Financial Results for the Fiscal Year Ended December 31, 2024

Lion Corporation

February 13, 2025

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- Fiscal 2024 Financial Results
- Vision2030 2nd STAGE (2025–2027)
  New Medium-term Management Plan
- Consolidated Results Forecasts for Fiscal 2025

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Fiscal 2024 Financial Results Highlights

Net sales were driven by strong overseas markets, and profits achieved initial forecasts thanks to progress in profit structure reforms
Sales and profits both increased for the first time in four years

- **Net sales** (Achieved target, increased Y-o-Y)
  Consumer Products saw decreased Y-o-Y sales due to the transfer of some brands and other factors, but overseas sales in such major markets as Thailand and China increased, resulting in higher consolidated sales overall

- **Core operating income** (Achieved target, increased Y-o-Y)
  Profits increased significantly Y-o-Y, substantially surpassing the forecast at the start of the year as a result of improved gross profit due to higher overseas sales as well as the profit structure reforms for Consumer Products

- **Operating profit and profit for the period attributable to owners of the parent** (Achieved target, increased Y-o-Y)
  In addition to higher core operating income, we achieved announced targets by implementing such structural reforms as the transfer of some brands and the sale of assets, resulting in a significant Y-o-Y increase in profits

Fiscal 2024 Consolidated Results

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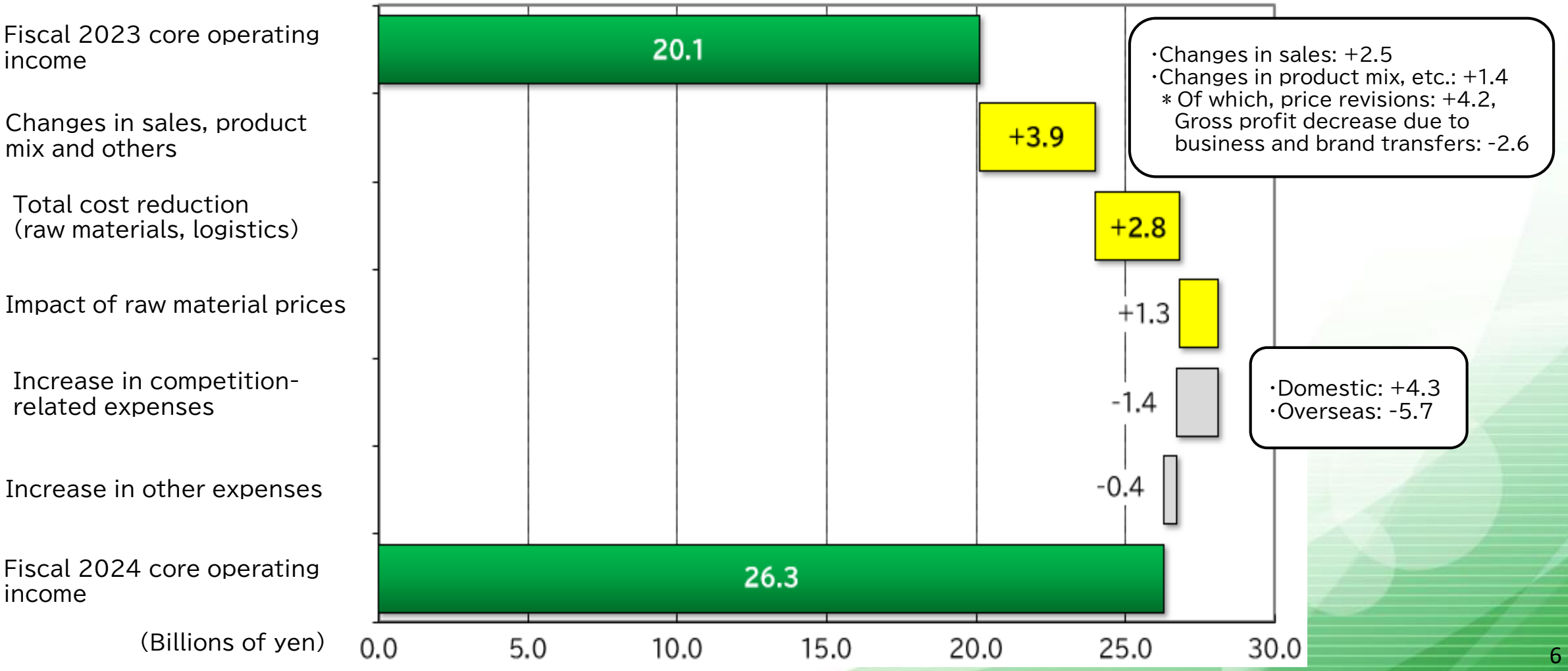
Net sales and profits were up Y-o-Y, achieving initial targets

(Billions of yen)	2024	2023	Y-o-Y change		Deviation from forecast (% deviation)
			Amount	%	
Net sales	412.9	402.7	10.1	2.5 0.3*5 1.5*6	2.9 0.7
Core operating income*1 % of net sales	26.3 6.4	20.1 5.0	6.1	30.8	3.3 14.5
Operating profit % of net sales	28.3 6.9	20.5 5.1	7.8	38.4	1.3 5.1
Profit for the period attributable to owners of the parent	21.1	14.6	6.5	44.9	2.1 11.6
EPS (Yen)	76.51	51.42	25.09	48.8	9.70 14.5
EBITDA*2	45.1	38.0	7.1	18.8	
EBITDA margin (%)*3	10.9	9.4	—	1.5PP	
ROIC(%)*4	5.8	4.7	—	1.1PP	
ROE(%)	7.4	5.4	—	2.0PP	

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

Year-on-Year Changes in Core Operating Income

Significantly higher income due to increased gross profit on the back of higher sales overseas, price revisions in Consumer Products and sound progress in total cost reductions



Results by Business Segment

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Large increase in Consumer Products due to profit structure reforms, and profit margins increased 3 points
Overseas, in addition to large sales increases, profit margins grew, supporting continued profitable growth

(Billions of yen)	Net sales*				Core operating income			
	2024	2023	Y-o-Y change		2024, % of net sales	2023, % of net sales	Y-o-Y change	
			Amount	%			Amount	%
Consumer Products	261.7	267.3	(5.6)	(2.1)	12.5	4.7	7.7	161.7
	223.2	228.6	(5.4)	(2.4)	4.8	1.8		
Industrial Products	55.1	57.1	(2.0)	(3.5)	2.8	3.0	(0.2)	(6.8)
	38.1	38.3	(0.1)	(0.5)	5.1	5.3		
Overseas	164.9	148.0	16.8	11.4	10.1	8.5	1.6	18.7
	150.2	134.1	16.1	12.0	6.2	5.8		
Other	16.7	20.9	(4.1)	(19.7)	0.2	1.3	(1.0)	(79.3)
	1.2	1.6	(0.3)	(19.8)	1.7	6.6		
Adjustment	(85.7)	(90.7)	5.0	—	0.4	2.3	(1.8)	—
	—	—	—	—				
Consolidated Total	412.9	402.7	10.1	2.5	26.3	20.1	6.1	30.8
					6.4	5.0		

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

Consumer Products Business Net Sales by Product Category

**Oral care saw continued growth, and pharmaceutical products also saw growth in real terms*
Sales of fabric care products decreased due to comparatively lower sales of new products launched in the previous year**

(Billions of yen)	Net sales			
	2024	2023	Y-o-Y change	
			Amount	%
Oral Care	76.5	72.8	3.7	5.1
Beauty Care	24.5	24.3	0.2	0.8
Fabric Care	57.1	60.9	(3.8)	(6.3)
Living Care	21.4	22.1	(0.7)	(3.3)
Pharmaceutical	25.1	26.3	(1.2)	(4.6) 3.4*
Other	56.9	60.6	(3.7)	(6.2) (2.1)*
Total	261.7	267.3	(5.6)	(2.1) (0.4)*

* Actual rate of change excludes the impact of business and brand transfers

Overseas Business Results by Region

Sales and profits increased in Southeast, South and Northeast Asia

(Billions of yen)	Net sales					Core operating income			
	2024	2023	Y-o-Y change			2024, % of net sales	2023, % of net sales	Y-o-Y change	
			Amount	%	Real rate (%)*1			Amount	%*2
Southeast and South Asia	100.7	90.5	10.2	11.3	4.0	6.2 6.2	5.1 5.7	1.1	22.3 +0.5PP
Northeast Asia	64.1	57.5	6.6	11.5	6.0	3.9 6.1	3.4 6.0	0.4	13.4 +0.1PP
Total	164.9	148.0	16.8	11.4	4.8	10.1 6.2	8.5 5.8	1.6	18.7 +0.4PP

Notes 1. Real rate refers to the rate of change, excluding the effects of exchange rate fluctuations
2. Figures on the lower line represent change in core operating income ratio

Overseas Business
Status of Business in Key Countries

(Billions of yen)	External sales*1				Comments	Personal care field*2 Ratio to consolidated sales (%)
	2024	Change (amount)	Change (%)	Real rate (%)*3		
Thailand	62.0	5.5	9.7	2.9	➢ Sales of new body soaps and laundry detergents launched in the 2nd quarter drove an overall rise in sales	32.3
Malaysia	22.3	3.2	17.2	8.5	➢ In-store measures focused on laundry detergents were successful	22.1
China*4	26.7	4.0	18.0	10.9	➢ Mainstay toothpastes and value-added toothbrushes (thin and wide heads) saw growth	85.5
South Korea	19.7	1.5	8.2	5.0	➢ Sales of new products like capsule detergents and eye drops were favorable	31.1

Notes 1. External sales: Total sales, excluding internal sales within and among segments
2. Personal care net sales: Total net sales from the oral care, beauty care and pharmaceutical product fields (calculated based on Lion shipment amounts; year-on-year change rate excludes the effects of exchange rate fluctuations)
3. Real rate refers to the rate of change, excluding the effects of exchange rate fluctuations
4. Qingdao Lion

Towards 2nd STAGE
Challenges in Consumer Products and Overseas Business

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Consumer Products

Reform profit structure

◆ Portfolio reforms

・Clarify separation of business fields
・Shift to high value-added products
・Execute upward price revisions
・Reduce SKUs
・Streamline competition-related expenses

◆ Business structure reforms

・Reduce inventories
・Improve productivity
・Streamline indirect operations and costs

Overseas Business

Strengthen growth measures

◆ Accelerated growth in existing countries and regions

・Maintain high growth in the Chinese business
・Strengthen our operations in the personal care field

◆ Strengthening and expansion of operations in new countries and regions

・Launch full-scale operations in new countries
・Explore new opportunities

Towards 2nd STAGE
Reform the Profit Structure of Consumer Products

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Structural reform is progressing as expected, contributing to enhanced profitability

Portfolio Reforms

- **Clarify separation of business fields**
  Transferred Halix, Guronsan and Guromont brands in 2024
- **Shift to high value-added products and execute upward price revisions**
  Fiscal 2024 results: Approx. ¥4.2 billion (Target: ¥4 billion)
- **Reduce SKUs**
  Fiscal 2024 SKUs reduced: 64 (Target: Reduce 50 SKUs)
- **Streamline competition-related expenses**
  Fiscal 2024 Y-o-Y reduction: Down 1.2 points

Business Structure Reforms

- **Improve productivity (utilize and organize non-current assets, optimize production bases and items)**
  Continued to consolidate production items and optimize production operations, primarily in the domestic fabric care category

Saw continued growth in existing overseas markets , primarily in the personal care field, while expanding product ranges in new countries

Accelerated growth in existing countries and regions

・Maintain high growth in the Chinese business

Secured double-digit growth in annual sales despite economic slowdown
(Sales to external customers grew 10.9%, excluding exchange rate fluctuations)

・Strengthen our operations in the personal care field

2024 personal care field ratio: 43.4% (overseas total)
(Up 1.4 points Y-o-Y; rate of change in net sales in real terms: +8.4%)

Strengthening and expansion of operations in new countries and regions

・Steady progress in existing overseas markets

Bangladesh

・Expanding product range(toothbrushes, soap bars and dishwashing detergents)
・Constructing new factory proceeding as planned

