



## Summary of Consolidated Financial Statements for the Year Ended December 31, 2024 [IFRS]

February 13, 2025

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

Representative: Masayuki Takemori, Representative Director, President and Executive Officer  
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Annual meeting of shareholders: March 28, 2025  
Start date of payment of dividend: March 6, 2025  
Scheduled date of filing of financial report: March 31, 2025  
Supplementary materials prepared for financial results: Yes  
Earning announcement for financial results: Yes (for institutional investors, analysts, etc.)

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

### 1. Consolidated Results for the Year Ended December 31, 2024 (January 1, 2024 – December 31, 2024)

#### (1) Consolidated Results (cumulative)

(Percentage figures denote year-on-year change)

	Net sales		Operating profit		Profit before tax	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended December 31, 2024	412,943	2.5	28,387	38.4	32,249	44.1
Year ended December 31, 2023	402,767	3.3	20,505	(28.9)	22,375	(28.5)

	Profit for the period		Profit for the period attributable to owners of the parent		Total comprehensive income for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended December 31, 2024	24,072	44.3	21,197	44.9	35,651	34.2
Year ended December 31, 2023	16,687	(27.8)	14,624	(33.3)	26,575	(17.0)

Note: Core operating income for the year ended December 31, 2024 was ¥26,332 million (up 30.8% year on year).  
Core operating income for the year ended December 31, 2023 was ¥20,133 (down 14.5% year on year).  
Core operating income is an earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross profit.

	Basic earnings per share	Diluted earnings per share	Ratio of equity attributable to owners of the parent to profit for the period	Ratio of profit before tax to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Year ended December 31, 2024	76.51	76.41	7.4	6.6	6.9
Year ended December 31, 2023	51.42	51.35	5.4	4.7	5.1

Note: Share of profit (loss) of investments accounted for using the equity method:

December 31, 2024: ¥2,921 million  
December 31, 2023: ¥1,607 million

## (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity attributable to owners of the parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
December 31, 2024	497,167	315,694	293,717	59.1	1,062.70
December 31, 2023	486,363	298,134	280,316	57.6	985.43

## (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2024	43,660	(7,659)	(21,205)	102,240
Year ended December 31, 2023	30,068	(34,790)	(11,762)	85,526

## 2. Dividends

	Cash dividends per share					Total dividend paid (annual)	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of the parent (consolidated)
	First Quarter	Second Quarter	Third Quarter	Year-End	Total			
	Yen	Yen	Yen	Yen	Yen			
Fiscal 2023	—	13.00	—	13.00	26.00	7,411	50.6	2.7
Fiscal 2024	—	13.00	—	14.00	27.00	7,478	35.3	2.6
Fiscal 2025 (forecast)	—	15.00	—	15.00	30.00		33.2	

### 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2025 (January 1, 2025 – December 31, 2025)

(Percentage figures denote year-on-year change)

	Net sales		Operating profit		Profit for the period attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half 2025	200,000	0.7	11,000	(17.7)	8,000	(19.4)	28.88
Fiscal 2025	420,000	1.7	35,000	23.3	25,000	17.9	90.24

Note: Core operating income forecast: First half 2025: ¥10,500 million  
Fiscal 2025: ¥30,000 million

#### Notes

- (1) Significant Change in Scope of Consolidation during Period: No
- (2) Changes in accounting principles, procedures and presentation methods in connection with the preparation of quarterly consolidated financial statements:
- Changes in accounting standards required under IFRS: No
  - Other changes: No
  - Changes in accounting estimates: No
- (3) Number of outstanding shares (common stock)
- Number of outstanding shares on balance sheet dates (including treasury stocks):
    - As of December 31, 2024: 284,432,746 shares
    - As of December 31, 2023: 292,536,446 shares
  - Number of treasury stocks on balance sheet date:
    - As of December 31, 2024: 8,045,423 shares
    - As of December 31, 2023: 8,075,507 shares
  - Average number of shares outstanding over period
    - Fiscal year ended December 31, 2024: 277,054,093 shares
    - Fiscal year ended December 31, 2023: 284,406,596 shares

Reference: Summary Non-Consolidated Results (JGAAP basis)

#### 1. Non-Consolidated Results for the Year Ended December 31, 2024 (January 1, 2024 – December 31, 2024)

##### (1) Non-Consolidated Results

(Percentage figures denote year-on-year change)

	Net sales		Operating profit		Ordinary income		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2024	224,430	(2.8)	9,789	331.8	18,675	131.1	13,260	76.1
Fiscal 2023	230,801	(0.2)	2,267	(74.7)	8,081	(53.3)	7,528	(45.7)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal 2024	47.86	47.79
Fiscal 2023	26.47	26.43

##### (2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2024	319,894	202,716	63.4	733.26
December 31, 2023	319,129	206,091	64.6	724.32

Reference: Shareholders' equity: December 31, 2024: ¥202,666 million  
December 31, 2023: ¥206,041 million

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

\* Appropriate use of results forecasts; other special items

The forecasts and projected operating results contained in this report are based on information available at the time of preparation and thus involve inherent risks and uncertainties, including those related to economic conditions, the competitive environment and exchange rate fluctuations. Accordingly, readers are cautioned that actual results may differ materially from those projected as a result of a variety of factors. For information on forecasts of operating results, see I. Consolidated Performance and Financial Status on pages 2–10.

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## I. Consolidated Performance and Financial Status

### 1. Consolidated Performance

#### (1) Performance Overview of the Consolidated Fiscal Year under Review (January 1, 2024 – December 31, 2024)

During the fiscal year under review, the outlook for the global economy remained uncertain due to geopolitical issues in Europe and the Middle East as well as changes in a number of countries' financial policies.

In Japan, although prices continued to trend higher, the economy saw gradual recovery due to an improved income environment. Overseas, in Thailand—one of Lion's major markets—the market continued to weaken while China saw little growth due to stagnation in real estate and declining prices.

Amid these circumstances, the Lion Group has positioned fiscal 2024, the final year of the Vision2030 1st STAGE medium-term management plan, as one for rebuilding its profit base and undertaking profit structure reform as well as for strengthening measures for growth overseas.

In Japan, we steadily implemented portfolio reform, for example, introducing new high-value-added products and transferring some brands. In addition, we strove to improve profitability by consolidating production items and streamlining production systems, mainly in the fabric care category.

Overseas, we implemented measures targeting business expansion in major markets, such as strengthening in-store sales in China and pursuing more active marketing 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.

