Summary of Consolidated Financial Statements for the First Half Ended June 30, 2024 [IFRS]

August 7, 2024

Company name: Lion Corporation
Listed stock exchanges: Tokyo Stock Exchange
Code: 4912
URL: https://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 semi-annual securities report: August 9, 2024
Start date of payment of dividend: September 4, 2024
Supplementary materials prepared for financial results: Yes
Earning announcement for financial results: Yes (for institutional investors, analysts, etc.)

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

1. Consolidated Results for the First Half Ended June 30, 2024 (January 1, 2024 – June 30, 2024)

(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	%
Six months ended June 30, 2024	198,634	3.0	13,357	113.9	15,517	114.6
Six months ended June 30, 2023	192,887	4.2	6,244	(56.2)	7,229	(54.1)

	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	%
Six months ended June 30, 2024	11,227	120.3	9,931	131.0	21,076	49.2
Six months ended June 30, 2023	5,096	(55.3)	4,298	(61.1)	14,125	(18.1)

Note: Core operating income for the six months ended June 30, 2024 was ¥9,554 million (up 50.2% year on year). Core operating income for the six months ended June 30, 2023 was ¥6,363 (down 30.0% 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
Six months ended June 30, 2024	35.76	35.71
Six months ended June 30, 2023	15.12	15.09

(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	%
June 30, 2024	482,251	304,326	285,282	59.2
December 31, 2023	486,363	298,134	280,316	57.6

2. Dividends

	Cash dividends per share				
	First Quarter-End	Second Quarter-End	Third Quarter-End	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2023	—	13.00	—	13.00	26.00
Fiscal 2024	—	13.00			
Fiscal 2024 (forecast)			—	14.00	27.00

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

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2024 (January 1, 2024 – December 31, 2024)

(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 2024	410,000	1.8	27,000	31.7	19,000	29.9	66.81

Notes: 1. Core operating income forecast: Fiscal 2024: ¥23,000 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 June 30, 2024: 284,432,746 shares
      As of December 31, 2023: 292,536,446 shares
   b. Number of treasury stocks on balance sheet date:
      As of June 30, 2024: 8,044,717 shares
      As of December 31, 2023: 8,075,507 shares
   c. Average number of shares outstanding over period
      Six months ended June 30, 2024: 277,720,624 shares
      Six months ended June 30, 2023: 284,351,758 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.

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

(1) Consolidated Performance

Consolidated results for the first half of fiscal 2024 (January 1, 2024–June 30, 2024) are as follows. Net sales amounted to ¥198,634 million, a year-on-year increase of 3.0% (or a 0.2% increase at constant currency excluding exchange rate fluctuations). Core operating income came to ¥9,554 million, up 50.2% compared with the previous fiscal year, and operating profit to ¥13,357 million, up 113.9% year on year. Profit for the period attributable to owners of the parent totaled ¥9,931 million, up 131.0% compared with the previous fiscal year.

The Lion Group has positioned 2024, the final year of Vision2030 1st STAGE, its current medium-term management plan, as a year to rebuild the revenue base in anticipation of the next medium-term management plan, based on the progress of the plan so far.

The Company will to continue aggressively expanding its overseas business, for example, increasing its sales area coverage in China, which is at the core of its growth strategy. Simultaneously, in Japan Lion has launched new high value-added products in its eye drops line as well as a new brand that offers a new way to select oral care products. The Company has made progress in reforming its earnings structure through portfolio revision, including the sale of some pharmaceutical product brands not in its priority fields of focus to improve profitability.

Consolidated Results

(Millions of yen)

	Six months ended June 30, 2024	Ratio to net sales	Six months ended June 30, 2023	Ratio to net sales	Change	Change (%)
Net sales	198,634		192,887		5,747	3.0%
Core operating income	9,554	4.8%	6,363	3.3%	3,191	50.2%
Operating profit	13,357	6.7%	6,244	3.2%	7,113	113.9%
Profit for the period attributable to owners of the parent	9,931	5.0%	4,298	2.2%	5,632	131.0%

Notes: 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.

