

Business Outline

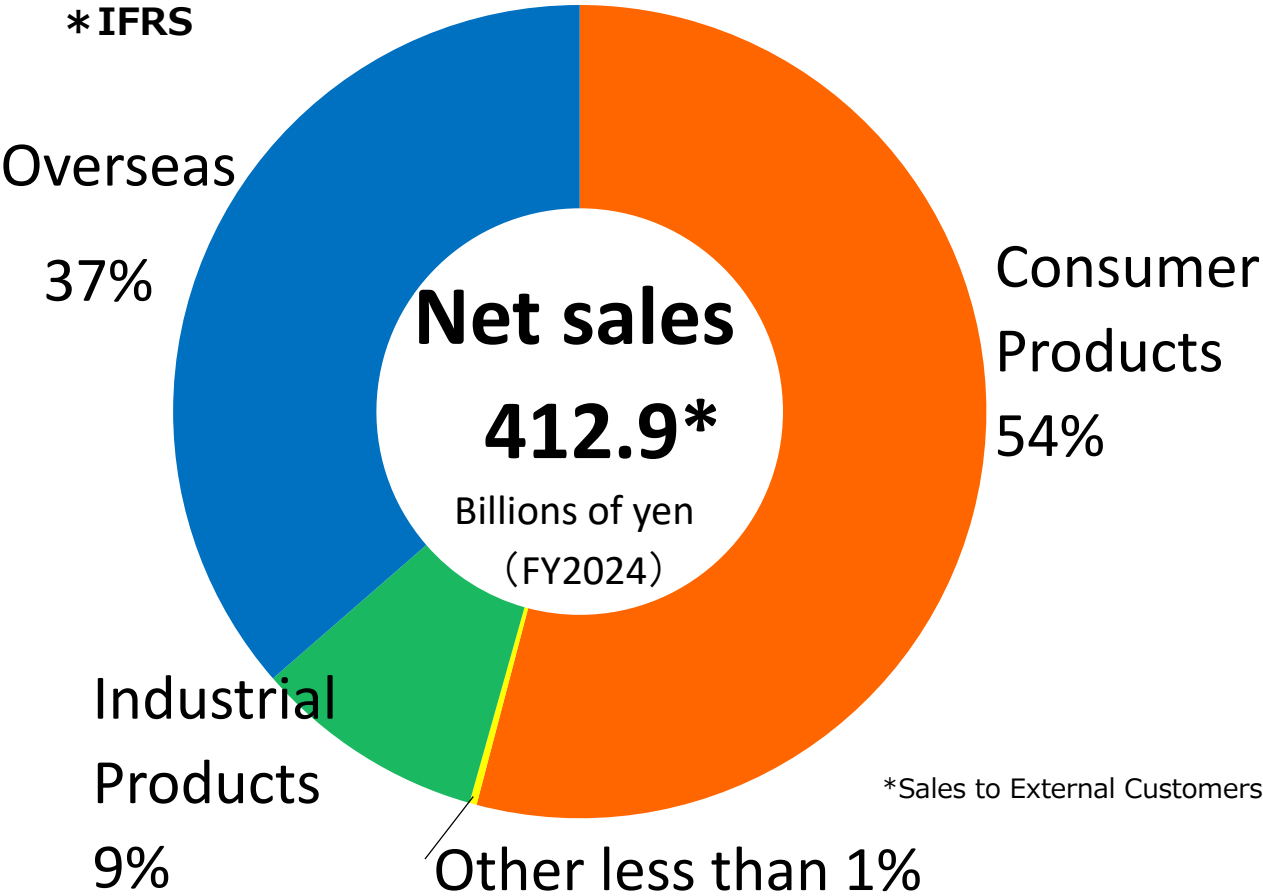
life.love.
LION

- Company Overview
- Lion's History and Purpose
- Management Plan for 2030

Company Overview

As of December 31,2024

| | | | |
|----------------------|----------------------------------|------------|--------------------|
| Consolidated results | Net sales: 412.9 billions of yen | Foundation | October, 1891 |
| Capital | 34.4 billions of yen | Employees | Consolidated:7,654 |



Lion adapted the International Financial Reporting Standards (IFRS) from 2018.

133 years of business



T. Kobayashi & Co.
(Year 1891)



Lion Toothpowder
(Year1896)
Company name
came from this product.



Lion laundry Soap
Vegetable-derived
(Year1920)

Other



Pet Care



Gift

Pharmaceutical



Eye drops
Smile

Antipyretic analgesics No.2



Antipyretic analgesics
BUFFERIN

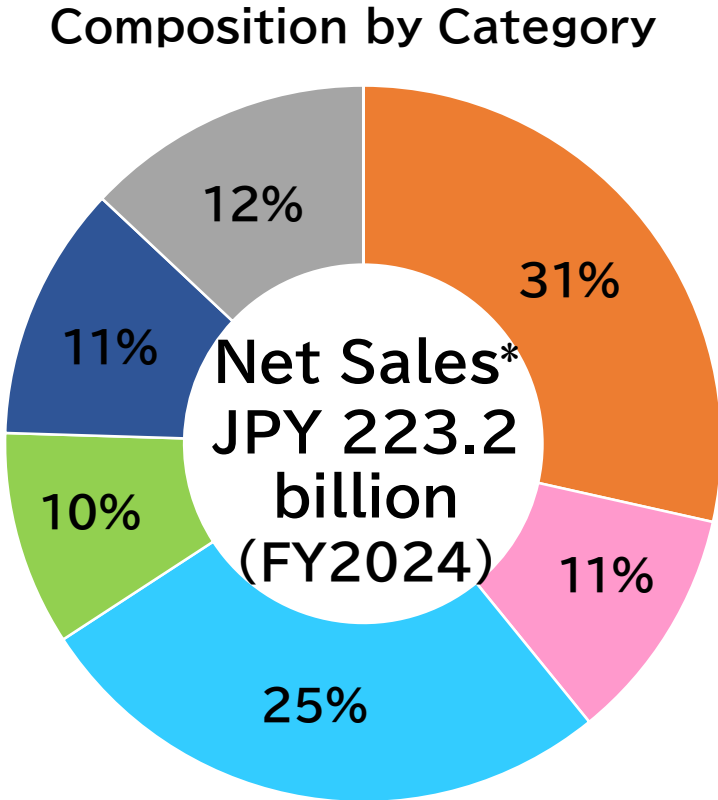
Living Care



Dishwashing detergents
CHARMY



Household cleaners
LOOK



*Sales to External Customers

Oral Care

Toothpaste・Toothbrush No.1



SYSTEMA

CLINICA

Beauty Care

Hand Soap No.1



Hygiene care
Kirei Kirei



Body soap
hadakara



Deodorants
Ban

Fabric Care



Laundry Detergent
NANOX



Softener
SOFLAN

Net sales*: JPY 38.1 billion(FY2024) *Sales to External Customer

Chemical

Mobility

Anti-sticking agents for rubber
Additive agents for rubber



Electronics

Electro-conductive carbon,
Pressure-sensitive adhesives



Life-Chemical

Surfactants derived from oils and fats



Detergent for Institutional Use

Cleaners for
dishwashing machine



Alcohol
Sanitizer



Hand soap



Cleaners for
vegetables



Vegetable washing
systems



Cleaners for
kitchen



Overseas Business Business Areas & Market Position

Market Share Position in 2024 Source: LION
*Data for Singapore is in 2023

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LION

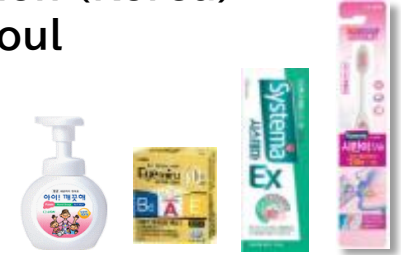
LION CORPORATION(Thailand)Ltd.
Located in Bangkok
Hand Soap No.1
Toothbrush, Body Soap, Laundry Detergent, Dishwashing Detergent No.2



