(Stock Exchange Code 4912)
March 5, 2025
(Introduction date of measures for electronic provision: February 27, 2025)

To Shareholders:

1-3-28, Kuramae, Taito-ku, Tokyo
Lion Corporation
Security Code: 4912
Masayuki Takemori
Representative Director,
President and Executive Officer

Notice of the 164th Annual General Meeting of Shareholders

Thank you for your continued support of Lion Corporation.
Lion Corporation hereby announces the holding of the 164th Annual General Meeting of Shareholders. The meeting will be held in accordance with the information listed below.

In convening this Annual General Meeting of Shareholders, the Company has taken the measure of providing the information on the content of reference materials, etc., for the shareholders' meeting electronically (items provided electronically), and has posted it on the Company's website as the Notice of the 164th Annual General Meeting of Shareholders. Please access the Company's website below to confirm the information.

Lion's website (https://www.lion.co.jp/en/ir/shareholders/meeting/)

In addition to the above website, the information is also posted on the website of the Tokyo Stock Exchange (TSE).

TSE website (Listed Company Search)
(https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show)

To confirm the information, please access the above TSE website, enter and search for the stock name (Lion Corporation) or security code (4912). Then, click "Basic information" and select "Documents for public inspection/PR information." Under "Filed information available for public inspection," click "Click here for access" under "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting]."

The Company wishes to advice that as an alternative to attending the meeting on the day, you may exercise your voting rights using any of the following means by 6:00 p.m., Thursday, March 27, 2025. Accordingly, please review the appended Reference Materials for the General Meeting of Shareholders and exercise your voting rights.

In writing (postal mail)
Indicate your approval or disapproval of each proposal on the voting form sent with this notice, and return the form by postal mail to arrive by the above deadline.

Via electronic means (the Internet)
After reviewing the Guide to Exercising Voting Rights via the Internet (as detailed on page 3), you may enter your approval or disapproval of each proposal in accordance with the instructions on the screen by the above deadline.

1. **Date & Time: Friday, March 28, 2025, at 10:00 a.m.**
2. **Location: Kokugikan Arena**
   1-3-28 Yoko-ami, Sumida-ku, Tokyo
3. **Meeting Objectives**
   Reporting
   Reporting on the content of the business report, non-consolidated financial statements, consolidated financial statements, and the audit report on the consolidated financial statements for the year from January 1, 2024, to December 31, 2024

Matters to be voted upon

Proposal 1.	Partial Amendment to the Articles of Incorporation
Proposal 2.	Election of Eleven Directors
Proposal 3.	Election of Two Audit & Supervisory Board Members
Proposal 4.	Amendment of Compensation for Directors
Proposal 5.	Amendment of the Amount of Compensation Etc. in Line with the Continuation of the Performance-Linked Stock-Based Compensation Plan and to Parts of the Details Thereof
Proposal 6.	Amendment of the Amount of Compensation for Audit & Supervisory Board Members

4. **Matters Decided on Regarding the Convocation**
   (1) If no indication of approval or disapproval is made on the voting form for a proposal, it shall be treated as an indication of approval.
   (2) In the event that you exercise your voting rights both by postal mail and via the Internet, the exercise of voting rights via the Internet will be considered valid. If you exercise your voting rights more than once via the Internet, the last time you exercise your voting rights will be considered valid.

Of the items provided electronically, in accordance with the provisions of laws and regulations and Article 14 of the Articles of Incorporation of the Company, the “Matters Related to Subscription Rights to Shares,” “Basic Policy Regarding Control over the Company” and “Internal Control Systems” of the business report, the “Consolidated Statement of Changes in Equity” and “Consolidated Notes” of the consolidated financial statements, and the “Non-consolidated Balance Sheet,” “Non-consolidated Statement of Income,” “Non-consolidated Statement of Changes in Shareholders’ Equity” and “Individual Notes” of the non-consolidated financial statements are not provided in the documents delivered to shareholders who have requested the delivery of paper-based documents.
In the event of revisions to the items provided electronically arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the websites mentioned above.

Guide to Exercising Voting Rights via the Internet

Method 1: Scan your QR code

Use this method to log into the website and exercise your voting rights without entering your login ID or password.

1. Using your smartphone or other device, scan the barcode at the bottom right of your voting form.
2. Follow the onscreen instructions to enter your votes.

Method 2: Enter your login ID and password

Voting website **https://evote.tr.mufg.jp/** (in Japanese)

1. Access the voting website.
2. Enter the login ID and temporary password shown on your voting sheet.

   Follow the onscreen instructions to enter your votes

Any fees incurred when accessing the voting website (Internet service provider connection fees, etc.) shall be borne by the shareholder.

For inquiries regarding online voting, please contact the help desk below.
Stock Transfer Agency Department (Help Desk), Mitsubishi UFJ Trust and Banking Corporation
Telephone: +81-0120-173-027 Hours: 9:00–21:00; Toll free

For Institutional Investors:
Institutional investors can exercise their voting rights via the TSE's Electronic Voting Platform.

Reference Materials for the General Meeting of Shareholders

Proposal 1. Partial Amendment to the Articles of Incorporation

1. Reasons for the Amendment

With the aim of enabling the flexible operation of the General Meetings of Shareholders and the Board of Directors meetings, Articles 13 (Person to Call Meeting and Chairman of Shareholders' Meeting) and 23 (Board of Directors' Convenor and Chairman) of the current Articles of Incorporation will be amended to allow a director other than the Representative Director to serve as chairman of each of these meetings.

2. Details of the Amendment

(The amended portion is underlined.)

Current	Amended
Chapter III. Shareholders' Meeting (Person to Call Meeting and Chairman of Shareholders' Meeting) **Article 13.** The Representative Director selected in advance by the Board of Directors shall call and act as chairman of Shareholders' Meeting. In the event that the Representative Director is prevented from doing so, one of the other directors shall do so according to an order determined in advance by the Board of Directors.	Chapter III. Shareholders' Meeting (Person to Call Meeting and Chairman of Shareholders' Meeting) **Article 13.** A director selected in advance by the Board of Directors shall call and act as chairman of Shareholders' Meeting. In the event that the director is prevented from doing so, one of the other directors shall do so according to an order determined in advance by the Board of Directors.
Chapter IV. Directors and Board of Directors (Board of Directors' Convenor and Chairman) **Article 23.** A Board of Directors Meeting shall be called and chaired by Representative Director selected in advance by the Board of Directors. In the event that Representative Director is unable to perform their duties due to an accident, one of the other directors shall do so according to an order determined in advance by the Board of Directors.	Chapter IV. Directors and Board of Directors (Board of Directors' Convenor and Chairman) **Article 23.** A Board of Directors Meeting shall be called and chaired by director selected in advance by the Board of Directors. In the event that director is unable to perform their duties due to an accident, one of the other directors shall do so according to an order determined in advance by the Board of Directors.

Proposal 2. Election of Eleven Directors

The tenures of the eleven directors whose services are currently retained will end as of the close of this General Meeting of Shareholders. Accordingly, the Company requests the approval of eleven directors.

The director candidates have been selected by the Board of Directors after consultation with the Nomination Advisory Committee.

The candidates are as follows.

Candidate No.	Name	Current Position at Lion	Attendance at the Board of Directors Meetings
1	Incumbent Masayuki Takemori	Representative Director, President and Executive Officer	18/18 meetings (100%)
2	Incumbent Kengo Fukuda	Director and Senior Executive Officer	18/18 meetings (100%)
3	Incumbent Hitoshi Suzuki	Director, Vice President and Executive Officer	18/18 meetings (100%)
4	Incumbent Fumitomo Noritake	Director and Senior Executive Officer	14/18 meetings (77.8%)
5	New candidate Ayako Suzuki	Senior Executive Officer	—
6	New candidate Takayuki Kawanishi	Executive Officer	—
7	New candidate External Independent Masatoshi Matsuzaki	External Audit & Supervisory Board Member	18/18 meetings (100%)
8	Incumbent External Independent Kazunari Uchida	External Director	17/18 meetings (94.4%)
9	Incumbent External Independent Takashi Shiraishi	External Director	18/18 meetings (100%)
10	Incumbent External Independent Takako Sugaya	External Director	18/18 meetings (100%)
11	Incumbent External Independent Reiko Yasue	External Director	18/18 meetings (100%)

<table>
<tr><th>Candidate No.</th><th>Name
(Date of Birth)</th><th colspan="2">Brief Career History and Positions and Responsibilities at Lion Corporation
(Significant Concurrent Positions)</th><th>No. of Lion Corp. Shares Owned</th></tr>
<tr><td rowspan="2">1</td><td>Incumbent

Masayuki Takemori
(February 24, 1970)

<u>Years in office as director:</u>
2
(as of the end of this Annual General Meeting of Shareholders)

<u>Attendance at the Board of Directors Meetings</u>
18/18 meetings
(100%)</td><td>April 1993
January 2014

January 2018

January 2021

January 2022

March 2023

March 2024</td><td>Joined Lion Corporation
Brand Manager of Fabric Care Business Department, Health and Home Care Products Division
General Manager of Fabric Care Business Department, Health and Home Care Products Division
Executive Officer, Executive General Manager of Health and Home Care Products Division
Senior Executive Officer, Executive General Manager of Health and Home Care Products Division
Representative Director, President and Executive Officer, Chief Operating Officer
Representative Director, President and Executive Officer, Chief Executive Officer (current position)</td><td>18,800</td></tr>
<tr><td colspan="4">Reasons for Selection as a Candidate for Director
Masayuki Takemori has served in such positions as Executive General Manager of the Health and Home Care Products Division, and possesses a wealth of marketing-related expertise. Since taking office as Representative Director, President and Executive Officer, he has been leading purpose-driven management. Toward the realization of the management vision for 2030, “Becoming an advanced daily healthcare company,” he has also been demonstrating leadership in management reforms and pushing forward structural reforms and corporate culture reforms. Furthermore, he took the lead in formulating the new medium-term management plan, “Vision 2030 2nd STAGE,” which started this year, and has been working on corporate reforms to realize this management plan. The Company judges that he is well qualified as a director since he can contribute to achieving its sustainable growth and raising its corporate value over the medium to long term by utilizing his experience and knowledge in formulating corporate strategies, etc. at the Board of Directors meetings and supervising business execution, etc., and therefore requests that he be reelected.</td></tr>
</table>

Candidate No.	Name (Date of Birth)	Brief Career History and Positions and Responsibilities at Lion Corporation (Significant Concurrent Positions)		No. of Lion Corp. Shares Owned
2	Incumbent Kengo Fukuda (April 1, 1965) Years in office as director: 3 (as of the end of this Annual General Meeting of Shareholders) Attendance at the Board of Directors Meetings 18/18 meetings (100%)	April 1987	Joined Lion Corporation	18,000
		January 2014	General Manager of Corporate Planning Department	
		January 2017	Executive Officer, Executive General Manager of Corporate Strategy Headquarters	
		January 2020	Executive Officer, President of Lion Hygiene Co., Ltd.	
		January 2022	Senior Executive Officer, Assistant to the President	
		March 2022	Director, Executive Officer, Responsible for Risk Management, Corporate Planning Department, Finance Department, Consumer Service Center, Reliability Assurance Department and Legal Department	
		January 2023	Director and Executive Officer, Responsible for Risk Management, Corporate Planning Department, Finance Department, Consumer Service Center, Reliability Assurance Department and Legal Department	
		March 2023	Director and Senior Executive Officer, Responsible for Finance Department, Risk Management, Corporate Planning Department, Consumer Service Center, Reliability Assurance Department and Legal Department	
		January 2025	Director and Senior Executive Officer, Responsible for Corporate Planning Department, Finance Department, Consumer Service Center, Reliability Assurance Department, Legal Department and Risk Management (current position)	
	Reasons for Selection as a Candidate for Director Kengo Fukuda possesses advanced expertise in corporate management and corporate governance as a result of many years of experience in corporate planning divisions, and has proactively promoted constructive dialogue with shareholders and institutional investors. He has also decisively implemented organizational culture reforms as the President of a subsidiary, while overseeing risk management of the entire Group as the officer responsible for Risk Management. Furthermore, upon the formulation of the new medium-term management plan, “Vision 2030 2nd STAGE,” which started this year, he made a substantial contribution from the planning phase as the officer responsible for corporate planning, accounting and finance divisions, and has been leading mainly the transformation of the business structure toward the achievement of the management plan. The Company judges that he is well qualified as a director since he can contribute to achieving its sustainable growth and raising its corporate value over the medium to long term by utilizing his experience and knowledge in formulating corporate strategies, etc. at the Board of Directors meetings and supervising business execution, etc., and therefore requests that he be reelected.			

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<tr><th>Candidate No.</th><th>Name
(Date of Birth)</th><th>Brief Career History and Positions and Responsibilities at Lion Corporation
(Significant Concurrent Positions)</th><th>No. of Lion Corp. Shares Owned</th></tr>
<tr><td rowspan="2">3</td><td>Incumbent

Hitoshi Suzuki
(March 24, 1963)

Years in office as director:
4
(as of the end of this Annual General Meeting of Shareholders)

Attendance at the Board of Directors Meetings
18/18 meetings
(100%)</td><td>April 1985 Joined Lion Corporation
January 2015 Assistant Executive General Manager of International Division and Director of New Area Development office
January 2016 Executive Officer, Executive General Manager of International Division, Director of Oleochemical Business Development Office and New Area Development office
January 2017 Executive Officer, Executive General Manager of International Division and General Manager of Strategic Planning Department
May 2017 Executive Officer, Executive General Manager of International Division
March 2019 Senior Executive Officer, Executive General Manager of International Division
March 2021 Director, Executive Officer, Responsible for International Division
January 2023 Director and Executive Officer, Responsible for Overall Overseas Business, Northeast Asia Business Division, Southeast and South Asia Business Division and Overseas Strategic Planning Department
March 2023 Director, Vice President and Executive Officer, Responsible for Overseas Strategic Planning Department, Northeast Asia Business Division, Southeast and South Asia Business Division, and Overall Overseas Businesses
January 2024 Director, Vice President and Executive Officer, Responsible for Northeast Asia Business Division, Southeast and South Asia Business Division, and Overall Overseas Businesses (current position)

(Significant concurrent positions) (Note 1)
Representative, Lion Corporation (Thailand) Ltd.
Representative, Southern Lion Sdn. Bhd.</td><td>16,577</td></tr>
<tr><td colspan="3">Reasons for Selection as a Candidate for Director
Hitoshi Suzuki possesses a wealth of managerial experience at overseas subsidiaries. Since March 2023, he also has been taking charge of the entire overseas business as Director, Vice President and Executive Officer and contributing to the growth of overseas business by accelerating the promotion of the global business strategy following the establishment of deeper cooperative relations with business partners. Furthermore, he contributed to formulating the new medium-term management plan, “Vision 2030 2nd STAGE,” which started this year, and has been promoting mainly measures for enhancing global presence. In “Vision 2030 2nd STAGE,” overseas business growth is especially vital. In addition, the Company judges that he is well qualified as a director since he can contribute to achieving its sustainable growth and raising its corporate value over the medium to long term by utilizing his experience</td></tr>
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	and knowledge in formulating corporate strategies, etc. at the Board of Directors meetings and supervising business execution, etc., and therefore requests that he be reelected.

