

# Business Strategy and R&D Briefing

Lion Corporation  
December 16, 2025

# Positioning 2nd STAGE Towards 2030

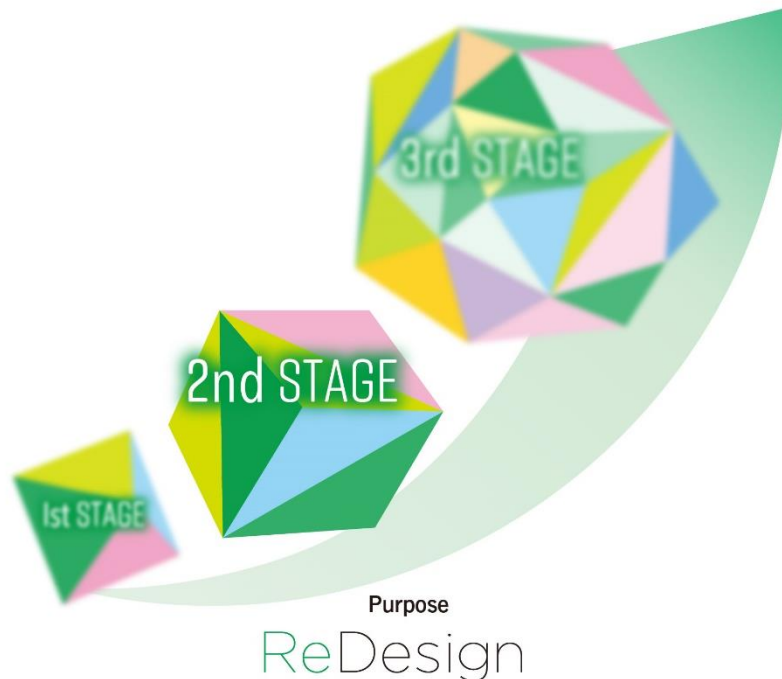
Work to strengthen profitability and transition to management that further emphasizes the efficiency of invested capital

## 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



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**

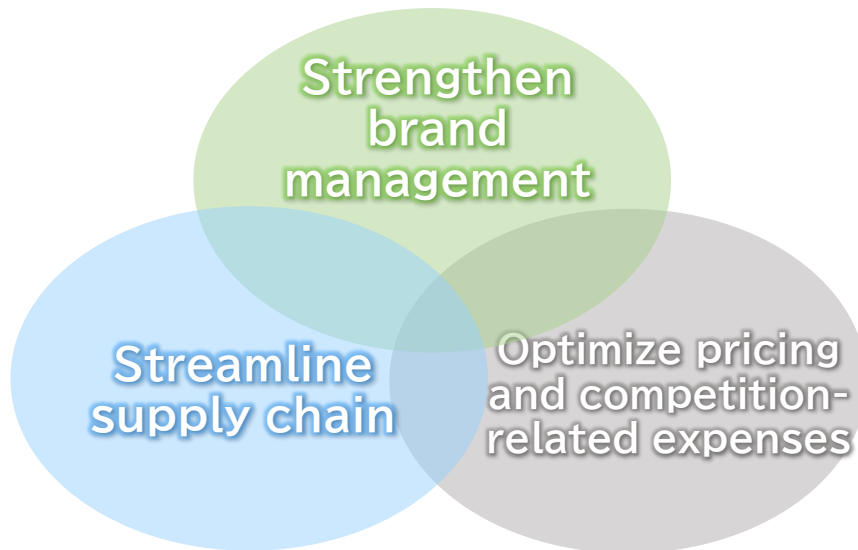
### 1st STAGE (2022-2024)

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

# Positioning of Domestic (Japan) and Overseas Businesses in the 2nd STAGE

## Domestic

Pursuing profitable growth by promoting profit structure reforms

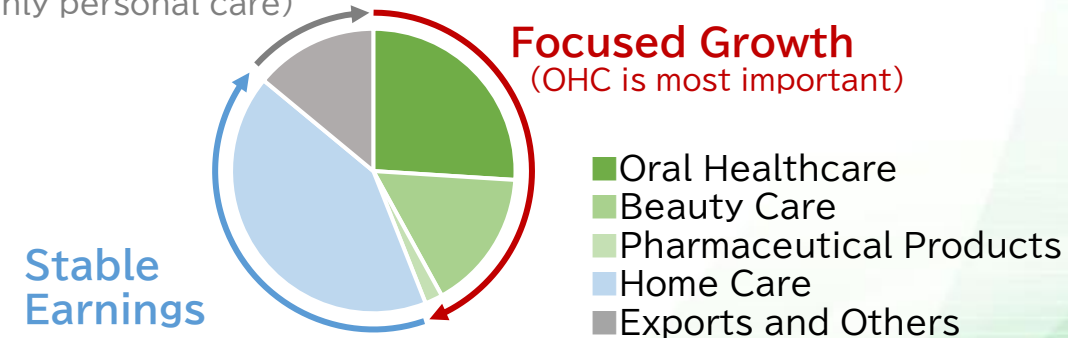


Consumer Products EBITDA Margin: **Approx. +3~5 pt**  
(From 2024 to 2027)

## Overseas

Pursuing profitable growth by expanding the personal care business

New Country Expansion  
(mainly personal care)



Overseas business sales CAGR: **Approx. 10%**  
Overseas business EBITDA margin: **Approx. +2 pt**  
(From 2024 to 2027)

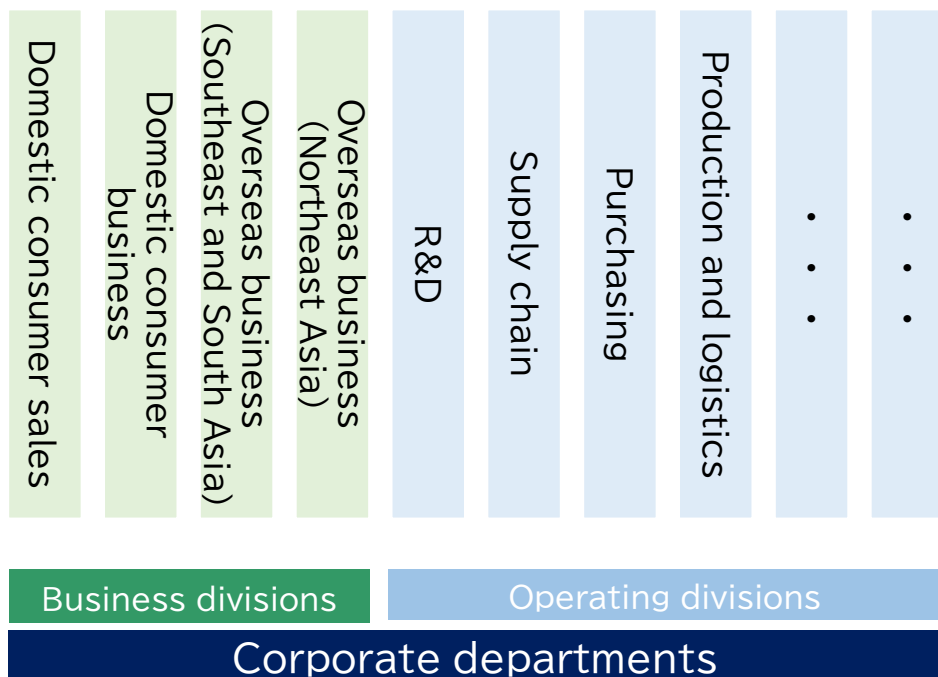
Total of domestic and overseas: **OHC CAGR of over +8%**

# Transforming the Organization and Management Structure to Achieve the Medium- to Long-Term Vision

Enhancing ability to execute strategies by evolving into a company that stays ahead of competition

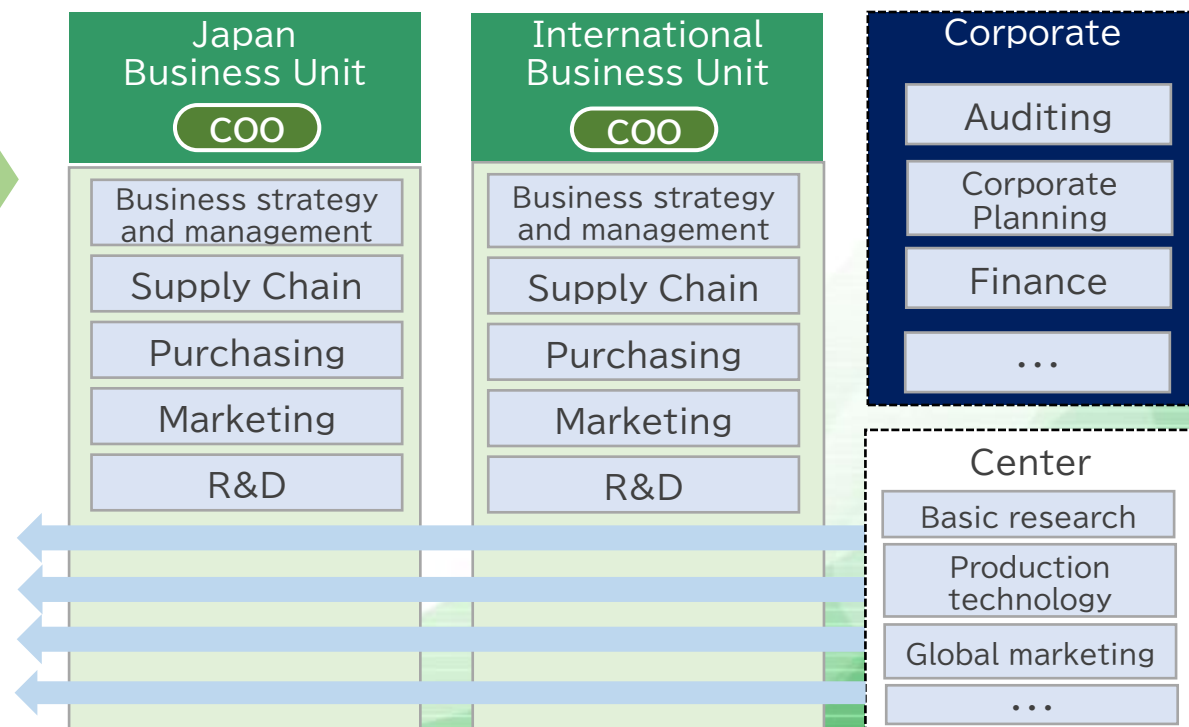
## Issues with current organization (10 headquarters structure)

- Functional optimization is prioritized, making the responsibility for profitability unclear
- The complicated structure causes collaboration to take time and move slowly



## New structure bundling value chains

- **Clarify profitability responsibility:** Specify and visualize performance targets for the COO of each Business Unit
- **Speed up decision-making:** Delegate specific authorities to the COO
- Strengthen monitoring by the CEO



- Strategic Direction for the Consumer Products Business
- Oral Healthcare Strategy:  
Creating Value through the Creation of Healthy Habits
- Home Care Strategy:  
Creating Value through the Creation of Water Conservation Habits
- R&D Strategies for Achieving Growth

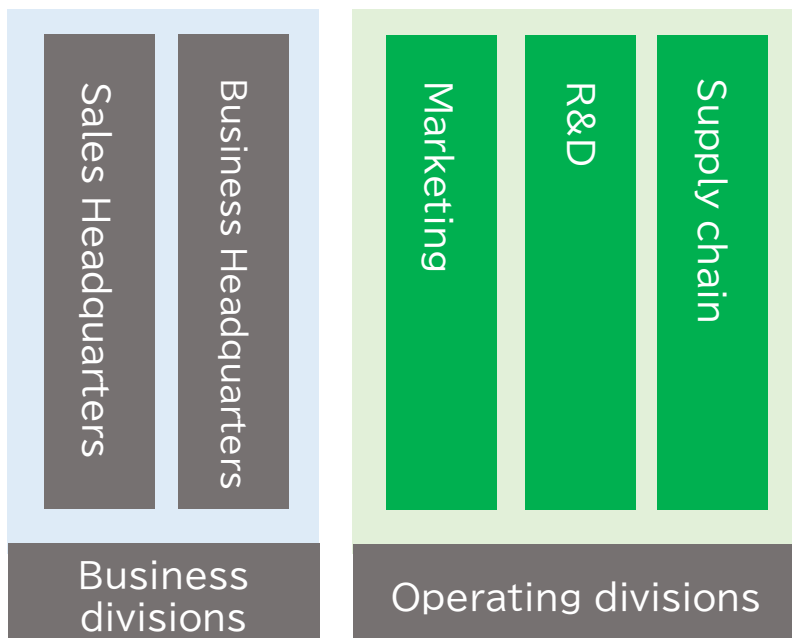
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# Strengthening the Domestic (Japan) Business Structure

In 2026, Speed will be the keyword in the reform of our organizational structure aimed at reforming our management process.