Lion Daily Necessities Chemicals (Qingdao) Co., Ltd.
Located in Qingdao
Toothbrush (Online Channel) No.2



Lion Corporation (Korea)
Located in Seoul
Hand Soap No.1
Eye Drop No.3



Lion Kallol Limited* *Established in June 2022
Located in Dhaka



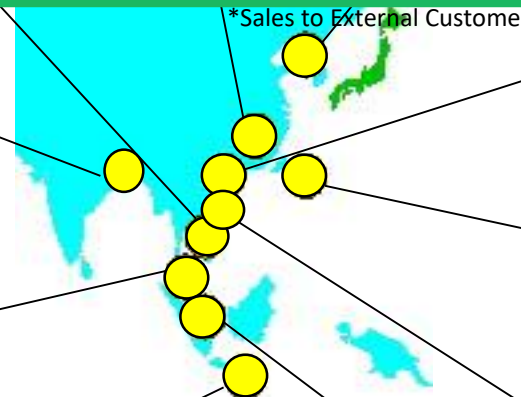
Southern Lion Sdn. Bhd.
Located in Johor Bahru
Laundry Detergent No.1



PT. Lion Wings* *Equity method subsidiary
Located in Jakarta Timur
Toothpaste, Dishwashing Detergent No.2



**Net sales*:
JPY 150.2 billion
(FY2024)**



Lion Corporation (Hong Kong) Ltd.
Located in Hong Kong
Toothbrush, Dental Rinse No.2



Lion Home Products (Taiwan) Co., Ltd.
Located in New Taipei City
Toothbrush, Eye Drop No.3



Merap Lion Holding Corporation*
*Equity method subsidiary from March 2023
Located in Ho Chi Minh City
Functional Eye Drop segment No.2



Lion Corporation (Singapore) Pte Ltd.
Located in Singapore
Hand Soap, Laundry Detergent, Dishwashing Detergent No.1, Toothbrush No.2



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Our History in Living Habits: Oral Care Habits

Lion's history is a history of fostering good living habits

First Lion oral hygiene lecture



First Oral Health Event of Tooth Brushing for Children



Lion Health Car



KidZania



1913

1921

1932

1934

1952

1961

2006

2018



Lion Dental Clinic for Children opened



Artist-illustrated poster

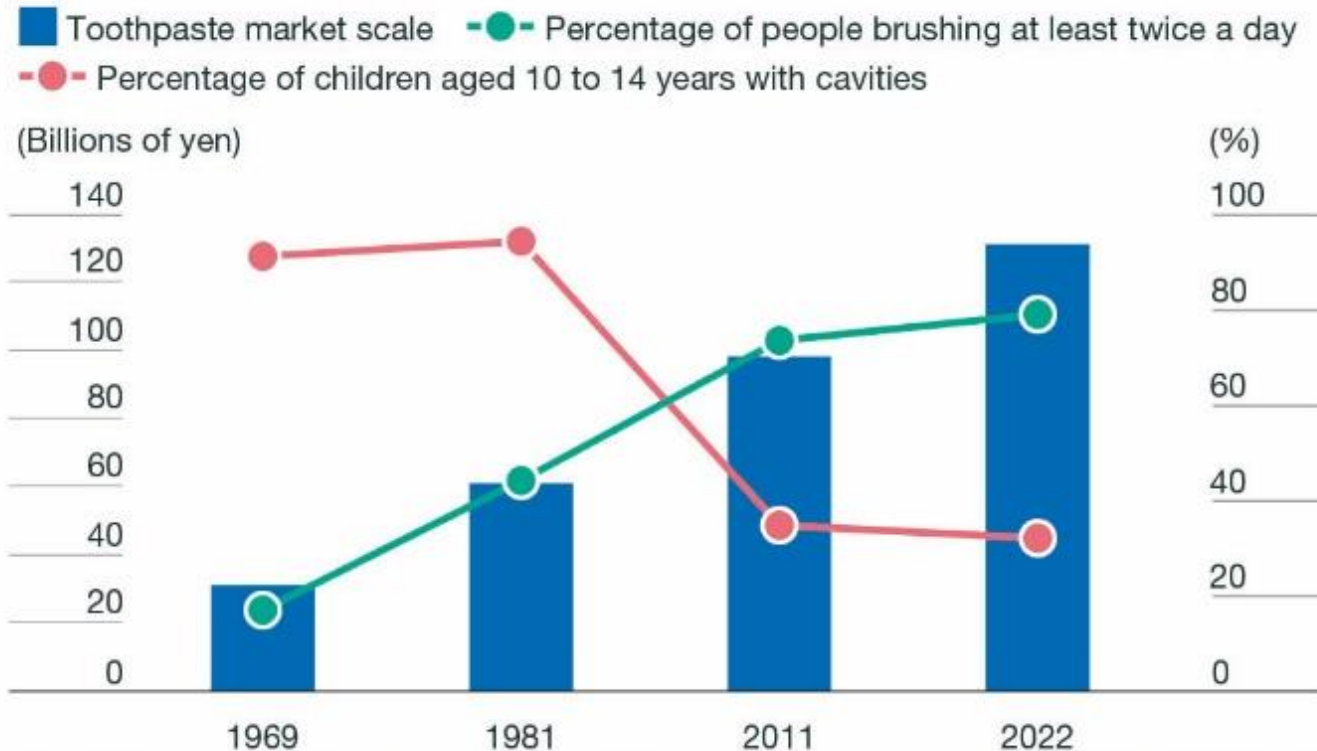


Cherry Program*
*Workplace dental health promotion activities



Oral Health Event of Tooth Brushing for Children

Toothpaste Market Scale, Percentage of Consumers Who Brush At Least Twice a Day and Percentage of Children Aged 10 to 14 Years with Cavities (Japan)



Sources: Market size from a Lion Corporation survey; tooth brushing frequency and percentage of children aged 10 to 14 years with cavities (treated and untreated) from *Survey of Dental Diseases* by the Ministry of Health, Labour and Welfare.

Habits established

- ✓ Percentage of people brushing at least twice a day:

Approx. 5x

Social Value

- ✓ Percentage of school-age children with cavities:

