Summary of Consolidated Financial Statements for the Nine Months Ended September 30, 2024 [IFRS]

November 7, 2024

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

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Start date of payment of dividend: —
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 Nine Months Ended September 30, 2024 (January 1, 2024 – September 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	%
Nine months ended September 30, 2024	301,159	1.7	17,109	36.7	19,581	37.8
Nine months ended September 30, 2023	296,097	3.5	12,512	(44.1)	14,214	(42.5)

	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, 2024	14,587	42.9	12,664	43.1	20,624	1.3
Nine months ended September 30, 2023	10,206	(42.5)	8,850	(48.3)	20,368	(16.1)

Note: Core operating income for the nine months ended September 30, 2024 was ¥18,623 million (up 47.8% year on year). Core operating income for the nine months ended September 30, 2023 was ¥12,604 (down 26.8% 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, 2024	45.67	45.61
Nine months ended September 30, 2023	31.12	31.08

(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, 2024	460,808	300,513	280,461	60.9
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 September 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 September 30, 2024: 8,045,139 shares
      As of December 31, 2023: 8,075,507 shares
   c. Average number of shares outstanding over period
      Nine months ended September 30, 2024: 277,276,331 shares
      Nine months ended September 30, 2023: 284,388,406 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 Nine Months 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 Nine Months of the Current Fiscal Year

(1) Consolidated Performance

Consolidated results for the first nine months of fiscal 2024 (January 1, 2024–September 30, 2024) are as follows. Net sales amounted to ¥301,159 million, a year-on-year increase of 1.7% (or a 0.6% decrease at constant currency excluding exchange rate fluctuations). Core operating income came to ¥18,623 million, up 47.8% compared with the previous fiscal year, and operating profit to ¥17,109 million, up 36.7% year on year. Profit for the period attributable to owners of the parent totaled ¥12,664 million, up 43.1% 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 profit base in anticipation of the next medium-term management plan, based on the progress of the plan so far.

The Company will continue aggressively expanding its overseas business with a focus on key countries, 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 to improve profitability. As part of Lion's efforts to strengthen profitability, the Company recorded an impairment loss on production facilities, primarily in the fabric care category.

Consolidated Results

(Millions of yen)

	Nine months ended September 30, 2024	Ratio to net sales	Nine months ended September 30, 2023	Ratio to net sales	Change	Change (%)
Net sales	301,159		296,097		5,061	1.7%
Core operating income	18,623	6.2%	12,604	4.3%	6,019	47.8%
Operating profit	17,109	5.7%	12,512	4.2%	4,597	36.7%
Profit for the period attributable to owners of the parent	12,664	4.2%	8,850	3.0%	3,813	43.1%

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			
	Nine months ended September 30, 2024	Nine months ended September 30, 2023	Change	Change (%)	Nine months ended September 30, 2024	Nine months ended September 30, 2023	Change	Change (%)
Consumer Products	188,785	196,519	(7,733)	(3.9%)	8,360	3,082	5,278	171.3%
Industrial Products	40,275	42,713	(2,437)	(5.7%)	2,228	2,513	(285)	(11.4%)
Overseas	123,315	109,637	13,678	12.5%	7,257	5,975	1,282	21.5%
Other	12,447	15,535	(3,087)	(19.9%)	408	934	(525)	(56.3%)
Subtotal	364,825	364,404	420	0.1%	18,254	12,505	5,749	46.0%
Adjustment	(63,666)	(68,307)	4,641	—	368	98	270	—
Total	301,159	296,097	5,061	1.7%	18,623	12,604	6,019	47.8%

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 decreased 3.9% compared with the same period in the previous fiscal year. Core operating income increased 171.3% due to decreased selling, general and administrative expenses.

(Millions of yen)

	Nine months ended September 30, 2024	Ratio to net sales	Nine months ended September 30, 2023	Ratio to net sales	Change	Change (%)
Net sales	188,785		196,519		(7,733)	(3.9%)
Core operating income	8,360	4.4%	3,082	1.6%	5,278	171.3%

Note: Net sales include internal sales within and among segments, which amounted to ¥28,514 million in the first nine months of fiscal 2024 and ¥29,077 million in the first nine months of fiscal 2023.

