Summary of Consolidated Financial Statements for the Nine Months Ended September 30, 2023 [IFRS]

November 7, 2023

Company name: Lion Corporation
Listed stock exchanges: Tokyo Stock Exchange
Code: 4912
URL: http://www.lion.co.jp/en/

Representative: Masayuki Takemori, Representative Director, President and Executive Officer
Contact: Akihiko Takeo, Executive Officer, Director of Finance Department
Telephone: +81-3-6739-3711

Scheduled date of filing of quarterly financial report: November 10, 2023
Start date of payment of dividend: —
Supplementary materials prepared for quarterly results: Yes
Quarterly results information meeting held: Yes (for institutional investors, analysts, etc.)

Figures in this and subsequent tables are truncated at the nearest million.

1. Consolidated Results for the Nine Months Ended September 30, 2023 (January 1, 2023 – September 30, 2023)

(1) Consolidated Results (cumulative)

(Percentage figures denote year-on-year change)

	Net sales		Operating profit		Profit before tax	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2023	296,097	3.5	12,512	(44.1)	14,214	(42.5)
Nine months ended September 30, 2022	286,141	6.9	22,396	(12.1)	24,709	(10.7)

	Profit for the period		Profit for the period attributable to owners of the parent		Total comprehensive income for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2023	10,206	(42.5)	8,850	(48.3)	20,368	(16.1)
Nine months ended September 30, 2022	17,756	(12.6)	17,107	(10.1)	24,268	10.8

Note: Core operating income for the nine months ended September 30, 2023 was ¥12,604 million (down 26.8% year on year). Core operating income for the nine months ended September 30, 2022 was ¥17,225 million (down 32.2% year on year).
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.

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2023	31.12	31.08
Nine months ended September 30, 2022	60.04	59.93

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
September 30, 2023	478,885	291,825	274,840	57.4
December 31, 2022	469,278	279,168	264,255	56.3

2. Dividends

	Cash dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2022	—	12.00	—	13.00	25.00
Fiscal 2023	—	13.00	—		
Fiscal 2023 (forecast)				13.00	26.00

Note: Changes from the most recently published forecast of dividends: No

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2023 (January 1, 2023 – December 31, 2023)

(Percentage figures denote year-on-year change)

	Net sales		Operating profit		Profit for the period attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2023	410,000	5.2	25,000	(13.3)	17,500	(20.2)	61.45

Notes: 1. Core operating income forecast: Fiscal 2023: ¥25,000 million
2. Changes from the most recently published financial results forecast: No

Notes

(1) Significant Change in Scope of Consolidation during Period: No

(2) Changes in accounting principles, procedures and presentation methods in connection with the preparation of quarterly consolidated financial statements:
   a. Changes in accounting standards required under IFRS: No
   b. Other changes: No
   c. Changes in accounting estimates: No

(3) Number of outstanding shares (common stock)
   a. Number of outstanding shares on balance sheet dates (including treasury stocks):
      As of September 30, 2023: 292,536,446 shares
      As of December 31, 2022: 292,536,446 shares
   b. Number of treasury stocks on balance sheet date:
      As of September 30, 2023: 8,074,860 shares
      As of December 31, 2022: 8,304,250 shares
   c. Average number of shares outstanding over period
      Nine months ended September 30, 2023: 284,388,406 shares
      Nine months ended September 30, 2022: 284,940,705 shares

* This report is not subject to review by a certified public accountant or external auditor.

* Appropriate use of results forecasts; other special items

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, including those related to economic conditions, the competitive environment and exchange rate fluctuations. Accordingly, readers are cautioned that actual results may differ materially from those projected as a result of a variety of factors. For information on forecasts of operating results, see I. Qualitative Information Concerning the Results of Operations for the First Half of the Current Fiscal Year (3) Forecast of Consolidated Financial Results on page 8.