Results by Business Segment

(Millions of yen)

	Net sales				Core operating income)			
	Six months ended June 30, 2024	Six months ended June 30, 2023	Change	Change (%)	Six months ended June 30, 2024	Six months ended June 30, 2023	Change	Change (%)
Consumer Products	126,208	128,786	(2,578)	(2.0%)	3,628	734	2,894	394.4%
Industrial Products	26,470	28,506	(2,035)	(7.1%)	1,495	1,675	(180)	(10.8%)
Overseas	80,669	70,257	10,411	14.8%	4,542	3,497	1,045	29.9%
Other	7,779	10,964	(3,185)	(29.1%)	294	742	(448)	(60.3%)
Subtotal	241,127	238,515	2,612	1.1%	9,962	6,649	3,312	49.8%
Adjustment	(42,493)	(45,628)	3,135	—	(407)	(286)	(121)	—
Total	198,634	192,887	5,747	3.0%	9,554	6,363	3,191	50.2%

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 decreased 2.0% compared with the same period in the previous fiscal year. Core operating income increased 394.4% due to decreased selling, general and administrative expenses.

(Millions of yen)

	Six months ended June 30, 2024	Ratio to net sales	Six months ended June 30, 2023	Ratio to net sales	Change	Change (%)
Net sales	126,208		128,786		(2,578)	(2.0%)
Core operating income	3,628	2.9%	734	0.6%	2,894	394.4%

Note: Net sales include internal sales within and among segments, which amounted to ¥19,867 million in the first half of fiscal 2024 and ¥19,044 million in the first half of fiscal 2023.

Net Sales by Product Segment

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2023	Change	Change (%)
Oral Care Products	35,900	34,472	1,427	4.1%
Beauty Care Products	11,842	11,931	(89)	(0.7%)
Fabric Care Products	27,647	29,838	(2,191)	(7.3%)
Living Care Products	10,187	10,814	(627)	(5.8%)
Pharmaceutical Products	12,059	11,892	167	1.4%
Other Products	28,570	29,836	(1,265)	(4.2%)

Oral Care Products

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

In toothpastes, sales of *CLINICA PRO* toothpastes and *NONIO Plus Whitening Toothpaste* were strong, and with the launch of the new *OCH-TUNE Toothpaste*, resulting in increased overall sales year on year.

In toothbrushes, *NONIO* and *CLINICA PRO* toothbrushes were favorable, and with the addition of *OCH-TUNE Toothbrush*, overall sales increased year on year.

In dental rinses, sales of *NONIO Plus Whitening Dental Rinse* were strong, and overall sales increased significantly year on year.

Overall sales of Oral Care Products increased 4.1% 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, sales of *KireiKirei Medicated Hand Conditioning Soap* were favorable, but sales of *KireiKirei Medicated Foaming Hand Soap* were sluggish, leading to an overall decline in sales year on year.

In body washes, sales of *hadakara* body washes were lower year on year. As a result, overall sales declined year on year.

Overall sales of Beauty Care Products decreased 0.7% year on year.

Fabric Care Products

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

In fabric softeners, sales of the new-and-improved *SOFLAN Premium Deodorizer* were firm. However, sales of *SOFLAN Airis*, which was launched last year, declined, and overall sales decreased year on year.

In laundry detergents, sales of *NANOX one* highly concentrated liquid laundry detergent were steady, and overall sales increased year on year.

As a result, year-on-year total sales of Fabric Care Products decreased 7.3%.

Living Care Products

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

In household cleaners, sales *of LOOK Plus Bath Antimold Fogger* were down year on year, and overall sales also declined year on year.

In dishwashing detergents, sales of new-and-improved *CHARMY Magica Enzyme + ("Plus")* were up significantly year on year, but due to the discontinuation of some products in the previous year as part of a review of the product lineup to optimize business efficiency, overall sales declined slightly year on year.

Overall sales of Living Care Products decreased 5.8% 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 sound, but sales of *BUFFERIN Premium* and *BUFFERIN A* were down year on year, and overall sales decreased year on year.