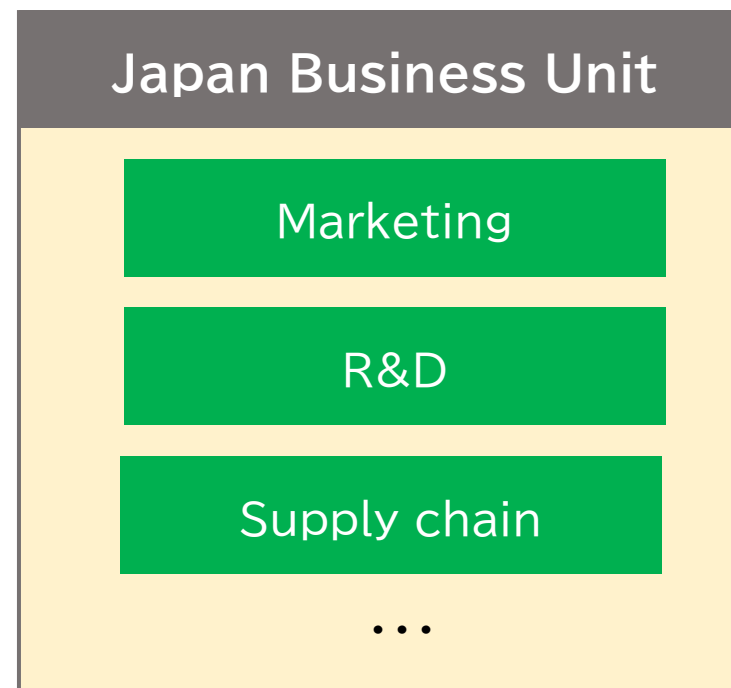
## Organizational structure through 2025

Departments divided by function



## New structure from 2026 onward

Maximize development and implementation speed by consolidating planning, development, and production under a single business division



## ■ Role

Pioneering the creation of better habits to drive economic and social value creation across the entire Company  
= The source of innovation



### Contributions to the creation of healthy habits

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

### Environmental initiatives

- Reduction in life cycle water usage
- Reduction in petrochemical-derived plastic usage

## ■ Vision

### 2nd STAGE Important Themes

#### Promoting Profit Structure Reform



Consumer Products EBITDA Margin

Approx. +3~5pt  
(From 2024 to 2027)

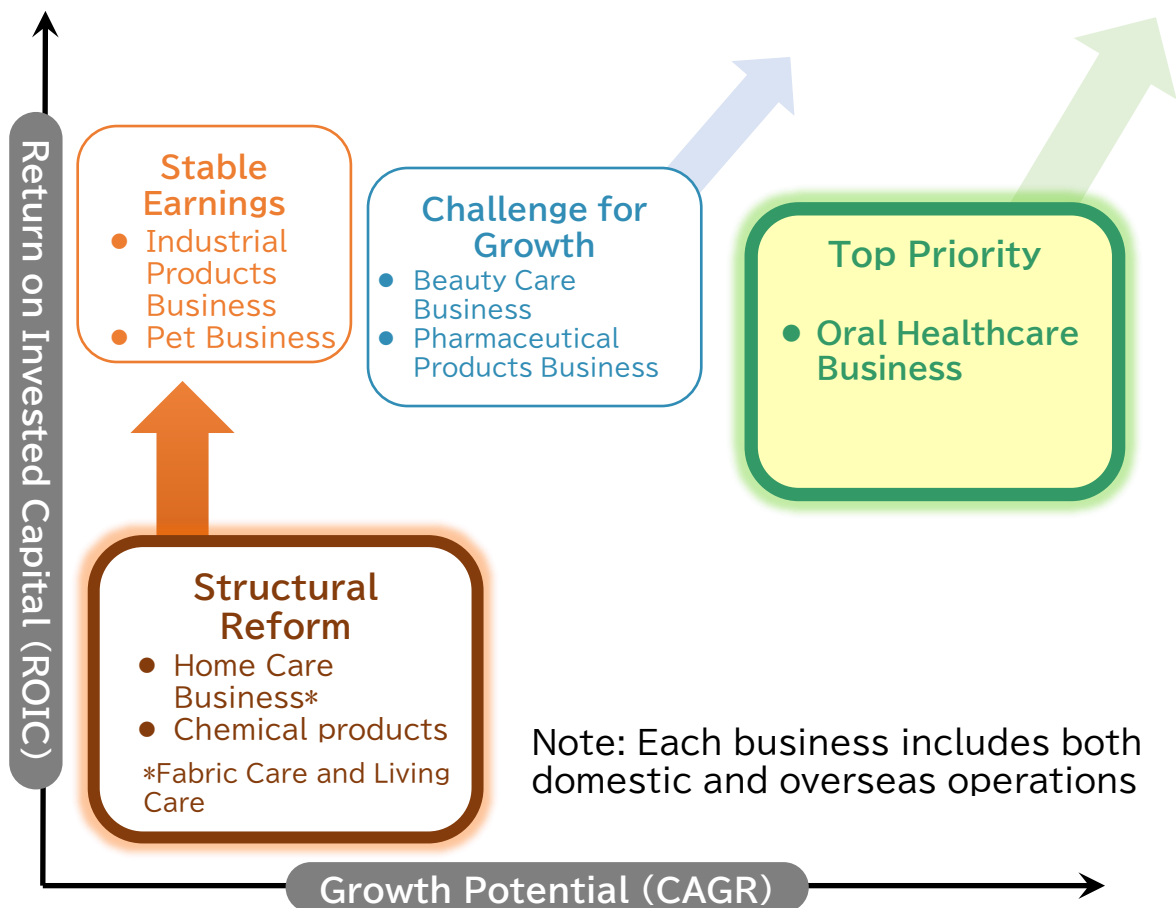
Innovation

High Value-Added Strategy

Achieving Profitable Growth

## Advancing tailored strategies to realize a high-profit business portfolio

### ■ Visions of Main Businesses (1st STAGE → 2nd STAGE)



### Oral Healthcare Business

#### Vision

- Driving the Group's expansion in terms of both growth potential and ROIC
- Group oral healthcare sales growth: **CAGR Approx. 8%** (From 2024 to 2027)

#### Domestic (Japan) Initiatives

Leveraging position as No. 1 in market share to drive further value-added initiatives

### Home Care Business

#### Vision

- Rising raw material prices and competitive environments have eroded profitability
- Transition businesses toward stable earnings through **profit structure reforms**

#### Domestic (Japan) Initiatives

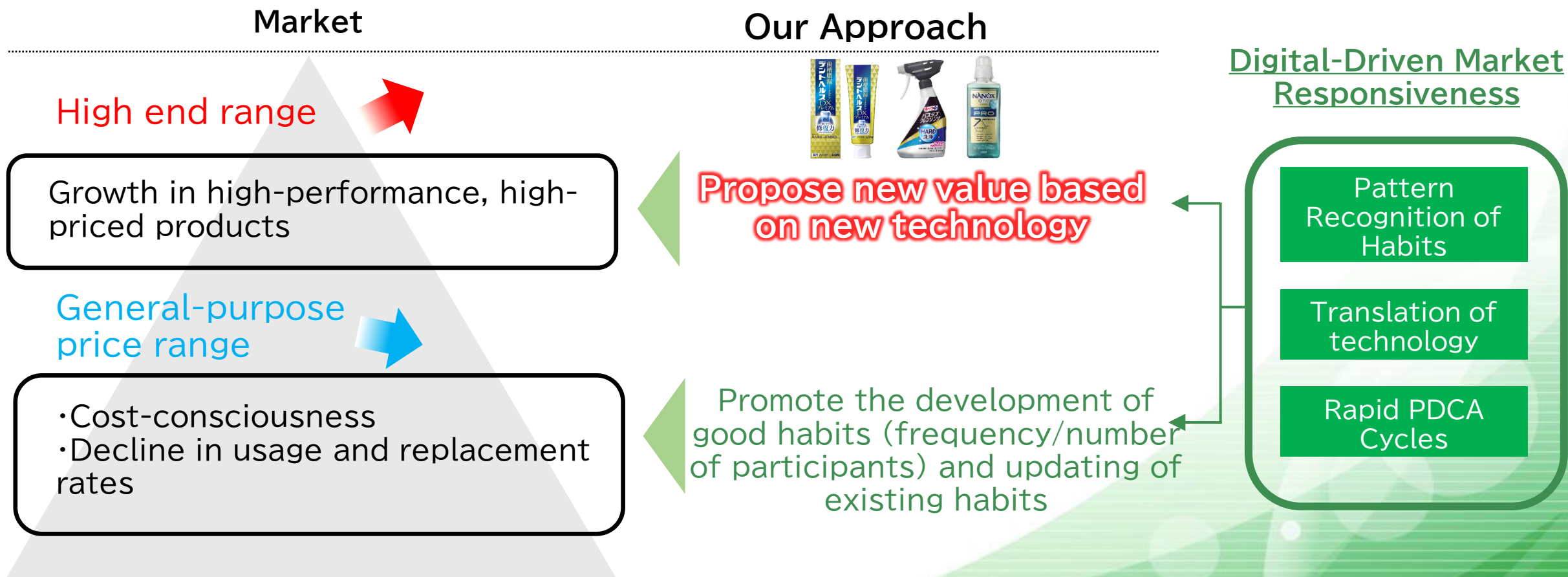
Developing and cultivating products with unique value in order to build a revenue base that does not rely on mass production.

# Addressing Market Fluctuations (Market Polarization)

Securing a share of the steadily growing high-end market requires new technologies (functions) and a clear concept.

By leveraging digital capabilities, we will strengthen and accelerate our market responsiveness.