Candidate No.	Name (Date of Birth)	Brief Career History and Positions and Responsibilities at Lion Corporation (Significant Concurrent Positions)		No. of Lion Corp. Shares Owned
4	Incumbent Fumitomo Noritake (August 20, 1963) Years in office as director: 6 (as of the end of this Annual General Meeting of Shareholders) Attendance at the Board of Directors Meetings 14/18 meetings (77.8%)	April 1988	Joined Lion Corporation	22,477
		January 2012	General Manager of Direct Marketing Business Department, Gift and Channel-Specific Products Division	
		January 2016	Executive Officer, Executive General Manager of Direct Marketing Division, General Manager of Sales Administration Department	
		January 2017	Executive Officer, Executive General Manager of Direct Marketing Division	
		January 2018	Executive Officer, Executive General Manager of Research and Development Headquarters	
		January 2019	Executive Officer, Executive General Manager of Research and Development Headquarters, Responsible for Overall Chemicals Businesses, Intellectual Property Department, and Safety and Disaster Prevention Promotion Department	
		March 2019	Director, Executive Officer, Responsible for Supply Chain Management Planning Headquarters, Production Engineering Research Headquarters, Purchasing Headquarters, Production Headquarters, Overall Chemicals Businesses, Intellectual Property Department and Safety and Disaster Prevention Promotion Department, Executive General Manager of Research and Development Headquarters	
		January 2020	Director, Executive Officer, Responsible for Supply Chain Management Planning Headquarters, Production Engineering Research Headquarters, Purchasing Headquarters, Research and Development Headquarters, Production Headquarters, Overall Chemicals Businesses, Intellectual Property Department and Safety and Disaster Prevention Promotion Department	
		January 2021	Director, Executive Officer, Responsible for Supply Chain Management Planning Headquarters, Production Engineering Research Headquarters, Purchasing Headquarters, Research and Development Headquarters, Production Headquarters, Overall Chemicals Businesses, DX Promotion Department,	

			Intellectual Property Department and Safety and Disaster Prevention Department	
		January 2022	Director, Executive Officer, Responsible for Supply Chain Management Planning Headquarters, Manufacturing Innovation Headquarters, Purchasing Headquarters, Research and Development Headquarters, Production and Logistics Headquarters, Overall Chemicals Businesses, DX Promotion Department, Intellectual Property Department and Safety and Disaster Prevention Department	
		January 2023	Director and Executive Officer, Responsible for Supply Chain Management Planning Headquarters, Manufacturing Innovation Headquarters, Purchasing Headquarters, Research and Development Headquarters, Production and Logistics Headquarters, Overall Chemicals Businesses, Digital Strategy Department, Intellectual Property Department and Safety and Disaster Prevention Department	
		March 2023	Director and Senior Executive Officer, Responsible for Supply Chain Management Planning Headquarters, Manufacturing Innovation Headquarters, Purchasing Headquarters, Research and Development Headquarters, Production and Logistics Headquarters, Overall Chemicals Businesses, Digital Strategy Department, Intellectual Property Department and Safety and Disaster Prevention Department	
		April 2024	Director and Senior Executive Officer, Responsible for Digital Strategy Department, Supply Chain Management Planning Headquarters, Manufacturing Innovation Headquarters, Purchasing Headquarters, Research and Development Headquarters, Production and Logistics Headquarters, Overall Chemicals Businesses, Intellectual Property Department and Safety and Disaster Prevention Department	
		January 2025	Director and Senior Executive Officer, Responsible for Digital Strategy Department, Intellectual Property Department, Supply Chain Management Planning Headquarters, Manufacturing Innovation Headquarters, Purchasing Headquarters, Research and	

		Development Headquarters, Production and Logistics Headquarters and Overall Chemicals Businesses (current position)	
	Reasons for Selection as a Candidate for Director In addition to advanced expertise in the area of research and development, Fumitomo Noritake possesses experience in launching new businesses and getting them on track, and has long led the Company on both the research and development and business development fronts. He has also been promoting business reforms and enhancement of the supply chain by means of DX as Director and Senior Executive Officer. Furthermore, he contributed to formulating the new medium-term management plan, “Vision 2030 2nd STAGE,” which started this year, and has been working on mainly management reforms that further accelerated DX. In “Vision 2030 2nd STAGE,” it is essential to create new business value through the evolution of research and supply chain by leveraging particularly his foresight regarding IT/DX. In addition, the Company judges that he is well qualified as a director since he can contribute to achieving its sustainable growth and raising its corporate value over the medium to long term by utilizing his experience and knowledge in formulating corporate strategies, etc. at the Board of Directors meetings and supervising business execution, etc., and therefore requests that he be reelected.		

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(Date of Birth)</th><th colspan="2">Brief Career History and Positions and Responsibilities at Lion Corporation
(Significant Concurrent Positions)</th><th>No. of Lion Corp. Shares Owned</th></tr>
<tr><td rowspan="2">5</td><td>New candidate

Ayako Suzuki
(August 31, 1972)

Years in office as director:
-
(as of the end of this Annual General Meeting of Shareholders)

Attendance at the Board of Directors Meetings
-</td><td>April 1997
November 2008
February 2010
August 2012

January 2019

January 2022

January 2023

January 2025</td><td>Joined Lion Corporation
Joined Coca-Cola (Japan) Company, Limited
Rejoined Lion Corporation
Brand Manager of Living Care Business Department, Health and Home Care Products Division
Head of Living Care Research Laboratories, Research and Development Headquarters
Head of Fabric Care Research Laboratories, Research and Development Headquarters
Executive Officer, Executive General Manager of Research and Development Headquarters
Senior Executive Officer, Responsible for Intellectual Property Department, Executive General Manager of Research and Development Headquarters (current position)
(Significant concurrent positions) (Note 2)
Representative, Lion Corporation (Thailand) Ltd.</td><td>2,100</td></tr>
<tr><td colspan="4">Reasons for Selection as a Candidate for Director
Ayako Suzuki not only has a background in the area of the Company’s research and development, but also possesses experience in brand management for a global beverage manufacturer. Since rejoining the Company, she has also been promoting brand marketing as Brand Manager. Since 2023, she has been further deepening her knowledge in consumer research, the Company’s forte, while accelerating open innovation for new value creation as Executive Officer, Executive General Manager of the Research and Development Headquarters. Through such efforts, she has been leading the application of the purpose, “Make a difference in everyday lives by redesigning habits.” In “Vision 2030 2nd STAGE,” the Company expects that she will lead the effort to redesign the habits of people around the world, mainly in Asia, by demonstrating her expertise particularly in research and development and marketing. In addition, the Company judges that she is well qualified as a director since she can contribute to achieving its sustainable growth and raising its corporate value over the medium to long term by utilizing her experience and knowledge in formulating corporate strategies, etc. at the Board of Directors meetings and supervising business execution, etc., and therefore requests that she be newly elected.</td></tr>
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(Date of Birth)</th><th colspan="2">Brief Career History and Positions and Responsibilities at Lion Corporation
(Significant Concurrent Positions)</th><th>No. of Lion Corp. Shares Owned</th></tr>
<tr><td rowspan="2">6</td><td>New candidate

Takayuki Kawanishi
(February 2, 1967)

Years in office as director:
-
(as of the end of this Annual General Meeting of Shareholders)

Attendance at the Board of Directors Meetings
-</td><td>April 1989
January 2014

March 2019

January 2020

January 2021

January 2022

January 2025

</td><td>Joined Lion Corporation
General Manager of Business Management Department, Health and Home Care Products Division
General Manager of Business Management Department, Health and Home Care Products Division and Manager of Cross-Border Business Promotion Office
Assistant Executive General Manager of Health and Home Care Products Division, General Manager of Business Management Department and Director of Cross-Border Business Promotion Office
Assistant Executive General Manager of Health and Home Care Products Division and General Manager of Business Management Department
Executive General Manager of Business Development Center, General Manager of Strategy Management Department of Business Development Center
Executive Officer, Assistant to the President, Responsible for Corporate Communication Center, Consumer Service Center and Global Oral Healthcare Business Development Department (current position)</td><td>1,800</td></tr>
<tr><td colspan="3">Reasons for Selection as a Candidate for Director
Takayuki Kawanishi possesses knowledge in the area of finance and accounting and a wealth of experience in business management in the Consumer Products Business, the Group’s mainstay business. Since 2022, he has also been exercising leadership to grow business and redesign consumer habits by leading the development of new businesses and marketing reforms by means of DX as Executive General Manager of the Business Development Center. In “Vision 2030 2nd STAGE,” the Company expects that he will create new value in the oral healthcare area by demonstrating especially his marketing expertise using DX and leadership in new business development. In addition, the Company judges that he is well qualified as a director since he can contribute to achieving its sustainable growth and raising its corporate value over the medium to long term by utilizing his experience and knowledge in formulating corporate strategies, etc. at the Board of Directors meetings and supervising business execution, etc., and therefore requests that he be newly elected.</td></tr>
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<tr><td rowspan="2">7</td><td>New candidate
External
Independent

Masatoshi Matsuzaki
(July 21, 1950)

Years in office as External Audit & Supervisory Board member:
2
(as of the end of this Annual General Meeting of Shareholders)

Attendance at the Board of Directors Meetings
18/18 meetings
(100%)</td><td>April 1976
October 2003
April 2005

April 2006

June 2006

April 2009

April 2014

May 2016
June 2016

January 2019

June 2019

June 2022

March 2023

June 2023

(Significant concurrent positions)
Outside Director, Chairman of the Board, Ushio Inc.</td><td>Joined Konishiroku Photo Industry Co., Ltd. (now KONICA MINOLTA, INC.)
Director, Konica Minolta Business Technologies Co., Ltd.
Executive Officer, Konica Minolta Holdings, Inc. (now KONICA MINOLTA, INC.)
Representative Director and President, Konica Minolta Business Technology Center Co., Ltd.
Executive Vice President and Executive Officer, Konica Minolta Holdings, Inc. (now KONICA MINOLTA, INC.)
Director, Executive Vice President and Executive Officer
Director, President, Representative Executive Officer
Director, Chairman of the Board, KONICA MINOLTA, INC.
Independent Director, Ichigo Inc.
Outside Director, Nomura Research Institute, Ltd.
Outside Director, Nippon Sheet Glass Co., Ltd.
Member, Advisory Committee, Lion Corporation
Outside Director, Chairperson of the Board, LIXIL Group Corporation (now LIXIL Corporation)
Special Adviser, KONICA MINOLTA, INC.
External Audit & Supervisory Board Member, Lion Corporation (current position)
Honorary Adviser, KONICA MINOLTA, INC. (current position)</td><td>1,400</td></tr>
<tr><td colspan="4">Reasons for Selection as a Candidate for External Director and Overview of Expected Roles
In addition to his managerial experience as the president and representative executive officer of an IT-related listed company that has global operations, Masatoshi Matsuzaki possesses advanced expert knowledge in corporate governance he gained through his service as the vice chairman of the Japan Association of Corporate Directors, as well as experience as an external director and the chairman of the board at other companies. Since March 2023, he has also been contributing to effective Group-wide audit as external Audit & Supervisory Board member of the Company. The Company expects that he will use his knowledge and extensive experience to lead the effort to enhance the effectiveness of the</td></tr>
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	Company's governance, and conduct highly effective supervision of management from an independent and objective perspective, and therefore requests that he be newly elected as an external director.

Candidate No.	Name (Date of Birth)	Brief Career History and Positions and Responsibilities at Lion Corporation (Significant Concurrent Positions)	No. of Lion Corp. Shares Owned
8	Incumbent External Independent Kazunari Uchida (October 31, 1951) Years in office as external director: 9 (as of the end of this Annual General Meeting of Shareholders) Attendance at the Board of Directors Meetings 17/18 meetings (94.4%)	January 1985 Joined Boston Consulting Group June 2000 Representative for Japan, Boston Consulting Group March 2006 External Auditor, Suntory Limited (now Suntory Holdings Limited) April 2006 Professor, Faculty of Commerce, Waseda University February 2012 External Auditor, Kewpie Corporation June 2012 External Director, Lifenet Insurance Company External Director, Mitsui-Soko Holdings Co., Ltd. August 2012 External Director, Japan ERI Co., Ltd. (now ERI Holdings Co., Ltd.) February 2015 External Director, Kewpie Corporation March 2016 External Director, Lion Corporation (current position) April 2022 Professor Emeritus, Waseda University (current position) (Significant concurrent positions) External Director, BROTHER INDUSTRIES, LTD.	13,500
	Reasons for Selection as a Candidate for External Director and Overview of Expected Roles Kazunari Uchida possesses managerial experience as the Japan representative of an international management consulting group and also has advanced knowledge in corporate management gained mainly from giving lectures on corporate strategy and marketing as a business school professor. Furthermore, he has experience at other companies both as an external director and an external corporate auditor. He has actively participated in meetings of the Board of Directors, and suitably carried out his role as an external director for the Company, including supervising business execution. The Company expects that he will utilize his experience and knowledge to conduct highly effective supervision of management from an independent and objective perspective, and therefore requests that he be reelected as an external director.		

Candidate No.	Name (Date of Birth)	Brief Career History and Positions and Responsibilities at Lion Corporation (Significant Concurrent Positions)		No. of Lion Corp. Shares Owned
9	Incumbent External Independent Takashi Shiraishi (February 22, 1950) Years in office as external director: 8 (as of the end of this Annual General Meeting of Shareholders) Attendance at the Board of Directors Meetings 18/18 meetings (100%)	June 1979	Assistant Professor, International Relations, Department of Humanities and Social Science, College of Arts and Sciences, University of Tokyo	11,300
		January 1996	Professor, Department of Asian Studies and Department of History, College of Arts and Sciences, Cornell University	
		July 1996	Professor, Center for Southeast Asian Studies, Kyoto University	
		April 2005	Professor and Vice President, National Graduate Institute for Policy Studies	
		May 2007	President, Institute of Developing Economies, Japan External Trade Organization	
		January 2009	Councilor, Council for Science, Technology and Innovation, Cabinet Office	
		April 2011	President, National Graduate Institute for Policy Studies	
		January 2013	Member, Management Evaluation Committee (now the Advisory Committee), Lion Corporation	
		March 2017	External Director, Lion Corporation (current position)	
		April 2017	Special visiting professor, Ritsumeikan University	
		May 2017	Professor Emeritus, National Graduate Institute for Policy Studies (current position)	
		April 2018	Chancellor, Prefectural University of Kumamoto	
		March 2024	Honorable Emeritus Professor, Prefectural University of Kumamoto (current position)	
	Reasons for Selection as a Candidate for External Director and Overview of Expected Roles Takashi Shiraishi possesses managerial experience as the president of a national university, has served as the president of the Japan External Trade Organization's Institute of Developing Economies and possesses broad-ranging expert knowledge in such areas as politics, economics and social issues in Asia, where the Group conducts business. He has actively participated in meetings of the Board of Directors by utilizing his experience and knowledge, and suitably carried out his role as an external director for the Company, including supervising business execution. The Company expects that he will utilize his experience and knowledge in business development in the Asian region, which is strategically important to the Company, and conduct highly effective supervision of management from an independent and objective perspective, and therefore requests that he be reelected as an external director.			