Approx. 1/3x

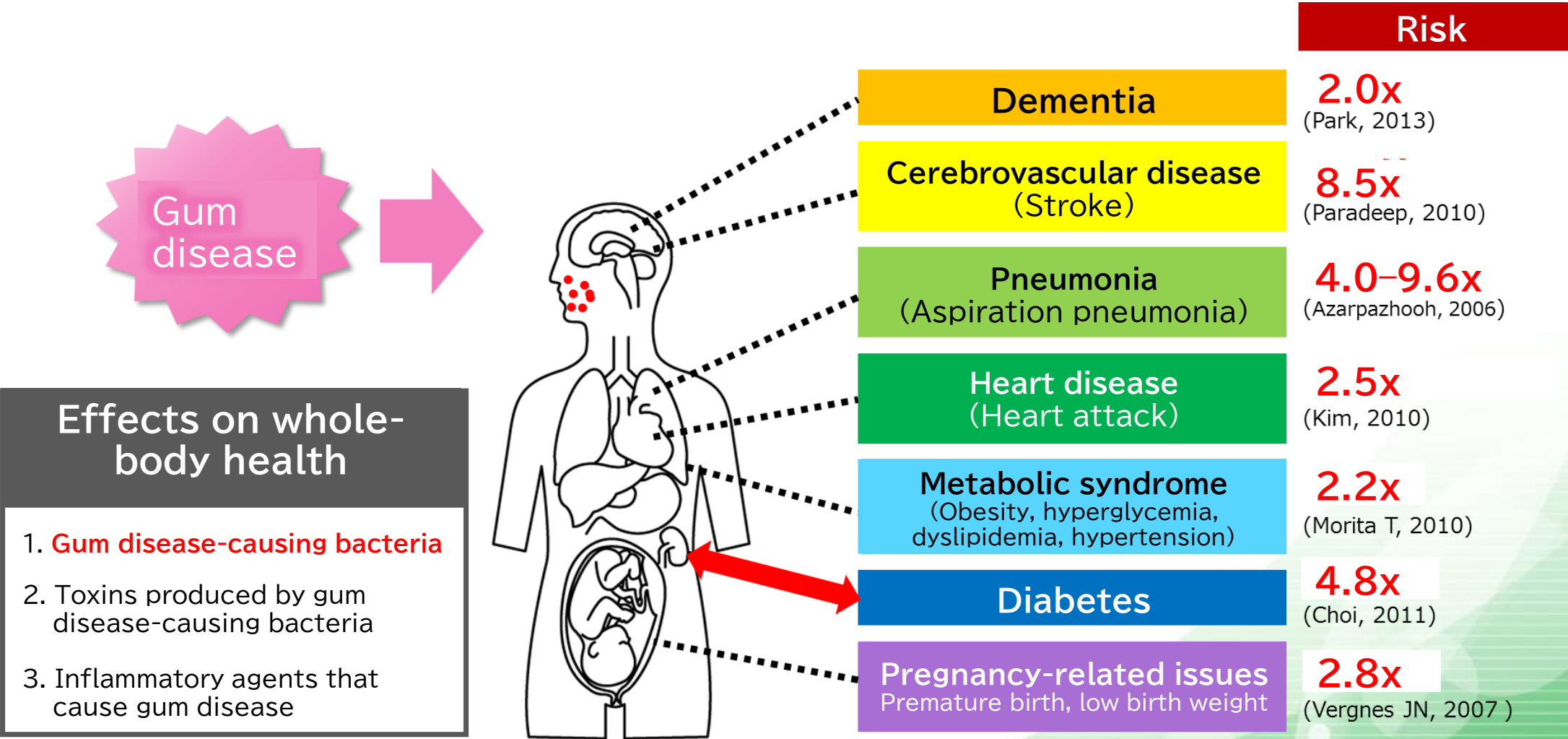
Economic Value

- ✓ Toothpaste market size:

Approx. 4x

*Comparison between 1969 and 2022

Gum disease greatly affects the health of the whole body



(Source: Lion Foundation for Dental Health (Ed.), Considering Gum Disease and Whole-Body Health)

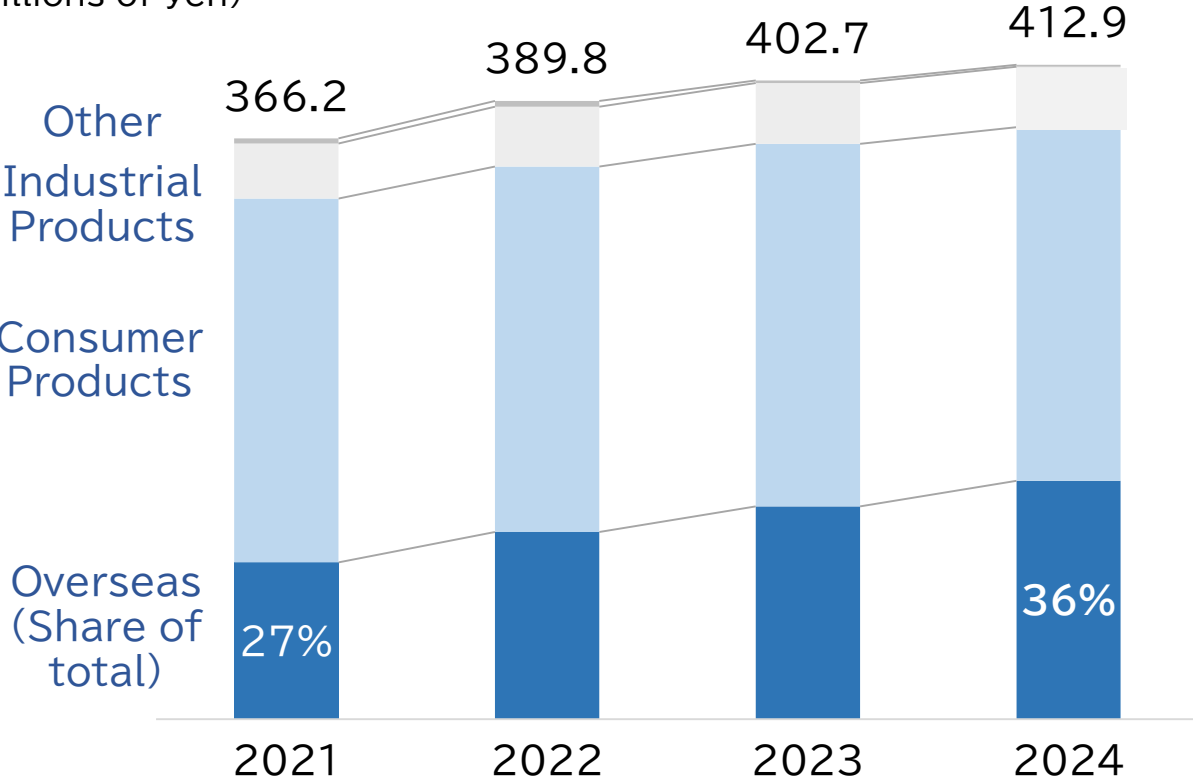
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Reflecting on 1st STAGE

Overseas business drove net sales growth, accounting for 36% of consolidated net sales
In 2024, profit structure recovered somewhat from deterioration due to internal and external business factors

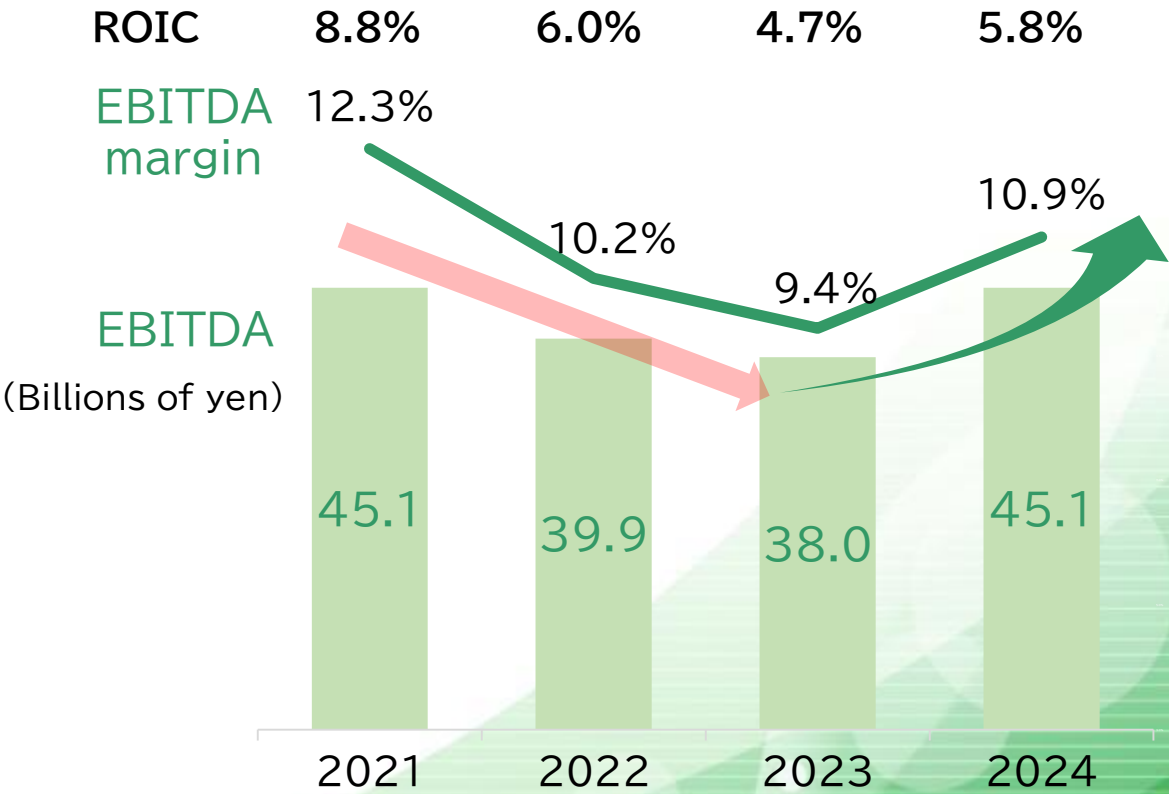
Net Sales

(Billions of yen)



