

Together with Employees

Sustainability Material Issue 3-7



Basic Approach

The Lion Group has set “Generate dynamism to realize innovative change” as one of the growth strategies of Vision 2023. Under this strategy, we aim to have all employees spurring on one another in their respective growth processes and operating as autonomous individuals in order to generate waves of innovative change; that is, dynamism, across the organization as a whole. We will promote a variety of initiatives, including opportunities for independent learning and autonomous career development, the development of healthy habits and flexible work styles, to support individual job satisfaction while also promoting flexible organizational management in response to issues, position management to allocate the right person to the right role, and personnel management by job grouping* to secure and develop highly specialized human resources. Through these efforts, we will encourage the dynamism of every employee and leverage their abilities as an organization, thereby linking our human resources development to the enhancement of our corporate value.

* Job groupings are cross-departmental categorizations of roles and job types that require similar expertise. The groupings serve to drive human resource development aimed at increasing expertise in specific areas and are utilized in coordination with the personnel-related initiatives of the head office and individual departments.

Overview

We are advancing a variety of initiatives rooted in the common approach of activating individuals and organizations. In addition to efforts to enable diverse human resources to succeed, promote diverse work styles and develop independent human resources, we aim to realize better workplace environments by maintaining and enhancing labor-management relations, health and safety (Figure 1).

Furthermore, via the Lion Professional Fulfillment Reforms*, we are offering a wide range of options and opportunities for employees based on four overarching themes aimed at making maximum use of diverse talent. By doing so, we are working to create environments that allow employees to utilize their own strengths, find the work styles that best suit them and better coordinate with others (Figure 2).

* Initiatives to increase the professional fulfillment of each and every employee, develop personnel who generate new value and improve labor productivity.



Figure 1. Initiatives to Activate Individuals and Organizations

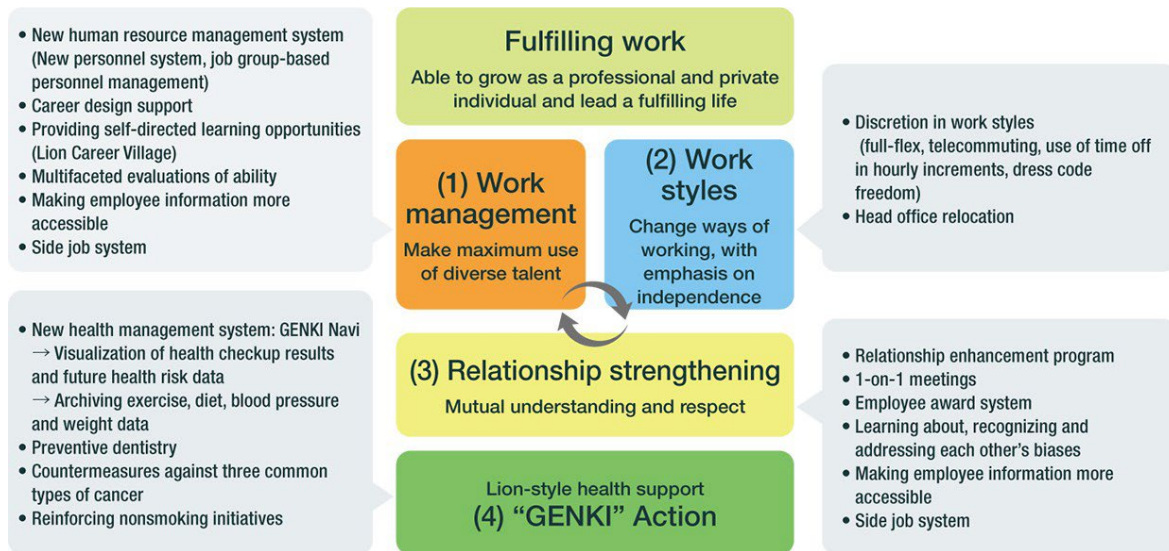


Figure 2. Lion Professional Fulfillment Reform Framework

Initiatives



Developing Human Resources



Promoting Work-Life Enrichment



Promoting Diversity and Inclusion



Improving Employee Health



Enhancing the Occupational Safety Management System



Labor-Management Relations

Developing Human Resources

Sustainability Material Issue 5 Developing Human Resources

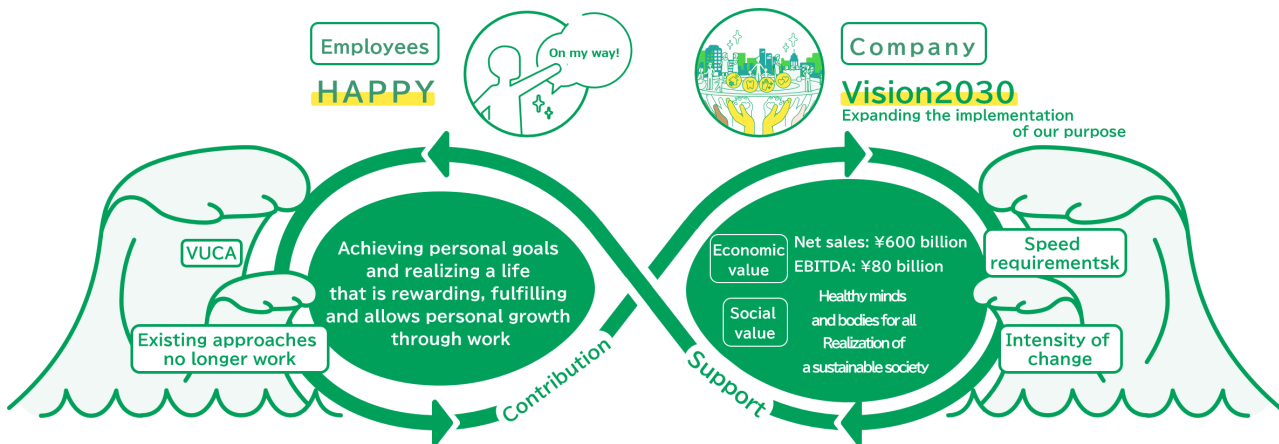


- ✓ Approach ✓ Lion's Ideal Human Resources
- ✓ Human Resource Development to Support Career Autonomy ✓ Career Autonomy Support Measures
- ✓ Career Development Programs

Approach

The core concept of the Lion Group's human resource development is to generate human resources who proactively think and take action regarding their careers, work and work styles and engage in their work productively.

To put our purpose, "Make a difference in everyday lives by redesigning habits: ReDesign," into action, it is essential that each and every one of our employees is able to achieve a clear sense of professional fulfillment as well as ongoing personal growth and self-realization. We aim for all employees to operate as autonomous individuals, spurring one another on in order to generate dynamism across the organization as a whole. In this way, we seek to become an advanced daily healthcare company and contribute to the realization of healthy minds and bodies for all consumers.



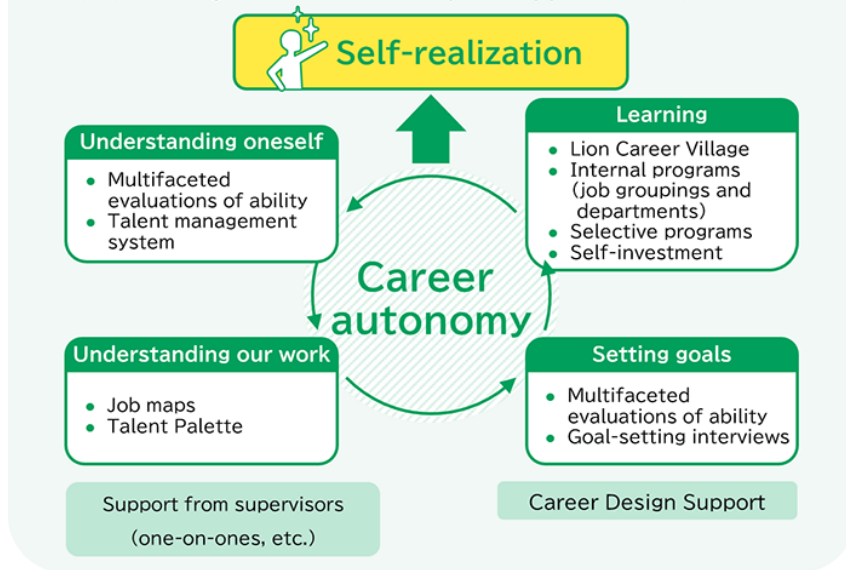
Dynamism generated through a cycle of contribution and support

The Lion Group strives to foster habits that allow employees to feel secure and take on challenges so that they can realize career autonomy and exercise their diverse abilities. By doing so, we aim to develop human resources who generate dynamism to realize innovative change.

In addition to offering support that facilitates individual self-realization, the entire Company strives to foster a culture that encourages employee growth and to strengthen relationships between supervisors and subordinates. In this way, we strive to provide conditions that enable employees to feel secure across all departments.

To enable employees to realize the careers they have designed for themselves, we provide human resource development support that empowers them to grow through the autonomous acquisition of knowledge and experience and thus make maximum use of their diverse talents.

We provide support to help employees achieve their career plans, which comprise the aspirations that inform their career designs—in other words, we support self-realization.



Support for self-realization

Lion's Ideal Human Resources

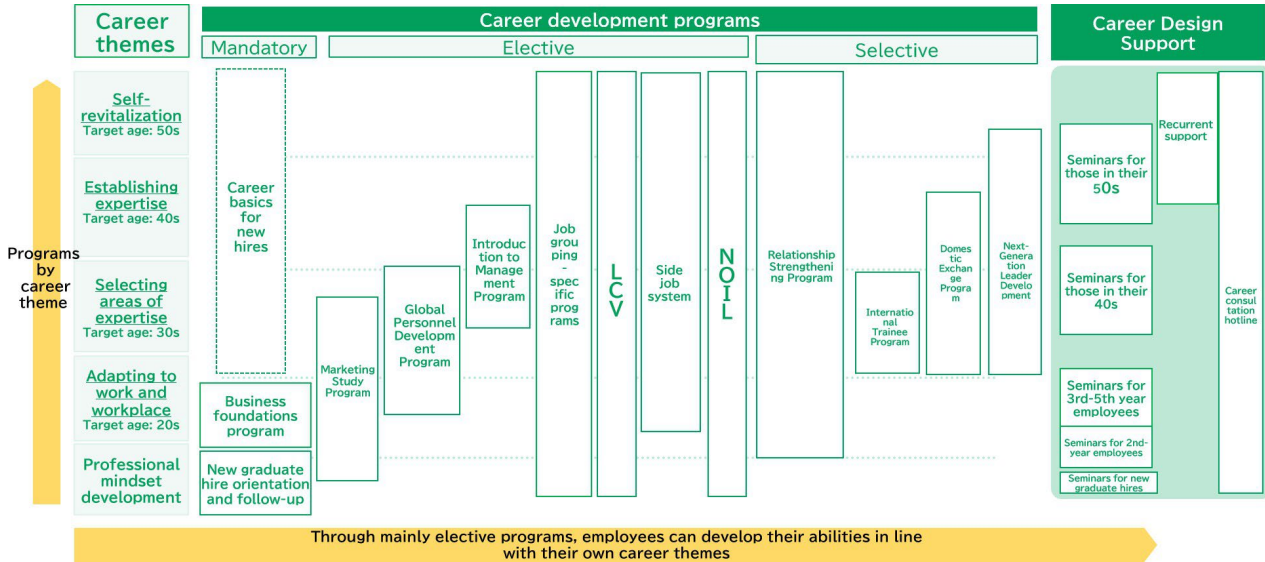
Human resources who proactively think and take action regarding their careers, work and work styles and engage in their work productively

Aspirations	•••	People who have personal work and career goals
Skills	•••	People who have expertise (skills and knowledge) that is valuable in the labor market
Action	•••	People who can make the most of the responsibilities and authority entrusted to them

Human Resource Development to Support Career Autonomy

Key Points

- Lion offers programs, most of which are elective, by career theme. Through these programs, we advance human resource development tailored to the growth of each individual employee.



Map of human resource development programs

- To nurture highly competent professionals, we implement human resource development through the head office, job groupings* and departments.



Human resource development from three direction

* Job groupings are cross-departmental categorizations of roles and job types that require similar expertise. The groupings serve to drive human resource development aimed at increasing expertise in specific areas and are utilized in coordination with the personnel-related initiatives of the head office and individual departments.

Career Autonomy Support Measures

Multifaceted Evaluations of Ability

One of the four overarching themes of the [Lion Professional Fulfillment Reforms](#) is Work management. As a measure in this area, we carry out multifaceted evaluations of ability, providing an impetus for employees to autonomously grow and work in ways that better suit them.

Once a year, employees and their colleagues evaluate their behavioral characteristics and receive feedback from their supervisors. This initiative, adopted from fiscal 2021, helps spur self-directed, autonomous growth.

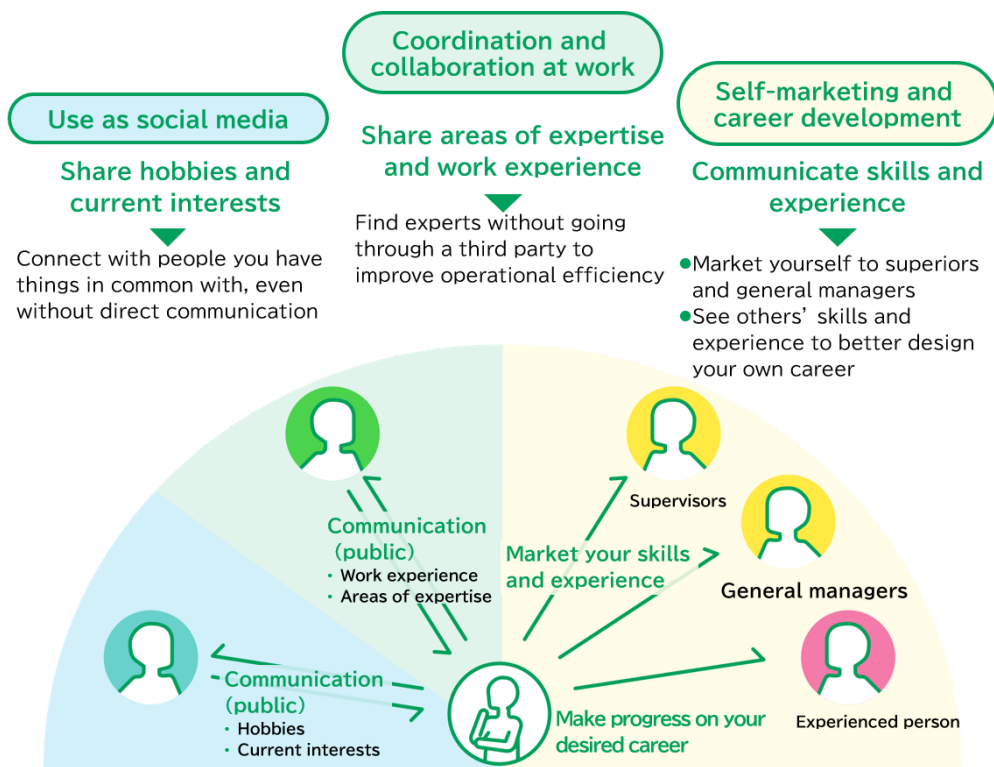


Multifaceted evaluations of ability provide material for use in helping employees grow both autonomously and with the guidance of supervisors

Talent Management System

One of the overarching themes of the [Lion Professional Fulfillment Reforms](#) is “Strengthen relationships.” Efforts in this area include the adoption of a talent management system that gathers existing data on individuals and organizations and enables them to register and broadcast additional information themselves.