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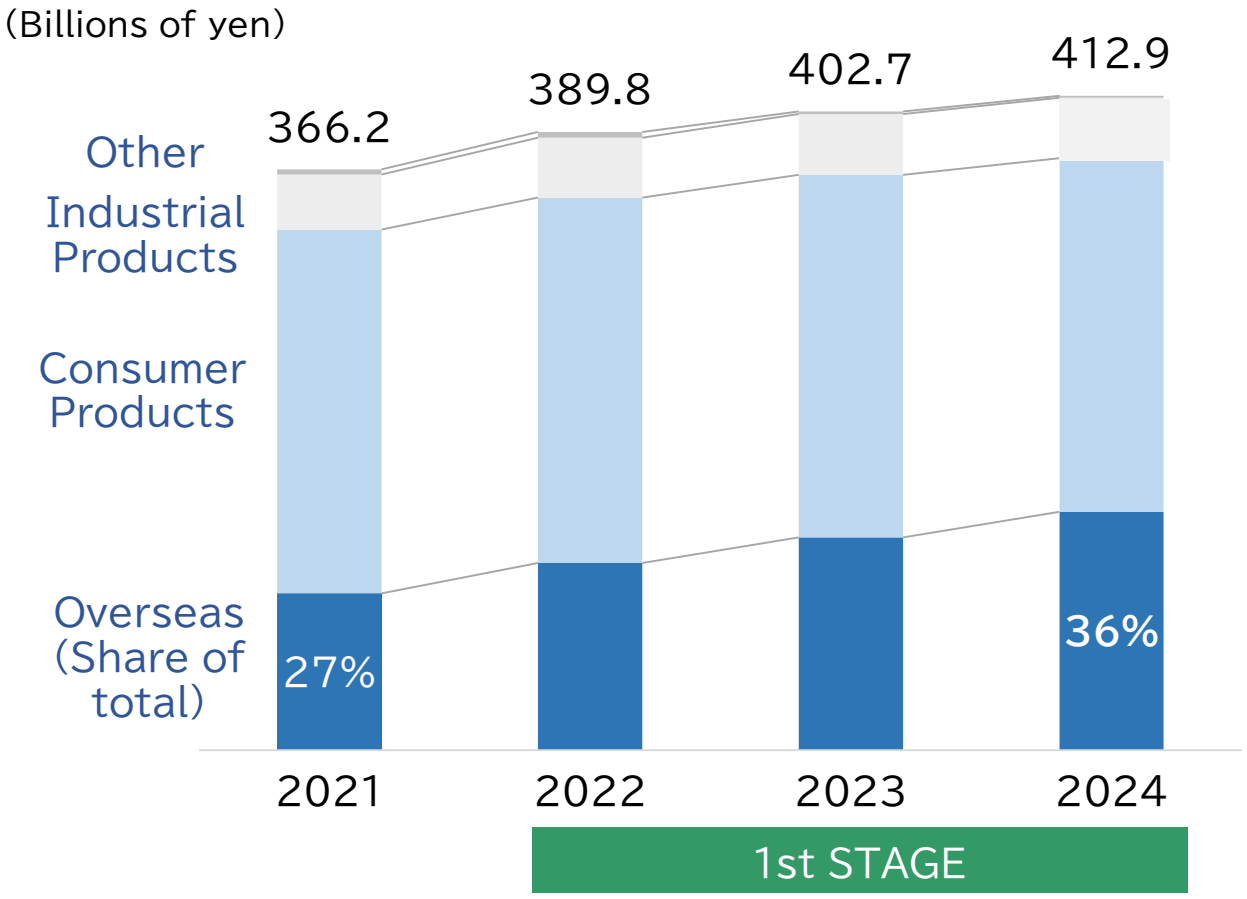
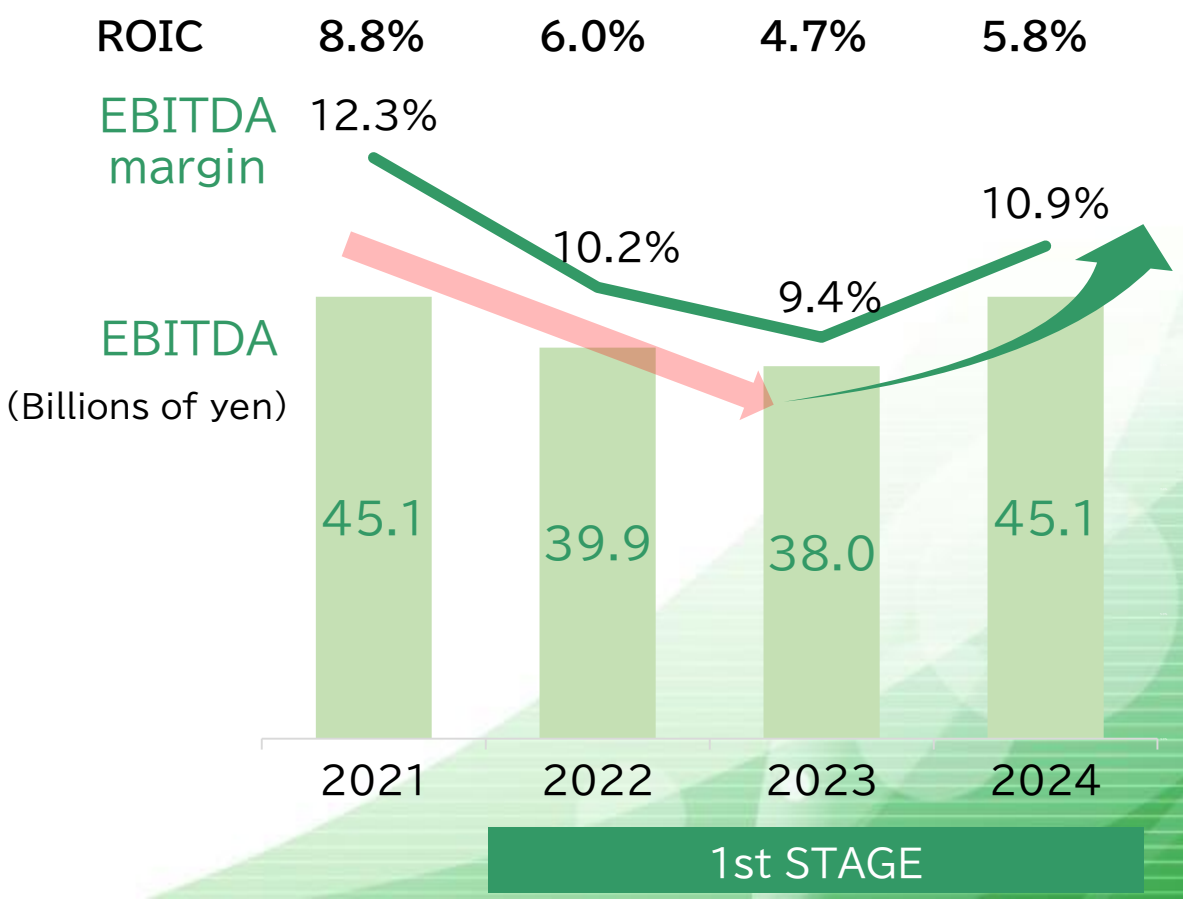
Reflecting on 1st STAGE

Overseas business drove net sales growth, accounting for 36% of consolidated net sales
In 2024, profit structure recovered somewhat from deterioration due to internal and external business factors

Net Sales



Profitability Indicators



Reflecting on 1st STAGE -Achievements and challenges-

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Achieve-ments

- **Continued growth in Overseas Business: 14.7% CAGR (2021→2024)**
  Continued growth, primarily in China and Malaysia; improvement in profit margins and an increased share of business from personal care products
  Launched business operations in Bangladesh and Vietnam, aiming for future growth
- **Oral care growth: CAGR (2021→2024) 3.3% (domestic), 11.1% (overseas)**
  Oral care business drove Group growth
  Starting small in Japan with multiple service businesses for future growth opportunities

Challenges

✓ **Further acceleration of improvements in profitability**
Profitability has declined since 2022 due to rising raw material prices, etc.
→**Implemented structural reforms and saw some profitability enhancement in 2024**

✓ **Transition to a business that emphasizes efficiency**
Profits from launches of multiple large-scale new products fell short of initial plans, and upfront investments are putting pressure on the profit structure
→ **Need to enhance efficiency through business portfolio review and the sharpening of resource allocation**

Positioning 2nd STAGE Towards 2030

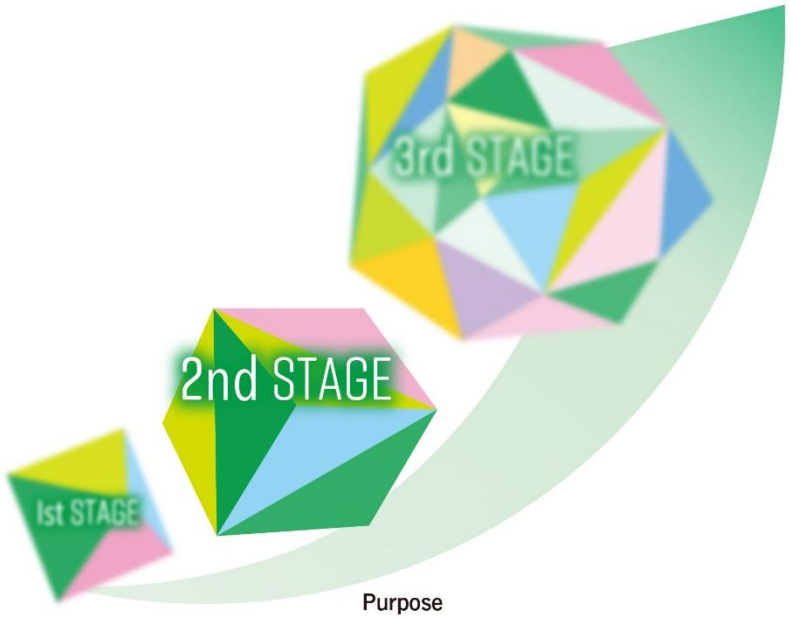
Work to strengthen profitability and transition to management that further emphasizes the efficiency of invested capital

Towards Realizing Vision2030

Generate social and economic value by supporting the creation of habits, particularly in Asia (Enhance corporate value)

Management vision

Becoming an advanced daily healthcare company



Purpose

ReDesign

Make a difference in everyday lives by redesigning habits

3rd STAGE (2028-2030)

Accelerating growth in Asia by promoting the spread of positive habits

2nd STAGE (2025-2027)

Strengthen profitability

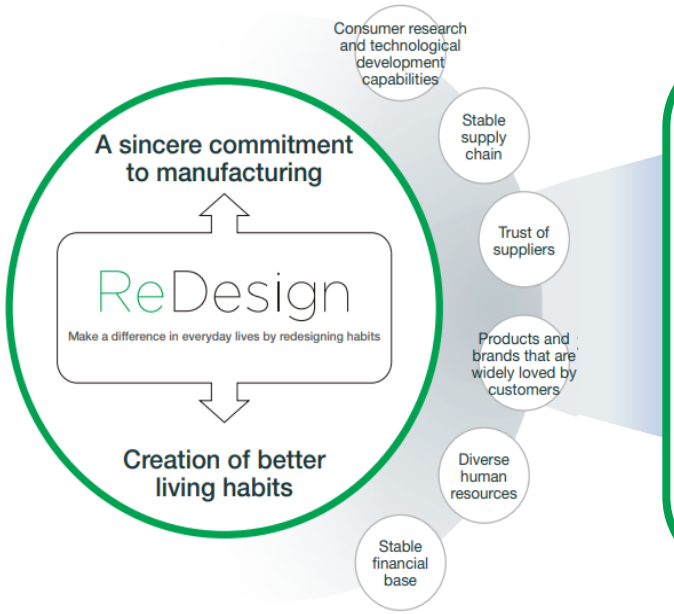
1st STAGE (2022-2024)

Get on a growth track and create the foundations for future growth

Vision for Expanding Corporate Value Towards 2030

Create social and economic value and increase Lion's corporate value by contributing to people's lives through better habit creation

Inputs



Outputs

Creation of positive habits that help consumers stay healthy

Value creation through habits

Usefulness and quality of habits
×
Frequency of engaging in habit
×
No. of people adopting habit

Outcomes

Social value

Vision for 2030

Enhance consumer QOL

- Oral care habits: **500 million** people
- Cleanliness and hygiene habits: **500 million** people

Contribute to the realization of a decarbonized, resource circulating society

- Petrochemical-derived plastic usage: **70% or less**
- Lifecycle water usage: **30%** reduction

＊Compared to 2017, per unit of net sales

Economic value

Envisioned Financial Performance in 2030

Sustainable profitability improvement

- EBITDA margin: **16%** or higher
- ROIC : **10-12%**

Continuous overseas growth

- Overseas sales ratio: **50%**

Expansion of corporate value

2nd STAGE: Three Basic Policies and Key Indicators

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Formulated three basic policies to strengthen profitability and established key indicators focused on increasing corporate value

Three Basic Policies

Strengthen business portfolio management

Realize a profitable business portfolio by sharpening the allocation of management resources

- Accelerate growth in oral healthcare
- Strengthen overseas growth initiatives
- Reform profit structure in Consumer Products

Strengthen management base

Strengthen foundation for sustainable business growth and efficient operations

- Strengthen Group R&D systems
- Strengthen profitability with DX
- Strengthen corporate governance

Generate dynamism

Fully leverage Group assets to enhance strategy implementation and generate dynamism

- Strengthen brand asset utilization
- Enhance human capital value and strengthen organizational management

Theme
Strengthen Profitability

2nd STAGE Key Indicators

<2027 Targets>

EBITDA margin
13% or higher

ROIC
8-9%

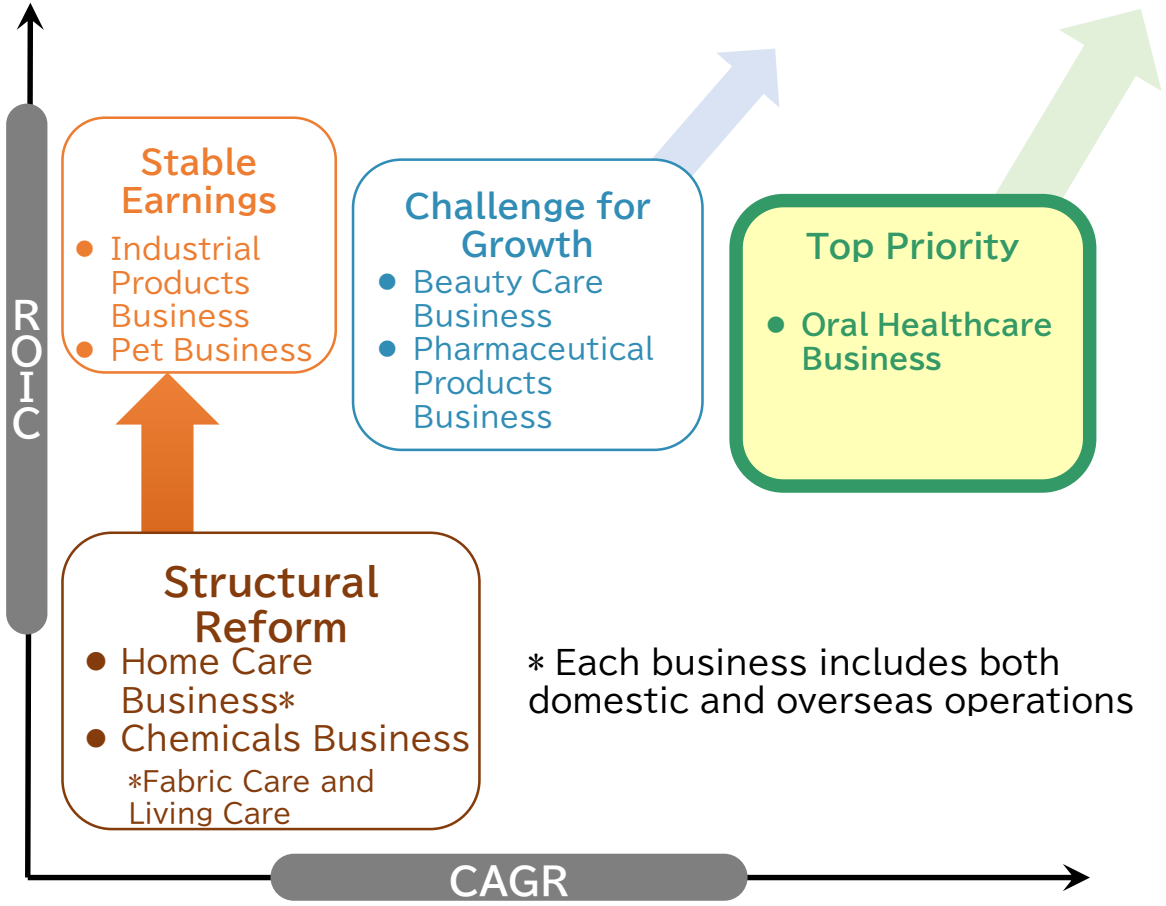
EPS CAGR*
11% or higher

* Compound annual growth rate of basic earnings per share

Strengthen Business Portfolio Management

Clarify roles of every Group business to properly allocate management resources, strengthen the profitability of each business and generate synergies among businesses to realize sustainable growth

■ Main Business Visions(1st STAGE ➡ 2nd STAGE)



＊Each business includes both domestic and overseas operations

Vision for 2nd STAGE

Top Priority
We are allocating management resources to this business, which is driving the Group's expansion in terms of both sales growth and capital returns

Challenge for Growth
Create new business opportunities and achieve further growth