1st STAGE

Profitability Indicators



1st STAGE

Achievements

- **Continued growth in Overseas Business: 14.7% CAGR (2021→2024)**
Continued growth, primarily in China and Malaysia; improvement in profit margins and an increased share of business from personal care products
Launched business operations in Bangladesh and Vietnam, aiming for future growth
- **Oral care growth: CAGR (2021→2024) 3.3% (domestic), 11.1% (overseas)**
Oral care business drove Group growth
Starting small in Japan with multiple service businesses for future growth opportunities

Challenges

- ✓ **Further acceleration of improvements in profitability**
Profitability has declined since 2022 due to rising raw material prices, etc.
→ Implemented structural reforms and saw some profitability enhancement in 2024
- ✓ **Transition to a business that emphasizes efficiency**
Profits from launches of multiple large-scale new products fell short of initial plans, and upfront investments are putting pressure on the profit structure
→ Need to enhance efficiency through business portfolio review and the sharpening of resource allocation

Positioning 2nd STAGE Towards 2030

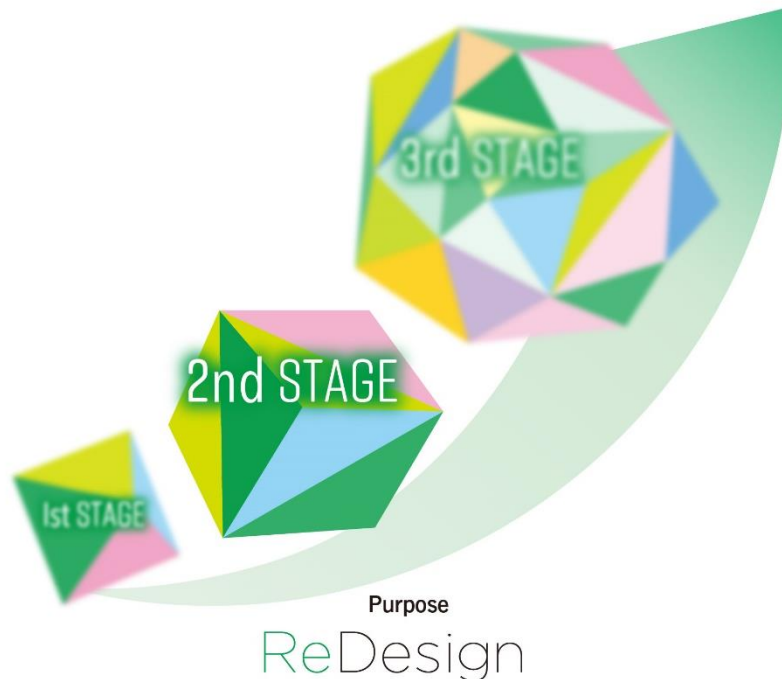
Work to strengthen profitability and transition to management that further emphasizes the efficiency of invested capital

Towards Realizing Vision2030

Generate social and economic value by supporting the creation of habits, particularly in Asia (Enhance corporate value)

Management vision

Becoming an advanced daily healthcare company



Purpose

ReDesign

Make a difference in everyday lives by redesigning habits

3rd STAGE (2028-2030)

Accelerating growth in Asia by promoting the spread of positive habits

2nd STAGE (2025-2027)

Strengthen profitability

1st STAGE (2022-2024)

Get on a growth track and create the foundations for future growth

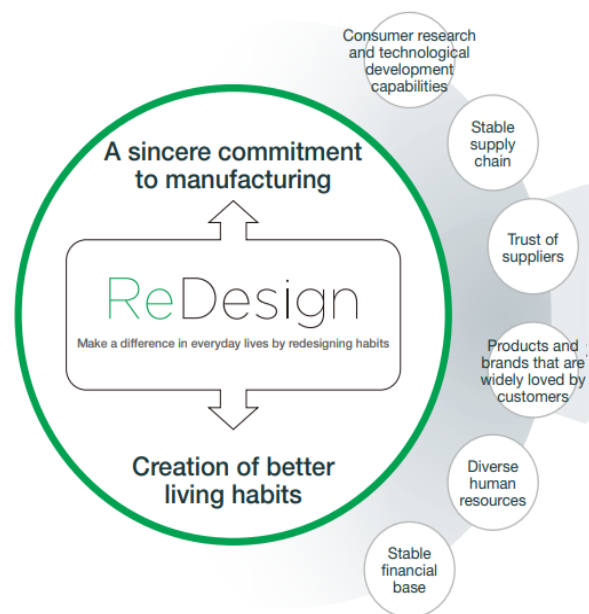
Vision for Expanding Corporate Value Towards 2030

Create social and economic value and increase Lion's corporate value by contributing to people's lives through better habit creation

Inputs

Outputs

Outcomes



Creation of positive habits that help consumers stay healthy

Value creation through habits

Usefulness and quality of habits

×

Frequency of engaging in habit

×

No. of people adopting habit

Social value

Vision for 2030

Enhance consumer QOL

- Oral care habits: 500 million people
- Cleanliness and hygiene habits: 500 million people

Contribute to the realization of a decarbonized, resource circulating society

- Petrochemical-derived plastic usage: 70% or less
- Lifecycle water usage: 30% reduction
* Compared to 2017, per unit of net sales

Economic value

Envisioned Financial Performance in 2030

Sustainable profitability improvement

- EBITDA margin: 16% or higher
- ROIC : 10-12%

Continuous overseas growth

- Overseas sales ratio: 50%

Expansion
of
corporate
value

2nd STAGE: Three Basic Policies and Key Indicators

Formulated three basic policies to strengthen profitability and established key indicators focused on increasing corporate value

Three Basic Policies

Strengthen
business
portfolio
management

Realize a profitable business portfolio by sharpening the allocation of management resources

- Accelerate growth in oral healthcare
- Strengthen overseas growth initiatives
- Reform profit structure in Consumer Products

Strengthen
management
base

Strengthen foundation for sustainable business growth and efficient operations

- Strengthen Group R&D systems
- Strengthen profitability with DX
- Strengthen corporate governance

Generate
dynamism

Fully leverage Group assets to enhance strategy implementation and generate dynamism

- Strengthen brand asset utilization
- Enhance human capital value and strengthen organizational management

