

# Ensuring Product Safety and Reliability

Sustainability Material Issues 10 Pursuing Customer Satisfaction and Trust



## Basic Approach

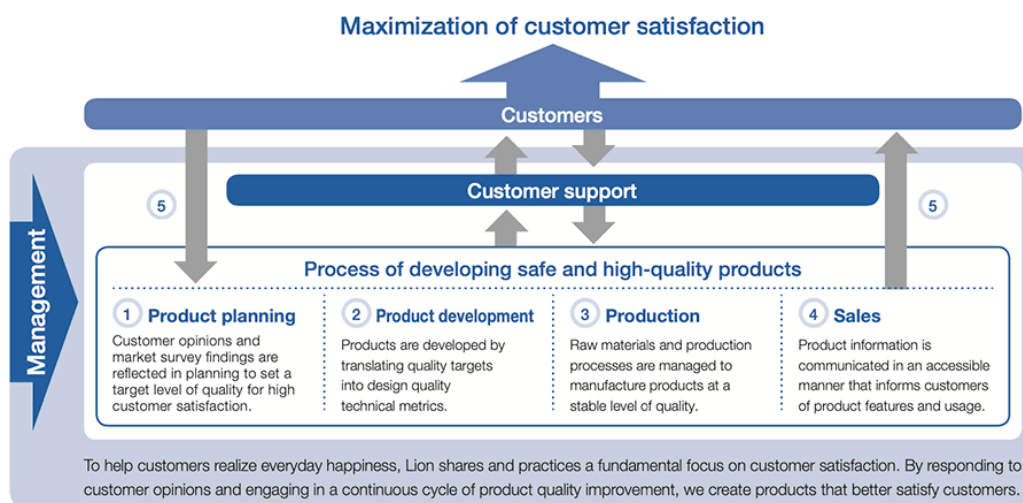
In order to provide products that will satisfy customers, Lion carries out quality assurance activities at all stages from the very beginning of the product development process to consumption by customers.

Specifically, by identifying the key requirements at each stage of corporate activities— ①product planning, ②product development, ③production, ④sales and ⑤customer support—we are constantly pursuing customer satisfaction.

During product planning, valuable customer opinions are analyzed to identify specific needs. At the product development stage, product quality is verified with respect to seven metrics, including function and performance, and consideration is given to making labeling easy to read and accessible. During production, quality is thoroughly managed within each process, and products that have passed inspection are shipped in identifiable lots, aiding in effective after-sales management. A variety of information is sent to wholesalers and retailers, including product descriptions and samples.

## Overview

Product Development Incorporating Customer Opinions



## Developing Safe and High-quality Products



\* Access the [Research & Development](#) page for more information.

## Initiatives



**Approach to Quality Assurance, Safety and Reliability**



**Initiatives to Respond to Our Customers**



**Reinforcing the Provision of Information to Customers**



# Approach to Quality Assurance, Safety and Reliability

- ✓ Approach    ✓ Quality Policy    ✓ Group-wide Reliability Assurance System
- ✓ Approach to Quality Assurance    ✓ Approach to Safety and Reliability
- ✓ Approach to Responsible Product Representations
- ✓ Participation in Pharmaceutical Product Safety Initiatives    ✓ Animal Testing Policy

## Approach

Lion's mission is to earn the confidence and satisfaction of customers by providing excellent goods and services that make a difference in everyday lives by redesigning habits.

## Quality Policy

Based on our [Quality Policy](#), we create high-quality products that meet customer needs.

## Group-wide Reliability Assurance System

In 2018, we established the Reliability Assurance Department to reinforce quality assurance based on a [Product Management System](#) covering the entire supply chain.

To implement quality assurance activities on a Company-wide basis, we have established the CS/PL Committee,\* comprising representatives of the Product Planning Division, Production Division, R&D Division, Consumer Service Center and headquarters staff divisions. The Reliability Assurance Department serves as the secretariat for this committee. The CS/PL Committee provides overall management of quality assurance activities, monitoring Group-wide efforts and responses to issues in the areas of legal compliance, setting voluntary standards and targets, and developing superior products from the perspective of reliability assurance. Lion manufactures and sells products ranging from everyday sundries to pharmaceuticals, so its quality assurance system is designed in line with the respective standards for each product category. Furthermore, Lion maintains a system for swiftly taking the necessary measures to address any serious problems that may arise with its products. These measures include responding to individuals harmed or affected, disclosing relevant information to government authorities and customers, issuing product recalls and taking steps to prevent recurrences.



Reliability Assurance System

\* CS/PL Committee: A committee focused on customer satisfaction (CS) and product liability (PL)

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## Approach to Quality Assurance

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### Product Management System

Based on its [Quality Policy](#), Lion has established a Product Management System, comprising regulations stipulating work processes at each stage of product development and quality assurance practices, in order to steadily and rationally develop excellent goods and services that make a difference in everyday lives by redesigning habits.

This system is compliant with ISO 9001, the international standard for quality management systems. It defines the flow and mechanisms of quality assurance processes at each step of product development (strategy, planning, development, production, sales, post-launch improvements and discontinuation. Through the system, we put these processes into practice. Lion's headquarters, Sapporo office, Sendai office, Nagoya office, Osaka office, Fukuoka office, research centers (Hirai Research Center and Odawara Research Center) and plants (Chiba Plant, Odawara Plant, Osaka Plant and Akashi Plant) have acquired the ISO 9001 certification.