Net Sales by Product Category

(Millions of yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2023	Change	Change (%)
Oral Care Products	54,385	51,892	2,492	4.8%
Beauty Care Products	18,084	18,006	77	0.4%
Fabric Care Products	41,068	46,669	(5,600)	(12.0%)
Living Care Products	15,075	15,801	(726)	(4.6%)
Pharmaceutical Products	18,563	18,931	(368)	(1.9%)
Other Products	41,608	45,217	(3,609)	(8.0%)

Oral Care Products

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

In toothpastes, sales of *SYSTEMA Haguki (the Gums) Plus* toothpastes and *NONIO Plus Whitening Toothpaste* were strong, and with the launch of the new *OCH-TUNE Toothpaste*, this resulted 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 alongside the addition of the launch of *OCH-TUNE Mouthwash*, and overall sales increased significantly year on year.

Overall sales of Oral Care Products increased 4.8% 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, and overall sales increased 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 increased 0.4% 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* declined, and overall sales decreased year on year.

In laundry detergents, sales were down year on year, partially in reaction to the launch of *NANOX one* highly concentrated liquid laundry detergent in September 2023, and overall sales declined year on year.

Overall sales of Fabric Care Products decreased 12.0% 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 Antimold Fogger* were down year on year, and overall sales also declined year on year.

In dishwashing detergents, sales of *CHARMY Magica* were firm, 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 4.6% 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 favorable, 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 steady for the *Smile 40 GOLD* series, and with the addition to the lineup of *Smile 40 Premium THE ONE*, which treats eye fatigue, blurred vision, bloodshot eyes and itchiness, 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 for both products.

In the first nine months 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.

Overall sales of Pharmaceutical Products decreased 1.9% 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 such as *PETKISS* as well as sales of deodorizing cat litter *Nioi wo Toru Suna* 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 8.0% 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 5.7% year on year. Core operating income decreased 11.4%.

(Millions of yen)

	Nine months ended September 30, 2024	Ratio to net sales	Nine months ended September 30, 2023	Ratio to net sales	Change	Change (%)
Net sales	40,275		42,713		(2,437)	(5.7%)
Core operating income	2,228	5.5%	2,513	5.9%	(285)	(11.4%)

Note: Net sales include internal sales within and among segments, which amounted to ¥12,408 million in the first nine months of fiscal 2024 and ¥14,520 million in the nine months of fiscal 2023.

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 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, sales of hand soaps were firm, 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 12.5% year on year (or an increase of 5.8% at constant currency excluding exchange rate fluctuations). Core operating income increased 21.5% year on year.

(Millions of yen)

	Nine months ended September 30, 2024	Ratio to net sales	Nine months ended September 30, 2023	Ratio to net sales	Change	Change (%)
Net sales	123,315		109,637		13,678	12.5%
Core operating income	7,257	5.9%	5,975	5.4%	1,282	21.5%

Note: Net sales include internal sales within and among segments, which amounted to ¥11,289 million in the first nine months of fiscal 2024 and ¥10,454 million in the first nine months of fiscal 2023.

Net Sales by Region

(Millions of yen)

		Nine months ended September 30, 2024	Nine months ended September 30, 2023	Change	Change (%)
Southeast and South Asia	Net sales	74,891	66,874	8,017	12.0%
	Core operating income	4,509	3,409	1,099	32.2%
Northeast Asia	Net sales	48,423	42,762	5,661	13.2%
	Core operating income	2,748	2,565	183	7.1%

Net Sales by Region

In Southeast and South Asia, net sales were up 12.0% year on year (or up 5.2% at constant currency excluding exchange rate fluctuations), and core operating income was up 32.2%.

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

In Malaysia, sales of *TOP* laundry detergents and *Shokubutsu Monogatari* body washes were favorable, and overall sales after yen conversions were up substantially year on year.

In Northeast Asia, overall sales were up 13.2% year on year (or up 6.6% at constant currency excluding exchange rate fluctuations), and core operating income was up 7.1%.

In China, sales of *White&White* toothpastes were steady, and sales of *CLINICA* toothpastes and *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)

	Nine months ended September 30, 2024	Ratio to net sales	Nine months ended September 30, 2023	Ratio to net sales	Change	Change (%)
Net sales	12,447		15,535		(3,087)	(19.9%)
Core operating income	408	3.3%	934	6.0%	(525)	(56.3%)

Note: Net sales includes internal sales within and among segments, which amounted to ¥11,453 million in the first nine months of fiscal 2024 and ¥14,254 million in the first nine months of fiscal 2023.

