceeds from sales of property, plant and equipment	1	6
Purchase of intangible assets	(366)	(698)
Purchase of other financial assets	(662)	(299)
Proceeds from sales of other financial assets	468	843
Expenditures for purchase of stocks of affiliated companies	(102)	—
Gain on transfer of business	3,663	—
Other	35	44
Cash flows from investing activities	(5,027)	(15,107)

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	—	81
Repayment of long-term borrowings	(152)	—
Cash dividends paid	(3,695)	(3,863)
Cash dividends paid to non-controlling interests	(1,234)	(1,261)
Repayment of lease liabilities	(1,312)	(1,375)
Purchase of treasury stock	(10,000)	(1)
Proceeds from non-controlling shareholders	—	45
Other	0	1
Cash flows from financing activities	(16,396)	(6,374)
Effect of exchange rate changes on cash and cash equivalents	1,866	(1,829)
Increase (decrease) in cash and cash equivalents	(10,556)	(21,463)
Cash and cash equivalents at the beginning of the period	85,526	102,240
Balance of cash and cash equivalents at the end of the period	74,969	80,777

(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 Group's reportable segments are as follows.

A. Consumer Products Business

The Consumer Products Business engages in the manufacture and sale of commodities, over-the-counter drugs and foods with function claims, 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 and sale of chemical raw materials, industrial products and other items in Japan and overseas.

Main products: Activators, 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.

"Other" is not included in the reportable segments, which consists of Lion subsidiaries in Japan which are primarily engaged in construction contracting, real estate management and temporary staffing.

(2) Net Sales and Performance of Reportable Segments

Six months ended June 30, 2024

(Millions of yen)

	Reportable Segment			Other	Total	Adjustment ²	Consolidated ³
	Consumer Products Business	Industrial Products Business	Overseas Business				
Net sales							
External	106,021	18,540	73,367	705	198,634	—	198,634
Intersegment ¹	16,240	7,930	11,247	7,073	42,493	(42,493)	—
Total	122,262	26,470	84,615	7,779	241,127	(42,493)	198,634
Core operating income	5,994	1,495	2,970	294	10,755	(1,200)	9,554
Other income							4,216
Other expenses							(412)
Operating profit							13,357
Finance income							1,126
Finance costs							(420)
Share of profit of investments accounted for using the equity method							1,453
Profit before tax							15,517

- Notes:
1. Includes intra-segment transactions within the reportable segments.
 2. A negative ¥1,200 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	90,330
<u>Selling, general and administrative expenses</u>	<u>(80,776)</u>
Core operating income	9,554

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.

Six months ended June 30, 2025

(Millions of yen)

	Reportable Segment			Other	Total	Adjustment ²	Consolidated ³
	Consumer Products Business	Industrial Products Business	Overseas Business				
Net sales							
External	105,050	19,188	74,637	582	199,459	—	199,459
Intersegment ¹	16,688	9,509	9,599	4,679	40,476	(40,476)	—
Total	121,739	28,698	84,237	5,261	239,936	(40,476)	199,459
Core operating income	9,136	1,462	3,176	(33)	13,742	(1,102)	12,639
Other income							1,034
Other expenses							(294)
Operating profit							13,379
Finance income							730
Finance costs							(966)
Share of profit of investments accounted for using the equity method							1,506
Profit before tax							14,650

- Notes:
1. Includes intra-segment transactions within the reportable segments.
 2. A negative ¥1,102 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	90,539
<u>Selling, general and administrative expenses</u>	<u>(77,899)</u>
Core operating income	12,639

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 half 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 half of the previous consolidated fiscal year has also been reclassified to reflect this change.

Significant Subsequent Events

Acquisition of Shares (100% Acquisition)

Lion Corporation reached the decision reached at the Board of Directors meeting held on April 17, 2025 to acquire all shares of Vietnam-based Merap Lion Holding Corporation ("Merap Lion"), an equity-method affiliate, turning it into a wholly owned subsidiary. In accordance with this decision, delivery of these shares was completed on July 1, 2025.

(1) Reasons for the Acquisition

Strengthening business portfolio management is one of the basic policies of Vision2030 2nd STAGE, the Lion Group's medium-term management plan launched this year, and the focus of this policy encompasses stepping up growth measures overseas

Lion acquired a 36% stake in MERAP HOLDING CORPORATION in March 2023, changing the latter's name to Merap Lion Holding Corporation in April 2023. Merap Lion is steadily striving to expand by focusing on further developing its major brands in the healthcare field, as well as its distribution network and sales capabilities covering hospitals, clinics and pharmacies throughout Vietnam.

To generate greater synergy and further expand Merap Lion's business, Lion has decided to make it a wholly owned subsidiary. This move will facilitate the blending of Merap Lion's strengths with those of the Lion Group in product development and production technology in the oral healthcare and other categories. Going forward, with an eye to generating social and economic value for Merap Lion, we will continue to leverage that company's strengths and ability to promote the creation of better habits in the Vietnamese market while expanding the Group's consolidated performance.

(2) Overview of Merap Lion

(1) Name	Merap Lion Holding Corporation
(2) Location	Ho Chi Minh City, Vietnam
(3) Representative	Dao Xuan Dinh
(4) Business	Strategic and operational management of group companies involved mainly in the manufacture and sale of pharmaceuticals and medical devices
(5) Capital	224,000 million VND (approx. ¥1,254 million)
(6) Date of establishment	June 3, 2019

(3) Shares Acquired and Shareholdings before and after Acquisition

(1) Shares held by Lion before acquisition	8,064,000 (36.0% of voting rights)
(2) Shares acquired	14,336,000 (64.0% of voting rights)
(3) Shares held by Lion after acquisition	22,400,000 (100.0% of voting rights)

(4) Schedule

(1) Conclusion of the acquisition agreement	April 17, 2025
(2) Delivery of shares	July 1, 2025

(5) Acquisition Price and Breakdown of the Acquired Company

(Millions of Vietnamese dong)

	Amount
Cash and cash equivalents	3,200,000
Fair value of the equity interest in Merap Lion at time of acquisition	2,016,142
Unpaid compensation	384,252
Total	5,600,395

At the time of this disclosure, detailed information regarding the accounting treatment for this acquisition has not been disclosed because the initial accounting treatment has not been completed.