Financial Results for the First Half of 2023

Lion Corporation

August 7, 2023

Contents

- Consolidated Financial Results for the First Half of 2023
- Key Initiatives for the Second Half of Fiscal 2023
- Fiscal 2023 Financial Forecast

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Consolidated Performance Overview

Sales and profit met forecasts; sales increased Y-o-Y, but profit decreased

Net sales (met forecasts; up Y-o-Y)

- Sales were driven by the Overseas segment
  Thailand (in South and Southeast Asia) and China (in Northeast Asia) saw significant growth

Core operating income (met forecasts; down Y-o-Y)

- Met forecasts, due to the increase in gross profit from increased sales overseas as well as streamlining of sales promotion, etc.
- Decreased Y-o-Y due mainly to rising raw material prices, one-off expenses related to the head office relocation and the amortization of new core systems

Operating profit and profit for the period attributable to owners of the parent (met forecasts; down Y-o-Y)

- Decreased Y-o-Y due to the decrease in core operating income as well as a recoil from the gain on transfer of land recorded in January 2022

Market Trends—Major Product Categories in Japan

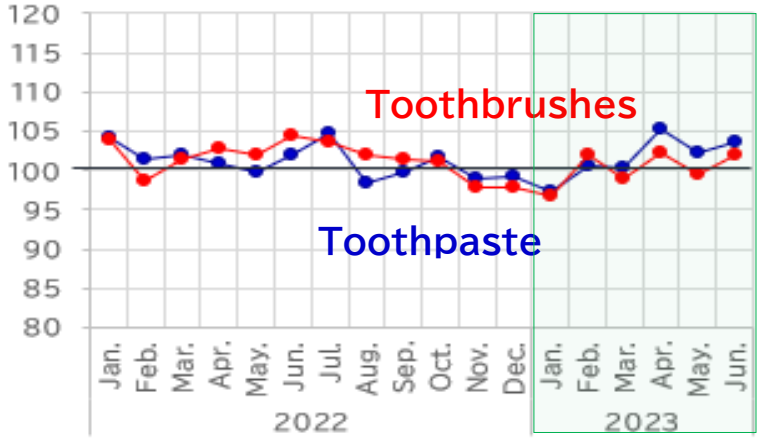
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Markets saw overall recovery from April onward, with January–June results level with the previous year

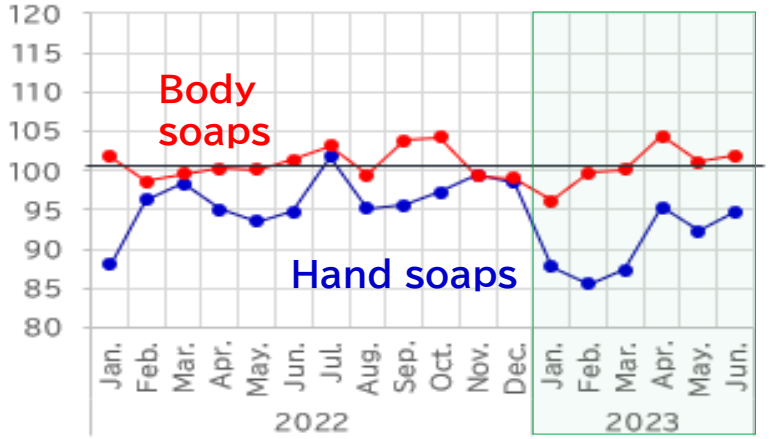
Y-o-Y comparison of consumer product markets in Japan by in-store sales value (%)

Source: INTAGE Inc. SRI+

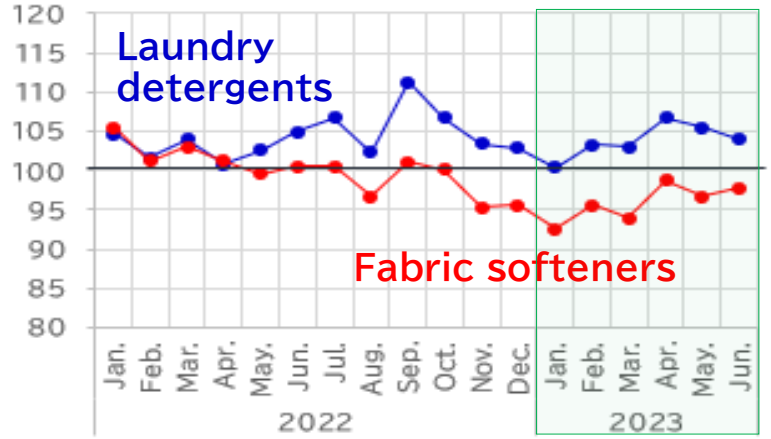
Oral Care



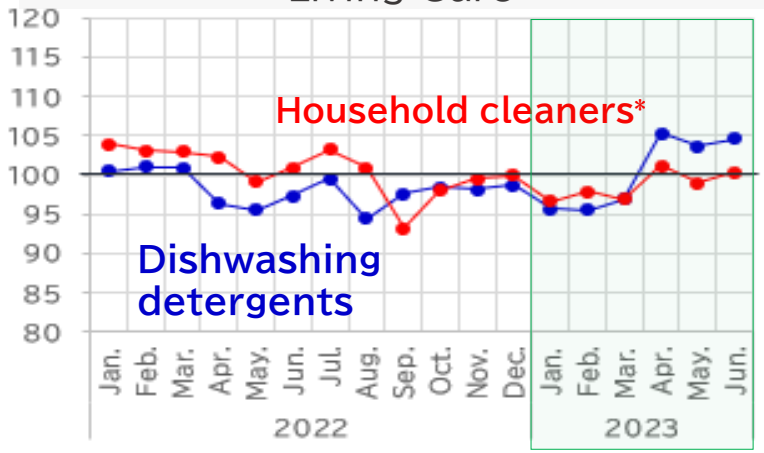
Beauty Care



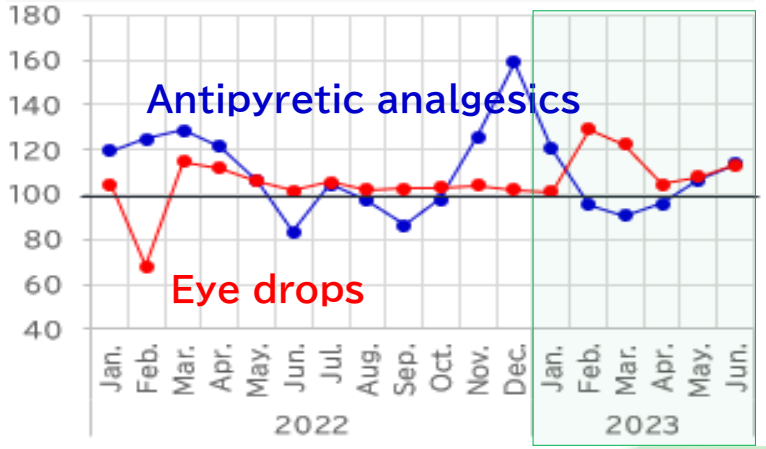
Fabric Care



Living Care



Pharmaceutical



Comparison of key categories in Jan.-Jun. 2023 (%)

Category	Vs. '22	Vs. '21	Vs. '19
Toothpaste	102	103	112
Toothbrushes	100	102	99
Hand soaps	91	85	120
Laundry detergents	104	107	117
Fabric softeners	96	98	106
Dishwashing detergents	100	99	122
Household cleaners	99	101	117
Antipyretic analgesics	104	116	127

* "Household cleaners" above is the sum of home cleaners, bath detergents and bathroom detergents.