## Domestic Market: Selective Spending Gains Momentum



# Digital-Driven Market Response Approach

Accelerating the shift towards high value-added products through the exploration, refinement and rapid PDCA of new values

Creating Better Habits

Exploring and Refining value through proprietary AI



Efficient marketing leveraging advanced data utilization



## Insight exploration and value development through proprietary AI

\*Concept and message development for the oral healthcare category, pharmaceutical, laundry and cleaning product field

Acquiring data from open data sources



Analyzing data using AI



Generating insights based on emerging societal trends and patterns



## Hypothesis development and validation driven by owned media data

\*Rapid PDCA cycles in luxury haircare and laundry product fields



Integrated analysis of user attributes and behavioral data to build hypotheses and refine strategies

**LION**

クリコ ナノックス キレイキレイ

**Lidea**  
くらしとココロに、寄りそ。

Collection of behavioral data based on user actions



Execution of communication initiatives developed based on hypotheses

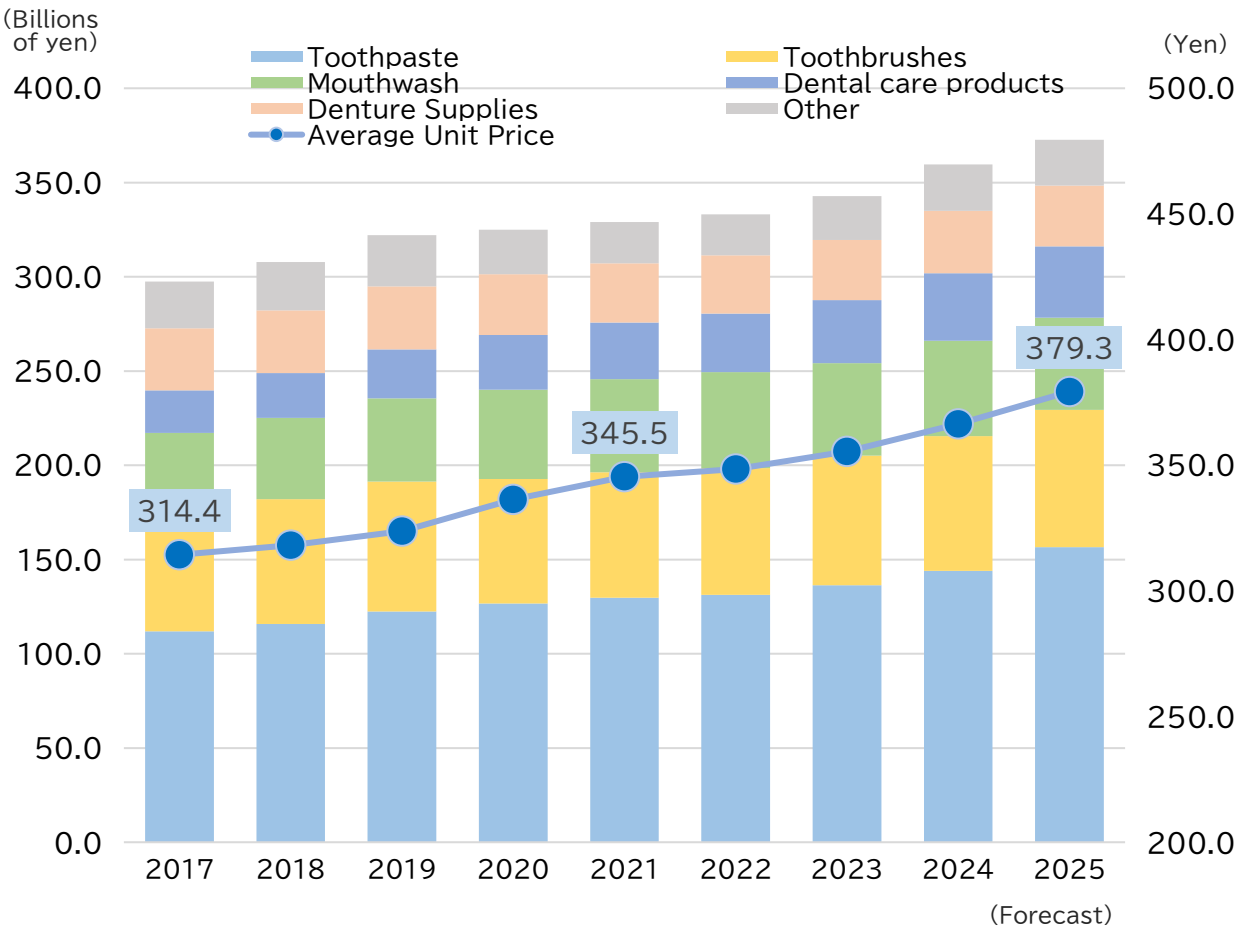
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# Overview of the Domestic Oral Healthcare (Self-Care) Market



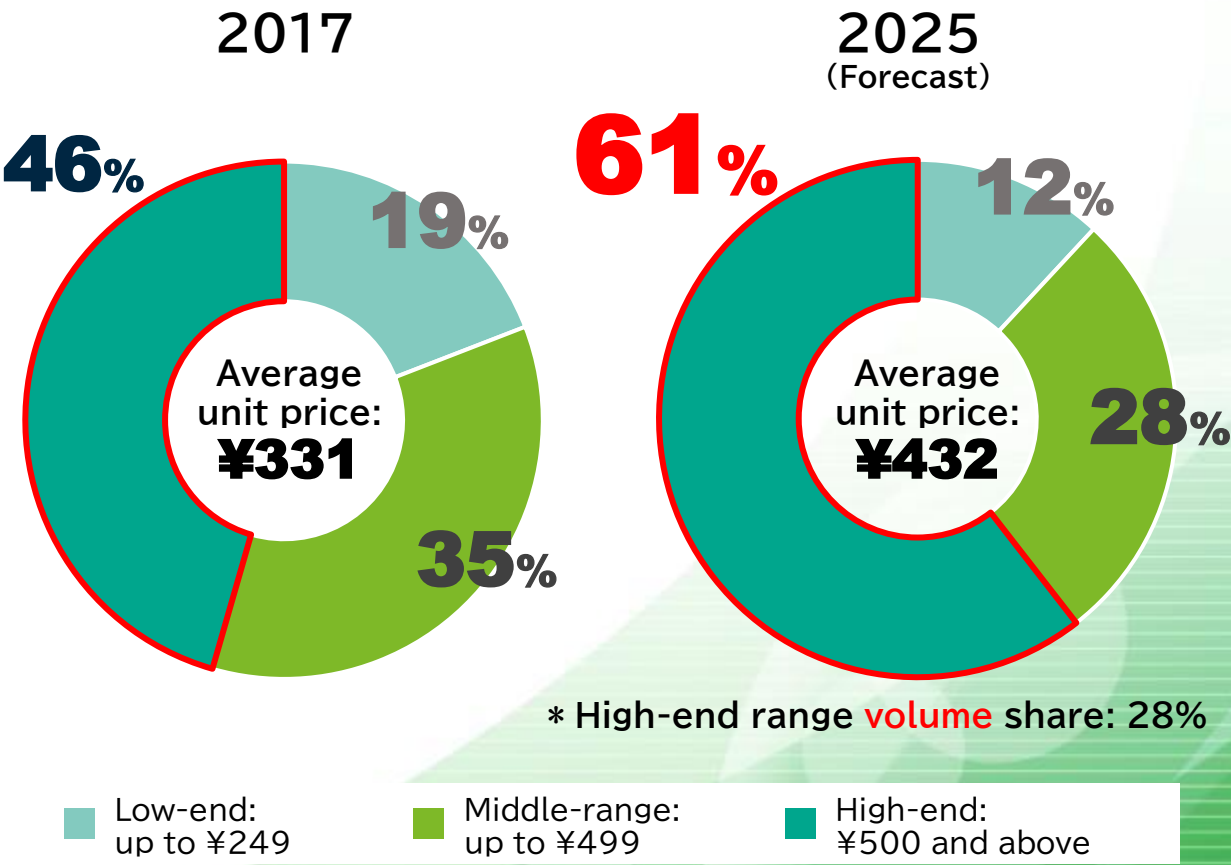
Expansion trend driven by increased per capita care spending, including the shift toward high-value products and higher usage rates of floss

◆ Oral Care Market Trends and Forecast



Source: Lion survey

◆ Toothpaste Cost Breakdown by Price Range and Average Unit Price



Source: Lion survey

# Strengths of the Oral Healthcare Business

Leveraging decades of strengths as the No.1 market share manufacturer to contribute to the expansion and refinement of everyday habits

## Contribution to Market Expansion in Self-Care Products

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

**Market total**  
+¥82.7billion  
+30%

**LION**  
+38.3billion  
+65%

### Added value

Toothpaste  
unit price  
LION +52%  
Market +30%

Increase in number  
of people adopting  
better habits

Dental floss  
regular  
usage rate  
13%→30%

### Professional care

Dental  
checkups  
Twice or more  
per year  
25%→38%

Consumer research  
capability

Brand power as the  
No. 1 manufacturer

Source: Lion survey

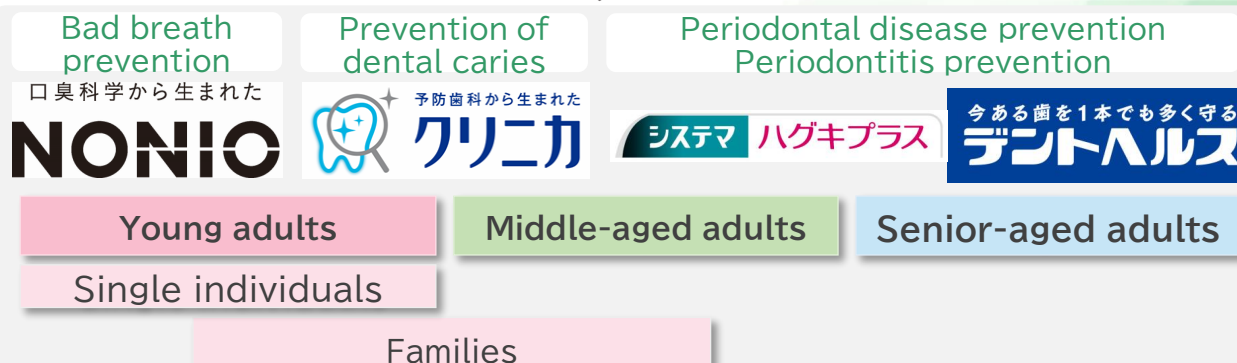
## Brand Formation Tailored to Life Stages

Implementing continuous and diverse approaches while taking into account differences in symptom awareness and values across generations

### ◆ Oral health concerns by age group survey





	10-19	20-29	30-39	40-49	50-59	60-69
No. 1	Bad breath	Bad breath	Caries	Periodontal Disease	Periodontal Disease	Periodontal Disease
No. 2	Caries	Tooth whiteness	Bad breath	Caries	Gum condition	Gum condition
No. 3	Tooth whiteness	Caries	Tooth whiteness	Bad breath	Caries	Periodontitis

Source: Lion survey



# Actions to Promote Oral Healthcare Habits

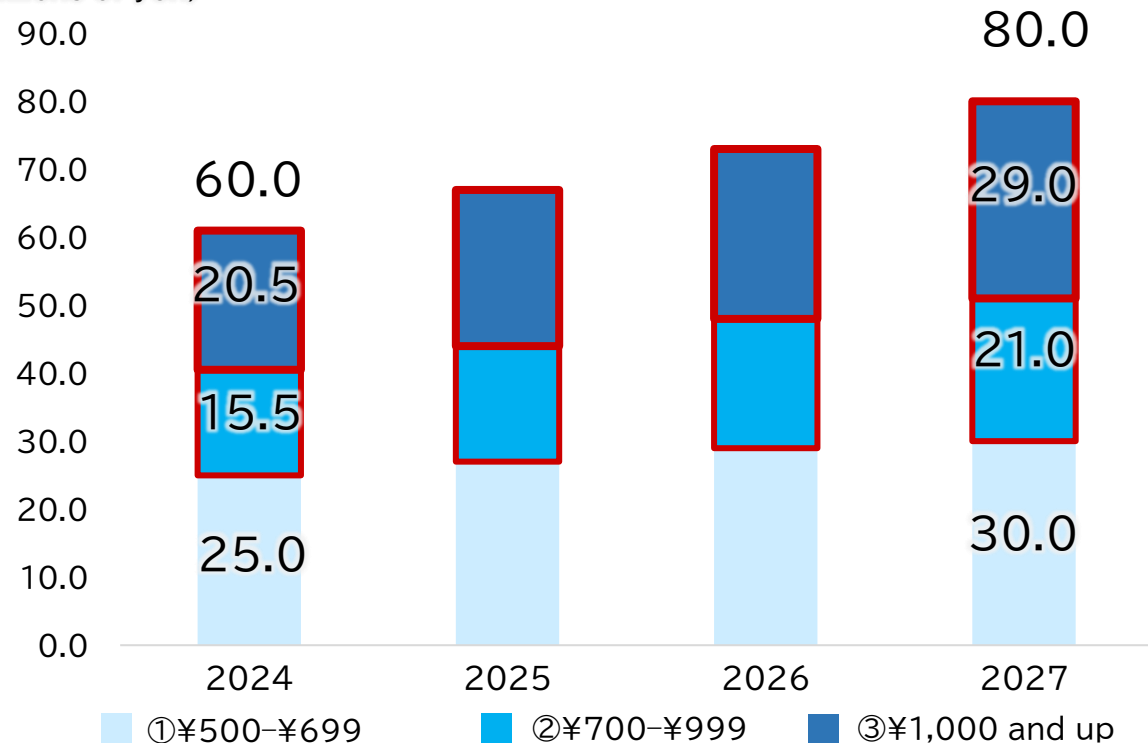
Positioning brands according to various life stages, each offering new value and habit-inspiring proposals to further drive market growth

