

Overseas Business Growth Strategy Presentation

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COO, International Business Unit
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Overseas Business Overview



Acceleration of Oral Healthcare Strategy



Creating New Opportunities in Challenge for Growth Businesses (Beauty Care and Pharmaceuticals)



The Organization and Talent Supporting Growth



Overseas Business Overview



Acceleration of Oral Healthcare Strategy

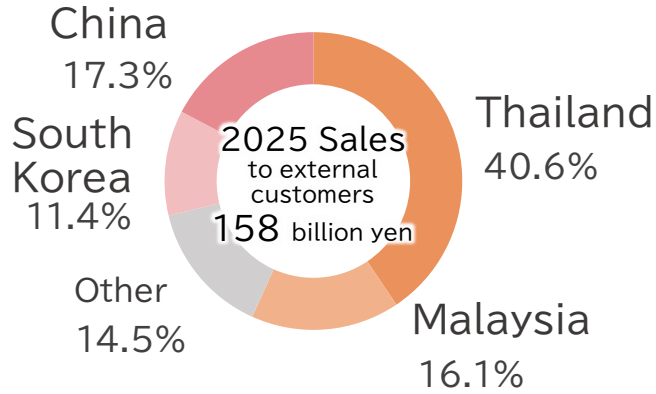


Creating New Opportunities in Challenge for Growth Businesses (Beauty Care and Pharmaceuticals)

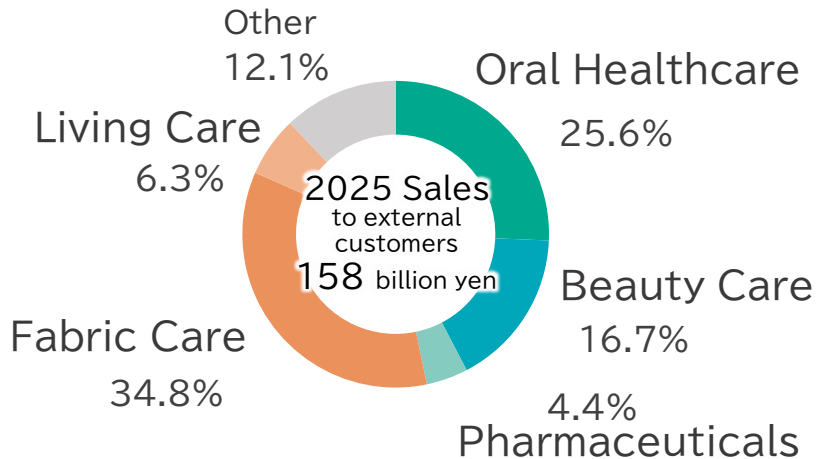


The Organization and Talent Supporting Growth

Breakdown by Country



Breakdown by Category*



Oral Healthcare



Thailand
#2 share in toothbrushes
#3 share in toothpastes



China
#3 share in toothbrushes (e-commerce channels)



Hong Kong
#2 share in toothbrushes, dental rinses

Beauty Care, Pharmaceuticals



Thailand
#1 share in hand soaps
#2 share in body washes



South Korea
#1 share in hand soaps



Taiwan
#1 share in eye drops

Home Care



Thailand
#2 share in laundry detergents
#2 share in dishwashing detergents



Malaysia
#1 share in laundry detergents

*Based on Lion shipment amounts (Jan.-Dec. 2025)



Overseas Business History

Partnership Strategy

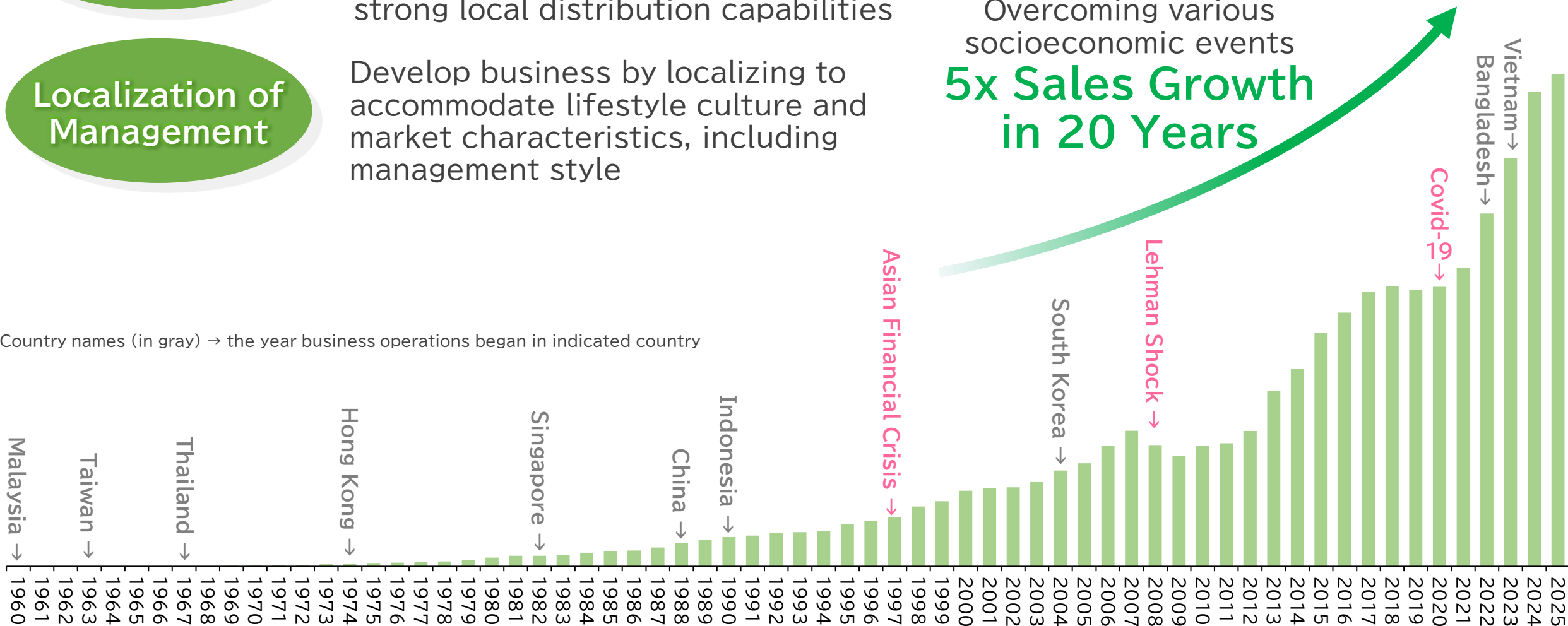
Localization of Management

In Southeast Asia, Lion has pursued business development for more than 40 years through the integration of technological and strong local distribution capabilities

Develop business by localizing to accommodate lifestyle culture and market characteristics, including management style

Overcoming various socioeconomic events
5x Sales Growth in 20 Years

Country names (in gray) → the year business operations began in indicated country