Contents

1. Qualitative Information Concerning the Results of Operations for the First Nine Months of the Current Fiscal Year ---- 2
(1) Consolidated Performance ---- 2
(2) Financial Status ---- 8
(3) Forecast of Consolidated Financial Results ---- 8

2. Condensed Consolidated Financial Statements and Notes ---- 9
(1) Condensed Consolidated Statement of Financial Position ---- 9
(2) Condensed Consolidated Statement of Income and Statement of Comprehensive Income ---- 11
(3) Condensed Consolidated Statement of Changes in Equity ---- 13
(4) Notes to Condensed Consolidated Financial Statements ---- 15

Notes relating to the assumption of a going concern ---- 15
Segment Information ---- 15

1. Qualitative Information Concerning the Results of Operations for the First Nine Months of the Current Fiscal Year

(1) Consolidated Performance

Consolidated results for the first nine months of fiscal 2023 (January 1, 2023–September 30, 2023) are as follows. Net sales amounted to ¥296,097 million, a year-on-year increase of 3.5% (or a 1.5% increase at constant currency excluding exchange rate fluctuations). Core operating income came to ¥12,604 million, down 26.8% compared with the previous fiscal year, and operating profit to ¥12,512 million, down 44.1% year on year. Profit for the period attributable to owners of the parent totaled ¥8,850 million, down 48.3% compared with the previous fiscal year.

The Lion Group is advancing initiatives based on three growth strategies under Vision2030 1st STAGE, its medium-term management plan for the three years beginning 2022. These three strategies are “Accelerate growth in four fields of value creation,” “Transform our business foundations for growth” and “Generate dynamism to realize innovative change.”

In its domestic operations, Lion introduced new high-value-added fabric softeners and laundry detergents while cultivating mainstay brands. In its overseas operations, in addition to efforts to expand its business in the personal care field, which includes oral care and beauty care products, the Group invested in a healthcare company in Vietnam, aiming to create new foundations for growth.

Consolidated Results (Millions of yen)

	Nine months ended September 30, 2023	Ratio to net sales	Nine months ended September 30, 2022	Ratio to net sales	Change	Change (%)
Net sales	296,097		286,141		9,955	3.5%
Core operating income	12,604	4.3%	17,225	6.0%	(4,621)	(26.8%)
Operating profit	12,512	4.2%	22,396	7.8%	(9,884)	(44.1%)
Profit for the period attributable to owners of the parent	8,850	3.0%	17,107	6.0%	(8,256)	(48.3%)

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. Operating profit includes gain on transfer of land held by a consolidated subsidiary (transferred January 31, 2022).

Results by Business Segment (Millions of yen)

	Net sales				Segment profit (core operating income)			
	Nine months ended September 30, 2023	Nine months ended September 30, 2022	Change	Change (%)	Nine months ended September 30, 2023	Nine months ended September 30, 2022	Change	Change (%)
Consumer Products	196,519	193,009	3,509	1.8%	3,082	8,972	(5,890)	(65.6%)
Industrial Products	42,713	42,333	379	0.9%	2,513	2,396	117	4.9%
Overseas	109,637	96,267	13,369	13.9%	5,975	3,358	2,616	77.9%
Other	15,535	11,287	4,247	37.6%	934	867	66	7.7%
Subtotal	364,404	342,898	21,506	6.3%	12,505	15,595	(3,089)	(19.8%)
Adjustment	(68,307)	(56,756)	(11,550)	—	98	1,630	(1,531)	—
Total	296,097	286,141	9,955	3.5%	12,604	17,225	(4,621)	(26.8%)

Results by business segment are as follows.

Consumer Products Business

The Consumer Products Business segment comprises the Oral Care Products, Beauty Care Products, Fabric Care Products, Living Care Products, Pharmaceutical Products and Other Products businesses. Segment net sales increased 1.8% compared with the previous fiscal year. Segment profit decreased 65.6%.

(Millions of yen)

	Nine months ended September 30, 2023	Ratio to net sales	Nine months ended September 30, 2022	Ratio to net sales	Change	Change (%)
Net sales	196,519		193,009		3,509	1.8%
Segment profit	3,082	1.6%	8,972	4.6%	(5,890)	(65.6%)

Note: Net sales include internal sales within and among segments, which amounted to ¥29,077 million in the first nine months of fiscal 2023 and ¥25,698 million in the first nine months of fiscal 2022.