#### Consolidated Results

(Millions of yen)

	Fiscal 2024	Ratio to net sales	Fiscal 2023	Ratio to net sales	Change	Change (%)
Net sales	412,943		402,767		10,176	2.5%
Core operating income	26,332	6.4%	20,133	5.0%	6,199	30.8%
Operating profit	28,387	6.9%	20,505	5.1%	7,882	38.4%
Profit for the period attributable to owners of the parent	21,197	5.1%	14,624	3.6%	6,572	44.9%

Notes: Core operating income is an earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross profit.

## Results by Business Segment

(Millions of yen)

	Net sales				Core operating income			
	Year ended December 31, 2024	Year ended December 31, 2023	Change	Change (%)	Year ended December 31, 2024	Year ended December 31, 2023	Change	Change (%)
Consumer Products	261,760	267,380	(5,619)	(2.1%)	12,557	4,799	7,757	161.7%
Industrial Products	55,172	57,191	(2,018)	(3.5%)	2,807	3,013	(206)	(6.8%)
Overseas	164,931	148,067	16,863	11.4%	10,193	8,587	1,605	18.7%
Other	16,795	20,909	(4,114)	(19.7%)	284	1,375	(1,090)	(79.3%)
Subtotal	498,660	493,548	5,111	1.0%	25,841	17,775	8,066	45.4%
Adjustment	(85,716)	(90,781)	5,064	—	491	2,358	(1,867)	—
Total	412,943	402,767	10,176	2.5%	26,332	20,133	6,199	30.8%

Results by business segment are as follows.

### Consumer Products Business

The Consumer Products Business segment comprises the Oral Care Products, Beauty Care Products, Fabric Care Products, Living Care Products, Pharmaceutical Products and Other Products businesses. Segment net sales decreased 2.1% compared with the same period in the previous fiscal year. Core operating income increased 161.7% due to improved gross profit margins and reduced selling, general and administrative expenses.

(Millions of yen)

	Year ended December 31, 2024	Ratio to net sales	Year ended December 31, 2023	Ratio to net sales	Change	Change (%)
Net sales	261,760		267,380		(5,619)	(2.1%)
Core operating income	12,557	4.8%	4,799	1.8%	7,757	161.7%

Note: Net sales include internal sales within and among segments, which amounted to ¥38,533 million in fiscal 2024 and ¥38,700 million in fiscal 2023.

### Net Sales by Product Category

(Millions of yen)

	Year ended December 31, 2024	Year ended December 31, 2023	Change	Change (%)
Oral Care Products	76,598	72,847	3,750	5.1%
Beauty Care Products	24,554	24,348	206	0.8%
Fabric Care Products	57,109	60,957	(3,848)	(6.3%)
Living Care Products	21,449	22,187	(738)	(3.3%)
Pharmaceutical Products	25,132	26,341	(1,209)	(4.6%)
Other Products	56,917	60,697	(3,780)	(6.2%)

### Oral Care Products

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

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

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

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

Overall sales of Oral Care Products increased 5.1% year on year.

### Beauty Care Products

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

In hand soaps, sales of the high-value-added version of *KireiKirei Medicated Hand Conditioning Soap* with a new fragrance were strong, and overall sales increased year on year.

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

Overall sales of Beauty Care Products increased 0.8% year on year.

### Fabric Care Products

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

In fabric softeners, sales of *SOFLAN Aroma Rich* were steady, but sales of *SOFLAN Airis* were down year on year, and overall sales decreased year on year.

In laundry detergents, sales of the *NANOX* brand were down year on year, and overall sales declined year on year.

Overall sales of Fabric Care Products decreased 6.3% year on year.

### Living Care Products

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

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



In dishwashing detergents, sales of *CHARMY Magica* were firm, but due to the discontinuation of some products in the previous year as part of a review of the product lineup to optimize business efficiency, overall sales declined slightly year on year.

Overall sales of Living Care Products decreased 3.3% year on year.

### Pharmaceutical Products

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

In antipyretic analgesics, sales of *BUFFERIN PREMIUM DX* were favorable, but sales of *BUFFERIN Premium* and *BUFFERIN A* were down year on year, and overall sales decreased year on year.

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

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

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

Overall sales of Pharmaceutical Products decreased 4.6% year on year.

### Other Products

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

In pet supplies, sales of deodorizing cat litter *Nioi wo Toru Suna* remained firm, and sales of oral care products such as *PETKISS* were steady. Overall sales increased year on year.

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

Overall sales of Other Products decreased 6.2% year on year, due in part to the transfer of the foods with function claims business to another company in the previous year.

### Industrial Products Business

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

(Millions of yen)

	Year ended December 31, 2024	Ratio to net sales	Year ended December 31, 2023	Ratio to net sales	Change	Change (%)
Net sales	55,172		57,191		(2,018)	(3.5%)
Core operating income	2,807	5.1%	3,013	5.3%	(206)	(6.8%)

Note: Net sales include internal sales within and among segments, which amounted to ¥17,011 million in fiscal 2024 and ¥18,841 million in fiscal 2023.

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

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

In the Detergents for Institutional Use Products field, sales of laundry detergents were strong, sales of hand soaps were firm, and overall sales increased year on year.

### **Overseas Business**

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

(Millions of yen)

	Year ended December 31, 2024	Ratio to net sales	Year ended December 31, 2023	Ratio to net sales	Change	Change (%)
Net sales	164,931		148,067		16,863	11.4%
Core operating income	10,193	6.2%	8,587	5.8%	1,605	18.7%

Note: Net sales include internal sales within and among segments, which amounted to ¥14,676 million in fiscal 2024 and ¥13,949 million in fiscal 2023.

### **Net Sales by Region**

(Millions of yen)

		Year ended December 31, 2024	Year ended December 31, 2023	Change	Change (%)
Southeast and South Asia	Net sales	100,773	90,521	10,251	11.3%
	Core operating income	6,262	5,122	1,140	22.3%
Northeast Asia	Net sales	64,158	57,546	6,611	11.5%
	Core operating income	3,930	3,464	465	13.4%

### **Net Sales by Region**

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 sound. Overall sales were up year on year.

In Malaysia, sales of *TOP* laundry detergents were sound, and *Shokubutsu Monogatari* body soaps were favorable. Overall sales were up substantially 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* toothpastes were steady, and sales of *CLINICA* toothpastes and *SYSTEMA* toothbrushes were also favorable. Overall sales increased substantially year on year.

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

**Other (Construction Contracting Business, etc.)**

(Millions of yen)

	Year ended December 31, 2024	Ratio to net sales	Year ended December 31, 2023	Ratio to net sales	Change	Change (%)
Net sales	16,795		20,909		(4,114)	(19.7%)
Core operating income	284	1.7%	1,375	6.6%	(1,090)	(79.3%)

Note: Net sales includes internal sales within and among segments, which amounted to ¥15,496 million in fiscal 2024 and ¥19,290 million in fiscal 2023.