Functioning like an internal social media platform for finding as well as connecting and collaborating with others, the system helps create opportunities to strengthen relationships.



The talent management system serves as a tool for communication

Job Maps

Job maps provide, on a single sheet, a clear visual explanation of the delineation of duties within each department, serving as an easy-to-use alternative to conventional detailed written explanations of duties by theme.

Introduced in January 2023, job maps include information on the specific duties of each role and the skills and competencies they require. This enables employees to take steps to prepare themselves for the career path they aspire to and is aimed at promoting self-development, ingenuity and ambitious effort.

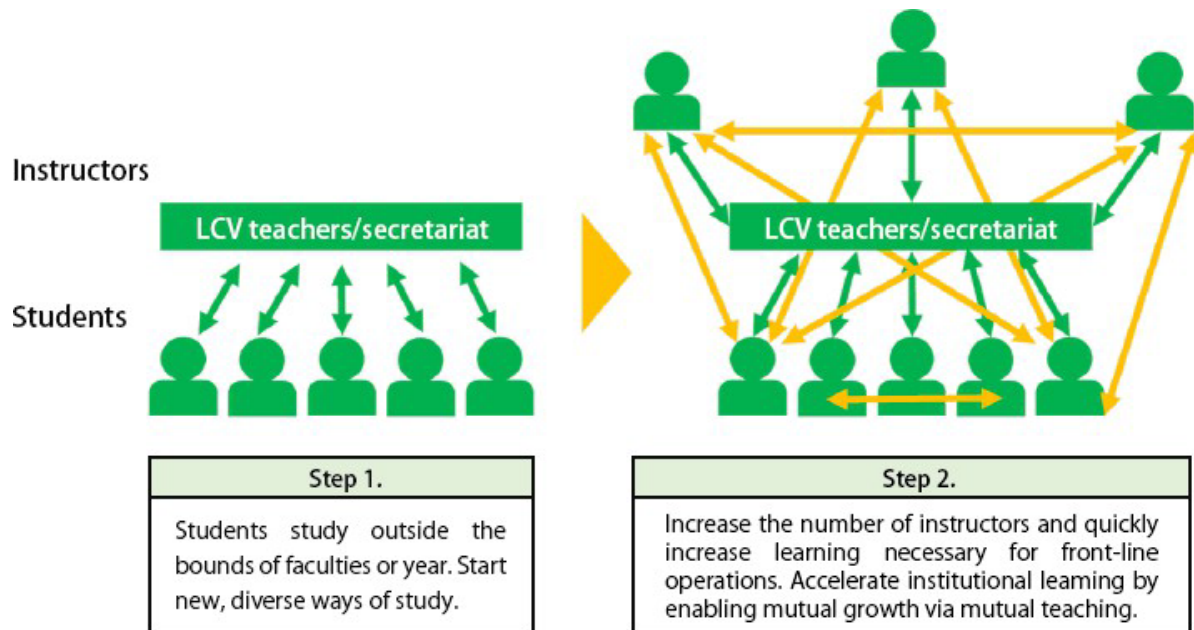
Lion Career Village (LCV)

Since 2019, to adapt to changing modes of learning while creating new learning opportunities, we shifted from conventional level-specific training to a more self-directed mode of learning via Lion Career Village (LCV), our platform for learning.



LCV offers programs divided into e-learning (mainly video content) and small group discussions. Users can access and learn from approximately 5,000 units of online content and discussion-style programs encompassing knowledge from within the Group and outside. In addition, those seeking further learning may utilize the Self-Development Fund (SDF) system, in which the Company supports a portion of the learning expenses incurred.

Going forward, to help employees gain knowledge that will further expand the breadth and depth of their work and with an eye to accelerating institutional learning, we will create environments that enable them to teach one another and share what they have learned.



Enhancing Lion Career Village (LCV)

Going forward, we will continue to improve work environments that promote ambition and creation to help all employees advance their careers in an effort to reinforce front-line capabilities.

Career Development Programs

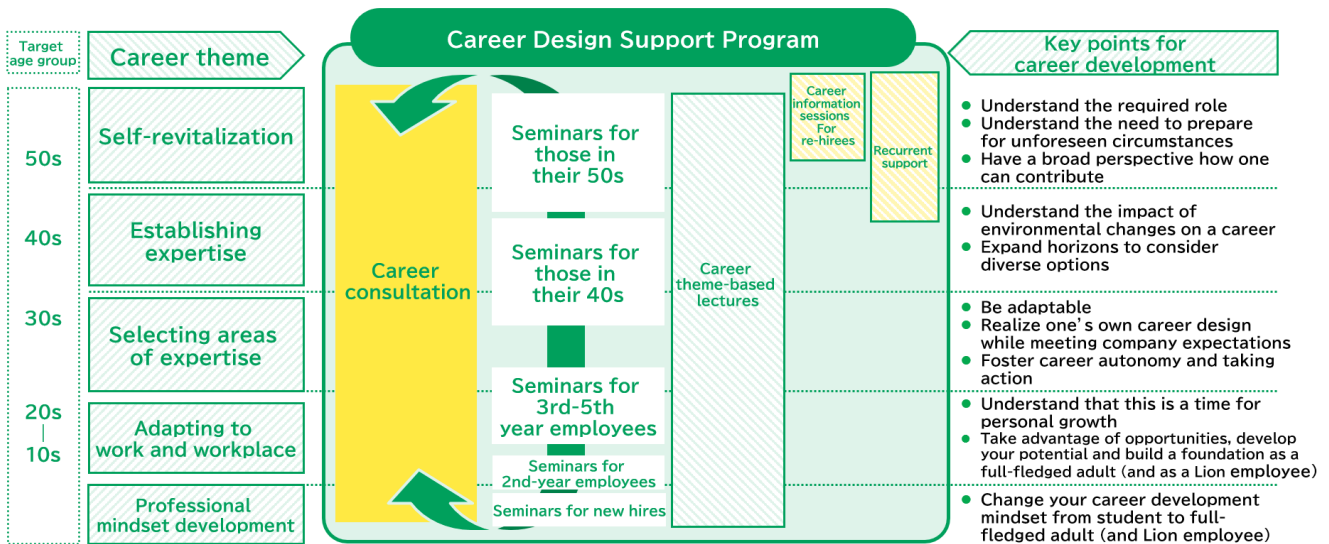
Career Design Support

Lion has established the Career Design Support hotline to help employees practice conscious autonomy that will enable them to advance their careers based on their own aspirations and actions. The hotline allows employees to seek consultation about their careers and provides information from within and outside the Company, helping employees design their careers and rediscover their own potential.

We also hold career seminars for specific age groups and offer lectures on specific career themes to meet employees' particular needs while helping them develop an awareness of the ways in which they can leverage their unique strengths and experience in their careers.



Career Design Support Activities



Interview with a career consultant



Holding career design seminars for each career stage (online)

Orientation Program for New Graduate Hires

Purpose: Instilling an adult mindset and an understanding of the business structure while building a foundation for career autonomy

Overview: For all new graduate hires of all job types, we provide a curriculum that not only encourages a shift from the mindset of a student to that of a full-fledged adult but also incorporates a breadth of on-site experiences to promote an understanding of business structure.

Follow-up Program

Purpose: Providing opportunities for employees to review day-to-day tasks as well as to reexamine their individual aspirations and values and then utilize the realizations gained to design their own careers

Overview: We provide a curriculum centered on supporting junior employees (employees hired as new graduates in their first and second years with Lion) in designing their careers.

Marketing Study Program

Purpose: Providing study opportunities to enhance understanding of marketing for interested individuals

Overview: The Marketing Study Program has been implemented continuously in the Marketing Division since 2014. This program offers opportunities for the systematic study of such topics as practical marketing theory and planning design based on consumer insights and competitive strategies. The program also serves to develop marketing personnel in accordance with individual career paths.

Global Personnel Development Program

Purpose: Building the knowledge, insights and connections needed to forge autonomous careers by imparting basic skills necessary in globally capable personnel and an understanding of the Lion Group's overseas business in Asia

Overview: The Global Personnel Development Program was launched in 2021 to further expand Lion's overseas business in Asia. The program's training curriculum encompasses problem solving, understanding cultural differences and learning foreign languages as well as visits to overseas locations. Through the program, we are developing globally capable human resources who can excel across Asia, including Japan, based on outstanding expertise.

Introduction to Management Program

Purpose:

1. Understanding the roles expected of upcoming managers
2. Acquiring interpersonal management skills through both theoretical understanding and hands-on learning
3. Enhancing participants' understanding of Lion's corporate governance while instilling an awareness of proactively modeling compliance
4. Understanding managers' responsibility to look out for the mental health of subordinates and putting that responsibility into practice in the workplace

Overview: Comprising the Management Skill Training Program and Leadership Training Program, this program aims to impart both the knowledge and practical skills necessary for interpersonal management in management positions, covering such topics as compliance, understanding business conditions and looking out for the mental health of subordinates.

Side Job System

In 2020, we introduced a side job system (in which employees can either devise their own side job or choose from a number of options) to create opportunities for employees acting with conscious autonomy to gain knowledge and experience. Pursuing a side job can be an opportunity for employees to expand their own potential and take a fresh look at their own abilities. As such, we are both granting employees permission to work side jobs outside the Group and recruiting outside talent to work side jobs at Lion. By gaining experience outside the Company, employees can grow and evolve while expanding the breadth of their career and career options. Furthermore, we aim to leverage the external knowledge and connections that employees build through their side jobs to help create new value.

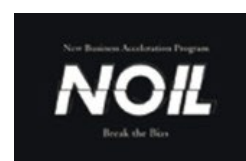
Expected Benefits

- Employees will build relationships outside the Group and broaden their horizons externally, enabling them to expand the breadth of their careers and grow as individuals. They will then be able to apply the experiences gained to their work at Lion.
 - Lion will gain skills, knowledge and experience that it lacks internally.
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NOIL

Under the theme of going beyond conventional healthcare wisdom, we launched NOIL, a program for selecting and implementing new business ideas in 2019, with the aim of continuously creating businesses that offer new value.

Held every year, each year collecting ideas based on diverse perspectives from among employees in not only the R&D Division and Marketing Division, but divisions across the Company, including sales divisions and the Production and Logistics Headquarters. The applicants examine issues faced by society and consumers and, on their own, come up with ideas aimed at resolving them that they turn into business proposals. To commercialize the ideas for new products and services that management and outside experts select as promising, the employees who submitted the ideas that are chosen are transferred to the Business Development Center, where they take a central role in building their new businesses.



Overall flow of the NOIL program



Commercialized Business: Kyuzituhack

I worked in sales for eight years after joining Lion, but I decided to apply to the NOIL program because I wanted to create a business based on my own ideas in order to offer something exciting to the world. I proposed a service, Day Off Hack!, to help customers mix up their stale regular routines. My idea was selected for development through NOIL in December 2019.

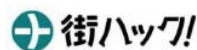
We established Kyuzituhack Co., Ltd. with venture capital funding, and I was appointed its president. I had my hands more than full, what with establishing the company, running it as president and developing its business. First, we developed Day Off Hack! (released October 2020), a service that connects users with interesting things to do outside the home. Then, in response to growing demand driven by the COVID-19 pandemic for home-based alternatives, we released At-Home Hack!, a service that delivers kits that provide fun, unexpected experiences that can be enjoyed at home (released March 2021).

However, there were parts of the business that did not work out, and after much trial and error, in 2022, we started focusing on Machi Hack!, a service for creating experiences involving entire neighborhoods.

Currently, there are over 10,000 registered users for the service, and it has received positive feedback from our customers.

Through services that offer encounters with new things you wouldn't think to seek out yourself, I hope we can offer new living habits and value in a fun and enjoyable way.

Kazuki Tanaka
Kyuzituhack Co., Ltd.



「街全体を体験に変える」

をコンセプトに街に寄り添った内容の街歩きストーリーブックを制作！体験いただいたお客様にその場所のことを「好き」になっていただくことを目的としております。



[Kyuzituhack \[Japanese\]](#)

Relationship Strengthening Program

Purpose:

1. Reviewing operational management and interpersonal management to redefine personal goals
2. Reconsidering the roles expected of colleagues and subordinates and reestablishing one's own goals as a manager
3. Enhancing management and leadership skills through both theoretical understanding and hands-on learning

Overview: In line with Lion Professional Fulfillment Reforms, we are reinforcing initiatives to strengthen relationships as a foundation for promoting and enhancing the effectiveness of various measures related to skill development, work styles and work management.

Domestic Exchange Program

This program dispatches employees to business schools in Japan to acquire MBAs. Candidates are selected from among employees who have a strong desire to learn new skills and who have been with Lion for at least three years.

Next-Generation Leader Development

This program selects and trains highly skilled personnel to lead organizations.

Promoting Work-Life Enrichment

Sustainability Material Issue 4 Promoting Work-Life Enrichment



- ✓ Realizing Mid- to Long-Term Life Plans (Balancing Work and Nursing/Childcare)
- ✓ Workstyles That Help Realize the Daily Lifestyles That Employees Seek

In order to utilize the power of our human resources, it is necessary for a diverse range of people to demonstrate their diverse abilities and work in their own way. For this reason, we view work and life as one, and aim to create an environment that helps employees fulfill their ambitions through synergy between work and private life. We are committed to creating an environment in which each employee can realize their ambitions in life. To this end, we provide a variety of support services to help each employee realize their mid- to long-term life plan and daily lifestyle.