(2) Financial Status

Status of Consolidated Assets, Liabilities and Equity

	September 30, 2024	December 31, 2023	Change
Total assets (millions of yen)	460,808	486,363	(25,555)
Total equity (millions of yen)	300,513	298,134	2,379
Ratio of equity attributable to owners of the parent to total assets (%)	60.9	57.6	3.2

Total assets decreased ¥25,555 million compared with the previous consolidated fiscal year-end to ¥460,808 million. This was primarily attributable to a decrease in property, plant and equipment. Total equity increased ¥2,379 million to ¥300,513 million. The ratio of equity attributable to owners of the parent to total assets stood at 60.9%.

(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	September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	85,526	74,960
Trade and other receivables	75,230	66,818
Inventories	56,090	59,216
Other financial assets	12,276	10,720
Other current assets	3,151	3,981
Total current assets	232,274	215,697
Non-current assets		
Property, plant and equipment	140,671	126,948
Goodwill	327	327
Intangible assets	22,712	21,652
Right-of-use assets	31,313	30,129
Investments accounted for using the equity method	17,487	19,106
Deferred tax assets	4,357	4,535
Retirement benefit assets	10,826	11,166
Other financial assets	25,475	30,415
Other non-current assets	917	827
Total non-current assets	254,089	245,110
Total assets	486,363	460,808

(Millions of yen)

	December 31, 2023	September 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	126,158	98,219
Borrowings	148	—
Income tax payables	2,508	8,362
Provisions	2,399	4,081
Lease liabilities	2,043	2,045
Other financial liabilities	2,363	1,019
Other current liabilities	7,711	8,062
Total current liabilities	143,333	121,791
Non-current liabilities		
Deferred tax liabilities	5,847	2,004
Retirement benefit liabilities	4,531	2,740
Provisions	2,046	2,068
Lease liabilities	28,150	27,326
Other financial liabilities	2,452	2,513
Other non-current liabilities	1,867	1,848
Total non-current liabilities	44,896	38,503
Total liabilities	188,229	160,294
Equity		
Share capital	34,433	34,433
Capital surplus	31,118	31,175
Treasury stock	(7,868)	(8,730)
Other components of equity	18,377	21,167
Retained earnings	204,255	202,415
Equity attributable to owners of the parent	280,316	280,461
Non-controlling interests	17,817	20,052
Total equity	298,134	300,513
Total liabilities and equity	486,363	460,808

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

Condensed Interim Consolidated Statement of Income

Nine months ended September 30, 2023 and 2024

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Net sales	296,097	301,159
Cost of sales	(164,748)	(163,532)
Gross profit	131,348	137,626
Selling, general and administrative expenses	(118,744)	(119,002)
Other income	1,064	5,684
Other expenses	(1,156)	(7,198)
Operating profit	12,512	17,109
Finance income	967	981
Finance costs	(622)	(702)
Share of profit of investments accounted for using the equity method	1,356	2,192
Profit before tax	14,214	19,581
Income taxes	(4,007)	(4,994)
Profit for the period	10,206	14,587
Profit for the period attributable to:		
Owners of the parent	8,850	12,664
Non-controlling interests	1,356	1,923
Profit for the period	10,206	14,587
Earnings per share		
Basic (Yen)	31.12	45.67
Diluted (Yen)	31.08	45.61

Condensed Interim Consolidated Statement of Comprehensive Income

Nine months ended September 30, 2023 and 2024

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Profit for the period	10,206	14,587
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	1,226	1,197
Remeasurements of defined benefit plans	3,323	1,626
Share of other comprehensive income (loss) of investments accounted for using the equity method	(13)	4
Total items that will not be reclassified as profit or loss	4,536	2,828
Items that may be subsequently reclassified as profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges	40	13
Exchange differences on translation of foreign operations	5,583	3,195
Total items that may be subsequently reclassified as profit or loss	5,624	3,208
Total other comprehensive income, net of tax	10,161	6,036
Comprehensive profit for the period	20,368	20,624
Comprehensive income for the period attributable to:		
Owners of the parent	17,900	17,363
Non-controlling interests	2,467	3,261
Comprehensive profit for the period	20,368	20,624

(3) Condensed Interim Consolidated Statement of Changes in Equity

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 interests 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 interests 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