Main Actions		
	High value-added proposals in the fields of periodontitis and other periodontal disease	<ul style="list-style-type: none"><li>• Advancing the shift towards high-value-added toothpaste</li></ul>
		<ul style="list-style-type: none"><li>• Continuing value-added proposals for toothpaste</li><li>• Introducing new technology for toothbrushes</li></ul>
	Preventive dentistry proposals that foster good habit adoption	<ul style="list-style-type: none"><li>• Introducing new technology for toothbrushes</li><li>• Strategies to increase regularity and frequency of flossing</li></ul>
	Interest-generating proposals to increase oral care engagement	<ul style="list-style-type: none"><li>• Proposing value-added toothpaste solutions</li><li>• Pursuing good habit expansion centered on bad breath prevention</li></ul>

# Actions to Expand the Periodontal Disease Care Market

Promote and strengthen the SYSTEMA Dent Health proposal to achieve market expansion as the leader for value-added products in the periodontitis and other periodontal disease care category

## ◆ Market Potential for High-end Periodontal Disease Prevention Toothpaste (Billions of yen)



Addressing rising interest among consumers about preventive care, we aim to further shift toward high-value-added products.

Source: Lion estimates

## デントヘルス

◆Rise in self-awareness of periodontal disease due to increased interest in self-management of health conditions  
\*Target demographic: 27% (5.6 million people)

Launched September 2025  
「Dent Health Medicated Toothpaste DX Premium」



## システム ハグキプラス

◆Top-ranked brand for gum health  
Proactively addressing gum deterioration with proactive care

New Action Planned for Spring 2026

# New Technology for Market Expansion: Development Plan for Microbiome Control Technology

## Vision

Strive to establish a new oral healthcare habit of understanding and self-regulating one's oral microbiome, aiming for positive effects on overall health.

◆ Developed technology to selectively suppress periodontal disease bacteria (bad bacteria)

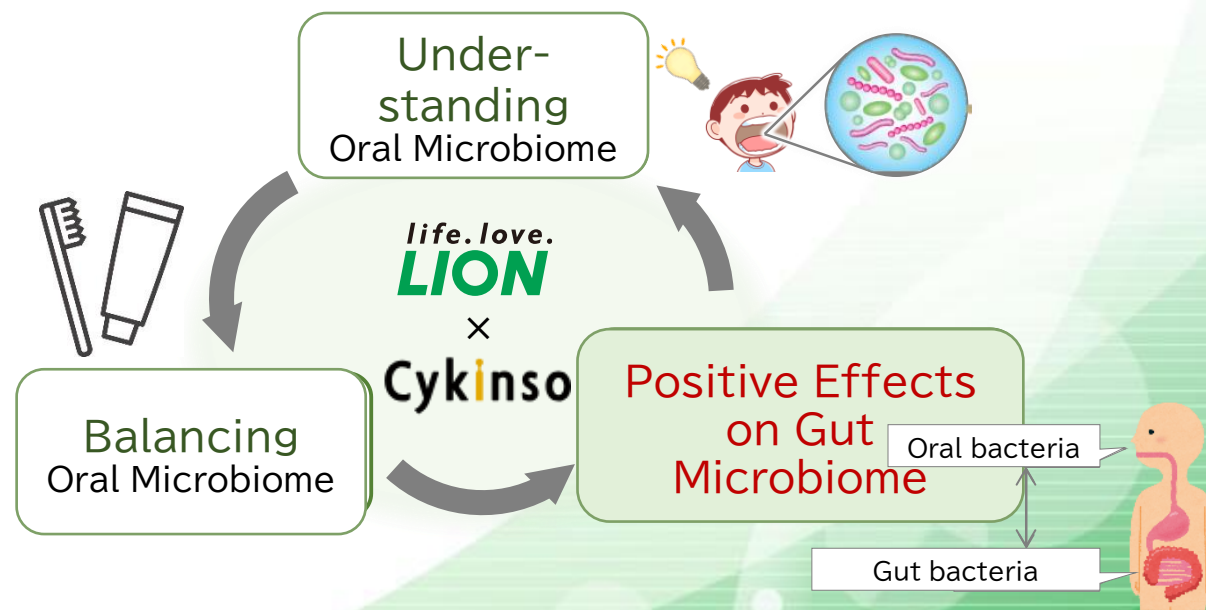
Introduced toothpastes featuring microbiome control through **dental clinics**

Q4 2025



**Spring 2026**  
Additional actions  
planned for dental  
distribution channels

◆ **Partnering with Cykinso Inc., possessing data and insights on oral and gut microbiomes.**  
Making oral hygiene the gateway to overall health.



# Vision for Oral Healthcare

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



Eating



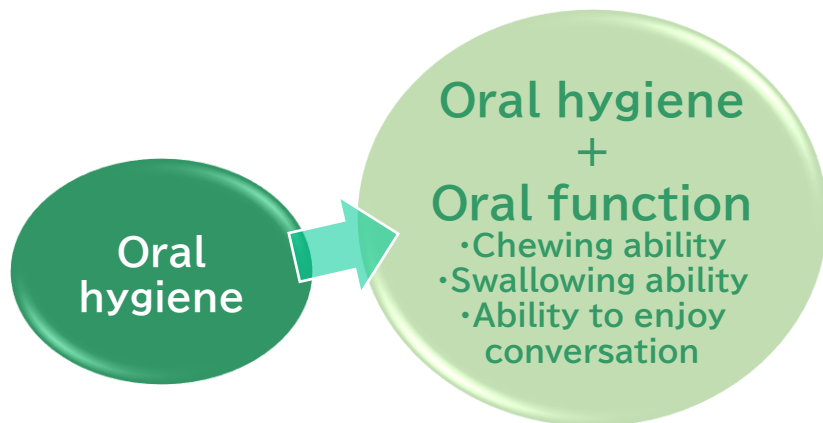
Talking



Laughing

## 1. Expand scope of provided value

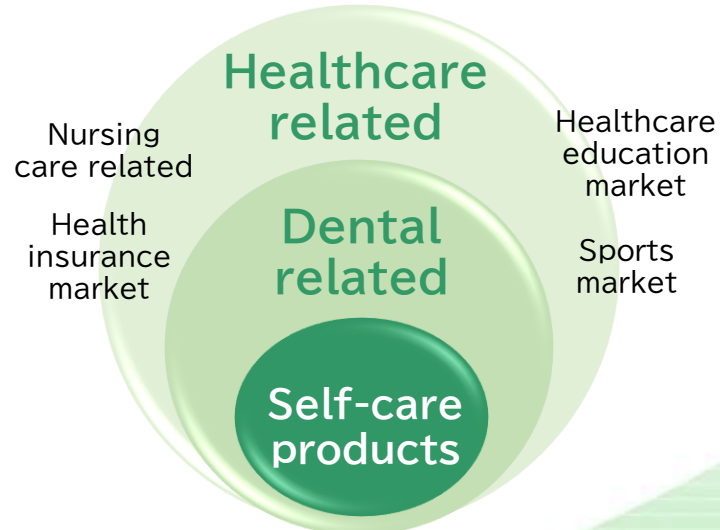
Oral healthcare that connects to  
full-body health



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



# Build a Business Model Integrating Products and Services (Through 2030)

**Build on the strong partnership with dentists to further expand the oral healthcare market by enhancing self-care and professional care habits.**

## Partnerships with Dentists

- Recommendation of our products and services
- Combination of professional care and self-care
- Integration of medical care and prevention

➔ Pursuit of social and economic value

## New Domain (ProCare Services)

Combining services and channels (dental practitioner collaboration) to form new habits

Product exposure and brand recognition facilitated through dentists

Patient referrals from established areas

## Established Areas (Self-Care/Products)

Accelerate habit formation through service touchpoints

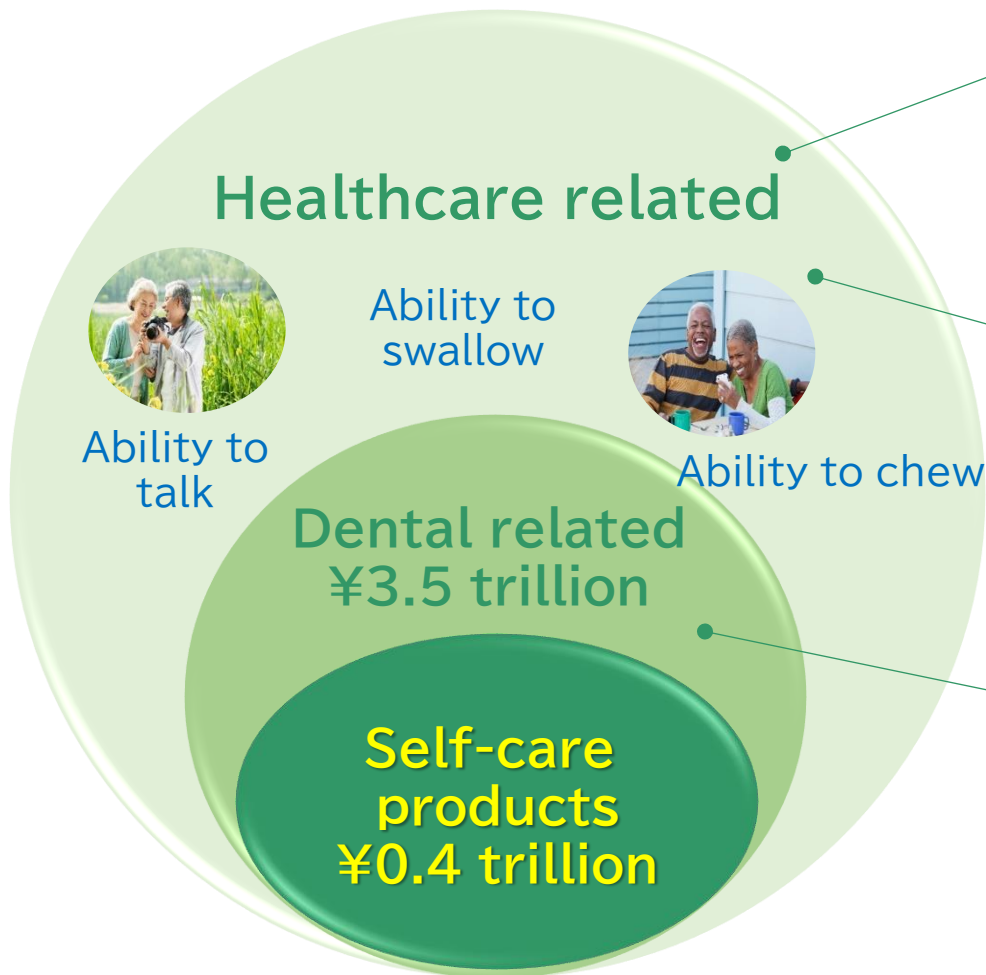


**Oral Healthcare Market Expansion**



# Steady Progress in Business Expansion Initiatives

Gradually expanding business areas to further promote oral healthcare habits.  
As consumer interest in care increases, the self-care product market is expected to expand.