Realizing Mid- to Long-Term Life Plans (Balancing Work and Nursing/Childcare)

For individual employees to be able to realize their mid- to long-term life plan, it is necessary to expand the range of life planning options for events that have a large impact on life, such as childcare and nursing care.

Programs to Support a Balance Between Work and Nursing Care

Lion has enhanced support for employees engaged in nursing care of family members as part of efforts to create an environment that allows employees to continue to work with peace of mind while handling such responsibilities. In addition to ordinary annual paid leave, we have in place programs to support nursing care providers, including nursing care leave of up to 365 days, shorter work hours for nursing care (short hours flextime system), nursing care leave and accumulated leave for nursing care (accumulated expired annual paid leave). Furthermore, we have set up a support website targeting employees aged 40 and over to better provide information on nursing care, including videos of caregiving seminars for managers and individuals.

Programs to Support a Balance Between Work and Nursing Care

Nursing care	365 days of nursing care leave	<ul style="list-style-type: none"> Up to a total of 365 days of leave in one-day units may be taken per family member requiring nursing care (in accordance with laws and regulations, this is available up to three times per employee)
	Shorter work hours for nursing care (short hours flextime system)	<ul style="list-style-type: none"> Employees may reduce their work hours (by up to two hours per day) as long as necessary to provide nursing care May be used in combination with the flextime system
	Nursing care leave	<ul style="list-style-type: none"> Employees may take up to five days per year to provide nursing care for one family member or up to 10 days per year to provide nursing care for more than one family member
	Accumulated leave (Close relative nursing care)	<ul style="list-style-type: none"> Accumulated expired annual paid leave (up to 60 days) may be used for the nursing care of close relatives * Accumulated paid leave may also be taken for the employee's own medical care or for volunteering

Programs to Support a Balance Between Work and Childcare

Lion is proactively enhancing its programs that support employees who are balancing work and childcare. We are expanding related programs in line with our action plans based on the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on Promotion of Women's Participation and Advancement in the Workplace and working to increase awareness among employees. As a result of these efforts, in 2023, 105% of eligible female employees (under the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members, applicable to full-time employees only, full-time contract employees are excluded) took childcare leave. The number of male employees taking childcare leave is rising at 71% across a wide range of departments.*

* Based on calculations of the percentage of childcare leave, etc. used in accordance with the Child Care and Nursing Care Leave Law

Employee motivation often falters during the early childcare years. Lion offers support for employees to help develop their careers while raising small children. For example, we have set up a website offering information for employees returning from childcare leave and raising small children as well as support for employees wanting to learn new skills while on childcare leave. To ensure proper understanding of the programs available, we hold individual orientations, attended by eligible employees and their supervisors, as well as pre-reinstatement seminars and post-reinstatement interviews in order to facilitate a smooth return to work and support ongoing career development.

Furthermore, to promote the professional participation and advancement of employees who are raising children, Lion offers a new work style—the short hours flextime system—combining the reduced work hours system and flextime system (the flextime system applies to all employees, excluding those working in certain workplaces at plants).

Programs to Support a Balance Between Work and Childcare

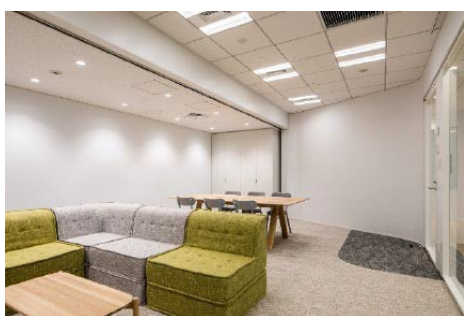
Childbirth	Maternity leave	<ul style="list-style-type: none"> • Six weeks before and eight weeks after childbirth (paid)
	Special leave for spouse's childbirth	<ul style="list-style-type: none"> • Two days (paid, with bonus)
Childcare	Childcare leave for birth	<ul style="list-style-type: none"> • Taken within 8 weeks of the expected delivery date or actual delivery date, whichever is later • Up to 28 days • Can be taken in two parts • First two weeks of initial leave* are paid, bonus deducted
	Childcare leave	<ul style="list-style-type: none"> • May be taken until the child is two years old • May be taken in two parts until the child is one year old • Can be taken in turns by parents between one year and one year and six months, and one year and six months to two years • First two weeks of initial leave* are paid, bonus deducted
	Shorter work hours for childcare	<ul style="list-style-type: none"> • Employees may reduce their work hours by up to two hours per day until the child finishes first grade • May be used in combination with the flextime system
	Exemption from overtime work	<ul style="list-style-type: none"> • Employees with children below elementary school age may apply for exemption from overtime work
	Leave to nurse sick children	<ul style="list-style-type: none"> • Employees may take leave in hourly units to care for injured or sick children below elementary school age (paid) • Employees may take up to five days per year for one child below elementary school age or up to 10 days per year for more than one such child

* Initial leave is the first leave taken, either for childbirth leave or childcare leave

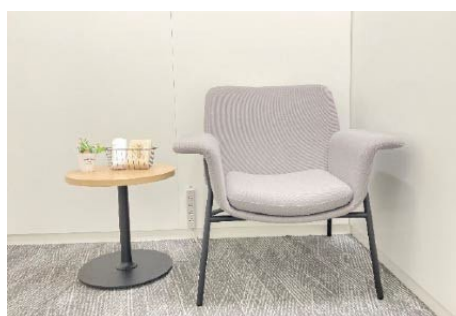
[Employee Benefits \[Japanese\]](#)

Creating Comfortable Working Environments

When Lion relocated its head office in 2023, it installed family rooms and nursing rooms to enable employees who are raising children to work with peace of mind, as well as enable them to bring their children to work as necessary. Family rooms are primarily for use by employees who bring their children to work, but can also be used as regular meeting rooms. Nursing rooms have been set up for breastfeeding, pumping and lactation, and are used to support health and childcare for employees returning to work during the breastfeeding stage.



Family room



Nursing room

Initiatives Based on the Act on Advancement of Measures to Support Raising Next-Generation Children

Lion is aggressively working to create environments that allow employees to work while raising children so that all employees can exercise their abilities to the fullest.

As a result, Lion has fully accomplished the first five phases of its Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children and received Kurumin certification for each. Through such initiatives as encouraging the use of childcare-related systems, providing support for smooth reinstatement after childcare leave and encouraging male employees to take parental leave, we have achieved a 100% retention rate for female employees one year after giving birth and a 71% usage rate for childbirth leave or parental leave among male employees (for the period of April 2015 to December 2018).

In addition, under the 5th Phase (covering April 1, 2015 to December 31, 2018) of our Action Plan, we advanced efforts to promote healthy work-life balance among all employees, not only those raising children, such as encouraging the use of annual paid leave and expanding the use of the work-from home system. As a result of these efforts, in 2019, Lion received special Platinum Kurumin certification from the Minister of Health, Labour and Welfare.

Kurumin Certification

2007	1st Phase	Received Kurumin certification as a childcare-supporting company from the Minister of Health, Labour and Welfare
2009	2nd Phase	Received Kurumin certification as a childcare-supporting company from the Minister of Health, Labour and Welfare
2011	3rd Phase	Received Kurumin certification as a childcare-supporting company from the Minister of Health, Labour and Welfare
2015	4th Phase	Received Kurumin certification as a childcare-supporting company from the Minister of Health, Labour and Welfare
2019	5th Phase	Received Kurumin and Platinum Kurumin certification as a childcare-supporting company from the Minister of Health, Labour and Welfare



Kurumin certification mark



Platinum Kurumin

At present, under the 6th Phase of our Action Plan (covering February 1, 2019 to December 31, 2022), we have achieved our goal to create employee-friendly environments that allow employees to work while raising children and exercise their abilities to the fullest. After the 6th Phase is finished, we will continue to utilize our system that exceeds Kurumin certification criteria and disclose the required information on the Ministry of Health, Labour and Welfare's website.

[Support for Balancing Work and Home Life Information and Forum \(Ministry of Health, Labour and Welfare website\) \[Japanese\]](#)

Perspectives of Employees Balancing Work and Childcare

I used Lion's childcare leave in 2016 and again in 2019 when I gave birth to my children. Lion's various support systems had been well established when I had my first child, but they were further strengthened for my second child, and I felt that they created a very comfortable working environment for mothers. I was very anxious about returning to work after childcare leave because I could not imagine a life of raising two children while working, especially considering that I have not only one child, but also my second child. However, when I attended the Back-to-Work Seminars, I heard stories from more experienced mothers and was able to get a better picture of what it is like to balance work and family life. Talking with other mothers who were returning to work at the same time made me feel like I could do my best, and Lion's systems were being improved, so I was able to look at returning to work in a positive light.

I met my husband while working at Lion, and when I had my second child, he was also able to take childcare leave. The Company as a whole is very supportive of parenting, regardless of gender, so we were able to enjoy raising our children without hesitation, which I appreciated. Now, I am currently utilizing the short hours flextime system, the full flex system, and the telecommuting system. In addition, my superiors and coworkers are very understanding, so I am able to work in a flexible manner, which is very helpful, I feel that I am truly blessed to be able to work while raising my children.



Work Styles That Help Realize the Daily Lifestyles That Employees Seek

To achieve the daily lifestyles that employees seek, it is necessary to reduce overtime and long working hours, make the leave system more accessible and increase flexibility in working hours and locations.

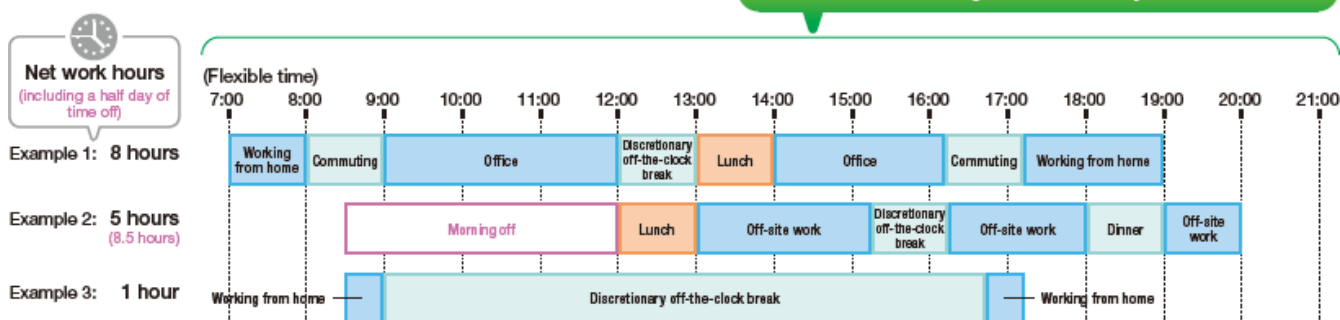
Promoting Work Hour Management and Annual Paid Leave

We have been working to reduce long working hours and encourage employees to take annual paid leave since 2010. Through e-learning programs for employees throughout the Company, covering such topics as compliance, we are promoting understanding of appropriate work management, including work hour management. In addition, in order to achieve our 2024 target of 80% annual paid leave taken, we are implementing initiatives for all employees to take at least 5 days per year under a labor-management agreement.

Rule Revisions to Promote Independent Work Styles

In 2015, we introduced a work-from-home system that promotes flexible work styles not bound to specific workplaces. This was done with the aims of accommodating autonomous work styles in line with the diversity of our employees and increasing productivity. To prevent the spread of the COVID-19 pandemic in 2020, the adoption of work styles that do not require employees to be present in offices or commercial premises was rapidly expanded. In January 2021, we reinforced our telecommuting and full-flex systems (eliminating core time and enabling employees to take discretionary off-the-clock breaks), giving employees the choice of when and where to work. This shift toward more independent work styles that accommodate diverse needs has resulted in a usage rate for these systems of around 50%. The practice of work styles suited to individual needs continues to take root, helping improve professional fulfillment. Furthermore, because it is difficult to enable production site employees to freely set their own hours, we have established a system for such employees to take time off in hourly increments, not only for child and nursing care, but also for things that do not require a lot of time off such as family pick-up and drop-off, going to the doctor, or school events. This system makes it easier for employees to balance their private lives and work, helping to bolster motivation.

Example Schedules Using Systems for Working From Home, Full-Flex Time and Discretionary Off-the-Clock Breaks

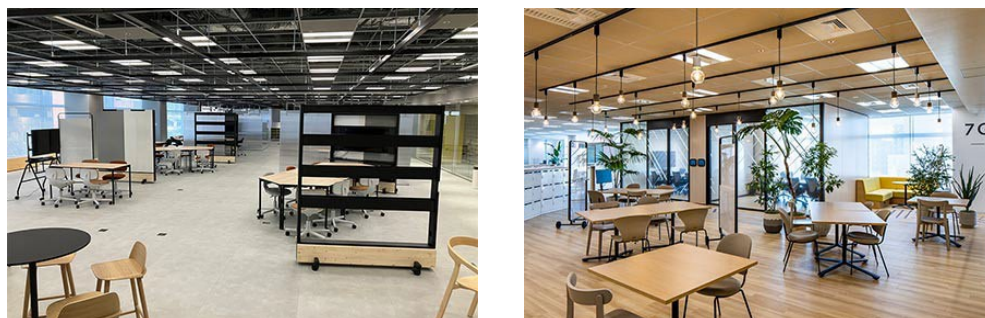


Smart Work

Since 2019, we have been relaxing rules about work attire. This is aimed at enabling employees to practice work styles that spark open innovation and creativity to the greatest extent possible.

In 2023, Lion relocated its headquarters, and the traditional mindset of requiring every employee to come into the office and sit in an assigned seat has been replaced with a work environment that, depending on the nature of their work and their mood, promotes employees' freedom of choice regarding time and place as well as work style, whether in person or from home.

In these and other ways, we are fostering employees who focus their efforts on the essential creative, high-value-added aspects of their work as well as a corporate culture that rewards doing so.



New office of headquarters

Volunteer Leave System

Lion has a special volunteer leave system (up to five days per year) to support employees participating in Company-designated volunteer activities as well as a general volunteer leave system (in which employees can use expired annual paid leave) to support employees participating in volunteer activities of their own choosing.

Japan is frequently affected by natural disasters, such as flooding and earthquakes. Through employees' active participation in activities to promote recovery in affected areas, we aim to contribute to local communities and enhance participants' awareness of social contribution.



Forest maintenance participants, using the special volunteer leave system

Employees Using Volunteer Leave

	2019	2020	2021	2022	2023
Users (days taken)	15 (19days)	0	0	0	0

* From 2020 to 2022, due to the COVID-19 pandemic, the number of employees who participated was 0.