**(2) Forecast of Consolidated Financial Results for the Fiscal Year Ending December 2025**

(Millions of yen)

	Fiscal 2025 forecast	Fiscal 2024	Change	Change (%)
Net sales	420,000	412,943	7,056	1.7%
Core operating income	30,000	26,332	3,667	13.9%
Operating profit	35,000	28,387	6,612	23.3%
Profit attributable to owners of the parent	25,000	21,197	3,802	17.9%
Basic earnings per share (yen)	90.24	76.51	13.73	17.9%

Note: 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.

In terms of the Group's business environment, performance in domestic and overseas consumer products is expected to be steady, but concerns about such risks as higher-than-expected raw material prices resulting from geopolitical factors, and sudden exchange rate fluctuations remain and the outlook remains uncertain.

Amid these circumstances, the Lion Group has launched a new three-year medium-term management plan, Vision2030 2nd STAGE, the core theme of which is strengthening profitability. In line with the plan, we will strive to enhance corporate value by swiftly implementing measures for profit structure reform in Japan and growth acceleration overseas, thereby realizing profitable growth.

In the Consumer Products Business segment, the Lion Group will work to develop its mainstay brands in the oral healthcare category,\* and we will endeavor to provide new services. In addition, in the pharmaceutical product category, we will make efforts to create high-value-added antipyretics analgesics as well as introduce new high-value-added products that lead to new living habits in the living care category, with the end goal of sharpening our business portfolio to be highly profitable.

\*In addition to conventional oral hygiene, we will expand the value we provide to include oral function (the ability to chew, swallow and enjoy conversation) and develop products and services in an integrated manner. To reflect the high priority we are placing on this category, we will accordingly rename the oral care category to the oral healthcare category.

In the Industrial Products Business segment, the Lion Group will strive to expand its business related to eco-friendly materials, especially electro-conductive carbon for secondary batteries, a key offering in this segment, in order to increase profitability and to contribute to a sustainable society through its products.

With regard to the Overseas Business segment, the Lion Group will continue to develop its business in the personal care field, which includes oral health care and beauty care products, while focusing on business growth in the Chinese market, primarily by expanding sales areas. In addition, we will continue to expand businesses in newly entered countries (Bangladesh and Vietnam), including by expanding product ranges. We will also explore new countries and regions to launch into.

As a result of the above, consolidated results forecasts for fiscal 2025 are as follows: net sales of ¥420,000 million (up 1.7% year on year), core operating income of ¥30,000 million (up 13.9% year on year), operating profit of ¥35,000 million (up 23.3% year on year) and profit for the period attributable to owners of the parent of ¥25,000 million (up 17.9% year on year).

Lion utilized the following foreign exchange rates in the calculation of the aforementioned forecasts.

¥152 = US\$1.00

¥4.3 = 1.00 baht

## 2. Financial Status

### (1) Status of Consolidated Assets, Liabilities and Equity

	2024	2023	Change
Total assets (millions of yen)	497,167	486,363	10,803
Total equity (millions of yen)	315,694	298,134	17,559
Ratio of equity attributable to owners of the parent to total assets <sup>1</sup> (%)	59.1	57.6	1.4
Equity attributable to owners of the parent per share <sup>2</sup> (yen)	1,062.70	985.43	77.27

Notes: 1. Ratio of equity attributable to owners of the parent to total assets = (Total equity – Non-controlling interests) / Total assets

2. Non-controlling interests are excluded from the calculation of equity attributable to owners of the parent per share.

Total assets rose ¥10,803 million compared with the previous consolidated fiscal year-end to ¥497,167 million. This was primarily attributable to an increase in cash and cash equivalents, among other factors. Total equity increased ¥17,559 million to ¥315,694 million. The ratio of equity attributable to owners of the parent to total assets stood at 59.1%.

## (2) Cash Flows

### Consolidated Cash Flows

(Millions of yen)

	2024	2023	Change
Cash flows from operating activities	43,660	30,068	13,591
Cash flows from investing activities	(7,659)	(34,790)	27,131
Cash flows from financing activities	(21,205)	(11,762)	(9,442)
Effect of exchange rate change on cash and cash equivalents	1,918	931	986
Net increase (decrease) in cash and cash equivalents	16,714	(15,552)	32,266
Cash and cash equivalents at end of period	102,240	85,526	16,714

Net cash provided by operating activities totaled ¥43,660 million, due mainly to profit before tax.

Net cash used in investing activities decreased by ¥7,659 million, due in part to the purchase of property, plant and equipment.

Net cash used in financing activities decreased by ¥21,205 million. Major components of this outflow included the purchase of treasury stock.

As a result of the above, cash and cash equivalents as of December 31, 2024 increased ¥16,714 million compared with December 31, 2023, to ¥102,240 million.

### (3) Forecast of Fiscal 2025 Consolidated Cash Flows

In cash flows from operating activities, Lion projects profit before tax of approximately ¥36,000 million. Depreciation and amortization is estimated to total about ¥21,000 million. On the other hand, the Group anticipates an outflow of about ¥12,000 million due in part to tax payments.

In cash flows from investment activities, Lion plans to undertake capital expenditures of around ¥18,000 million during fiscal 2025.

Cash flows from financing activities are expected to yield an outflow of about ¥11,000 million mainly due to cash dividends paid.

Based on these projections, Lion estimates that cash and cash equivalents at the end of fiscal 2025 will be up approximately ¥16,000 million year on year.

#### (4) Cash Flow Indicators

	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Ratio of equity attributable to owners of the parent to total assets (%)	53.2	58.8	56.3	57.6	59.1
Ratio of equity attributable to owners of the parent to total assets on a market value basis (%)	166.8	104.4	91.7	76.5	98.0
Debt redemption (years)	0.3	0.6	0.8	1.1	0.7
Interest coverage ratio	719.4	564.8	1,021.4	1,622.7	993.6

Notes:

1. Ratio of equity attributable to owners of the parent to total assets = Equity attributable to owners of the parent / Total assets
2. Ratio of equity attributable to owners of the parent to total assets on a market value basis = Market value of shares / Total assets
3. Debt redemption (years): Interest-bearing liabilities / Cash flows from operating activities
4. Interest coverage ratio: Cash flows from operating activities / Interest payments
5. All the above indicators are calculated based on consolidated financial data.
6. Market value of shares is calculated as the closing stock price as of the end of the term multiplied by the number of outstanding stocks as of the end of the term (after the deduction of treasury stocks).
7. Cash flows from operating activities are those stated in the Consolidated Statement of Cash Flows.
8. "Interest-bearing liabilities" means all those liabilities that bear interest among the liabilities in the Consolidated Statement of Financial Position. Figures in the Consolidated Statement of Cash Flows are used for the amount of interest paid.