Net Sales by Product Segment (Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2022	Change	Change (%)
Oral Care Products	51,892	52,043	(150)	(0.3%)
Beauty Care Products	18,006	19,805	(1,799)	(9.1%)
Fabric Care Products	46,669	43,934	2,734	6.2%
Living Care Products	15,801	17,068	(1,266)	(7.4%)
Pharmaceutical Products	18,931	17,912	1,019	5.7%
Other Products	45,217	42,244	2,972	7.0%

Oral Care Products

This product segment consists of toothpastes, toothbrushes, dental rinses and other related products.

In toothpastes, although sales of *CLINICA PRO* toothpastes and *NONIO Plus Whitening Toothpaste* were strong, due in part to revisions to sales promotions for some brands, overall sales decreased year on year.

In toothbrushes, Lion launched the new *LION "Electric Assist" Brush*, and the new *CLINICA PRO Toothbrush Rubber Head*, which uses a rubbery material for the bristles, received favorable customer reviews. As a result, overall sales increased year on year.

In dental rinses, sales of *NONIO Mouthwash* were down year on year, and overall sales decreased year on year.

Overall sales of Oral Care Products decreased 0.3% year on year.

Beauty Care Products

This product segment consists of hand soaps, body washes, antiperspirants and deodorants and other related products.

In hand soaps, due to market contraction, overall sales decreased year on year.

In body washes, sales of *hadakara Body Soap Foam* were firm, but sales of the liquid version were lower year on year. As a result, overall sales declined year on year.

Overall sales of Beauty Care Products decreased 9.1% year on year.

Fabric Care Products

This product segment consists of fabric softeners, laundry detergents and other related products.

In fabric softeners, sales of *SOFLAN Premium Deodorizer* decreased year on year. However, due in part to the launch of new *SOFLAN Airis*, overall sales increased year on year.

In laundry detergents, Lion launched new highly concentrated liquid laundry detergent *NANOX one*, which cuts through odors and grime while protecting clothing from discoloration. Overall sales increased year on year.

Overall sales of Fabric Care Products increased 6.2% year on year.

Living Care Products

This product segment consists of household cleaners, dishwashing detergents and other related products.

In household cleaners, sales of *LOOK Plus Bath Cleansing* and other products decreased year on year. Overall sales declined year on year.

In dishwashing detergents, sales of *CHARMY Magica* were sluggish. Overall sales declined slightly year on year.

Overall sales of Living Care Products decreased 7.4% year on year.

Pharmaceutical Products

This product segment consists of antipyretic analgesics, eye drops, acne medicines and other related products.

In antipyretic analgesics, sales of *BUFFERIN PREMIUM DX* were strong, but sales of *BUFFERIN PREMIUM* and *BUFFERIN A* declined year on year. Overall sales decreased slightly year on year.

In eye drops, sales of the *Smile 40 GOLD* series were steady, and overall sales increased year on year.

In acne medicines, sales of *PAIR® Acne Cream W* were strong, and overall sales were up substantially year on year.

In cooling gel sheets for feet, due to a recovery in demand from inbound visitors to Japan, sales were up substantially year on year.

Overall sales of Pharmaceutical Products increased 5.7% year on year.

Other Products

This product segment consists of pet supplies, gifts and novelty products, products sold through dental clinics and other related products.

In pet supplies, sales of oral care products were strong, and sales of *Nioi wo Toru Suna (Deodorizing Cat Litter)* were steady. Overall sales increased year on year.

In gifts and novelty products, sales of novelty products increased, and overall sales also increased

year on year.

Overall sales of Other Products increased 7.0% year on year.

Industrial Products Business

The Industrial Products Business segment includes the Mobility, Electronics and Detergents for Institutional Use Products fields. These businesses handle products that include anti-sticking agents for tire rubber, electro-conductive carbon for secondary batteries, and detergents for institutional and kitchen use, respectively. Segment net sales increased 0.9% year on year. Segment profit increased 4.9%.

(Millions of yen)

	Nine months ended September 30, 2023	Ratio to net sales	Nine months ended September 30, 2022	Ratio to net sales	Change	Change (%)
Net sales	42,713		42,333		379	0.9%
Segment profit	2,513	5.9%	2,396	5.7%	117	4.9%

Note: Net sales include internal sales within and among segments, which amounted to ¥14,520 million in the first nine months of fiscal 2023 and ¥14,650 million in the first nine months of fiscal 2022.