Market Trends—Major Product Categories Overseas

Laundry detergents saw a Y-o-Y increase in sales value

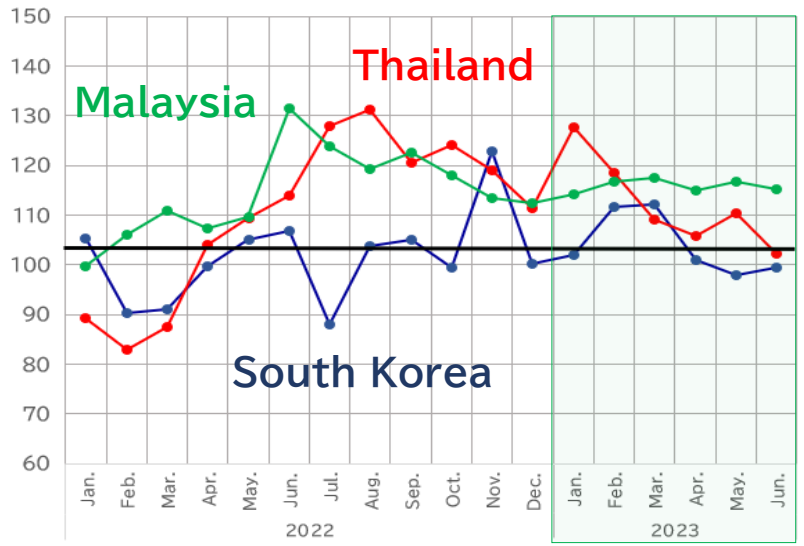
Sales value by country and category compared with previous years (Jan.–Jun. 2023)

Source: Nielsen

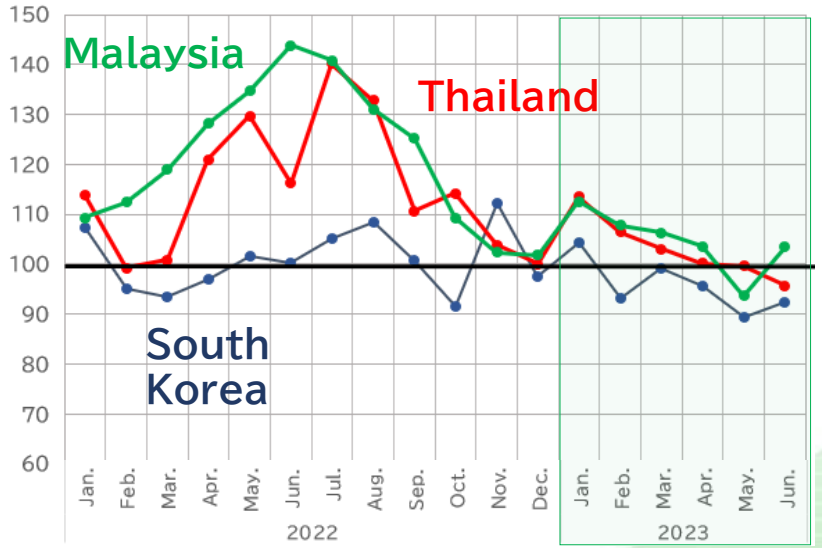
	Thailand			Malaysia			South Korea		
Category	Vs. ‘22	Vs. ‘21	Vs. ‘19	Vs. ‘22	Vs. ‘21	Vs. ‘19	Vs. ‘22	Vs. ‘21	Vs. ‘19
Laundry detergents	112	109	94	116	128	111	104	103	93
Toothbrushes	103	116	94	104	129	121	96	95	84
Hand soaps	86	80	140	57	52	140	81	77	114

Y-o-Y comparison of overseas markets (%)

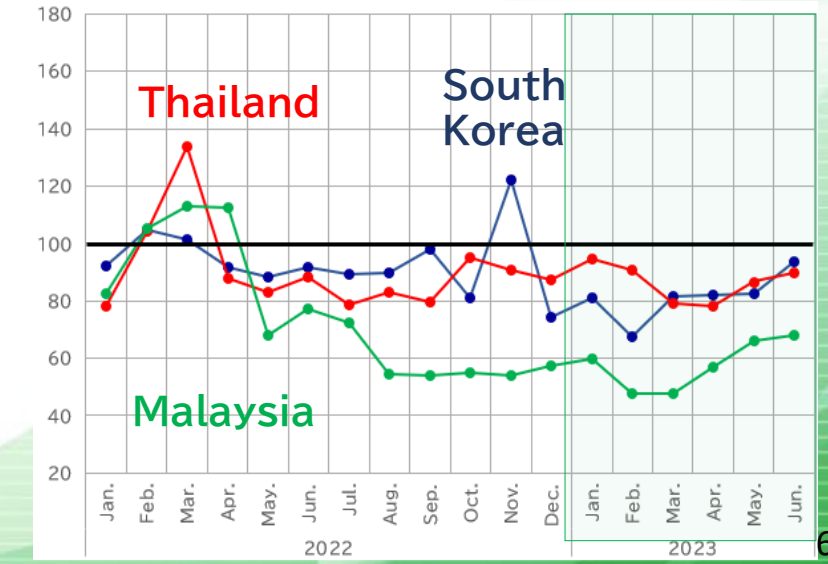
Laundry detergents



Toothbrushes



Hand soaps



Note: Figures for Malaysia represent the entire soap market, including the hand soap market.

Consolidated Financial Results

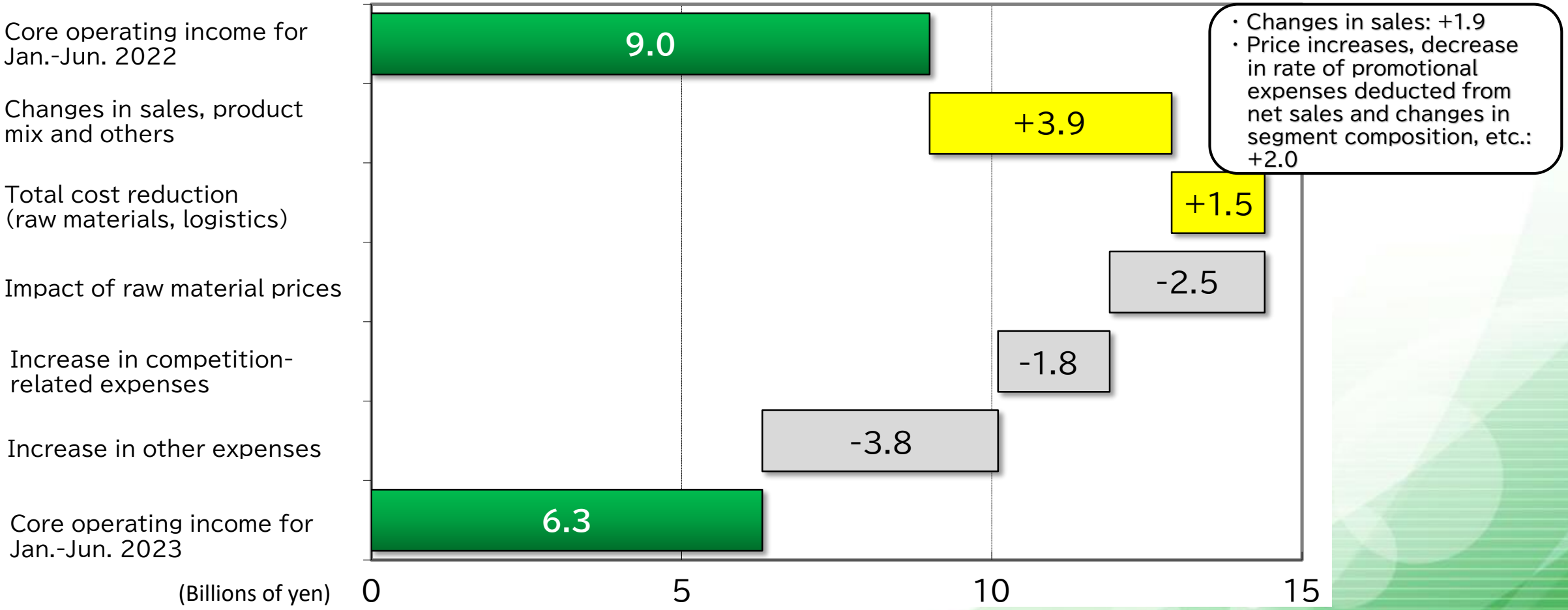
Sales and profit met forecasts; sales increased Y-o-Y, but profit decreased

