

December 16, 2025
Lion Corporation

2025 Business Strategy and R&D Briefing Q&A (Summary)

Q: What will change with the organizational and management reforms being introduced next year?

A: We believe faster execution will be the key benefit. Delegating authority in certain areas will also expedite the decision-making process, and this increased speed will ultimately lead to improved operational quality. From a product development perspective, we anticipate both accelerated development timelines and higher development volume. Based on an assessment of success probabilities, we plan to bring products to market within this framework. Costs associated with these initiatives will be managed within appropriate parameters, balancing efficiency gains with necessary investments to achieve profitable growth.

Q: What initiatives are in store for oral healthcare, positioned as the Company's Top Priority?

A: Domestically, we believe both sales and profits still have room for growth and are progressively increasing our proportion of high-end products accordingly. We are also further strengthening collaboration with dental professionals through small-scale launches of service businesses like *OraCo*.^{*} Looking at our current service businesses holistically, we believe effective and efficient expansion is possible. We are also exploring the creation of a business model that generates synergies between services (intangible assets) and products (tangible assets). By positioning oral healthcare as the gateway to overall health and expanding our scope of value proposition from traditional oral hygiene to oral function, we believe this will enable business growth.

^{*} *OraCo*: An oral healthcare habit-building service provided through dental clinics

Q: There was mention of taking the initiative with new technology for microbiome control. How will this be pursued going forward?

A: This year, we launched a toothpaste sold through dental clinics. Preparations are under way for a future launch on the retail market. Concurrently, we are exploring business models for our microbiome control technology, including applications in dentistry.

Q: Right now, you are pursuing the development of products for overseas markets here in Japan. How will the organizational reforms affect these efforts?

A: Currently, the Global Development Center collaborates with overseas R&D teams on product development. From next year, however, we will integrate this structure into the overseas divisions responsible for local operations. By further strengthening local R&D capabilities, this move will enable a shift in our focus more toward each country. Furthermore, we will simultaneously adjust our staffing structure.

Q: With the expansion of operations in Asia, what do you consider your unique strengths, particularly in the oral healthcare category?

A: Our ability to thoroughly understand the distinct oral health realities in each country and provide optimal products and services tailored to each market. In countries with dietary habits different from Japan's, we have already launched products specifically designed to meet unique local needs, and we aim to expand such initiatives further in the future.

Q: When it comes to AI utilization, what sort of data underpins behavioral predictions? In your judgement, how often should projections be updated?

A: Our AI is designed to learn from a variety of sources, including general external data, our own survey data and R&D data, and its knowledge is updated daily. AI-generated ideas in themselves are not a guarantee of success. Rather, we take an approach that involves thoroughly considering and subjecting these ideas to human-led discussion to refine and enhance their quality.

【Note】

The content described in this document represents the Company's views summarized based on questions raised during the 2025 Business Strategy and R&D Briefing.

We do not guarantee the accuracy or completeness of this information, and it may be subject to change without prior notice.

Furthermore, statements regarding future projections and performance outlooks are based on certain assumptions deemed reasonable by the Company at this time, based on currently available information, and do not constitute a promise of their achievement.

Therefore, please be aware that actual results may differ significantly from the future outlooks described due to changes in various factors.