In the Mobility field, sales of anti-sticking agents for tire rubber were firm, and overall sales increased year on year.

In the Electronics field, sales of conductive carbon for secondary batteries were steady, and overall sales increased year on year.

In the Detergents for Institutional Use Products field, sales of hand soaps decreased year on year, while sales of laundry detergents were favorable. Overall sales increased year on year.

Overseas Business

The Overseas Business segment comprises business operations located in Southeast and South Asia, including Thailand and Malaysia, as well as Northeast Asia, including China and South Korea. Segment net sales increased 13.9% year on year (or an increase of 7.4% at constant currency excluding exchange rate fluctuations). Segment profit increased 77.9% year on year.

(Millions of yen)

	Nine months ended September 30, 2023	Ratio to net sales	Nine months ended September 30, 2022	Ratio to net sales	Change	Change (%)
Net sales	109,637		96,267		13,369	13.9%
Segment profit	5,975	5.4%	3,358	3.5%	2,616	77.9%

Note: Net sales include internal sales within and among segments, which amounted to ¥10,454 million in the first nine months of fiscal 2023 and ¥8,159 million in the first nine months of fiscal 2022.

Net Sales by Region

(Millions of yen)

		Nine months ended September 30, 2023	Nine months ended September 30, 2022	Change	Change (%)
Southeast and South Asia	Net sales	66,874	61,108	5,766	9.4%
	Segment profit	3,409	1,485	1,923	129.5%
Northeast Asia	Net sales	42,762	35,159	7,602	21.6%
	Segment profit	2,565	1,873	692	37.0%

Note: Due to the establishment of a joint venture company in Bangladesh in the previous fiscal year, the region previously referred to as “Southeast Asia” has been changed to “Southeast and South Asia.”

Net Sales by Region

In Southeast and South Asia, net sales were up 9.4% year on year (or up 1.7% at constant currency excluding exchange rate fluctuations), and segment profit was up 129.5%.

In Thailand, sales of *Shokubutsu Monogatari* body washes were strong. Overall sales after yen conversions were up substantially year on year.

In Malaysia, sales of laundry detergents increased year on year, and overall sales after yen conversions were up year on year.

In Northeast Asia, overall sales were up 21.6% year on year (or up 17.4% at constant currency excluding exchange rate fluctuations), and segment profit was up 37.0%.

In China, sales of *White&White* toothpaste and *SYSTEMA* toothbrushes were strong. Overall sales after yen conversions increased substantially year on year.

In South Korea, sales of laundry detergents were favorable. Overall sales after yen conversions substantially increased year on year.

Other (Construction Contracting Business, etc.)

(Millions of yen)

	Nine months ended September 30, 2023	Ratio to net sales	Nine months ended September 30, 2022	Ratio to net sales	Change	Change (%)
Net sales	15,535		11,287		4,247	37.6%
Segment profit	934	6.0%	867	7.7%	66	7.7%

Note: Net sales include internal sales within and among segments, which amounted to ¥14,254 million in the first nine months of fiscal 2023 and ¥8,230 million in the first nine months of fiscal 2022.

(2) Financial Status

Status of Consolidated Assets, Liabilities and Equity

	September 30, 2023	December 31, 2022	Change
Total assets (millions of yen)	478,885	469,278	9,606
Total equity (millions of yen)	291,825	279,168	12,657
Ratio of equity attributable to owners of the parent to total assets (%)	57.4	56.3	1.1

Total assets rose ¥9,606 million compared with the previous consolidated fiscal year-end to ¥478,885 million. This was primarily attributable to an increase in investments accounted for by the equity method. Total equity increased ¥12,657 million to ¥291,825 million. The ratio of equity attributable to owners of the parent to total assets stood at 57.4%.

(3) Forecast of Consolidated Financial Results

Lion has made no revisions to the consolidated financial results forecasts released on February 13, 2023 for the full fiscal year.