## Health and productivity management related



Launched in 2022

Well-being support service for corporations

## Healthcare education



Launched in April 2023

Oral healthcare program tailored to different developmental stages of children

## Dentistry



Launched in April 2025

Patient education support services for dental clinics

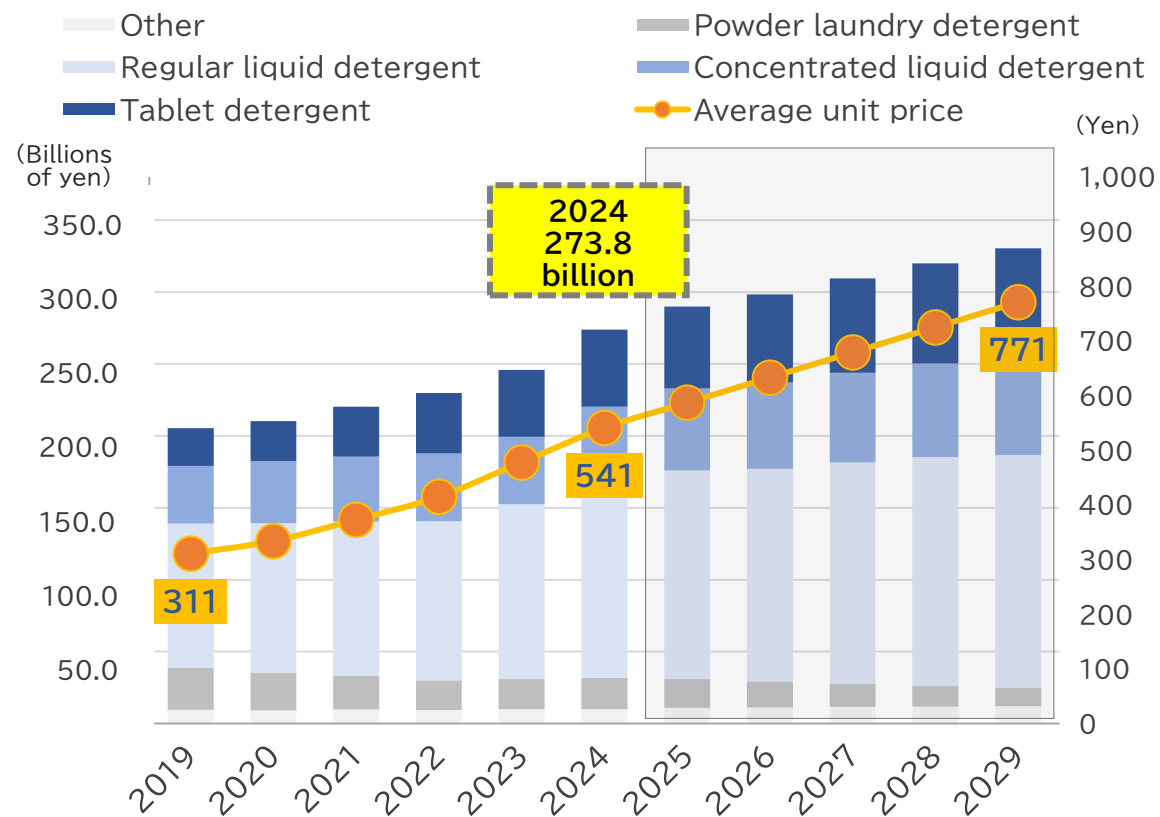
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# Market Trends in Laundry

Market expansion trends seen for both laundry detergent and fabric softener  
Market driven by the rising share of high-priced value-added products

## ◆ Market Trends and Forecast for Laundry Detergent

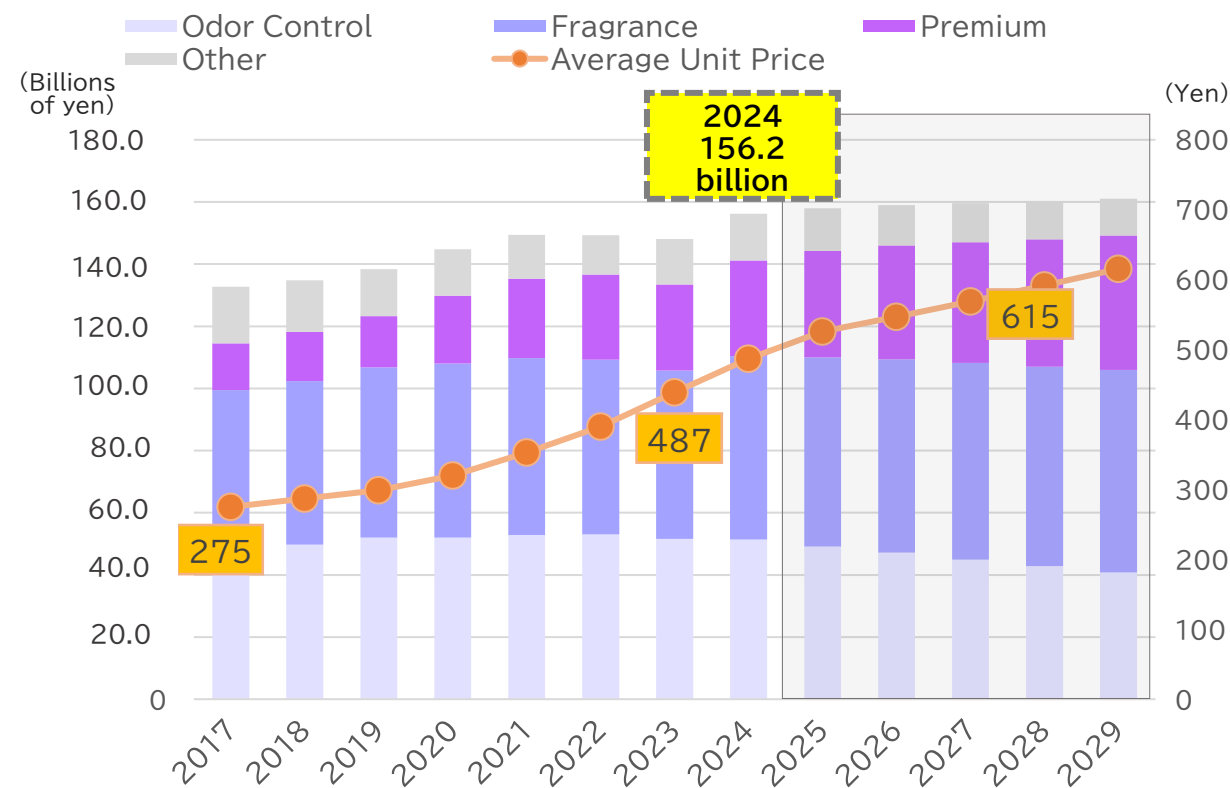
Both high-capacity products and high-priced formulations (liquid concentrates, tablets) are experiencing significant growth.



Source: Lion survey

## ◆ Market Trends and Forecast for Fabric Softener

High-capacity and high-priced product segments (premium types) show significant growth.



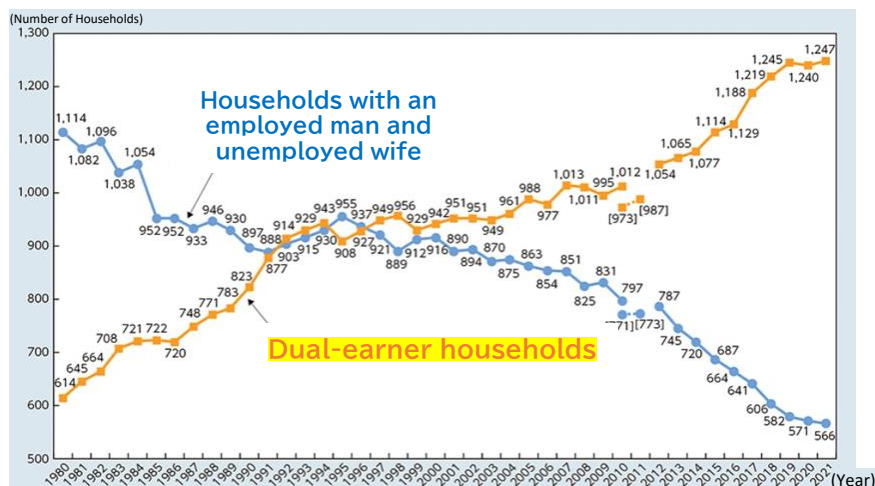
Source: Lion survey 22

# Changes in the Home Care Market

In recent years, the rise in dual-income households has brought significant changes to the home care market environment, including growing demand for quick laundry solutions.

## Changes in Family Structure

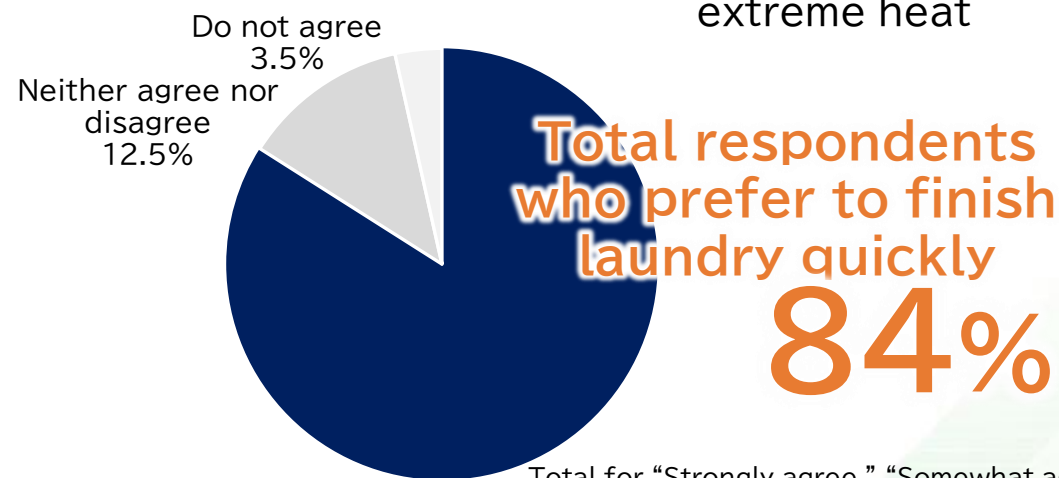
- Increase in dual-income households
- Changes in family size



Census of Japan, Labour Force Survey, 2020,  
Statistics Bureau, Ministry of Internal Affairs and  
Communications

## Changes in Awareness and Behavior

- Changes in time-saving awareness and time spent on household chores
- Changes in shopping frequency
- Behavioral changes due to extreme heat