＊Limit investment to specific areas and categories

Stable Earnings
Establish a stable cash inflow and invest in Top Priority and Challenge for Growth businesses

Structural Reform
Advance profit structure reforms and strive to realize more Stable Earnings

Accelerate Growth in Oral Healthcare

Strengthen business Portfolio management

Realize a profitable business portfolio by sharpening the allocation of management resources

- **Accelerate growth in oral healthcare**
- Strengthen overseas growth initiatives
- Reform profit structure in Consumer Products

1 Expand the scope of value we provide with the goal of developing an integrated business of products and services

2 Consolidate and enhance market position in all areas

Group oral healthcare sales growth

CAGR

Approx. 8%

(From fiscal 2024 to 2027)

Strengthen business portfolio management

Accelerate Growth in Oral Healthcare

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Integrate products and services with expanded scope of value and target markets to develop a profitable, unique business in Asia that contributes to people's eating, talking and laughing



Eating



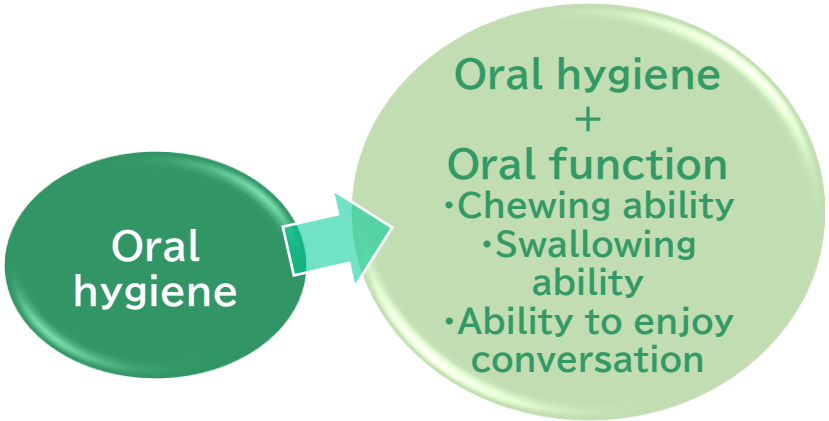
Talking



Laughing

1. Expand scope of provided value

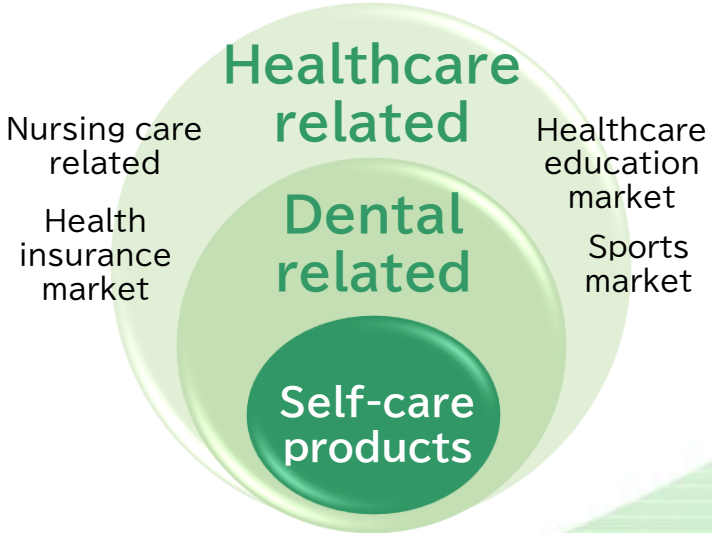
Oral healthcare that connects to full-body health



From oral care to **oral healthcare**

2. Expand target markets

Towards new business models as a leader in the market



3. Permeate more areas

Leverage the strengths we have accumulated to grow the business



Strengthen business portfolio management

Accelerate Growth in Oral Healthcare Expansion of Target Markets

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Self-care product market has expanded as habits have grown and evolved Going forward, leverage the strengths Lion has accumulated over its history to expand target markets and create even more value

Results of market expansion for self-care products

Growth in Japan over the last 10 years
(2014→2024)

Market total
+¥82.7 billion
+30%

LION
+¥38.3 billion
+65%

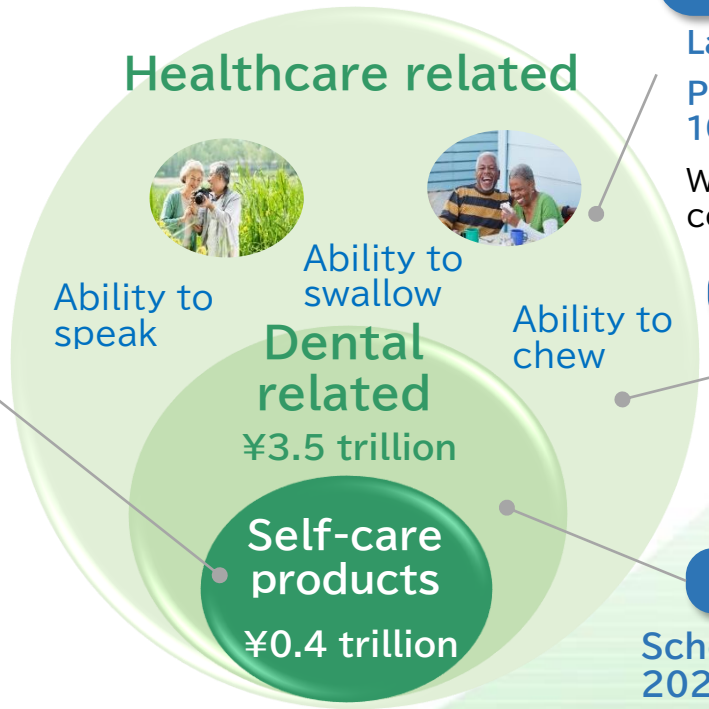
Added value	Increase in number of people adopting better habits	Professional care
Toothpaste unit price LION +52% Market +30%	Dental floss Frequent usage rate 13%→30%	Dental checkups 2 or more times per year 25%→38%

Consumer research capability

Brand power as the No. 1 manufacturer

Source: Lion survey

Expansion of target markets



Related to the health and productivity management

Launched in 2022

Providing service to more than 100 companies

Well-being support service for corporations

Healthcare education

Launched in 2023

Oral healthcare programs tailored to the different developmental stages of children

Dentistry

Scheduled to launch in April 2025

Oral healthcare habit promotion service for patients of dental clinics

* Market size in Japan (Lion survey)
* Initiatives are examples from within Japan

Strengthen business portfolio management

Accelerate Growth in Oral Healthcare Strategies by Area

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Expand presence in Asia through strategies that capture market opportunities

Macro environment	Population	Population bonus	Aging population	Depopulation and super-aging
	Challenges facing oral healthcare	Raising nationwide awareness of oral healthcare habits		Improving oral function for the elderly
Type*		**Type I**	**Type II**	**Type III**
Major countries and regions		Bangladesh, Vietnam	Thailand, Malaysia (urban areas)	Japan, China (urban areas), South Korea
Market expansion opportunities		Quantity increase with spread of better habits (products)		Unit price increase with added value (products and services)
Approach to business activities		**Spread of general-purpose products and awareness marketing** ・Expand distribution to retailers ・Provide information and strengthen sales of fluoride toothpaste		**Disease and aesthetic solutions, personalized proposals** ・Expand high-performance value-added products (work with dentists) ・Recommend regular health checkups, etc.
Base strengths		● Knowledge and expertise gained as the #1 oral healthcare company in Japan ● Measures to respond to the dental healthcare policies of various countries ● Relationships with dentists and related organizations ● System to promote oral healthcare globally across the Group		

* Classify areas across borders according to GDP, income levels, consumer characteristics and trends

Strengthen Overseas Growth Initiatives

Strengthen business portfolio management

Realize a profitable business portfolio by sharpening management resource allocation

- Accelerate growth in oral healthcare
- **Strengthen overseas growth initiatives**
- Reform profit structure in Consumer Products

1 Continue growth through glocalization

2 Strengthen profit growth strategies in response to challenges of each country

Overseas Business

Sales growth CAGR	EBITDA margin
Approx. 10% (From fiscal 2024 to 2027)	Approx. +2points (From fiscal 2024 to 2027)

* Total net sales

Strengthen business portfolio management

Strengthen Overseas Growth Initiatives Reflecting on 1st STAGE

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Achieve growth exceeding market rates in China, South Korea and Malaysia

Growth rates (CAGR) in major markets in 1st STAGE

Thailand
(Lion Corporation (Thailand) Ltd.)

CAGR(From fiscal 2021 to 2024)

Net sales 3.9%

Market 6.6%

Malaysia
(Southern Lion Sdn. Bhd.)

CAGR(From fiscal 2021 to 2024)

Net sales 8.8%

Market 8.3%



■:Countries and regions in Northeast Asia
■:Countries and regions in Southeast and South Asia

China
(Lion Daily Necessities Chemicals (Qingdao) Co., Ltd.)

CAGR(From fiscal 2021 to 2024)

Net sales 13.5%

Market 1.9%

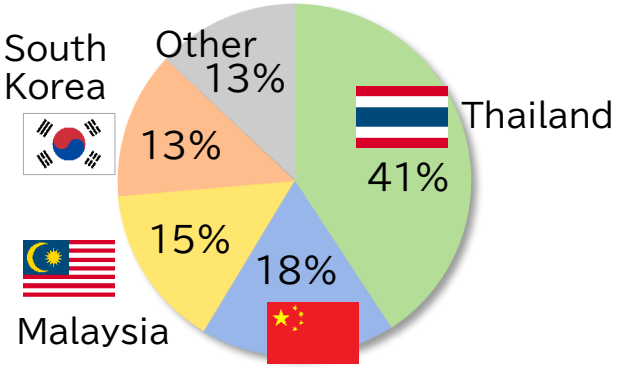
South Korea
(Lion Corporation (Korea))

CAGR(From fiscal 2021 to 2024)

Net sales 8.2%

Market 4.9%

Share of Overseas Business Net sales(2024)



*Consolidated only

CAGR: Growth rate in real terms excluding exchange rate fluctuations (total sales basis)
Source: Euromonitor; total of Lion's major markets (forecast for 2024)

Strengthen business portfolio management

Strengthen overseas growth initiatives
Strengths of Our 4 Major Countries and Future Growth Trajectory

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During 2nd STAGE, aim to achieve further profitable growth focused on oral healthcare by leveraging R&D capabilities that accurately capture consumer needs as well as distribution capabilities in each country and area

	Thailand (Lion Corporation (Thailand) Ltd.)	Malaysia (Southern Lion Sdn. Bhd.)	China (Lion Daily Necessities Chemicals (Qingdao) Co., Ltd.)	South Korea (Lion Corporation (Korea))
Shared philosophy	Develop glocalization strategy based on cross-border category approach			
Competitive product lineup	● Body soaps ● Hand soaps ● Laundry detergents	● Laundry detergents	● Toothpastes ● Toothbrushes (Primarily in e-commerce channels)	● Hand soaps
Strengths	Strong market position for detergents and other products through robust collaboration with joint venture partners with solid local distribution capabilities and networks with local governments		• Distribution capabilities reaching major retail outlets in major cities • Local R&D and production system to meet market needs	Local research and production system to meet consumer needs
	Joint venture partners			
	SAHA	Lam Soon		
Growth direction	Expand oral healthcare business		Expand offline sales areas	High-profit business & brand expansion

Strengthen business portfolio management

Strengthen Overseas Growth Initiatives — Strategy by Country: Thailand

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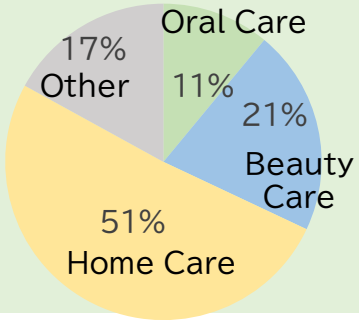
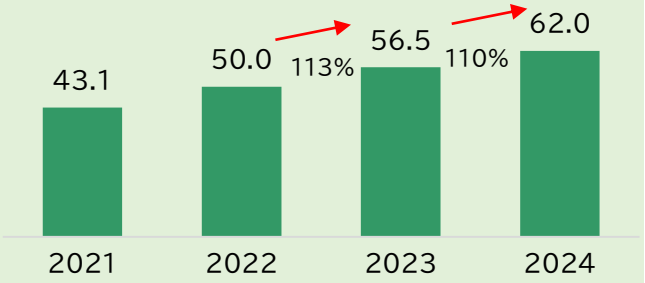
Business Overview

Share of net sales
*Based on Lion shipment amounts(Fiscal 2024)



Trends in external sales (Billions of Yen)



Strengths

・Longstanding joint venture partnership with the Saha Group, which has a strong distribution network and relationships with industry, academia and government

・Strong corporate image built up through contributions to society, such as activities promoting hygiene at every life stage

・Lion Product Brand Power
Hand soaps(*Kirei Kirei*)
Body soaps (*Shokubutsu*)

Market Share #1

Source: Lion survey

Vision and Direction

Achieve both sales growth and enhanced profitability by adding value to improve branding and expanding the personal care field

Basic Strategies

Focus management resources on oral healthcare development

- Concentrate cash generated from laundry detergent formulation and other principal profit-generating businesses into specific areas to drive profit growth

SYSTEMA SALZ

Add value to brands by combining functional and emotional value

- Sharpen targeting based on local needs and forecasting, and optimize communication approaches

Promote ESG strategies to create corporate value

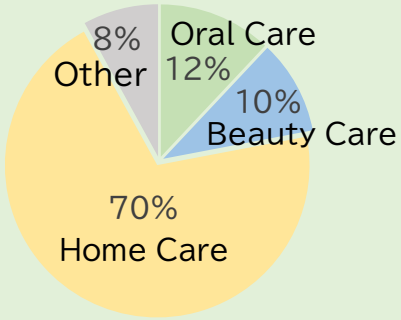
- Contribute to local communities by proactively utilizing environmentally friendly packaging materials and activities promoting hygiene at every life stage

Strengthen business portfolio management

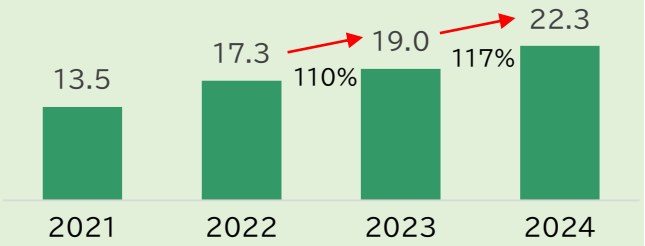
Strengthen Overseas Growth Initiatives
Strategy by Country: Malaysia

Business Overview

Share of net sales
*Based on Lion shipment amounts(Fiscal 2024)



Trends in external sales
(Billions of Yen)



Strengths

- Strong market position in laundry detergents

Market Share #1

Source: Lion survey

- Joint venture partnership with Lam Soon, which has a strong distribution network all over Malaysia