Theme
**Strengthen
Profitability**

2nd STAGE Key Indicators

<2027 Targets>

EBITDA margin

13% or higher

ROIC

8-9%

EPS CAGR*

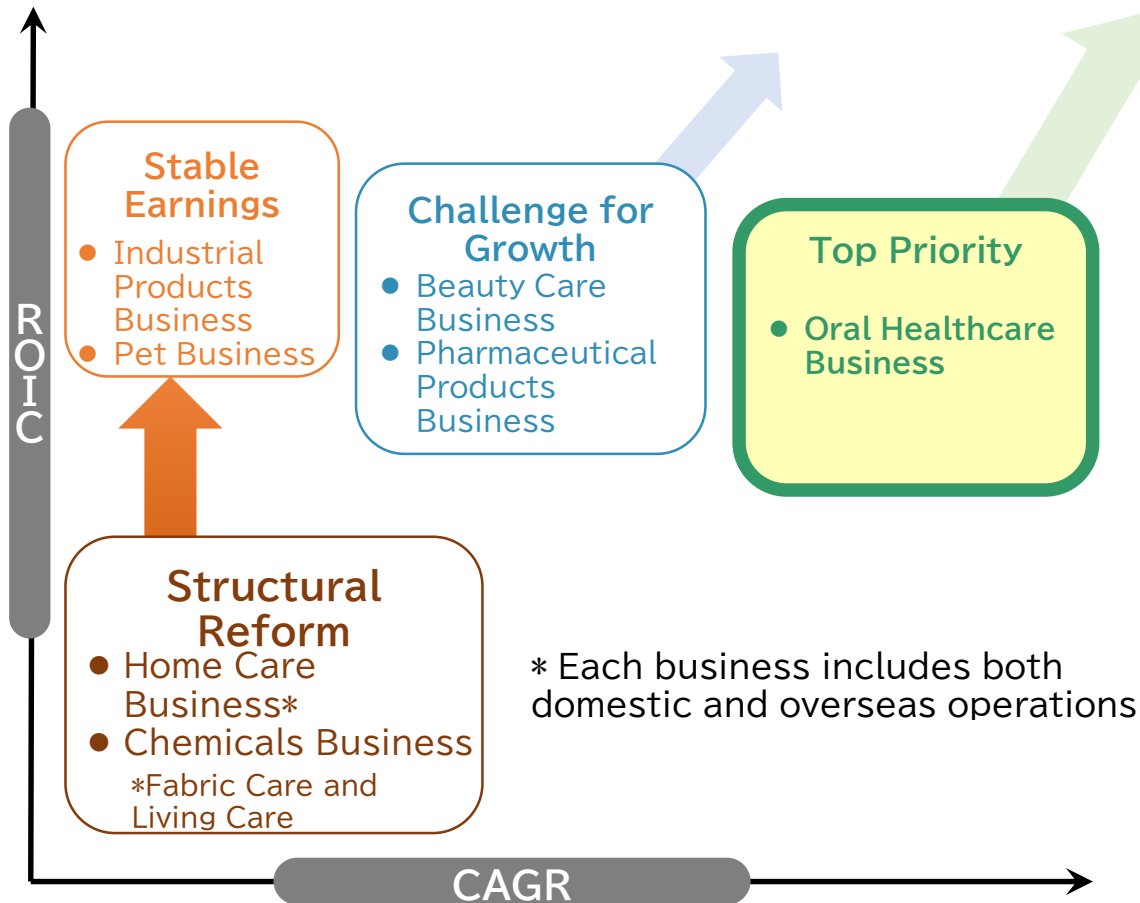
11% or higher

* Compound annual growth rate of basic earnings per share

Strengthen Business Portfolio Management

Clarify roles of every Group business to properly allocate management resources, strengthen the profitability of each business and generate synergies among businesses to realize sustainable growth

■ Main Business Visions (1st STAGE → 2nd STAGE)



Vision for 2nd STAGE

Top Priority

We are allocating management resources to this business, which is driving the Group's expansion in terms of both sales growth and capital returns

Challenge for Growth

Create new business opportunities and achieve further growth

* Limit investment to specific areas and categories

Stable Earnings

Establish a stable cash inflow and invest in **Top Priority** and **Challenge for Growth** businesses

Structural Reform

Advance profit structure reforms and strive to realize more **Stable Earnings**

Strengthen
business
Portfolio
management

Realize a profitable business portfolio by sharpening the allocation of management resources

- **Accelerate growth in oral healthcare**
- Strengthen overseas growth initiatives
- Reform profit structure in Consumer Products

- 1 Expand the scope of value we provide with the goal of developing an integrated business of products and services
- 2 Consolidate and enhance market position in all areas



Group
oral healthcare
sales growth

CAGR
Approx.
8%

(From fiscal 2024 to 2027)

Integrate products and services with expanded scope of value and target markets to develop a profitable, unique business in Asia that contributes to people's eating, talking and laughing



Eating



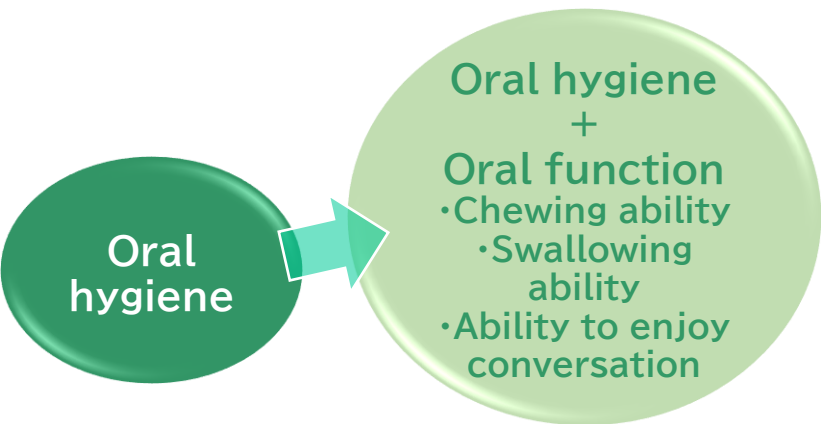
Talking



Laughing

1. Expand scope of provided value

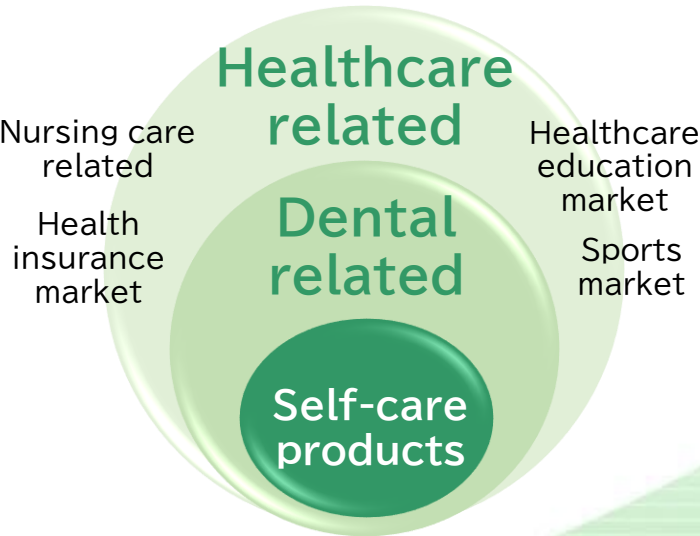
Oral healthcare that connects to full-body health



From oral care to oral healthcare

2. Expand target markets

Towards new business models as a leader in the market



3. Permeate more areas

Leverage the strengths we have accumulated to grow the business



Self-care product market has expanded as habits have grown and evolved
Going forward, leverage the strengths Lion has accumulated over its history to
expand target markets and create even more value

Results of market expansion for self-care products

Growth in Japan over the last 10 years
(2014→2024)