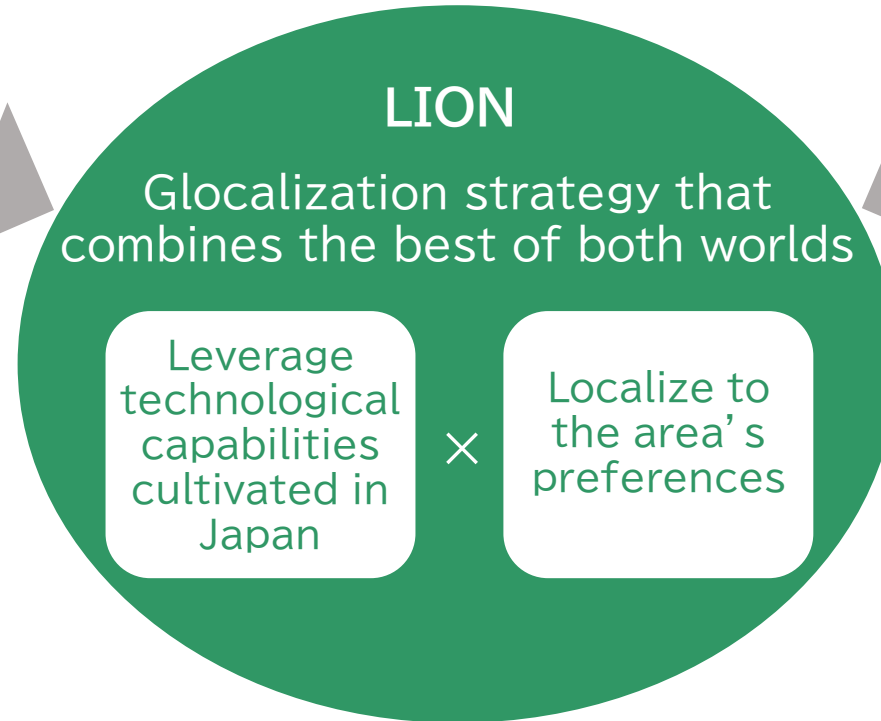


Overseas Business Strengths: Glocalization Strategy

Create added value based on Japan's advanced technologies by accurately capturing the diverse needs of consumers across Asia

Global Corporations

- ✓ Comprehensive, diverse product range
- × Respond to specific needs of each area



Local Corporations

- ✓ Product lineup tailored to the unique needs of the area
- × Comprehensive product range



Strengths for Glocalization

Technical capabilities and know-how cultivated in Japan over many years

Marketing capabilities built in close partnership with our joint venture partners

Local R&D and production structure

Collaboration with dentists and related organizations

Effectively differentiate from competitors by flexibly incorporating integrating local, market-specific needs and integrating them with Japanese technology

- China: *SYSTEMA Wide Super-Thin Charcoal* toothbrush

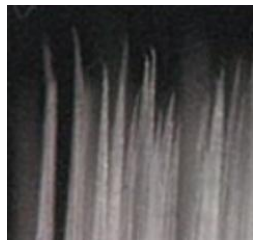
- Hong Kong: *NONIO+ Gum Total* mouthwash

Marketing

High demand for antibacterial properties of charcoal and other naturally derived materials



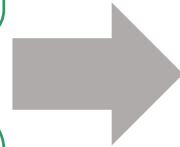
Japanese technology



Super-tapered bristles



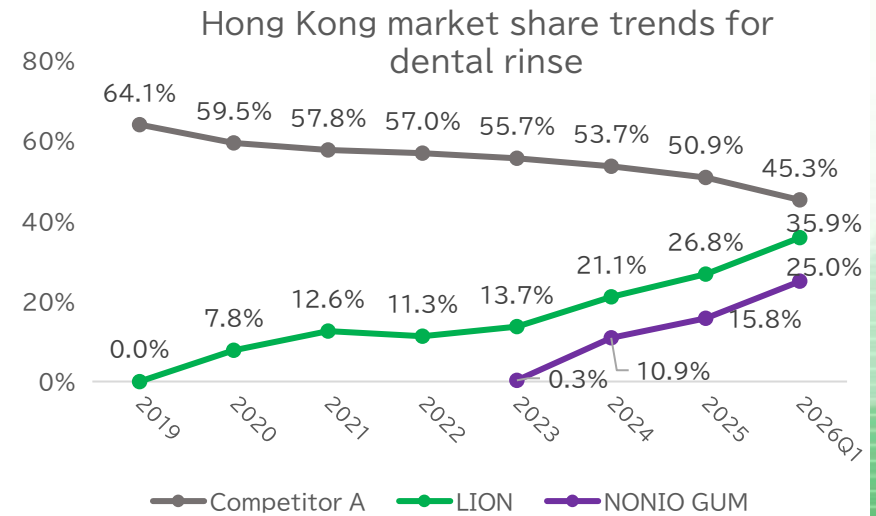
Thin toothbrush head



SYSTEMA toothbrushes
Over 2x the sales
(from 2018 to 2024)



Focus on demand for preventing receding gums



Aim to shift toward a highly profitable portfolio through the optimal allocation of management resources according to the role of each business

Top Priority

Concentrate management resources to accelerate growth of sales and profit

Oral Healthcare

- ✓ Create value by evolving glocalization strategies
- ✓ Identify target segments for each country and area to improve market position



Challenge for Growth

Explore growth opportunities and contribute to increased business profitability

Beauty Care, Pharmaceuticals

- ✓ Expect to see high market growth
Explore business expansion opportunities in new markets (Australia, Vietnam, Bangladesh)
- ✓ Accelerate growth through swift creation of synergies



Stable Earnings

Continue generating stable profits by leveraging strong market position

Home Care*

- ✓ Improve product mix by switching to liquid formulations in line with consumer trends
- ✓ Improve operational efficiency



* Fabric Care and Living Care



Overseas Business Overview



Acceleration of Oral Healthcare Strategy



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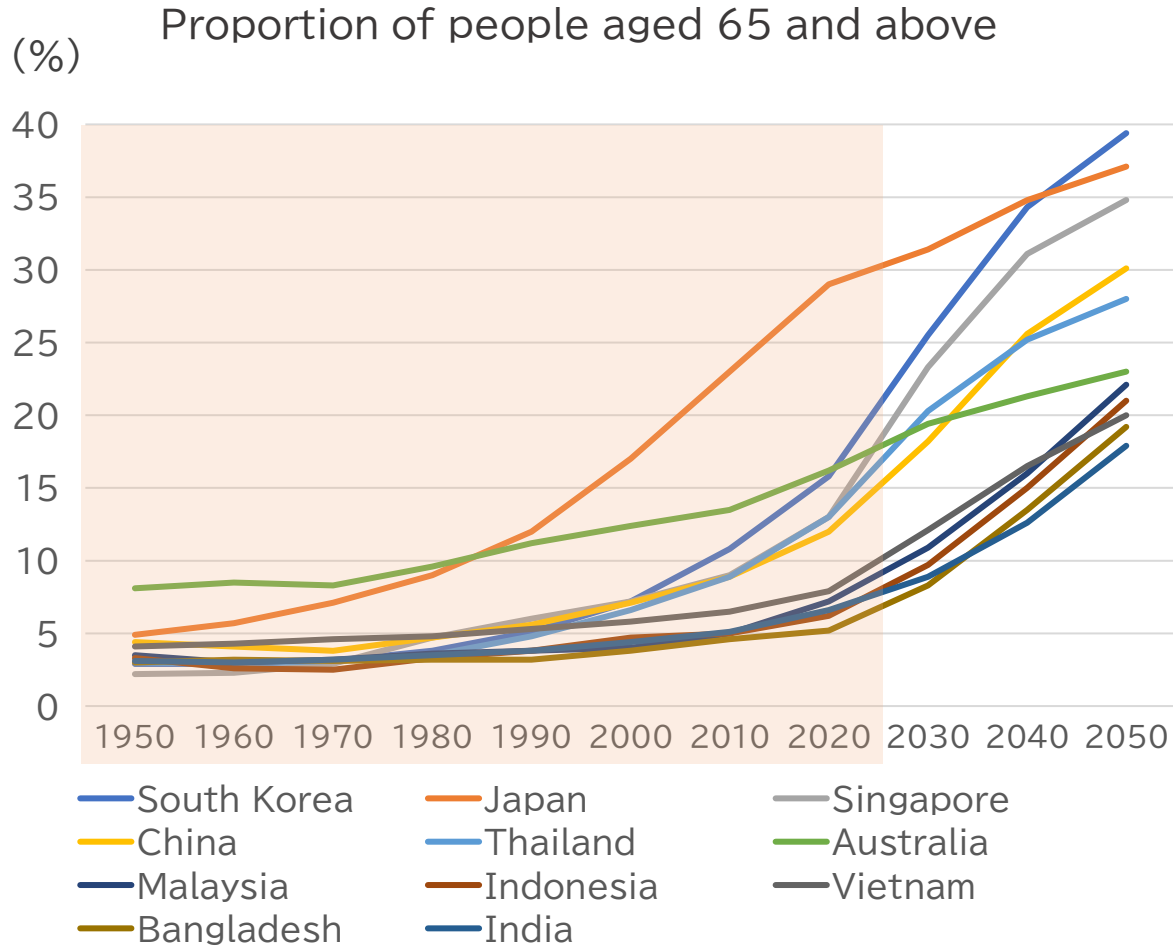