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### Managing Chemical Substances in Products

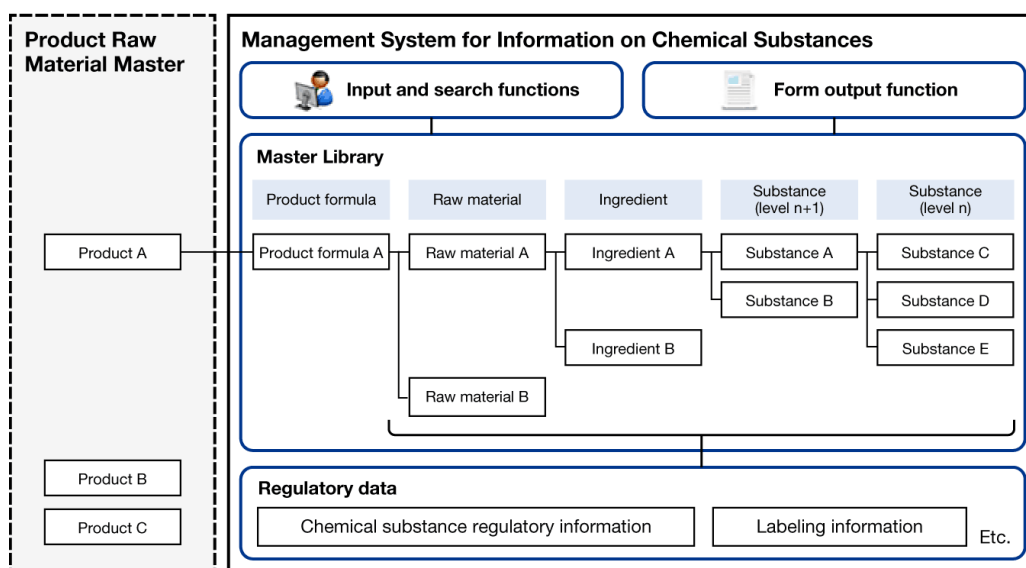
Since January 2018, Lion has been rolling out a Management System for Information on Chemical Substances at its purchasing departments and research and development sites, including those of domestic affiliated companies, to reinforce the proper use of chemical substances. We use this system for the management of raw materials and the chemical substances contained in products.

The system comprises a database of raw materials and product formulation data, a database of regulatory data, and product formula development support functions. The adoption of the system has reinforced our framework for ensuring legal compliance regarding chemical substances used in products during product development across all our business fields. In addition, the system's accumulated data allows employees to instantly search through the chemical substances contained in products that have been released. This has helped enhance data management, secure traceability and reinforce our ability to ensure compliance.

In addition, as a member of the Joint Article Management Promotion-consortium (JAMP), we ensure that our chemicals departments provide customers with information on the chemical substances contained in products using JAMP's chemSHERPA common format.<sup>\*1</sup> We also provide information on REACH SVHCs.<sup>\*2</sup>

<sup>\*1</sup> chemSHERPA: A common scheme for the transfer across a supply chain of information about chemical substances contained in products.

<sup>\*2</sup> SVHC (substances of very high concern): Substances that are candidates for inclusion in REACH Annex XIV as substances subject to authorization. "Authorization" here refers to the step indicated in the name REACH, which stands for Registration, Evaluation, Authorisation and Restriction of Chemicals.



Management System for Information on Chemical Substances Diagram

## Quality Audits

Lion's auditing officers and staff periodically carry out quality audits of Lion and its contractors, providing guidance on improvement as needed. Locations are chosen from among all the operations of Lion and its contractors that are subject to these audits, and the selection of locations to undergo on-site surveys is informed by the timing and results of previous surveys.

## Reinforcing the Quality Management Network among Overseas Group Companies

The Lion Group is expanding operations across Asia in line with its mission of providing excellent goods and services that make a difference in everyday lives by redesigning habits. In recent years, the volume of intercompany import and export business between overseas Group companies has been expanding. At the same time, there is a growing trend toward tighter regulations internationally, increasing the importance of greater coordination among quality management staff in each country.

In light of these changes, starting in 2018, we held the first annual Asia QA\* Meeting, bringing together import, export and quality management staff from overseas Group companies. In 2022, the meeting was once again held remotely (a practice begun in 2020), with discussions focusing mainly on the status of operations and issues on the ground as well as the creation of a system for coordination going forward, with the aim of reinforcing the Group-wide quality assurance system. Going forward, we will continue to implement initiatives like this, striving to provide better products and services to customers in all the countries where we do business.

\* QA: Quality assurance



The Asia QA Meeting (2018)



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## Approach to Safety and Reliability

To ensure that customers can use Lion products with confidence, we evaluate the safety of raw materials and ingredients as well as of final products during use.

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### Safety of Raw Materials and Ingredients

Before using a raw material, we first review existing data and information to determine its physical characteristics and if it has any hazardous properties (hazard assessment) as well as whether we will be able to safely use it in the product being developed (risk assessment). With the wide-ranging customers that use our products in mind, and with reference to safety reports from international organizations and standards in and outside Japan, we determine whether or not the material is suitable for use in the product.