In eye drops, sales were strong for the *Smile 40 Premium THE ONE* series, which treats eye fatigue, blurred vision, bloodshot eyes and itchiness, received favorable customer reviews and overall sales increased substantially year on year.

In acne medicines, sales of *PAIR® Acne Cream W* were strong, and in cooling gel sheets for feet, sales of *Kyusoku Jikan Ashi-Sukkiri Sheet* were also strong. Overall sales were up substantially year on year.

Overall sales of Pharmaceutical Products increased 1.4% year on year.

In the first half of fiscal 2024, the Company completed the transfer of the *Halix* brand of topical anti-inflammatory analgesics and the *Guronsan* and *Gromonto* brands of health tonic drinks to other companies.

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 such as *PETKISS* as well as *Nioi wo Toru Suna (Deodorizing Cat Litter)* remained steady. Overall sales increased year on year.

In gifts and novelty products, sales were affected by market shrinkage and showed an overall decrease year on year.

Overall sales of Other Products decreased 4.2% year on year, due in part to the termination of the foods with function claims business in the previous 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 professional kitchen use, respectively. Segment net sales decreased 7.1% year on year. Core operating income decreased 10.8%.

(Millions of yen)

	Six months ended June 30, 2024	Ratio to net sales	Six months ended June 30, 2023	Ratio to net sales	Change	Change (%)
Net sales	26,470		28,506		(2,035)	(7.1%)
Core operating income	1,495	5.6%	1,675	5.9%	(180)	(10.8%)

Note: Net sales include internal sales within and among segments, which amounted to ¥7,930 million in the first half of fiscal 2024 and ¥9,741 million in the first half of fiscal 2023.

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

In the Electronics field, sales of electro-conductive carbon for secondary batteries decreased year on year, and overall sales also decreased year on year.

In the Detergents for Institutional Use Products field, sales of laundry detergents were strong, and 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. Overall net sales increased 14.8% year on year (or an increase of 6.6% at constant currency excluding exchange rate fluctuations). Core operating income increased 29.9% year on year.

(Millions of yen)

	Six months ended June 30, 2024	Ratio to net sales	Six months ended June 30, 2023	Ratio to net sales	Change	Change (%)
Net sales	80,669		70,257		10,411	14.8%
Core operating income	4,542	5.6%	3,497	5.0%	1,045	29.9%

Note: Net sales include internal sales within and among segments, which amounted to ¥7,621 million in the first half of fiscal 2024 and ¥6,842 million in the first half of fiscal 2023.

Net Sales by Region

(Millions of yen)

		Six months ended June 30, 2024	Six months ended June 30, 2023	Change	Change (%)
Southeast and South Asia	Net sales	48,337	42,663	5,674	13.3%
	Core operating income	2,836	2,047	789	38.6%

Northeast Asia	Net sales	32,331	27,594	4,737	17.2%
	Core operating income	1,706	1,449	256	17.7%

Net Sales by Region

In Southeast and South Asia, net sales were up 13.3% year on year (or up 5.9% at constant currency excluding exchange rate fluctuations), and core operating income was up 38.6%.

In Thailand, sales of *Pao* laundry detergents and *Shokubutsu Monogatari* body washes were sound. Overall sales after yen conversions were up year on year.

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

In Northeast Asia, overall sales were up 17.2% year on year (or up 7.6% at constant currency excluding exchange rate fluctuations), and core operating income was up 17.7%.

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

In South Korea, sales of *BEAT* laundry detergents and *Eyemiru* eye drops were strong. Overall sales after yen conversions increased year on year.

Other (Construction Contracting Business, etc.)

(Millions of yen)

	Six months ended June 30, 2024	Ratio to net sales	Six months ended June 30, 2023	Ratio to net sales	Change	Change (%)
Net sales	7,779		10,964		(3,185)	(29.1%)
Core operating income	294	3.8%	742	6.8%	(448)	(60.3%)

Note: Net sales include internal sales within and among segments, which amounted to ¥7,073 million in the first half of fiscal 2024 and ¥9,999 million in the first half of fiscal 2023.