2. Condensed Consolidated Financial Statements and Notes

(1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	December 31, 2022	September 30, 2023
Assets		
Current assets		
Cash and cash equivalents	101,078	73,836
Trade and other receivables	71,263	77,630
Inventories	53,909	59,942
Other financial assets	7,977	11,327
Other current assets	3,462	4,294
Subtotal	237,691	227,032
Assets held for sale	—	183
Total current assets	237,691	227,216
Non-current assets		
Property, plant and equipment	130,137	138,392
Goodwill	327	327
Intangible assets	23,917	22,884
Right-of-use assets	31,518	31,694
Investments accounted for using the equity method	8,939	18,021
Deferred tax assets	3,912	4,486
Retirement benefit assets	9,147	10,162
Other financial assets	22,856	24,546
Other non-current assets	831	1,152
Total non-current assets	231,587	251,669
Total assets	469,278	478,885

(Millions of yen)

	December 31, 2022	September 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	126,024	125,145
Borrowings	1,433	298
Income tax payables	2,182	2,185
Provisions	1,444	2,668
Lease liabilities	1,746	2,108
Other financial liabilities	1,681	994
Other current liabilities	7,061	7,754
Total current liabilities	141,574	141,154
Non-current liabilities		
Borrowings	141	—
Deferred tax liabilities	2,701	5,016
Retirement benefit liabilities	10,431	6,057
Provisions	2,058	2,040
Lease liabilities	28,849	28,434
Other financial liabilities	2,378	2,385
Other non-current liabilities	1,974	1,971
Total non-current liabilities	48,536	45,905
Total liabilities	190,110	187,059
Equity		
Share capital	34,433	34,433
Capital surplus	31,069	31,095
Treasury stock	(8,056)	(7,867)
Other components of equity	13,966	19,229
Retained earnings	192,842	197,950
Equity attributable to owners of the parent	264,255	274,840
Non-controlling interests	14,912	16,985
Total equity	279,168	291,825
Total liabilities and equity	469,278	478,885

(2) Condensed Consolidated Statement of Income and Statement of Comprehensive Income

Condensed Consolidated Statement of Income

Nine months ended September 30, 2022 and 2023

(Millions of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Net sales	286,141	296,097
Cost of sales	(158,476)	(164,748)
Gross profit	127,664	131,348
Selling, general and administrative expenses	(110,439)	(118,744)
Other income	6,207	1,064
Other expenses	(1,036)	(1,156)
Operating profit	22,396	12,512
Finance income	896	967
Finance costs	(95)	(622)
Share of profit of investments accounted for using the equity method	1,511	1,356
Profit before tax	24,709	14,214
Income taxes	(6,952)	(4,007)
Profit for the period	17,756	10,206
Profit for the period attributable to:		
Owners of the parent	17,107	8,850
Non-controlling interests	648	1,356
Profit for the period	17,756	10,206
Earnings per share		
Basic (Yen)	60.04	31.12
Diluted (Yen)	59.93	31.08

Condensed Consolidated Statement of Comprehensive Income

Nine months ended September 30, 2022 and 2023

(Millions of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Profit for the period	17,756	10,206
Other comprehensive income		
Items that will not be reclassified as profit or loss		
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	550	1,226
Remeasurements of defined benefit plans	(1,470)	3,323
Share of other comprehensive income (loss) of investments accounted for using the equity method	10	(13)
Total items that will not be reclassified as profit or loss	(909)	4,536
Items that may be subsequently reclassified as profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges	16	40
Exchange differences on translation of foreign operations	7,405	5,583
Total items that may be subsequently reclassified as profit or loss	7,422	5,624
Total other comprehensive income, net of tax	6,512	10,161
Comprehensive income for the period	24,268	20,368
Comprehensive income for the period attributable to:		
Owners of the parent	22,067	17,900
Non-controlling interests	2,201	2,467
Comprehensive income for the period	24,268	20,368

(3) Condensed Consolidated Statement of Changes in Equity

Nine months ended September 30, 2022

(Millions of yen)