(Billions of yen)	Jan.–Jun. 2023	Jan.–Jun. 2022	Y-o-Y change		Deviation from forecast %
			Amount	%	
Net sales	192.8	185.1	7.6	4.2 2.2*	2.8 1.5
Core operating income*1 % of net sales	6.3 3.3	9.0 4.9	(2.7)	(30.0)	0.8 15.7
Operating profit % of net sales	6.2 3.2	14.2 7.7	(8.0)	(56.2)	0.7 13.5
Profit for the period attributable to owners of the parent	4.2	11.0	(6.7)	(61.1)	0.2 7.5
EPS (Yen)	15.12	38.75	(23.63)	(61.0)	1.07 7.6
EBITDA*2	14.9	16.8	(1.8)	(11.2)	—
EBITDA margin (%)*3	7.8	9.1	—	(1.3PP)	—

Notes 1. Core operating income is an earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross profit.
2. EBITDA: An indicator of profitability on a cash basis calculated as the sum of core operating income and depreciation and amortization (excluding that of right-of-use assets as of 2022).
3. EBITDA margin: The ratio of EBITDA to consolidated net sales.
* Y-o-Y change at constant currency excluding exchange rate fluctuations.

Year-on-Year Changes in Core Operating Income

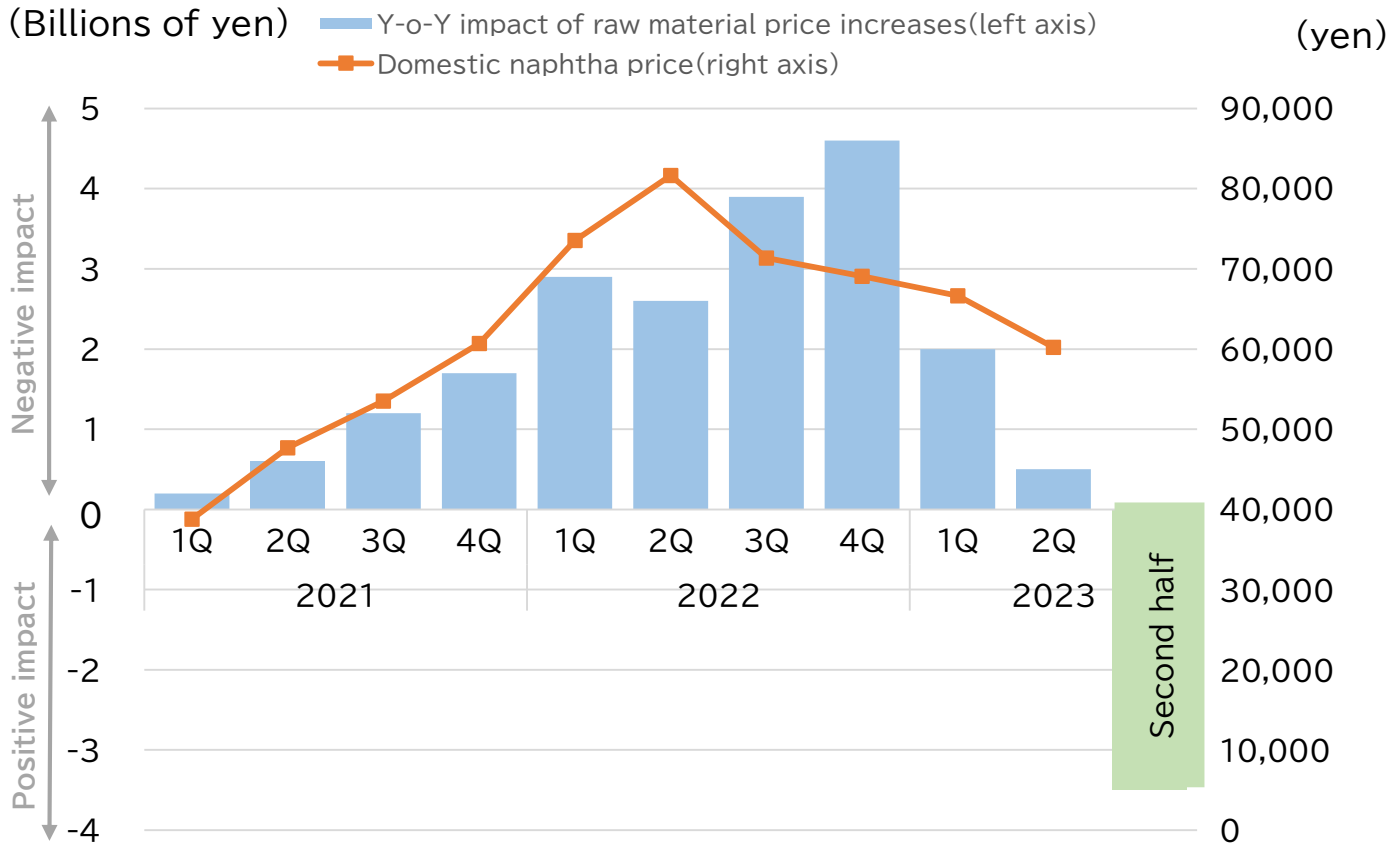
Core operating income was boosted by cost reductions and the increase in gross profit due to increased sales, mainly overseas, but decreased overall due to head office relocation costs and rising raw material prices



Impact of Raw Material Price Increases and Lion's Response

The impact on profit of raw materials prices is expected to flip from negative to positive in the second half of the year
We will continue working to streamline sales promotion and reduce costs

◆ Impact of Raw Material Price Increases on Profit



Lion's Response

① Launched and nurtured high-value-added products
② Cost reductions
③ Streamlined sales promotion
④ Raised wholesale prices for some products

Results by Business Segment

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Sales increased but profit decreased in Consumer Products; sales and profit both increased in Industrial Products, Overseas and Other

(Billions of yen)	Net sales				Segment profit (Core operating income)			
	Jan.–Jun. 2023	Jan.–Jun. 2022	Y-o-Y change		Jan.–Jun. 2023, %	Jan.–Jun. 2022, %	Y-o-Y change	
			Amount	%			Amount	%
Consumer Products	128.7	125.5	3.2	2.6	0.7	4.3	(3.5)	(82.9)
	109.7	108.5	1.2	1.1	0.6	3.4		
Industrial Products	28.5	27.2	1.3	4.8	1.6	1.5	0.1	8.1
	18.7	18.2	0.4	2.6	5.9	5.7		
Overseas	70.2	61.1	9.0	14.8	3.4	1.8	1.6	86.0
	63.4	55.6	7.7	13.9	5.0	3.1		
Other	10.9	6.4	4.5	70.0	0.7	0.4	0.2	52.8
	0.9	2.9	(1.9)	(67.0)	6.8	7.5		
Adjustment	(45.6)	(35.1)	(10.4)	—	(0.2)	0.8	(1.1)	—
	—	(0.1)	0.1	—				
Consolidated Total	192.8	185.1	7.6	4.2	6.3	9.0	(2.7)	(30.0)
					3.3	4.9		