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<tr><td rowspan="3">10</td><td>Incumbent
External
Independent
Takako Sugaya
(September 20, 1972)
Years in office as external director:
6
(as of the end of this Annual General Meeting of Shareholders)
Attendance at the Board of Directors Meetings
18/18 meetings
(100%)</td><td>October 2002

April 2010

June 2018

March 2019

January 2024

(Significant concurrent positions)
External Audit & Supervisory Board Member, Faith, Inc.
External Director, Kyokuto Securities Co., Ltd.</td><td>Registered as an attorney at law (Daini Tokyo Bar Association)
Joined Yamada Hideo Law Office (now the Yamada Ozaki Law Office)
Associate Professor, Toin University of Yokohama Graduate School of Laws
External Director, Haruyama Holdings, Inc.
External Director, Lion Corporation (current position)
Established Sugaya Partners Law Firm, Representative Attorney (current position)</td><td>4,900</td></tr>
<tr><td colspan="4">Reasons for Selection as a Candidate for External Director and Overview of Expected Roles
Takako Sugaya is not involved in corporate management outside the roles of external director and external Audit & Supervisory Board member, but she possesses a wealth of experience and expertise as an attorney in corporate legal work, especially in the area of compliance and harassment. Furthermore, she possesses experience as an external director and external Audit & Supervisory Board member at other companies. She has actively participated in meetings of the Board of Directors and suitably carried out her role as an external director for the Company, including supervising business execution. Amid growing demands for corporate social responsibility, the Company expects that she will utilize her experience and knowledge to conduct highly effective supervision of management from an independent and objective perspective, and therefore requests that she be reelected as an external director.</td></tr>
<tr><td colspan="4">(Note) Takako Sugaya’s legal name is Takako Tanae.</td></tr>
</table>

Candidate No.	Name (Date of Birth)	Brief Career History and Positions and Responsibilities at Lion Corporation (Significant Concurrent Positions)	No. of Lion Corp. Shares Owned
11	Incumbent External Independent Reiko Yasue (January 26, 1968) Years in office as external director: 4 (as of the end of this Annual General Meeting of Shareholders) Attendance at the Board of Directors Meetings 18/18 meetings (100%)	April 1991 Joined Nagoya Research Institute, Panasonic Information Systems Co., Ltd. (now Panasonic Advanced Technology Development Co., Ltd.) December 1999 Joined Motorola, Inc. June 2004 Joined SEVEN Networks, Inc. September 2005 Joined Qualcomm, Inc. July 2009 Joined FUJISOFT Inc. April 2015 Managing Executive Officer, FUJISOFT Inc. January 2018 Joined Cybernet Systems Co., Ltd., Executive Vice President March 2018 Representative Director, Executive Vice President, Cybernet Systems Co., Ltd. March 2019 Representative Director, President & CEO, Cybernet Systems Co., Ltd. January 2020 Representative Director, President and Executive Officer, Cybernet Systems Co., Ltd. March 2021 External Director, Lion Corporation (current position) March 2024 Senior Adviser, JSR Corporation June 2024 Senior Officer, JSR Corporation (current position) (Significant concurrent positions) Board Director (external), TOMY COMPANY, LTD. Outside Director, DENTSU SOKEN INC. (scheduled to assume office in March 2025)	2,900
	Reasons for Selection as a Candidate for External Director and Overview of Expected Roles In addition to her managerial experience as president and representative director of a domestic IT company, Reiko Yasue possesses a wealth of experience and knowledge in international business. Furthermore, she has experience as an external director of other companies, and has actively participated in the Board of Directors meetings and suitably carried out her role as an external director for the Company, including supervising business execution. DX is indispensable for the evolution of the Company's existing businesses and the creation of new businesses. The Company expects that she will utilize her experience and knowledge to conduct highly effective supervision of management from an independent and objective perspective, and therefore requests that she be reelected as an external director.		

(Note 1) Hitoshi Suzuki is also a representative of Lion Corporation (Thailand) Ltd. and Southern Lion Sdn. Bhd. The Company engages in transactions involving the sale of finished products and the procurement of merchandise with Lion Corporation (Thailand) and Southern Lion Sdn. In addition, the Company receives royalties for the use of its technologies and trademarks from each of the above companies.

(Note 2) Ayako Suzuki is also a representative of Lion Corporation (Thailand) Ltd. The Company engages in transactions involving the sale of finished products and the procurement of merchandise with Lion Corporation (Thailand). In addition, the Company receives royalties for the use of its technologies and trademarks from the above company.

(Note 3) Details of limited liability agreement
Pursuant to Article 427, Paragraph 1 of the Companies Act and the provisions of the Articles of Incorporation, the Company has concluded an agreement with Kazunari Uchida, Takashi Shiraishi, Takako Sugaya and Reiko

Yasue to limit liability under Article 423, Paragraph 1 of the Companies Act to 10 million yen or the amount specified by law, whichever is higher. The Company plans to conclude a similar limited liability agreement with each director if he/she is reelected as an external director. In addition, the Company plans to conclude a similar limited liability agreement as above with him if Masatoshi Matsuzaki is elected as a director.

(Note 4) Details of compensation contracts

In order to secure excellent personnel and prevent irresoluteness in the course of their execution of duties, the Company has concluded a compensation agreement with each director. If the candidates are elected as hereby proposed, the Company plans to conclude a compensation agreement with them to compensate for expenses under Article 430-2, Paragraph 1, Item 1 of the Companies Act and losses of Item 2 of the same paragraph within the scope stipulated by law.

(Note 5) Details of the Directors and Officers Liability Insurance

The Company has taken out Directors and Officers Liability Insurance which covers each of its directors in order to secure excellent personnel and prevent irresoluteness in the course of their execution of duties. If the candidates are elected as hereby proposed, naming each of them as the insured, the Company plans to take out Directors and Officers Liability Insurance comprising the following details.

[Overview of details of insurance policy]

(i) Actual ratio of insurance fees born by the insured

Insurance premiums shall be borne by the company, including the special provisions.

(ii) Overview of insurance contingencies covered by the insurance

The insured directors and officers of the Company shall be compensated, by the insurance including the special provisions, for damages that arise from cases where they bear liability in relation to their execution of their duties, or for the claims relating to the pursuance of that liability; provided, however, that certain exemptions apply such as in cases of conduct being carried out while fully aware of the unlawful nature of such content.

(iii) Measures to ensure that the appropriateness of the duties of Company's directors and officers is not compromised

Deductibles are set forth in the insurance policy, and damages up to the deductible amount are not covered by the insurance.

(Note 6) Masatoshi Matsuzaki, Kazunari Uchida, Takashi Shiraishi, Takako Sugaya and Reiko Yasue meet the requirements set forth in the "Lion Corporation Standards Regarding the Independence of External Directors/Audit & Supervisory Board Members" and are deemed sufficiently independent from management. All four also meet the requirements for independent directors set forth by the Tokyo Stock Exchange. Accordingly, the Company has notified said Stock Exchange with regard to their appointment as an independent director who have no potential conflict of interest with general shareholders.

The "Lion Corporation Standards Regarding the Independence of External Directors/Audit & Supervisory Board Members" has been posted in <Reference 3> under "Basic Corporate Governance Policy" on the Company's website.

Basic Corporate Governance Policy
https://www.lion.co.jp/en/company/governance/policies/pdf/cg_policy.pdf

Proposal 3. Election of Two Audit & Supervisory Board Members

Of the five Audit & Supervisory Board members whose services are currently retained, the tenure of Atsuko Suzuki will end as of the close of this General Meeting of Shareholders, and Masatoshi Matsuzaki will retire during his tenure. Accordingly, the Company requests the approval of two Audit & Supervisory Board members.

The Audit & Supervisory Board member candidates have been selected by the Board of Directors after consultation with the Nomination Advisory Committee.

The Audit & Supervisory Board has agreed to the submission of this proposal to the General Meeting of Shareholders.

The candidates are as follows.

Candidate No.	Name (Date of Birth)	Brief Career History and Positions at Lion Corporation (Significant Concurrent Positions)	No. of Lion Corp. Shares Owned
1	New candidate External Independent Akihiro Ito (December 19, 1960)	April 1983 Joined Kirin Brewery Co., Ltd.(now Kirin Holdings Company, Limited) January 2013 Executive Officer and Director of Group Finance, Kirin Holdings Company, Limited March 2014 Director of the Board, CFO March 2015 Director of the Board, Senior Executive Officer March 2018 Standing Audit & Supervisory Board Member March 2022 Retired from Standing Audit & Supervisory Board Member (current position) (Significant concurrent positions) Outside Audit & Supervisory Board Member, KAMEDA SEIKA CO., LTD. Outside Corporate Auditor, Kewpie Corporation	0
	Reasons for Selection as a Candidate for External Audit &Supervisory Board Member Akihiro Ito has served as director and chief financial officer and standing Audit & Supervisory Board member of a domestic beverage manufacturer that has global operations, and has a wealth of expertise in finance, accounting and audit. Furthermore, he possesses experience and expertise in management of overseas subsidiaries, while having experience as an external Audit & Supervisory Board member at other companies. The Company judges that his experience and knowledge are necessary for effective audit for the Company, which is focusing on growing its overseas business, and therefore requests that he be newly elected as an external Audit & Supervisory Board member.		

Candidate No.	Name (Date of Birth)	Brief Career History and Positions at Lion Corporation (Significant Concurrent Positions)		No. of Lion Corp. Shares Owned
2	New candidate External Independent Yumiko Hirai (March 30, 1960)	April 1982 April 2015 April 2018 January 2020 March 2024	Joined Suntory Limited Representative Director and President, SUNTORY PUBLICITY SERVICE LIMITED Representative Director and President, Sunlive Co., Ltd. (now SUNTORY FIELD EXPERT Co., Ltd.) Representative Director, President & Chief Executive Officer, Haagen-Dazs Japan, Inc. Retired from Representative Director, President & Chief Executive Officer (current position) Retired from Suntory Holdings Limited (current position)	0
	Reasons for Selection as a Candidate for External Audit &Supervisory Board Member Yumiko Hirai possesses managerial experience as the representative director, president & chief executive officer of a food manufacturer formed through a joint venture between a global company and a domestic manufacturer. She also possesses experience as the officer responsible for human resource/HR development for a major domestic food manufacturer, as well as a wealth of expertise in human capital management. Increasing human capital consistent with the management strategy is also an important issue for the Company. The Company judges that her experience and knowledge are necessary for effective audit for the Company, and therefore requests that she be newly elected as an external Audit & Supervisory Board member.			

(Note 1) Details of limited liability agreement
Pursuant to Article 427, Paragraph 1 of the Companies Act and the provisions of the Articles of Incorporation, the Company plans to conclude an agreement with Akihiro Ito and Yumiko Hirai to limit liability under Article 423, Paragraph 1 of the Companies Act to 10 million yen or the amount specified by law, whichever is higher, if they are elected as Audit & Supervisory Board members.

(Note 2) Details of compensation contracts
In order to secure excellent personnel and prevent irresoluteness in the course of their execution of duties, the Company has concluded a compensation agreement with each Audit & Supervisory Board member. If the candidates are elected as hereby proposed, the Company plans to conclude a compensation agreement with them to compensate for expenses under Article 430-2, Paragraph 1, Item 1 of the Companies Act and losses of Item 2 of the same paragraph within the scope stipulated by law.

(Note 3) Details of the Directors and Officers Liability Insurance
The Company has taken out Directors and Officers Liability Insurance which covers each of its directors in order to secure excellent personnel and prevent irresoluteness in the course of their execution of duties. If the candidates are elected as hereby proposed, naming each of them as the insured, the Company plans to take out Directors and Officers Liability Insurance comprising the following details.

[Overview of details of insurance policy]

(i) Actual ratio of insurance fees born by the insured
Insurance premiums shall be borne by the company, including the special provisions.

(ii) Overview of insurance contingencies covered by the insurance
The insured directors and officers of the Company shall be compensated, by the insurance including the special provisions, for damages that arise from cases where they bear liability in relation to their execution of their duties, or for the claims relating to the pursuance of that liability; provided, however, that certain exemptions apply such as in cases of conduct being carried out while fully aware of the unlawful nature of such content.

(iii) Measures to ensure that the appropriateness of the duties of Company's directors and officers is not compromised
Deductibles are set forth in the insurance policy, and damages up to the deductible amount are not covered by the insurance.

(Note 4) Akihiro Ito and Yumiko Hirai meet the requirements set forth in the "Lion Corporation Standards Regarding the Independence of External Directors/Audit & Supervisory Board Members" and are deemed sufficiently

independent from management.
All two also meet the requirements for independent directors set forth by the Tokyo Stock Exchange.
Accordingly, the Company has notified said Stock Exchange with regard to their appointment as an independent director who have no potential conflict of interest with general shareholders.
The “Lion Corporation Standards Regarding the Independence of External Directors/Audit & Supervisory Board Members” has been posted in <Reference 3> under “Basic Corporate Governance Policy” on the Company’s website.

Basic Corporate Governance Policy
https://www.lion.co.jp/en/company/governance/policies/pdf/cg_policy.pdf

Item		Directors												Audit & Supervisory Board Members				
		Masayuki Takemori	Kengo Fukuda	Hitoshi Suzuki	Fumitomo Noritake	Ayako Suzuki	Takayuki Kawanishi	Masatoshi Matsuzaki	Kazunari Uchida	Takashi Shiraishi	Takako Sugaya	Reiko Yasue	Naoki Miidera	Yoshitada Ishii	Akemi Sunaga	Akihiro Ito	Yumiko Hirai
Basic skills required of the Board of Directors	Corporate management	●	●	●				●	●			●			●		●
	Finance/ accounting	●	●				●	●					●	●	●	●	
	Legal/risk management		●							●	●		●			●	
	Human resource/ HR development		●								●						●
Skills specifically required in light of management strategies of the Group	Sustainability			●	●	●				●		●					
	Global business	●		●				●	●	●		●				●	
	IT/DX				●		●					●					
	Marketing	●		●		●			●								●
	R&D/ business development				●	●	●	●									

*"●" is marked based on the necessary and widely-recognized experience and skills to achieve the best possible decision-making and supervision in management.

Item		Reasons for selection
Basic skills required of the Board of Directors	Corporate management	We recognize that, to achieve sustainable growth and medium- to long-term enhancement of corporate value, the primary role and responsibility of the Board of Directors is to set the direction of the Group and make strategic decisions that take into account the associated risks, in a transparent, fair, timely and decisive manner. We therefore believe that corporate management experience is essential.
	Finance/ accounting	We consider that strengthening profitability through the focused allocation of management resources is an important management issue. We believe that, to manage profitability and growth strategies with a sound financial foundation, it is important for the Board of Directors to determine policies and targets related to profitability and capital efficiency, etc. taking into account the cost of capital, and to make timely management decisions based on the monitoring of these policies and targets.
	Legal/risk management	We recognize that, to enhance our global presence, it is important not only to have expertise in the laws and regulations in each country, region and new business fields, as well as expertise in the protection of patent and trademark rights, but also to ensure internal controls and risk management across all group companies. We believe that the Board of Directors must establish such systems and supervise their implementation.
	Human resource/ HR development	We recognize that human resources are a company's source of added value and consider that thoroughly linking the results of human capital management to the enhancement of corporate value is an important management issue. We believe that the Board of Directors must formulate human resource development and staffing strategies in line with management strategies and supervise their progress.
Skills specifically required in light of management strategies of the Group	Sustainability	In promoting efforts to address priority sustainability issues through the demonstration of the Group's unique approach to habit creation, we intend to focus on creating habits to conserve water and avoid wasting plastic, especially as part of our most important issues, "promoting environmental initiatives for a sustainable planet." We believe that the Board of Directors must determine and promote measures to achieve these targets and supervise their progress.
	Global business	We position glocalization as an important strategy for expanding our overseas business. We believe that, to promote this strategy and supervise its progress, overseas business management experience and extensive knowledge of global market trends, as well as the lifestyle sectors and business environments of each country and region, are essential.
	IT/DX	We recognize that, to redesign habits in the future, it is important to leverage digital technology and data science to gain a more accurate understanding of consumers' health status and lifestyles, as well as to transform our products, services and business processes. We believe that advanced knowledge and practical experience of IT and digitalization are essential to formulate DX strategies and effectively drive their implementation.
	Marketing	We recognize that, to continuously propose redesigning habits to people worldwide, particularly in Asia, and to build loyalty, especially in the oral healthcare field, which is the focus of the Group, it is essential to formulate and promote marketing strategies that reflect changes in the business environment and the diversification of customer needs, and supervise their progress.
	R&D/ business development	To redesign habits, we focus on research and development as a source of innovation and work to develop new business models to ensure that these results contribute to the enhancement of corporate value. We therefore believe that it is essential to make decisions and supervise the allocation of management resources to research and development, business development, and the launch of new businesses.