Furthermore, in addition to health-related considerations, we similarly examine the material's impact on the environment after its use by consumers in line with the latest scientific appraisals. Based on these comprehensive considerations, substances deemed to require caution are carefully documented and managed.

When existing data is insufficient to reach a determination, we perform safety tests using officially designated and other objective methods of evaluation. Through such testing, we determine the limits within which the raw material can be used safely, taking into account the way the product will be used. Finally, for raw materials deemed suitable for use, we establish standards based on their applications (such as use in pharmaceuticals, food products, quasi-drugs, cosmetics or sundries). Raw materials that meet these standards are used in product manufacturing.

As with the raw materials of the product contents, we use only materials that meet appropriate standards for product packaging and containers.

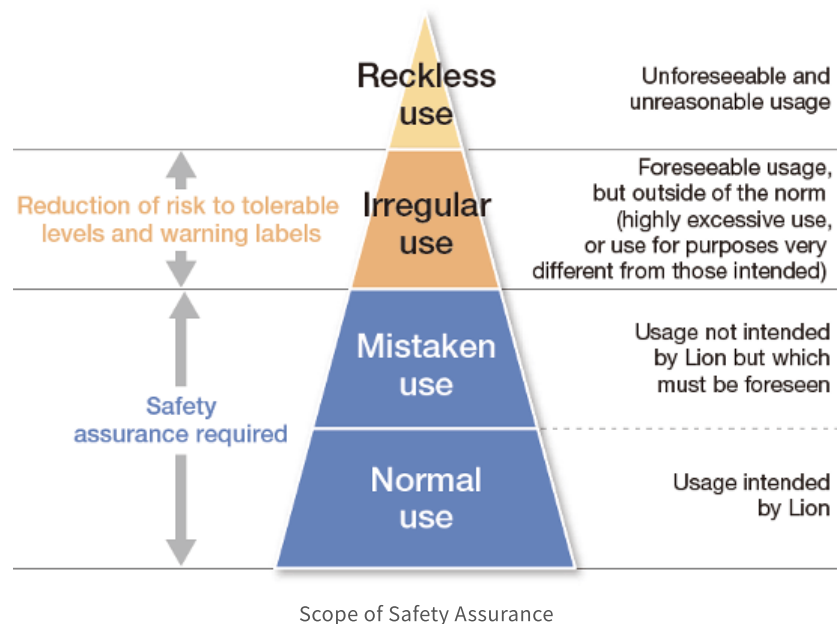
Even after products are launched, we continue to analyze research data on the raw materials and ingredients used to confirm that there are no issues with their continued use.

In some cases, small amounts of impurities arising from raw materials or manufacturing processes end up in products. Even if such impurities present no health concern, Lion implements quality management at every stage, including raw material purchasing and production, to reduce impurities as much as is feasible. One example of such efforts is Lion's response to a notice published by the Japanese government in 2012 about organic pigments that could have been unintentionally contaminated with polychlorinated biphenyls (PCBs). Upon the notice's publication, Lion moved quickly to confirm that there were no safety issues with its products. Since then, in accordance with the government's guidance, Lion has purchased and used such raw materials produced using designated best available technologies (BATs). Through efforts like these, we ensure that any impurities in our products are maintained at low levels that are safe for customers and the environment.

### > Fragrance Policy

## Safety of Products During Use

Giving due consideration to the various ways products may be used as well as product use by socially vulnerable customers, we perform safety evaluations based on an approach of avoiding risks at the product design stage. To this end, we use a checklist to determine whether the product design ensures safety in both “normal use” and “mistaken use” cases. For “irregular use” cases, we assess whether risk reduction is possible and whether the risk is tolerable, and as necessary clearly label the product with an explicit safety warning.



In addition, the quality verification meeting, which encompasses representatives of related departments, performs assessments based on customer use scenarios in order to prevent harm related to product use and to prevent the omission of items that should be checked for safety. If there is trouble with a product, we have an internal system in place, ready to promptly issue product recalls or otherwise respond as needed.

## Centralized Management of Data on Bodily Issues Experienced by Consumers

Businesses must swiftly collect and centrally manage information from customers about the bodily issues they experience and quickly respond as appropriate. Information on bodily issues from customers who have used Lion products is collected and centrally managed by the Consumer Service Center. We have in place a framework for quickly and appropriately responding to such information, including sharing the information received with multiple specialized departments and reporting it to top management. Going forward, we will continue to educate staff involved in implementing responses about the importance of centralized data management and to collect and manage such information.



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## Approach to Responsible Product Representations

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### Basic Policy

In accordance with the [Lion Group Charter for Corporate Behavior and Behavioral Guidelines](#), Lion complies with the Pharmaceuticals and Medical Devices Act, Act against Unjustifiable Premiums and Misleading Representations, Health Promotion Act and other related laws and regulations. Furthermore, Lion strives to consider customer perspectives in order to make accurate and reasonable product representations (such as labels and advertising) that will not lead to misunderstandings or negative customer experiences.

To improve the quality of representations about all the products it sells (including food and pharmaceutical products), Lion has clearly defined its basic approach to product representation and established a representation drafting manual, comprising guidelines for preparing precise, appropriate product representations at each step of product development under its Product Management System. These guidelines apply to all product packaging and presentation as well as the wording and expressions used in instructions, pamphlets, sales handbooks, advertisements and other representations (including those for samples).