Employee Awareness and Behavior Survey

Since 2013, we have conducted an annual employee awareness and behavior survey of domestic Group employees in order to confirm changes in employee awareness and behavior, with the aim of achieving a state in which every employee feels fulfillment in their work. The results of the survey are used for measures to improve job satisfaction of employees.

Employee Awareness and Behavior Survey*

Employees take pride in their work

		2019	2020	2021	2022	2023
Lion Corporation (excluding employees on loan)	Overall survey response rate	85.8%	83.0%	84.3%	89.5%	93.5%
	Total response rate from men and women employees	95.7%	97.3%	80.5%	77.1%	74.5%
	Male	96.5%	97.5%	82.8%	78.2%	76.4%
	Female	94.3%	96.8%	77.0%	78.1%	75.4%
	Below 30 y/o	94.0%	95.3%	74.9%	71.9%	75.2%
	30-39 y/o	93.9%	96.7%	78.9%	76.9%	70.6%
	40-49 y/o	96.1%	96.8%	79.0%	75.9%	72.8%
	50-59 y/o	95.7%	97.9%	84.6%	79.5%	76.7%
	60 y/o and above	98.0%	97.2%	85.4%	82.1%	78.4%
	Non- Management Positions	94.4%	96.6%	77.5%	74.9%	72.1%
	Management Positions (Including officers)	98.7%	98.8%	89.6%	85.1%	82.1%

* In response to the improvements in employee awareness, the survey options were modified in 2021 to enable us to understand the current situation more rigorously and aim for a better state.

Promoting Diversity & Inclusion

Sustainability Material Issue 3 Promoting Diversity and Inclusion



- ✓ Deepening Understanding of the Importance of Diversity and Inclusion
- ✓ Promoting the Professional Participation and Advancement of Women
- ✓ Promotion of International Employees ✓ Promotion of Mid-Career Hires
- ✓ Promoting the Hiring and Activities of People with Disabilities ✓ Diverse Work Styles
- ✓ Employee Data

Deepening Understanding of the Importance of Diversity and Inclusion

The Lion Group is promoting diversity and inclusion in order to improve the creativity of its business activities.

To maintain the sense of urgency required to create new value and address life and social issues, it is necessary to maximize the varied knowledge and experience of our diverse human resources so they are equipped to generate new ideas and innovations. We will create an environment and foster a corporate culture in which employees with diverse values and perspectives, regardless of nationality, gender or other attributes, respect each other and can fully demonstrate their individuality and abilities. Currently, a team responsible for diversity within the Human Resources Development Center is implementing a variety of measures to this end.

Since 2022, Lion has held workshops on unconscious bias for senior management and department heads. The workshops helped participants gain a proper, deeper understanding of diversity and inclusion, and discussed how everyone holds biases and the effects and issues they can cause.

Since 2023, we have expanded the workshop for managers. Additionally, 96% of employees took an e-learning course. We are extending education to each and every employee, encouraging mutual acceptance and creating an organization in which diverse and varied human resources can play an active role.



Unconscious bias workshop

Promoting the Professional Participation and Advancement of Women

Lion recognizes that the professional participation and advancement of women is indispensable to the further enhancement of corporate value and is proactively implementing measures to promote the professional engagement of women.

Based on the Act on the Promotion of Women's Participation and Advancement in the Workplace passed by the Japanese Diet in 2016, we are implementing measures to enable the long-term professional participation of women. These include expanding our childcare-related programs and implementing measures to support employees balancing childcare obligations with work.

To narrow the gap in compensation between men and women, we provide each employee with learning and fair growth opportunities while also providing training for evaluators aimed at ensuring that gender discrimination and unconscious bias do not affect their judgement of employees with regard to their education and training, care work responsibilities (i.e., home and childcare) and work experience. In March 2020, we endorsed and participated in the activities of "30% Club Japan,"^{*1} a campaign targeting boards of directors comprising 30% women. The club provides opportunities to participate in meetings with other companies to exchange opinions on women's activities and programs that encourage young women to think about their careers.

In addition, from 2022, we have launched a mentoring program and empowerment seminars to support the development of female leaders and diverse career advancement. Due to the provision of expert mentors from outside the Company, the building of internal and external networks, and the introduction of programs to consider and taking part in leadership activities and challenges that are unique to them, more than 80% of participants have experienced positive changes in their own awareness and behavior.

As a result of these efforts, the percentage of female employees in management positions^{*2} on a non-consolidated basis rose to 16.4% (as of the end of 2023).

Looking toward 2030, we aim to advance the professional development and promotion of women on a Group-wide basis, targeting a rate of women in management of at least 30% for the Group and at least 35% for Lion Corporation.

Lion's Action plans based on the Act on Promotion of Women's Participation and Advancement in the Workplace and its Declaration are available on the Ministry of Health, Labour and Welfare's portal site for information about positive action to promote women's participation and advancement in the workplace.



Women's Leadership Development workshop's Empowerment Seminar

[Lion's entry in the Ministry of Health, Labour and Welfare's database of companies submitting action plans and data based on the Act on Promotion of Women's Participation and Advancement in the Workplace \[Japanese\]](#)

> Data on the promotion of women's activities

*1 Japan chapter of a global campaign founded in the United Kingdom in 2010 with the goal of increasing the percentage of women in key decision-making bodies, including boards of directors, to 30%.

*2 Personnel holding managerial positions at the level of manager or higher

Act on Promotion of Women's Participation and Advancement in the Workplace General Employer Action Plan

Lion Corporation

Lion Corporate has established the following action plan in order to create environments in which employees with diverse work styles and values can participate and advance, regardless of such factors as nationality, gender or age, and to further increase opportunities for value creation.

1. Plan duration: May 1, 2021 to December 31, 2030

2. Challenges we face:

- Closing the gap in the proportion of men and women in management positions
- Creating a corporate culture that respects and leverages diversity

3. Action plan

Target 1: A rate of women in management* of at least 35% by the end of 2030

From 2021:

- Revise evaluation systems to promote the professional participation and advancement of both men and women
- Build a career support system that eliminates bias and enables empowerment (enhance the mentoring system, create development plans that account for life events, etc.)
- Reinforce internal and external communication about management's commitment to promoting women's professional participation and advancement

* At the level of manager or higher, in general

Target 2: For 100% of eligible men to take childcare leave by the end of 2030

From 2021:

- Promote a shift in thinking toward leveraging diversity
- Implement training on unconscious bias
- Reinforce promotional activities to encourage the use of childcare leave
- Provide opportunities for reflecting on employee diversity

Promotion of International Employees

As of the end of 2023, Japanese employees account for 44.9% of the 7,550 employees in the consolidated Group. At overseas Group companies, employees native to those various countries and regions work closely with Asian consumers, proposing better practices and other activities. In Japan, foreign nationals comprise 1.7% of the total number of employees and 0.7% of the total number of managers. We aim to raise the ratio of foreign nationals in management positions to equal that in the total workforce by 2030. These efforts to promote the appointment of international employees are aimed at the achievement of business growth through the realization of a varied and diverse workforce.

Promotion of Mid-Career Hires

In order to further develop our current and new businesses, we are actively hiring and promoting mid-career hires who have experience, skills and expertise not previously available in the Company.

As a result of activities based on the recruitment plan for new graduates and mid-career hires in the medium-term human resources plan, the rate of mid-career employees hired during the three-year period from January 2021 to December 2023 was 41.8%. Furthermore, we are actively re-recruiting people who once left the Company for such reasons as career advancement or family circumstances.

As of December 31, 2023, the rate of mid-career hires to the total number of employees was 23.5%. The rate of mid-career hires in management positions was 11.6%, and we aim to have the same level of mid-career hires in management positions by 2030 as traditional employees.

* Employees of the Company (excluding temporary employees, etc.)

Promoting the Hiring and Activities of People with Disabilities

Lion recruits people with disabilities year-round. We are committed to creating a work environment that allows people with disabilities to make the most of their individual skills while providing thoughtful employment that matches their abilities.

In April 2016, we established the special subsidiary Lion Tomoni Co., Ltd. as a workplace where people with disabilities who are willing to work can make the most of their individuality and work with stability. The business activities of Lion Tomoni help streamline and rationalize Group operations.

Lion Tomoni Co., Ltd.'s 36 employees with disabilities and ten instructors (as of March 31, 2024) engage in a wide variety of operations, such as cleaning the employee cafeteria and washing laboratory ware, preparing business cards and employee badges, and operating a stationery reuse service. Under the four promises of “safety first,” “act wholeheartedly,” “energetic greetings” and “demonstrating teamwork,” Lion Tomoni will continue to promote the hiring and professional participation of people with disabilities.



Cafeteria cleaning and washing laboratory ware

Diverse Work Styles

Support Systems for Accompanying Spouses on Work Transfer

A system was introduced to reduce anxiety regarding career continuity due to a spouse's relocation as well as to create an environment in which employees can positively work toward career improvement. Depending on one's career plan and family situation, employees can choose from three options: change their work location, take a leave of absence for up to three years to accompany their spouse or resign from the Company with the option of being rehired within five years (guaranteed re-entry).

Retired Employee Re-Hiring System

In 2024, Lion revised its system to reflect the results of personnel evaluations in compensation for re-hired employees, just as in the case of current employees, in order to encourage employees to actively train and pass on their knowledge, skills, and experience to the next generation while utilizing the knowledge, skills, and experience they have accumulated to date. In addition, through such programs as career design seminars for employees in their 50s and system briefings three years prior to retirement, we provide employees with opportunities from a relatively early stage to take a longer-term perspective when considering their careers, allowing them to work toward career goals they set themselves and to gain a sense of fulfillment. When rehiring employees, we strive to promote an understanding of roles they are expected to fulfill through interviews with their superiors, thereby creating an environment in which employees can remain highly motivated even after retirement.

System for Re-Hiring Former Employees

Lion has established a system to re-hire former employees who have voluntarily resigned so that they might leverage their diverse life and career experience and knowledge in working at Lion again.

Employee Data



Improving Employee Health

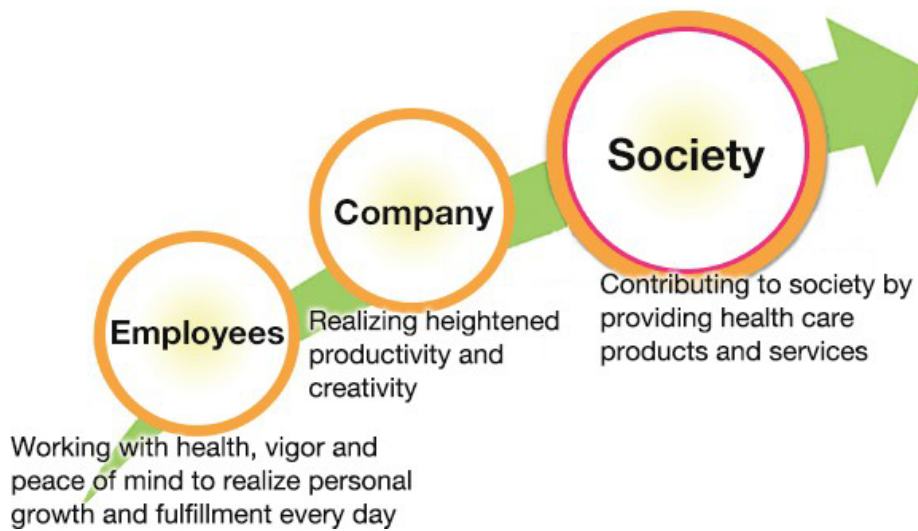
Sustainability Material Issue 6 Improving Employee Health



- ✓ Approach
- ✓ Guidelines
- ✓ Health and Productivity Management Strategy Map
- ✓ Implementation Framework
- ✓ Lion-Style Health Support—“GENKI” Action
- ✓ Deepening Health Management
- ✓ Making Healthy Behavior a Habit
- ✓ Improving Health Literacy
- ✓ Lion Employee Preventive Dentistry Data
- ✓ Oral Care Seminars for Corporations

Approach

The LION Professional Fulfillment Reforms, introduced in 2019 to promote health management, are firmly based in employee health. When employees act on their own initiative with a high level of health awareness to acquire sound health habits, it not only serves to maintain and improve their health, but helps them achieve personal growth and professional and personal fulfillment. This, in turn, serves to enhance corporate productivity and creativity and expand opportunities for Lion to contribute to society through sustainable growth.



Guidelines

Lion believes that the health of employees is the management foundation underlying sound corporate growth. In line with this belief and in pursuit of its management vision, “Becoming an advanced daily healthcare company,” the Company works in close coordination with employees and the Lion Health Insurance Society to support the formation of healthy habits in such areas as improving lifestyles, oral health, mental health, cancer prevention and anti-smoking, based on the [Guidelines for Health](#), with the goal of realizing healthy minds and bodies for all.

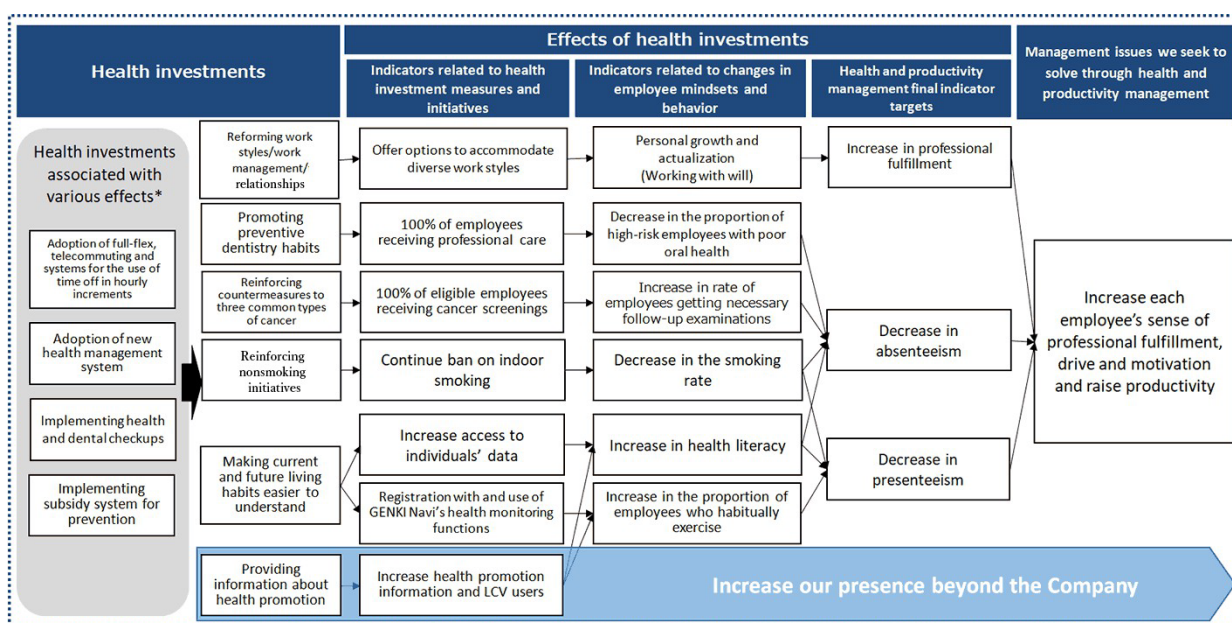
Health and Productivity Management Strategy Map: Mapping out the ways that the effects of health investments connect with the management issues we seek to solve through Health and Productivity Management

Based on the current status as of 2020, Lion has set the increase of professional fulfillment, the decrease of absenteeism^{*1} and the decrease of presenteeism^{*2} as target indicators for management issues it hopes to solve by 2030 through health management. In addition, the following performance targets have been set: work engagement^{*3} from 2.7 to 3.0, absenteeism from 0.8% to less than 0.7%, and performance level from presenteeism reduction from 74.5% to 85.0% or higher.