Reference

Basic Approach to Amendments of Compensation, Etc. of Directors
and Audit & Supervisory Board Members in Relation to Proposals 4 to 6

Current Compensation of Directors and Audit & Supervisory Board Members (Hereinafter "Corporate Officers")

Compensation for directors consists of fixed monthly compensation and performance-linked compensation (bonuses and stock-based compensation), while compensation for Audit & Supervisory Board members consists only of fixed monthly compensation. The fixed monthly compensation for directors was decided to be up to ¥300 million for one fiscal year at the 156th Annual General Meeting of Shareholders held on March 30, 2017. The maximum amount of bonuses was resolved at said General Meeting of Shareholders at ¥250 million per fiscal year. At the 160th Annual General Meeting of Shareholders held on March 30, 2021, the maximum amount of money to be contributed for stock-based compensation was resolved to be ¥200 million per fiscal year, and the total number of shares was resolved to be 120,000 shares per fiscal year. In addition, compensation for Audit & Supervisory Board members was decided to be up to ¥110 million for one fiscal year at the 156th Annual General Meeting of Shareholders held on March 30, 2017.

Basic Policy on Compensation of Directors and Audit & Supervisory Board Members

The Company has established the following in its Basic Policy on compensation of directors and Audit & Supervisory Board members.

Lion has designed a corporate officer compensation system to provide sound and appropriate incentives necessary for retaining outstanding management talent that will achieve the Company's management policies and continuously increase its corporate value over the medium to long term. Director and Audit & Supervisory Board member compensation is decided by the Board of Directors and the Audit & Supervisory Board, respectively, based on consultations with the Compensation Advisory Committee. Compensation is set within the limits decided by resolution of the General Meeting of Shareholders.
Compensation for directors (excluding external directors) consists of fixed monthly compensation and performance-linked compensation (bonuses and stock-based compensation). The compensation level shall be objectively benchmarked with reference to survey data from external specialized organizations and set for each role and responsibility of corporate officers.
The compensation for directors (excluding external directors) is made up of approximately 50% fixed monthly compensation and 50% performance-linked compensation (30% of which is bonus and 20% stock-based compensation) according to the director's rank. The proportion of performance-linked compensation increases according to rank and is revised as needed.

Review of Compensation for Corporate Officers

Based on the above policy, the Company will review compensation for directors (excluding external directors), so that it will be more closely linked to the Group's performance and act as an incentive that contributes to further improving its corporate value over the medium to long term.
In addition, compensation for external directors and Audit & Supervisory Board members will remain the same as before, with only fixed monthly compensation. However, as its corporate governance is further strengthened, the Company will review their compensation in consideration of the increasing roles and responsibilities expected of them, the rising compensation levels in society and other factors.

(i) Compensation for Directors (Proposals 4 and 5)

- Fixed monthly compensation: In order to clarify roles and responsibilities according to their rank (directors make decisions on important management matters and supervise their assigned duties, etc., while executive officers execute management, etc.), the calculation method will be changed to a method that combines compensation for directors and executive officers who concurrently serve as directors.

・Bonuses: The method of allocation will be changed from a method of allocating the total amount of bonuses to a method of determining the base amount for each rank of them to provide incentives for meeting performance targets according to said rank.

・Stock-based compensation: In order to further raise awareness of contribution to the enhancement of corporate value over the medium to long term, the Company will retain the current system, review financial indicators used to evaluate the degree of achievement and introduce new non-financial indicators (indicators of the Group's top priority sustainability issues) to accelerate efforts to address priority sustainability issues.

・ The Company will review the maximum amount of fixed monthly compensation and bonuses, as well as the maximum amount of contributions and the maximum number of shares to be issued for stock-based compensation, in order to ensure that there is room for flexible payments in response to mainly future performance improvements and rising compensation levels in society.

(ii) Amount of compensation for Audit & Supervisory Board members (Proposal 6)
As its corporate governance is further strengthened, the Company will review the maximum amount of compensation for Audit & Supervisory Board members in consideration of the increasing roles and responsibilities expected of them, the rising compensation levels in society and other factors.

Proposal 4. Amendment of Compensation for Directors

In accordance with the “Basic Approach to Amendments of Compensation, Etc. of Directors and Audit & Supervisory Board Members” described on pages 27-28, the Company proposes to revise fixed monthly compensation for directors to up to 500 million yen per fiscal year (including up to ¥150 million for external directors).

With respect to bonuses for directors (excluding external directors), the Company proposes that the sum of 50% of 0.03% of core operating income and 50% of 0.05% of profit for the period attributable to owners of the parent for the relevant fiscal year (rounded down to the nearest thousand yen) multiplied by a rank coefficient be the base amount of bonuses according to their rank. The Company also proposes to pay each director 30% of this amount, adding an amount based on their individual performance, and to revise the maximum amount to ¥400 million.

Subject to the approval of Proposals 4 to 6, the Company’s Board of Directors, at its meeting held on December 25, 2024, revised the Basic Policy on compensation of directors and Audit & Supervisory Board members, which sets forth the policy for determining the details of compensation, etc. for individual directors. The details of this proposal were discussed by the Compensation Advisory Committee in accordance with this policy and decided by the Board of Directors based on the results of its report. The Company therefore has determined that this proposal is appropriate.

Note that if Proposal 2. “Election of Eleven Directors” is approved as originally proposed, the Company will have eleven directors (including five external directors).

Proposal 5. Amendment of the Amount of Compensation Etc. in Line with the Continuation of the Performance-Linked Stock-Based Compensation Plan and to Parts of the Details Thereof

1. Reasons for the Proposal and Reasons for Justifying Such Compensation

At the 156th Annual General Meeting of Shareholders held on March 30, 2017, shareholders gave approval for the introduction of a performance-linked stock-based compensation system (hereinafter, the “System”) that would grant the Company’s stocks depending on the level of achievement, etc. of performance targets as compensation to the Company’s directors (excluding external directors). Subsequently, at the 157th Annual General Meeting of Shareholders held on March 29, 2018 and 160th Annual General Meeting of Shareholders held on March 30, 2021, shareholders gave approval to partially revise the System, and it remains effective to date.

As described in the “Basic Approach to Amendments of Compensation, Etc. of Directors and Audit & Supervisory Board Members” on pages 27-28, the Company proposes to revise the maximum amount of contributions and the maximum number of shares to be issued, as well as to revise parts of the evaluation indicators, etc. for the System.

This proposal was discussed by the Compensation Advisory Committee in accordance with the Basic Policy on compensation of directors and Audit & Supervisory Board members and decided by the Board of Directors based on the results of its report. The Company therefore has determined that this proposal is appropriate.

Note that if Proposal 2. “Election of Eleven Directors” is passed as originally proposed, the Company will have six directors to whom the System applies.

2. Amounts and Details of Compensation under the System

(1) Outline of the System

The System is a stock-based compensation system. Under the System, shares of the Company will be acquired through a trust using funds contributed by the Company for the compensation of directors, and a portion of said shares along with the converted cash value of the remainder (collectively, "the Company's shares, etc.") will be granted to directors. (Details follow in (2) and subsequent sections.)

(i) Persons eligible for grants of the Company's shares, etc. under this proposal	・The directors (excluding external directors) of Lion Corporation

(ii) Impact of the Company's shares covered by this proposal on the total number of shares issued by the Company	
Upper limit on funds to be contributed by the Company for the acquisition of the Company's shares for grant to directors (as described in (2), below)	・¥300 million per fiscal year (however, because the first period covered by the System (beginning in fiscal 2025) will be three fiscal years, the upper limit for this period will be ¥900 million)
Method of acquisition of the Company's shares (as described in (2), below) and upper limits on the total number of the Company's shares, etc., to be designated for grant to directors (as described in (3), below)	・The upper limit on the total number of the Company's shares, etc., to be designated for grant to directors per fiscal year will be 270,000 shares (however, because the first period covered by the System (beginning in fiscal 2025) will be three fiscal years, the upper limit for this period will be 810,000 shares) ・The upper limit on the number of the Company's shares, etc., to be designated for grant to directors per fiscal year is equivalent to approximately 0.1% of the Company's total issued shares (as of December 31, 2024, after the deduction of treasury stock) ・The trust will acquire shares of the Company from the Company (constituting a disposal of treasury stock on the part of the Company) or from the stock market

(iii) Achievement condition (as detailed in (3), below)	・Linked to the degree of achievement of performance indicators (core operating income and return on invested capital ("ROIC"*)) for each fiscal year and the progress made in addressing top priority sustainability issues *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

(iv) Timing of grant of the Company's shares, etc., to directors (as detailed in (4), below)	・Upon the director's retirement

(2) Upper limit on Funds to Be Contributed by the Company

The System covers periods of three fiscal years ("the Covered Periods") that correspond to the periods of the Company's medium-term management plans. In the event that the period covered by the medium-term management plan is revised in response to changes in the external environment and other factors, the Covered Period will be set in accordance with the revised period covered by the plan.

For each fiscal period, the Company will continue a trust (“the Trust”) with directors who meet the beneficiary requirements as its beneficiary and a trust period of three years. In each fiscal year, the Company will make additional contributions to the Trust, as directors’ compensation, up to ¥300 million (up to ¥900 million in the Covered Period) for the acquisition of the Company’s shares to be granted to directors. However, if shares of the Company (excluding any undelivered portion of the Company’s shares corresponding to the number of points granted to directors) or money (collectively, “Residual Shares, etc.”) remain as residual assets in the Trust at the end of the trust period before making additional contributions, then the sum of the value of such Residual Shares, etc., and additional contributions to the Trust made by the Company must not surpass ¥900 million.

Following the instructions of the trust administrator, the Trust will acquire the Company’s shares either from the Company (constituting a disposal of treasury stock on the part of the Company) or the stock market using the entrusted funds.

At the expiry of the period of the Trust, the Company may continue the Trust by amending the trust agreement and making additional contributions to the Trust. In such cases, the trust period will be extended for another Covered Period. During such extensions of the trust period, the Company will continue to award points (as described in (3), below) to directors, and the Trust will continue to grant the Company’s shares, etc.

However, when such additional contributions are made, if shares of the Company remain as Residual Shares, etc. in the Trust at the end of the trust period before such extension, then the sum of the value of such Residual Shares, etc. to be granted to directors, etc., and additional contributions to the Trust made by the Company must not surpass the amount obtained by multiplying the upper limit on additional contributions of ¥300 million per fiscal year by the number of years of the Covered Period.

(3) Method of Calculation of and Limit on the Number of Shares to Be Acquired by Directors

At a specified time after the end of each fiscal year during the trust period, the Company will award a number of points calculated using the formula below to directors who were in office as of the last day of said fiscal year. These points are cumulative. Upon retirement, directors will be granted the Company’s shares, etc., in proportion to their respective accumulated points.

The number of points awarded to each director is calculated by adding a fixed portion, equivalent to half their rank-specific stock-based compensation base amount (“fixed base amount”), to a performance-linked portion, equivalent to the remaining half their rank-specific stock-based compensation base amount (“performance-linked base amount”) multiplied by the performance coefficient,* and then dividing this sum by the average per-share acquisition cost of the shares of the Company acquired by the Trust (“average per-share acquisition cost”).

(Point formula)
(Fixed base amount + Performance-linked base amount × Performance coefficient*) ÷ Average per-share acquisition cost

*The performance coefficient varies based on the degree of achievement of performance indicators (core operating income, ROIC) for fiscal year and the progress made in addressing top priority sustainability issues. If these targets, etc. are met 100% or more, the performance

coefficient is set at between 1.00 and 2.00, depending on the degree of achievement; if the targets are less than 100% met, the performance-linked coefficient is 0.

One point is equivalent to one share of the Company; fractional points will be truncated when awarded each year. If, however, during the trust period, the Company's stock is subject to a share split or share consolidation, or other events arise that justify adjustments in the value of points, the Company will adjust the number of the Company's shares delivered for each point in accordance with the ratio of such split, consolidation or other such factor.

The upper limit on the total number of the Company's shares, etc., to be designated for grant to directors during the period of the Trust is determined by multiplying the upper limit of 270,000 shares per fiscal year by the number of years of the Covered Period (however, because the Covered Period will be three fiscal years, the upper limit for this period will be 810,000 shares). These upper limits on the total number of the Company's shares, etc., to be designated for grant to directors have been determined with reference to the upper limit on funds to be contributed by the Company described above in (2), historical stock prices and other factors.

(4) Timing and Method of Grant of the Company's Shares, etc., to Directors

When a director who meets the beneficiary requirements retires, said director will be granted the Company's shares, etc., in proportion to said director's cumulative points as described above in (3). Specifically, the retired director will be granted a number of the Company's shares corresponding to 70% of said director's cumulative points (fractional units will be truncated). The number of shares corresponding to the remaining 30% of the points will be converted to cash within the Trust, and said cash will be paid to the director.

However, in the event of the death of a director who meets the beneficiary requirements and has not yet retired, a number of the Company's shares corresponding to 100% of the director's cumulative points as described above in (3) will be converted to cash within the Trust, and the resulting amount of cash will be paid to said director's heirs.

(5) Forfeiture of Beneficiary Rights for the Company's Shares to Be Delivered and Demand for Return of the Equivalent of Delivered Shares, etc.

In the event of serious wrongdoing or violation of laws and regulations by the eligible directors, the Company may have said persons forfeit beneficiary rights for undelivered shares and demand the return of the amount equivalent to the delivered shares under the System to such eligible directors.

(6) Exercise of Voting Rights for the Company's Shares

To ensure neutrality toward management, no voting rights shall be exercised for the Company's shares held in the Trust during the trust period.

(7) Other Details of the System

Other details of the System, including those concerning the establishment of the Trust, changes to the trust agreement and additional contributions to the Trust, will be decided by the Board of Directors.

For further details of the System, please refer to the Company's February 13, 2025 news release titled "Notice Concerning the Continuation of the Performance-Linked Stock-Based Compensation System and the Partial Revision of the System's Content."

(Reference)

The Company plans to continue a separate system similar to that described above for its executive officers.

During the covered period, the upper limit on funds to be contributed to the Trust for the acquisition of the Company's shares for grant to executive officers will be ¥600 million, and the upper limit on the Company's shares, etc., to be granted to executive officers will be 530,000 shares. The shares of the Company acquired for this purpose will be accounted for separately from the shares acquired for grant to directors.

The Company will also make additional contributions for the compensation of executive officers during extensions of the trust period.

Note that directors who concurrently serve as executive officers will not be awarded points as executive officers.

Proposal 6. Amendment of the Amount of Compensation for Audit & Supervisory Board Members

As described in the “Basic Approach to Amendments of Compensation, Etc. of Directors and Audit & Supervisory Board Members” on pages 27-28, the Company proposes to revise fixed monthly compensation for Audit & Supervisory Board members to up to ¥200 million per fiscal year.

This proposal has been deliberated by the Compensation Advisory Committee in accordance with the Basic Policy on compensation of directors and Audit & Supervisory Board members and decided by the Board of Directors following a review by the Audit & Supervisory Board based on the results of the Compensation Advisory Committee’s report. Thus, we deem this proposal to be appropriate.

Note that if Proposal 3. “Election of Two Audit & Supervisory Board Members” is approved as originally proposed, the Company will have five Audit & Supervisory Board members (including three external Audit & Supervisory Board members).

(Attached Documents)
Business Report (From January 1, 2024 to December 31, 2024)

I Current Conditions of the Lion Group

1. Profit/Loss and Financial Position in the Last Three Fiscal Years

			161st term (From January 1, 2021 to December 31, 2021)	162nd term (From January 1, 2022 to December 31, 2022)	163rd term (From January 1, 2023 to December 31, 2023)	164th term (Current fiscal year) (From January 1, 2024 to December 31, 2024)
Profit/loss	Net sales	(Millions of yen)	366,234	389,869	402,767	412,943
	Core operating income	(Millions of yen)	30,923	23,559	20,133	26,332
	Profit for the period attributable to owners of the parent	(Millions of yen)	23,759	21,939	14,624	21,197
	Basic earnings per share	(Yen)	81.73	77.04	51.42	76.51
Financial position	Total equity	(Millions of yen)	265,014	279,168	298,134	315,694
	Equity attributable to owners of the parent per share	(Yen)	865.31	929.72	985.43	1,062.70
	Total assets	(Millions of yen)	428,025	469,278	486,363	497,167
Company information	Consolidated subsidiaries		21 companies	23 companies	23 companies	22 companies
	Associates accounted for using equity method		4 companies	4 companies	5 companies	6 companies

Notes:
1. Figures indicated as millions of yen are rounded down to the nearest million yen.
2. Core operating income is an earnings indicator the Company uses to measure regular business performance and is calculated by subtracting selling, general and administrative expenses from gross profit.