	Equity attributable to owners of the parent					
				Other components of equity		
	Share capital	Capital surplus	Treasury stock	Subscription rights to shares	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasure-ments of defined benefit plans
Balance at January 1, 2022	34,433	35,189	(4,731)	135	8,541	—
Profit for the period						
Other comprehensive income					509	(1,470)
Total comprehensive income for the period	—	—	—	—	509	(1,470)
Dividends						
Acquisition of treasury stock			(10,001)			
Disposal of treasury stock		1	46	(12)		
Cancellation of treasury stock		(4,259)	6,630			
Share-based payments		27				
Changes in ownership interest in subsidiaries						
Transfer from other components of equity to retained earnings					(269)	1,470
Total transactions with owners	—	(4,229)	(3,324)	(12)	(269)	1,470
Balance at September 30, 2022	34,433	30,960	(8,056)	123	8,781	—

	Equity attributable to owners of the parent					Non-controlling interests	Total equity
	Other components of equity			Retained earnings	Total		
	Net gain (loss) on derivatives designated as cash flow hedges	Exchange differences on translation of foreign operations	Total				
Balance at January 1, 2022	—	634	9,311	177,370	251,572	13,442	265,014
Profit for the period			—	17,107	17,107	648	17,756
Other comprehensive income	16	5,902	4,959		4,959	1,552	6,512
Total comprehensive income for the period	16	5,902	4,959	17,107	22,067	2,201	24,268
Dividends			—	(6,899)	(6,899)	(1,093)	(7,992)
Acquisition of treasury stock			—		(10,001)		(10,001)
Disposal of treasury stock			(12)		35		35
Cancellation of treasury stock			—	(2,731)	—		—
Share-based payments			—		27		27
Changes in ownership interest in subsidiaries			—		—	25	25

Transfer from other components of equity to retained earnings			1,201	(1,201)	—		—
Total transactions with owners	—	—	1,188	(10,472)	(16,837)	(1,067)	(17,904)
Balance at September 30, 2022	16	6,537	15,459	184,005	256,802	14,576	271,378

Nine months ended September 30, 2023

(Millions of yen)

	Equity attributable to owners of the parent					
				Other components of equity		
	Share capital	Capital surplus	Treasury stock	Subscription rights to shares	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasure-ments of defined benefit plans
Balance at January 1, 2023	34,433	31,069	(8,056)	123	8,930	—
Profit for the period						
Other comprehensive income					1,203	3,323
Total comprehensive income for the period	—	—	—	—	1,203	3,323
Dividends						
Acquisition of treasury stock			(0)			
Disposal of treasury stock			189	(73)		
Share-based payments		25				
Changes in ownership interest in subsidiaries						
Transfer from other components of equity to retained earnings					(389)	(3,323)
Total transactions with owners	—	25	188	(73)	(389)	(3,323)
Balance at September 30, 2023	34,433	31,095	(7,867)	50	9,744	—

	Equity attributable to owners of the parent					Non-controlling interests	Total equity
	Other components of equity			Retained earnings	Total		
	Net gain (loss) on derivatives designated as cash flow hedges	Exchange differences on translation of foreign operations	Total				
Balance at January 1, 2023	(42)	4,953	13,966	192,842	264,255	14,912	279,168
Profit for the period			—	8,850	8,850	1,356	10,206
Other comprehensive income	40	4,481	9,049		9,049	1,111	10,161
Total comprehensive income for the period	40	4,481	9,049	8,850	17,900	2,467	20,368
Dividends			—	(7,393)	(7,393)	(553)	(7,946)
Acquisition of treasury stock			—		(0)		(0)
Disposal of treasury stock			(73)	(63)	53		53

Share-based payments			—		25		25
Changes in ownership interest in subsidiaries			—		—	158	158
Transfer from other components of equity to retained earnings			(3,712)	3,712	—		—
Total transactions with owners	—	—	(3,785)	(3,743)	(7,314)	(395)	(7,710)
Balance at September 30, 2023	(1)	9,435	19,229	197,950	274,840	16,985	291,825

(4) Notes to Condensed Consolidated Financial Statements

Notes relating to the assumption of a going concern

Not applicable.

Segment Information

(1) Overview of reportable segments

The Group's reportable segments are component units of the Company for which separate financial information is available and that are subject to regular review by the Board of Directors for the purpose of making decisions regarding the allocation of management resources and evaluating business performance.