### 3. Basic Policy on the Distribution of Earnings and Cash Dividends

Lion considers returning profits to shareholders on an ongoing and stable basis by increasing its consolidated earnings capacity to be one of its most important management issues. Our basic policy is to achieve progressive dividends\* while aiming for a consolidated payout ratio of around 30%, and it strives to realize increased dividends through improved profit. Lion bases the acquisition of treasury stock on comprehensive reviews of the appropriate levels of internal reserves, etc., required to secure medium- and long-term growth. We allocate 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, Lion'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 fiscal 2024.

With regard to dividends for fiscal 2025, in accordance with its basic policy on the distribution of earnings and cash dividends, Lion plans to pay an interim dividend of ¥15 per share and a year-end dividend of ¥15 per share, for a total annual dividend of ¥30 per share.

\* Progressive dividends: As a rule, the Company will not decrease dividends, but instead maintain or increase them.

## II. Corporate Group

The Lion Group consists of Lion Corporation, 22 consolidated subsidiaries and five equity-method affiliates. The Group's principal businesses are the Consumer Products Business, Industrial Products Business and Overseas Business. Other business activities involve various operations and other services, like construction related to the above businesses.

The relationship between Group business activities and business segments is shown below, which is based on the categorization used for business segments.

Business segment	Main activities	Main companies	
Consumer Products Business	Manufacture and sale of domestic commodities and OTC drugs in Japan	Domestic affiliates	Lion Corporation Lion Chemical Co., Ltd. Lion Pet Co., Ltd. Lion Dental Products Co., Ltd. Japan Retail Innovation Co., Ltd.
Industrial Products Business	Manufacture and sale of chemical raw materials, industrial products and other items in Japan and overseas	Domestic affiliates	Lion Corporation Lion Chemical Co., Ltd. Lion Specialty Chemicals Co., Ltd. Lion Hygiene Co., Ltd.
Overseas Business	Manufacture and sale of commodities and chemical raw materials overseas	Overseas affiliates	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 Advertising Ltd. Yihai Kerry Lion (Shanghai) Clean Technology Co., Ltd. Lion Kallol Limited Lion Corporation (Thailand) Ltd. Health Care Service Co., Ltd. Eastern Silicate Co., Ltd. Southern Lion Sdn. Bhd. PT. Ipposha Indonesia PT. Lion Wings Merap Lion Holding Corporation
Other	Design, construction and maintenance of facilities; real estate management; human resource services, etc.	Domestic affiliates	Lion Expert Business Co., Ltd. Lion Engineering Co., Ltd. Kyuzitsuhack Co., Ltd. PLANET, INC.

Issua Corporation is excluded from the scope of consolidation as its liquidation was completed during the consolidated financial year under review.

### III. Management Policies

#### 1. Basic Management Policies

The Lion Group has maintained a commitment to “Fulfilling a Spirit of Love” since its founding. With this motto and its purpose, “Make a difference in everyday lives by redesigning habits,” as the foundation of Group management, the Lion Group provides customers with superior products and services that are useful in realizing health, comfort and cleanliness in daily living. The Group sees contributing to the realization of a sustainable society through such efforts as its mission.

The Lion Group continually takes steps to further improve its corporate value. To this end, the Group strives to provide products and services that place the utmost priority on customer satisfaction based on an accurate understanding of the changes taking place in peoples’ values and the social role companies are required to play. At the same time, Lion promotes environmental preservation activities and enhances its corporate governance systems in order to remain a highly trustworthy company that meets the expectations of stakeholders, including shareholders, customers, business partners, local communities, society at large and employees.

#### 2. Long-Term Management Strategies

The Lion Group’s has designated “Becoming an advanced daily healthcare company” as its management vision for 2030.

To achieve this vision, the Lion Group is reinforcing purpose-driven management and aims to contribute to the realization of a sustainable society and achieve business growth. To this end, Lion has formulated the Vision2030 long-term strategic framework with the aim to create both social and economic value through the creation of healthy habits with a focus on people across Asia.

##### **Indicator Targets for 2030**

###### **Creation of social value**

###### **Contribute to improving the quality of life for every consumer**

- Oral healthcare habits: 500 million people
- Cleaning and hygiene habits: 500 million people

###### **Contribute to a decarbonized and resource-circulating society**

- Petroleum-derived plastics use rate: 70% or less
- Reduction in water usage throughout product lifecycles: reduce by 30% (compared to 2017, rate of use)



### **Creation of economic value**

#### Sustainably improve profitability

- EBITDA margin\*<sup>1</sup>: 16% or higher
- ROIC\*<sup>2</sup>: 10–12%

#### Continued overseas growth

Share of overseas net sales to total: 50%

\*1 EBITDA margin is as compared to consolidated net sales. EBITDA is an indicator of profitability on a cash basis calculated as the sum of core operating income and depreciation and amortization (excluding depreciation and amortization of right-of-use assets).

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

### **3. Management Issues**

To achieve its management vision, based on achievements made and challenges faced thus far, in 2025 the Lion Group will begin swiftly implementing strategic measures from its new three-year medium-term management plan, Vision2030 2nd STAGE, including the profit structure reform of domestic Consumer Products and measures for continued growth overseas, as a matter of importance in order to achieve results.

#### **Vision2030 2nd STAGE**

##### **1. Basic Policies**

We will pursue the strengthening of profitability through measures based on the following three policies.

##### **(1) Strengthen Business Portfolio Management**

By clarifying each business's role and positioning within the Group, Lion will sharpen management resource allocation, strengthen the profitability of each business and optimize business structures within the Group.

In particular, in the oral healthcare field, which we have positioned as a top priority, we will expand the scope of value we provide through traditional oral hygiene to the support of oral function (such as ensuring the ability to chew, swallow and enjoy conversation), with the goal of developing an integrated business of products and services that support overall health starting from the mouth.

##### **(2) Strengthen Management Base**

We will endeavor to strengthen our management base to realize sustainable business growth as well as highly efficient operations. We will clarify the roles of the global R&D system at each center with the aim of enhancing innovation capabilities and accelerating product development. In both Japan and China, we will concentrate on enhancing and innovating our core technologies, while our local centers in each country will accelerate product development to meet consumer needs.

### (3) Generate Dynamism

Lion will leverage its brand assets and enhance its human capital to generate dynamism as the foundation of its strategic driving force. In particular, with regard to enhancing human capital, we will strengthen both individual and organizational capabilities through the development and focused allocation in alignment, and build an environment that encourages diverse employees to thrive and thus realize new value through a dynamic organization.

## 2. Key Management Indicators

The Group has set the following as management indicators to promote measures in line with the three basic policies.