In line with the guidelines for product representations, representations are subject to stringent checks by specialized staff as well as external experts (attorneys, etc.), as needed. Through this system of thorough management, we advance the use of representations that are clear and easily recognizable to customers.

Lion's specialized representation checking staff strive to improve their expert abilities to ensure that they can make decisions and offer advice about representation quality that accurately reflect the latest legal interpretations, governmental tendencies and changes in society. To this end, they participate in lectures offered by governmental bodies and external seminars and, as needed, consult with external experts and governmental authorities.

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### Product Representations in the OTC Drug\* Business

The information displayed on pharmaceutical product labels is subject to the stipulations of the Pharmaceuticals and Medical Devices Act (statutory labeling). The laws and regulations regarding fairness and appropriateness in pharmaceutical product advertising include the Pharmaceuticals and Medical Devices Act and the Standards for Proper Advertisement of Pharmaceuticals, etc., while industry self-regulations include the Japan Federation of Self-Medication Industries' Guidelines for the Proper Advertising of Over-the-Counter Medicines.

Pharmaceutical products serve to protect users' lives and health. Advertisements for pharmaceutical products must therefore serve not only as marketing tools, but as information sources that encourage customers to use products correctly. Such advertisements must not encourage improper use, abuse or overuse due to insufficient caution.

Lion's departments in charge of creating and checking product representations share pharmaceutical product information templates for statutory labeling and an advertising check sheet based on the Standards for Fair Advertising Practices concerning Pharmaceutical Products, etc., for advertisements. By ensuring that representations are created and managed based on a common understanding of the regulations stipulated in the Pharmaceuticals and Medical Devices Act, we strive to efficiently and accurately advance proper representations.

The Japan Federation of Self-Medication Industries has established an advertising screening committee, which evaluates pharmaceutical product advertisements after their publication. Comprising third-party and over-the-counter (OTC) drug manufacturer representatives, the committee works to ensure proper expressions in pharmaceutical product advertising and enhance confidence in such advertising. Lion participates as a corporate member, contributing to efforts to ensure proper OTC drug advertising.

\* OTC drugs: Pharmaceutical products that can be purchased at a pharmacy or drug store without a prescription. (Source: Japan Self-Medication Industry)

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## Product Representations in the Food Product Business

The information displayed on food product labels is subject to the stipulations of the Food Labeling Act and the government's Food Labeling Standards (statutory labeling). In addition, laws and regulations regarding fairness and appropriateness in the health food products\*<sup>1</sup> that Lion offers include the Act against Unjustifiable Premiums and Misleading Representations and the Health Promotion Act, while regulations related to fair competition for such products include the Code of Fair Competition Regarding the Labeling of Food for Specified Health Uses and its enforcement regulations, and industry self-regulations include voluntary standards for the proper advertising of foods with function claims.\*<sup>2</sup>

Food products have three basic functions. The first and most important is nutrition (the primary function), the second is the sensory and enjoyment function (the secondary function) and the third is contributing to biological regulation to help maintain or improve health (the tertiary function). The food products that Lion sells are health food products that provide this tertiary function. While these products are thought to provide a health effect, it is important to ensure that they are properly marketed to avoid such misunderstandings as their being confused with pharmaceutical products or their effects being exaggerated.

Lion uses food product information templates for statutory labeling and an advertising check sheet based on related laws and regulations and voluntary industry rules for advertising. Furthermore, to ensure the provision of appropriate information to customers, we include a check by external experts (attorneys, etc.) as a third-party perspective during the food product advertising checking process.

The Japan Health and Nutrition Food Association, an industry organization, maintains a foods with function claims advertisement committee and foods with function claims advertisement screening committee, with the aim of enhancing the appropriateness of foods with function claims advertisements. The foods with function claims advertisement screening committee, which comprises third-party and manufacturer representatives, screens advertisements after their publication. Lion is a member of the foods with function claims advertisement committee, contributing to efforts to ensure appropriate representations of foods with function claims. Furthermore, Lion participates as a member of the operating committee and advertising study committee of the Foods for Specified Health Uses\*<sup>3</sup> Fair Trade Council, contributing to the prevention of inappropriate representations and exaggerated advertisements for foods for specified health uses as well as ensuring fair competition between businesses in the industry.

### \*1 Health Food Products

The term "health food product" generally refers to any product that is claimed to be beneficial to health. In Japan, health food products that are labeled as having certain functions based on standards of safety and effectiveness established by the national government are classified as foods with health claims. There are three types of foods with health claims: foods with function claims, foods for specified health uses, and foods with nutrient function claims.

\*2 Foods with function claims are food products that display claims of functions for which, prior to sale, manufacturers must submit scientifically based information on safety and functionality to the Director-General of the Consumer Affairs Agency. The manufacturers themselves are responsible for ensuring the accuracy of such information.

### \*3 Foods for specified health uses

Foods for specified health uses are food products for which permission to display claims of health functions has been granted by the Director-General of the Consumer Affairs Agency based on evaluations by the agency of the product's safety and usefulness in maintaining or improving health.