Vision and Direction

Achieve sales growth and improved profitability by optimizing the business portfolio

Basic Strategies

Strengthen business portfolio management

- Secure investment capital through pricing strategies that utilize our market position in laundry detergents, and expand investment in personal care and growth markets

Sharpen targeting and strengthen response to local needs

- Implement brand strategies in response to consumption polarization and goals

Strengthen the foundations of the oral healthcare business

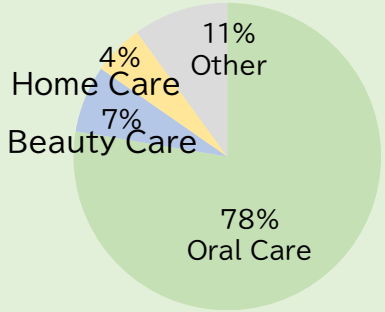
- Profitable growth through product development that captures local preferences and integrated marketing

Strengthen business portfolio management

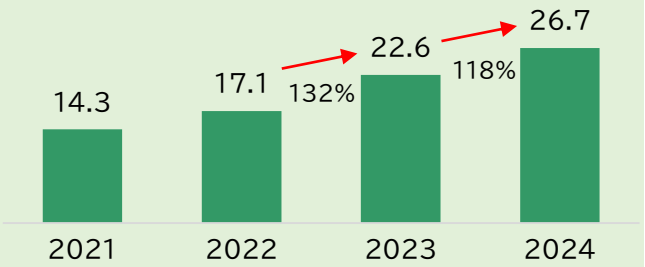
Strengthen Overseas Growth Initiatives — Strategy by Country: China

Business Overview

Share of net sales
*Based on Lion shipment amounts(Fiscal 2024)



Trends in external sales
(Billions of Yen)



Strengths

- Distribution to major retail stores in major cities
- Presence in online channels
- Local R&D and production system tailored to market needs

Vision and Direction

Expand sales in the oral healthcare category to drive overseas growth
Profitable growth by launching high-value-added products

Basic Strategies

Expand offline areas

- Focus on each area's potential and use a step-by-step approach
- Maximize local retail stores & expand distribution to nearby cities

Strengthen capabilities to respond to changes in existing distribution

- Intensive sales channel & brand management, utilize channel-exclusive products

Product development in line with consumption characteristics

- Develop high-value-added products, focusing on the oral healthcare category
- Focus on urban middle and high earners who are less affected by economic trends

Strengthen business portfolio management

Strengthen Overseas Growth Initiatives — Strategy by Country: South Korea

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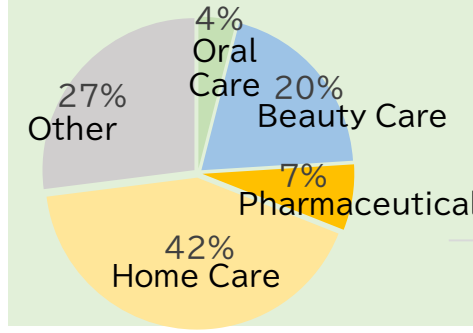
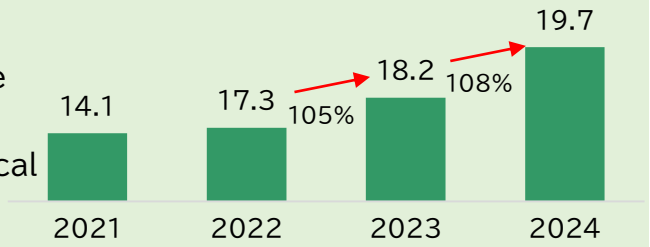
Business Overview

Share of net sales
*Based on Lion shipment amounts(Fiscal 2024)



Trends in external sales
(Billions of Yen)



Strengths

- #1* position in the hand soap market and a profit foundation based on a flexible business portfolio
  Source: Lion survey
- Expertise in the value chain of new businesses (planning, research, production, sales)
- Product supply and cost contribution from the Group's production sites



Vision and Direction

Build a stable and sustainable profit structure by expanding highly profitable brands and businesses

Basic Strategies

Expand pharmaceutical business and improve profitability

- Increase distribution through collaboration with distributors
- Increase profitability through supply chain reform

Strengthen oral healthcare business

- Establish position in the high-value-added segment with a focus on Japanese products
- Strengthen online channels

Stabilize profitability of the detergent business by cultivating high-profit formulations

- Stabilize profitability of the whole detergent business by cultivating high-profit capsule detergents
- Acceleration of regional development



Strengthen Overseas Growth Initiatives — Strategy by Country: Vietnam

Aim to accelerate expansion of the personal care field through doctor-recommended model
Begin discussions with Merap Lion regarding consolidation (100% investment)

■ Key Points of Vietnam Business Model

Sales of **high-profit healthcare products** through **doctor-recommended model**

Doctors & pharmacists	Patients & customers	Pharmacies & drugstores



Communicate the indications and effects of products
Recommend usage



Purchase recommended products





- Activities to increase **product recommendations** (hosting and sponsoring seminars, etc.)
- **Maintain relationships** with doctors and **introduce products**

- Stock target products in **stores**
- **Develop** new sales stores
- Research and development

Reform Profit Structure in Consumer Products

Strengthen business portfolio management

Realize a profitable business portfolio by sharpening the allocation of management resources

- Accelerate growth in oral healthcare
- Strengthening overseas growth initiatives
- **Reform profit structure in Consumer Products**

1 Strengthen brand management

2 Streamline supply chain

3 Optimize pricing and competition-related expenses

Consumer Products EBITDA margin

Approx. +3–5points

(From fiscal 2024 to 2027)

Strengthen business portfolio management

Reform Profit Structure in Consumer Products

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Strive to steadily improve profit through ongoing and new measures
Take concrete action for three growth drivers with high priority for improvement

- ● … Ongoing measures
- ● … New measures

	2024	2025	2026	2027	2027 EBITDA margin (vs. 2024)
Strengthen brand management Promote productive management linked to clarified separation of business fields	● Streamline non-focus brands ● Develop products and expand markets to increase productivity of each brand				+0.5–1point
Streamline supply chain Implement structural reform linked with SKU reduction	● Optimize inventory, non-current assets, and indirect costs by reducing SKUs ● Optimize procurement through global purchasing ● Optimize production/distribution systems				+1.5–2point
Optimize pricing and competition-related expenses Promotion of price setting and cost control to maximize profits	● Shift to high value-added products and execute upward price revisions (2025: Implemented mid-range-priced toothpaste) ● Optimize competition-related expenses ● Streamline trading system ● Improve sales of low-profit items				+1–2point

Strengthen business portfolio management

Reform Profit Structure in Consumer Products Marketing Reform

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Generate new markets by creating habits that add value, increase usage frequency and improve usage

Value from Positive Habits

Usefulness and quality of habits (added value) ↑ × Frequency ↑ × People adopting better habits (usage rate) ↑



Use of AI to capture social trends (business opportunities) in advance

- Understand customers through surveys of past and present consumption and propose new value based on AI projections derived from vast amounts of social media and other data



Implement efficient marketing leveraging data

- Decision making based on rules of consumer behavior (evidence-based marketing)
- Implement a launch format that starts small and refines value from customer data
- Refine Company media (Lidea) as a data testing platform

Strengthen Management Base

Strengthen management base

Strengthen foundation for sustainable business growth and efficient operations

- Strengthen Group R&D structures
- Strengthen profitability with DX
- Strengthen corporate governance

Strengthen management base

Strengthen Group R&D Structures

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Clarify role of every work site to strengthen innovation capabilities and accelerate product development

Past

Product and technology development focused in Japan

Future

Advancement and innovation of core technologies: Japan and China

Product development that captures consumer needs: Every work site

Core technology development

Position Japan and China as hubs of technological innovation, focus on advancing and innovating core technologies

Oral Healthcare Category

- **Oral hygiene** Maintain and promote a good oral environment by targeting biological systems and oral flora
- **Oral function** Healthy tooth development in childhood, maintain and improve chewing function in old age
  (Number of oral function researchers expected to **increase 30%**)
  ➡ Contribute to people's **eating, talking and laughing**



Product development

Local development swiftly captures consumer needs

Business	Main overseas product development centers
Oral Healthcare	Thailand, China
Beauty Care	China, Indonesia
Fabric Care	Thailand, Malaysia, South Korea

Group researchers engaged in product technology development for overseas markets

2024: Approx. 30%
↓
2027: Over **40%**

External collaboration

Promote open innovation for further acceleration

Strengthen management base

Strengthen Profitability with DX

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Utilize digital technology to strengthen profitability and increase corporate value

Create products and services to maximize added value

Create value in service businesses by developing digital platforms

Example: Saliva testing to visualize oral health

Realize efficient supply chain management

Utilize data to forecast demand and streamline inventory to plan appropriate supply schedules, manage inventory and allocate resources

Improve business efficiency through digital technology

Review business processes and automate regular tasks to improve efficiency

Added value

Output

Input

Management resources to invest

Improve corporate value

ROIC

EBITDA margin

Focus on growing and developing **digital personnel** to join the Business Division and connect digital technology with business operations (**1,000** people in Japan by fiscal 2026)

Strengthen Corporate Governance

Aim to enhance governance to improve the Group's corporate value and improve management quality

Separate management and execution

Plan to appoint an external director as Chairman of the Board

●Aim

・Further improve the objectivity and effectiveness of management supervision as well as transparency of decision making

●Major changes*

・Increase ratio of external directors and appoint an external director as chairman of the Board of Directors

Connect medium-term management indicators (financial and non-financial) with corporate officer compensation

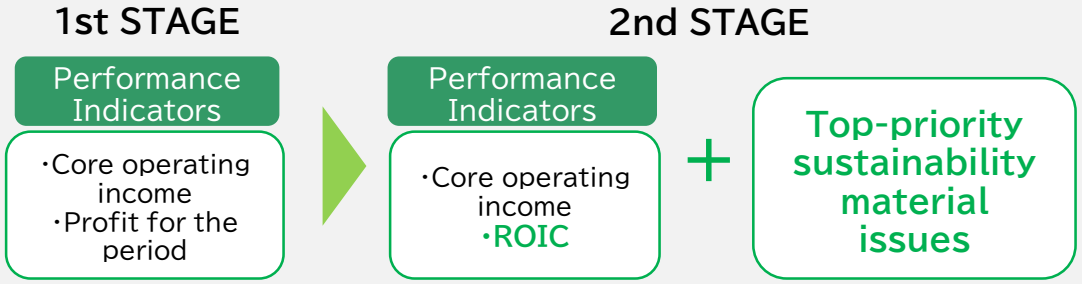
Revision of performance-linked stock-based compensation system

●Aim

・Strengthen execution and realization capabilities to achieve 2nd STAGE performance targets and key indicators

●Major changes*

・Establish performance indicators such as ROIC and link indicators to initiatives for top-priority sustainability material issues



* After the 164th Annual Meeting of Shareholders

Generate Dynamism

Generate dynamism

Fully leverage Group assets to enhance strategy implementation and generate dynamism

- Strengthen brand asset utilization
- Enhance human capital value and strengthen organizational management

Strengthen Brand Asset Utilization

Maximize corporate and product brand assets

Corporate brand

Increase the value of the LION name as an asset and demonstrate presence throughout Asia

Product brands

- **Development brands with a glocalization strategy**
  Combine local brands with a focus on establishing global brands and develop marketing that meets consumer needs in each country and region

Focus brands for major global development

Oral Healthcare	Beauty Care	Home Care*	Pharmaceutical Products
Systema	キレイキレイ	TOP	スマイル
KODOMO			

* Fabric Care and Living Care

Enhance Human Capital Value and Strengthen Organizational Management

Maximize individual growth and organizational strength to create new value across the Group

Individuals

1. Enhance human capital value

Acquire and hone expertise in order to build the strength to succeed in the face of structural and national differences

- Educational and career support for 9 job groups (specialized fields)
- Global human resource development program to solve challenges at overseas

Organization

2. Strengthen organizational capabilities to execute strategies

Optimize human resources allocation in line with strategy and develop leaders

- Strengthen human resource development and allocation in strategic priority areas
- Select and cultivate next-generation leaders for both domestically and overseas

3. Create an environment that draws out individual and organizational strengths

Build an environment that leverages the **diversity of personnel to create new value and enhance employee engagement**

- Cultivate and promote management with diverse experiences
- Improve corporate culture and work environment through employee surveys

Create new value across the Group

2nd STAGE Performance Targets

During 2nd STAGE, aim to improve profitability by setting EBITDA margin, ROIC and EPS CAGR as key indicators

(Billions of yen)	2027 Target	2024	Change	
			Amount	%
Net sales	450.0	412.9	37.0	9.0
Core operating income*1 % of net sales	40.0 8.9	26.3 6.4	13.6	51.9
Operating profit % of net sales	40.0 8.9	28.3 6.9	11.6	40.9
Profit for the period attributable to owners of the parent	29.0	21.1	7.8	36.8
EPS (Yen)	104.67 CAGR 11% or higher	76.51	28.16	36.8
EBITDA margin (%)*2	13% or higher	10.9%	—	—
ROIC (%)*3	8-9%	5.8%	—	—

Notes 1. Core operating income is an earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross profit.
2. EBITDA margin: The ratio of EBITDA to consolidated net sales.
3. ROIC is an indicator calculated from net operating profit after tax (NOPAT) divided by the average invested capital (total equity plus interest bearing liabilities) during the period, and measures the efficiency and profitability of the invested equity.