* Upper lines: net sales; lower lines: sales to external customers

Consumer Products Business Net Sales by Product Category

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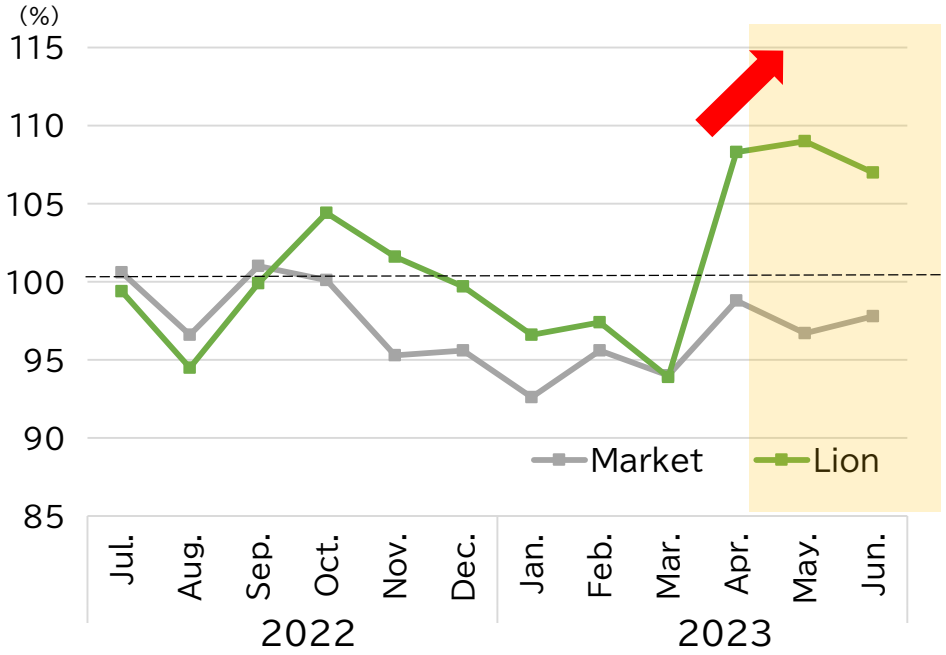
Sales of pharmaceutical and fabric care products increased; in Other, Group internal sales recorded by manufacturing subsidiaries increased

(Billions of yen)	Net sales			
	Jan.–Jun. 2023	Jan.–Jun. 2022	Y-o-Y change	
			Amount	%
Oral Care	34.4	33.6	0.8	2.4
Beauty Care	11.9	12.5	(0.6)	(5.0)
Fabric Care	29.8	28.9	0.9	3.2
Living Care	10.8	11.4	(0.5)	(5.1)
Pharmaceutical	11.8	11.1	0.7	6.5
Other	29.8	27.8	1.9	7.1
Total	128.7	125.5	3.2	2.6

New *SOFLAN Airis* Launched April 6

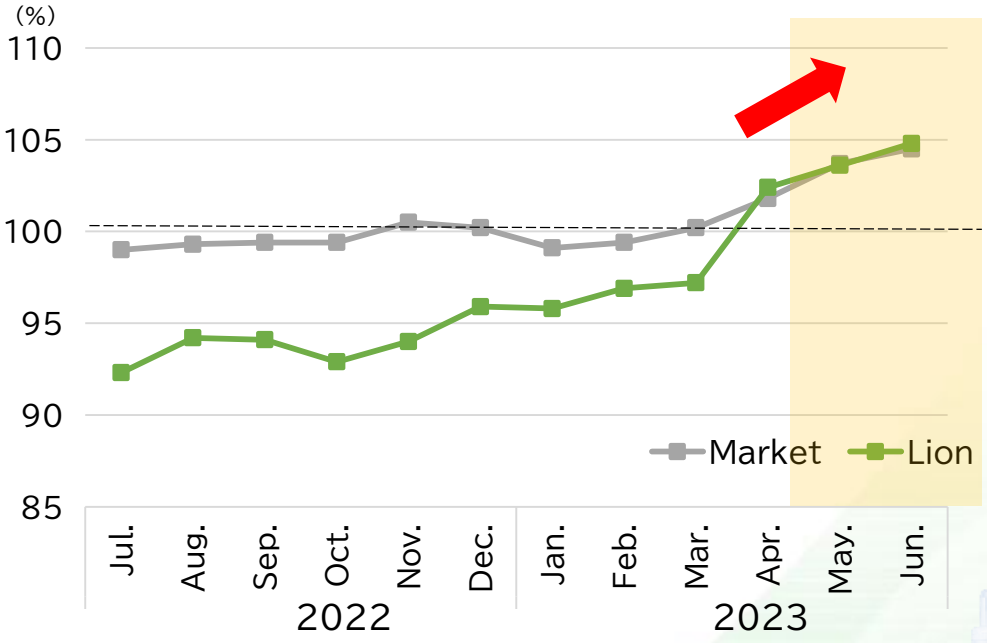
While the Japanese fabric softener market as a whole has been down Y-o-Y, *SOFLAN Airis* has driven a shift toward higher-value-added products

◆Y-o-Y Comparison of Fabric Softener Sales Value* (%)



◆Y-o-Y Monthly Comparison of Fabric Softener Average Per-Unit Price (¥/ml)* (%)

*Source: INTAGE Inc. SRI+



- Lion's April–June 2023 in-store fabric softener sales value was up 8% Y-o-Y
- However, net sales and market share fell short of initial targets

Going forward, we will strengthen communications focused on *Airis*'s functions and in-store trial measures



Overseas Business Results by Region

Sales and profit increased in both Southeast and South Asia and Northeast Asia

(Billions of yen)	Net sales				Core operating income			
	Jan.–Jun. 2023	Jan.–Jun. 2022	Y-o-Y change		Jan.–Jun. 2023	Jan.–Jun. 2022	Y-o-Y change	
			Amount	%			Amount	%
Southeast and South Asia	42.6	39.1	3.5	9.0	2.0	0.8	1.2	145.6
Northeast Asia	27.5	22.0	5.5	25.2	1.4	1.0	0.4	38.5
Total	70.2	61.1	9.0	14.8	3.4	1.8	1.6	86.0

∗ Due to the establishment of a joint venture company in Bangladesh in 2022, the business grouping previously labeled “Southeast Asia” has been changed to “Southeast and South Asia”

∗Y-o-Y change at constant currency excluding exchange rate fluctuations:
Southeast and South Asia: +1.2% (Thailand: +4.1%, Malaysia: -4.7%);
Northeast Asia: +20.7% (China∗: +41.9%, South Korea: +8.7%); ∗ Qingdao Lion
Total: +8.2%

Overseas Business: Status of Business in Key Countries

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Sales increased significantly in China, while Thailand and South Korea also secured increased sales
However, sales struggled in Malaysia, reflecting price competition

Thailand: +4.1%
＊Y-o-Y change in net sales at constant currency; same applies for other countries

- Laundry detergent sales volume decreased amid a difficult market environment, but by reining in promotional discounts, we increased total net sales
- Sales of *Shokubutsu-Monogatari* body washes were strong

Personal care net sales
Y-o-Y: +6.6%; share of total sales: 31.6%

Malaysia: -4.7%

- Sales of mainstay *TOP* laundry detergent struggled, reflecting price competition amid softening raw material prices
- Profit increased significantly, reflecting the streamlining of sales promotions

Personal care net sales
Y-o-Y: -5.8%; share of total sales: 21.8%

China: +41.9%

- Online
  Recovering from the impact of switching e-commerce vendors in 2022
- Offline
  Sales of locally produced *White&White* toothpaste were strong