The Organization and Talent Supporting Growth



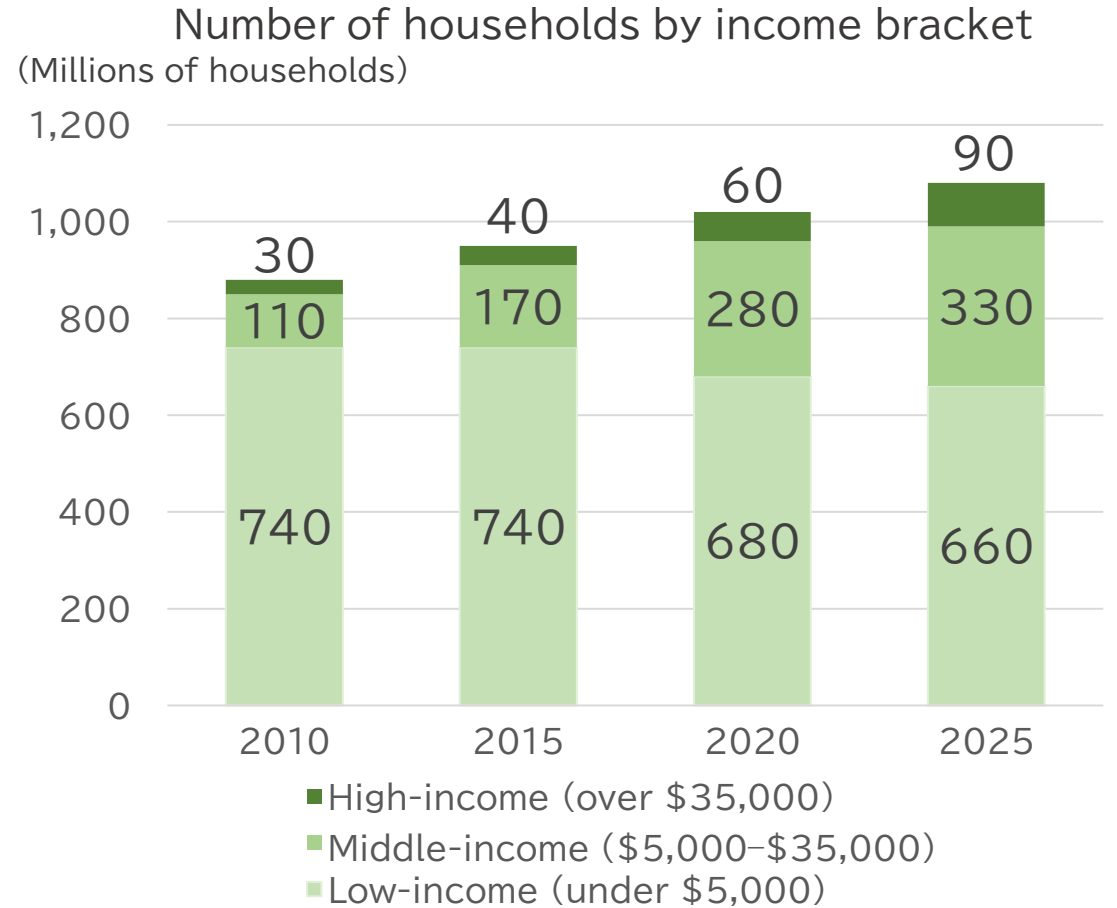
Structural Changes in Asian Markets

Rapidly growing aging populations



Source: Estimated based on data from the United Nations "World Population Prospects 2022"

Expansion of middle- and high-income population



Source: Estimated based on data from the White Paper on International Economy and Trade, Ministry of Economy, Trade and Industry and Euromonitor's statistics
*Scope: Japan, South Korea, Singapore, Thailand, China, Australia, Malaysia, Indonesia, Vietnam, Bangladesh and India