### Key Financial Indicators and 2nd STAGE Targets for 2027

Indicator		2027 Targets
EBITDA margin	Profitability and cash generation capacity compared to the net sales of the business	13% or higher
ROIC	Efficiency and profitability of invested capital	8–9%
EPS CAGR*	Growth in net earnings per share	11% or higher

\* Compound annual growth rate of basic earnings per share

### Non-financial Medium- to Long-term Targets (Social Value Targets for Vision2030)

Top priority material issues	Social values		2030 Targets
Creating healthy living habits	People provided with products, services or 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

By contributing to a sustainable society over a broad scope the Lion Group will strive to create social and economic value through its business and enhance corporate value.

## IV. Basic Approach Regarding the Selection of Accounting Standards

The Lion Group voluntarily adopted International Financial Reporting Standards (IFRS) from the first quarter of fiscal 2018 in order to improve the international comparability of Lion Group financial statements and reinforce Group business management.

## V. Consolidated Financial Statements and Notes

### (1) Consolidated Statement of Financial Position

(Millions of yen)

	December 31, 2023	December 31, 2024
<b>Assets</b>		
Current assets		
Cash and cash equivalents	85,526	102,240
Trade and other receivables	75,230	76,197
Inventories	56,090	53,252
Other financial assets	12,276	16,891
Other current assets	3,151	2,843
Total current assets	232,274	251,424
Non-current assets		
Property, plant and equipment	140,671	128,143
Goodwill	327	327
Intangible assets	22,712	21,078
Right-of-use assets	31,313	30,667
Investments accounted for using the equity method	17,487	20,767
Deferred tax assets	4,357	4,638
Retirement benefit assets	10,826	12,311
Other financial assets	25,475	27,000
Other non-current assets	917	807
Total non-current assets	254,089	245,742
Total assets	486,363	497,167

(Millions of yen)

	December 31, 2023	December 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	126,158	117,129
Borrowings	148	—
Income tax payables	2,508	10,391
Provisions	2,399	3,054
Lease liabilities	2,043	2,099
Other financial liabilities	2,363	1,302
Other current liabilities	7,711	8,400
Total current liabilities	143,333	142,378
Non-current liabilities		
Deferred tax liabilities	5,847	3,339
Retirement benefit liabilities	4,531	1,733
Provisions	2,046	2,171
Lease liabilities	28,150	27,637
Other financial liabilities	2,452	2,384
Other non-current liabilities	1,867	1,827
Total non-current liabilities	44,896	39,094
Total liabilities	188,229	181,473
Equity		
Share capital	34,433	34,433
Capital surplus	31,118	31,327
Treasury stock	(7,868)	(8,730)
Other components of equity	18,377	23,749
Retained earnings	204,255	212,938
Equity attributable to owners of the parent	280,316	293,717
Non-controlling interests	17,817	21,976
Total equity	298,134	315,694
Total liabilities and equity	486,363	497,167

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

Consolidated Statement of Income

(Millions of yen)

	Year ended December 31, 2023	Year ended December 31, 2024
Net sales	402,767	412,943
Cost of sales	(222,168)	(224,159)
Gross profit	180,598	188,783
Selling, general and administrative expenses	(160,465)	(162,450)
Other income	2,196	10,056
Other expenses	(1,824)	(8,001)
Operating profit	20,505	28,387
Finance income	1,106	1,748
Finance costs	(843)	(807)
Share of profit of investments accounted for using the equity method	1,607	2,921
Profit before tax	22,375	32,249
Income taxes	(5,687)	(8,177)
Profit for the period	16,687	24,072
Profit for the period attributable to:		
Owners of the parent	14,624	21,197
Non-controlling interests	2,062	2,875
Profit for the period	16,687	24,072
Earnings per share		
Basic (Yen)	51.42	76.51
Diluted (Yen)	51.35	76.41

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Year ended December 31, 2023	Year ended December 31, 2024
Profit for the period	16,687	24,072
Other comprehensive income		
Items that will not be reclassified as profit or loss		
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	1,803	1,078
Remeasurements of defined benefit plans	3,853	3,309
Share of other comprehensive income (loss) of investments accounted for using the equity method	(74)	(33)
Total items that will not be reclassified as profit or loss	5,582	4,354
Items that may be subsequently reclassified as profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges	20	23
Exchange differences on translation of foreign operations	4,284	7,201
Total items that may be subsequently reclassified as profit or loss	4,305	7,224
Total other comprehensive income, net of tax	9,887	11,579
Comprehensive profit for the period	26,575	35,651
Comprehensive income for the period attributable to:		
Owners of the parent	23,353	30,467
Non-controlling interests	3,222	5,183
Comprehensive profit for the period	26,575	35,651

**(3) Consolidated Statement of Changes in Equity**

Fiscal 2023 (January 1 to December 31, 2023)

(Millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Treasury stock	Other components of equity		
				Subscription rights to shares	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at January 1, 2023	34,433	31,069	(8,056)	123	8,930	—
Changes during the period						
Comprehensive income						
Profit for the period						
Other comprehensive income					1,728	3,811
Total comprehensive income for the period	—	—	—	—	1,728	3,811
Transactions with owners						
Dividends						
Acquisition of treasury stock			(1)			
Disposal of treasury stock			189	(73)		
Share-based payments		49				
Changes in ownership interests in controlled subsidiary						
Transfer from other components of equity to retained earnings					(432)	(3,811)
Total transactions with owners	—	49	187	(73)	(432)	(3,811)
Balance at December 31, 2023	34,433	31,118	(7,868)	50	10,227	—

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Other components of equity			Retained earnings	Total			
	Net gain (loss) on derivatives designated as cash flow hedges	Exchange differences on translation of foreign operations	Total					
Balance at January 1, 2023	(42)	4,953	13,966	192,842	264,255	14,912	279,168	
Changes during the period								
Comprehensive income								
Profit for the period			—	14,624	14,624	2,062	16,687	
Other comprehensive income	20	3,168	8,728		8,728	1,159	9,887	
Total comprehensive income for the period	20	3,168	8,728	14,624	23,353	3,222	26,575	
Transactions with owners								
Dividends			—	(7,393)	(7,393)	(740)	(8,133)	
Acquisition of treasury stock			—		(1)		(1)	
Disposal of treasury stock			(73)	(63)	53		53	
Share-based payments			—		49		49	
Changes in ownership interests in controlled subsidiary			—		—	423	423	
Transfer from other components of equity to retained earnings			(4,243)	4,243	—		—	
Total transactions with owners	—	—	(4,316)	(3,212)	(7,291)	(317)	(7,609)	
Balance at December 31, 2023	(21)	8,122	18,377	204,255	280,316	17,817	298,134	