(2) Financial Status

Status of Consolidated Assets, Liabilities and Equity

	June 30, 2024	December 31, 2023	Change
Total assets (millions of yen)	482,251	486,363	(4,112)
Total equity (millions of yen)	304,326	298,134	6,192
Ratio of equity attributable to owners of the parent to total assets (%)	59.2	57.6	1.5

Total assets decreased ¥4,112 million compared with the previous consolidated fiscal year-end to ¥482,251 million, due primarily to a decrease in cash and cash equivalents. Total equity increased ¥6,192 million to ¥304,326 million. The ratio of equity attributable to owners of the parent to total assets stood at 59.2%.

(3) Forecast of Consolidated Financial Results

Lion has made no revisions to the consolidated financial results forecasts released on February 14, 2024 for the full fiscal year.

Lion utilized the following foreign exchange rates in the calculation of the aforementioned forecasts.
¥145 = US$1.00
¥4.0 = 1.00 baht

2. Condensed Interim Consolidated Financial Statements and Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of yen)

	December 31, 2023	June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	85,526	74,969
Trade and other receivables	75,230	74,619
Inventories	56,090	59,591
Other financial assets	12,276	9,526
Other current assets	3,151	3,825
Total current assets	232,274	222,531
Non-current assets		
Property, plant and equipment	140,671	138,881
Goodwill	327	327
Intangible assets	22,712	21,963
Right-of-use assets	31,313	30,808
Investments accounted for using the equity method	17,487	20,531
Deferred tax assets	4,357	4,379
Retirement benefit assets	10,826	11,172
Other financial assets	25,475	30,782
Other non-current assets	917	872
Total non-current assets	254,089	259,719
Total assets	486,363	482,251

(Millions of yen)

	December 31, 2023	June 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	126,158	118,241
Borrowings	148	—
Income tax payables	2,508	5,547
Provisions	2,399	3,247
Lease liabilities	2,043	2,120
Other financial liabilities	2,363	943
Other current liabilities	7,711	5,372
Total current liabilities	143,333	135,472
Non-current liabilities		
Deferred tax liabilities	5,847	6,322
Retirement benefit liabilities	4,531	1,893
Provisions	2,046	2,061
Lease liabilities	28,150	27,795
Other financial liabilities	2,452	2,501
Other non-current liabilities	1,867	1,878
Total non-current liabilities	44,896	42,452
Total liabilities	188,229	177,924
Equity		
Share capital	34,433	34,433
Capital surplus	31,118	31,150
Treasury stock	(7,868)	(8,729)
Other components of equity	18,377	24,938
Retained earnings	204,255	203,489
Equity attributable to owners of the parent	280,316	285,282
Non-controlling interests	17,817	19,043
Total equity	298,134	304,326
Total liabilities and equity	486,363	482,251

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

Condensed Interim Consolidated Statement of Income

Six months ended June 30, 2023 and 2024

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Net sales	192,887	198,634
Cost of sales	(107,032)	(108,303)
Gross profit	85,854	90,330
Selling, general and administrative expenses	(79,491)	(80,776)
Other income	757	4,216
Other expenses	(876)	(412)
Operating profit	6,244	13,357
Finance income	661	1,126
Finance costs	(441)	(420)
Share of profit of investments accounted for using the equity method	764	1,453
Profit before tax	7,229	15,517
Income taxes	(2,132)	(4,289)
Profit for the period	5,096	11,227
Profit for the period attributable to:		
Owners of the parent	4,298	9,931
Non-controlling interests	798	1,296
Profit for the period	5,096	11,227
Earnings per share		
Basic (Yen)	15.12	35.76
Diluted (Yen)	15.09	35.71