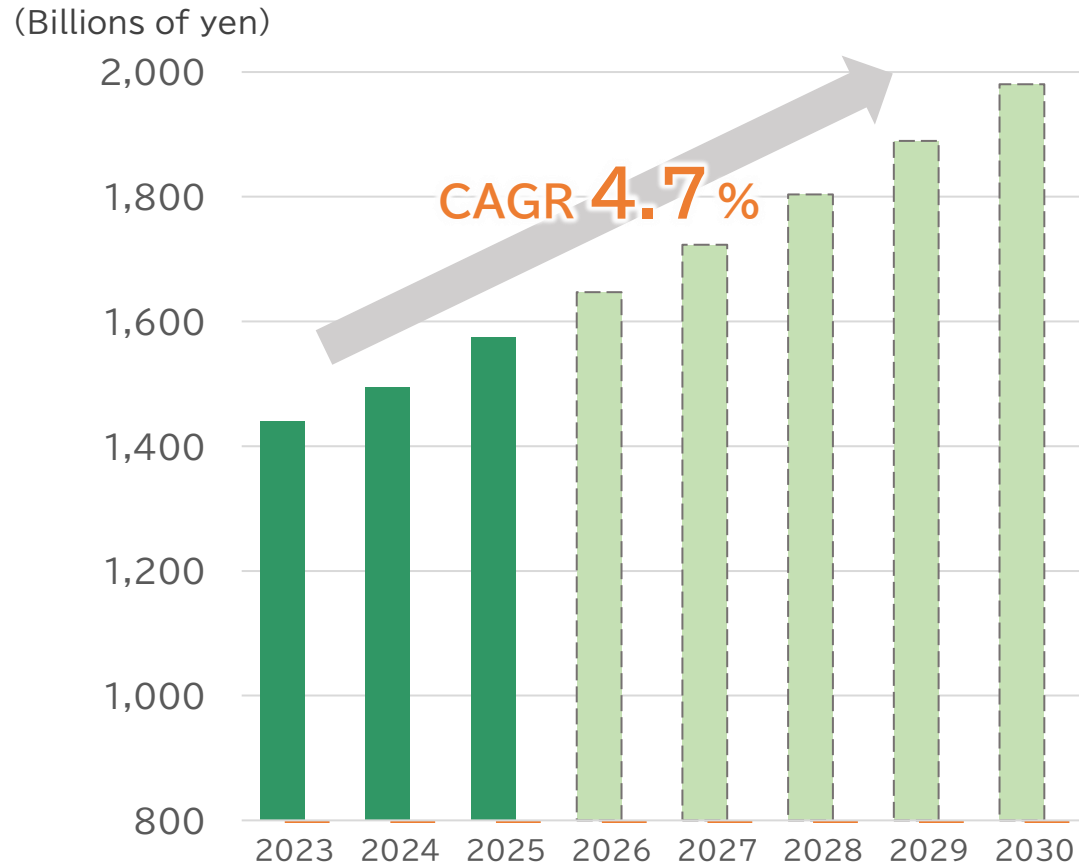


Oral Healthcare Market Growth Potential



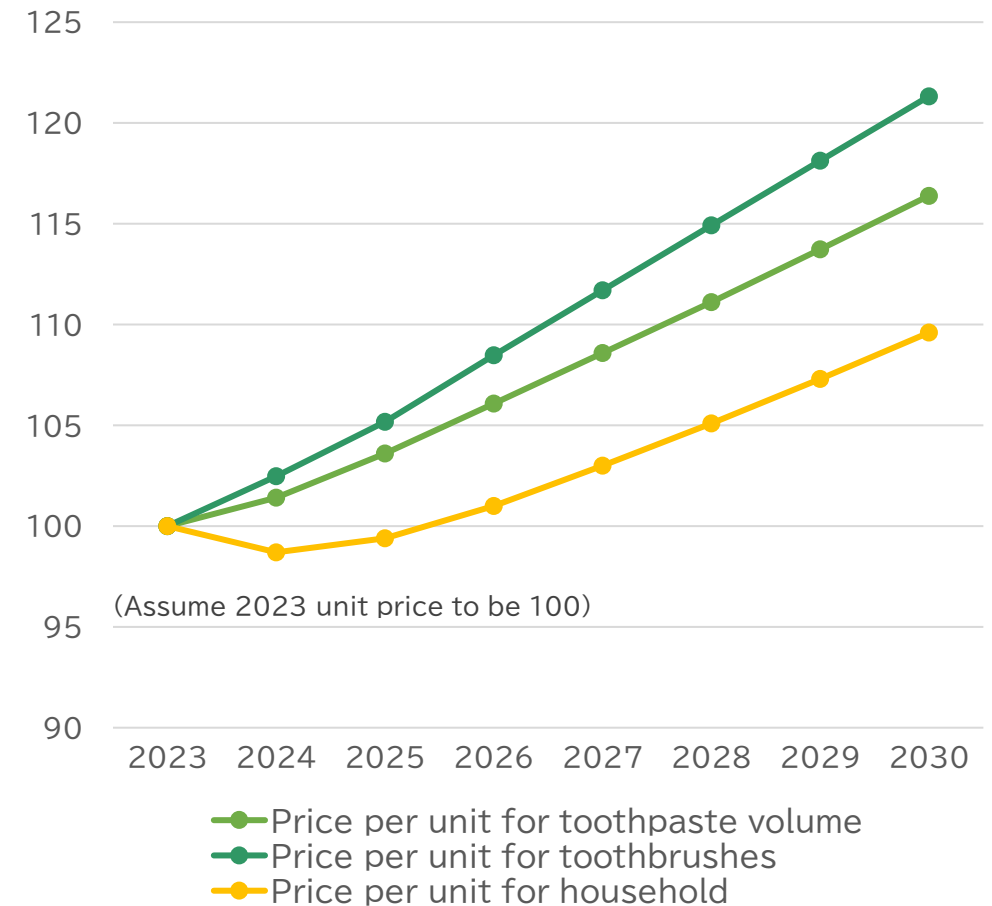
Market size expansion

Forecast of oral healthcare market
(toothpastes & toothbrushes)



Upward price revisions

Forecast of average unit price index trends

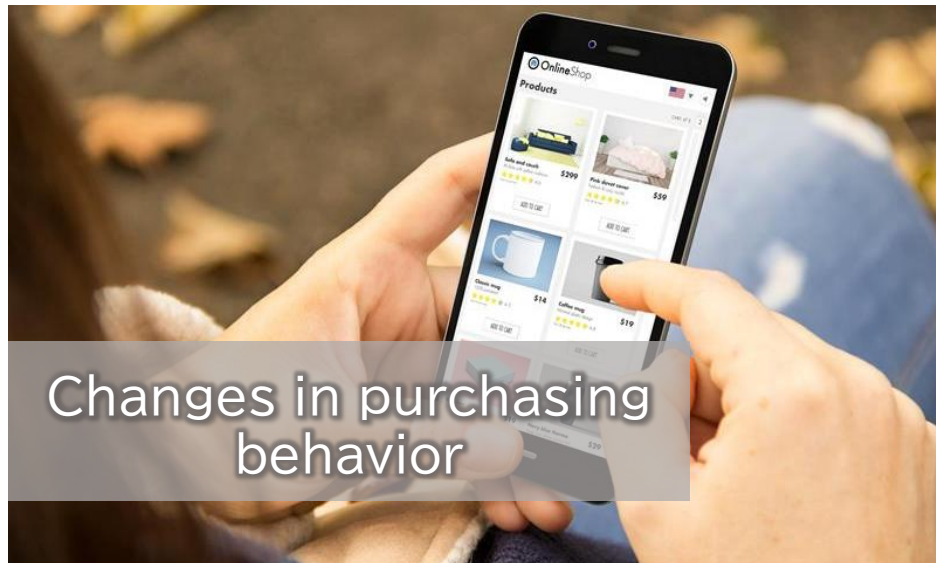


Source: Lion survey

*Scope: South Korea, Singapore, Thailand, China, Hong Kong, Malaysia, Indonesia, Vietnam, Bangladesh and India



Changes in Consumer Attitudes in Asia





Oral Healthcare Strategy: Shift to High Value-Added



Expand value proposition to include emotional value in addition to functional benefits and develop a sustainable, highly profitable business

Accelerate value creation by leveraging current strengths



Develop strengths on the medium- to long-term

High functionality and distinction based on technological capabilities and targeting

View new needs as growth opportunities and propose new value

Products Services

Value-Added Products
(Functional Value)

Value-Added Products
(Emotional Value)

Channels

General Channels
Dental Routes

E-commerce, social media,
specialty stores, boutiques etc.

Target Customers

Those with a high awareness towards health and beauty

Vision

Accelerate profitable sustainable growth

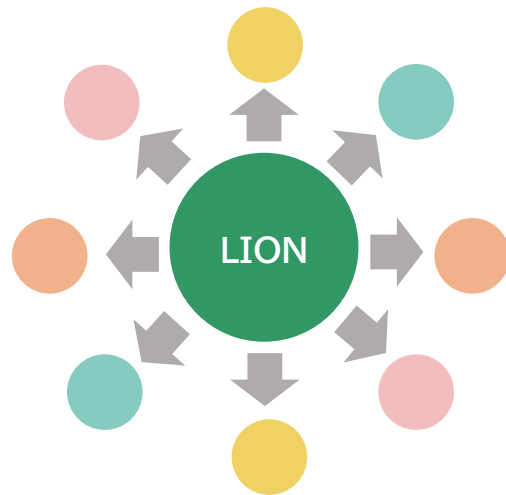


Refine Target Segments for Higher Added Value

Identify subcategories with potential for higher added value and strong growth
Concentrate management resources and establish competitive advantage

Strategic Approach until 1st STAGE

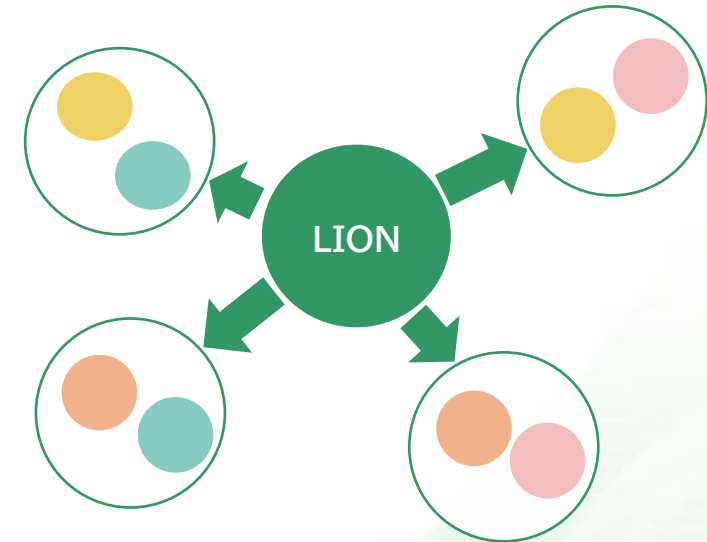
Resources distributed across multiple subcategories



- Strengths dispersed, intense competition
- Prone to falling into price and scale competition

Strategic Approach from 2nd STAGE Onwards




Identify subcategories in each country and area to leverage strengths and concentrate resources



- Establish a competitive advantage in subcategories with high growth potential suited for enhancing added value
- Expand both sales and profit through selection and concentration