Personal care net sales
Y-o-Y: +53.8%; share of total sales: 84.4%

South Korea: +8.7%

- Offline sales of *Beat* laundry detergent were strong
- The hand soap market remained down Y-o-Y, and sales struggled

Personal care field net sales
Y-o-Y: -1.0%; share of total sales: 28.8%

• Personal care field net sales = Total of net sales in the oral care, beauty care and pharmaceutical fields (calculated based on shipments from the Company; Y-o-Y change at constant currency)

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Key Initiatives for the Second Half of Fiscal 2023

❶ Launch new high-value-added products

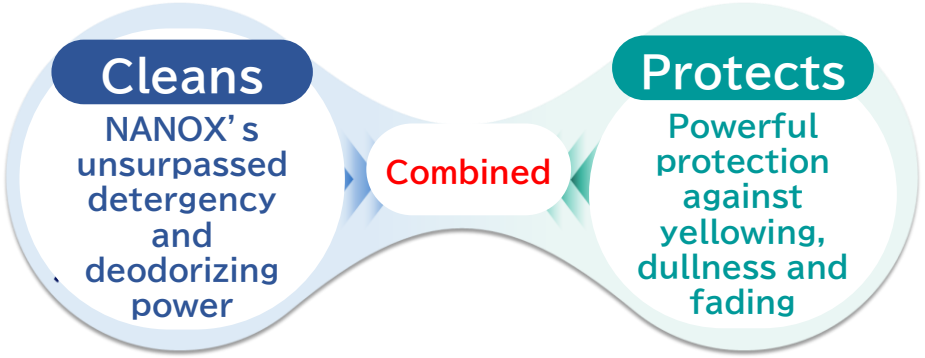
❷ Accelerate growth in China

❸ Prepare for business in newly entered countries

1. Launch New High-Value-Added Products

Launch of new laundry detergent *NANOX one* on September 20

◆Concept





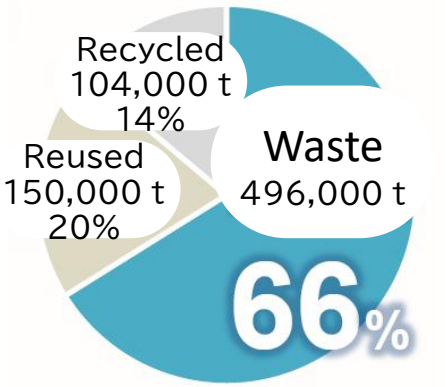
◆Focus on Extending Clothing Life

Attitudes toward Clothing



＊September 2022 online Lion survey

Clothes Disposed of by Consumers



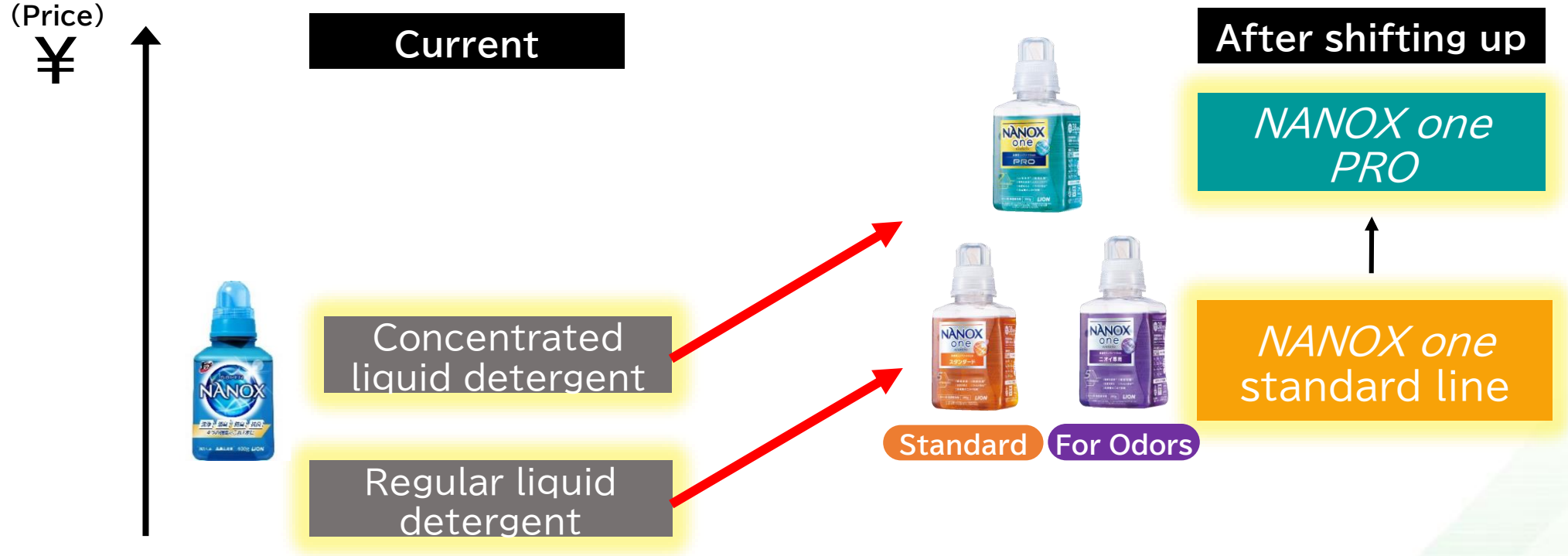
＊Ministry of the Environment 2020 survey on fashion and the environment

- Both protects clothing and eliminates grime and odors, a combination not possible with previous detergents
- Proposes positive laundry habits that allow consumers to enjoy their favorite clothing longer

1. Launch New High-Value-Added Products

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We will create two price ranges, aiming to shift liquid laundry detergent users toward higher-value-added products



- By offering products under the same brand name in two price ranges, we aim to smoothly shift users toward the higher end
- Through action in liquid laundry detergents, which account for the greatest portion of consumers, we aim to quickly shift toward higher-value-added products

2. Accelerate Growth in China

Aiming to accelerate top-line growth both online and offline
Bringing online brand strength to offline sales ➡ Mutual reinforcement and customer referral

Online: Reinforce one-to-one marketing

- Working with the new vendor to reinforce SCRM* using customer data
  * Social customer relationship management
- Sales on emerging platforms are growing, and we will expand our initiatives accordingly

Offline: Area expansion, broadening the range of locally produced products

- Increase the number of cities where Lion products are sold and reinforce contacts with customers:
  1. Existing areas: Big cities → Expand to surrounding cities;
  2. Area expansion: Target inland areas (central and western China)
- In addition to *White&White* toothpaste, which has seen strong sales, we will nurture locally produced products under *CLINICA* and other brands popular in Japan

Locally produced *CLINICA* products Launched March 2023



3. Prepare for Business in Newly Entered Countries

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Developing business centered on the creation of healthy living habits in newly entered countries

Bangladesh

Vision

Address the social issues of cleanliness and hygiene by creating new habits to seize nascent demand across business fields and achieve volume growth.

Latter half of 2023

- **Taking over our partner's laundry detergent business**

2024 onward

- Expand the detergent product lineup, enter the body hygiene field and oral care field
- Prepare for local production
  →Secured a lease in an industrial park, with plans to build a new factory

Vietnam

Vision

Generate synergies between Lion's product, technology and marketing strengths and the investee's business model and brand strength to establish a robust presence through the creation of preventive habits.