Market total **LION**
+¥82.7 billion +¥38.3 billion
+30% +65%

Added value

Toothpaste
unit price
LION +52%
Market +30%

Increase in
number of
people adopting
better habits

Dental floss
Frequent
usage rate
13%→30%

Professional care

Dental
checkups
2 or more times
per year
25%→38%

Consumer research
capability

Brand power as the
No. 1 manufacturer

Expansion of target markets

Healthcare related

Ability to
speak

Ability to
swallow

Ability to
chew

**Dental
related**
¥3.5 trillion

**Self-care
products**
¥0.4 trillion

Related to the health and
productivity management

Launched in 2022

Providing service to more than
100 companies

Well-being support service for
corporations

Healthcare education

Launched in 2023

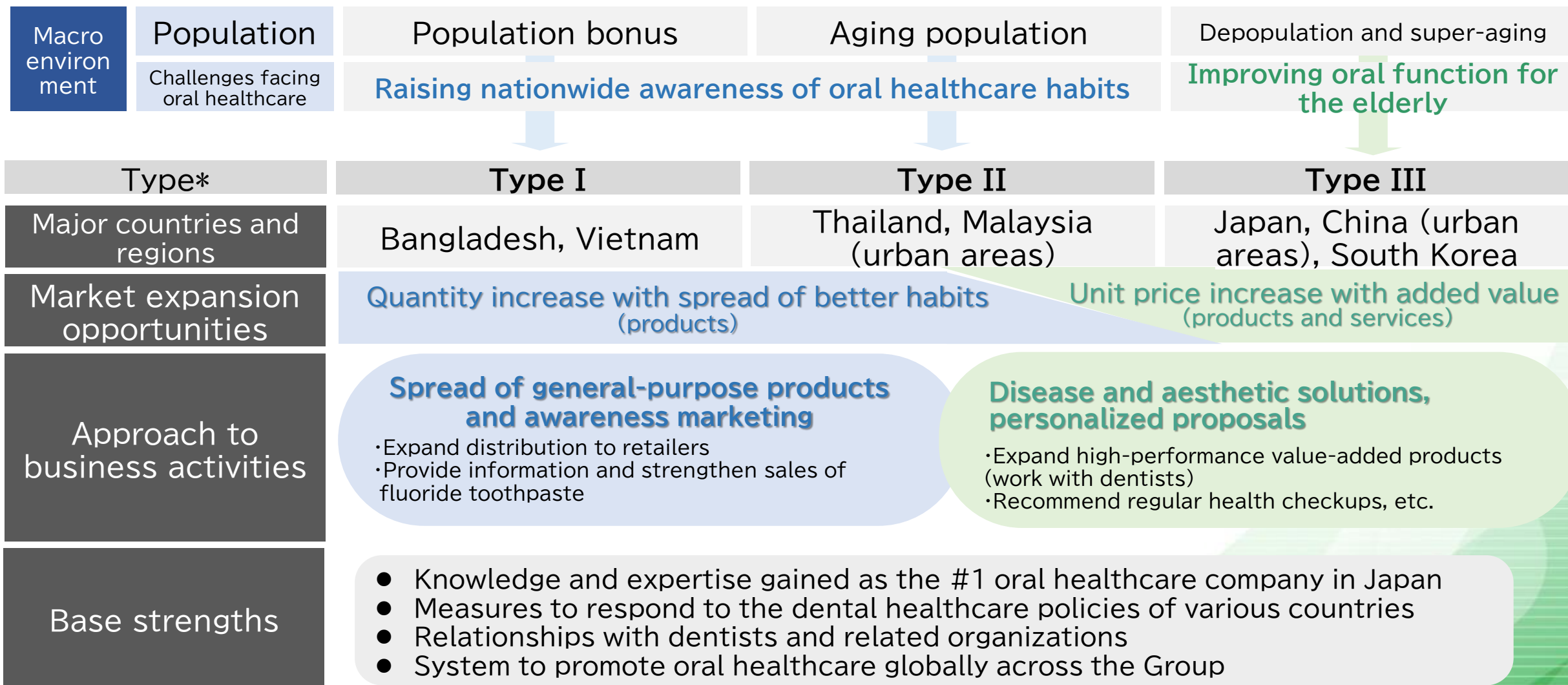
Oral healthcare programs
tailored to the different
developmental stages of
children

Dentistry

Scheduled to launch in April
2025

Oral healthcare habit promotion
service for patients of dental clinics

Expand presence in Asia through strategies that capture market opportunities



* Classify areas across borders according to GDP, income levels, consumer characteristics and trends

Strengthen
business
portfolio
management

Realize a profitable business portfolio by sharpening management resource allocation

- Accelerate growth in oral healthcare
- **Strengthen overseas growth initiatives**
- Reform profit structure in Consumer Products

- 1 Continue growth through glocalization
- 2 Strengthen profit growth strategies in response to challenges of each country

Overseas Business

Sales growth
CAGR
Approx.

10%

(From fiscal
2024 to 2027)

* Total net sales

EBITDA
margin
Approx.

+2 points

(From fiscal
2024 to 2027)

Achieve growth exceeding market rates in China, South Korea and Malaysia

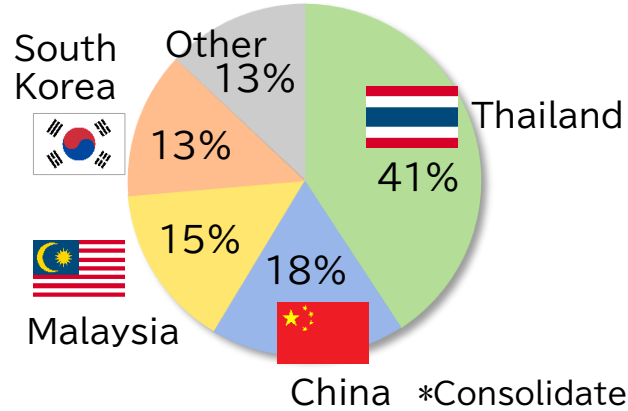
Thailand
(Lion Corporation (Thailand) Ltd.)
CAGR(From fiscal 2021 to 2024)

Net sales **3.9%**
Market **6.6%**

Malaysia
(Southern Lion Sdn. Bhd.)
CAGR(From fiscal 2021 to 2024)

Net sales **8.8%**
Market **8.3%**

Share of Overseas Business
Net sales(2024)



Growth rates (CAGR) in major markets in 1st STAGE



China
(Lion Daily Necessities Chemicals (Qingdao) Co., Ltd.)
CAGR(From fiscal 2021 to 2024)

Net sales **13.5%**
Market **1.9%**

South Korea
(Lion Corporation (Korea))
CAGR(From fiscal 2021 to 2024)





Net sales **8.2%**
Market **4.9%**

CAGR: Growth rate in real terms excluding exchange rate fluctuations (total sales basis)
Source: Euromonitor; total of Lion's major markets (forecast for 2024)

Strengthen overseas growth initiatives

Strengths of Our 4 Major Countries and Future Growth Trajectory

During 2nd STAGE, aim to achieve further profitable growth focused on oral healthcare by leveraging R&D capabilities that accurately capture consumer needs as well as distribution capabilities in each country and area

| | | | | |
|----------------------------|--|--|--|---|
| |  <div>Thailand (Lion Corporation (Thailand) Ltd.)</div> |  <div>Malaysia (Southern Lion Sdn. Bhd.)</div> |  <div>China (Lion Daily Necessities Chemicals (Qingdao) Co., Ltd.)</div> |  <div>South Korea (Lion Corporation (Korea))</div> |
| Shared philosophy | Develop glocalization strategy based on cross-border category approach | | | |
| Competitive product lineup | <ul style="list-style-type: none">● Body soaps● Hand soaps● Laundry detergents | <ul style="list-style-type: none">● Laundry detergents | <ul style="list-style-type: none">● Toothpastes● Toothbrushes (Primarily in e-commerce channels) | <ul style="list-style-type: none">● Hand soaps |
| Strengths | Strong market position for detergents and other products through robust collaboration with joint venture partners with solid local distribution capabilities and networks with local governments | | <ul style="list-style-type: none">• Distribution capabilities reaching major retail outlets in major cities• Local R&D and production system to meet market needs | Local research and production system to meet consumer needs |
| | Joint venture partners | | | |
| | SAHA | Lam Soon | | |
| Growth direction | Expand oral healthcare business | | Expand offline sales areas | High-profit business & brand expansion |