2. Business Activity and Results

In fiscal 2024 (January 1, 2024–December 31, 2024), the outlook for the global economy remained uncertain due to factors including geopolitical issues, such as the situations in Europe and the Middle East, and changes in financial policies in various countries. In Japan, the price of goods continued to rise, but the economy remained on a gradual recovery trend due to factors such as improvements in the income environment. Overseas, the economy in Thailand, which is one of our major markets, was weak, and the economy in China showed a sign of stagnation mainly due to the continued sluggishness in the real estate market and the ongoing decline in the price of goods.

Amid this environment, the Lion Group positioned the current fiscal year, the final fiscal year of its medium-term management plan, Vision 2030 1st STAGE, as a year of rebuilding its profit base. In Japan, we carried out profit structure reforms, and overseas, we reinforced our growth measures.

In Japan, we steadily implemented portfolio reforms including the launching of new high-value-added products, the reviewing of sales strategies, and the transferring of some brands. At the same time, we worked to improve profitability mainly by consolidating some production items primarily in the fabric care field and improving the efficiency of our production system.

Overseas, we promoted measures to expand our business with a focus on key countries, for example, increasing our sales area coverage in China and carrying out active marketing measures in Malaysia.

Reflecting these efforts, consolidated results for fiscal 2024 are as follows. Net sales amounted to ¥412,943 million, a year-on-year increase of 2.5% (or a 0.3% increase at constant currency excluding exchange rate fluctuations), core operating income came to ¥26,332 million, up 30.8% compared with the previous fiscal year, and operating profit to ¥28,387 million, up 38.4% year on year. Profit for the period attributable to owners of the parent totaled ¥21,197 million, up 44.9% compared with the previous fiscal year.

Results by business

	Net sales	YoY change	Core operating income	YoY change
Consumer Products Business	¥261,760 million	(2.1)%	¥12,557 million	161.7 %
Industrial Products Business	¥55,172 million	(3.5)%	¥2,807 million	(6.8)%
Overseas Business	¥164,931 million	11.4 %	¥10,193 million	18.7 %
Other Business	¥16,795 million	(19.7)%	¥284 million	(79.3)%
Subtotal	¥498,660 million	1.0 %	¥25,841 million	45.4 %
Adjustment	¥(85,716) million	– %	¥491 million	– %
Total	¥412,943 million	2.5 %	¥26,332 million	30.8 %

Consumer Products Business	Net sales	¥261,760 million (Down 2.1% year on year)
	Core operating income	¥12,557 million (Up 161.7% year on year)

The Consumer Products Business segment comprises the Oral Care Products, Beauty Care Products, Fabric Care Products, Living Care Products, Pharmaceutical Products and Other Products businesses. Segment net sales decreased 2.1% compared with the previous fiscal year. Core operating income increased 161.7% year on year mainly due to an improvement in the ratio of gross profit to net sales and a decrease in selling, general and administrative expenses.

Oral Care Products Net sales ¥76,598 million (Up 5.1% year on year)

In toothpaste, sales of SYSTEMA Haguki (the Gums) Plus toothpaste and NONIO Plus Whitening Toothpaste were strong, and with the launch of the new OCH-TUNE Toothpaste, overall sales increased year on year.

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

In dental rinses, sales of NONIO Plus Whitening Dental Rinse were strong, and with the launch of OCH-TUNE Mouthwash, overall sales increased significantly year on year.

As a result of the above, overall sales of Oral Care Products increased 5.1% year on year.

Beauty Care Products Net sales ¥24,554 million (Up 0.8% year on year)

In hand soaps, sales of KireiKirei Medicated Hand Conditioning Soap, a high-value-added type of soap with a new fragrance were strong, 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.

As a result of the above, overall sales of Beauty Care Products increased 0.8% year on year.

Fabric Care Products	Net sales	¥57,109 million (Down 6.3% year on year)

In fabric softeners, SOFLAN Aroma Rich sales were steady, but SOFLAN Airis sales fell year on year. As a result, overall sales decreased year on year.

In laundry detergents, sales of the NANOX brand fell year on year, and overall sales decreased year on year.

As a result of the above, overall sales of Fabric Care Products decreased 6.3% year on year.

Living Care Products	Net sales	¥21,449 million (Down 3.3% year on year)

In household cleaners, bath detergent LOOK Plus Bath Cleansing was steady, but sales of LOOK Plus Bath Antimold Fogger fell year on year. As a result, overall sales decreased year on year.

In dishwashing detergents, sales of CHARMY Magica were firm, but due to an impact from a review of the product lineup to optimize business efficiency, overall sales declined slightly year on year.

As a result of the above, overall sales of Living Care Products decreased 3.3% year on year.

Pharmaceutical Products	Net sales	¥25,132 million (Down 4.6% year on year)

In antipyretic analgesics, sales of BUFFERIN PREMIUM DX were strong, but sales of BUFFERIN PREMIUM and BUFFERIN A declined year on year. As a result, overall sales decreased year on year.

In eye drops, sales of the Smile 40 GOLD series were steady, and with the addition to the lineup of Smile 40 Premium THE ONE, overall sales increased significantly 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 increased significantly year on year for both products.

In 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.

As a result of the above, overall sales of Pharmaceutical Products decreased 4.6% year on year.

Other products	Net sales	¥56,917 million (Down 6.2% year on year)

In pet supplies, sales of Nioi wo Toru Suna (Deodorizing Cat Litter) were steady, and sales of oral care product PETKISS were firm. As a result, overall sales were up year on year.

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

Overall sales of Other Products decreased by 6.2% year on year, partly due to the transfer of the main products of the foods with function claims business to another company and the termination of the business in the previous fiscal year.

Industrial Products Business	Net sales	¥55,172 million (Down 3.5% year on year)
	Core operating income	¥2,807 million (Down 6.8% year on year)

The Industrial Products Business segment includes the Mobility, Electronics and Detergents for Institutional Use Products fields. These businesses handle products that include anti-sticking agents for tire rubber, electro-conductive carbon for secondary batteries, and detergents for institutional and kitchen use, respectively. Segment net sales decreased 3.5% compared with the previous fiscal year. Core operating income decreased 6.8% year on year.

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

In the Electronics field, sales of conductive carbon for secondary batteries 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	Net sales	¥164,931 million (Up 11.4% year on year)
	Core operating income	¥10,193 million (Up 18.7% year on year)

The Overseas Business segment comprises business operations located in Southeast and South Asia, including Thailand and Malaysia, as well as Northeast Asia, including China and South Korea. Segment net sales increased 11.4% year on year (or a 4.8% increase at constant currency excluding exchange rate fluctuations). Core operating income increased 18.7% year on year.

Southeast and South Asia	Net sales	¥100,773 million (Up 11.3% year on year)
	Core operating income	¥6,262 million (Up 22.3% year on year)

In Southeast and South Asia, net sales were up 11.3% year on year (or up 4.0% at constant currency excluding exchange rate fluctuations), and core operating income was up 22.3% year on year.

In Thailand, sales of Pao laundry detergents were steady, and sales of Shokubutsu Monogatari body washes were firm. As a result, overall sales were up year on year.

In Malaysia, sales of TOP laundry detergents were firm and sales of Shokubutsu Monogatari body washes were strong. As a result, overall sales significantly increased year on year.

Northeast Asia	Net sales	¥64,158 million (Up 11.5% year on year)
	Core operating income	¥3,930 million (Up 13.4% year on year)

In Northeast Asia, overall sales were up 11.5% year on year (or up 6.0% at constant currency excluding exchange rate fluctuations), and core operating income was up 13.4% year on year.

In China, sales of White&White toothpaste were steady, and sales of CLINICA toothpaste and SYSTEMA toothbrushes were strong. Overall sales significantly increased year on year.

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

Other Business	Net sales	¥16,795 million (Down 19.7% year on year)
	Core operating income	¥284 million (Down 79.3% year on year)

In other business, including the construction contracting business, overall sales decreased 19.7% year on year and core operating income decreased 79.3% year on year.

3. Capital Expenditure

Total capital expenditure for the Lion Group during the fiscal year under review was ¥14,438 million, which included ¥9,985 million for the Consumer Products Business, ¥1,059 million for the Industrial Products Business, ¥3,234 million for the Overseas Business, and ¥158 million for Other Business.

The major facilities that were completed or in progress are as follows.

(1) Major facilities completed during the fiscal year under review

(i)	The Company		
	Chiba Plant	Detergent manufacturing equipment (additional)	¥1,037 million
		Fabric softener manufacturing equipment (additional)	¥113 million
	Odawara Plant	Toothpaste manufacturing equipment (additional)	¥424 million
		Pharmaceutical manufacturing equipment (additional)	¥160 million
	Osaka Plant	Fabric softener manufacturing equipment (additional)	¥295 million
		Detergent manufacturing equipment (additional)	¥198 million
	Akashi Plant	Toothbrush manufacturing equipment (additional)	¥424 million
		Toothpaste manufacturing equipment (additional)	¥326 million
		Dental rinse manufacturing equipment (additional)	¥123 million
	Lion Chemical Co., Ltd.'s Oleochemical production site	Toothpaste manufacturing equipment (additional)	¥195 million
	Research Center	Research and development devices (expanded)	¥851 million
(ii)	Subsidiaries		
	Lion Specialty Chemicals Co., Ltd.	Chemical manufacturing equipment (additional)	¥127 million

(2) Major facilities in progress during the fiscal year under review

(i)	The Company	
	Chiba Plant	Detergent manufacturing equipment (additional)
	Odawara Plant	Pharmaceutical manufacturing equipment (additional)
(ii)	Subsidiary	
	Lion Kallol Limited	Detergent and toothbrush manufacturing equipment (newly established)

4. Financing Activities

The Company did not conduct any financing such as capital increases or bond issues during the fiscal year under review. The Lion Group did not conduct any financing worthy of special mention.

5. Management Issues

The Group has set forth its management vision of “Becoming an advanced daily healthcare company,” and it aims to contribute to a sustainable society and grow its business by application of its stated purpose “Make a difference in everyday lives by redesigning habits.”

Based on the results and challenges up to the fiscal year under review, starting in fiscal 2025, we launched a new 3-year medium-term management plan, Vision 2030 2nd STAGE, with “strengthening profitability” as the main theme. We recognize that the Group's challenge is to rapidly implement strategic measures based on this plan and link them to results.

<Vision 2030 2nd STAGE>

(1) Three basic policies

We will implement the following three basic policies to “strengthen profitability.”

i) Strengthening of business portfolio management

We will clarify the role and positioning of each business within the Group, sharpen the allocation of management resources, and strengthen the earnings structure of each business while maximizing synergies among businesses with an aim for sustainable corporate development.

In particular, in the field of “oral healthcare,” which we position as our most important field, we aim to expand the scope of value provision from conventional oral hygiene to oral functions (chewing, swallowing, and enjoying conversation) and to contribute to overall health, starting from oral health, through integrated business development of products and services.

ii) Strengthening of management foundation

We will work to strengthen our management foundation in order to achieve sustainable business growth and highly efficient business operations.

With respect to our global R&D system, in particular, we aim to enhance our innovation creation capabilities and accelerate our product development by clarifying roles of each work site. In Japan and China, we will focus on deepening and transforming our core technologies, and at our development sites in each country, we will quickly advance the development of products that meet the needs of consumers.

iii) Generation of dynamism

We will work to leverage brand assets and enhance human capital in order to generate dynamism that will serve as the foundation of strategic initiative capabilities.

With respect to the enhancement of human capital, in particular, we will strengthen the potential of individuals and organizations through the development and focused allocation of human resources in accordance with our strategies. At the same time, we will create an environment in which diverse human resources can fulfill their potential, leading to the creation of new value through a dynamic organization.

(2) Key management indicators

In promoting measures based on the three basic policies, the Group has established the following as key management indicators.

i) Key financial indicators and 2nd STAGE targets (2027)

Indicators		Targets for 2027
EBITA margin*1	Profitability of main business relative to net sales and ability to generate cash	13% or higher
ROIC*2	Efficiency and profitability relative to invested capital	8 - 9%
EPS CAGR*3	Growth potential of basic earnings per share	11% or higher

1 Ratio of EBITDA to consolidated net sales

* It is the sum of core operating profit and depreciation and amortization (excluding right-of-use assets), which represents the profitability on a cash basis.

*2 It is calculated as net operating profit after tax (NOPAT) divided by average invested capital (total equity plus interest-bearing liabilities) during the period.

*3 Average annual growth rate of basic earnings per share

ii) Non-financial medium- to long-term targets (social value aimed for in Vision 2030)

Most important issues	Social value		Targets for 2030
Creating healthy living habits	People provided with products, services and information	Oral healthcare habits	500 million people
		Cleanliness and hygiene habits	500 million people
Promoting environmental initiatives for a sustainable planet	Petrochemical-derived plastic use rate		70% or less
	Reduction in water usage throughout product lifecycles (compared to 2017, rate of use)		30% reduction

The Group aims to create social and economic value through its business and to enhance its corporate value by making broad contributions to a sustainable society.

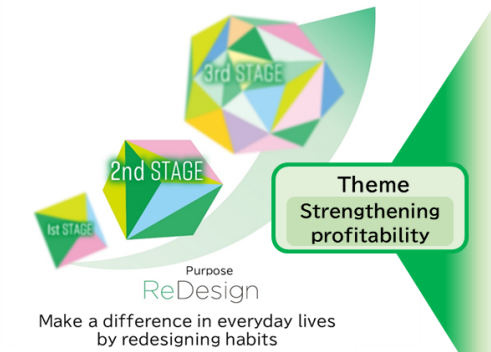
Toward Achieving the Management Vision

Medium-term management plan Vision 2030 2nd STAGE (2025 to 2027)

To achieve our management vision, in 2025, we will swiftly implement measures focused on reforming the earnings structure of our domestic business and accelerating the growth of our overseas business under “Vision 2030 2nd STAGE.” In this manner, we aim to enhance corporate value by achieving profitable growth.