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## Admonishment from the Consumer Affairs Agency Regarding Product Representations

Lion received an admonishment from the Consumer Affairs Agency regarding an advertisement for its product *Tomato Su Seikatsu Tomato Su Inryo* that ran from September 15 to November 27, 2015 in the *Nikkei Shimbun* on the grounds that said advertisement could be misunderstood by general consumers.

Lion takes this admonishment seriously. We have further reinforced advertisement submission management and are steadily advancing measures to prevent recurrences of such issues.

### | Initiatives to Ensure Proper Use

Lion's food products, particularly its processed food products in tablet form, are easy to consume and therefore present the potential risk of excessive intake. By such means as displaying recommended intake amounts in large print on the front of packages, Lion strives to provide clear labeling so that consumers can use its health food products appropriately.

### | Allergen Labeling

Lion requires its raw ingredient manufacturers and suppliers to provide information about their use of the seven ingredients that under the Food Labeling Standards are required to be listed on food product labels as allergens, as well as the 21 ingredients recommended for such labeling. In particular, we carry out tests as appropriate to ensure appropriate labeling regarding functional substances (used as ingredients in foods with function claims) and substances with specified uses (used in foods for specified health uses).

Seven raw ingredients required to be listed as allergens: Eggs, milk, wheat, buckwheat, peanuts, shrimp and crab  
21 raw ingredients recommended to be listed as allergens: Apples, oranges, soy, sesame, etc.

Lion shares information about revisions to allergy labeling regulations and other such developments internally, mainly through a food safety team.

### | Raising Awareness of Balanced Dietary Habits

Exercise, rest and a balanced diet are all important to maintaining and improving health. Japan's Food Labeling Standards require the packaging of foods with function claims, foods for specified health uses and foods with nutrient function claims<sup>\*4</sup> to display text reminding users of the fundamental importance of dietary balance based on different food groups. All of Lion's food products, including its general health food products, carry this text to enhance awareness of healthy dietary habits.

<sup>\*4</sup> Foods with nutrient function claims

Foods with nutrient function claims are food products that display claims of nutrient functions established by the government, backed by the manufacturer's self-certification that said items contain certain amounts of nutrients that are believed to affect the body based on scientific evidence (vitamins, etc.).

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## Labeling in the Languages of the Places Where Products Are Sold

To ensure that customers can accurately understand the features of our products, our product labels, including usage instructions and ingredient lists, are presented in the official languages of the places where they are sold.

### | KireiKirei Hand Soap labels



Thai



Korean



Chinese

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## Employee Education and Training

To ensure thorough compliance with laws and regulations related to product representations (the Pharmaceuticals and Medical Devices Act, Act against Unjustifiable Premiums and Misleading Representations, Health Promotion Act, etc.), Lion provides e-learning for all employees and lectures for employees in related divisions as part of its legal education initiatives.

### | OTC Drugs

Twice a year, Lion educates employees involved in the planning and sale of pharmaceutical and related products on product safety. This education, based on the Ministerial Ordinance on Good Vigilance Practice for Drugs, Quasi-Drugs, Cosmetics, and Medical Devices (the GVP Ordinance), teaches employees about the handling and correct use of safety information. Lion uses specified procedures for education about product representations to promote proper promotional activities. The education also covers related laws and regulations and appropriate product representations.

### | Health Food Products

Twice a year, Lion educates employees involved in the food product business on product representation regulations, including those of the Health Promotion Act and Act against Unjustifiable Premiums and Misleading Representations. Through such efforts we strive to ensure thorough legal compliance.

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## Participation in Pharmaceutical Product Safety Initiatives

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### Pharmaceutical Product Safety Activities

In Japan, under the Pharmaceuticals and Medical Devices Act, businesses must obtain a marketing license to manufacture and sell pharmaceutical products and quasi-drugs. Per this law, businesses must conduct appropriate management and supervision by establishing and properly operating systems of quality assurance and post-marketing safety control for such products and appointing a general marketing director, quality assurance director and safety control director.

As a company that manufactures and sells pharmaceutical products, quasi-drugs, cosmetics and medical devices, Lion complies with such legal requirements and operates an appropriate marketing framework. Lion has created a manual for compliance with the GVP Ordinance for use in safety control. Safety control is carried out in accordance with this manual and managed by the safety control director. Furthermore, the safety control director manages the safety control divisions, and the general marketing director provides oversight to ensure proper operations and conducts post-marketing safety control. The safety control divisions operate according to internal manuals, including implementing post-marketing safety measures for the products Lion sells, collecting and evaluating safety data about pharmaceutical and other products, and, as needed, implementing safety measures.

Twice a year, the safety control divisions provide education and training to divisions that implement safety control to better promote the proper use of pharmaceutical and other products.

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### Participation in Industry Groups

To further enhance the safety of the pharmaceutical products it sells, Lion has been a member of the Japan Self-Medication Industry, an organization of OTC drug manufacturers, since 1978. A representative from Lion serves as a vice chair of said organization. The Japan Self-Medication Industry works to provide information about the correct use of OTC drugs and examines all kinds of issues related to OTC drugs, for example, researching how to make drug package inserts easier to read and understand.

Lion's safety control director regularly takes part in the organization's committee meetings to gather the latest information about pharmaceutical product safety for use in safety control.