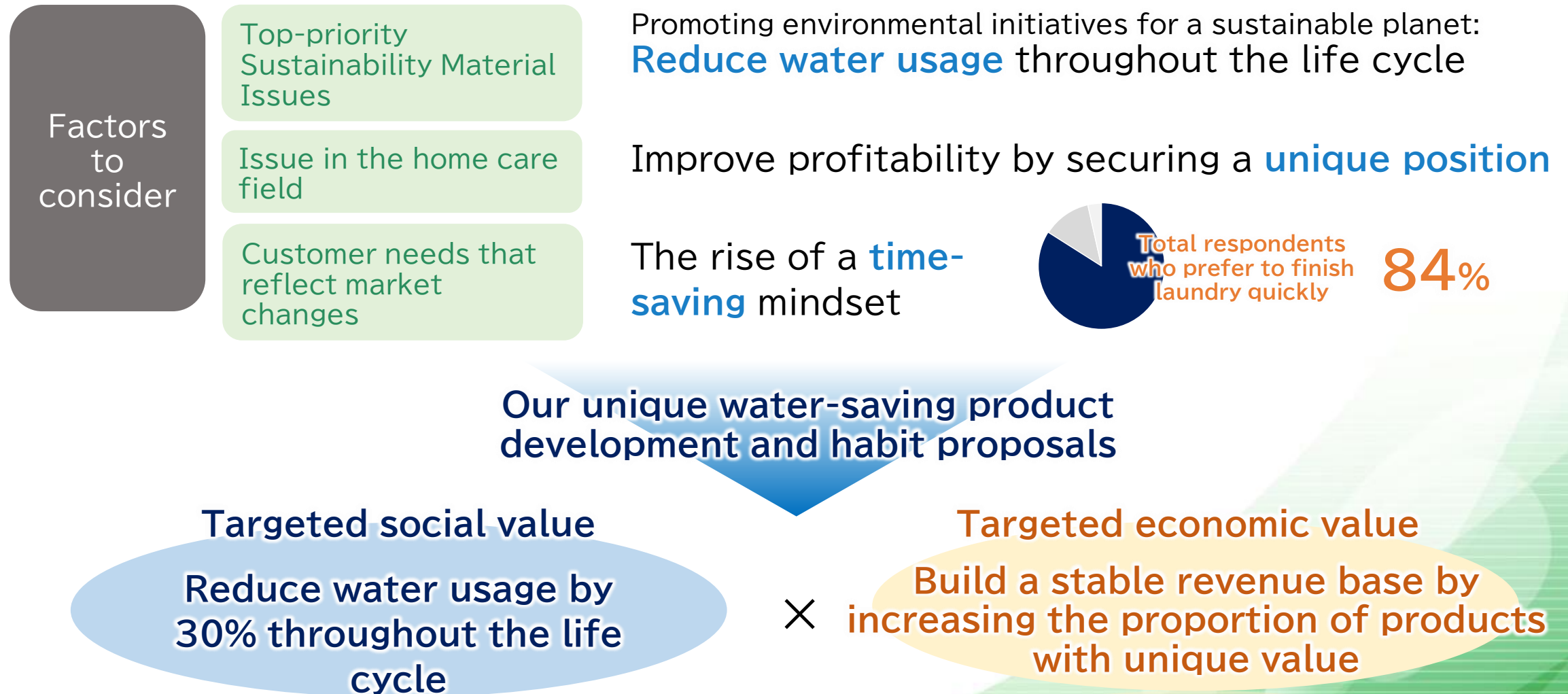


Total for "Strongly agree," "Somewhat agree," and "Slightly agree"  
Laundry Habits Survey (Working women in their 20s to 60s, n=1220)  
Source: 2023 Lion survey

## Hardware Changes





- Widespread adoption of automatic washing machines
- Widespread adoption of dishwashers (including automatic models)
- Evolution of living environments and household equipment

Proactively identify emerging shifts in consumer awareness and behavior to accelerate the development of highly profitable products with unique value.



# Actions Promoting a Shift to Unique Added Value (Creation of Water Conservation Habits)

Utilize AI technology to accelerate new habit proposals that are clearly distinct from price competitiveness

Major Actions		
	A habit of doing laundry with fewer rinse cycles	<ul style="list-style-type: none"><li>◆Accelerate instillment of laundry habits with fewer rinse cycles<ul style="list-style-type: none"><li>・Propose clothes detergents that require fewer rinse cycles</li><li>・Propose new habits for cleaning washing machine tubs</li></ul></li></ul>
		<ul style="list-style-type: none"><li>◆Accelerate instillment of laundry habits with fewer rinse cycles<ul style="list-style-type: none"><li>・Develop fabric softeners that require fewer rinse cycles</li></ul></li></ul>
	Cleaning and preparedness habits connected to reduced water usage	<ul style="list-style-type: none"><li>◆Increase the number of people who clean without scrubbing and use fumigation-type fungicide<ul style="list-style-type: none"><li>・New proposals aimed at user expansion</li></ul></li></ul>
	Saving water by expanding use of dishwashers	<ul style="list-style-type: none"><li>◆Accelerate new proposals that lead to expanded dishwasher use<ul style="list-style-type: none"><li>・Offer new proposals that solve dissatisfaction with dishwasher use times</li></ul></li></ul>

# Actions Promoting a Shift to Unique Added Value (Creation of Water Conservation Habits)

Since its founding, Lion has adhered to a development philosophy that values the conservation of water resources and the continual refinement of technology.  
We have established technology for zero-rinse laundry.



**Execute rapid PDCA cycles and expand sales channels upon increasing success rate**

Entrance

Products that address consumer needs and concerns

Saves  
time

Saves  
effort

Prevents  
mold

Marketing  
action

**Strengthen initiatives with distributors to instill habits**

- Based on data analysis, gain understanding of how to appeal to customers and how to select and develop sales points

Result

**Establish water conservation habits**

# Lastly: Aiming to Accelerate the Speed of Growth

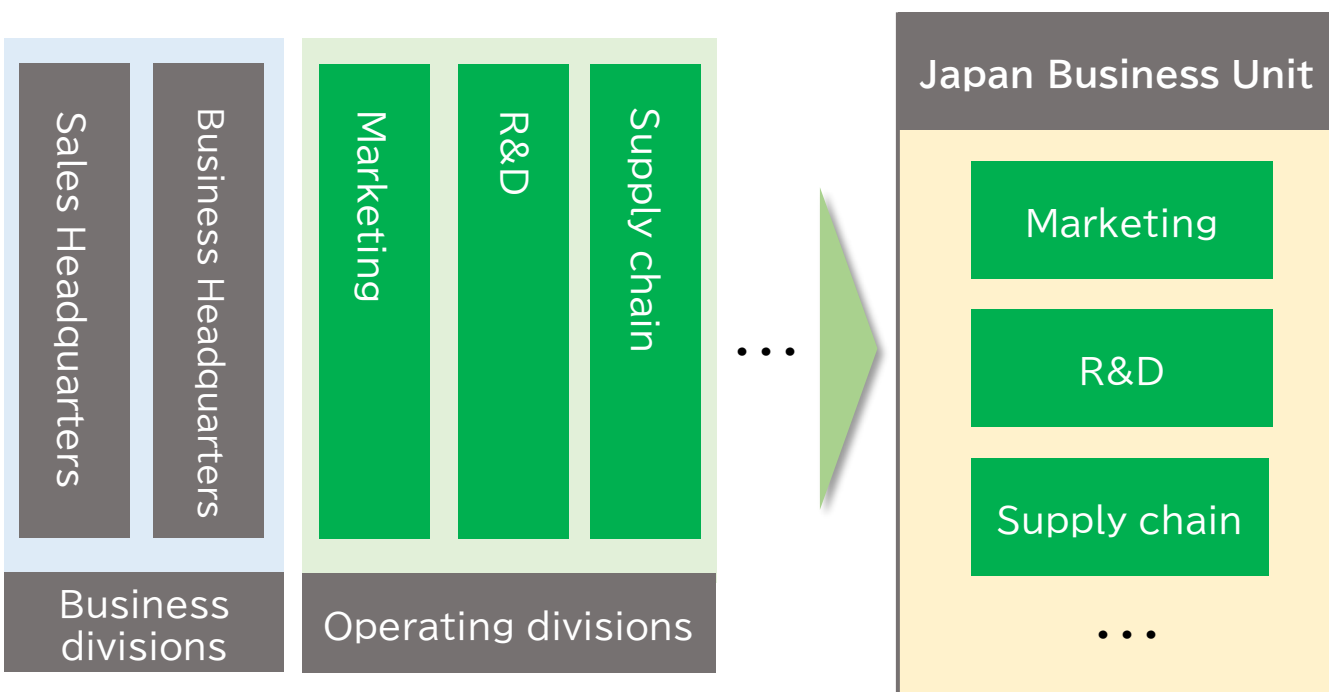
**Aim to accelerate new habit creation and thereby secure both economic and social value while enhancing sustainable corporate value**

## Domestic business unit structure

Combined planning, research, and production into the same business division, maximizing the speed of development and implementation.

## Accelerate the use of digital technology

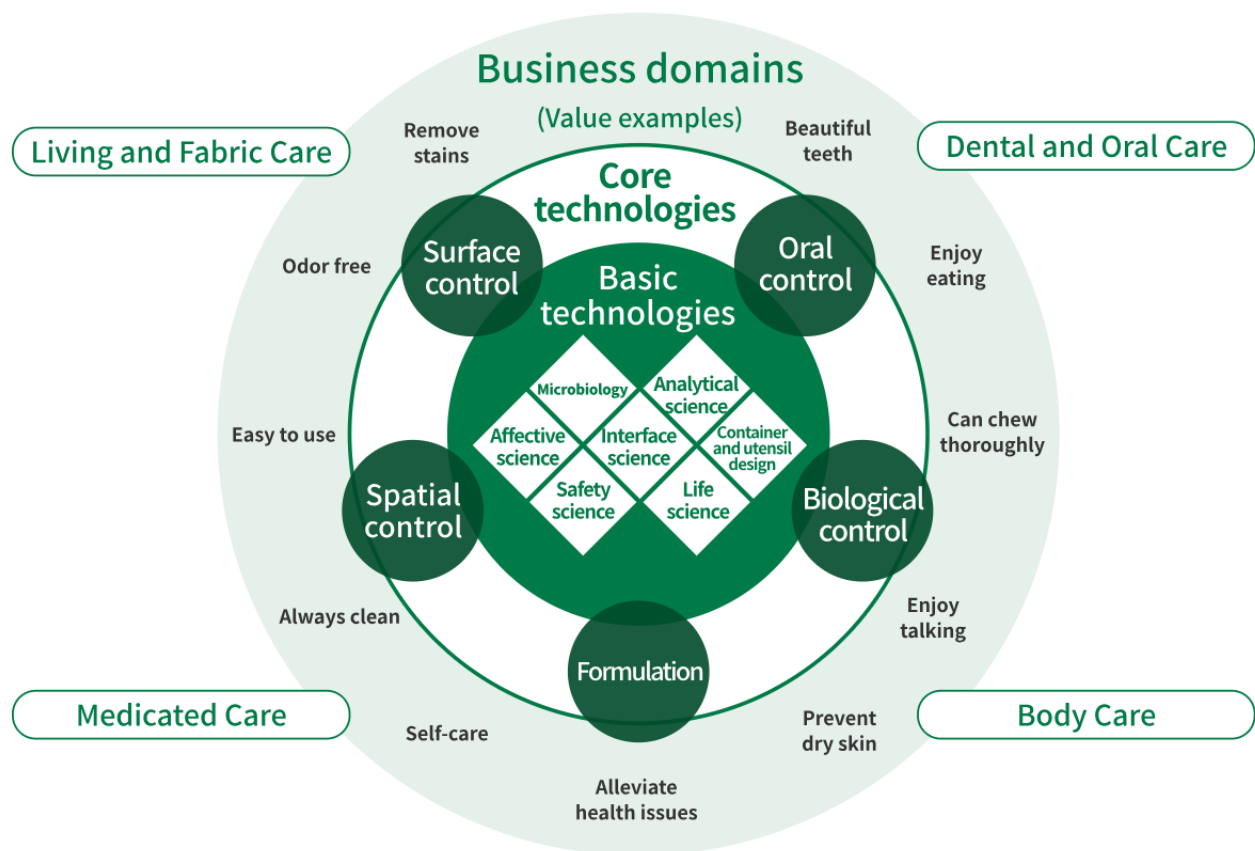
Accelerating the use of digital technology with the new organization, Marketing Design Center



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# Lion's Core Technology Map

Establish a sustainable competitive advantage in seven basic technological fields that underpin each business and five core technologies that create new value by developing applications for those basic technologies.