Fiscal 2024 (January 1 to December 31, 2024)

(Millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Treasury stock	Other components of equity		
				Subscription rights to shares	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at January 1, 2024	34,433	31,118	(7,868)	50	10,227	—
Changes during the period						
Comprehensive income						
Profit for the period						
Other comprehensive income					1,084	3,275
Total comprehensive income for the period	—	—	—	—	1,084	3,275
Transactions with owners						
Dividends						
Acquisition of treasury stock			(10,002)			
Disposal of treasury stock			17			
Cancellation of treasury stock			9,122			
Share-based payments		208				
Changes in ownership interests in controlled subsidiary						
Transfer from other components of equity to retained earnings					(623)	(3,275)
Total transactions with owners	—	208	(862)	—	(623)	(3,275)
Balance at December 31, 2024	34,433	31,327	(8,730)	50	10,687	—

	Equity attributable to owners of the parent					Non-controlling interests	Total equity
	Other components of equity			Retained earnings	Total		
	Net gain (loss) on derivatives designated as cash flow hedges	Exchange differences on translation of foreign operations	Total				
Balance at January 1, 2024	(21)	8,122	18,377	204,255	280,316	17,817	298,134
Changes during the period							
Comprehensive income							
Profit for the period			—	21,197	21,197	2,875	24,072
Other comprehensive income	23	4,887	9,270	—	9,270	2,308	11,579
Total comprehensive income for the period	23	4,887	9,270	21,197	30,467	5,183	35,651
Transactions with owners							
Dividends			—	(7,291)	(7,291)	(1,493)	(8,784)
Acquisition of treasury stock			—	—	(10,002)	—	(10,002)
Disposal of treasury stock			—	—	17	—	17
Cancellation of treasury stock			—	(9,122)	—	—	—
Share-based payments			—	—	208	—	208
Changes in ownership interests in controlled subsidiary			—	—	—	468	468
Transfer from other components of equity to retained earnings			(3,898)	3,898	—	—	—
Total transactions with owners	—	—	(3,898)	(12,514)	(17,067)	(1,024)	(18,091)
Balance at December 31, 2024	1	13,009	23,749	212,938	293,717	21,976	315,694



**(4) Consolidated Statement of Cash Flows**

(Millions of yen)

	Year Ended December 31, 2023	Year Ended December 31, 2024
Cash flows from operating activities		
Profit before tax	22,375	32,249
Depreciation and amortization	20,201	21,162
Impairment loss	187	6,678
Interest and dividend income	(1,003)	(1,366)
Interest expenses	774	762
Share of loss (profit) of investments accounted for using the equity method	(1,607)	(2,921)
Loss (gain) on disposal of non-current assets	716	(4,187)
Gains on transfer of businesses	(664)	(3,425)
Decrease (increase) in trade and other receivables	(2,454)	1,910
Decrease (increase) in inventories	(1,321)	4,135
Increase (decrease) in trade and other payables	(3,982)	(9,327)
Increase in net defined benefit liability	(2,092)	493
Other	1,991	17
Subtotal	33,120	46,182
Interest and dividends received	1,688	2,552
Interest paid	(18)	(43)
Income taxes paid	(4,721)	(5,031)
Cash flows from operating activities	30,068	43,660
Cash flows from investing activities		
Net decrease (increase) in time deposits	(3,715)	(3,177)
Purchase of property, plant and equipment	(23,317)	(18,062)
Proceeds from sales of property, plant and equipment	478	11,344
Purchase of intangible assets	(1,263)	(938)
Expenditures for acquisition of right-of-use assets	(406)	—
Purchase of other financial assets	(762)	(975)
Proceeds from sales of other financial assets	854	1,075
Expenditures for purchase of stocks of affiliated companies	(7,087)	(102)
Net increase (decrease) in short-term loans payable	1,005	3,663
Other	(575)	(485)
Cash flows from investing activities	(34,790)	(7,659)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,150)	—
Repayment of long-term borrowings	(290)	(149)
Cash dividends paid	(7,385)	(7,289)
Cash dividends paid to non-controlling interests	(740)	(1,493)
Repayment of lease liabilities	(2,618)	(2,719)
Purchase of treasury stock	(1)	(10,002)
Proceeds from non-controlling shareholders	423	468
Other	1	(19)
Cash flows from financing activities	(11,762)	(21,205)
Effect of exchange rate changes on cash and cash equivalents	931	1,918
Increase (decrease) in cash and cash equivalents	(15,552)	16,714
Cash and cash equivalents at beginning of period	101,078	85,526
Cash and cash equivalents at end of period	85,526	102,240

## (5) Notes to Consolidated Financial Statements

### Notes relating to the assumption of a going concern

Not applicable.

### Segment Information

#### (1) Overview of reportable segments

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

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

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

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

The Group's reportable segments are as follows.

- A. Consumer Products Business  
The Consumer Products Business engages in the manufacture and sale of commodities and over-the-counter drugs, primarily in Japan.  
Main products: Toothpastes, toothbrushes, hand soaps, antipyretic analgesics, eye drops, hea, laundry detergents, dishwashing detergents, fabric softeners, household cleaners, bleaches and pet supplies
- B. Industrial Products Business  
The Industrial Products Business engages primarily in the manufacture and sale of chemical raw materials, industrial products and other items in Japan and overseas.  
Main products: Activators, electro-conductive carbon and detergents for institutional use
- C. Overseas Business  
The Overseas Business engages mainly in the manufacture and sale of commodities by affiliated overseas businesses.

Other Business segment comprises business activities not included in the above business segments. Lion subsidiaries located in Japan primarily undertake operations related to Group businesses.

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

Intersegment transaction and transfer prices are, in principle, determined based on negotiations reflecting market prices, total supplier costs and the Company's asking prices.

(2) Net Sales and Performance of Reportable Segments

Fiscal 2023 (January 1 to December 31, 2023)

(Millions of yen)

	Reportable Segment			Other	Total	Adjustment <sup>2</sup>	Consolidated <sup>3</sup>
	Consumer Products Business	Industrial Products Business	Overseas Business				
Net sales							
External	228,679	38,349	134,118	1,619	402,767	—	402,767
Intersegment <sup>1</sup>	38,700	18,841	13,949	19,290	90,781	(90,781)	—
Total	267,380	57,191	148,067	20,909	493,548	(90,781)	402,767
Core operating income	4,799	3,013	8,587	1,375	17,775	2,358	20,133
Other income							2,196
Other expenses							(1,824)
Operating profit							20,505
Finance income							1,106
Finance costs							(843)
Share of profit of investments accounted for using the equity method							1,607
Profit before tax							22,375
Other monetary items							
Depreciation and amortization	12,535	1,212	3,678	125	17,551	2,649	20,201

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

2. (1) A positive ¥2,358 million adjustment of core operating income mainly comprising intersegment eliminations and corporate expenses not allocated to any reportable segment.