Latter half of 2023

- **Reinforce mainstay brands:**
  Launch new products that help create preventive habits
  Lion will provide consumer marketing support

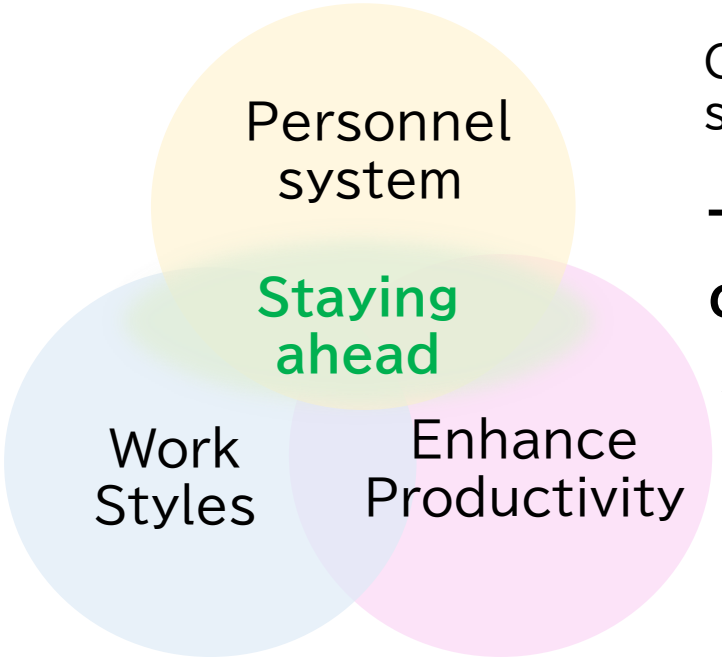
2024 onward

- Introduce Lion's global brands in the oral care and beauty care fields

Generate Dynamism to Realize Innovative Change

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Promoting transformation into a company that acts quickly, ahead of the competition



Personnel/compensation system reforms

Changing to a job-based personnel allocation system focused on specific duties/roles

Transitioning to autonomous and co-creative work styles

Switching to systems that allow employees to choose their work styles and locations

Productivity reforms of Group administrative work

Consolidating and strengthening abilities to enhance Group-wide productivity

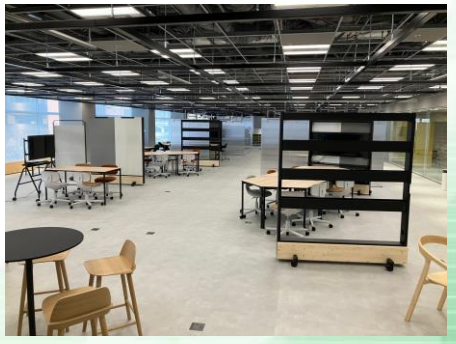
◆Launched July 1, 2023

LION EXPERT BUSINESS CO., LTD.

◆Unique floors at the new head office



Collaboration area



Co-creation floor

Halfway Point of Vision2030 1st STAGE (2022–2024)

Responding to changes in an unexpectedly harsh business environment and steadily advancing measures

Changes in the business environment

- The situation in Ukraine
- Significant raw material price increases
- Sharp depreciation of the yen
- Rising daily commodity prices
- Cooling of consumer sentiment

Issues to Address

- ✓ Launching and nurturing high-value-added products
- ✓ Reinforcing the personal care field in the Overseas business
- ✓ New service businesses
- ✓ Streamlining costs Group-wide
- ✓ Exiting unprofitable businesses
- ✓ Raising wholesale prices of some products
- ✓ Streamlining sales promotion and advertising costs

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2023 Consolidated Financial Forecast

Unchanged from the forecast announced at the start of the year

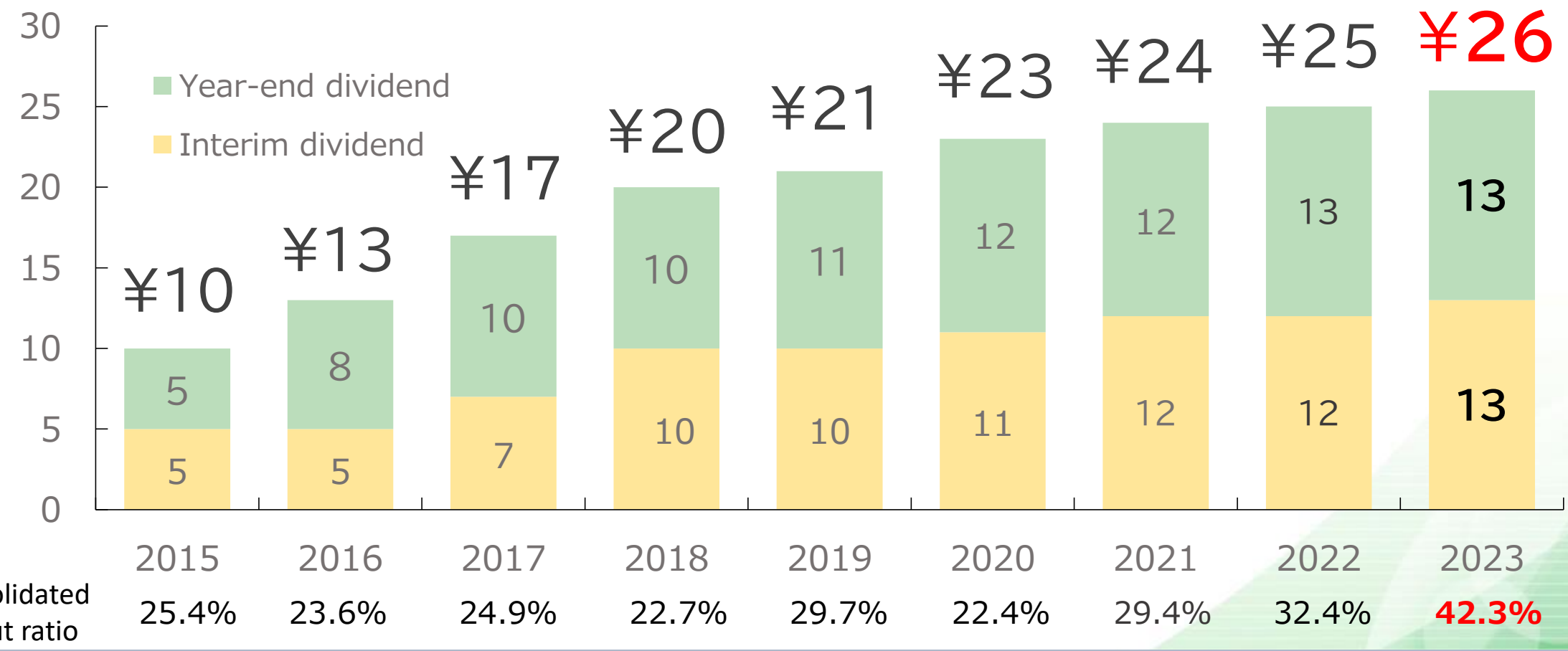
(Billions of yen)	2023	2022	Y-o-Y change	
			Amount	%
Net sales	410.0	389.8	20.1	5.2
Core operating income % of net sales	25.0 6.1	23.5 6.0	1.4	6.1
Operating profit % of net sales	25.0 6.1	28.8 7.4	(3.8)	(13.3)
Profit for the period attributable to owners of the parent	17.5	21.9	(4.4)	(20.2)
EPS (Yen)	61.45	77.04	(15.59)	(20.2)
EBITDA*2	42.0	39.9	2.0	5.1
EBITDA margin (%)*3	10.2	10.2	—	(0.0PP)
ROIC (%)*4	5.5	6.0	—	(0.5PP)
ROE (%)	6.5	8.5	—	(2.0PP)

Notes 1. Core operating income is an earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross profit.
2. EBITDA is an indicator of profitability on a cash basis calculated as the sum of core operating income and depreciation and amortization (excluding that of right-of-use assets as of 2022).
3. EBITDA margin: The ratio of EBITDA to consolidated net sales.
4. ROIC is an indicator calculated from net operating profit after tax (NOPAT) divided by the average invested capital (total equity plus interest bearing liabilities) during the period, and measures the efficiency and profitability of the invested equity.