Sales to External Customers by Business Segment During 2nd STAGE

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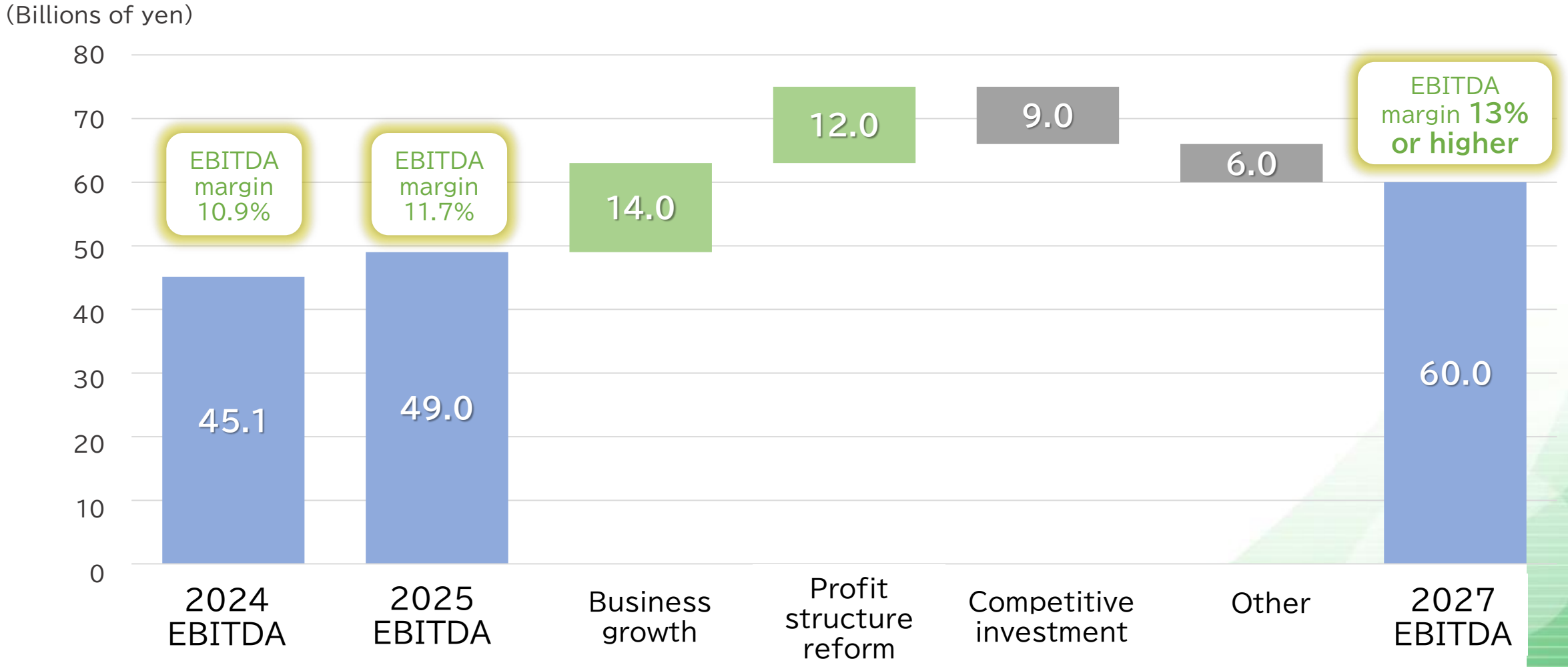
Achieve consolidated net sales CAGR of approx. 3% through continuous overseas business growth

(Billions of yen)	2027 Target	2024	Change	
			Amount	CAGR (%)
Consumer Products	226.0	223.2	2.7	0.4
Industrial Products	38.0	38.1	(0.1)	(0.1)
Overseas	185.0	150.2	34.7	7.2
Other	1.0	1.2	(0.2)	(8.3)
Consolidated Total	450.0	412.9	37.0	2.9

Factors Affecting EBITDA under 2nd STAGE

Looking to 2027, expect to increase profitability by increasing profit and earnings power, primarily overseas



*EBITDA: Calculated as the sum of core operating income and depreciation and amortization (excluding depreciation and amortization of right-of-use assets)

Vision for Capital Efficiency Improvement During 2nd STAGE

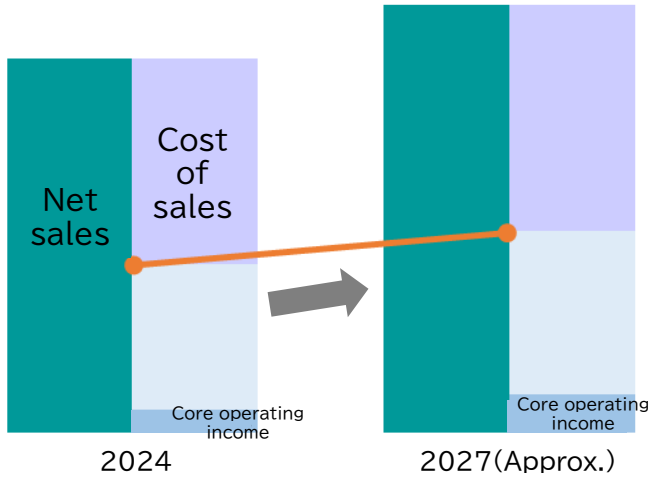
Simultaneously improve profit structure and capital efficiency to improve EBITDA margin and ROIC

2nd STAGE 2027 Targets

EBITDA margin
13% or higher

ROIC
8 – 9%

Improve profit and loss structure (PL)

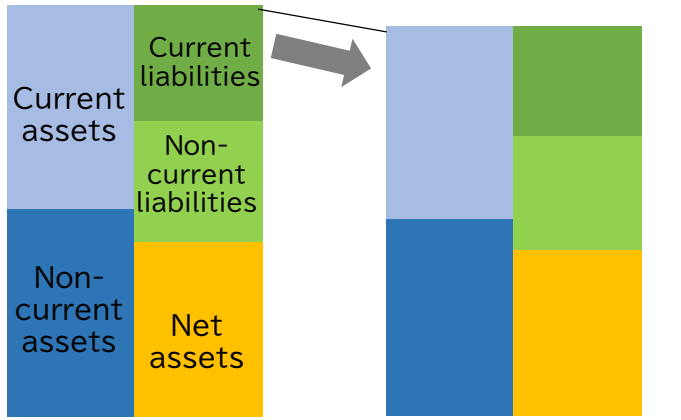


Strengthen business portfolio management

- Accelerate growth in oral healthcare
- Strengthened overseas growth initiatives
- Reform profit structure in Consumer Products

→ **Improvement of gross profit margin**

Improve capital efficiency (BS)



Strengthen BS management

- Optimize inventory
- Strengthen shareholder returns

→ **Asset reduction**

2nd STAGE Shareholder Returns Policy

Aim to increase dividends every year and flexibly acquire and cancel treasury stock

Shareholder Returns Policy

- Pay **progressive dividends** on an **ongoing and stable basis** while aiming for a consolidated payout ratio of around 30%
- Acquire treasury stock after comprehensively assessing retained earnings or growth over the medium to long term

Shareholder Returns Measures under 2nd STAGE (2025–2027)

Dividends	**Aim to increase dividends every fiscal year for three years** (12 consecutive fiscal years of increases since 2016)
Acquisition of treasury stock	**Flexible acquisition and cancellation of treasury stock**

2nd STAGE Cash Allocation

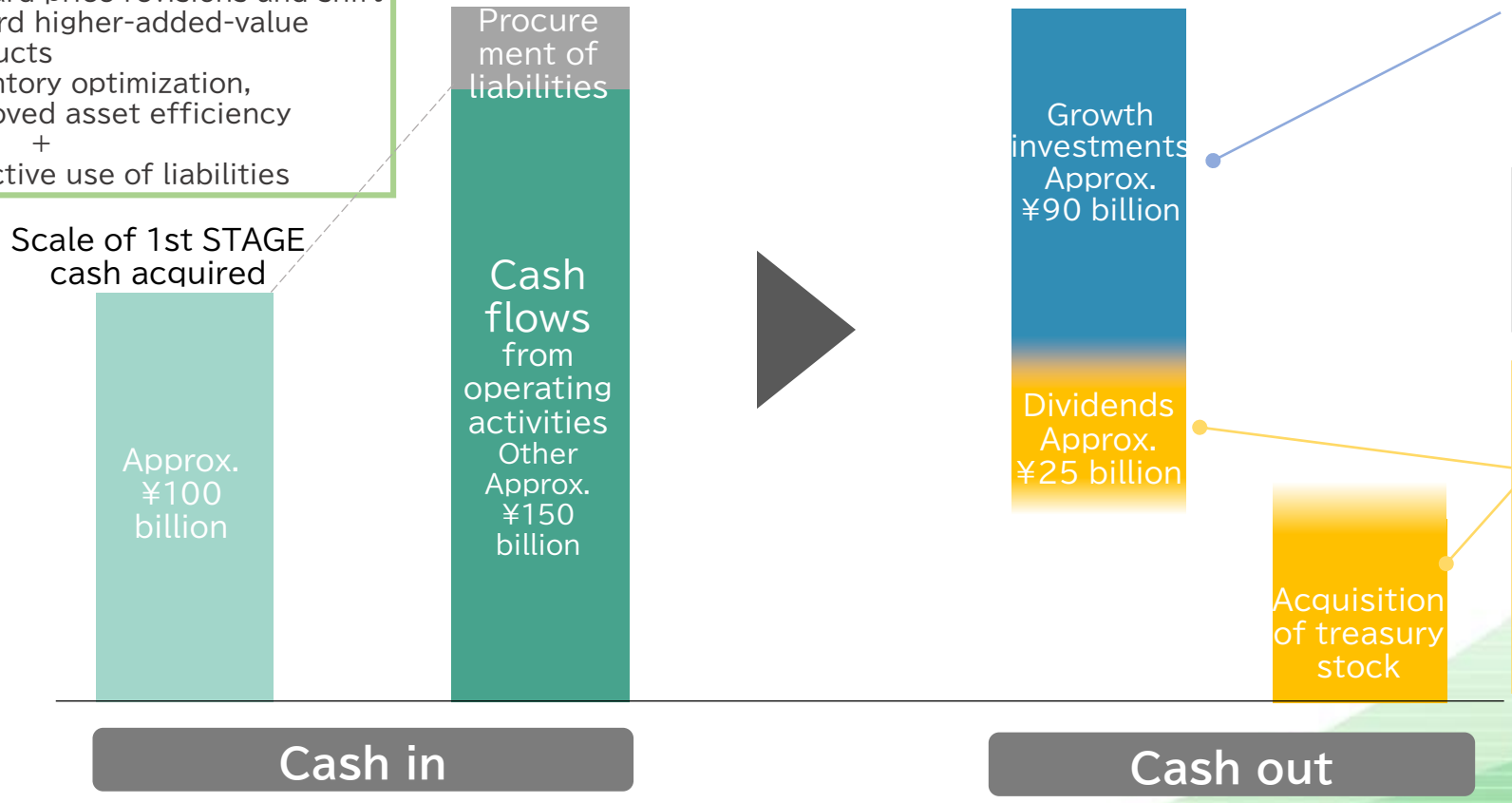
Obtain more cash than in 1st STAGE, and strengthen growth investments in key areas and shareholder returns

Generate more cash than in 1st STAGE

- Focus on growth in Personal Care
- Upward price revisions and shift toward higher-added-value products
- Inventory optimization, improved asset efficiency

+

- Effective use of liabilities



Reinvesting in growth

- Expect capital expenditures of approx. ¥**90** billion for growth investments, M&A, etc., primarily in oral healthcare and overseas business

+

Depending on investment opportunities, make additional investments for growth in oral healthcare and other areas

Strengthen shareholder returns

- Aim to increase dividends for the 12th consecutive fiscal year based on our **progressive dividend** policy
- Flexibly acquire treasury stock based on the progress of investments, etc.

Contents

- Fiscal 2024 Financial Results
- Vision2030 2nd STAGE (2025–2027)
  New Medium-term Management Plan
- Consolidated Results Forecasts for Fiscal 2025

2025 Consolidated Financial Forecast

Strengthen profitability and plan to increase sales and profits Y-o-Y

(Billions of yen)	2025	2024	Y-o-Y change	
			Amount	%
Net sales	420.0	412.9	7.0	1.7
Core operating income*1 % of net sales	30.0 7.1	26.3 6.4	3.6	13.9
Operating profit % of net sales	35.0 8.3	28.3 6.9	6.6	23.3
Profit for the period attributable to owners of the parent	25.0	21.1	3.8	17.9
EPS (Yen)	90.24	76.51	13.73	17.9
EBITDA*2	49.0	45.1	3.8	8.5
EBITDA margin (%)*3	11.7	10.9	—	0.8PP
ROIC (%)*4	6.1	5.8	—	0.3PP
ROE (%)	8.3	7.4	—	0.9PP

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

Fiscal 2025 External Sales Forecasts by Business Segment

Overseas growth drove sales, while Consumer Products and Industrial Products were similar Y-o-Y

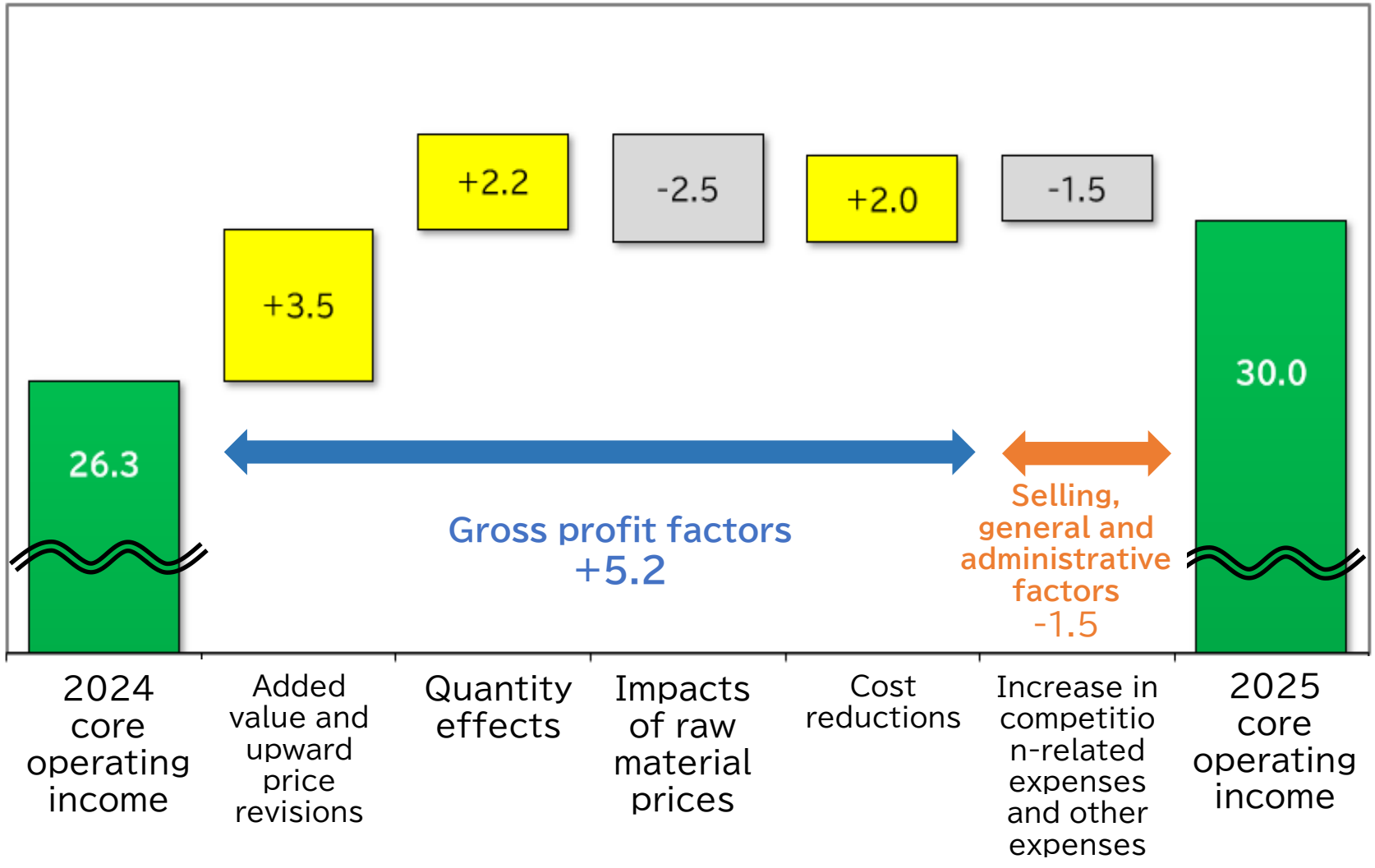
(Billions of yen)	External sales			
	2025	2024	Y-o-Y change	
			Amount	%
Consumer Products	222.0	223.2	(1.2)	(0.5)
Industrial Products	38.0	38.1	(0.1)	(0.4)
Overseas	159.0	150.2	8.7	5.8
Other	1.0	1.2	(0.2)	(23.0)
Consolidated Total	420.0	412.9	7.0	1.7