Strategy by Country

	 China	 Thailand	 Malaysia
Priority Subcategories	Toothpastes: Whitening Toothbrushes: High-end	Toothpastes: Gum Care Toothbrushes: High-end	Toothpastes: Gum Care Toothbrushes: High-end
Vision for 2030 (KPI)	Toothpastes/toothbrushes share over 5% → Dominate in target category	No.1 Share in toothbrushes → Make Oral Healthcare a core business	No.3 Share in Oral Healthcare overall → Expand market position
Strengths	<ul style="list-style-type: none"> Broad awareness of LION (“獅王”) brand products Specialized research on enzyme toothpaste Speedy local R&D structure (LICS*) 	<ul style="list-style-type: none"> High awareness of mainstay brands (No.2 share in toothbrushes, No.3 share in toothpastes) Appeal of high quality and high functionality of Japanese products 	<ul style="list-style-type: none"> High awareness of mainstay brands and high rate of repeat
Main Initiatives	<ul style="list-style-type: none"> ✓ Concentration of marketing investment in the whitening subcategory and continuous launch of high value-added products utilizing LICS ✓ Spreading awareness utilizing LION (“獅王”) brand 	<ul style="list-style-type: none"> ✓ Update of brand strategy and image renewal ✓ Review of communications to attract younger consumers and expand user base 	<ul style="list-style-type: none"> ✓ Expansion of <i>Fresh & White</i> sales and increase of unit price through added value ✓ Utilization of clinical evidence and promotion of collaboration with dental professionals to strengthen <i>SYSTEMA</i> product line

*Lion Innovation Center Shanghai



Strategic Rollout Example: Thailand

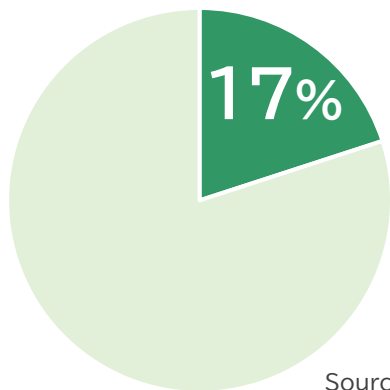


Strengthening local brand SALZ, capturing local needs Expanding user bases and creating added value

Focus on unique local markets

- ✓ Strengthen toothpaste in the salt subcategory, covering a significant share in the market
- ✓ SALZ has a strong market position and high repeat purchase rate

Salt toothpaste subcategory share in the overall toothpaste market



Source: Lion survey

Proactive marketing coupled with rebranding

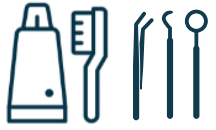
Package redesign and new communication to attract a younger demographic



Marketing tailored to local needs

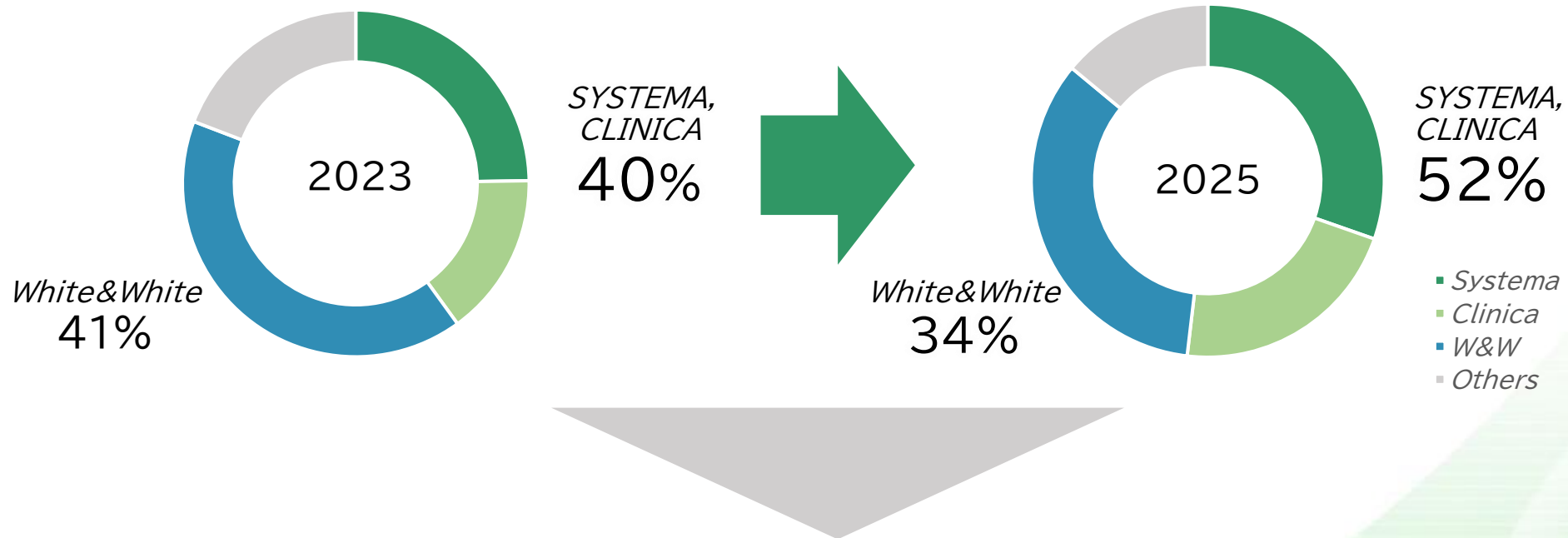
- ✓ Launched SALZ Salted Thai Tea toothpaste in collaboration with famous Thai tea brand ChaTraMue resulting in favorable reception especially on social media





Strategy Shift

Shift from quantitative expansion to profitable growth with concentrated investment in high value-added brands
⇒ Sales ratio of prioritized high value-added brands has increased
No. of distribution channels increased around 1.5x (compared to 2023)



Refine target segments and further accelerate the development of high value-added brands



Strategic Rollout Example: China



Launching new high value-added products to continue growth in the whitening subcategory

Capture market change to shift towards high value

Strengthening whitening subcategory

Market growth rate: **5%** Market share: **22%**
(2025, offline)



New product proposals utilizing the local LICS R&D location

LICS

Lion Innovation Center (Shanghai) Co., Ltd.

- ✓ Developing value and technology anticipating market trends, creating highly distinctive products
- ✓ Since its establishment, product proposals have **tripled** (vs. 2023)