Shareholder Returns

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We plan to increase the annual per-share dividend for an eighth consecutive year, to ¥26 (for a consolidated payout ratio of 42.3%)



	2015	2016	2017	2018	2019	2020	2021	2022	2023
Consolidated payout ratio	25.4%	23.6%	24.9%	22.7%	29.7%	22.4%	29.4%	32.4%	**42.3%**

Basic dividend policy

Return profits to shareholders on a continuous and stable basis
(Consolidated payout ratio target: 30%)

Reference Materials

Consolidated Results for April–June 2023

(Billions of yen)	2023 Jan.–Mar.	2023 Apr.–Jun.	Y-o-Y change Apr.–Jun.	
			Amount	%
Net sales	90.8	102.0	3.8	3.9
Core operating income*1	2.5	3.8	0.2	8.0
(Core operating income ratio)	2.8	3.8		
Operating profit	2.3	3.8	0.1	2.8
(Operating profit ratio)	2.6	3.8		
Profit for the period attributed to owners of the parent	1.5	2.7	(0.4)	(14.0)
EPS (Yen)	5.55	9.56	(1.57)	(14.1)
EBITDA*2	6.8	8.1	0.5	6.9

Notes 1. Core operating income is an earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross profit.
2. EBITDA: An indicator of profitability on a cash basis calculated as the sum of core operating income and depreciation and amortization (excluding that of right-of-use assets as of 2022).

Segment Results for April–June 2023

(Billions of yen)	Net sales				Segment income (core operating income)			
	2023 Jan.–Mar.	2023 Apr.–Jun.	Y-o-Y change Apr.–Jun.		2022 Jan.–Mar. (%)	2022 Apr.–Jun. (%)	Y-o-Y change Apr.–Jun.	
			Amount	%			Amount	%
Consumer Products	60.0	68.7	2.8	4.4	1.0	(0.3)	(1.0)	—
	50.3	59.4	1.8	3.1	1.8	(0.5)		
Industrial Products	14.7	13.7	(0.3)	(2.5)	1.0	0.6	(0.0)	(11.7)
	9.0	9.6	0.0	0.2	6.9	4.8		
Overseas	34.2	35.9	3.5	11.0	1.5	1.9	0.9	90.1
	30.9	32.4	3.0	10.2	4.6	5.4		
Other	5.7	5.1	1.2	32.7	0.4	0.3	(0.0)	(21.6)
	0.4	0.4	(1.2)	(72.3)	7.3	6.1		
Adjustment	(23.9)	(21.6)	(3.5)	—	(1.5)	1.2	0.5	—
	—	—	0.2	—				
Consolidated total	90.8	102.0	3.8	3.9	2.5	3.8	0.2	8.0
					2.8	3.8		

* Net sales: The top row shows total net sales, and the bottom row shows external net sales.

Consumer Products Net Sales for April–June 2023

(Billions of yen)	Total net sales			
	2023 Jan.–Mar.	2023 Apr.–Jun.	Y-o-Y change Apr.–Jun.	
			Amount	%
Oral care	15.4	19.0	0.9	5.2
Beauty care	5.4	6.4	(0.1)	(2.5)
Fabric care	13.8	15.9	0.8	5.4
Living care	4.9	5.8	(0.4)	(6.6)
Pharmaceuticals	5.5	6.3	0.5	8.5
Other	14.7	15.1	1.2	8.8
Total	60.0	68.7	2.8	4.4

Consolidated Statement of Income

(Billions of yen)	Jan.–Jun. 2023	Jan.–Jun. 2022	Y-o-Y change	
			Amount	%
Net sales	192.8	185.1	7.6	4.2
Cost of sales	107.0	102.4	4.6	4.5
Gross profit	85.8	82.7	3.0	3.7
Selling, general and administrative expenses	79.4	73.6	5.8	7.9
Core operating income	6.3	9.0	(2.7)	(30.0)
Other income	0.7	5.8	(5.1)	(87.1)
Other expenses	0.8	0.7	0.1	21.3
Operating profit	6.2	14.2	(8.0)	(56.2)
Finance income	0.6	0.4	0.1	41.2
Finance costs	0.4	0.0	0.3	595.2
Share of profit of investments accounted for using the equity method	0.7	1.0	(0.3)	(29.0)
Profit before tax	7.2	15.7	(8.5)	(54.1)
Income taxes	2.1	4.3	(2.2)	(51.0)
Profit for the period	5.0	11.4	(6.3)	(55.3)
Profit for the period attributable to non-controlling interests	0.7	0.3	0.4	131.1
Profit for the period attributable to owners of the parent	4.2	11.0	(6.7)	(61.1)

Selling, General and Administrative Expenses

(Billions of yen)	Jan.–Jun. 2023		Jan.–Jun. 2022		Y-o-Y change	
	Amount	% of sales (%)	Amount	% of sales (%)	Amount	%
Selling, general and administrative expenses	79.4	41.2	73.6	39.8	5.8	7.9
Sales commissions	4.7	2.5	4.7	2.6	0.0	1.0
Promotional expenses	17.1	8.9	15.4	8.4	1.6	11.0
Advertising expenses	11.2	5.8	11.2	6.1	0.0	0.7
Transportation and warehousing expenses	10.2	5.3	10.0	5.4	0.1	1.8
R&D expenses	5.5	2.9	5.3	2.9	0.1	3.5
Other expenses	30.4	15.8	26.8	14.5	3.6	13.5

Consolidated Statement of Financial Position

(Billions of yen)		June 30, 2023	December 31, 2022	Change
Current assets		217.3	237.6	(20.3)
	Cash and cash equivalents	77.1	101.0	(23.9)
	Trade and other receivables	66.0	71.2	(5.2)
	Inventories	59.3	53.9	5.4
Non-current assets		252.1	231.5	20.5
	Property, plant and equipment	138.3	130.1	8.2
	Intangible assets	23.1	23.9	(0.7)
	Right-of-use assets	32.2	31.5	0.6
	Other financial assets	24.3	22.8	1.5
Total assets		469.5	469.2	0.2

Consolidated Statement of Financial Position

(Billions of yen)		June 30, 2023	December 31, 2022	Change
Current liabilities		132.6	141.5	(8.9)
	Trade and other payables	119.8	126.0	(6.1)
	Lease liabilities	2.1	1.7	0.4
	Other current liabilities	4.9	7.0	(2.1)
Non-current liabilities		47.6	48.5	(0.9)
	Retirement benefit liabilities	7.6	10.4	(2.8)
	Lease liabilities	28.8	28.8	(0.0)
Equity		289.2	279.1	10.0
	Share capital	34.4	34.4	—
	Capital surplus	31.0	31.0	0.0
	Treasury stock	(7.8)	(8.0)	0.1
	Other components of equity	18.7	13.9	4.7
	Retained earnings	196.6	192.8	3.7
Total liabilities and equity		469.5	469.2	0.2