(2) Depreciation and amortization adjustments include depreciation and amortization associated with corporate assets and intersegment eliminations.

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

	(Millions of yen)
Gross profit	180,598
Selling, general and administrative expenses	(160,465)
Core operating income	20,133

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

Fiscal 2024 (January 1 to December 31, 2024)

(Millions of yen)

	Reportable Segment			Other	Total	Adjustment <sup>2</sup>	Consolidated <sup>3</sup>
	Consumer Products Business	Industrial Products Business	Overseas Business				
Net sales							
(1) External	223,227	38,161	150,255	1,298	412,943	—	412,943
(2) Intersegment <sup>1</sup>	38,533	17,011	14,676	15,496	85,716	(85,716)	—
Total	261,760	55,172	164,931	16,795	498,660	(85,716)	412,943
Core operating income	12,557	2,807	10,193	284	25,841	491	26,332
Other income							10,056
Other expenses							(8,001)
Operating profit							28,387
Finance income							1,748
Finance costs							(807)
Share of profit of investments accounted for using the equity method							2,921
Profit before tax							32,249
Other monetary items							
Depreciation and amortization	12,701	1,225	3,923	95	17,945	3,216	21,162

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

2. (1) A positive ¥491 million adjustment of core operating income mainly comprising intersegment eliminations and corporate expenses not allocated to any reportable segment.

(2) Depreciation and amortization adjustments include depreciation and amortization associated with corporate assets and intersegment eliminations.

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

(Millions of yen)

Gross profit	188,783
<u>Selling, general and administrative expenses</u>	<u>(162,450)</u>
Core operating income	26,332

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

(3) Information by product and service category

Fiscal 2023 (January 1 to December 31, 2023)

(Millions of yen)

	Healthcare	Household	Chemicals	Other	Total
Sales to external customers	197,778	175,510	27,351	2,126	402,767

Fiscal 2024 (January 1 to December 31, 2024)

(Millions of yen)

	Healthcare	Household	Chemicals	Other	Total
Sales to external customers	208,037	176,790	26,439	1,676	412,943

(4) Information by region

A. Net sales

Fiscal 2023 (January 1 to December 31, 2023)

(Millions of yen)

Japan	Asia		Other	Total
		Thailand		
263,157	137,711	55,219	1,898	402,767

Note: Sales are classified by country/region based on customer location.

Fiscal 2024 (January 1 to December 31, 2024)

(Millions of yen)

Japan	Asia		Other	Total
		Thailand		
259,001	151,755	60,639	2,186	412,943

Note: Sales are classified by country/region based on customer location.

B. Non-current assets

Fiscal 2023 (December 31, 2023)

(Millions of yen)

Japan	Asia		Total
		Thailand	
166,829	29,113	14,136	195,942

Note: Non-current assets are classified by country/region based on asset location and do not include investments accounted for using the equity method, deferred tax assets, retirement benefit assets or other financial assets.

Fiscal 2024 (December 31, 2024)

(Millions of yen)

Japan	Asia		Total
		Thailand	
149,628	31,396	14,934	181,025

Note: Non-current assets are classified by country/region based on asset location and do not include investments accounted for using the equity method, deferred tax assets, retirement benefit assets or other financial assets.

(5) Major customers

Fiscal 2023 (January 1 to December 31, 2023)

(Millions of yen)

Customer	Net sales	Related segments
PALTAC CORPORATION	98,531	Consumer Products, Industrial Products
Arata CORPORATION	41,925	Consumer Products, Industrial Products

Fiscal 2024 (January 1 to December 31, 2024)

(Millions of yen)

Customer	Net sales	Related segments
PALTAC CORPORATION	92,356	Consumer Products, Industrial Products
Saha Pathanapibul Public Company Limited	45,483	Overseas

## Income Taxes

### (1) Deferred tax assets and deferred tax liabilities

The major components of deferred tax assets and liabilities at each fiscal year-end are as follows.

(Millions of yen)

	December 31, 2023	December 31, 2024
Deferred tax assets		
Provisions, other current liabilities, etc.	4,817	5,361
Retirement benefit assets and liabilities	4,808	3,104
Excess depreciation	671	763
Accrued enterprise and office taxes	250	579
Appraisal value of inventories	884	379
Unrealized profit on inventories and non-current assets	1,420	1,232
Other	2,103	3,572
Total	14,957	14,993
Deferred tax liabilities		
Special depreciation of non-current assets	(1,862)	(358)
Valuation difference upon contribution of securities to retirement benefit trust	(3,803)	(1,351)
Temporary differences due to distribution of retained earnings at overseas affiliates	(3,570)	(4,459)
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	(4,241)	(4,569)
Right of trademark	(2,058)	(2,007)
Other	(909)	(948)
Total	(16,447)	(13,694)

The major changes to deferred tax assets and liabilities during each fiscal year are as follows.

(Millions of yen)

	Year ended December 31, 2023	Year ended December 31, 2024
Net deferred tax assets and (liabilities)		
Balance at beginning of the year	1,210	(1,490)
Deferred income taxes	(453)	4,408
Deferred taxes related to other comprehensive income items		
Net gain (loss) on revaluation of financial assets measured at fair value	(575)	(615)
Net gain (loss) on derivatives designated as cash flow hedges	(9)	(10)
Remeasurements of defined benefit plans	(1,710)	(1,492)
Other	47	498
Balance at end of the year	(1,490)	1,298

(2) Unrecognized deferred tax assets

Deductible temporary differences for which deferred tax assets are not recognized are as follows.

(Millions of yen)

	December 31, 2023	December 31, 2024
Deductible temporary differences	8,606	8,372

There are no net loss carryforwards or tax credit carryforwards for which deferred tax assets are not recognized.

(3) Unrecognized deferred tax liabilities

There were no significant taxable temporary differences related to the investments of subsidiaries not recognized as deferred tax liabilities at December 31, 2023 or December 31, 2024.

(4) Income taxes

Income taxes recognized through profit or loss are as follows.

(Millions of yen)

	Year ended December 31, 2023	Year ended December 31, 2024
Current income taxes	5,234	12,585
Deferred income taxes		
Origination and reversal of temporary differences	457	(4,336)
Adjustments and reversals of deferred tax assets	(4)	(71)
<b>Total</b>	<b>5,687</b>	<b>8,177</b>

The Lion Group assesses its exposure to income taxes arising from tax systems enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development (OECD). Exposure to income taxes in line with the Pillar Two Model Rules is not material.