Fiscal 2025 Factors Affecting Core Operating Income

Expect profits to increase ¥3.7 billion Y-o-Y due to increased unit prices through added value and upward price revisions, and increased volume primarily due to overseas growth

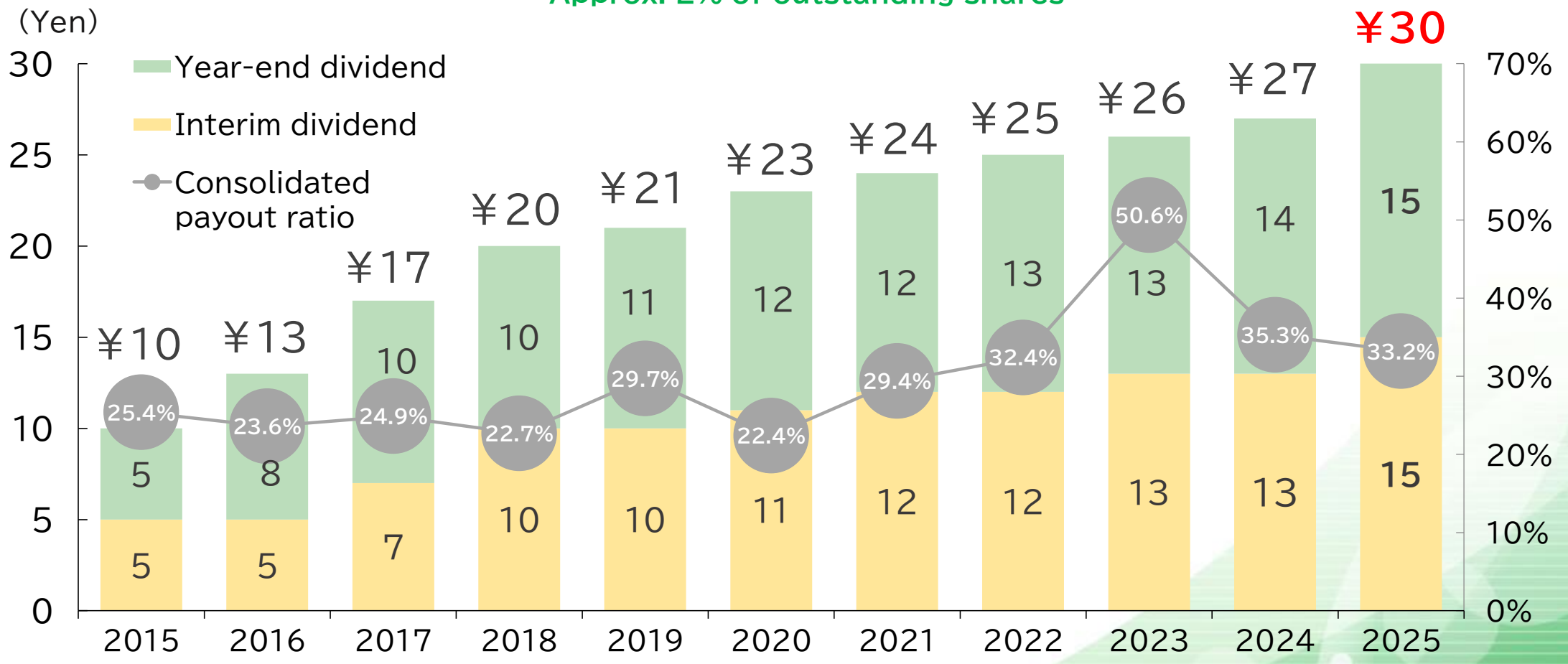
(Billions of yen)

(Parentheses indicate losses)



Shareholder Returns

Expect annual dividend to increase ¥3 to ¥30 per share (10th consecutive year of dividend increases)
Plan for partial cancellation of treasury stock by the end of the year
＊Approx. 2% of outstanding shares



Basic Dividend Policy:
Achieve progressive dividends while aiming for a consolidated payout ratio of approximately 30%

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Reference Materials

Partial revision to calculation method for business segment profit and loss (starting in 2025)

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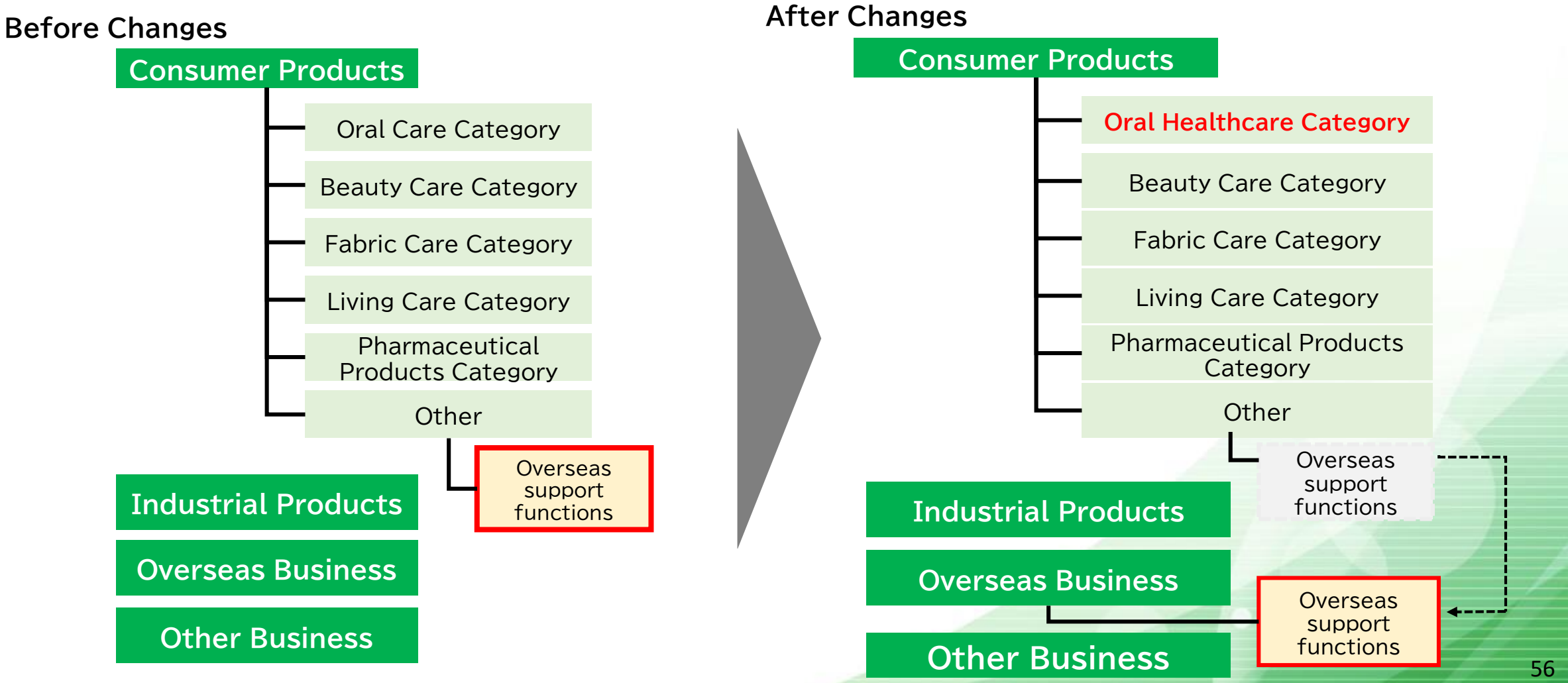
To handle the growing importance of overseas business, the head office's overseas support functions are moved to the Overseas Business segment
In line with the expansion in the value it provides, the Oral Care Category has been renamed the Oral Healthcare Category



Partial revision to calculation method for business segment profit and loss (starting in 2025)

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Recalculation of Results by Segment for Fiscal 2024

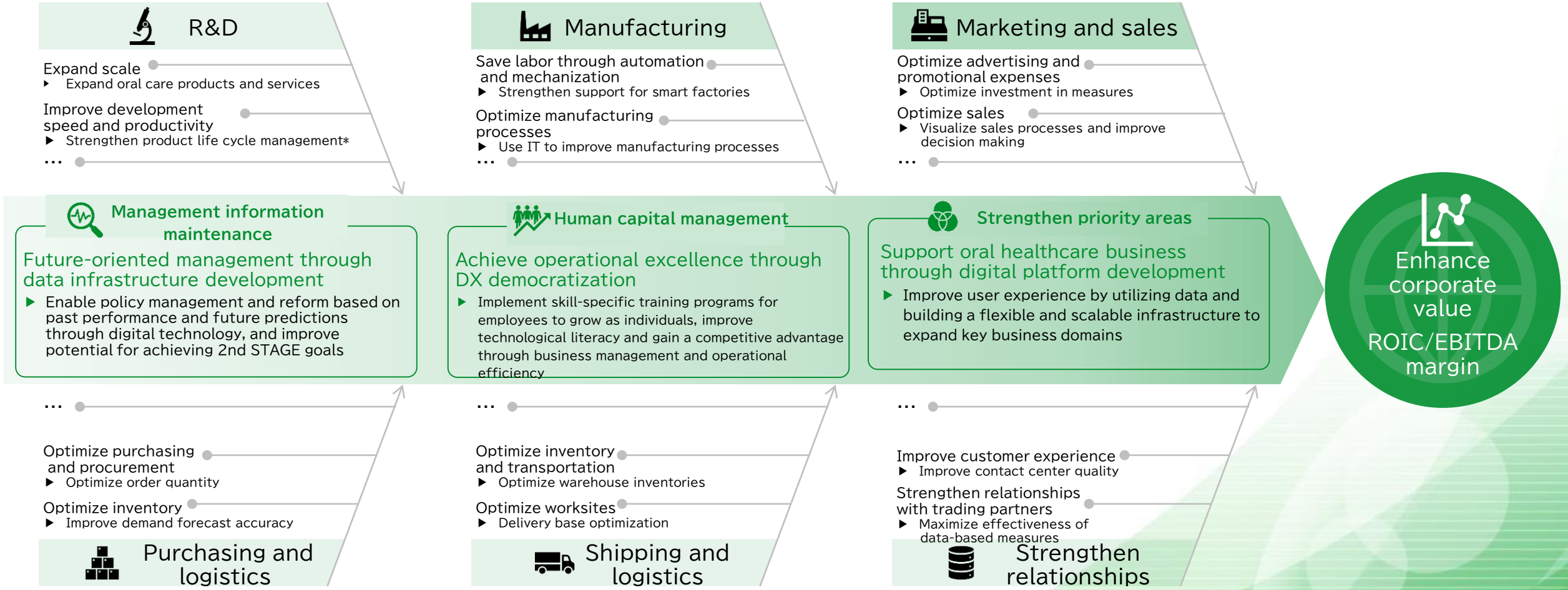
(Billions of yen)	Net sales*			Core operating income		
	Previous Figure	After Recalculation	Change Amount	Previous Figure, % of net sales	After Recalculation, % of net sales	Change Amount
Consumer Products	261.7	254.8	(6.9)	12.5	17.8	5.2
	223.2	222.7	(0.4)	4.8	7.0	+2.2PP
Overseas	164.9	171.8	6.9	10.1	6.5	(3.6)
	150.2	150.7	0.4	6.2	3.8	(2.4PP)
Consolidated Total	412.9	412.9	—	26.3	26.3	—

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

- Profit and loss from overseas support functions were transferred from Consumer Products to the Overseas Business
- Part of profits (such as royalties from overseas Group companies) was transferred from the consolidated adjustment

Promote DX Business Management

Enhance business management by utilizing digital technology, improve business efficiency and strengthen key areas, leading to increased corporate value



* Product life cycle management ▶ System to comprehensively manage entire product life cycles, from planning and design to production, sales and disposal

Major Consumer Products Brands and Items (Jan.–Dec. 2024)

Oral Care

Y-o-Y	Value	Volume	Price
Oral care market*	105%	102%	103%
予防歯科から生まれた クリニカ	105%	104%	101%
システマ	102%	100%	101%
口臭科学から生まれた NONIO	111%	114%	98%
ホワイト&ホワイト	103%	100%	103%

Beauty Care

Y-o-Y	Value	Volume	Price
Hand soap market	106%	101%	105%
キレイキレイ	102%	97%	105%
KireiKirei Medicated Hand Conditioning Soap 	122%	120%	102%
KireiKirei Medicated Foaming Hand Soap Auto Dispenser 	158%	160%	99%

* Total of toothpastes, toothbrushes, dental rinses, dental care products

Source: INTAGE Inc. SRI+ surveys
Blue text indicates Lion performance of 3% or higher than market, red text indicates Lion performance of -3% or lower than market

Major Consumer Products Brands and Items (Jan.–Dec. 2024)

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Fabric Care and Living Care

Y-o-Y	Value	Volume	Price
Laundry detergent market	111%	98%	113%※
NANOX	113%	89%	122%※
Fabric softener market	105%	95%	107%※
ソフラン	99%	91%	108%※
Antimold products market	103%	98%	102%※
がんばらなくてもキレイ♪ ルック PLUS / 防カビ	102%	87%	140%※

＊Indicates unit price

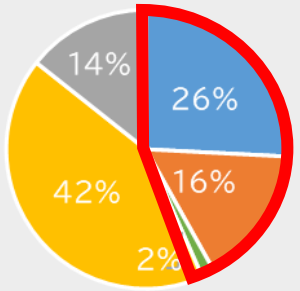
Source: INTAGE Inc. SRI+ surveys
Blue text indicates Lion performance of 3% or higher than market,
red text indicates Lion performance of -3% or lower than market

Pharmaceutical

Y-o-Y	Value	Volume	Price
Antipyretic analgesic market	101%	97%	102%※
BUFFERIN	99%	96%	103%※
Eye drops market	102%	99%	103%
スマイル®	108%	100%	107%