In addition, to increase the safety of pharmaceutical products, Lion has been involved in creating shared guidelines for preparing product instructions and warnings in multiple languages. These guidelines help companies meet the needs of non-Japanese speakers by offering product inserts in English, Chinese and Korean.

In addition to the Japan Self-Medication Industry, in the area of pharmaceutical products, Lion is a member of the Pharmaceutical Manufacturers' Association of Tokyo, and in the areas of quasi-drugs and cosmetics, Lion participates in the activities of the Japan Dentifrice Manufacturers' Association (JDMA) and the Japan Cosmetic Industry Association. Through such participation, Lion suggests research initiatives and measures related to regulations and conducts educational programs for customers about correct product use with the aims of promoting the manufacturing and quality control of pharmaceutical and other products as well as post-marketing safety management and correct product use.

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## Animal Testing Policy

The Lion Group adheres strictly to the international principles of the 3Rs for animal testing (Replacement, Reduction, Refinement) and supports the philosophy of animal welfare.

We proactively work to thoroughly ensure the safety and enhance the functionality of our wide range of products and services to better serve our customers. In developing cosmetics (including medicated cosmetics), we do not use animal testing apart from exceptional circumstances in which it is required to ensure safety or satisfy legal requirements. Similarly, in developing other products, we employ alternative methods as long as the accuracy and replicability of the scientific data used as the basis for evaluating products are not negatively affected. When no alternative methods are available and we must use animal testing, we strive to do so properly and in line with the principles of the 3Rs and the laws of relevant countries.

Lion Corporation has long focused efforts on related research through participation in the Long-range Research Initiative of the Japan Chemical Industry Association and the Japanese Society for Alternatives to Animal Experiments. We will continue actively developing alternatives to animal testing and advancing business activities that contribute to both the health of our customers and animal welfare.

# Initiatives to Respond to Our Customers

Sustainability Material Issue 10 Pursuing Customer Satisfaction and Trust



## Approach

So that we may leverage inquiries received from customers to develop new products and improve our products and services, such inquiries are registered in a database operating under a strict personal information management system and shared across the Company through an information sharing system that excludes personal information.

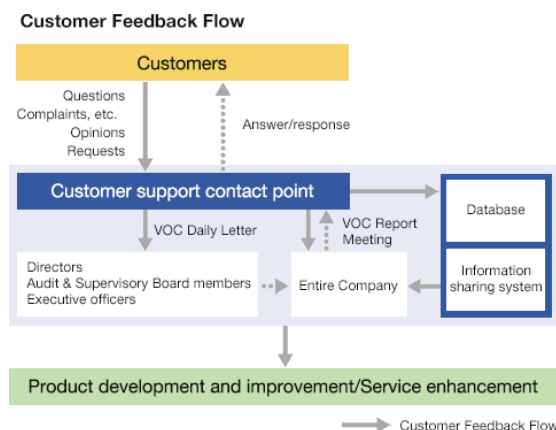
Items that are considered impactful to customer satisfaction and product use, and insights gleaned from contact with customers are reported daily to top management- and development-related departments in the form of the VOC<sup>\*1</sup> Daily Letter. Through such efforts, Lion works to improve customer support quality by gaining an understanding of the customer's perspective and by quickly considering and responding through improvement measures. In 2022, we sent out 240 VOC Daily Letters.

Customer feedback comes from a wide range of sources, including not only telephone calls and emails, but also SNSs<sup>\*2</sup> and the like. An internal dedicated organization (The Consumer Service Center) interprets and analyzes such this feedback and proactively disseminates information gleaned from it to the relevant departments.

\*1 VOC: Voice of Customers

\*2 SNS: Social networking services (Twitter, Instagram, etc.)

## Overview



More information about how our customer feedback is put to concrete use is available [here \[Japanese\]](#)



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## Customer-Oriented Management Declaration

In the course of developing and providing products and services, Lion places the utmost priority on customer satisfaction. At the same time, by implementing environmental conservation activities and further enhancing the [corporate governance](#) system, we aim to ensure the high level of trustworthiness that stakeholders expect. Currently, government agencies, consumer groups and business associations are working together to promote customer-oriented management initiatives at companies. In January 2017, Lion voluntarily declared that it would proactively work toward customer-oriented management, and we report progress on this front on our website and to the Consumer Affairs Agency. Lion's voluntary declaration of customer-oriented management was revised to reflect the corporate philosophy introduced in 2021, and published on its website in March 2022.

More information about Lion's customer-oriented management declaration is available [here \[Japanese\]](#)

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## Received an Award in the Good Practices of Consumer-Oriented Management Awards for the Second Consecutive Year

Lion received the Minister of State's Award in the Good Practices of Consumer-Oriented Management Awards in 2020, and in 2021, won the Selection Committee Chairman's Award together with Kao Corporation. This award recognizes companies that have made a consumer-oriented management declaration and implemented outstanding initiatives based on such declarations.

Spurred on by this award, Lion will continue advancing consumer-oriented management and contribute to the realization of a sustainable society.