(5) Reconciliation of the statutory tax rate and effective tax rate

The main factors responsible for the difference between the statutory tax rate and the effective income tax rate are as follows.

	Year ended December 31, 2023	Year ended December 31, 2024
Statutory tax rate	30.6%	30.6%
Entertainment expenses and other non-deductible items	0.4%	0.3%
Dividend income and other items not recognizable as income for tax purposes	(0.5%)	(0.1%)
Unrecognized deferred tax assets	(0.0%)	(0.8%)
Differences in tax rates applicable to foreign subsidiaries	(4.5%)	(3.5%)
Research and development expenses and other special deductions	(2.7%)	(1.4%)
Foreign tax credits	(0.1%)	(0.0%)
Other	2.2%	0.3%
<b>Effective tax rate</b>	<b>25.4%</b>	<b>25.4%</b>

Note: The Company is subject to taxes mainly comprising income taxes, residence taxes and enterprise taxes. Calculated based on these taxes, the statutory tax rate for the fiscal years ended December 31, 2023 and December 31, 2024 was 30.6%. However, overseas subsidiaries are subject to the income and other taxes of their respective locations.

## Post-Retirement Benefits

The Company and certain consolidated subsidiaries maintain funded and unfunded defined benefit and defined contribution retirement plans to pay employee post-retirement benefits.

The main retirement benefit plan in which the Company participates is the LION PENSION FUND. Furthermore, the Company and 9 other companies maintain lump-sum retirement benefit payment plans. Furthermore, the Company has established a retirement benefit trust.

### (1) Defined benefit plans

The amounts related to defined contribution pension plans presented in the Consolidated Statement of Financial Position are as follows.

(Millions of yen)

	December 31, 2023	December 31, 2024
Present value of defined benefit obligation	53,151	48,416
Fair value of plan assets	(59,446)	(58,994)
Total	(6,294)	(10,578)
Retirement benefit liabilities	4,531	1,733
Retirement benefit assets	(10,826)	(12,311)
Net liabilities presented in the Consolidated Statement of Financial Position	(6,294)	(10,578)

### A. Changes in the present value of retirement benefit obligation

(Millions of yen)

	Year ended December 31, 2023	Year ended December 31, 2024
Balance of retirement benefit obligation at beginning of year	57,287	53,151
Current service costs	1,919	1,934
Past service costs	(989)	—
Interest expenses	577	532
Remeasurements		
Experience adjustments	34	249
Actuarial differences arising from changes in demographic assumptions	(245)	—
Actuarial differences arising from changes in financial assumptions	55	(1,677)
Retirement benefit payments	(5,680)	(5,998)
Other	191	224
Balance of retirement benefit obligation at end of year	53,151	48,416

The weighted average duration of the defined benefit obligation was 9.9 years at December 31 2023 and 9.8 years at December 31, 2024.



B. Changes in the fair value of plan assets

(Millions of yen)

	Year ended December 31, 2023	Year ended December 31, 2024
Balance of plan assets at beginning of year	56,003	59,446
Interest revenue on plan assets	603	632
Remeasurements		
Return on plan assets (excluding interest revenue)	5,423	3,365
Employer contributions	224	255
Retirement benefit payments	(2,860)	(4,669)
Other	52	(35)
Balance of plan assets at end of year	59,446	58,994

The Group's planned contribution to defined benefit plans in the consolidated fiscal year ending December 31, 2025 is ¥255 million.

C. Plan asset management policy

The pension assets held by the LION PENSION FUND account for approximately 50% of the Group's plan assets. Management of the LION PENSION FUND's pension assets is aimed at securing the necessary total returns over the long term to ensure the payment of the defined benefit obligation going forward. Specifically, the Group manages such assets by considering factors that include the expected rates of return, risk and combinations of investment assets to determine an investment asset mix that will be optimal into the future and then maintaining this mix. Every year, the asset mix is evaluated, and, if the conditions upon which it was formulated have changed, it is revised as needed. At present, in light of the fund's highly mature financial status with retirement benefit payments greatly exceeding revenues from premiums, the fund is managed in a relatively low-risk manner with an asset mix focused primarily on bonds.

The retirement benefit trusts set up for the defined benefit corporate pension plans operated by the LION PENSION FUND at the Company and the lump-sum retirement benefit payment plans maintained by the Company account for approximately 50% of plan assets. The Company's strategically held shares account for the majority of the assets in these retirement benefit trusts. The investment profitability of each such stockholding is recognized as cost of capital and other items, and the Company's Board of Directors examines the economic rationality of each such stockholding on an annual basis.

D. Components of plan assets

The components of plan assets are as follows.

(Millions of yen)

	December 31, 2023		December 31, 2024	
	Assets with quoted prices in active markets	Assets without quoted prices in active markets	Assets with quoted prices in active markets	Assets without quoted prices in active markets
Bonds	—	22,306	—	20,071
Stocks	25,285	—	21,100	—
Other	7,798	4,055	11,323	6,499
Total	33,084	26,361	32,424	26,570

E. Actuarial assumptions

The main actuarial assumptions used at the period-end are as follows.

	December 31, 2023	December 31, 2024
Discount rate	1.0%	1.4%

F. Sensitivity analysis of actuarial assumptions

The changes to the period-end defined benefit obligation if the discount rate were to change as shown below are as follows. This analysis assumes that other relevant variables are fixed.

(Millions of yen)

	Year ended December 31, 2023	Year ended December 31, 2024
Discount rate up to 0.5%	(2,189)	(1,933)
Discount rate over 0.5%	2,399	2,116

(2) Defined contribution plans

The amounts recognized as expenses related to defined contribution plans are as follows.

(Millions of yen)

	Year ended December 31, 2023	Year ended December 31, 2024
Expenses related to defined contribution plans	3,062	3,047

**Earnings per Share**

(1) Basic earnings per share

	Year ended December 31, 2023	Year ended December 31, 2024
Profit for the period attributable to owners of the parent (millions of yen)	14,624	21,197
Average common shares during the period (thousands of shares)	284,406	277,054
Basic earnings per share (yen)	51.42	76.51

(2) Diluted earnings per share

	Year ended December 31, 2023	Year ended December 31, 2024
Profit for the period attributable to owners of the parent (millions of yen)	14,624	21,197
Adjustments to profit for the period (millions of yen)	—	—
Profit for the period used to calculate diluted earnings per share (millions of yen)	14,624	21,197
Average common shares during the period (thousands of shares)	284,406	277,054
Stock options (thousands of shares)	121	80
Executive compensation BIP trust (thousands of shares)	286	295
Diluted average common shares during the period (thousands of shares)	284,813	277,429
Diluted earnings per share (yen)	51.35	76.41

**Important Subsequent Events**

Not applicable.