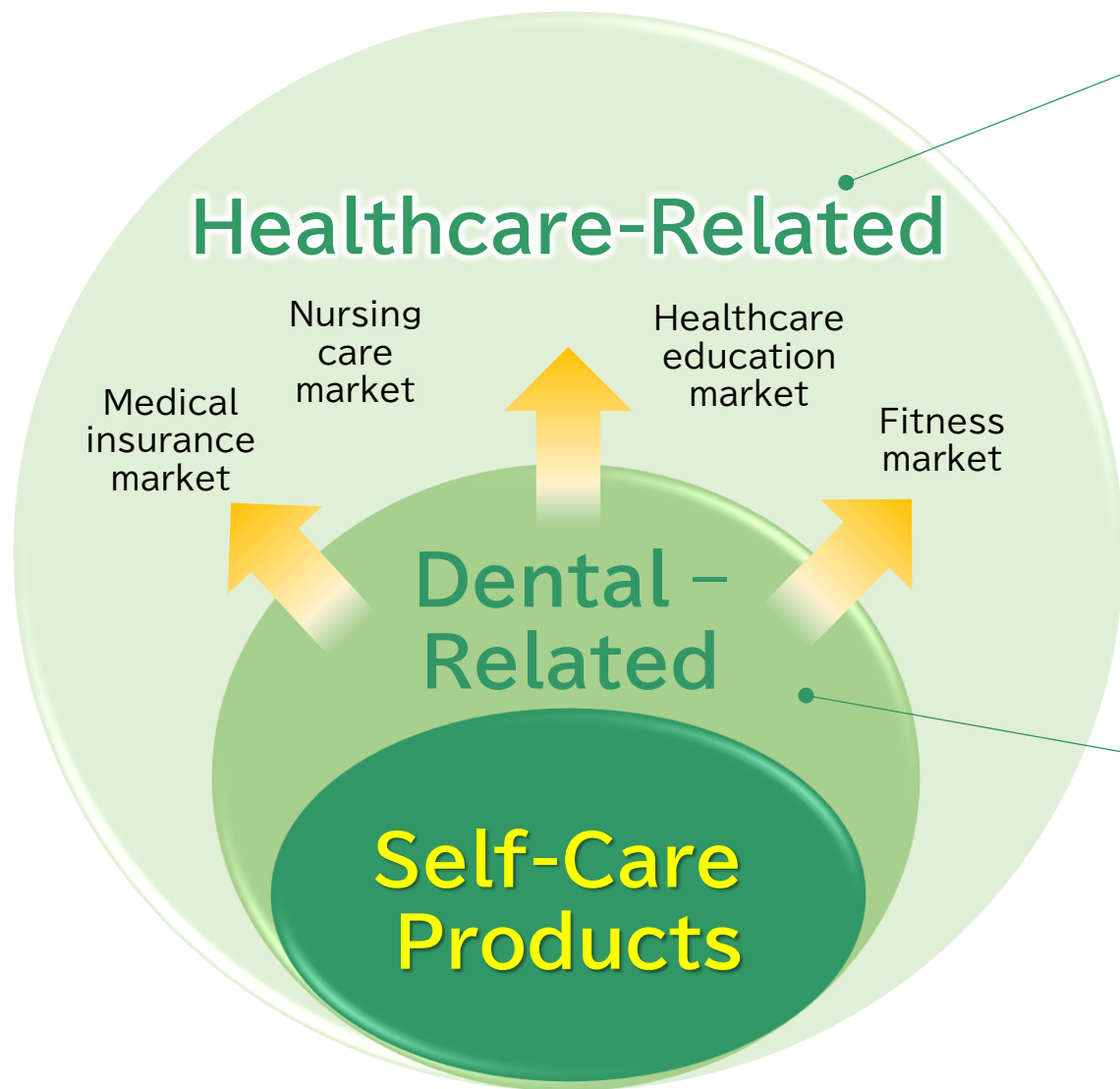


New **CLINICA** product
(Launched April 2026)

- ✓ Combines traditionally high-demand **enzymes** combined with **whitening** popular among younger consumers
- ✓ 5 types of enzymes work to remove 40 types of stains*
- ✓ Favorable initial response



*Tooth discoloration from foods



Healthcare

- Toothbrushing education programs to expand contact points with consumers



Dental Care

- Strengthening collaborations with dental professionals in China and Vietnam



Actions to Expand Business Domains

Deepening network with global dental professionals

- ✓ Attended the FDI World Dental Congress 2025 as the first Asian company to be a Diamond Exhibition Sponsor
- ✓ FDI World Dental Federation: Represents more than one million dentists worldwide with 132 member countries



Building a business model that integrates products and services

- ✓ Create positive cycles of self and professional care by creating strong partnerships with dental healthcare professionals





Progress in Strengthening Coordination with Dental Professionals



Advance the development of a business model integrating products and services as a new pillar of growth

China

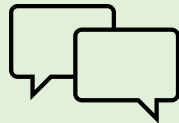
Foster trust with dentists through Lion products (*DENT.*) and create a ripple effect by expanding professional brand image

■ Process of coordination with dental professionals

1. Create connections through seminars and events



2. Build relationships with dentists through information exchange and dialogue



3. Collaboration (Sample requests, seminars, advertisement support)



Vietnam

Expand Merap Lion's prevention & treatment scheme to oral healthcare
⇒ Aim to launch new business through interest and recommendations by dental professionals

■ Dentistry Scheme: Early Preventive Treatment

1. Recognize



2. Remove



3. Restore



■ Exhibition at the FDI Asia Pacific Dental Congress





Expanding Markets through Healthcare Education



Until Now: Implemented educational activities for oral hygiene practices across Asia



KODOMO

Toothbrushing program

30,055 preschool children and teachers participated over 5 days



Lion Smile Express

Provided free dental checkups to 2,687 people using a bus equipped with X-ray machines, examination chairs, and treatment systems



Mother's Day event

Approximately 500 groups of parents and children participated, trying out toothpaste and other products

✓ Improved consumers' quality of life and expanded markets through healthcare education

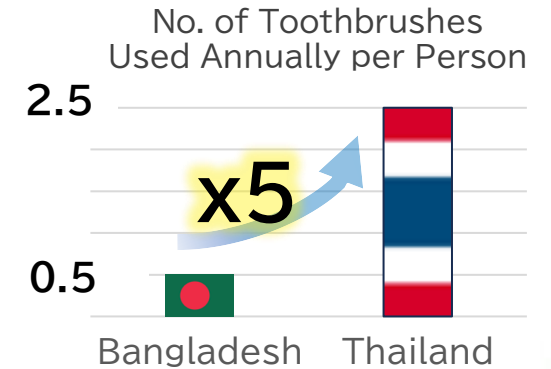
Currently: Expanding into Bangladesh, a market with significant growth potential



GDP per capita growth rate expected to exceed 30% by 2030

Toothbrush usage rate 1/5 of that in Thailand

→ Greater oral healthcare awareness could lead to major potential for higher brushing frequency and toothbrush use

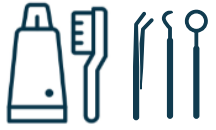


Combine advanced technology, proven marketing in Asia, and wide range of healthcare education to cultivate oral hygiene awareness and build brand trust

Towards further growth:

- ✓ Launched operations of plant in 2026
- ✓ In-house toothbrush manufacturing
- ✓ Leveraging the strengths of safe and reliable Japanese quality in product expansion





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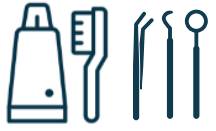
E-commerce, social media,
specialty stores, boutiques etc.

Target Customers

Those with a high awareness towards health and beauty

Vision

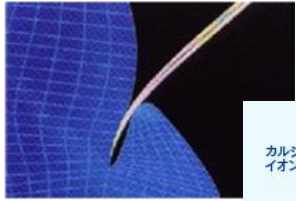
Accelerate profitable sustainable growth



New Challenges to Different Axes

Capture shifts in consumer awareness to further expand value proposition

Function Axis



Appeal functions
in line with rising
health
consciousness



General Channels
Dental Routes

×

Emotion and Beauty Axis



Growing demand for
emotional value and
premium products



E-commerce, social media,
specialty stores, boutiques
etc.



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Overseas Business Portfolio Transformation

Aim to shift toward a highly profitable portfolio through the optimal allocation of management resources according to the role of each business

Top Priority

Concentrate management resources to accelerate growth of sales and profit

Oral Healthcare

- ✓ Create value by evolving glocalization strategies
- ✓ Identify target segments for each country and area to improve market position



Challenge for Growth

Explore growth opportunities and contribute to increased business profitability

Beauty Care, Pharmaceuticals

- ✓ Expect to see high market growth
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Stable Earnings

Continue generating stable profits by leveraging strong market position

Home Care*

- ✓ Improve product mix by switching to liquid formulations in line with consumer trends
- ✓ Improve operational efficiency