> [News Release: Lion Receives the Minister of State's Award in the Good Practices of Consumer-Oriented Management Awards](#) [PDF](#)

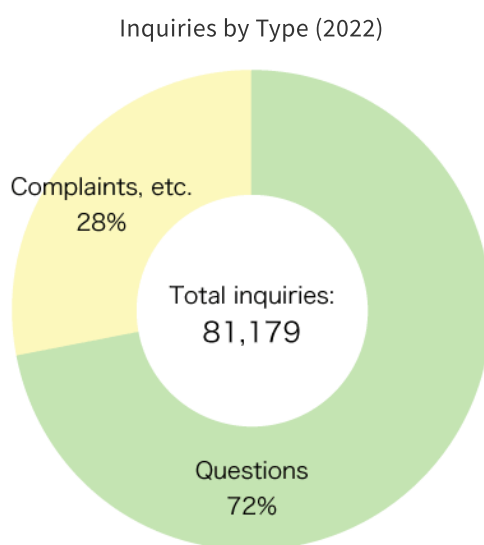
> [News Release: Kao and Lion Awarded the New Selection Committee Chairman's Commendation in the Good Practices of Consumer-Oriented Management Awards](#) [PDF](#)

## Summary of Customer Inquiries in 2022

The Consumer Service Center receives an enormous volume of customer inquiries every year. In 2022, we received approximately 81,000 inquiries (excluding those sent to direct-to-consumer sales divisions), 95% of the previous year's volume. By content, questions about product use, retail outlets that carry Lion products, product quality, safety and other topics accounted for approximately 70% of all inquiries, while complaints and inquiries regarding problems and similar topics accounted for around 30%.

Going forward, we will continue aiming to provide an environment that facilitates customer inquiries while responding to inquiries in a sincere and timely manner. Contact information for inquiries by phone or email is available on the [customer support \[Japanese\]](#) page of Lion's website.

A list of contact points by topic is available [here \[Japanese\]](#).



## Information Provision Leveraging Customer Feedback

The [customer support \[Japanese\]](#) page of Lion's Japanese-language website offers answers and solutions to common customer questions and problems as well as examples of products improved based on customer feedback, attracting considerable customer traffic. In addition, to customers that contact us by mail, we send a living information newsletter that includes content related to common customer questions and seasonal living tips, such as those from Lion's Meisters of Daily Life, as well as recommended articles on the Lidea website.

Going forward, we will continue to provide useful information to customers.



Customer support page on Lion's website [Japanese].



Recommended articles information from on the Lidea website [Japanese]

Examples of products developed or improved based on customer feedback are available [here \[Japanese\]](#).

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## Proactive Utilization of Employees

Lion strives to hire and develop the necessary human resources and foster an open and frank corporate culture in order to create innovative products and services that provide a high level of value to customers.

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### Fostering a Corporate Culture that Leverages Customer Opinions

We are working to foster a corporate culture in which all employees think and act based on an understanding of the customer's perspective.

We hold events for new graduate hires and product development staff, etc., in which they listen to recordings of customer inquiry calls or handle such calls themselves to experience hearing directly from customers. These events help participants understand the importance of the Company's contact points with customers and serve as an impetus to think about customer perspectives in their work. Furthermore, we report the status of customer inquiries at regular meetings in related departments and morning briefings at operating sites (offices, research institutes and plants) to share such information internally.

Going forward, we will work to further enhance employee awareness in order to better provide products and services based on customer perspectives.



Employees experience providing customer support over the phone

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## Leveraging an Understanding of Consumer Perspectives in Our Operations

We are working to foster a corporate culture in which all employees think and act based on an understanding of the customer's perspective. As part of our response to Japan's severe demographic graying, we have a set of equipment that simulates the physical conditions of old age on hand at all times at the Consumer Service Center. By listening to feedback from our senior customers and wearing the simulation equipment while looking at product labels or holding product containers, we strive to deepen our customer insight and foster consideration and understanding of seniors and all customers among our human resources. These insights and considerations are put to use in product development, customer support and communications.

We are expanding the range of these efforts to include not only staff involved in product development, but the communicators that staff our phone lines and the Meisters of Daily Life engaged in communication efforts.



Meisters of Daily Life using equipment that simulates old age

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## Initiatives to Provide Support that Satisfies Customers

We hold phone service training in which [customer support \[Japanese\]](#) phone operators learn the skills to quickly and accurately understand and respond to the issues that customers seeking support have as well as a broad knowledge of Lion products and related topics. Specifically, we offer training in which operators discuss a wide range of case studies to mutually reinforce their skills, study groups focused on the health and living issues behind products, and training in pronunciation and word choice to make themselves easier for customers to understand over the phone in order to enhance communication.

We have the results of these activities evaluated by a third party and strive to provide service that will better satisfy customers. In addition, we have launched two systems that enable us to resolve customers' problems 24/7, 365 days a year: a product retail distributor search service (February 2021) and a chatbot system (April 2021).

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## Further Enhancing Quality and Customer Satisfaction

Lion monitors its corporate brand penetration with the help of a market research company. The survey shown below examines the likelihood of product users recommending Lion products and services, the degree to which they feel they need such products and their desire to and their preferences at the time of questioning (for the purposes of the study, the Lion product users targeted were male and female general consumers over the age of 16). We will continue to gather objective data on customer opinions in order to provide high-quality products and services.

	2018	2019	2020* <sup>1</sup>	2021	2022
Overall number of survey respondents	752	784	783	773	783
Of these, current product users	644	641	664	628	640
Response rate* <sup>2</sup> (%)	85.6	81.8	84.8	81.2	81.7
Recommendation rate* <sup>3</sup> (%)	43.6	43.1	47.6	40.0	44.7

Data from “Brand Strategy Survey,” Nikkei Research Inc.