*1 Absenteeism: Absence from work due to illness or sickness. Absenteeism rate = number of days lost from work/total number of days worked

*2 Presenteeism: A situation in which an employee of their own volition chooses to engage in their work duties while suffering from some disease or symptom, leading to a decline in work performance and labor productivity as measured by the SPQ (University of Tokyo, 1-item version).

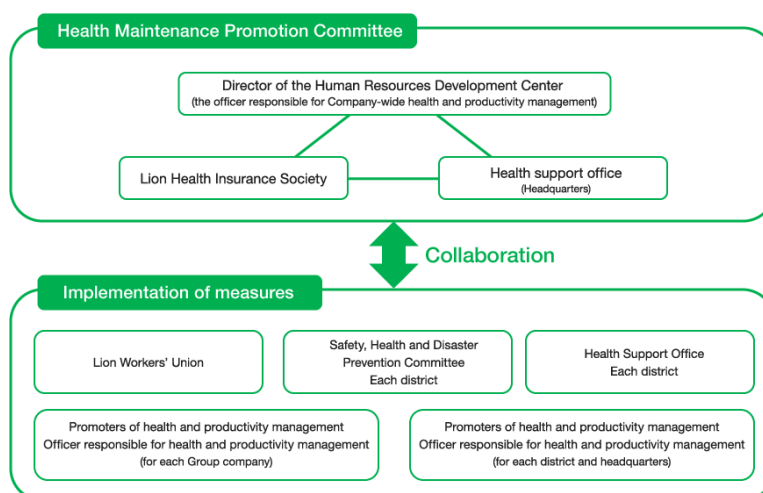
*3 Work engagement: Measured using the Stress Check (average score of 2 questions on a 4-point scale)



* Generally, health investments correspond one-to-one to the indicators related to health investment measures and initiatives. However, some health investments correspond to multiple indicators related to health investment measures and initiatives. These health investments are deemed "health investments associated with various effects."

Implementation Framework

Lion aims to promote health and vitality throughout the Company. To this end, the officer responsible for Company-wide health and productivity management (the director of the Human Resources Development Center) oversees general health management, while the Health Support Office, the Lion Health Insurance Society, coordinate to promote organizational health management together as the Health Maintenance Promotion Committee. In addition, health management managers, industrial health promoters, and industrial health staff (industrial physicians, public health nurses, etc.) at each business location work together to systematically promote employee health management.

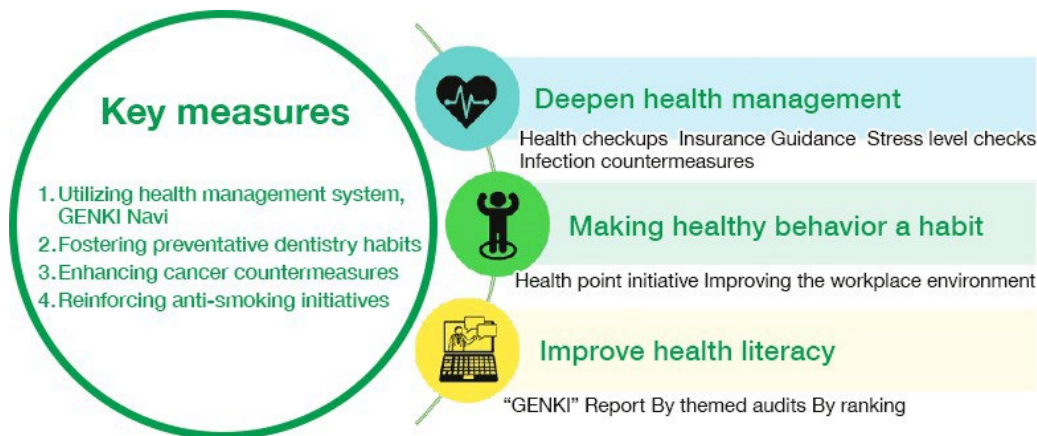


Health Support Offices

Health support offices have been set up at each of Lion's 11 domestic operating sites. At these offices, industrial health staff carries out health and productivity management operations. Each health support office coordinates with the Health Support Office at Lion's headquarters to manage such operations and implement measures aimed at improving health. The Headquarters Health Support Office formulates Company-wide health management policy, basic plans and annual plans, and coordinates the implementation of plans and gathering of related data.

Lion-Style Health Support—“GENKI” Action

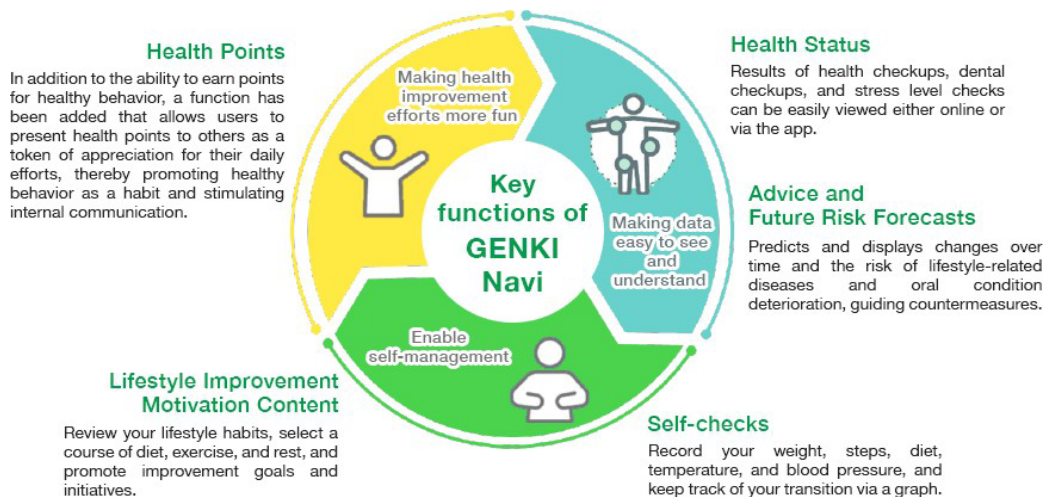
We are implementing Lion-style health support, “GENKI” Action, to promote the formation of healthy habits. We support our employees’ autonomous efforts to cultivate their strengths regarding their health, thereby empowering them to increase their sense of professional fulfillment and demonstrate their diverse abilities as they strive toward becoming human resources that embody Lion’s Purpose: make a difference in everyday lives by redesigning habits: ReDesign. Through four core key measures, we are promoting the strengthening of the foundation of health management by deepening health management, transforming health behaviors into habits and improving health literacy. The total investment for the four core key measures was 17.5 million yen in fiscal 2023.



Key Measures

1. Health management system, GENKI Navi

We developed GENKI Navi, a new health management system, based on the concepts of making data (such as that about health status, countermeasures and future risk) easy to see and understand, enabling self-management (self-checks) and making health improvement efforts more fun. The system can be accessed using a computer or smartphone. Through the system, we aim to foster the development of healthy habits and improve employees’ health literacy. In addition, from April 18, 2022, we added a function that uses employees’ health checkup data to clearly present future health risks. The purpose of this function is to utilize risk prevention results in health guidance to motivate employees to reflect on their living habits and change their behavior.



2. Fostering preventive dentistry* habits

As an advanced daily healthcare company, Lion is focusing on initiatives to foster preventive dentistry habits among employees.

* An approach focused on prevention, rather than receiving treatment after cavities or other problems arise. This approach entails both receiving professional care at a dental clinic and practicing daily self-care on an ongoing basis.

Preventive Dentistry Program

Since the 1970s, Lion has implemented in-house dental checkups, brushing guidance, scaling and cleaning, education via lectures regarding preventive dentistry measures.

In 2002, in cooperation with the Lion Health Insurance Society and the Lion Foundation for Dental Health, Lion launched All Lion Oral Health Activity (ALOHA), aimed at increasing employees' health management abilities. ALOHA is based on practicing oral health management primarily through the provision of regular oral checkups to all employees and primary prevention as well as support to enhance employees' self-directed health management abilities. In accordance with three-year plans, we have been implementing a PDCA cycle for the dental health program and are currently implementing the ALOHA VII plan.



Practicing Preventive Dentistry (Encouraging Professional Care)

In line with the belief that it is important that employees practice preventive dentistry, Lion offers time-limited financial incentives for receiving professional care to spur employees to find primary care dental clinics where they can receive regular professional oral care.

In addition to communicating the need for professional care examinations, the program provides participants with stickers bearing an original logo and computer background images to use when working remotely to inspire them to want to see a doctor in various ways.

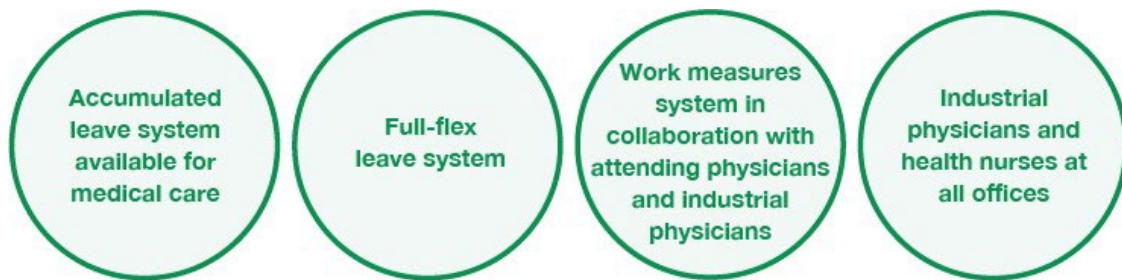
3. Enhancing cancer countermeasures*

In 2021, subsidizing costs for more accurate cancer screening, Lion introduced a program for the prevention of three common types of cancer* in addition to the primary cancer screenings conducted during regular health checks. In conjunction with this program, we regularly hold seminars to improve cancer literacy among employees.

From 2024, the target age has been adjusted to include those 40 and older to ensure employees receive highly accurate testing at a time when their risk of contracting three common types of cancer is increasing. In addition, the Lion Health Insurance Society has implemented a system under which medical examination costs are subsidized in the event the primary checkup reveals that a full examination is warranted as well as modifying this system into a more enhanced measure to reduce absenteeism.

For its proactive initiatives, Lion was given the 2022 Award for Companies Promoting Cancer Control under the Action Plan for Promotion of Cancer Control, which is a project promoted by the Ministry of Health, Labour and Welfare. This is the second consecutive year Lion has received the award. In addition, we were given the 2023 Partner Award for the Promotion of Cancer Control in the Treatment and Work-Life Balance Category.

Evaluated systems and frameworks



* Lung, stomach and colorectal cancers

	40	41-49	50	51-59	60	61 and above
(1) Hepatitis B/C virus test	●					
(2) Stomach cancer risk screening	●					
(3) Gastroendoscopy			●		●	
(4) Large intestine endoscopy	●		●		●	
(5) Pulmonary CT scan			●		●	
(6) Secondary health checkup cost subsidy For lung, stomach, large intestine, uterus, breast, prostate cancers (Lion Health Insurance Society)	➔					

Measures to enhance cancer countermeasures in 2024 and beyond



The 2023 Award for Companies Promoting Cancer Control

4. Reinforcing anti-smoking initiatives

We provide support and have created facilitative environments for employees who want to quit smoking in order to prevent exposure to secondhand smoke in the workplace. To improve work environments, in January 2020 we banned smoking during work hours, and in April 2020 we implemented official rules banning smoking indoors. Furthermore, in 2022, the Lion Health Insurance Society began a subsidy program for visits to smoking cessation clinics and, in 2024, the association will continue its efforts to help people quit smoking by adding incentive missions with health points.

Deepening Health Management

Health Checkups

We provide health checkups that cover a range of items more extensive than is legally required. In addition, we have established Company-wide standardized criteria and implemented measures for follow-ups based on said criteria, regardless of the worksite or medical institution where the checkup takes place. Employees with checkup results that indicate a need to undergo further examination are strongly encouraged to do so by industrial physicians and nurses who provide one-on-one guidance on medical examinations and offer referrals to medical specialists when necessary.

Health and Dental Checkup Items for Specific Needs

- In-depth checkups: For employees age 40 or above. 21 legally required items + 11 additional items.
 - * At age 40, in addition to the above, hepatitis B and C and stomach cancer risk tests are conducted at during health checkup.
- Gynecological examinations: Age-specific examination items.
- Prostate cancer (PSA) examinations: For men age 50 and above.
- Dental checkups: For all employees. Dental hygienists provide health guidance.

Health Guidance

Specific Health Checkups^{*1} and Specific Health Guidance^{*2}

Lion's Health Support Office coordinates with the Lion Health Insurance Society to implement specific health checkups and specific health guidance. We strive to ensure that these serve as effective and clear inducements to employees to improve living habits that cause lifestyle-related illnesses. For those eligible for specific health guidance, a recommendation is made jointly by the Lion Health Insurance Society and the director of the Human Resource Development Center. Proactive support is also provided by contracting a dietitian with the Lion Health Insurance Society or an outside provider with abundant knowledge and experience.