Strengthen Overseas Growth Initiatives

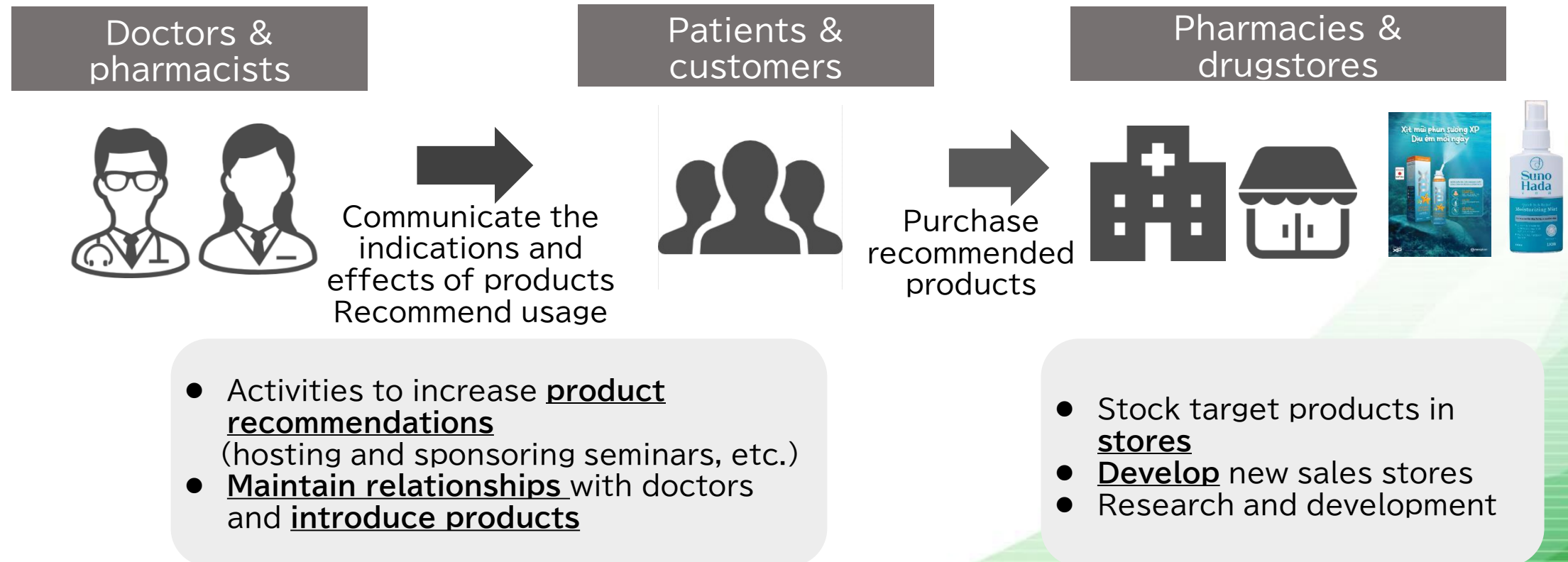
— Strategy by Country: Vietnam

**Aim to accelerate expansion of the personal care field through
doctor-recommended model**

Begin discussions with Merap Lion regarding consolidation (100% investment)

■ Key Points of Vietnam Business Model

Sales of **high-profit healthcare products** through **doctor-recommended model**



Strengthen
business
portfolio
management

Realize a profitable business portfolio by sharpening the allocation of management resources

- Accelerate growth in oral healthcare
- Strengthening overseas growth initiatives
- **Reform profit structure in Consumer Products**

1 Strengthen brand management

2 Streamline supply chain

3 Optimize pricing and competition-related expenses



Consumer Products
EBITDA margin

Approx.

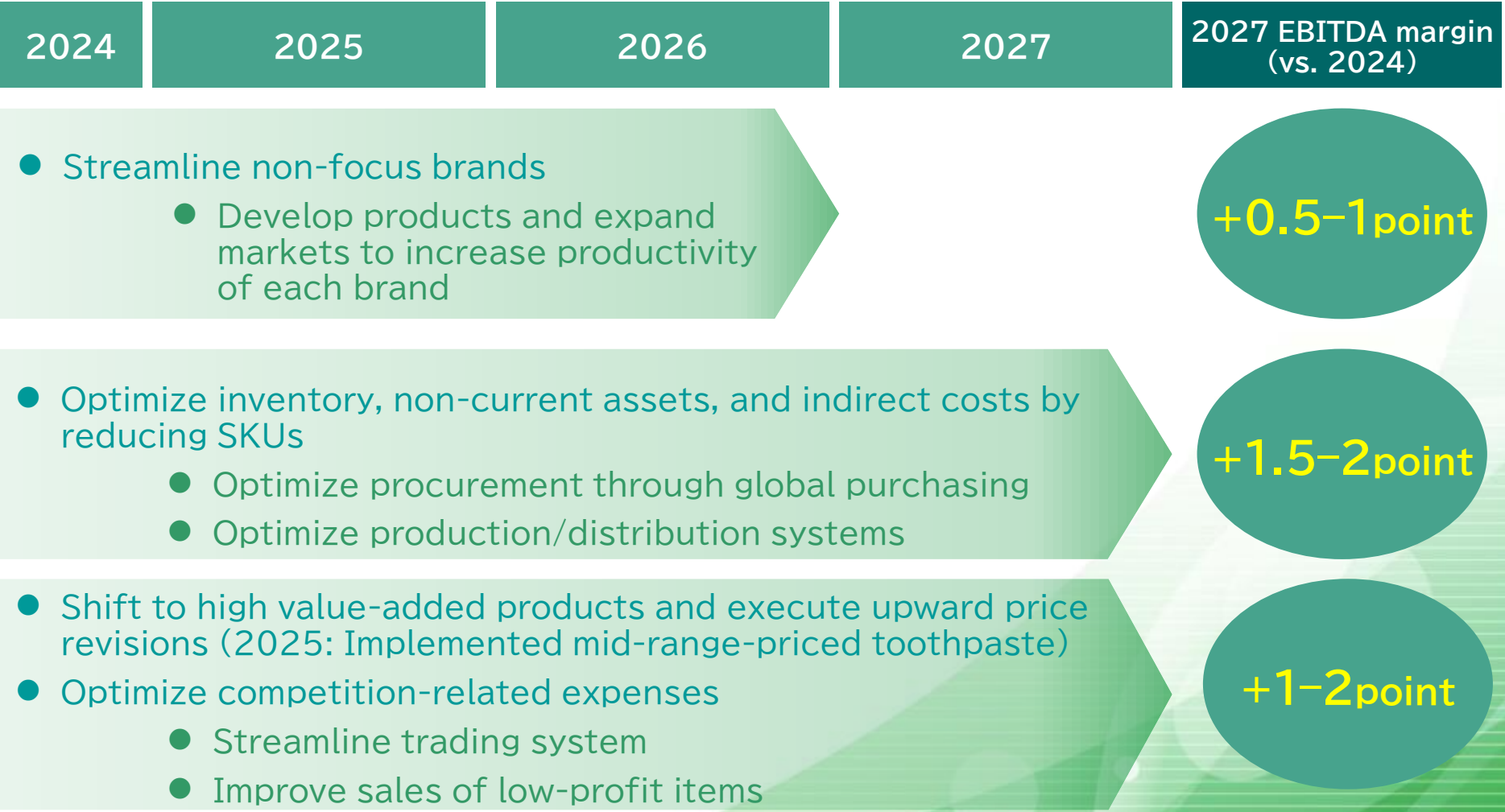
+3–5 points

(From fiscal 2024 to 2027)

Reform Profit Structure in Consumer Products

Strive to steadily improve profit through ongoing and new measures
Take concrete action for three growth drivers with high priority for improvement

- ... Ongoing measures
- ... New measures



Strengthen
management
base

Strengthen foundation for sustainable business growth and efficient operations

- Strengthen brand asset utilization
- Enhance human capital value and strengthen organizational management

Generate
dynamism

Fully leverage Group assets to enhance strategy implementation and generate dynamism

- Strengthen Group R&D structures
- Strengthen profitability with DX
- Strengthen corporate governance

Clarify role of every work site to strengthen innovation capabilities and accelerate product development

Past

Product and technology development focused in Japan



Future

Advancement and innovation of core technologies: **Japan and China**
Product development that captures consumer needs: **Every work site**

Position Japan and China as hubs of technological innovation, focus on advancing and innovating core technologies

Oral Healthcare Category

- **Oral hygiene** Maintain and promote a good oral environment by targeting biological systems and oral flora
- **Oral function** Healthy tooth development in childhood, maintain and improve chewing function in old age
(Number of oral function researchers expected to **increase 30%**)
➔ Contribute to people's **eating, talking and laughing**

Local development swiftly captures consumer needs

| Business | Main overseas product development centers |
|-----------------|---|
| Oral Healthcare | Thailand, China |
| Beauty Care | China, Indonesia |
| Fabric Care | Thailand, Malaysia, South Korea |



Group researchers engaged in product technology development for overseas markets

2024: Approx. 30%



2027: Over **40%**

Promote open innovation for further acceleration

Core
technology
development

Product
development

External
collaboration

Strengthen Corporate Governance

Aim to enhance governance to improve the Group's corporate value and improve management quality

Separate management and execution

Plan to appoint an external director as Chairman of the Board

●Aim

- Further improve the objectivity and effectiveness of management supervision as well as transparency of decision making