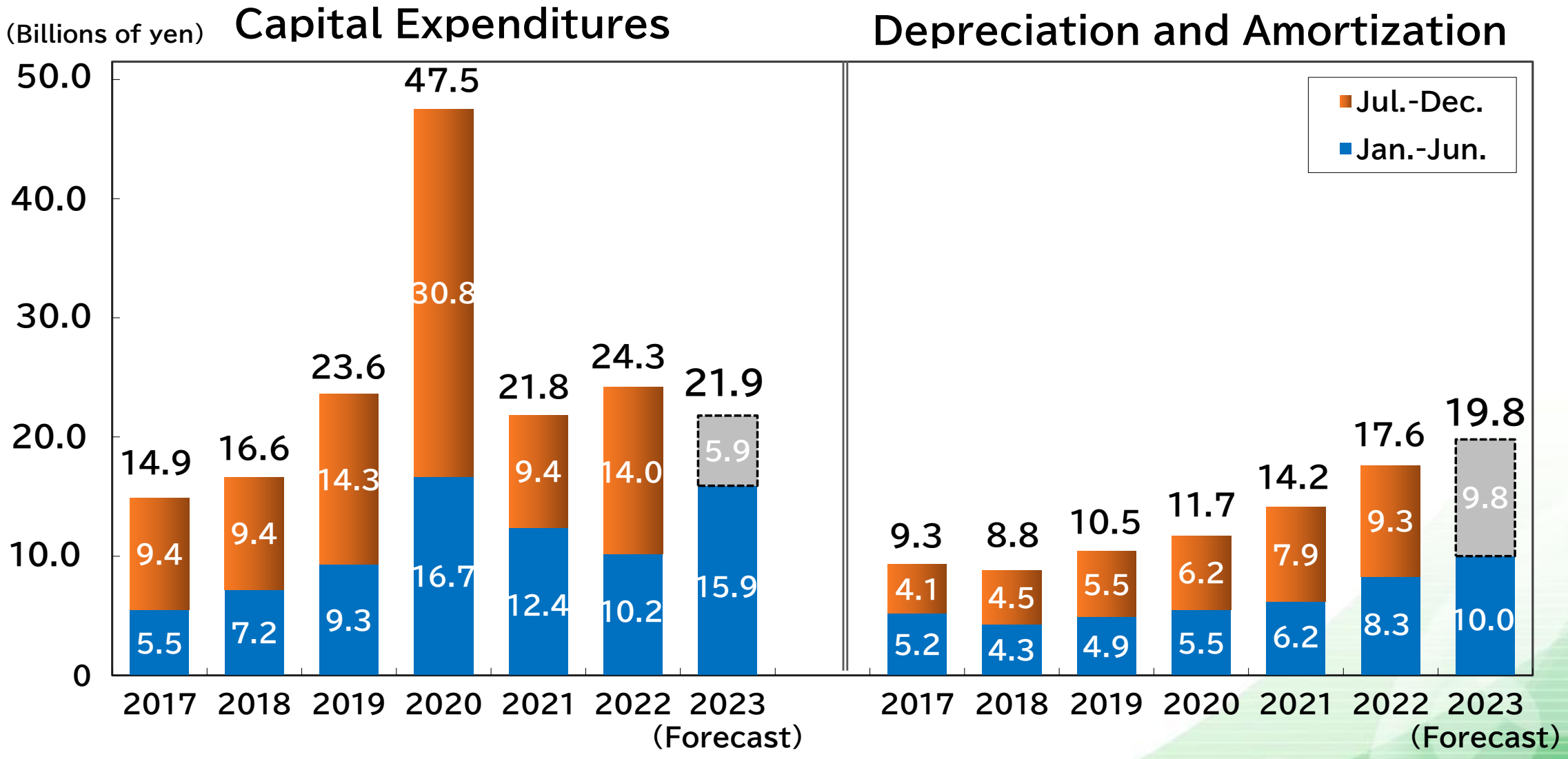
Consolidated Statement of Cash Flows

(Billions of yen)	Jan.–Jun. 2023	Jan.–Jun. 2022	Change
Cash flows from operating activities	3.1	4.6	(1.4)
Cash flows from investing activities	(21.3)	(8.6)	(12.7)
Cash flows from financing activities	(6.6)	(15.4)	8.8
Effect of exchange rate changes on cash and cash equivalents	0.9	1.6	(0.6)
Net increase (decrease) in cash and cash equivalents	(23.9)	(17.9)	(5.9)
Cash and cash equivalents at beginning of period	101.0	97.2	3.8
Cash and cash equivalents at end of period	77.1	79.3	(2.1)

No change in factors affecting full-year core operating income

(Billions of yen)	First half	Second half	Full year (5/9 revision)
Changes in sales, product mix and others	+3.9	+3.6	+7.5
Total cost reduction (raw materials, logistics)	+1.5	+1.0	+2.5
Prices of crude oil, vegetable oils and fats, etc.	(2.5)	+3.5	+1.0
Changes in competition-related expenses	(1.8)	(3.2)	(5.0)
Changes in other expenses	(3.8)	(0.7)	(4.5)
Total	(2.7)	+4.2	+1.5

Capital Expenditures and Depreciation and Amortization



* Capital expenditures and depreciation and amortization both include intangible assets.

Changes in Household Products Market and OTC Drug Market

1) Market Environment for Household Products (35 markets, SRI/SRI+*)

Overall market trend for the 38 home product markets in which Lion participates
(Values are percentages of the results of the corresponding periods of the previous years)

	2018	2019	2020	2021	2022	Jan.–Jun. 2023
Sales value	102	102	112	95	101	99
Unit sales	100	100	105	92	97	94
Average unit price	102	102	106	103	104	106

Source: INTAGE Inc. SRI Survey (data for 2016 is for 38 markets; data for 2017 is for 37; data for 2018–2020 is for 38)
SRI+ Survey data (data for 2021 for 38 markets; data for 2022 is for 37; data for January–June 2023 is for 35)

2) Market Environment for Household Products (14 markets, SCI**)

Overall market trend for the 14 home product markets in which Lion participates
(Values are percentages of the results of the corresponding periods of the previous years)

	2018	2019	2020	2021	2022	Jan.–Jun. 2023
Sales value	102	105	108	102	101	98
Unit sales	100	102	101	96	96	92
Average unit price	103	104	106	107	106	106

Source: INTAGE Inc. SCI survey (data for 2016–2019 is for 15 markets; data for 2020 onward is for 14)

* The SRI+ survey uses point-of-sales data from around 3,000 stores nationwide for its estimates.
** The SCI survey collects purchasing data from around 50,000 shoppers nationwide

Changes in Household Products Market and OTC Drug Market

3) Market Environment for OTC Drug Market (7 markets, SDI/SRI+)

Overall market trends in the seven drug markets in which Lion participates
(Values are percentages of the results of the corresponding periods of the previous years)

	2018	2019	2020	2021	2022	Jan.–Jun. 2023
Sales value	102	100	93	103	104	112
Sales volume	101	99	89	101	102	109
Average unit price	101	101	105	102	101	103

Source: INTAGE Inc. SDI Survey (data for 2016–2018 is for 8 markets; data for 2019–2020 is for 7), SRI+ Survey (data for 2021 onward is for 7 markets)

* Panel data changed from January 2019. Data for 2016 onward has been updated accordingly.

4) Market Environment for OTC Drug Market (2 markets, SCI)

Overall market trends in the two drug markets in which Lion participates
(Values are percentages of the results of the corresponding periods of the previous years)

	2018	2019	2020	2021	2022	Jan.–Jun. 2023
Sales value	104	104	102	110	101	99
Sales volume	102	102	99	107	100	98
Average unit price	102	102	103	103	102	101

Source: INTAGE Inc. SCI survey

Assumed Raw Material Prices and Exchange Rates

All figures below are annual averages for 2023.

◇Most recent revision (8/7)

Dubai Crude	Domestic Naphtha	Crude Palm Oil
75$/BBL	JPY60,000/KL	3,800RM/ton

Exchange Rates

U.S. Dollar	Thai Baht
JPY138	JPY4.00

◇Reference: Previous assumptions (5/9)

Dubai Crude	Domestic Naphtha	Crude Palm Oil
80$/BBL	JPY62,000/KL	4,000RM/ton

U.S. Dollar	Thai Baht
JPY130	JPY3.80

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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.