Condensed Interim Consolidated Statement of Comprehensive Income

Six months ended June 30, 2023 and 2024

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Profit for the period	5,096	11,227
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	1,281	1,108
Remeasurements of defined benefit plans	2,853	1,950
Share of other comprehensive income (loss) of investments accounted for using the equity method	(5)	14
Total items that will not be reclassified as profit or loss	4,129	3,073
Items that may be subsequently reclassified as profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges	46	22
Exchange differences on translation of foreign operations	4,853	6,753
Total items that may be subsequently reclassified as profit or loss	4,899	6,775
Total other comprehensive income, net of tax	9,029	9,848
Comprehensive profit for the period	14,125	21,076
Comprehensive income for the period attributable to:		
Owners of the parent	12,349	18,615
Non-controlling interests	1,776	2,460
Comprehensive profit for the period	14,125	21,076

(3) Condensed Interim Consolidated Statement of Changes in Equity

Six months ended June 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					1,248	2,853
Total comprehensive income for the period	—	—	—	—	1,248	2,853
Dividends						
Acquisition of treasury stock			(0)			
Disposal of treasury stock			189	(73)		
Share-based payments		1				
Transfer from other components of equity to retained earnings					(387)	(2,853)
Total transactions with owners	—	1	189	(73)	(387)	(2,853)
Balance at June 30, 2023	34,433	31,071	(7,867)	50	9,792	—

	Equity attributable to owners of the parent					Non-controlling interests	Total equity
	Other components of equity						
	Net gain (loss) on derivatives designated as cash flow hedges	Exchange differences on translation of foreign operations	Total	Retained earnings	Total		
Balance at January 1, 2024	(42)	4,953	13,966	192,842	264,255	14,912	279,168
Profit for the period			—	4,298	4,298	798	5,096
Other comprehensive income	46	3,903	8,050		8,050	978	9,029
Total comprehensive income for the period	46	3,903	8,050	4,298	12,349	1,776	14,125
Dividends			—	(3,695)	(3,695)	(553)	(4,248)
Acquisition of treasury stock			—		(0)		(0)
Disposal of treasury stock			(73)	(63)	53		53
Share-based payments			—		1		1
Changes in ownership interests in subsidiaries			—		—	158	158
Transfer from other components of equity to retained earnings			(3,240)	3,240	—		—
Total transactions with owners	—	—	(3,313)	(517)	(3,640)	(395)	(4,035)
Balance at June 30, 2024	4	8,856	18,703	196,623	272,964	16,293	289,257

Six months ended June 30, 2024

(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, 2024	34,433	31,118	(7,868)	50	10,227	—
Profit for the period						
Other comprehensive income					1,121	1,950
Total comprehensive income for the period	—	—	—	—	1,121	1,950
Dividends						
Acquisition of treasury stock			(10,000)			
Disposal of treasury stock			17			
Cancellation of treasury stock			9,122			
Share-based payments		31				
Transfer from other components of equity to retained earnings					(172)	(1,950)
Total transactions with owners	—	31	(861)	—	(172)	(1,950)
Balance at June 30, 2024	34,433	31,150	(8,729)	50	11,176	—

	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, 2024	(21)	8,122	18,377	204,255	280,316	17,817	298,134
Profit for the period			—	9,931	9,931	1,296	11,227
Other comprehensive income	22	5,589	8,684		8,684	1,164	9,848
Total comprehensive income for the period	22	5,589	8,684	9,931	18,615	2,460	21,076
Dividends			—	(3,697)	(3,697)	(1,234)	(4,932)
Acquisition of treasury stock			—		(10,000)		(10,000)
Disposal of treasury stock			—		17		17
Cancellation of treasury stock			—	(9,122)	—		—
Share-based payments			—		31		31
Transfer from other components of equity to retained earnings			(2,123)	2,123	—		—
Total transactions with owners	—	—	(2,123)	(10,696)	(13,649)	(1,234)	(14,884)
Balance at June 30, 2024	0	13,711	24,938	203,489	285,282	19,043	304,326