●Major changes*

- Increase ratio of external directors and appoint an external director as chairman of the Board of Directors

Connect medium-term management indicators (financial and non-financial) with corporate officer compensation

Revision of performance-linked stock-based compensation system

●Aim

- Strengthen execution and realization capabilities to achieve 2nd STAGE performance targets and key indicators

●Major changes*

- Establish performance indicators such as ROIC and link indicators to initiatives for top-priority sustainability material issues

1st STAGE

Performance Indicators

- Core operating income
- Profit for the period



2nd STAGE

Performance Indicators

- Core operating income
- ROIC



Top-priority sustainability material issues

Maximize corporate and product brand assets

Corporate
brand

Increase the value of the **LION** name as an asset and demonstrate presence throughout Asia

Product
brands

- **Development brands with a glocalization strategy**
Combine local brands with a focus on establishing global brands and develop marketing that meets consumer needs in each country and region

Focus brands for major global development

Oral
Healthcare

Systema

Beauty Care

キレイキレイ

Home Care*

TOP

Pharmaceutical
Products

スマイル®

KODOMO

* Fabric Care and Living Care

Maximize individual growth and organizational strength to create new value across the Group



2nd STAGE Performance Targets

During 2nd STAGE, aim to improve profitability by setting EBITDA margin, ROIC and EPS CAGR as key indicators

| (Billions of yen) | 2027 Target | 2024 | Change | |
|---|------------------------------|-------------|--------|------|
| | | | Amount | % |
| Net sales | 450.0 | 412.9 | 37.0 | 9.0 |
| Core operating income* ¹ % of net sales | 40.0 8.9 | 26.3 6.4 | 13.6 | 51.9 |
| Operating profit % of net sales | 40.0 8.9 | 28.3 6.9 | 11.6 | 40.9 |
| Profit for the period attributable to owners of the parent | 29.0 | 21.1 | 7.8 | 36.8 |
| EPS (Yen) | 104.67 CAGR 11% or higher | 76.51 | 28.16 | 36.8 |
| EBITDA margin (%)* ² | 13% or higher | 10.9% | — | — |
| ROIC (%)* ³ | 8-9% | 5.8% | — | — |

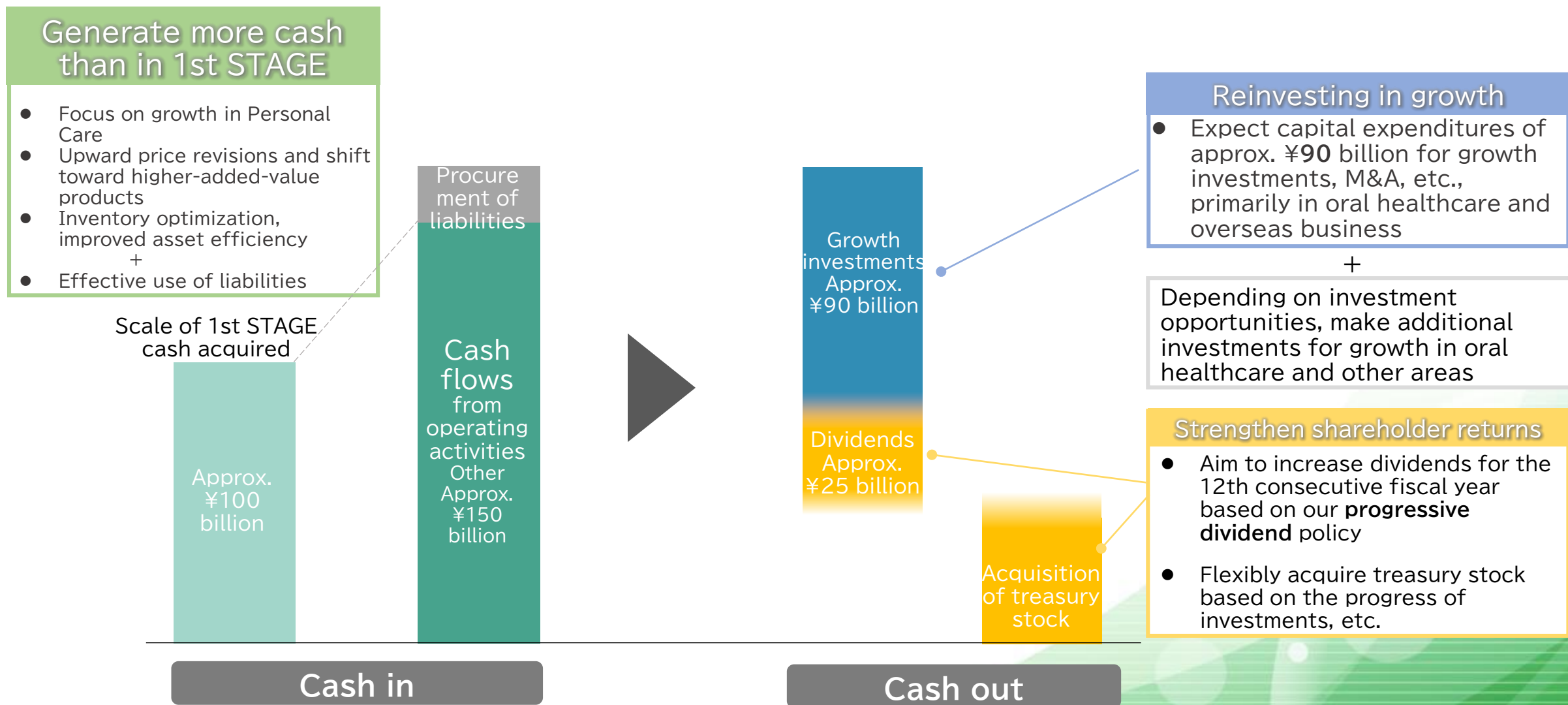
Notes 1. Core operating income is an earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross profit.

2. EBITDA margin: The ratio of EBITDA to consolidated net sales.

3. ROIC is an indicator calculated from net operating profit after tax (NOPAT) divided by the average invested capital (total equity plus interest bearing liabilities) during the period, and measures the efficiency and profitability of the invested equity.

2nd STAGE Cash Allocation

Obtain more cash than in 1st STAGE, and strengthen growth investments in key areas and shareholder returns



2025 Consolidated Financial Forecast

Strengthen profitability and plan to increase sales and profits Y-o-Y

| (Billions of yen) | 2025 | 2024 | Y-o-Y change | |
|---|-------------|-------------|--------------|-------|
| | | | Amount | % |
| Net sales | 420.0 | 412.9 | 7.0 | 1.7 |
| Core operating income*1 % of net sales | 30.0 7.1 | 26.3 6.4 | 3.6 | 13.9 |
| Operating profit % of net sales | 35.0 8.3 | 28.3 6.9 | 6.6 | 23.3 |
| Profit for the period attributable to owners of the parent | 25.0 | 21.1 | 3.8 | 17.9 |
| EPS (Yen) | 90.24 | 76.51 | 13.73 | 17.9 |
| EBITDA*2 | 49.0 | 45.1 | 3.8 | 8.5 |
| EBITDA margin (%)*3 | 11.7 | 10.9 | — | 0.8PP |
| ROIC (%)*4 | 6.1 | 5.8 | — | 0.3PP |
| ROE (%) | 8.3 | 7.4 | — | 0.9PP |

Notes 1. 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.

2. EBITDA is an indicator of profitability on a cash basis calculated as the sum of core operating income and depreciation and amortization (excluding that of right-of-use assets).

3. EBITDA margin: The ratio of EBITDA to consolidated net sales.

4. ROIC is an indicator calculated from net operating profit after tax (NOPAT) divided by the average invested capital (total equity plus interest bearing liabilities) during the period, and measures the efficiency and profitability of the invested equity.

life.love. **LION**

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. Accordingly, readers are cautioned that actual results may differ materially from those projected as a result of a variety of factors.

- * The Lion Group applies the International Financial Reporting Standards (IFRS).
- * Monetary amounts herein are truncated after the last digit shown.