Management vision

Becoming an advanced daily healthcare company



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

2nd STAGE Key Indicators

<2027 Targets>

EBITDA margin
13% or higher

ROIC
8-9%

EPS CAGR*
11% or higher

<Economic value and social value aimed for in Vision 2030>

Economic value Profitable business growth in Asia

Indicator		2030 Targets
Continuous profitability improvement	EBITDA margin	16% or higher
	ROIC	10–12%
Continuous growth in overseas business	Share of overseas net sales to total	50%

Social value Contribution to a sustainable society by redesigning habits

Top Priority Material Issues	Social Value		2030 Targets
Creating healthy living habits	People provided with products, services and information	Oral healthcare habits	500 million people
		Cleanliness and hygiene habits	500 million people
Promoting environmental initiatives for a sustainable	Petroleum-derived plastics use rate		70% or less
	Reduction in water usage throughout product lifecycles (compared to 2017, rate of use)		30% reduction

6. Business Combinations

(1) Significant subsidiaries

	Company name	Share capital		Percentage of voting rights held by the Company	Major business activities
			million yen	%	
*1	Lion Chemical Co., Ltd.	7,800		100.0	Manufacture and sale of household goods, surfactants, etc.
*1	Lion Expert Business Co., Ltd.	490		100.0	Outsourcing of indirect Group functions, etc., building management, and personnel dispatch
*1	Lion Specialty Chemicals Co., Ltd.	400		100.0	Manufacture and sale of surfactants, etc. Manufacture and sale of industrial chemicals, etc.
*1	Lion Hygiene Co., Ltd.	300		100.0	Manufacture and sale of kitchen detergents, etc.
*1	Lion Pet Co., Ltd.	240		100.0	Sale of pet supplies
*1	Lion Engineering Co., Ltd.	100		100.0	Construction contracting
*1	Kyuzitu Hack Co., Ltd.	80		100.0	Planning, development and sale of experiential services
*1	Lion Dental Products Co., Ltd.	10		100.0	Sale of dentistry materials
*1	Lion Daily Necessities Chemicals (Qingdao) Co., Ltd.	39	million U.S. dollar	100.0	Manufacture and sale of household goods
*1	Lion Home Products (Taiwan) Co., Ltd.	530	million Taiwan dollar	100.0	Sale of household goods
*1	Lion Corporation (Korea)	9,976	million South Korean won	100.0	Manufacture and sale of household goods
*1	Lion Corporation (Singapore) Pte. Ltd.	9	million Singapore dollar	100.0	Sale of household goods
*1	Lion Innovation Center (Shanghai) Co., Ltd.	2	million U.S. dollar	100.0	Research and development
*1	Lion Corporation (Hong Kong) Ltd.	12	million Hong Kong dollar	100.0	Sale of household goods
*1	Lion Kallol Limited	2,770	million Bangladeshi taka	75.0	Manufacture and sale of household goods
*1	Lion Corporation (Thailand) Ltd.	500	million Thai baht	51.0	Manufacture and sale of household goods
*1	Southern Lion Sdn. Bhd.	22	million Malaysian ringgit	50.0	Manufacture and sale of household goods
*2	PLANET, INC.	436	million yen	15.6	Network building and information provision for the commodities industry
*2	P.T. Lion Wings	64,062	million Indonesian rupiah	48.0	Manufacture and sale of household goods
*2	Merap Lion Holding Corporation	224,000	million Vietnamese dong	36.0	Manufacture and sale of pharmaceuticals and medical equipment

Notes:
1. *1 indicates a consolidated subsidiary.
2. *2 indicates an associate accounted for using equity method.
3. Share capital is rounded down to the nearest unit.
4. Percentage of voting rights held by the Company is rounded down to one decimal place.

(2) Progress in important corporate consolidation

(i) We increased our capital for Lion Kallol Limited to establish a production foundation for the future business expansion, such as factory construction. The share capital after the capital increase is 2,770 million BDT.

(ii) As part of reviewing our business portfolio, we transferred the *Halix* brand of topical anti-inflammatory analgesics to Teikoku Seiyaku Co., Ltd. on March 29, 2024 and the *Guronsan* and *Gromonto* brands of health tonic drinks to LEC, Inc. on June 28, 2024.

7. Major Offices and Plants (as of December 31, 2024)

(1) The Company

Head office: Tokyo
Branch offices: Sapporo, Sendai, Nagoya, Osaka and Fukuoka
Plants: Chiba Plant, Odawara Plant, Osaka Plant and Akashi Plant

(2) Major offices of subsidiaries

Lion Chemical Co., Ltd. (Ibaraki and Kagawa)
Lion Specialty Chemicals Co., Ltd. (Tokyo)
Lion Hygiene Co., Ltd. (Tokyo)
Lion Pet Co., Ltd. (Tokyo)
Lion Engineering Co., Ltd. (Tokyo)
Lion Dental Products Co., Ltd. (Tokyo)
Lion Daily Necessities Chemicals (Qingdao) Co., Ltd.
Lion Corporation (Korea) (South Korea)
Lion Corporation (Thailand) Ltd. (Thailand)
Southern Lion Sdn. Bhd. (Malaysia)

8. Employees (as of December 31, 2024)

The number of employees of the Lion Group is 7,654 (an increase of 104 from the end of the previous year). The number of employees of the Company is 3,068 (a decrease of 64 from the end of the previous year).

(Note) Number of employees does not include temporary staff.

9. Major Creditors (as of December 31, 2024)

Not applicable.

II Shares of the Company (as of December 31, 2024)

1. Number of Shares

(1) Total number of authorized shares 1,185,600,000 shares

(2) Total number of shares issued and share capital

Total number of shares issued	284,432,746 shares
Share capital	¥34,433,728,970

Notes:
1. Total number of shares issued includes treasury stocks (7,466,368 shares). Treasury stocks do not include the executive compensation BIP trust (579,055 shares).
2. There are no changes in share capital.

Composition ratios by shareholder category

- Japanese financial institutions 30.49%
- Foreign institutions and individuals 27.49%
- Individual investors and others 28.34%
- Other corporations 11.34%
- Financial instrument firms 2.34%

2. Number of Shareholders 284,922

3. Principal Shareholders (top 10 shareholders)

	Name of shareholder	Number of shares held (thousands of shares)	Shareholding ratio (%)
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	38,757	13.99
2	Custody Bank of Japan, Ltd. (Trust Account)	26,334	9.50
3	JAPAN ACTIVATION CAPITAL I L. P.	12,450	4.49
4	Custody Bank of Japan, Ltd. as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.	8,282	2.99
5	STATE STREET BANK AND TRUST COMPANY 505001	6,781	2.44
6	STATE STREET BANK AND TRUST COMPANY 505103	4,644	1.67
7	Meiji Yasuda Life Insurance Company	3,690	1.33
8	JP MORGAN CHASE BANK 385781	3,364	1.21
9	STATE STREET BANK WEST CLIENT – TREATY 505234	3,170	1.14
10	Dai Nippon Printing Co., Ltd.	3,140	1.13

Notes:
1. Number of shares held is rounded down to the nearest thousand.
2. Shareholding ratio is calculated based on the number of shares (276,966,378 shares) obtained by deducting the total number of treasury stocks from the total number of shares issued, and is rounded down to the third decimal place.

4. Status of shares delivered to corporate officers as consideration for the execution of duties during the fiscal year under review

Not applicable.

Note: Details of the Company's stock-based compensation are described in “III Company’s Corporate Officers 3. Compensation, etc. Received by Directors and Audit & Supervisory Board Members.”

5. Other significant matters relating to shares

In accordance with a resolution of the Board of Directors meeting held on February 14, 2024, the Company acquired 8,103,700 shares of treasury stock on February 15 of the same year, and canceled all of these shares on February 22 of the same year.

III Company's Corporate Officers

1. Details of Directors and Audit & Supervisory Board Members (as of December 31, 2024)

Position	Name	Responsibilities in the Company and significant concurrent positions, etc.
Representative Director, Chairman of the Board of Directors	Masazumi Kikukawa	Representative Director, Chairman of the Board of Directors
Representative Director, President and Executive Officer	Masayuki Takemori	Chief Executive Officer
Director, Vice President and Executive Officer	Hitoshi Suzuki	Responsible for Northeast Asia Business Division, Southeast and South Asia Business Division, and Overall Overseas Businesses, Representative, Lion Corporation (Thailand) Ltd., Representative, Southern Lion Sdn. Bhd.
Director, Senior Executive Officer	Kenjiro Kobayashi	Responsible for Human Resources Development Center, Corporate Ethics, General Affairs Department, Management Support Department, Sustainability Promotion Department
Director, Senior Executive Officer	Yugo Kume	Responsible for Business Development Center, Health and Home Care Products Division, Gift and Channel-Specific Products Division and Corporate Communication Center
Director, Senior Executive Officer	Fumitomo Noritake	Responsible for Digital Strategy Department, Supply Chain Management Planning Headquarters, Manufacturing Innovation Headquarters, Purchasing Headquarters, Research and Development Headquarters, Production and Logistics Headquarters, Overall Chemicals Businesses, Intellectual Property Department and Safety and Disaster Prevention Department
Director, Senior Executive Officer	Kengo Fukuda	Responsible for Finance Department, Risk Management, Corporate Planning Department, Consumer Service Center, Reliability Assurance Department and Legal Department
External Director	Kazunari Uchida	Professor Emeritus, Waseda University, External Director, BROTHER INDUSTRIES, LTD.
External Director	Takashi Shiraishi	Professor Emeritus, National Graduate Institute for Policy Studies, Honorable Emeritus Professor, Prefectural University of Kumamoto
External Director	Takako Sugaya	Attorney at law, External Audit & Supervisory Board Member, Faith, Inc., External Director, Kyokuto Securities Co., Ltd.
External Director	Reiko Yasue	Senior Officer, JSR Corporation, Board Director (outside), TOMY COMPANY, LTD.
Audit & Supervisory Board Member	Naoki Miidera	(Full-time)
Audit & Supervisory Board Member	Yoshitada Ishii	(Full-time)

Position	Name	Responsibilities in the Company and significant concurrent positions, etc.
External Audit & Supervisory Board Member	Atsuko Suzuki	External Director (Audit & Supervisory Committee Member), ASAHI CO., LTD.
External Audit & Supervisory Board Member	Masatoshi Matsuzaki	Honorary Adviser, Konica Minolta, Inc., Outside Director, Chairperson of the Board, Ushio Inc.
External Audit & Supervisory Board Member	Akemi Sunaga	CPA, tax accountant, Outside Director (Audit & Supervisory Committee Member), Ushio Inc., Outside Director (Audit and Supervisory Committee Member), YOMEISHU SEIZO CO., LTD., Outside Corporate Auditor, Prima Meat Packers, Ltd., Member of the Board of Directors (External), KYB Corporation

Notes:

1. There is no special interest between other companies where Kazunari Uchida, Takako Sugaya, Reiko Yasue, Atsuko Suzuki, Masatoshi Matsuzaki and Akemi Sunaga hold concurrent positions and the Company.
2. Yoshitada Ishii has many years of accounting experience in the Finance Department of the Company, and Akemi Sunaga is qualified as a Certified Public Accountant and Certified Tax Accountant. Each of them has considerable knowledge in finance and accounting.
3. External directors Kazunari Uchida, Takashi Shiraishi, Takako Sugaya and Reiko Yasue, and external Audit & Supervisory Board members Atsuko Suzuki, Masatoshi Matsuzaki and Akemi Sunaga meet the qualifications set forth in the “Lion Corporation Standards Regarding the Independence of External Directors/Audit & Supervisory Board Members” and are deemed sufficiently independent from management. All seven also meet the requirements for independent directors set forth by the Tokyo Stock Exchange. Accordingly, the Company has notified said Stock Exchange with regard to their appointment as independent directors who have no potential conflict of interest with general shareholders.
4. Pursuant to Article 427, Paragraph 1 of the Companies Act and the provisions of the Articles of Incorporation, the Company has concluded agreements with external officers that limit liability under Article 423, Paragraph 1 of the Companies Act to ¥10 million or the amount specified by law, whichever is higher.
5. In order to secure excellent personnel and prevent irresoluteness in the course of their execution of duties, the Company has concluded a compensation agreement with each director and Audit & Supervisory Board member to compensate for expenses under Article 430-2, Paragraph 1, Item 1 of the Companies Act and losses of Item 2 of the same paragraph within the scope stipulated by law. The Company shall bear no obligation to give compensation under this agreement for compensation payments pertaining to damages in the event that directors or Audit & Supervisory Board members are liable for compensation for damages due to malice or gross negligence in the performance of their duties.
6. The Company has taken out Directors and Officers Liability Insurance which covers each of directors, Audit & Supervisory Board members and Executive Officers who do not concurrently serve as directors in order to secure excellent personnel and prevent irresoluteness in the course of their execution of duties.
   [Overview of details of insurance policy]
   (i) Actual ratio of insurance fees born by the insured
   Insurance premiums shall be borne by the Company, including the special provisions.
   (ii) Overview of insurance contingencies covered by the insurance
   The insured directors and officers of the Company shall be compensated, by the insurance including the special provisions, for damages that arise from cases where they bear liability in relation to their execution of their duties, and for the claims relating to the pursuance of that liability; provided, however, that certain exemptions apply such as in cases of conduct being carried out while fully aware of the unlawful nature of such content.
   (iii) Measures to ensure that the appropriateness of the duties of Company’s directors and officers is not compromised
   Deductibles are set forth in the insurance policy, and damages up to the deductible amount are not covered by the insurance.

Responsibilities of the corporate officers, etc. as of January 1, 2025 are as follows.

Representative Director, Chairman of the Board of Directors	Masazumi Kikukawa	Representative Director, Chairman of the Board of Directors
Representative Director, President and Executive Officer	Masayuki Takemori	Chief Executive Officer
Director, Vice President and Executive Officer	Hitoshi Suzuki	Responsible for Northeast Asia Business Division, Southeast and South Asia Business Division, and Overall Overseas Businesses, Representative, Lion Corporation (Thailand) Ltd., Representative, Southern Lion Sdn. Bhd.
Director, Senior Executive Officer	Kenjiro Kobayashi	Responsible for Human Resources Development Center, General Affairs Department, Management Support Department, Sustainability Promotion Department, Corporate Ethics
Director, Senior Executive Officer	Yugo Kume	Responsible for Corporate Communication Center, Global Oral Healthcare Business Development Department, Business Development Center and Health and Home Care Products Division
Director, Senior Executive Officer	Fumitomo Noritake	Responsible for Digital Strategy Department, Intellectual Property Department, Supply Chain Management Planning Headquarters, Manufacturing Innovation Headquarters, Purchasing Headquarters, Research and Development Headquarters, Production and Logistics Headquarters and Overall Chemicals Businesses
Director, Senior Executive Officer	Kengo Fukuda	Responsible for Corporate Planning Department, Finance Department, Consumer Service Center, Reliability Assurance Department, Legal Department and Risk Management

Executive officers who do not concurrently serve as directors as of December 31, 2024 are as follows.
Masaharu Mikuni, Tomomichi Okano, Yasutsugu Shimizu, Annette Ling, Kei Minamikawa, Akihiko Takeo, Katsuhiko Chikyu, Ayako Suzuki, Yasuhiro Urao, Yoshihiro Aihara, Go Ichitani, Norihiko Nakabayashi

Executive officers appointed on January 1, 2025 who do not concurrently serve as directors are as follows.
Masaharu Mikuni, Ayako Suzuki, Yasuhiro Urao, Yasutsugu Shimizu, Annette Ling, Kei Minamikawa, Akihiko Takeo, Katsuhiko Chikyu, Yoshihiro Aihara, Go Ichitani, Norihiko Nakabayashi, Takayuki Kawanishi, Masahide Arai, Eiji Nishinaga, Atsushi Naito, Takashi Saegusa

2. External Officers

The main activities of external directors and external Audit & Supervisory Board members are as follows.

(1) External Directors

Name	Attendance at Board of Directors' meetings	Status of principal remarks and outline of duties performed regarding expected roles of external directors
Kazunari Uchida	17/18 meetings	Based on advanced management decision-making know-how backed by the management experience of a management consulting company as representative of Japan, he actively gave advice on the management strategy of the Group and made remarks to strengthen the business in general. As an external director of the Company, he played an appropriate role in supervising business execution.
Takashi Shiraishi	18/18 meetings	Based on advanced management decision-making know-how backed by management experience as President of the National University Corporation, he actively made statements to ensure the suitability and appropriateness of decision-making throughout the Group's management. As an external director of the Company, he played an appropriate role in supervising business execution.
Takako Sugaya	18/18 meetings	Based on her wealth of knowledge and experience centered on corporate legal affairs as a lawyer, she actively made statements to strengthen the risk management and compliance system of the Group, and as an external director of the Company, she played an appropriate role in supervising business execution.
Reiko Yasue	18/18 meetings	Based on her management experience as president and representative director of a domestic IT company and her wealth of knowledge and experience in international business, she actively gave advice on the DX strategy of the Group and made remarks for strengthening business mainly overseas. As an external director of the Company, she played an appropriate role in supervising business execution.