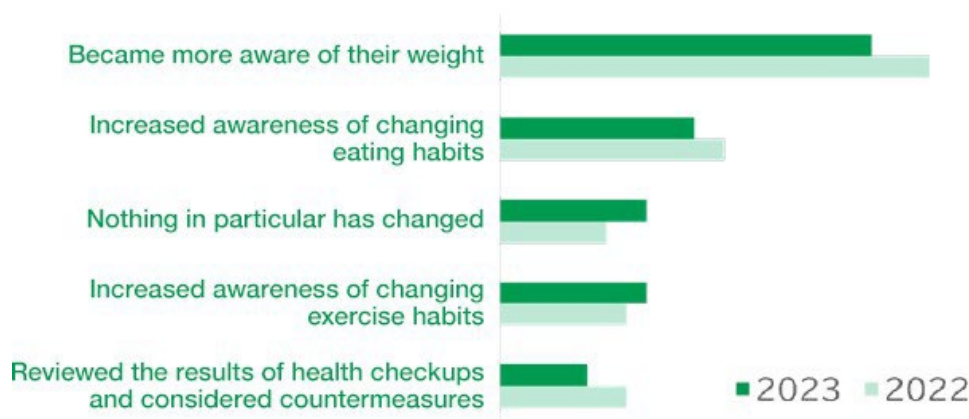
*1 Health checkups to identify individuals who need specific health guidance, aimed at reducing the number of individuals who have visceral obesity (metabolic syndrome) or pre-metabolic syndrome in order to prevent lifestyle-related diseases, which are involved in approximately 60% of deaths in Japan. Specific health checkups are conducted for all insured persons and their dependents between the ages of 40 and 74.

*2 Health guidance, including providing information, helping generate motivation and offering proactive support from specialized staff (health nurses, registered dietitians, etc.) for individuals who, based on the results of specific health checkups, are at high risk of developing lifestyle-related illnesses and for whom the onset of metabolic syndrome is expected to be preventable through lifestyle improvement.

Support for Young High-Risk Individuals

Through an examination of weight change among our younger employees, we found that the weights of 86% of male employees had increased 5% or more within the first 10 years of employment. Therefore, in 2022, we launched an initiative to support lifestyle improvement among overweight employees in their 30s by improving their health awareness and thereby reducing the number of who may become subject to specific health guidance in the future. In 2023, in collaboration with a dietitian from the Lion Health Insurance Society, we worked to strengthen our support through regular information dissemination. The program also raised awareness regarding eating and exercise habits, with most respondents to a post-enrollment survey revealing that they were now more cognizant of their weight. Employee satisfaction with the initiative was 60.6%.

Changes in Subject's Awareness



Collaboration with DX department

A collaborative initiative involving multiple departments has been initiated to advance data-driven health management. This approach leverages insights from data analysis focused on receipts as well as health exam outcomes. Through the integration of many specialist divisions and their combined strengths, the initiative seeks to optimize healthcare expenses while simultaneously improving employee health metrics.

| Stress Level Checks

Since 2006, long before the most recent amendment of the Industrial Safety and Health Act, Lion has been providing stress level checks to support employees in their self-care efforts. From 2020, the COVID-19 pandemic has driven rapid changes in lifestyles and ways of working. To address the psychological impact of these environmental changes, Lion conducted stress level checks twice in 2020 (these checks were previously conducted once per year). Every year, a high percentage of the Group's employees undergoes these stress level checks and 2023 was no different at 98.3%. Employees found to have high stress levels are required to meet with industrial health staff who work with them toward the prevention of mental health issues.

In addition, GENKI Navi creates an environment that allows employees to conduct self-checks at any time, so that they can monitor their own stress profile and use it to inform their self-care. We provide detailed responses, such as conducting individual interviews in departments with particularly high percentages of highly stressed employees or departments with poor overall health risks, and work to improve the work environment through collaboration between workplace personnel and medical professionals.

| Infection Countermeasures

COVID-19 Infection Prevention

In the early stages of the pandemic, we quickly set up a taskforce to prevent the spread of COVID-19. To ensure the safety and security of our employees, we created an environment that allowed employees to undergo prompt testing, sent out educational e-mails to employees, and conducted vaccinations at two operating sites in the east and west of the country for employees and employees of partner companies until the third inoculation (in March 2022).

Influenza Infection Prevention

In preparation for the winter influenza season, Lion decided to conduct influenza vaccinations for all employees at the company's expense.

| Health Management for Overseas Employees

We created a guidebook for employees traveling or stationed overseas from Japan that clarifies pre-travel vaccinations, health management during travel and consultation services in the event of illness. It provides guidance regarding enhanced health support.

Making Healthy Behavior a Habit

Health Point Initiative

Having seen the employee obesity rate increase to over 25% in 2020 due to effects stemming from the COVID-19 pandemic such as self quarantining, Lion recognized that it could become a serious health issue. Therefore, we added a health point system to the 2022 GENKI Navi to help make adopting healthy habits more positive and enjoyable for employees, even amid the restrictions implemented during the COVID-19 pandemic, a time filled with major lifestyle changes. In 2023, more than 1,000 people applied to participate in both the spring and fall sessions, and post-enrollment surveys showed that more than half of our employees increased the number of steps taken, with a satisfaction rate of more than 90%. In 2024, we are incorporating internal communication and smoking cessation as missions to earn health points, as well as devising ways to make forming healthy habits enjoyable. In addition, a function that allows users to present health points to others with a message of gratitude has been added to further invigorate internal communication.

Improvement of Workplace Environment

Employee Food Service Committee

We regularly hold meetings of the employee food service committee to enhance the offerings at our employee cafeterias. In consideration of employee health, we strive to offer healthy, delicious meals. Furthermore, we display information on the calorie, sodium and sugar content of all menu items and seek ways to make meals healthier, such as offering reduced-sodium soy sauce.

Providing Sports-Related Opportunities to Employees

To boost employee health, we are implementing a variety of initiatives aimed at supporting and encouraging sports-related activities and have become a member of the Sport in Life Consortium. To promote sports activities among employees, we hold walking events in collaboration with the Lion Health Insurance Society, provide tips on increasing physical activity, and offer strength training lessons to employees through our rugby club, the Fangs. This is in addition to cultural and athletic association activities that we have held on a continuous basis for over 40 years. We also encourage sports, sponsoring walking events for the general public and holding rugby schools for children in Chiba Prefecture and Ishinomaki City, Miyagi Prefecture. For its efforts, Lion was recognized as a Tokyo Sports Promotion Company 2023 and recertified for the third consecutive year as a Sports Yell Company 2024 by the Japan Sports Agency (in Japan, “yell” refers to cheering and shouts of encouragement).



Creating an environment that facilitates the creation of healthy habits

Lion Headquarters, which moved to its new location in Kuramae in April 2023, encourages the development of healthy habits through the creation of a certain environment.

Facilities on each office floor



A cup-free tooth brushing area



The ideal stride illustrated through the footsteps of the LION mascot



A bar for stretching (videos of it being used are available)

Improving Health Literacy

The “GENKI” Report White Paper on Health

Lion has issued the “GENKI” Report, a white paper on health that visualizes employee health status as well as illness prevention and health improvement efforts, allowing users to compare age-related data against a Company-wide average since 2022. The report is shared annually with the officers responsible for health and productivity management and those tasked with its promotion at each office. Based on data furnished by Lion’s digital transformation (DX) departments, the report presents radar charts mapping various data to illustrate how close specific offices and organizations are to improving their health rankings. The report is intended to help each office and organization better understand its own health status and use this data to inform health promotion activities.



Health data for the headquarters area

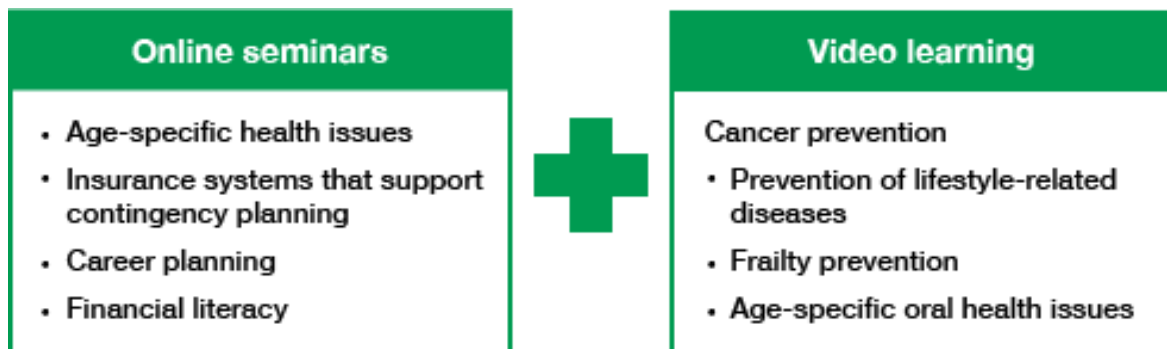
Initiatives Promoting Mental Health Care and Care via Line of Command

GENKI Navi provides an environment in which employees can at any time perform self-checks and monitor their own stress levels for self-care. In addition, all employees annually receive self-care training, in addition to the training provided upon joining the company (including mid-career hires). Training on care via line of command for managers is also mandatory and held once a year.

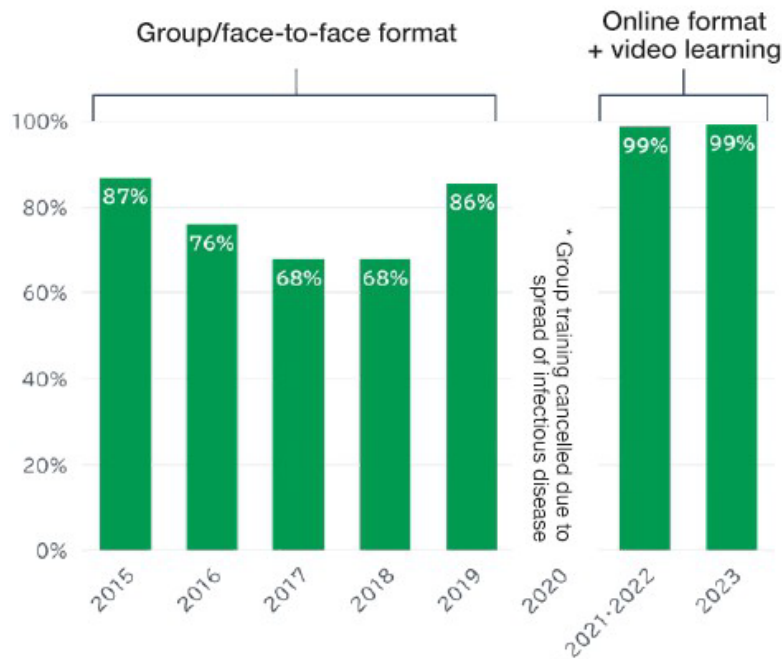
Health Promotion Seminars for SO-Year-Old Employees

Since 2013, we have held annual half-day health promotion seminars for employees who've reached the age of 50. To control health risks that rise significantly with age, bolstering self-directed health management skills is crucial. We also aim for these seminars to serve as opportunities for employees at the landmark age of 50 to, as we enter the era of 100-year lifespans, reflect on their circumstances and lives from multiple perspectives, including their health, work, and home life going forward, so that they can engage with their work with a renewed sense of vigor.

Group training has been offered in the past, but, due to the impact of the COVID-19 pandemic, training has been a combination of online seminars and video sessions since 2022. Participation rates have increased, with most of those eligible attending. According to the results of the post-enrollment survey, approximately 90% of participants answered that they understood all of the content presented, with a satisfaction rate of 88.1%. The training was concise, easy to understand and from the viewpoint of those in the participants' age group, very well received.



Participation Rate for Seminars for 50-Year-Old Employees



*Video learning conducted by the Lion Health Insurance Society was substituted

Initiatives for Gender-specific Health Issues

Lion regularly holds online seminars to address gender-specific health issues and improve health literacy. The seminars are recorded and archived for internal distribution, allowing employees seeking to improve their well-being to view them at any time.

Women's Specific Health Issues

Conscious of the issues involved with the advancement of women's roles in the workplace Lion researchers assembled and voluntarily established the Well-Being Lounge, a program aimed at raising employee's health literacy to the level needed to improve well-being. In 2022, the Well-Being Lounge became a Company-wide program as it moved forward to deepen our overall understanding of health issues specific to women.

In 2023, we opened an external fertility and infertility treatment consultation service. In collaboration with CoCoRe,* which has begun providing a web-based application service mainly for the care of women's mental health issues, Lion held a seminar at which medical professionals answered questions and concerns that had been submitted anonymously by employees beforehand. In real time, a total of 119 people participated, and the satisfaction rate was 94%.

* CoCoRe: A company that since June 2023, offers health care seminars focusing on women's mental health issues and an app designed to change preconceived notions and make living each day easier.

Men's Specific Health Issues

In 2023, the Well-Being Lounge focused mainly on men's specific health issues. The program centered on the themes of late-onset hypogonadism, fertility and other issues that may be difficult to ask others about. Participants had the opportunity to take part anonymously and consult with a medical professional. In real time, a total of 172 people participated.

Selected under the Health & Productivity Stock Selection for the Second Consecutive Year

Lion was recognized for its activities contributing to the improvement of health not only of its employees but also of a wide range of people, including activities aimed at creating healthy habits among employees and providing technologies and services such as saliva testing and health risk prediction tools that utilize know-how and data accumulated through years of preventive dentistry in combination with the Internet of Things (IoT) and AI.

In recognition of this, Lion has been selected under the Health & Productivity Stock Selection for two consecutive years and as a White 500 company under the Certified Health & Productivity Management Outstanding Organizations Recognition Program for eight consecutive years since 2017.

Results of an employee survey on these health management measures showed a satisfaction rate of 55.0% (1,687 respondents, 45.9% response rate).

We will continue our efforts to maintain and improve the health of our employees, contributing not only to their personal growth and the enrichment of their lives, but also to the development of our business and further corporate growth.