Overseas Business
Share of total net sales*1 by category

Overseas Business total

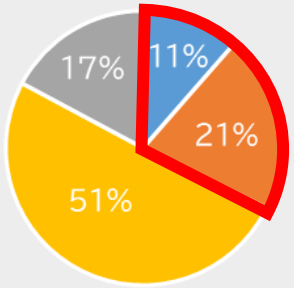


Personal care field

Ratio to consolidated sales : 43.4%

Net year-on-year change in net sales :8.4%

Thailand

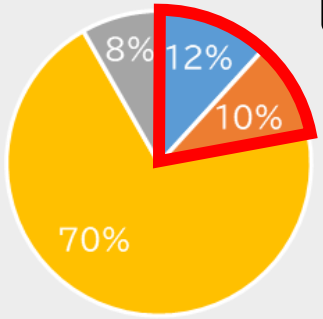


Personal care field

Ratio to consolidated sales :32.3%

Net year-on-year change in net sales :7.9%

Malaysia



Personal care field

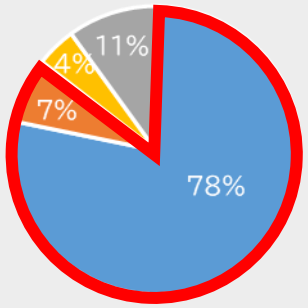
Ratio to consolidated sales :22.1%

Net year-on-year change in net sales :23.2%

- Oral care
- Beauty care
- Pharmaceutical products
- Home care*3
- Export and others

Personal care field

China*2

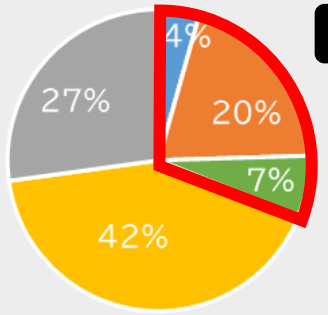


Personal care field

Ratio to consolidated sales :85.5%

Net year-on-year change in net sales :7.8%

South Korea



Personal care field

Ratio to consolidated sales :31.1%

Net year-on-year change in net sales :7.1%

Notes 1. Based on Lion shipment amounts(Jan.–Jun. 2024)

2. Qingdao Lion

3. Fabric care and living care

Market trends

Market Trends—Major Product Categories in Japan

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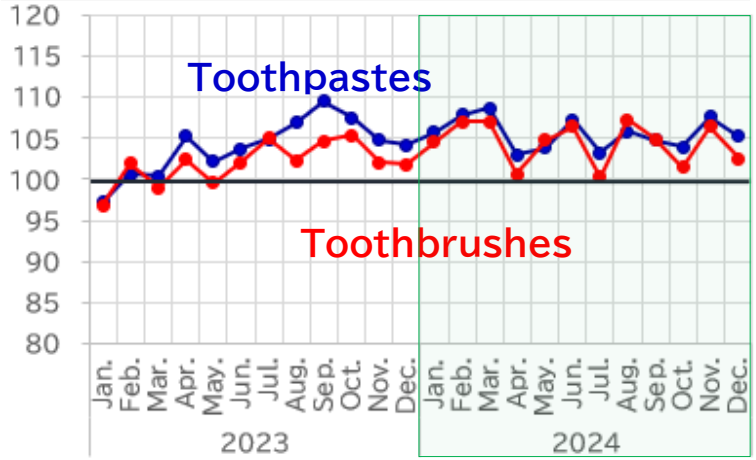
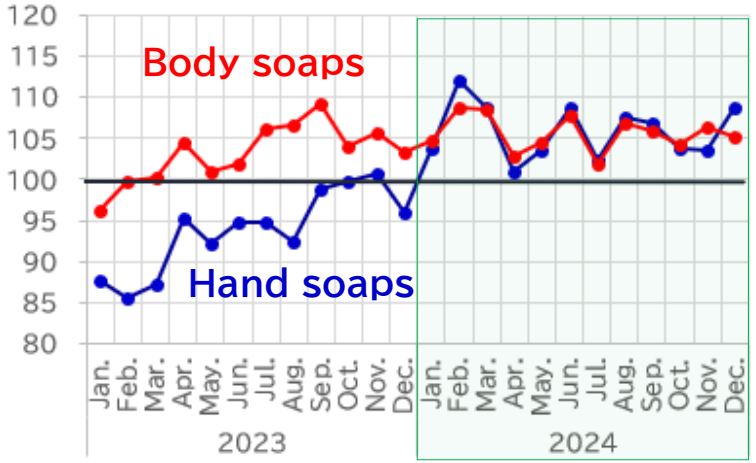
Y-o-Y comparison of consumer product markets in Japan by in-store sales value (%)

Source: INTAGE Inc. SRI+ survey
Data was updated in December 2023, and past data uses figures that have been similarly revised.

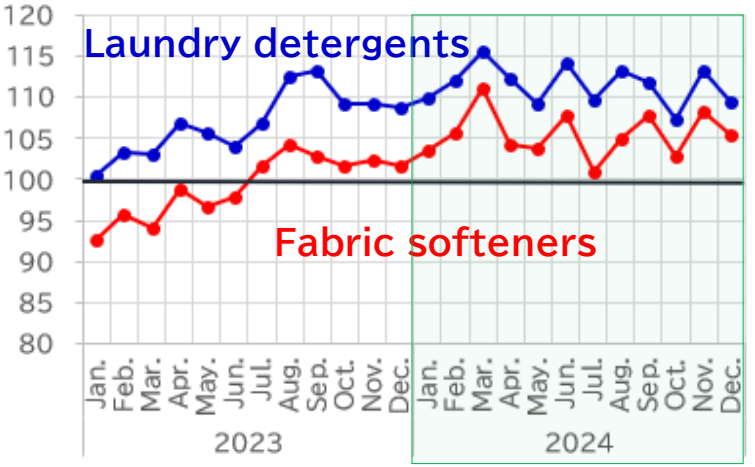
Oral Care



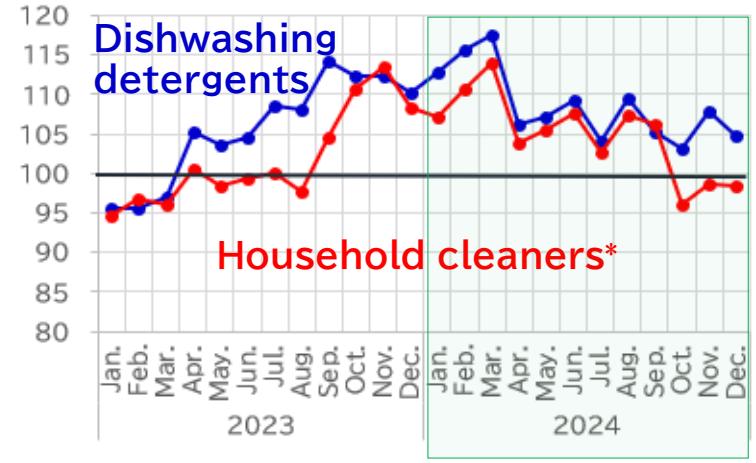
Beauty Care



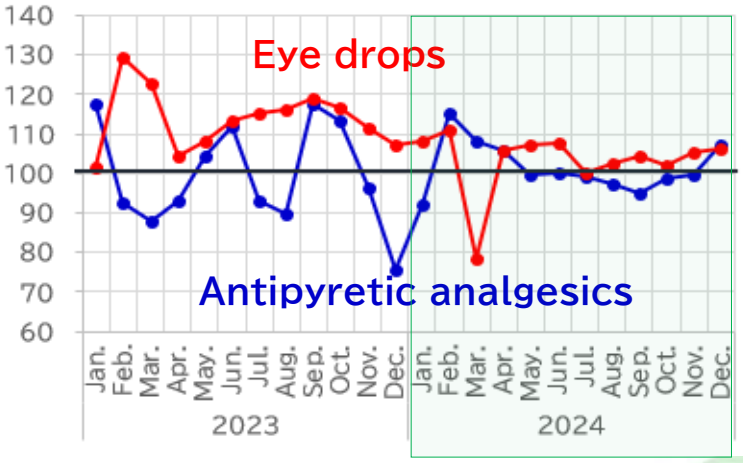
Fabric Care



Living Care



Pharmaceutical



Y-o-Y comparison of key categories (%)

Category	Vs. ‘23	Vs. ‘22	Vs. ‘21
Toothpaste	106	110	111
Toothbrushes	104	106	108
Hand soaps	106	99	95
Laundry detergents	111	119	124
Fabric softeners	105	105	105
Dishwashing detergents	108	115	112
Household cleaners	104	106	107
Antipyretic analgesics	101	99	109

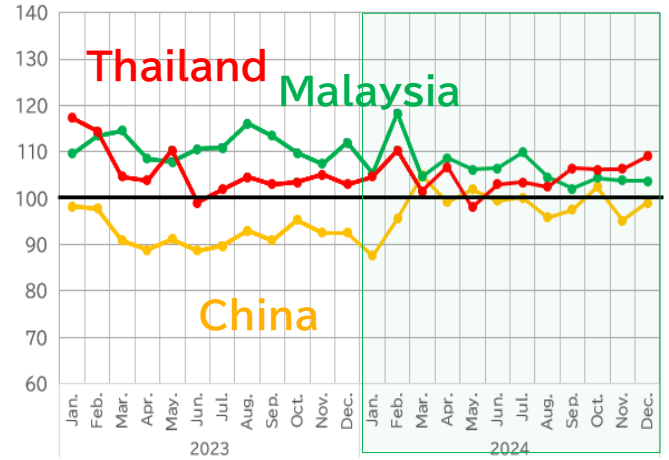
* “Household cleaners” above is the sum of home cleaners, bath detergents and bathroom detergents.

Market Trends—Major Product Categories Overseas

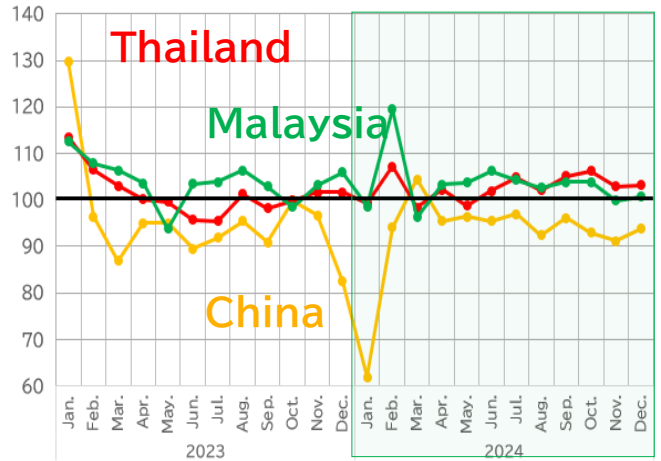
Y-o-Y comparison of consumer product markets in Overseas by in-store sales value (%)

Source: Lion survey

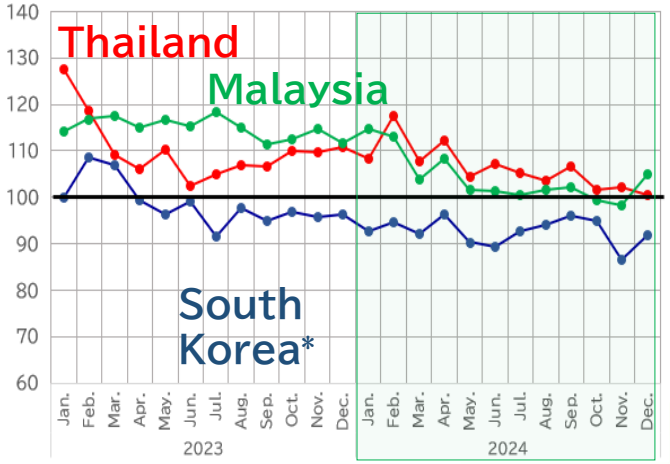
Toothpastes



Toothbrushes

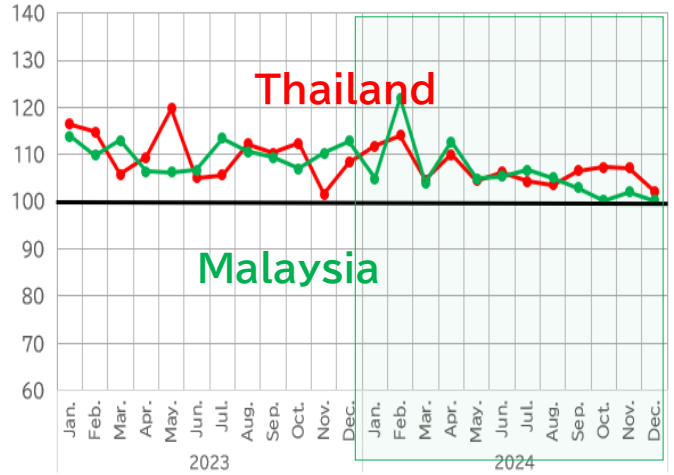


Laundry detergents

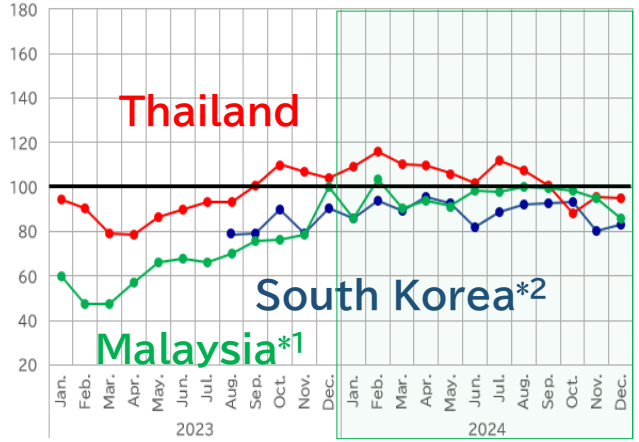


＊For South Korea, data has been updated and some figures have been revised accordingly.