(2) External Audit & Supervisory Board Members

Name	Attendance at Board of Directors' meetings	Attendance at Audit & Supervisory Board meetings	Principal comments
Atsuko Suzuki	18/18 meetings	17/17 meetings	Regarding the business execution of the entire Group, she made appropriate remarks based on her knowledge as an expert mainly on sustainability.
Masatoshi Matsuzaki	18/18 meetings	17/17 meetings	Utilizing his experience in the management of a listed company, in addition to advanced expert knowledge gained from successively serving as Chairperson of the Board, he has made remarks from a broad perspective regarding overall management, such as enhancement of the effectiveness of the Group's corporate governance.
Akemi Sunaga	18/18 meetings	17/17 meetings	She made appropriate remarks to ensure the appropriateness of the Group's operations, mainly in the areas of finance, accounting and tax.

3. Compensation, etc. Received by Directors and Audit & Supervisory Board Members

(1) Policy for Determining the Amount of Compensation, etc. Received by Directors and Audit & Supervisory Board Members and Details of the Policy

Policy for determining the amount of compensation, etc. received by directors and Audit & Supervisory Board members and details of the policy for the fiscal year under review are as follows.

(i) Method of determination of policy

The Company respects the reports of the Compensation Advisory Committee as much as possible in order to increase the objectivity and transparency of director and Audit & Supervisory Board member compensation, etc., and the policy regarding compensation, etc. of directors and Audit & Supervisory Board members (hereinafter "corporate officers") is decided by the Board of Directors for directors and the Audit & Supervisory Board for Audit & Supervisory Board members. The Compensation Advisory Committee consists of seven members: four external directors, three external Audit & Supervisory Board members.

(ii) Basic Policy on compensation of directors and Audit & Supervisory Board members

Lion has designed a corporate officer compensation system to provide sound and appropriate incentives necessary for retaining outstanding management talent that will achieve the Company's management policies and continuously increase its corporate value over the medium to long term.

Director and Audit & Supervisory Board member compensation is decided by the Board of Directors and the Audit & Supervisory Board, respectively, based on consultations with the Compensation Advisory Committee. Compensation is set within the limits decided by resolution of the General Meeting of Shareholders.

Compensation for directors (excluding external directors) consists of fixed monthly compensation and performance-linked compensation (bonuses and stock-based compensation). Compensation for external directors and Audit & Supervisory Board members shall be fixed monthly compensation only. The compensation level shall be objectively benchmarked with reference to survey data from external specialized organizations and set for each role and responsibility of corporate officers.

The compensation for directors excluding external directors is made up of approximately 50% fixed compensation and 50% performance-linked compensation (30% of which is bonus and 20% stock-based compensation) according to the director's rank. The proportion of performance-linked compensation increases according to rank and is revised as needed. Fixed compensation is raised or lowered once per year according to the degree of performance of the management oversight function of each director, performance of the business execution in their responsibilities, and contribution to sustainability material issues. Performance-linked compensation is calculated based on the degree to which performance targets have been met in each year and is paid individually at a designated time after the end of the relevant year.

Bonuses for performance-linked compensation shall be the total amount of 50% of the 0.5% of core operating income for the relevant fiscal year and 50% of the 0.75% of profit attributable to owners of the parent (rounded down to the nearest ¥10,000) to each director, and the upper limit shall be ¥250 million. However, if each of the above profits is a loss, the profit amount is calculated as 0.

Stock-based compensation of performance-linked compensation consists of a "fixed portion" to be granted in each fiscal year and the "performance-linked portion" granted according to the degree of achievement of performance targets for each fiscal year during the medium-term management plan, and the ratio of "fixed portion" and "performance-linked portion" shall be 1/2 of the stock compensation base amount determined by position.

In addition, stock-based compensation may be requested for confiscation of granted share award points or return of the equivalent amount of shares delivered in the event of a material violation of the duties of directors or internal regulations.

A summary of the above basic policy on executive compensation and details of the basic policy

shall be resolved by the Board of Directors after consulting with the Compensation Advisory Committee and shall be disclosed in business reports, annual securities reports, etc.

(2) Indicators Used to Calculate Performance-Linked Compensation

Performance-linked compensation, which comprises bonuses and performance-linked stock-based compensation, is calculated using two indicators. The first is core operating income, which the Company uses to measure regular business performance and is one of the most highly prioritized income indicators under the medium-term management plan. The second is profit for the period attributable to owners of the parent, which is the final result of business activities and is directly linked to shareholder value.

The achievements in the fiscal year under review for the goals of the indicators are shown in the following table.

Indicator as a goal	Target value	Achievement	Achievement rate
Core operating income	¥23,000 million	¥26,332 million	114%
Profit for the period attributable to owners of the parent	¥19,000 million	¥21,197 million	112%

(3) Calculation method of bonuses to corporate officers

Bonuses to each corporate officer will be paid in an amount calculated and determined based on the following method. The payment per point is calculated by dividing the total payment amount determined by “(1)(ii) Basic Policy on compensation of directors and Audit & Supervisory Board members” above by a total number of points comprising the sum of all points awarded to directors. The total points assigned to each rank of directors is determined by multiplying the number of directors in office in said rank as of the end of the relevant fiscal year by the number of points specified for that rank. Individual payments to each director are then calculated by multiplying the points specified for that director’s rank by the payment per point as calculated above (rounded down to the nearest ¥10,000).

(4) Calculation of Performance-Linked Stock-Based Compensation

In performance-linked stock-based compensation system, the number of points (number of shares) to be granted to directors per fiscal year is determined via a calculation made by the method below. In principle, shares are issued to directors upon retirement from office in a number equivalent to the number of points they have accumulated. The maximum total number of points to be granted to eligible corporate officers per fiscal year shall be 120,000 points (one share of the Company’s stock per point).

The number of points for each corporate officer eligible for payment is determined individually using the following formula.

$$\text{Number of points} = \frac{(\text{Fixed base amount} + \text{Performance-linked base amount} \times \text{Performance-linked coefficient})}{\text{Per-share acquisition cost}}$$

The fixed base amount is calculated using the coefficient set for each rank, and the performance-linked base amount is the same amount as the fixed base amount. The performance coefficient is calculated based on the degree to which targets for core operating income and profit attributable to owners of parent have been achieved.

(5) Reasons the Board of Directors Has Deemed That the Amount of Compensation, etc. Received by Individual Directors for the Fiscal Year Under Review Complies with the Policy for Determining the Amount of Compensation, Etc.

Regarding the compensation, etc. received by individual directors for the fiscal year under review, as the Board of Directors has confirmed that the method for determining the amount of compensation, etc. and the amount of compensation, etc. are consistent with the policy for determining the amount of compensation, etc. and that reports of the Compensation Advisory Committee were respected, the Board of Directors has deemed that the compensation, etc. complies with the policy.

4. Total Amount of Compensation, etc. for Directors and Audit & Supervisory Board Members

Classification	Number of Corporate Officers	Fixed compensation	Performance-linked compensation		Total
			Bonuses	Stock-based compensation	
Directors	11	¥280 million	¥145 million	¥132 million	¥557 million
(External Directors)	(4)	(¥48 million)	—	—	(¥48 million)
Audit & Supervisory Board Members	5	¥96 million	—	—	¥96 million
(External Audit & Supervisory Board Members)	(3)	(¥36 million)	—	—	(¥36 million)
Total	16	¥376 million	¥145 million	¥132 million	¥653 million
(External officers)	(7)	(¥84 million)	—	—	(¥84 million)

Notes:

1. There are no directors of the Company who concurrently serve as employees.
2. The fixed compensation for directors was decided to be up to ¥300 million for one fiscal year at the 156th Annual General Meeting of Shareholders held on March 30, 2017. At the conclusion of said General Meeting of Shareholders, the number of directors was nine.
3. The fixed compensation for Audit & Supervisory Board members was decided to be up to ¥110 million for one fiscal year at the 156th Annual General Meeting of Shareholders held on March 30, 2017. At the conclusion of said General Meeting of Shareholders, the number of Audit & Supervisory Board members was four.
4. Bonuses for performance-linked compensation are amounts calculated and determined based on core operating income for the current fiscal year under review and profit for the period attributable to owners of the parent by the method described above. The maximum amount of bonuses was resolved at the 156th Annual General Meeting of Shareholders held on March 30, 2017 at ¥250 million per fiscal year. At the conclusion of said General Meeting of Shareholders, the number of directors was six (excluding external directors).
5. Stock-based compensation for performance-linked compensation is the amount obtained by converting the stock grant points awarded to those eligible under the system at the acquisition price according to the degree of achievement of business performance for the fiscal year under review. At the 160th Annual General Meeting of Shareholders held on March 30, 2021, the maximum amount of money to be contributed for stock-based compensation was resolved to be ¥200 million per fiscal year, and the total number of shares was resolved to be 120,000 shares per fiscal year. The number of directors at the end of said General Meeting of Shareholders was seven (excluding external directors).
6. Amounts are rounded down to the nearest million yen.

IV Accounting Auditor

1. Name of Accounting Auditor — Ernst & Young ShinNihon LLC

2. Amount of compensations

Classification	Amount paid
(1) Amount of compensations pertaining to the fiscal year under review	¥102 million
(2) Total amount of money and other financial profits to be paid by the Company and its subsidiaries	¥147 million

Notes:
1. The audit contract between the Company and the accounting auditor does not separate the audit compensation for audits based on the Companies Act and audits based on the Financial Instruments and Exchange Act, and as they cannot be separated in practice, the total amount is shown in (1) above.
2. The Audit & Supervisory Board of the Company checked the grounds for calculation based on the explanation of the accounting auditor regarding the compensation estimated from the number of audit days and man-scheduling, etc. of the auditing plan for the fiscal year under review while referring to the evaluation of the performance for the previous year, and since members deemed that content was reasonable, agreed with Article 399, Paragraph 1 of the Companies Act.
3. Of the significant subsidiaries of the Company listed on page 44, Lion Daily Necessities Chemicals (Qingdao) Co., Ltd., Lion Home Products (Taiwan) Co., Ltd., Lion Corporation (Korea), Lion Corporation (Singapore) Pte. Ltd., Lion Innovation Center (Shanghai) Co., Ltd., Lion Corporation (Hong Kong) Ltd., Lion Kallol Limited, Lion Corporation (Thailand) Ltd., and Southern Lion Sdn. Bhd. receive audits by an auditor other than Ernst & Young ShinNihon LLC.
4. Amounts are rounded down to the nearest million yen.

3. Details of Non-Auditing Services
Not applicable.

4. Policy for Decisions on Dismissal and Non-Reappointment of Accounting Auditor
When the Audit & Supervisory Board deems the dismissal or non-reappointment of the accounting auditor necessary due to an inability to implement their duties, the Board decides the contents of the proposal, and based on this decision, the Board of Directors makes a proposal on the dismissal or non-reappointment of the accounting auditor to the General Meeting of Shareholders.

Furthermore, when the Audit & Supervisory Board deems that any of the items in Article 340, Paragraph 1 of the Companies Act apply to the accounting auditor, the accounting auditor shall be dismissed upon the agreement of all members of the Audit & Supervisory Board. In this case, an Audit & Supervisory Board member selected by the Audit & Supervisory Board reports the dismissal and the reason behind it to the first General Meeting of Shareholders after the dismissal.

5. Details of Limited Liability Agreement
Pursuant to Article 427, Paragraph 1 of the Companies Act and the provisions of the Articles of Incorporation, the Company has concluded agreements with accounting auditor that limit liability under Article 423, Paragraph 1 of the Companies Act to ¥32 million or the amount specified by law, whichever is higher.

V Policy on Decisions on Dividends from Surplus etc.

The Company considers returning profits to shareholders on a continuous and stable basis by increasing its consolidated earnings capacity to be one of its most important management issues. Cash dividends are based on progressive dividends*, aiming for a consolidated payout ratio of 30%, and the Company strives to achieve dividend increases through income improvement. The Company bases the acquisition of treasury stock on comprehensive reviews to ensure that it maintains levels of internal reserves, etc. required to secure medium- and long-term growth.

The Company allocates internal reserves to research and development, capital investment in production facilities and the acquisition of external resources, aiming to reinforce the Company's growth potential and to develop a sustainable business foundation.

Taking into consideration the Company's cash dividend payment record, as well as its dividend payout ratio target, the Company's Board of Directors resolved to pay an interim dividend of ¥13 per share (payment date: September 4, 2024) and a year-end dividend of ¥14 per share (payment date: March 6, 2025) for the fiscal year under review.

*Progressive dividends: In principle, maintaining or increasing dividends without reductions.

Reference

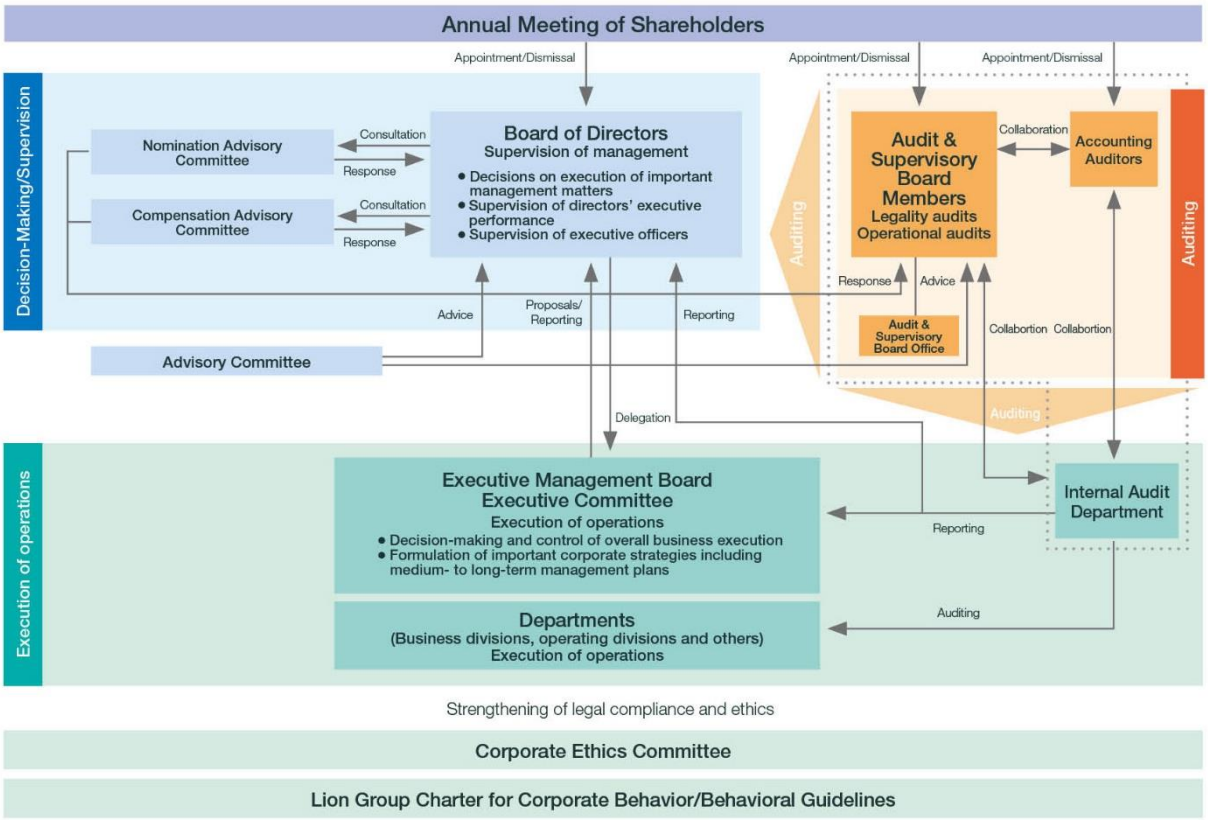
Corporate Governance Systems

Lion's top priorities for corporate governance are to increase management transparency, strengthen supervisory functions, accelerate decision making, and ensure compliance. By strengthening and enhancing its corporate governance systems, Lion aims to increase its corporate value.