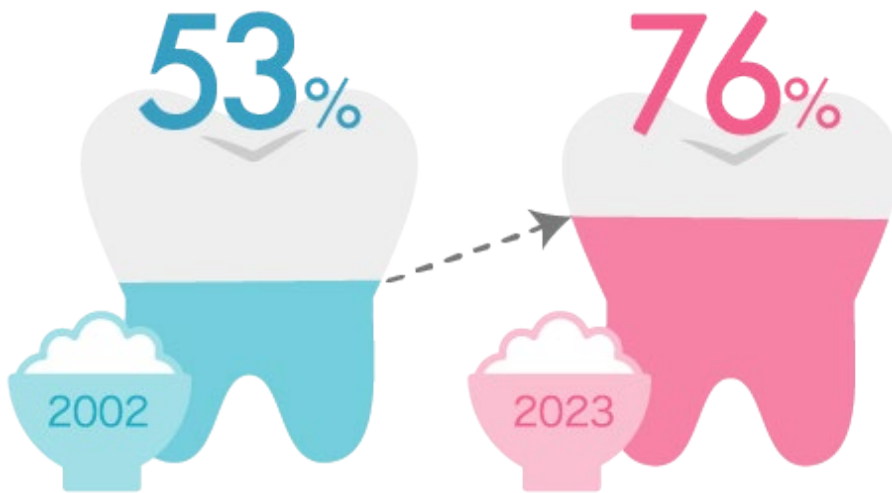


Lion Employee Preventive Dentistry Data

* Data on "GENKI" Action Subjects

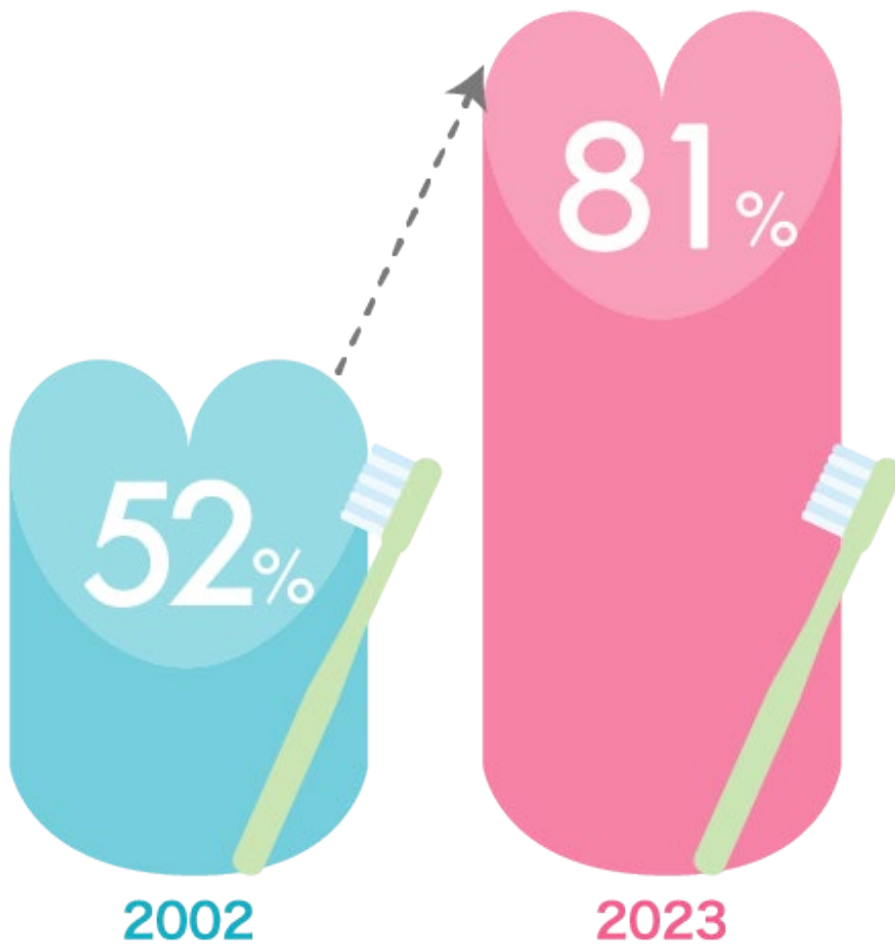
Self-Care

Employees Who Brush Their Teeth after Lunch

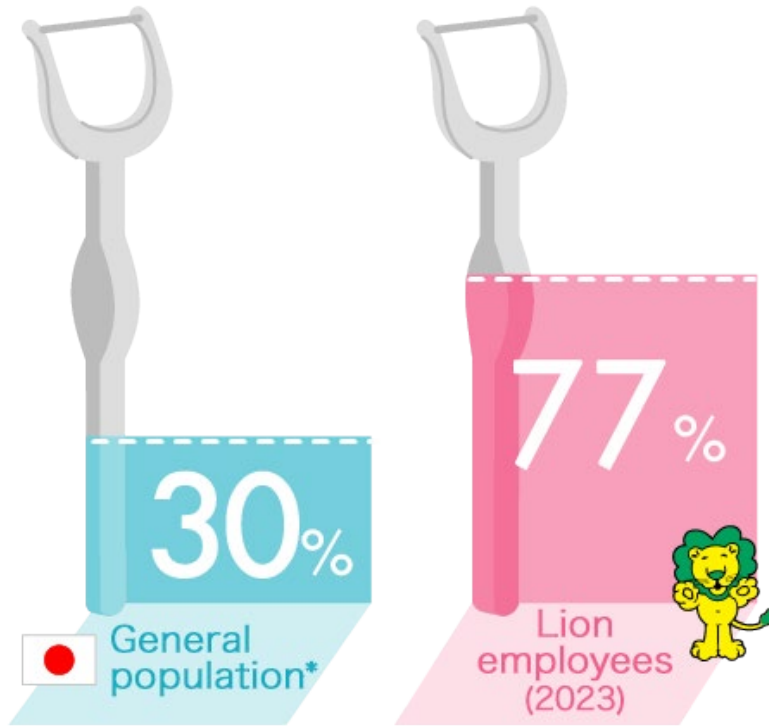


Employees Who See Toothbrushing* as Highly Important

* Employees who brush at least twice a day for at least three minutes

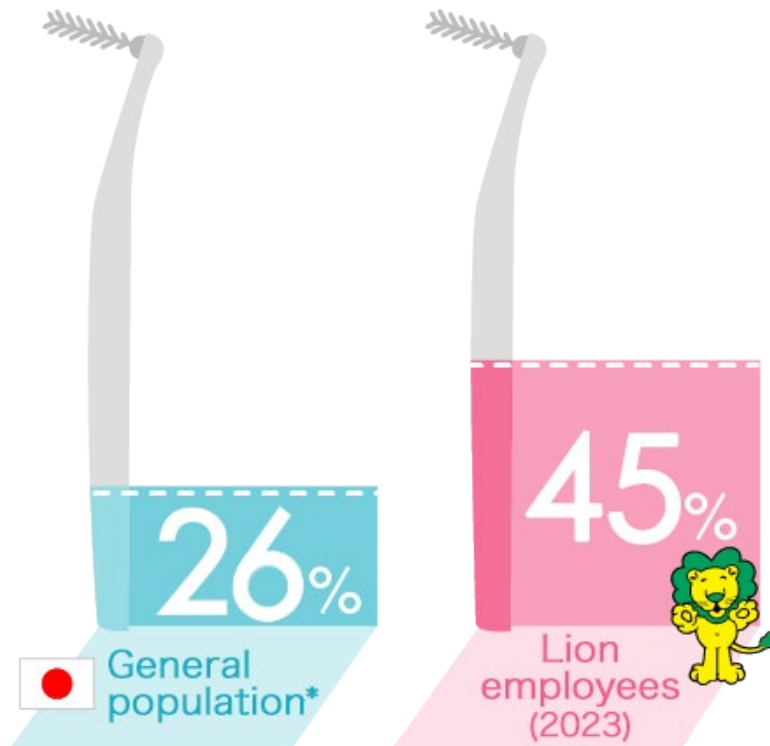


Employees Who Use Dental Floss



* Fiscal 2014 comprehensive oral care survey (women ages 20–59)

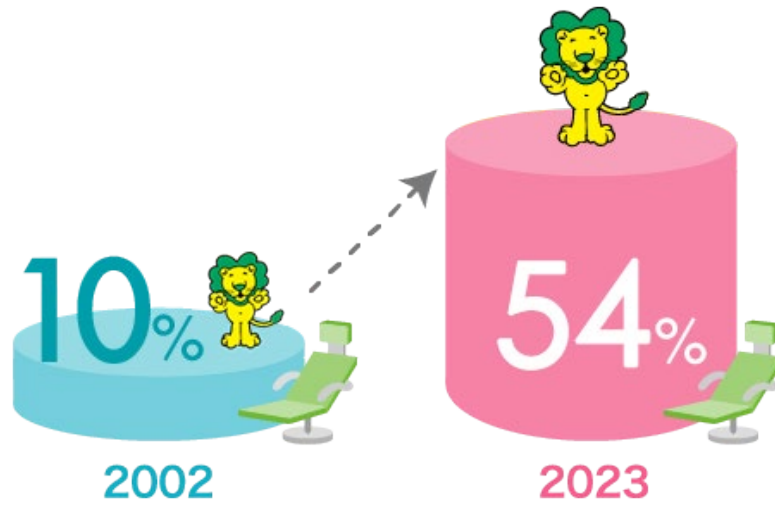
Employees Who Use Interdental Brushes



* Fiscal 2014 comprehensive oral care survey (women ages 20–59)

Professional Care

Employees Who Received Professional Care at a Dental Clinic During the Year**



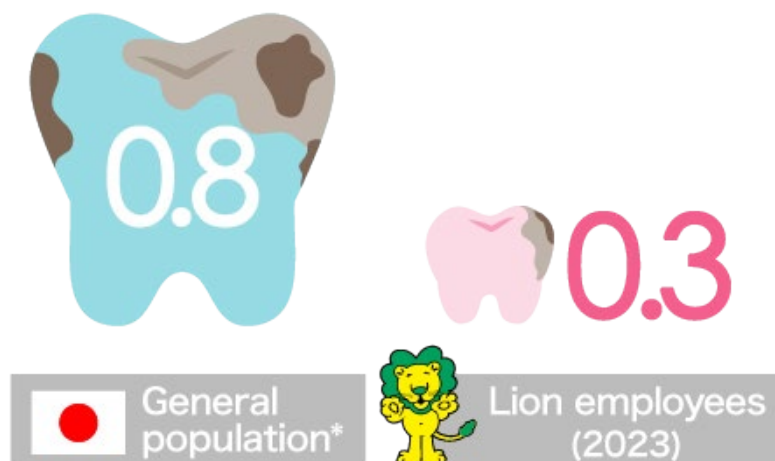
* Employees who went for regular cleanings at dental clinics during the year (excludes employees undergoing treatment)

Employee Oral Health Data

Proportion of Employees Suffering from Gum Disease

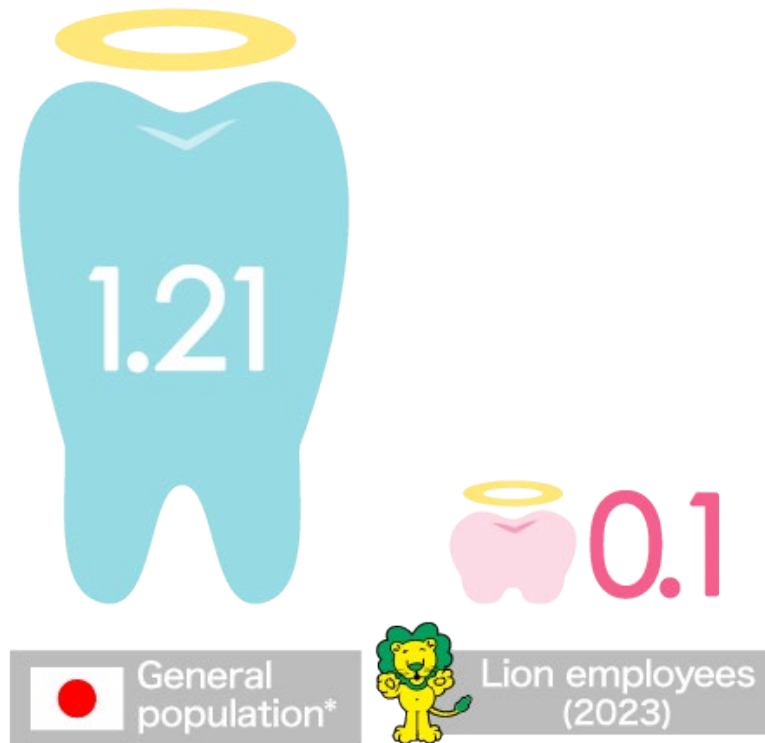


Average Number of Cavities Per Person



* 2016 Odontopathy Survey (Ministry of Health, Labour and Welfare) Ages 20–59

Average Number of Teeth Removed Per Person



* 2016 Odontopathy Survey (Ministry of Health, Labour and Welfare) Ages 20–59

> [Click here for more data related to Lion Employee Preventive Dentistry \[Japanese\]](#) 

Oral Care Seminars for Corporations

In order to promote preventive dentistry, we offer oral care seminars for outside companies in addition to our own.

 [Click here for more details. \[Japanese\]](#)

Enhancing the Occupational Safety Management System

Sustainability Material Issue 7 Enhancing the Occupational Safety Management System



- ✓ Approach
- ✓ Establishment of the Safety, Health and Disaster Prevention Policy
- ✓ Implementation Framework
- ✓ Emergency Response
- ✓ Initiatives (Facility Safety/Occupational Safety)

Approach

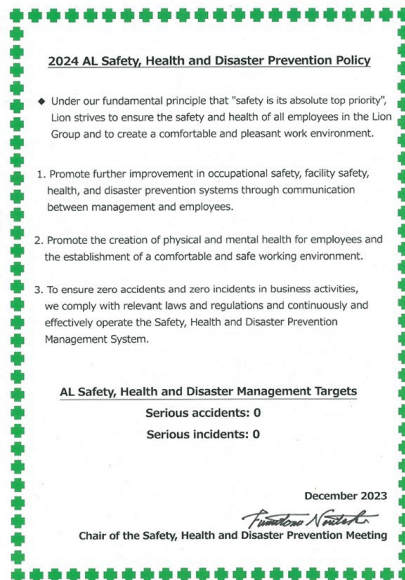
We are taking steps to enhance our occupational safety and health management system throughout the Lion Group.

Driven by the fundamental principle that safety is its absolute top priority, Lion has added disaster prevention items to the Occupational Safety and Health Management System (OSHMS)* based on the guidelines of Japan's Ministry of Health, Labour and Welfare to establish a unique Safety, Health and Disaster Prevention Management System. Since 2009, we have operated this system at all domestic Group companies, and since 2012 we have included internal audits in our efforts to improve the system's effectiveness. In addition, since 2014 we have been holding the Safety, Health and Disaster Prevention Meeting (originally launched in 1992 as the Environmental Security Conference). We work in accordance with Lion's unique OSHMS to reduce potential hazards and risks, continuously maintain work environments, create safer workplace environments and build related systems.

* A system for the systematic and organized operation and management of health and safety activities.