(4) Condensed Interim Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from operating activities		
Profit before tax	7,229	15,517
Depreciation and amortization	10,010	10,335
Impairment loss	12	9
Interest and dividend income	(450)	(729)
Interest expenses	388	391
Share of loss (profit)s of investments accounted for using the equity method	(764)	(1,453)
Loss (gain) on disposal of non-current assets	343	172
Gain on sale of businesses	—	(3,425)
Decrease (increase) in trade and other receivables	6,709	2,694
Decrease (increase) in inventories	(4,880)	(2,338)
Increase (decrease) in trade and other payables	(11,161)	(6,738)
Increase (decrease) in net defined benefit liability	(506)	(271)
Other	(3,384)	(4,210)
Total	3,546	9,954
Interest and dividends received	1,038	981
Interest paid	(16)	(32)
Income taxes paid	(1,429)	(1,903)
Cash flows from operating activities	3,139	9,000
Cash flows from investing activities		
Net decrease (increase) in time deposits	(1,943)	124
Purchase of property, plant and equipment	(11,234)	(8,188)
Proceeds from sales of property, plant and equipment	12	1
Purchase of intangible assets	(580)	(366)
Expenditures for acquisition of right-of-use assets	(427)	—
Purchase of other financial assets	(151)	(662)
Proceeds from sales of other financial assets	155	468
Expenditures for purchase of stocks of affiliated companies	(7,087)	(102)
Gain on transfer of business	—	3,663
Other	(113)	35
Cash flows from investing activities	(21,369)	(5,027)

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,150)	—
Repayment of long-term borrowings	(140)	(152)
Cash dividends paid	(3,690)	(3,695)
Cash dividends paid to non-controlling interests	(553)	(1,234)
Repayment of lease liabilities	(1,256)	(1,312)
Purchase of treasury stock	(0)	(10,000)
Proceeds from non-controlling shareholders	158	—
Other	1	0
Cash flows from financing activities	(6,633)	(16,396)
Effect of exchange rate changes on cash and cash equivalents	961	1,866
Increase (decrease) in cash and cash equivalents	(23,901)	(10,556)
Cash and cash equivalents at the beginning of the period	101,078	85,526
Balance of cash and cash equivalents at the end of the period	77,176	74,969

(5) Notes to Condensed Interim 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

Lion subsidiaries located in Japan primarily undertake operations related to Group businesses.

Main products and services: Construction contracting, real estate management and temporary staffing

(2) Net Sales and Performance of Reportable Segments

Six months ended June 30, 2023

(Millions of yen)

	Reportable Segment			Other	Total	Adjustment[2]	Consolidated[3]
	Consumer Products Business	Industrial Products Business	Overseas Business				
Net sales							
External	109,742	18,764	63,414	964	192,887	—	192,887
Intersegment[1]	19,044	9,741	6,842	9,999	45,628	(45,628)	—
Total	128,786	28,506	70,257	10,964	238,515	(45,628)	192,887
Core operating income	734	1,675	3,497	742	6,649	(286)	6,363
Other income							757
Other expenses							(876)
Operating profit							6,244
Finance income							661
Finance costs							(441)
Share of profit of investments accounted for using the equity method							764
Profit before tax							7,229

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

2. The negative ¥286 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	85,854
Selling, general and administrative expenses	(79,491)
Core operating income	6,363

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.

Six months ended June 30, 2024

(Millions of yen)

	Reportable Segment			Other	Total	Adjustment[2]	Consolidated[3]
	Consumer Products Business	Industrial Products Business	Overseas Business				
Net sales							
External	106,341	18,540	73,048	705	198,634	—	198,634
Intersegment[1]	19,867	7,930	7,621	7,073	42,493	(42,493)	—
Total	126,208	26,470	80,669	7,779	241,127	(42,493)	198,634
Core operating income	3,628	1,495	4,542	294	9,962	(407)	9,554
Other income							4,216
Other expenses							(412)
Operating profit							13,357
Finance income							1,126
Finance costs							(420)
Share of profit of investments accounted for using the equity method							1,453
Profit before tax							15,517

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

2. A negative ¥407 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	90,330
Selling, general and administrative expenses	(80,776)
Core operating income	9,554

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.