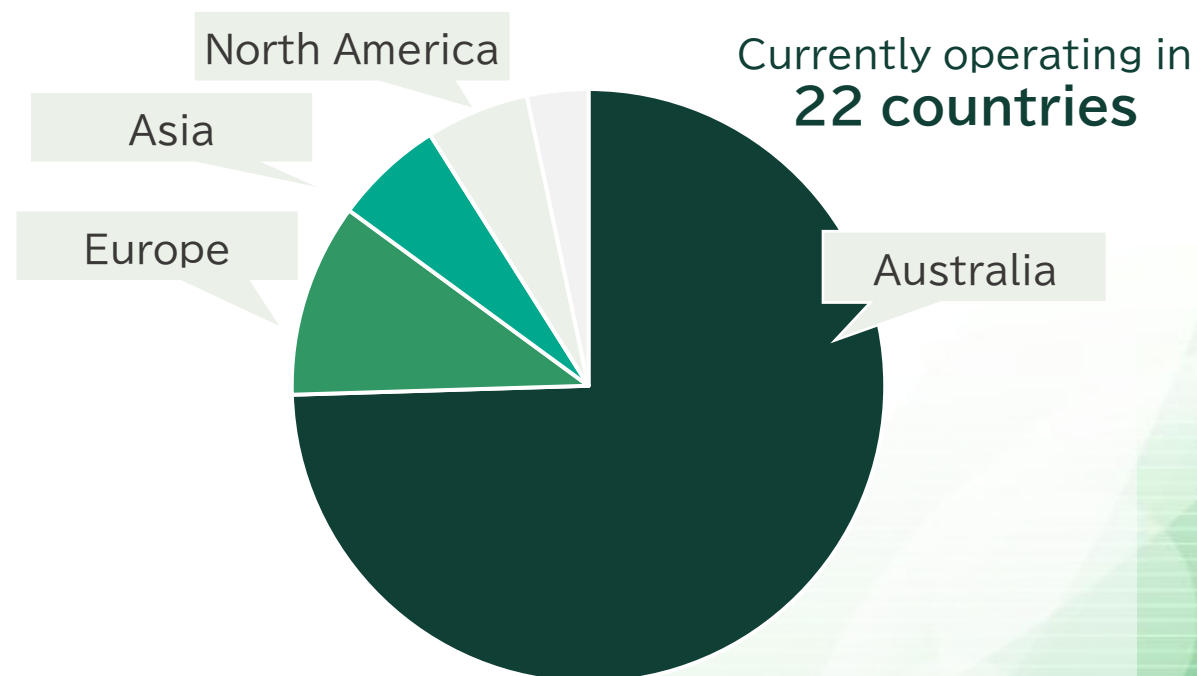
* Fabric Care and Living Care



Leverage *Sukin*'s competitive advantages of natural beauty care to expand areas of operation



Sukin Brand Sales Breakdown by Country
(FY2025 Net Sales)



Competitive Advantages of *Sukin*

1

Australia's No. 1*
natural beauty care brand

2

Development capabilities
for creating all-natural products for the
global stage

3

Significant growth opportunities
in Asian markets
(Branding that captures needs in Asia)

* Sales of natural brands in the Australian beauty care market (personal wash, skin care and hair care markets)
Survey period: May 4, 2023-May 3, 2024, using POS data from Circana, Inc.



Generating Synergies in the Australia Business



life.love.
LION



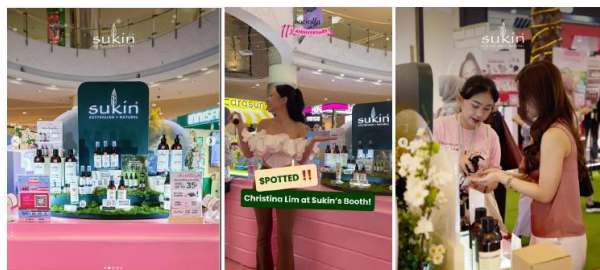
Leverage *Sukin* brand value and the Lion Group's infrastructure and capabilities to create new opportunities for growth and drive sustainable profitable growth

Horizontal deployment of successful initiatives across various countries in Asia

Make improvements utilizing Lion's know-how in R&D and Supply Chain Management



Stores in Singapore



Events and promotions in Indonesia

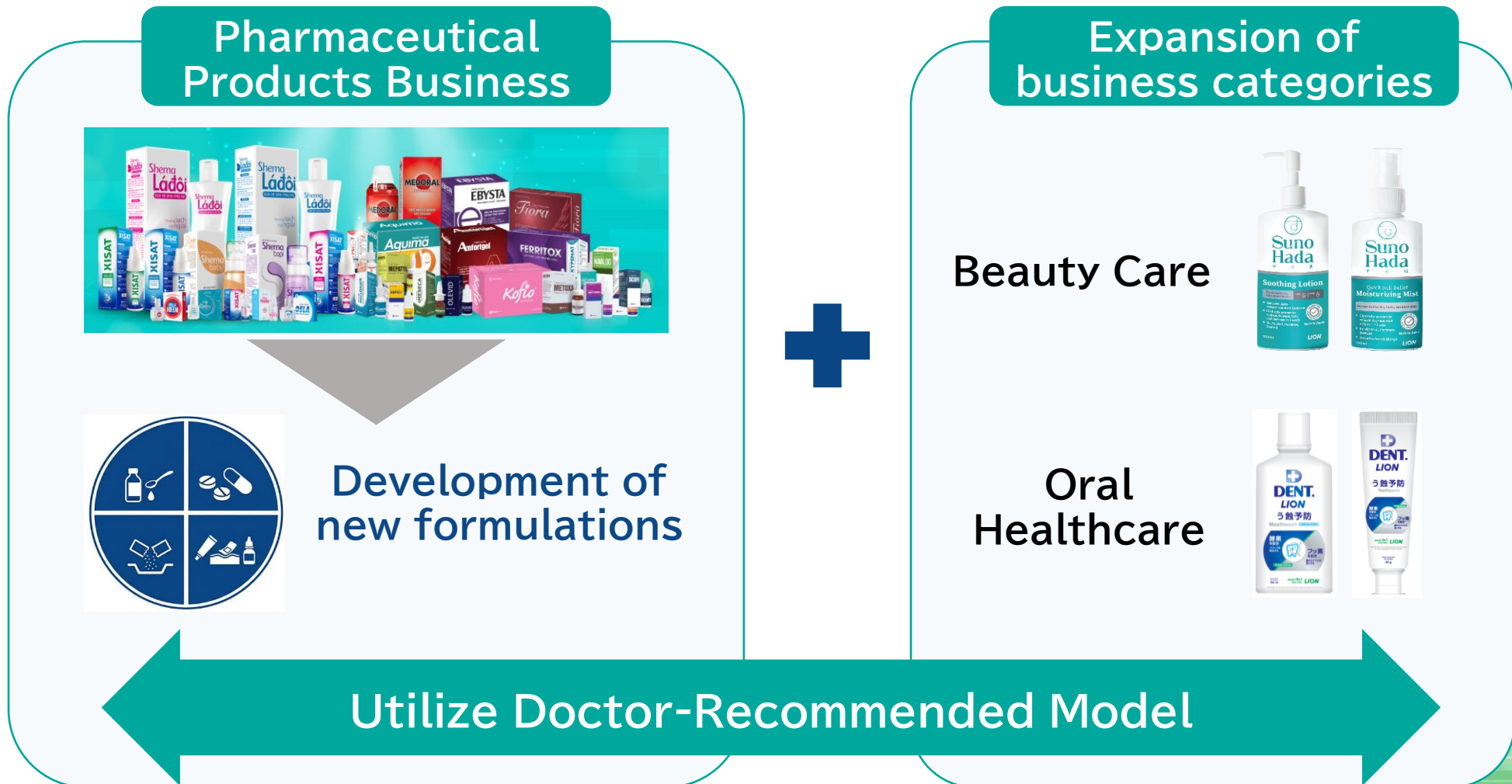
Utilize evaluation and analysis technologies
Upgrade claims and appeals



Optimize inventory levels



Build on the doctor-recommended model to pursue the expansion of high-profit businesses by developing and launching new formulations in the core Pharmaceutical Product Business





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The Organization and Talent Supporting Growth



Strengthening Speed of Decision-Making and Product Development through the Transition to Business Unit Structure

Until 2025: Two-headquarters based on area

- Region-based structure with management and support functions for each headquarters, slowing decision-making
- Research and production technology functions separate, making coordination a challenge

Northeast Asia Business Division (Executive General Manager)

Marketing

Business strategy and management

Each country and area

Southeast and South Asia Business Division (Executive General Manager)

Marketing

Business strategy and management

Each country and area

Research and production technology

From 2026 onwards: Single Business Unit Structure

- COO has consistent responsibility, authority is delegated to front line operations close to consumers by completing value chains in each country
➔ enables swift response to rapid changes in overseas markets
- Strategy and research supervision, production technology functions across the business unit, ensuring collaboration and overall optimization