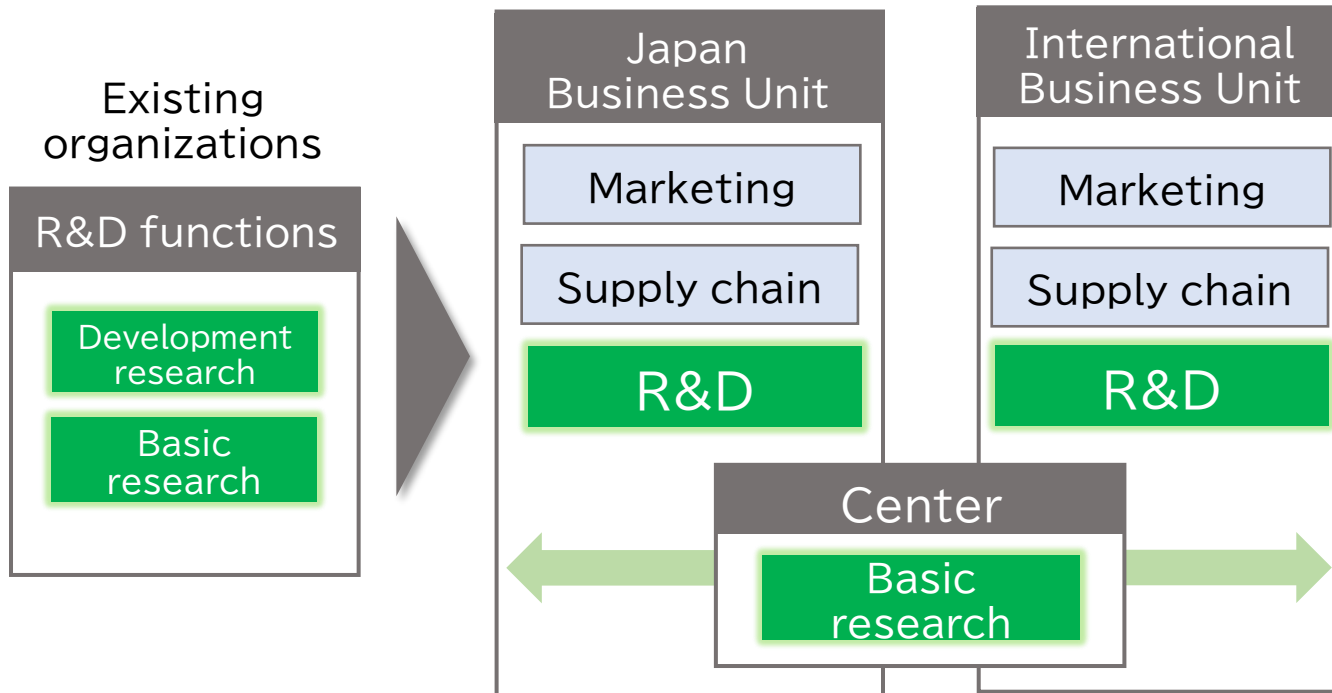


Core technology categories	Oral control	These technologies can be used to control the conditions of the oral structures of humans (and other species) as well as oral-function related microorganisms. They also include oral care technologies involving tools like brushes.
	Surface control	These technologies are used to control buildups of grime, odor-causing substances and microorganisms on surfaces by addressing the adsorption and desorption of such items from surfaces. They are applicable to hard surfaces, such as those found in shower rooms and toilets, as well as soft surfaces like fabrics, skin, and hair.
	Biological control	These technologies are used to control pain as well as the conditions and functions of biological cells and tissues, such as eyes, skin, and hair. (Technologies that affect oral tissues are included in oral control.)
	Spatial control	These technologies for the spatial dispersion of agents ensure odor control and the distribution of fragrance.
	Formulation	These technologies control the properties of foam, liquid and powder as they affect the quality and function of individual products— including unique features that determine usability and stability—based on which formulations are created.

## Maximize innovation generation capability and the speed of product development by clarifying roles

### Management process transformation

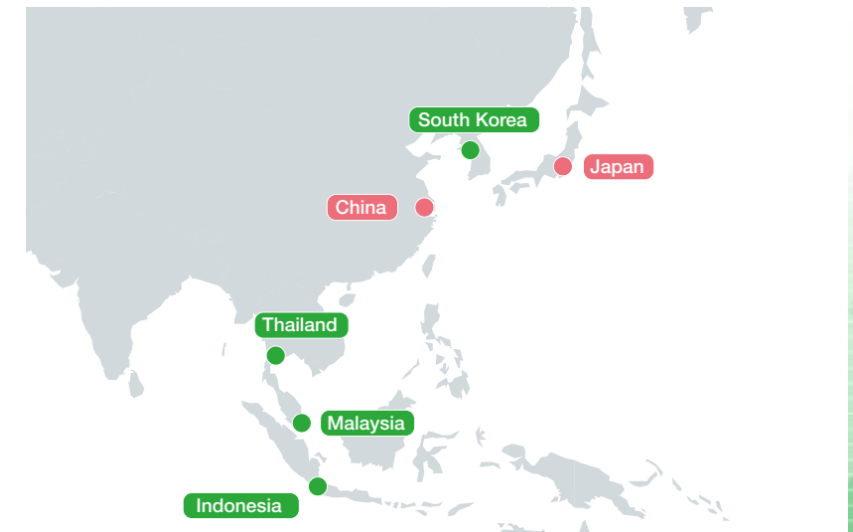
- **Basic research:** The Center drafts and promotes an overall strategy for research technology development. The center also develops basic technologies for the medium to long term and provides them to business units.
- **Development research:** Undertaken in coordination with business development to speed up product development.



### Strengthening the Group's R&D structure

- **Basic research:** Led by research bases in Japan and Shanghai
- **Development research:** Led by development bases in each country  
Promoting development that addresses consumer needs

### Lion Group's R&D Sites



## Worsening periodontal disease significantly impacts overall health

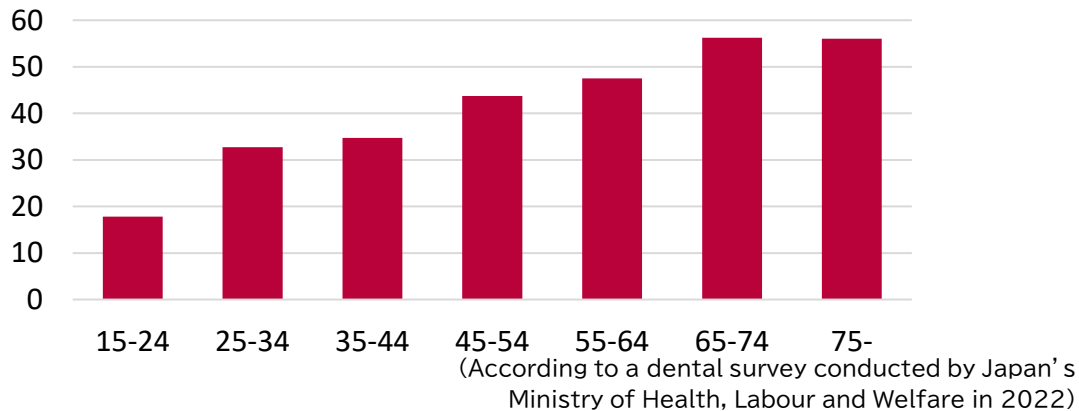
### ◆What is periodontal disease?\*

\*General name for gingivitis and periodontitis

This is a disease in which **bacteria build up** in the pockets between the teeth and gums, causing inflammation of the gums.

Persistent or worsening inflammation can cause the bone supporting the teeth (alveolar bone) to break down, leading to loss of teeth.

Rate of people with periodontal disease (%)

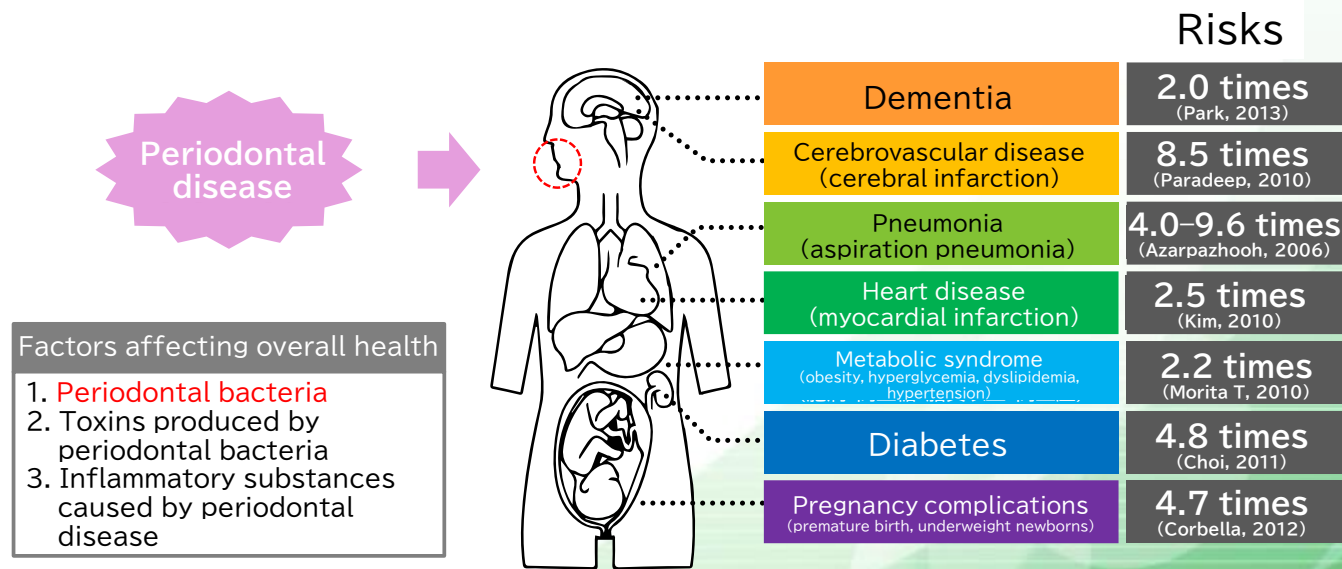


Around half of people in their 40s  
**have periodontal disease.**

### ◆Effects on overall health

Periodontal bacteria, toxins, and inflammatory substances affect overall health.

It has been pointed out that they **increase the risk of various illnesses, such as diabetes, heart disease, and dementia.**



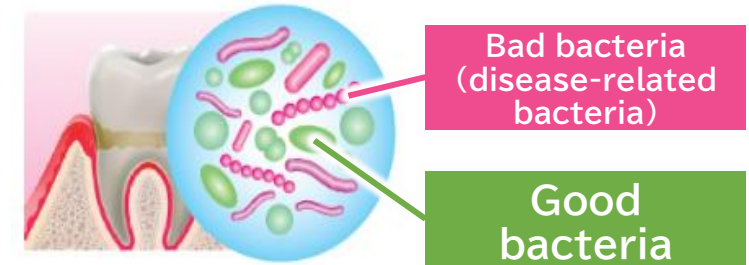
(Excerpted and adapted from "Gum Disease and Overall Health" by the Lion Foundation for Dental Health)

# Periodontal Disease Elimination Technology: Bacterial Control Technology

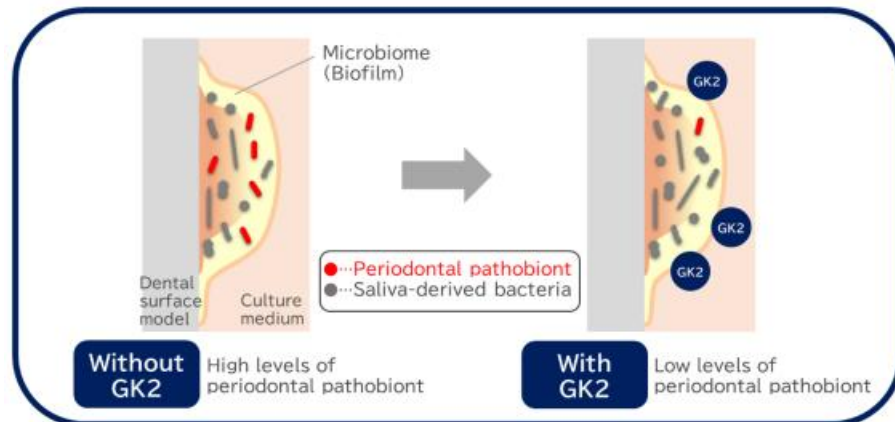
## A new approach to periodontal disease prevention thanks to new insights

Inside the mouth, there are **bad bacteria that cause disease** as well as **good bacteria that help maintain the health of the oral cavity** by suppressing the activity of bad bacteria.