Nine months ended September 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					1,215	1,626
Total comprehensive income for the period	—	—	—	—	1,215	1,626
Dividends						
Acquisition of treasury stock			(10,001)			
Disposal of treasury stock			17			
Cancellation of treasury stock			9,122			
Share-based payments		56				
Changes in ownership interests in subsidiaries						
Transfer from other components of equity to retained earnings					(282)	(1,626)
Total transactions with owners	—	56	(861)	—	(282)	(1,626)
Balance at September 30, 2024	34,433	31,175	(8,730)	50	11,159	—

	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			—	12,664	12,664	1,923	14,587
Other comprehensive income	13	1,843	4,698		4,698	1,337	6,036
Total comprehensive income for the period	13	1,843	4,698	12,664	17,363	3,261	20,624
Dividends			—	(7,291)	(7,291)	(1,234)	(8,525)
Acquisition of treasury stock			—		(10,001)		(10,001)
Disposal of treasury stock			—		17		17
Cancellation of treasury stock			—	(9,122)	—		—
Share-based payments			—		56		56
Changes in interests in subsidiaries			—		—	208	208
Transfer from other components of equity to retained earnings			(1,909)	1,909	—		—
Total transactions with owners	—	—	(1,909)	(14,503)	(17,218)	(1,026)	(18,245)
Balance at September 30, 2024	(7)	9,965	21,167	202,415	280,461	20,052	300,513

(4) Condensed Interim Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Cash flows from operating activities		
Profit before tax for	14,214	19,581
Depreciation and amortization	15,169	15,638
Impairment loss	81	6,278
Interest and dividend income	(688)	(949)
Interest expenses	588	588
Share of loss (profit)s of investments accounted for using the equity method	(1,356)	(2,192)
Loss (gain) on disposal of non-current assets	463	(811)
Gain on sale of businesses	—	(3,425)
Decrease (increase) in trade and other receivables	(4,587)	10,187
Decrease (increase) in inventories	(5,243)	(2,408)
Increase (decrease) in trade and other payables	(2,444)	(24,264)
Increase (decrease) in net defined benefit liability	(725)	90
Other	38	(612)
Total	15,508	17,700
Interest and dividends received	1,360	2,119
Interest paid	(23)	(42)
Income taxes paid	(3,727)	(4,076)
Cash flows from operating activities	13,117	15,701
Cash flows from investing activities		
Net decrease (increase) in time deposits	(2,955)	(1,066)
Purchase of property, plant and equipment	(18,828)	(14,754)
Proceeds from sales of property, plant and equipment	10	6,715
Purchase of intangible assets	(860)	(566)
Expenditures for acquisition of right-of-use assets	(406)	—
Purchase of other financial assets	(496)	(812)
Proceeds from sales of other financial assets	166	675
Expenditures for purchase of stocks of affiliated companies	(7,087)	(102)
Gain on transfer of business	—	3,663
Other	(205)	(103)
Cash flows from investing activities	(30,663)	(6,350)

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,150)	—
Repayment of long-term borrowings	(143)	(150)
Cash dividends paid	(7,397)	(7,298)
Cash dividends paid to non-controlling interests	(553)	(1,234)
Repayment of lease liabilities	(1,955)	(2,000)
Purchase of treasury stock	(0)	(10,001)
Proceeds from non-controlling shareholders	158	208
Other	1	0
Cash flows from financing activities	(11,042)	(20,478)
Effect of exchange rate changes on cash and cash equivalents	1,346	561
Increase (decrease) in cash and cash equivalents	(27,241)	(10,565)
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	73,836	74,960

(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 and over-the-counter drugs, primarily in Japan.
Main products: Toothpastes, toothbrushes, hand soaps, antipyretic analgesics, eye drops, 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

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 comprising 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.

Nine months ended September 30, 2024

(Millions of yen)

	Reportable Segment			Other	Total	Adjustment[2]	Consolidated[3]
	Consumer Products Business	Industrial Products Business	Overseas Business				
Net sales							
External	160,271	27,866	112,026	994	301,159	—	301,159
Intersegment[1]	28,514	12,408	11,289	11,453	63,666	(63,666)	—
Total	188,785	40,275	123,315	12,447	364,825	(63,666)	301,159
Core operating income	8,360	2,228	7,257	408	18,254	368	18,623
Other income							5,684
Other expenses							(7,198)
Operating profit							17,109
Finance income							981
Finance costs							(702)
Share of profit of investments accounted for using the equity method							2,192
Profit before tax							19,581

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

2. A positive ¥368 million adjustment of core operating income mainly comprising 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	137,626
Selling, general and administrative expenses	(119,002)
Core operating income	18,623

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.