Body soaps



Hand soaps



Y-o-Y comparison of key (%) (compared to 2023)

Category	Thailand	Malaysia
Toothpaste	105	106
Toothbrushes	103	103
Laundry detergents	106	104
Body soaps	107	106
Hand soaps	104	95

Notes 1. Figures for Malaysia represent the entire soap market, including the hand soap market.
2. For South Korea, data has been updated and some figures have been revised accordingly. Data from August 2023 to December 2024 is published

Changes in Household Products Market and OTC Drug Market

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1) Market Environment for Household Products (26 markets, SRI/SRI+*)

Overall market trend for the 26 home product markets in which Lion participates
(Values are percentages of the results of the corresponding periods of the previous years)

	2019	2020	2021	2022	2023	2024
Sales Value	102	112	95	101	103	107
Sales Volume	100	105	92	97	96	99
Average price	102	106	103	104	107	107

Source: INTAGE Inc. SRI survey (data for 2019–2020 is for 38 markets),
SRI+ survey (data for 2021 is for 38 markets; data for 2022 is for 37; data for 2023 is for 35; date for 2024 is for total of 26 major markets in which Lion operates)

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

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

	2019	2020	2021	2022	2023	2024
Sales Value	105	108	102	101	100	105
Sales Volume	102	101	96	96	93	98
Average price	104	106	107	106	107	108

Source: INTAGE Inc. SCI survey (data for 2019 is for 15 markets; data for 2020 onward is for 14)
Notes 1. The SRI+ survey uses point-of-sales data from around 3,000 stores nationwide for its estimates.
2. The SCI survey collects purchasing data from around 50,000 shoppers (age 15-69) nationwide except for Okinawa

Changes in Household Products Market and OTC Drug Market

3) Market Environment for OTC Drug Market (6 markets*, SDI/SRI+)

Overall market trends in the 6 OTC drug markets in which Lion participates
(Values are percentages of the results of the corresponding periods of the previous years)

	2019	2020	2021	2022	2023	2024
Sales value	100	93	103	103	111	102
Sales volume	99	89	101	102	107	99
Average price	101	105	102	101	103	103

Source: INTAGE Inc. SDI Survey (data for 2019–2020 is for 7 markets), SRI+ Survey (data for 2021-2023 is for 7 markets; data for 2024 is for 6 markets)

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

Overall market trends in the 2 OTC drug markets in which Lion participates
(Values are percentages of the results of the corresponding periods of the previous years)

	2019	2020	2021	2022	2023	2024
Sales value	104	102	110	101	97	101
Sales volume	102	99	107	100	96	98
Average price	102	103	103	102	101	103

Source: INTAGE Inc. SCI survey

Financial statements, etc.

Consolidated Results for October–December 2024

(Billions of yen)	Jan.–Sep. 2024	Oct.–Dec. 2024	Oct.–Dec. Y-o-Y change	
			Amount	%
Net sales	301.1	111.7	5.1	4.8
Core operating income*1 % of net sales	18.6 6.2	7.7 6.9	0.1	2.4
Operating profit % of net sales	17.1 5.7	11.2 10.1	3.2	41.1
Profit for the period attributable to owners of the parent	12.6	8.5	2.7	47.8
EPS (Yen)	45.67	30.87	10.57	52.1
EBITDA*2	32.5	12.6	0.6	5.5

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

Results by Business Segment for October–December 2024

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(Billions of yen)	Net sales				Core operating income			
	Jan.–Sep. 2024	Oct.–Dec. 2024	Oct.–Dec. Y-o-Y change		Jan.–Sep. 2024, % of net sales	Oct.–Dec. 2024, % of net sales	Oct.–Dec. Y-o-Y change	
			Amount	%			Amount	%
Consumer Products	188.7	72.9	2.1	3.0	8.3	4.1	2.4	144.4
	160.2	62.9	1.7	2.8	4.4	5.8		
Industrial Products	40.2	14.8	0.4	2.9	2.2	0.5	0.0	15.8
	27.8	10.2	0.1	1.4	5.5	3.9		
Overseas	123.3	41.6	3.1	8.3	7.2	2.9	0.3	12.4
	112.0	38.2	3.2	9.4	5.9	7.1		
Other	12.4	4.3	(1.0)	(19.1)	0.4	(0.1)	(0.5)	(128.2)
	0.9	0.3	(0.0)	(10.1)	3.3	(2.9)		
Adjustment	(63.6)	(22.0)	0.4	—	0.3	0.1	(2.1)	—
	—	—	—	—				
Consolidated Total	301.1	111.7	5.1	4.8	18.6	7.7	0.1	2.4
					6.2	6.9		

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

Consumer Products Business Net Sales by Product Category for October–December 2024

(Billions of yen)	Net sales			
	Jan.–Sep. 2024	Oct.–Dec. 2024	Oct.–Dec. Y-o-Y change	
			Amount	%
Oral Care	54.3	22.2	1.2	6.0
Beauty Care	18.0	6.4	0.1	2.0
Fabric Care	41.0	16.0	1.7	12.3
Living Care	15.0	6.3	(0.0)	(0.2)
Pharmaceutical	18.5	6.5	(0.8)	(11.3) 2.2*
Other	41.6	15.3	(0.1)	(1.1) 1.6*
Total	188.7	72.9	2.1	3.0 5.0*

* Actual rate of change excludes the impact of business and brand transfers

Overseas Business Results by Region for October–December 2024

(Billions of yen)	Net sales				Core operating income			
	Jan.–Sep. 2024	Oct.–Dec. 2024	Oct.–Dec. Y-o-Y change		Jan.–Sep. 2024	Oct.–Dec. 2024	Oct.–Dec. Y-o-Y change	
			Amount	%			Amount	%
Southeast and South Asia	74.8	25.8	2.2	9.4	4.5	1.7	0.0	2.4
Northeast Asia	48.4	15.7	0.9	6.4	2.7	1.1	0.2	31.4
Total	123.3	41.6	3.1	8.3	7.2	2.9	0.3	12.4

Consolidated Statement of Income

(Billions of yen)	2024	2023	Y-o-Y change	
			Amount	%
Net sales	412.9	402.7	10.1	2.5
Cost of sales	224.1	222.1	1.9	0.9
Gross profit	188.7	180.5	8.1	4.5
Selling, general and administrative expenses	162.4	160.4	1.9	1.2
Core operating income	26.3	20.1	6.1	30.8
Other income	10.0	2.1	7.8	357.9
Other expenses	8.0	1.8	6.1	338.6
Operating profit	28.3	20.5	7.8	38.4
Finance income	1.7	1.1	0.6	58.1
Finance costs	0.8	0.8	(0.0)	(4.2)
Share of profit of investments accounted for using the equity method	2.9	1.6	1.3	81.7
Profit before tax	32.2	22.3	9.8	44.1
Income taxes	8.1	5.6	2.4	43.8
Profit for the period	24.0	16.6	7.3	44.3
Profit for the period attributable to non-controlling interests	2.8	2.0	0.8	39.4
Profit for the period attributable to owners of the parent	21.1	14.6	6.5	44.9

Selling, General and Administrative Expenses

(Billions of yen)	2024		2023		Y-o-Y change	
	Amount	% of sales (%)	Amount	% of sales (%)	Amount	%
Selling, general and administrative expenses	162.4	39.3	160.4	39.8	1.9	1.2
Sales commissions	5.8	1.4	7.8	1.9	(1.9)	(24.8)
Promotional expenses	44.4	10.8	38.7	9.6	5.6	14.6
Advertising expenses	18.6	4.5	21.0	5.2	(2.3)	(11.2)
Transportation and warehousing expenses	21.6	5.2	21.3	5.3	0.2	1.0
R&D expenses	11.4	2.8	11.2	2.8	0.2	1.8
Other expenses	60.4	14.6	60.2	14.9	0.2	0.4

Consolidated Statement of Financial Position

(Billions of yen)		2024	2023	Change
Current assets		251.4	232.2	19.1
	Cash and cash equivalents	102.2	85.5	16.7
	Trade and other receivables	76.1	75.2	0.9
	Inventories	53.2	56.0	(2.8)
Non-current assets		245.7	254.0	(8.3)
	Property, plant and equipment	128.1	140.6	(12.5)
	Intangible assets	21.0	22.7	(1.6)
	Right-of-use assets	30.6	31.3	(0.6)
	Other financial assets	27.0	25.4	1.5
Total assets		497.1	486.3	10.8

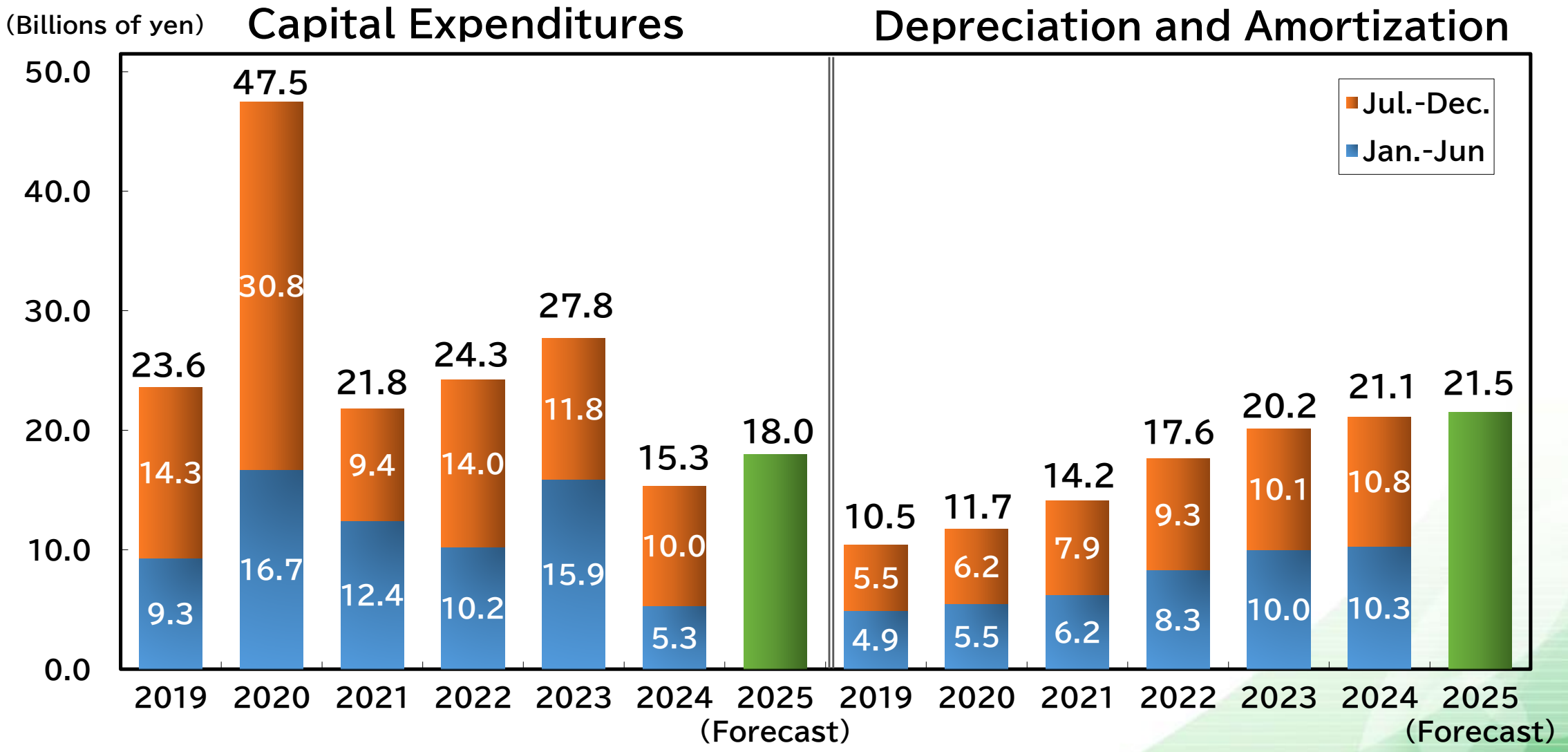
Consolidated Statement of Financial Position

(Billions of yen)		2024	2023	Change
Current liabilities		142.3	143.3	(0.9)
	Trade and other payables	117.1	126.1	(9.0)
	Lease liabilities	2.0	2.0	0.0
	Other current liabilities	8.4	7.7	0.6
Non-current liabilities		39.0	44.8	(5.8)
	Retirement benefit liabilities	1.7	4.5	(2.7)
	Lease liabilities	27.6	28.1	(0.5)
Equity		315.6	298.1	17.5
	Share capital	34.4	34.4	—
	Capital surplus	31.3	31.1	0.2
	Treasury stock	(8.7)	(7.8)	(0.8)
	Other components of equity	23.7	18.3	5.3
	Retained earnings	212.9	204.2	8.6
Total liabilities and equity		497.1	486.3	10.8

Consolidated Statement of Cash Flows

(Billions of yen)	2024	2023	Change
Cash flows from operating activities	43.6	30.0	13.5
Cash flows from investing activities	(7.6)	(34.7)	27.1
Cash flows from financing activities	(21.2)	(11.7)	(9.4)
Effect of exchange rate changes on cash and cash equivalents	1.9	0.9	0.9
Net increase (decrease) in cash and cash equivalents	16.7	(15.5)	32.2
Cash and cash equivalents at beginning of period	85.5	101.0	(15.5)
Cash and cash equivalents at end of period	102.2	85.5	16.7

Capital Expenditures and Depreciation and Amortization



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

2025 Consolidated Financial Forecast

(Billions of yen)	2025	2024	Y-o-Y change		Jan.–Jun. 2025	Jan.–Jun. 2024	Y-o-Y change	
			Amount	%			Amount	%
Net sales	420.0	412.9	7.0	1.7	200.0	198.6	1.3	0.7
Core operating income, % of net sales	30.0 7.1	26.3 6.4	3.6	13.9	10.5 5.3	9.5 4.8	0.9	9.9
Operating profit, % of net sales	35.0 8.3	28.3 6.9	6.6	23.3	11.0 5.5	13.3 6.7	(2.3)	(17.7)
Profit for the period attributable to owners of the parent	25.0	21.1	3.8	17.9	8.0	9.9	(1.9)	(19.4)
EPS (Yen)	90.24	76.51	13.73	17.9	28.88	35.76	(6.88)	(19.2)

Fiscal 2025 External Sales Forecasts by Business Segment

(Billions of yen)	2025	2024	Y-o-Y change		Jan.–Jun. 2025	Jan.–Jun. 2024	Y-o-Y change	
			Amount	%			Amount	%
Consumer Products	222.0	223.2	(1.2)	(0.5)	105.0	106.3	(1.3)	(1.3)
Industrial Products	38.0	38.1	(0.1)	(0.4)	18.5	18.5	(0.0)	(0.2)
Overseas	159.0	150.2	8.7	5.8	76.0	73.0	2.9	4.0
Others	1.0	1.2	(0.2)	(23.0)	0.5	0.7	(0.2)	(29.1)
Consolidated Total	420.0	412.9	7.0	1.7	200.0	198.6	1.3	0.7

Assumed Raw Material Prices and Exchange Rates

Raw Material Prices

	Dubai Crude	Domestic Naphtha	Crude Palm Oil
2025 Initial forecast	80$/BBL	JPY79,000/KL	5,000RM/ton

Exchange Rates

	U.S. Dollar	Thai Baht
2025 Initial forecast	JPY152	JPY4.3

◇ Reference

	Dubai Crude	Domestic Naphtha	Crude Palm Oil
2024 Results	79.4$/BBL	JPY73,853/KL	4,217RM/ton

	U.S. Dollar	Thai Baht
2024 Results	JPY152	JPY4.3

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The forecasts and projected operating results contained in this report are based on information available at the time of preparation, and thus involve inherent risks and uncertainties. Accordingly, readers are cautioned that actual results may differ materially from those projected as a result of a variety of factors.

* The Lion Group applies the International Financial Reporting Standards (IFRS).
* Monetary amounts herein are truncated after the last digit shown.