\*1 Overall scores of hygiene product suppliers increased due to the COVID-19 pandemic.

\*2 Refers to the percentage of total survey respondents who reported that they currently use such products and services.

\*3 Refers to the percentage of current users who intend to recommend the products and services.

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## Customer Support Initiatives at Lion Corporation (Korea)

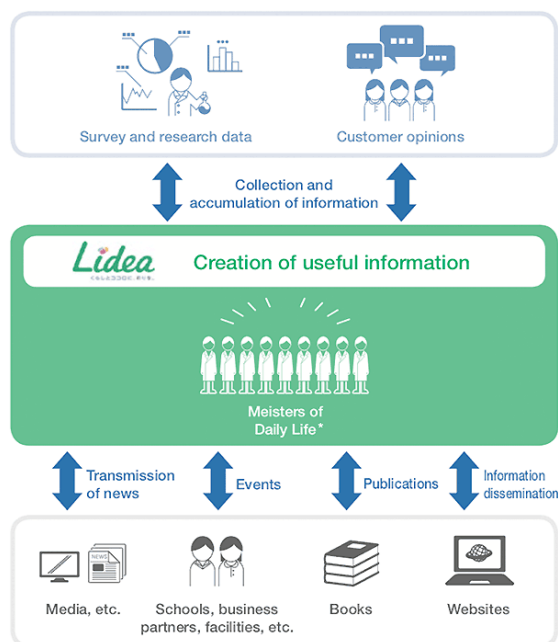
We maintain mechanisms for responding to customer opinions via customer support hotlines and marketing divisions at our overseas Group companies, as well.

Since 2004, Lion Corporation (Korea) has responded to customer opinions and requests in accordance with its customer inquiry response regulations via a customer support division. Quarterly reports on customer inquiries are made to management, and important requests are reported to management immediately.

## Reinforcing the Provision of Information to Customers

### Providing Useful Information for Daily Living and Promoting Educational Activities

Lion actively engages in communication with consumers with the aim of expanding our creation and dissemination of information that contributes to healthy and comfortable living.



\* Specialists who research and provide information useful for comfortable, healthy living

## Initiatives of the Meisters of Daily Life

Lion's Meisters of Daily Life, career researchers with specialist expertise, are conducting the following activities in the fields of oral care, healthcare, hygiene, laundry and living care. Meisters of Daily Life research useful lifestyle information to make everyday life healthy and comfortable and share colorful living ideas through various media and events.

### Communication with Customers through Workshops



Oral care workshop at an elementary and junior high school (June 17, 2022)



Laundry workshop at a consumer lifestyle seminar (October 5, 2022)



Kaji × Kaji Happy Share Project Housework sharing seminar co-hosted by LION and Akashi City (October 9, 2022)



Hygiene seminar collaboration with a restaurant's website (October 19, 2022)



Seminars covering the healthcare and living care fields were conducted at the event (October 28, 2022)



## Communication with Customers Using the “Lidea” Lifestyle Information Website

Lidea is a lifestyle information website aimed at inspiring curiosity about living habits and helping users cherish each day by providing content about Lion products, the technologies behind them, and approaches to daily living. The site provides accurate information that is useful for consumers’ daily living, presented mainly by the Meisters of Daily Life, lifestyle information specialists.

Going forward, Lion will continue to provide information useful for daily living through Lidea and use the information accumulated through Lidea to deepen diverse forms of communication with customers.



🔗 Lidea [Japanese] <http://lidea.today/>

## Sustainability Communication Booklet

To help consumers easily and enjoyably understand Lion’s sustainability initiatives, Lion has created a booklet titled “Foundation of Daily Life: In Numbers” (in Japanese). The booklet uses numbers to illustrate a variety of social issues closely related to daily living and highlights the ways that Lion is working to help solve these issues through products, educational activities and communications.

The booklet is distributed at events related to health, cleanliness and the environment, where Lion comes into direct contact with consumers.



[Japanese]

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## Media for the Visually Impaired

Lion uses a variety of media to provide information for the visually impaired.

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### The Roots of Our Information Provision

Across Japan, Lion provides everyday household goods, such as detergents, toothpastes, toothbrushes, shampoos and household cleaners. We believe it is our mission to provide such products as well as clear information about them to all customers.



[> The Roots of Our Information Provision \[Japanese\]](#)

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### Sawatte Wakaru Tooth Brushing Book

In collaboration with Dai Nippon Printing Co., Ltd., Lion issues the *Sawatte Wakaru Tooth Brushing Book*, a health guidebook incorporating universal design with tactile diagrams for the visually impaired.



[> Sawatte Wakaru Tooth Brushing Book \[Japanese\]](#)

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### Making Products Barrier Free

The page below highlights products developed incorporating a barrier-free perspective and products that visually impaired customers have commented are convenient based on their actual usage experience.



[> Making Products Barrier Free \[Japanese\]](#)

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### Timeline of Initiatives

The page below provides a timeline of Lion's initiatives aimed at addressing the needs of the visually impaired.



[> Timeline of Initiatives \[Japanese\]](#)