The Group's business divisions are organized by product category; each business division formulates a comprehensive strategy and carries out business activities for the products it handles. Affiliated companies in Japan undertake business activities pertinent to the characteristics of their respective products and services.

Affiliated companies located overseas are independent management units that conduct business activities pertinent to the characteristics of the regions in which they operate.

Accordingly, the Group comprises three reportable segments divided by product and service type and by region, which are, in turn, based on business divisions and companies; namely, the reportable segments are Consumer Products Business, Industrial Products Business and Overseas Business.

The Group's reportable segments are as follows.

A. Consumer Products Business

The Consumer Products Business engages in the manufacture and sale of commodities, over-the-counter drugs and foods with function claims, primarily in Japan.

Main products: Toothpastes, toothbrushes, hand soaps, antipyretic analgesics, eye drops, health tonic drinks, laundry detergents, dishwashing detergents, fabric softeners, household cleaners, bleaches and pet supplies

B. Industrial Products Business

The Industrial Products Business engages primarily in the manufacture and sale of chemical raw materials, industrial products and other items in Japan and overseas.

Main products: Activators, electro-conductive carbon and detergents for institutional use

C. Overseas Business

The Overseas Business engages mainly in the manufacture and sale of commodities by affiliated overseas businesses.

D. Other Business

The Other Businesses segment comprises business not included in the other segments. In this segment, Lion subsidiaries located in Japan primarily undertake operations related to Group construction contracting, real estate management and temporary staffing

(2) Net Sales and Performance of Reportable Segments

Nine months ended September 30, 2022

(Millions of yen)

	Reportable Segment			Other	Total	Adjustment[2]	Consolidated[3]
	Consumer Products Business	Industrial Products Business	Overseas Business				
Net sales							
External	167,310	27,683	88,108	3,057	286,160	(18)	286,141
Intersegment[1]	25,698	14,650	8,159	8,230	56,738	(56,738)	—
Total	193,009	42,333	96,267	11,287	342,898	(56,756)	286,141
Core operating income	8,972	2,396	3,358	867	15,595	1,630	17,225
Other income							6,207
Other expenses							(1,036)
Operating profit							22,396
Finance income							896
Finance costs							(95)
Share of profit of investments accounted for using the equity method							1,511
Profit before tax							24,709

Notes: 1. Includes intra-segment transactions within the reportable segments.

2. A positive ¥1,630 million adjustment of core operating income mainly comprises intersegment eliminations and corporate expenses not allocated to any reportable segment.

3. Core operating income is reconciled with gross profit as follows.

	(Millions of yen)
Gross profit	127,664
Selling, general and administrative expenses	(110,439)
Core operating income	17,225

Core operating income is calculated as gross profit less selling, general and administrative expenses, and is the basis on which the Board of Directors evaluates the performance of each segment.

Nine months ended September 30, 2023

(Millions of yen)

	Reportable Segment			Other	Total	Adjustment[2]	Consolidated[3]
	Consumer Products Business	Industrial Products Business	Overseas Business				
Net sales							
External	167,441	28,193	99,182	1,280	296,097	—	296,097
Intersegment[1]	29,077	14,520	10,454	14,254	68,307	(68,307)	—
Total	196,519	42,713	109,637	15,535	364,404	(68,307)	296,097
Core operating income	3,082	2,513	5,975	934	12,505	98	12,604
Other income							1,064
Other expenses							(1,156)
Operating profit							12,512
Finance income							967
Finance costs							(622)
Share of profit of investments accounted for using the equity method							1,356
Profit before tax							14,214

Notes: 1. Includes intra-segment transactions within the reportable segments.
2. A positive ¥98 million adjustment of core operating income mainly comprises intersegment eliminations and corporate expenses not allocated to any reportable segment.
3. Core operating income is reconciled with gross profit as follows.

	(Millions of yen)
Gross profit	131,348
Selling, general and administrative expenses	(118,744)
Core operating income	12,604

Core operating income is calculated as gross profit less selling, general and administrative expenses, and is the basis on which the Board of Directors evaluates the performance of each segment.