Organizational Structure

Lion is a company with an Audit & Supervisory Board system as defined in the Companies Act, with a system of corporate governance in which the Board of Directors provides adequate oversight of management while independently operating Audit & Supervisory Board members provide appropriate auditing. To reinforce the Board of Directors' management oversight function and speed decision making, Lion has adopted an executive officer system. In addition, to increase management transparency and further enhance corporate governance, Lion has established a Nomination Advisory Committee and Compensation Advisory Committee comprising mainly external directors and external Audit & Supervisory Board members.
Furthermore, to reflect the opinions and advice of third parties regarding management policies and management strategies, the Company has established an Advisory Committee composed of outside experts.

The Company's Corporate Governance System (Schematic Diagram)



■Directors, Board of Directors, Executive Management Board and Executive Committee
The Board of Directors is composed of eleven directors. The Board of Directors regularly meets once a month and holds extraordinary meetings as necessary. In addition to matters stipulated by laws and regulations or the Articles of Incorporation, the Board of Directors determines important matters related to the business execution of the Company and supervises the business execution of directors and executive officers. Resolutions of the Board of Directors may be made at the regular Board of Directors meetings, as well as in writing in accordance with laws and regulations. For important corporate strategies such as the basic policies of medium- to long-term management plans, a system is established that enables the Board of Directors to make appropriate decisions upon deliberation by the Executive Management Board. Additionally, the Executive Management Board and the Executive Committee have a system in place to discuss and examine, from various angles, measures related to job execution that directly impact businesses.

■Nomination Advisory Committee
In order to enhance the objectivity and transparency of the Company's appointment process of directors, Audit & Supervisory Board members and executive officers and their respective advisors after retirement (hereinafter referred to as "directors"), the Nomination Advisory Committee, which comprises representative directors determined in advance by external directors and the chair of the Board of Directors, was established on June 30, 2016. The Committee deliberates on the qualities of directors, reasons and processes of their selection and dismissal, etc., upon receiving consultation from the Board of Directors, and reports to the Board of Directors (to the Audit & Supervisory Board regarding Audit & Supervisory Board members). The Committee also exchanges opinions on the development of successors to the president. The committee consists of eight members: external directors Takashi Shiraishi (committee chairman), Kazunari Uchida, Takako Sugaya and Reiko Yasue; as well as external Audit & Supervisory Board members Atsuko Suzuki, Masatoshi Matsuzaki and Akemi Sunaga; in addition to Masazumi Kikukawa, Chairman of the Board of Directors. (as of December 31, 2024).

■Compensation Advisory Committee
In order to enhance the objectivity and transparency of the directors' compensation, etc., the Compensation Advisory Committee was established on December 27, 2006, comprising only external directors and external Audit & Supervisory Board members who are independent directors. The Committee deliberates on the compensation system, amount and bonus assessment methods for directors, upon receiving consultation from the Board of Directors and reports to the Board of Directors (to the Audit & Supervisory Board regarding Audit & Supervisory Board members). The compensation system for directors has been revised from the fiscal year ended December 31, 2017 based on the Committee's report and following a resolution of the 156th Annual General Meeting of Shareholders held on March 30, 2017. Furthermore, at the Compensation Advisory Committee meeting held in February 2023, revision of the basic policy for executive compensation, etc. were deliberated, upon receiving consultation from the Board of Directors, and reported to the Board of Directors. Regarding the directors' compensation in 2024, fixed monthly compensation was resolved at the Board of Directors' meeting held in March 2024 based on the report of the Compensation Advisory Committee held in February 2024, and performance-linked compensation will be deliberated at the Board of Directors' meeting in March 2025 based on the report of the Compensation Advisory Committee held in February 2025. The committee consists of seven members: external directors Kazunari Uchida (committee chairman), Takashi Shiraishi, Takako Sugaya and Reiko Yasue; as well as external Audit & Supervisory Board members Atsuko Suzuki, Masatoshi Matsuzaki and Akemi Sunaga (as of December 31, 2024).

■Advisory Committee
An Advisory Committee comprising knowledgeable people from outside of the Company is held twice a year to reflect in management the opinions of the committee members on general management issues, such as the corporate governance system, the direction of business and product development, and approaches to sustainability. The committee has currently seven members.

■Audit & Supervisory Board members and Audit & Supervisory Board
The Audit & Supervisory Board is composed of five members, and holds a regular meeting once a month and extraordinary meetings as necessary. Of the five Audit & Supervisory Board members, three of whom are external Audit & Supervisory Board members (independent Audit & Supervisory Board members) and two of whom are standing Audit & Supervisory Board members from within the Company, and one external Audit & Supervisory Board member and one of the standing Audit & Supervisory Board members possesses knowledge regarding finance and accounting. In addition, the Company has established an Audit & Supervisory Board Office as an organization to assist the Audit & Supervisory Board in the execution of its duties, and three staff members are allocated to the office. Each Audit & Supervisory Board member attends meetings of the Board of Directors and other important meetings, conducts interviews with directors and executive officers as well as audits regarding the status of the execution of their duties (including the status of the execution of the duties of directors pertaining to the development and operation of internal control over financial reporting), performs site visits to Lion's headquarters and major offices and plants, and conducts research on subsidiaries in accordance with the Audit & Supervisory Board members' standards, audit policy, audit plans, etc., stipulated by the Audit & Supervisory Board. In addition, each Audit & Supervisory Board Member confirms the accounting auditor's audit plans, implementation progress and results reports, etc., and audits the reasonableness of Board of Director resolutions, as well as the lawfulness and efficiency of directors' execution of duties. Furthermore, Audit & Supervisory Board members conduct comprehensive themed audits of response to important management issues. The themes in fiscal 2024 were the Corporate Governance Code, risk management, global compliance, IT governance, sustainability, and human capital.

For information on the Company's basic approach to corporate governance, see our website.
https://www.lion.co.jp/en/company/governance/

Consolidated Statement of Financial Position

(As of December 31, 2024)

(Millions of yen)

Item	Amount	(Reference) Amount for the previous fiscal year	Item	Amount	(Reference) Amount for the previous fiscal year
Assets			Liabilities		
Current assets	251,424	232,274	Current liabilities	142,378	143,333
Cash and cash equivalents	102,240	85,526	Trade and other payables	117,129	126,158
Trade and other receivables	76,197	75,230	Borrowings	-	148
Inventories	53,252	56,090	Income tax payables	10,391	2,508
Other financial assets	16,891	12,276	Provisions	3,054	2,399
Other current assets	2,843	3,151	Lease liabilities	2,099	2,043
			Other financial liabilities	1,302	2,363
			Other current liabilities	8,400	7,711
Non-current assets	245,742	254,089	Non-current liabilities	39,094	44,896
Property, plant and equipment	128,143	140,671	Deferred tax liabilities	3,339	5,847
Goodwill	327	327	Retirement benefit liabilities	1,733	4,531
Intangible assets	21,078	22,712	Provisions	2,171	2,046
Right-of-use assets	30,667	31,313	Lease liabilities	27,637	28,150
Investments accounted for using the equity method	20,767	17,487	Other financial liabilities	2,384	2,452
Deferred tax assets	4,638	4,357	Other non-current liabilities	1,827	1,867
Retirement benefit assets	12,311	10,826	Total liabilities	181,473	188,229
Other financial assets	27,000	25,475	Equity		
Other non-current assets	807	917	Share capital	34,433	34,433
			Capital surplus	31,327	31,118
			Treasury stock	(8,730)	(7,868)
			Other components of equity	23,749	18,377
			Retained earnings	212,938	204,255
			Equity attributable to owners of the parent	293,717	280,316
			Non-controlling interests	21,976	17,817
			Total equity	315,694	298,134
Total assets	497,167	486,363	Total liabilities and equity	497,167	486,363

Consolidated Statement of Income
(Year ended December 31, 2024)

(Millions of yen)

Item	Amount	(Reference) Amount for the previous fiscal year
Net sales	412,943	402,767
Cost of sales	(224,159)	(222,168)
Gross profit	188,783	180,598
Selling, general and administrative expenses	(162,450)	(160,465)
Other income	10,056	2,196
Other expenses	(8,001)	(1,824)
Operating profit	28,387	20,505
Finance income	1,748	1,106
Finance costs	(807)	(843)
Share of profit of investments accounted for using the equity method	2,921	1,607
Profit before tax	32,249	22,375
Income taxes	(8,177)	(5,687)
Profit for the period	24,072	16,687
Profit for the period attributable to:		
Owners of the parent	21,197	14,624
Non-controlling interests	2,875	2,062
Profit for the period	24,072	16,687

Auditors' Report (Translation of Certified Copy)
Accounting Auditor's report on the consolidated financial statements

Independent Auditor's Report (Translation)

February 12, 2025

The Board of Directors
Lion Corporation

Ernst & Young ShinNihon LLC
Tokyo, Japan

Miki Hayashi
Certified Public Accountant
Designated and Engagement Partner

Masayuki Tada
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of changes in equity, and notes to the consolidated financial statements of Lion Corporation (the "Company") applicable to the fiscal year from January 1, 2024 to December 31, 2024.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group, which consisted of the Company and its consolidated subsidiaries, applicable to the fiscal year ended December 31, 2024, in accordance with accounting principles that omit certain items required by International Financial Reporting Standards ("IFRSs") as permitted by the provisions of the latter part of Article 120, Paragraph 1 of the Regulations on Corporate Accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information consists of the information included in the Company's business report and supplementary schedules, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information presentation.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection to our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles that omit certain items required by IFRSs as permitted by the provisions of the latter part of Article 120, Paragraph 1 of the Regulations on Corporate Accounting, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles that omit certain items required by IFRSs as permitted by the provisions of the latter part of Article 120, Paragraph 1 of the Regulations on Corporate Accounting, matters related to going concern.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles that omit certain items required by IFRSs as permitted by the provisions of the latter part of Article 120, Paragraph 1 of the Regulations on Corporate Accounting.
- Plan and conduct an audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group that forms the basis for expressing an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to acceptable levels.

Conflicts of Interest
We have no interest in the Company and its consolidated subsidiaries which should be disclosed in accordance with the Certified Public Accountants Act of Japan.

Accounting Auditor's report on the non-consolidated financial statements (Translation)

Independent Auditor's Report (Translation)

February 12, 2025

The Board of Directors
Lion Corporation

Ernst & Young ShinNihon LLC
Tokyo, Japan

Miki Hayashi
Certified Public Accountant
Designated and Engagement Partner

Masayuki Tada
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 436, paragraph 2, Item 1 of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity, notes to the non-consolidated financial statements, and the accompanying supplementary schedules (collectively, the "non-consolidated financial statements") of Lion Corporation (the "Company") applicable to the 164th fiscal year from January 1, 2024 to December 31, 2024.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position and results of operations of the Company, applicable to the fiscal year ended December 31, 2024, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information consists of the information included in the Company's business report and supplementary schedules, other than the non-consolidated financial statements and our auditor's report thereon. Management is responsible for the other information presentation.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection to our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with auditing standards generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by in accordance with auditing standards generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the non-consolidated financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with auditing standards generally accepted in Japan.

We communicate with the Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the non-consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to acceptable levels.

Conflicts of Interest
We have no interest in the Company which should be disclosed in accordance with the Certified Public Accountants Act of Japan.

The Audit & Supervisory Board's Audit Report (Translation of Certified Copy)

Audit Report

Based on the audit report prepared by each Audit & Supervisory Board member with regard to the performance of duties by the directors of Lion Corporation (the "Company") for the 164th fiscal year (from January 1, 2024 to December 31, 2024), the Audit & Supervisory Board of the Company prepares this audit report after deliberation and hereby report, by a unanimous show of hands, as follows:

1. Auditing methods used by Audit & Supervisory Board members and the Audit & Supervisory Board, and details of audit

(1) The Audit & Supervisory Board specified audit policies and audit plans for the fiscal year under review, received reports from each Audit & Supervisory Board member on the status of implementation and results of audit, and received reports from directors, employees and the accounting auditor on the status of the performance of their duties and asked for explanations as necessary.

(2) In accordance with the auditing standards, auditing policies and audit plans for the fiscal year under review stipulated by the Audit & Supervisory Board, all Audit & Supervisory Board members strived to achieve effective communication with directors, the Auditing Office and other employees, collected information and improved the audit environment. In addition, all Audit & Supervisory Board members conducted an audit in the following methods.

(i) All Audit & Supervisory Board members attended the meetings of the Board of Directors and other important meetings, received reports from directors and employees about the status of the performance of their duties, asked for explanations as necessary, reviewed important approval documents, and conducted investigations on the status of the business operations and assets of the Company at its head office, major offices and plants. Furthermore, Audit & Supervisory Board members also worked to facilitate communication and information exchange with the directors, Audit & Supervisory Board members and others of the subsidiaries of the Company, and received reports on the business conditions of subsidiaries each month.

(ii) Audit & Supervisory Board members received reports periodically from directors and employees on the content of the resolution made by the Board of Directors concerning the development of a system for ensuring that the performance of duties by directors conforms with laws and regulations and the Company's Articles of Incorporation, as described in the Company's business report, and other systems prescribed in Article 100, Paragraphs 1 and 3 of the Regulations for Enforcement of the Companies Act as systems necessary for ensuring proper business conduct by a stock company and a corporate group formed by its subsidiaries (internal control system), as well as the construction and status of operation of the internal control system developed based on said resolution. Audit & Supervisory Board members also asked for explanations from directors and employees and expressed opinions as necessary.

(iii) The Audit & Supervisory Board examined the basic policy under Article 118 (iii) (a) of the Regulations for Enforcement of the Companies Act and the initiatives under (iii) (b) of the same Article stated in the business report taking into account the situation of deliberation by the Board of Directors and other parties.

(iv) We have monitored and verified whether the accounting auditor maintained independence and properly implemented its audit, received from the accounting auditor reports on the performance of its duties, and asked for explanations as necessary. The accounting auditor reported to us that the "Systems for Ensuring Proper Execution of Duties" (listed in each item of Article 131 of Regulations on Corporate Accounting) have been developed in accordance with the "Quality Control Standards concerning Audit" (Business Accounting Council) and other applicable regulations, and we asked for explanations as necessary.

Based on the methods mentioned above, we have reviewed the business report, and their supplementary schedules, non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in shareholders' equity, and notes to non-consolidated financial statements), and their supplementary schedules, and consolidated financial statements (consolidated statements of financial position, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements) for the fiscal year under review.

2. Audit results

(1) Results of audit of the business report and other documents

(i) We confirm that the business report and its supplementary schedules present fairly the situation of the Company in accordance with relevant laws and regulations and the Company's Articles of Incorporation.

(ii) With respect to the directors' performance of their duties, we confirm that there has been no improper acts committed or material violations of applicable laws and regulations or of the Articles of Incorporation.

(iii) We confirm that the details of the resolution made by the Board of Directors concerning the internal control system are proper. With respect to the description in the business report and the directors' performance of their duties regarding the said internal control system, including internal controls over financial reporting, we confirm that there is no matter to be pointed out.

(iv) There are no matters to be pointed out regarding the Basic Policy Regarding Control over the Company as stated in the business report. We confirm that the initiatives under Article 118 (iii) (b) of the Regulations for Enforcement of the Companies Act stated in the business report follow the said basic policy, do not impair the common interests of the Company shareholders, and are not for the purpose of maintaining the position of the Corporate Officers of the Company.

(2) Results of audit of non-consolidated financial statements and their supplementary schedules

We confirm that the auditing methods and results of the accounting auditor Ernst & Young ShinNihon LLC are proper.

(3) Results of audit of consolidated financial statements

We confirm that the auditing methods and results of the accounting auditor Ernst & Young ShinNihon LLC are proper.

February 13, 2025

The Audit & Supervisory Board,
Lion Corporation

Naoki Miidera
Standing Audit & Supervisory Board Member

Yoshitada Ishii
Standing Audit & Supervisory Board Member

Atsuko Suzuki
External Audit & Supervisory Board Member

Masatoshi Matsuzaki
External Audit & Supervisory Board Member

Akemi Sunaga
External Audit & Supervisory Board Member