➔ **Maintaining or increasing good bacteria while suppressing bad bacteria** is effective care for oral problems, such as periodontal disease and cavities.



- Developing technology that **selectively controls periodontal disease-causing bacteria (bad bacteria)**
- **Developing bacteria control technology** that not only suppresses bad bacteria but also **boosts good bacteria**



**Periodontal disease-causing bacteria** reduced by the GK2\* method

\*GK2: Dipotassium glycyrrhizate



Launched sales of toothpaste through dental clinics featuring the new technology  
(Nov. 2025)

Promoting the development of products and services from a diverse range of touch points and approaches to the oral healthcare value provision field (oral hygiene and functions)

Touchpoints / Approaches

Age bracket

Newborns-seniors

Care tools

Medicine, tools, devices

Care behavior

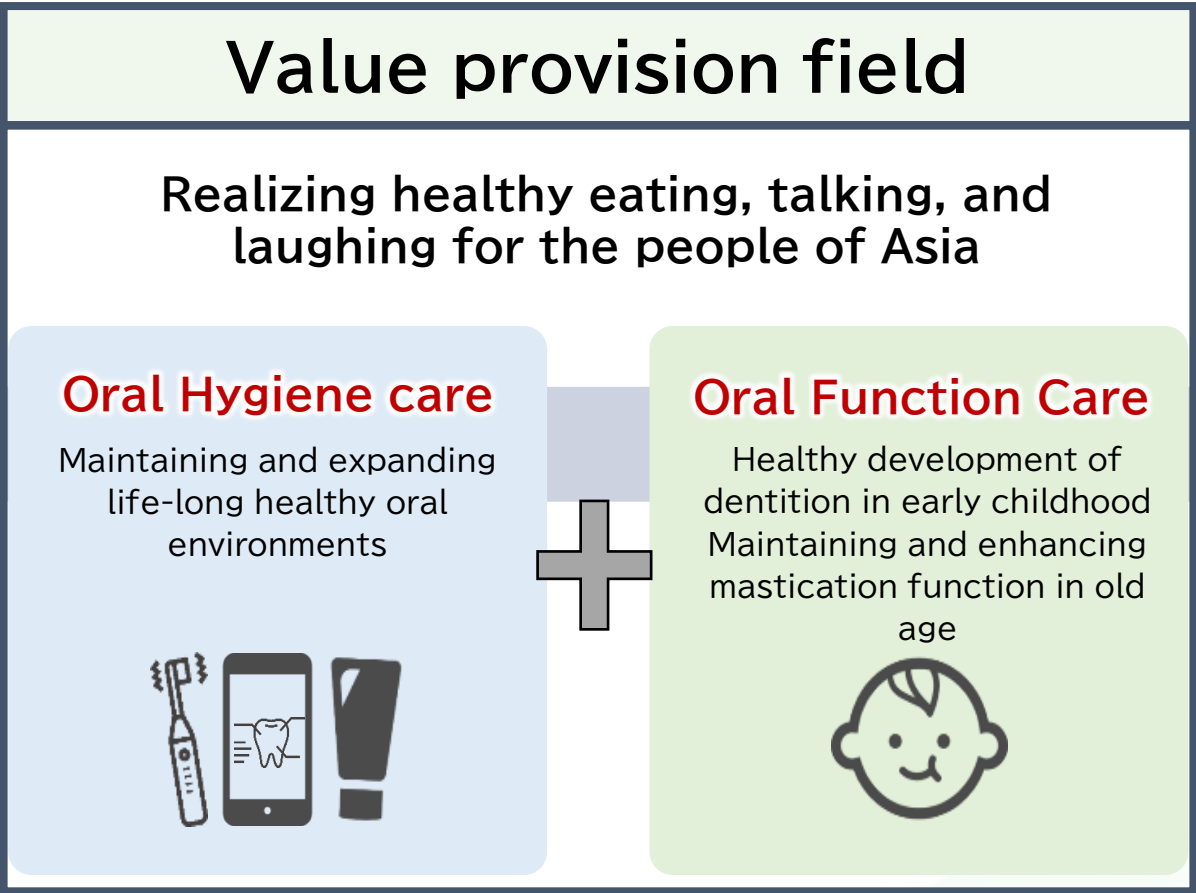
Shifting from “tooth brushing” to “mouth brushing”

Product categories

Miscellaneous-Pharmaceuticals

Channels

Self-care, Pro care



Proposing solutions aligned with consumers' unique characteristics and existing habits

||  
Maximizing provided value

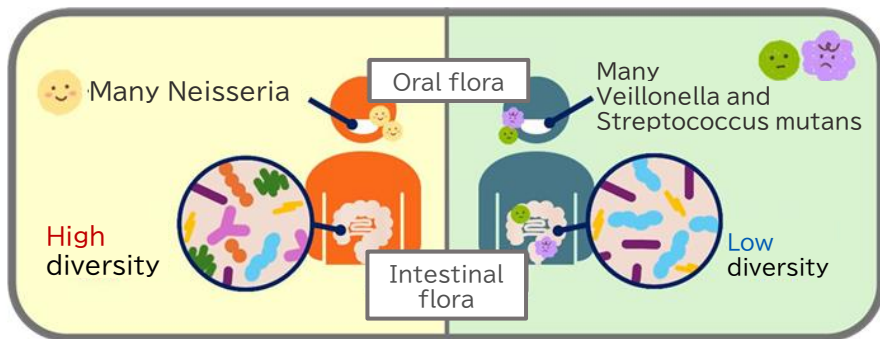
# Growth driver: Product and Service Development Capability (Oral Hygiene Care)

Gained new insights that suggest a relationship between oral and intestinal environments through research aimed at promoting health focused on the oral cavity

## Important new insights gained through joint research

When there are a lot of bad bacteria inside the mouth, those bacteria can also be found inside the intestines.

➔ **Good oral environments lead to stable intestinal environments**



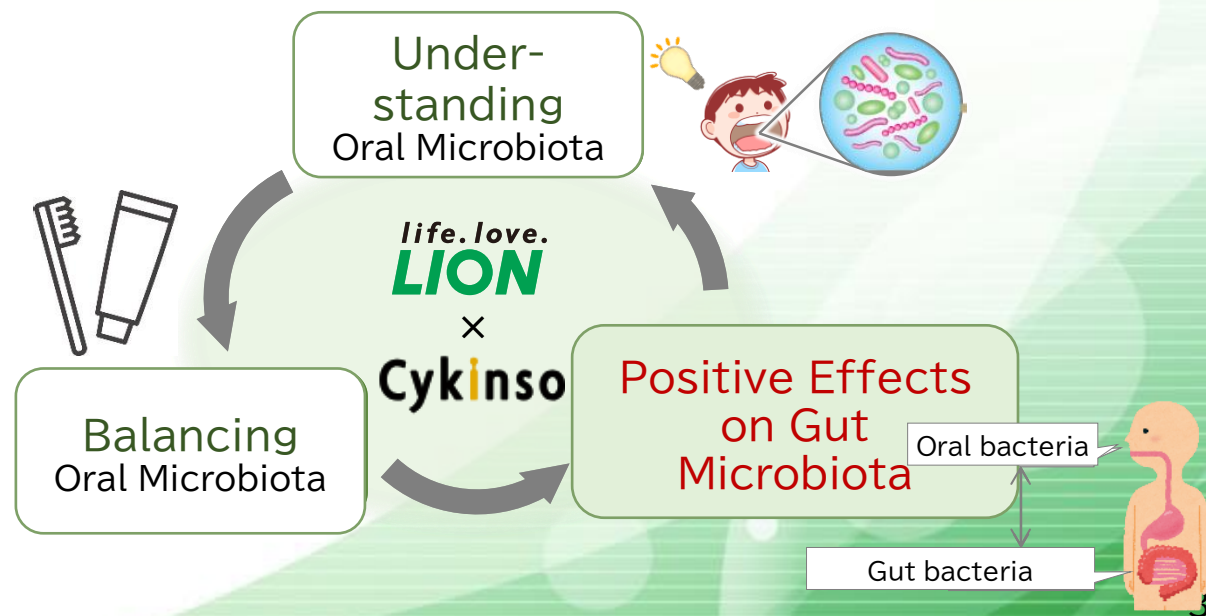
Quoted from a Lion press release (Nov. 18, 2025)  
For details of the technology, please refer to this press release.

Promoting health by creating flora care habits that not only temporarily remove bad bacteria but also maintain a balance of all bacteria inside the mouth

## Partnership with Cykinso Inc. (business concept)

Partnered with **Cykinso**, producing data and insights regarding oral and intestinal bacteria

➔ Aim to create new businesses that **offer optimal healthcare depending on the state of each individual's oral bacteria**



# Growth Driver: Product and Service Development Capability (Oral Function Care)

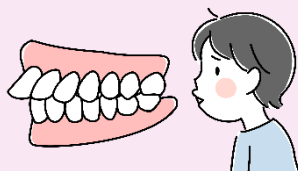
For the mouth to perform its role over a person's lifetime, it is important to **promote appropriate oral function development in early childhood** and to **limit the decline of oral function in old age.**

## Problems in Early Childhood

Due to late/incomplete development of oral functions:

Open mouth posture

Crooked teeth



Aversion to hard foods  
Poor articulation  
Chewing on one side, etc.

In severe cases, appearance may also be affected, such as the chin not developing properly.

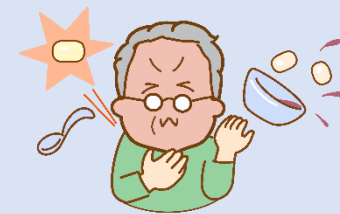
## Problems in Old Age

Due to reduced oral function:

Inability to contain food in mouth

Dry mouth and coughing

Choking



As a result, contact with people is reduced, leading to social isolation.



## Oral function is...

**a general term referring to the mouth's ability to perform the essential tasks of eating, talking, and laughing**

(chewing, swallowing, closing lips, moving the tongue appropriately, producing sufficient saliva, etc.)

Growth Driver:

## Product and Service Development Capability (Oral Function Care in Old Age)

Old age: Developing a technique to measure oral function by analyzing the pronunciation of “pa ta ka”

Current “pa ta ka” pronunciation

A method of determining oral function by assessing the subjects’ repeated enunciation of the syllables “pa,” “ta,” and “ka” several times over a five second span

This study revealed a trend among elderly people in particular from “pa pa pa” to “fa fa fa.”



Pa pa pa pa...



Pa pa fa fa...

Under the current method, oral function is considered OK even if enunciation has shifted to “fa.”

Patent application submitted



Developed an app for determining number and **quality** of pa ta ka enunciation (audio analysis technology)

- The app is **as efficient as current screening methods** for determining the number
- The **quality determination shows significant correlation with multiple oral function screening indicators**

Our in-house technology reveals that all elderly people experience some deterioration in oral function, and it is **known that forming good oral function care habits** can help extend healthy life expectancy.

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**LION**