Establishment of the Safety, Health and Disaster Prevention Policy (Occupational Health and Safety Policy)

The Lion Group has established the All Lion (AL) Safety, Health, and Disaster Prevention Policy to define our commitment to ensuring the safety and health of all employees of the Lion Group and creating a comfortable and pleasant work environment. This policy applies to all employees of domestic Group companies and is reviewed and updated as necessary every December.



The All Lion (AL) Safety, Health, and Disaster Prevention Policy

Implementation Framework

Twice a year, the Company holds the Safety, Health and Disaster Prevention Meeting. Chaired by a member of top management (Director Fumitomo Noritake), the meetings deliberate on Company-wide measures to ensure facility safety and occupational safety (including work environment improvement) as well as Health (health problem prevention and mental health maintenance), and disaster prevention (emergency response) measures and coordinate ongoing initiatives aimed at thoroughly eradicating risk. In 2018, we established a Safety and Disaster Prevention Promotion Department directly below the management level, further strengthening the Lion Group's occupational health, safety and disaster prevention management system.

Lion Corporation and each of its domestic Group companies have established a Safety, Health and Disaster Prevention Committee based on the Industrial Safety and Health Act and while effectively utilizing this committee, reflects the opinions of all employees within each operating site to resolve issues, including problems specific to each site.

Our domestic companies actively support overseas Group companies in their safety, health and disaster prevention activities.

Top Safety Audits

The Lion Group implements top safety audits of domestic production division plants, with the chair of the Safety, Health and Disaster Prevention Meeting serving as the responsible officer. These audits, conducted from an objective standpoint, mainly examine systematically whether appropriate mechanisms for safety and disaster prevention are in place, whether AL Safety, Health and Disaster Prevention Management System is being operated properly, and whether the level of safety and disaster prevention management is improving. Major disaster simulation exercises are carried out in collaboration with the public fire brigades as part of the top safety audits. Lion's top management offers direction and advise on how to eliminate accidents and disasters, working to further increase the safety of each plant and create environments in which employees can work with peace of mind and safety. In 2023, top safety audits were undertaken at two factories, Lion Specialty Chemicals' Ono Plant and Lion Chemicals' Fine Chemical Plant.



Top safety audits at the Lion Specialty Chemicals's Ono Plant led by Meeting Chairman Noritake (2023)

Emergency Response

The Company has created detailed manuals and plans of action on how to respond in the event of natural disasters, such as large-scale earthquakes. In addition to these plans, which differ depending on the severity and scale of the disaster as well as the extent of damage incurred, the Company conducts Company-wide and individual disaster drills at each operating site.

For larger disasters, a disaster response headquarters has been established to take action. A remote disaster response headquarters has also been established in light of the rising use of remote work in the wake of the COVID-19 pandemic as well as the possibility of a disaster occurring overnight or on a holiday and the challenges of maintaining a facility with all relevant members physically in attendance. Accordingly, we have been conducting joint disaster prevention drills and remote disaster response headquarters activities since 2020. Additionally, events such as COVID-19's reclassification to a Class 5 infectious disease have brought with them even more changes in the workplace. Accordingly, we have worked to prepare for large-scale natural disasters by adapting our remote work systems into hybrid systems (designating disaster response headquarters members in our company while simultaneously working remotely with members working outside the company) and will work more closely with Disaster Management Headquarters members.

In anticipation of an increasing frequency and severity of natural disasters and the further diversification of work styles, we will further upgrade our disaster response system. At the same time, through safety confirmation drills, lifesaving courses etc., we will also continue to strengthen the emergency response efforts undertaken by each employee as well as our disaster prevention activities that contribute to local communities.



Lifesaving training (Hirai Plant)



Disaster prevention practice (Kuramae Headquarters)

Initiatives (Facility Safety/Occupational Safety)

Facility Safety

In 2023, three abnormalities^{*1}, all leaks, occurred, an increase from 2022. All were due to human error. The causes of these abnormalities have been investigated by both the head office and the affected departments, and corrective actions have been taken, with all production plants making improvements based on investigations of similar problems.

In addition, based on lessons learned from equipment accidents in recent years, we have established new standards for equipment maintenance inspections in addition to our deterioration inspections. Furthermore, we implement level-specific education for facility operators to foster awareness and knowledge regarding change management^{*2} as part of efforts to reinforce management of facility safety.

Going forward, we will continue working to reinforce technological capabilities related to facility safety, including systematic human resource development, from a medium- to long-term perspective.

*1 Fires, explosions, leaks, etc.

*2 Management activities that prevent risks associated with changes in facilities or operating conditions.

Facility Abnormalities

2019	2020	2021	2022	2023
0	0	1	1	3

Occupational Safety

In 2023, the number of labor-related accidents recorded was 28, excluding cases that occurred during commutes to work (of these, five accidents led to lost work time). Analysis of the causes of these accidents categorized them as follows: falls and chemical injuries each had the most at 5 cases, and the main cause of these accidents appeared to be a lack of caution (such as taking shortcuts or deviating from rules) attributable to employees' overfamiliarity with operations or carelessness (unsafe actions, etc.). When occupational accidents occur, the department in which the accident took place investigates the cause and takes measures to prevent recurrence, and the Safety and Disaster Prevention Department ensures that corrective actions are taken and that the entire Company is aware of the situation.

To prevent occurrences of occupational accidents, it is crucial to enhance our safety management system and heighten every members' awareness of occupational safety. In addition to safety awareness education via Company-wide internal e-learning and implementing risk simulation training using conventional machinery, Lion uses digital technology to provide hazard sensitivity training, such as VR risk simulation training, at our plants and research institutes.

To reinforce safety culture, we also hold external safety lectures for veteran workers at all production division plants safety training development programs under the guidance of instructors in charge of the Education and Zero Accident Promotion Department of the Central Industrial Accident Prevention Association.

Participation in the 2023 Company-wide Internal e-learning Course

Eligible employees	Participation rate
4,373	96.2%

Employees who Participated in VR Risk Simulation Training (Safety Training) in 2023 (Internal education)

Employees who Participated in Outside Safety Lectures for Veteran Manufacturing Plant Workers in 2023

Hirai Research Center	Odawara Research Center	Total
138	54	192

Outside Safety Lecture Participants
525

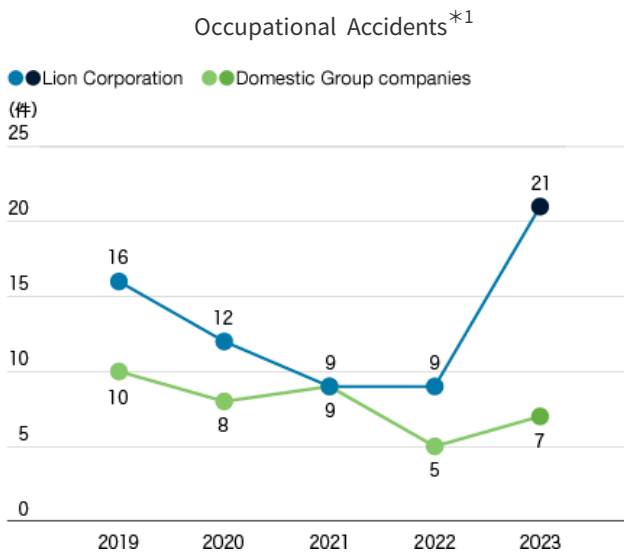


Risk simulation training utilizing VR technology (Hirai Research Center)

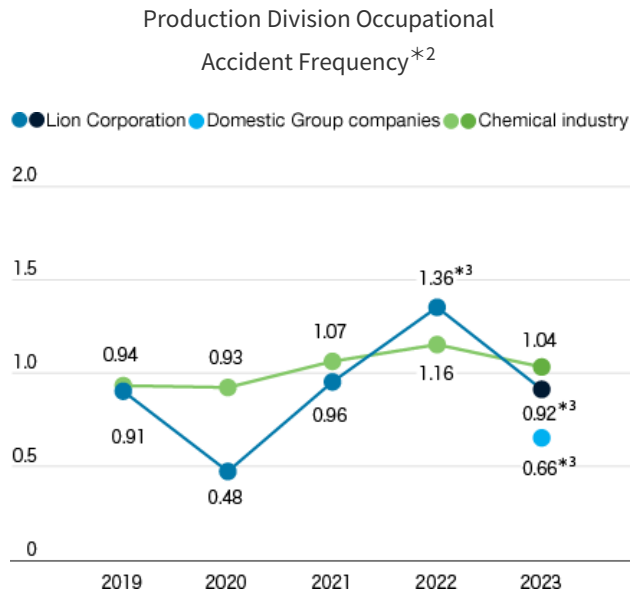


Remote safety lecture for veteran workers, 2023

Occupational Accidents Incidents



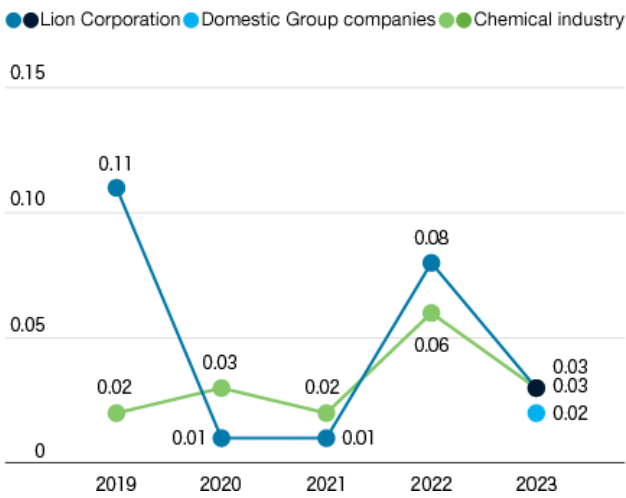
*1 Excludes accidents that occurred during commutes to work



*2 Rate of accidents leading to death, lost work time of one day or more, or loss of bodily function without loss of work time

*3 Third-party verification

Production Division Occupational Accident Severity Rate*⁴



*4 Severity rate: Lost work days / Total work hours (thousands of hours)

Cumulative Accident-Free Work Hours at the 2023 Year-End (Thousands of Hours)

Research and development divisions		Production divisions			
Hirai	Odawara	Chiba	Odawara	Osaka	Akashi
659	4,679	185	2,554	1,394	3,365

Number of fatalities due to occupational accidents**5

	2019	2020	2021	2022	2023
Employee (Lion Corporation)	0	0	0	0*3	0*3
Employee (Domestic Group Companies)	0	0	0	0*3	0*3

*5 Including dispatched employees and part-time employees

*3 [Third-party verification](#)

Global Initiatives

In 2023, representatives from Lion visited PT. Lion Wings (Indonesia) to provide direct guidance on the improvement of insecure areas and methods of safety risk identification. Furthermore, for Lion Corporation (Thailand) Ltd., we increased safety awareness among employees and supported prevention of work-related injuries and fatalities by following the guidance of outside agencies and applying regulations made to aid target industries set out by the Ministry of Health, Labour and Welfare under the Asia Occupational Safety and Health SAKURA Project. We had been striving to provide these and other overseas Group companies with timely advice and guidance through remote meetings and internal e-mails. Going forward, we will continue to provide guidance and support according to the situation at each company and strive to reinforce the Lion Group's safety, health and disaster prevention systems.

Overseas companies are also continuing to strengthen hygiene protocols (temperature checks, hand washing, disinfection, and wearing masks) aimed at preventing COVID-19 infection, which is having a synergistic effect with occupational safety measures.



Safety risk assesment training in Indonesia



Equipment safety inspections in Indonesia

Labor-Management Relations

- ✓ Promoting Amicable Labor-Management Relations
- ✓ Labor-Management Relations Data
- ✓ The Lion Workers' Union

Promoting Amicable Labor-Management Relations

Approach

Lion executes labor agreements with the Lion Workers' Union to promote sound labor-management relations based on mutual understanding and trust. As it does so, the Company adheres to the [Lion Group Charter for Corporate Behavior](#), which is based on an understanding of the social mission and responsibilities of the Company. Thus, in cooperation with its workers union, the Company works to grow its business and maintain and improve the working conditions of union members.

The agreements provide that: the Company shall recognize the freedom of union members to engage in lawful union activities; the Company shall not treat union members disadvantageously by reason thereof; and the Company and the union shall engage in labor-management meetings on a regular basis to consult with each other as equals.

Operating under a union shop agreement,* Lion endeavors to build amicable labor-management relations, in which employees and management proactively conduct such activities as reporting on business conditions and exchanging opinions about the working environment at labor-management meetings. At overseas Group companies, we actively maintain communication between employees and management in order to create a better work environment through the labor-management meetings and strive to establish and maintain sound labor-management relationships.

* A labor agreement in which workers are employed by a company on condition of becoming a member of a specific labor union.

The Lion Workers' Union

Approach

The mission of the Lion Workers' Union is to pursue the happiness and well-being of its members. To that end, the union seeks to maintain and improve the quality of its members' work environments and standards of living and to contribute to the independent growth of each individual to ensure a secure future. Through its activities, the union aims to increase the professional satisfaction of its members, in turn contributing to the development and growth of the Company. To fulfill its mission and principles, the Lion Workers' Union has established a medium- to long-term vision that it has been implementing since August 2020.

Lion Corporation (Korea) Receives the Prime Minister’s Award for Labor-Management Culture

The Labor-Management Culture award is given by the government of South Korea (the Ministry of Employment and Labor) to companies that have built and firmly established cooperative labor-management relations. It is one of the highest awards in the field of labor in South Korea.

Lion Corporation (Korea) (“LCK”) received the Prime Minister’s Award for Labor-Management Culture in 2017 in recognition of its initiatives aimed at building good labor-management relations.

The main initiatives of LCK recognized by the prize were as follows.

- Held labor-management talks four times a year to discuss work environments and implemented approximately 60% of the improvements suggested at these talks
- Treated non-regular employees (such as temporary and contract employees) on par with regular employees in terms of employee benefits and opportunities to participate in events
- With “fulfilling a spirit of love” and “people-centered management” as the foundations of its personnel policy, gave non-regular employees demonstrating excellent work attitudes and abilities priority when filling regular employee positions
- Designated a monthly volunteer day, with employees actively participating in social contribution activities

> Activities at Lion Corporation (Korea)

Labor-Management Relations Data

	Scope	2021	2022	2023
Percentage of companies with labor unions, labor-management councils, or other mechanisms for consultation between employees and management	Lion Group	86.4%	86.4%	86.4%
Percentage of employees who are members of the above	Lion Corporation (including employees on loan)	77.9%	65.9%	62.6%
	Lion Group	75.1%	72.9%	71.3%

Going forward, we will continue to advance initiatives aimed at building better labor-management relations.