International Business Unit (COO)

Country/Area

Marketing

Research

Business strategy and management

Country/Area

Marketing

Research

Business strategy and management

Strategy supervision

Research supervision and production technology



Strengthening Group R&D Capabilities

Clearly identify roles to strengthen innovation capabilities and accelerate product development

Previously

Product and technology development centered in Japan



Going Forward

Deepening and innovating core technologies: **Japan and China**
Product development capturing consumer needs: **Bases in each country**

Technological innovation hubs with a focus on deepening and innovating core technologies
Japan and China

Product development that swiftly captures consumer needs
R&D bases in various countries

External collaboration
Promote open innovation





Local Management

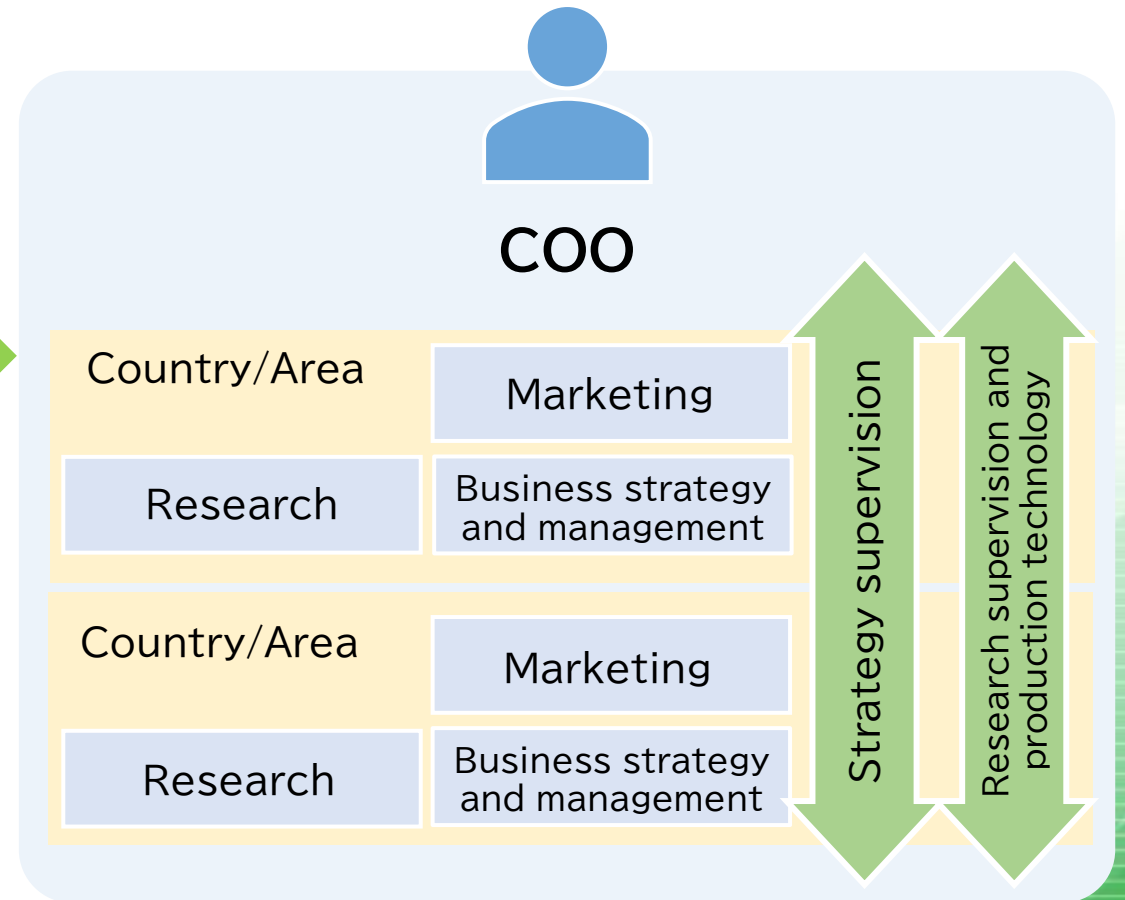
75% of top management is locally hired to realize glocalization strategy

Representatives of overseas subsidiaries

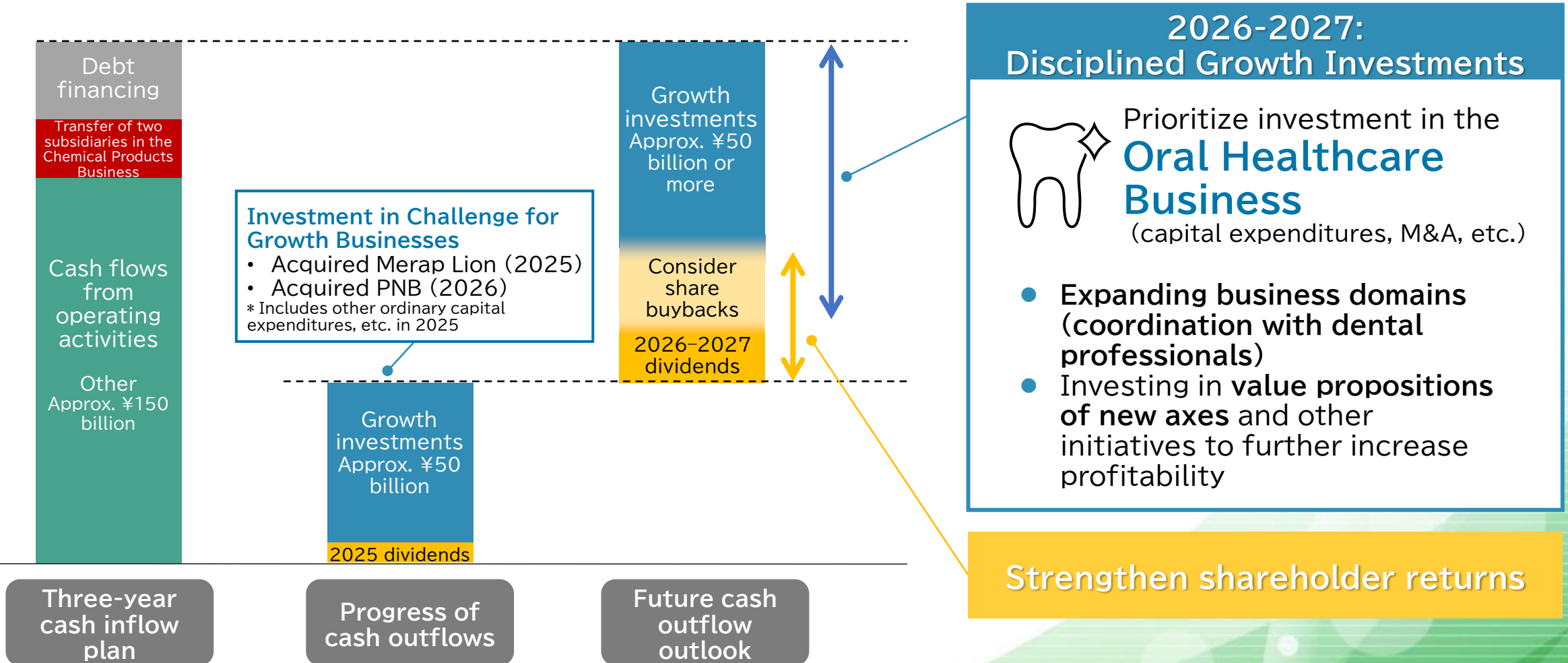


- : Local subsidiary
- : Lion Corporation Japan

International Business Unit



Implement disciplined growth investments focused on Oral Healthcare to realize profitable growth



- ◆ Selection and concentration of resources in high value-added segments
- ◆ Transformation of organizational management to accelerate strategy execution
- ◆ Locally-rooted management structures in each country and region



**Realize Transformation from
Quantitative Expansion to Profitable Growth**

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.