

(Stock Exchange Code 4912)

March 6, 2024

(Introduction date of measures for electronic provision: February 27, 2024)

To Shareholders:

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

NOTICE OF THE 163RD ANNUAL GENERAL MEETING OF SHAREHOLDERS

Thank you for your continued support of Lion Corporation.

Lion Corporation hereby announces the holding of the 163rd Annual General Meeting of Shareholders. The meeting will be held in accordance with the information listed below.

In convening this Annual General Meeting of Shareholders, the Company has taken the measure of providing the information on the content of reference materials, etc., for the shareholders' meeting electronically (items provided electronically), and has posted it on the Company's website as the NOTICE OF THE 163RD ANNUAL GENERAL MEETING OF SHAREHOLDERS. Please access the Company's website (in Japanese) below to confirm the information.

Lion's website (in Japanese) (<https://www.lion.co.jp/ja/ir/shareholders/meeting/>)

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

TSE website (Listed Company Search)

(<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>)

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

The Company wishes to advise that as an alternative to attending the meeting on the day, you may exercise your voting rights using any of the following means by 6:00 p.m., Wednesday, March 27, 2024. Accordingly, please review the appended Reference Materials for the General Meeting of Shareholders and exercise your voting rights.

In writing (postal mail)

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

Via electronic means (the Internet)

After reviewing the Guide to Exercising Voting Rights via the Internet (as detailed on page 4), you may enter your approval or disapproval of each proposal in accordance with the instructions on the screen by the above deadline.

1. **Date & Time: Thursday, March 28, 2024, at 10:00 a.m.**

2. **Location: Kokugikan Arena**
1-3-28 Yoko-ami, Sumida-ku, Tokyo

3. **Meeting Objectives**
Reporting

Reporting on the content of the business report, non-consolidated financial statements, consolidated financial statements, and the audit report on the consolidated financial statements for the year from January 1, 2023, to December 31, 2023

Matters to be voted upon

Proposal

Election of Eleven Directors

4. **Matters Decided on Regarding the Convocation**

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

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

Instructions Concerning System for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format

In accordance with the provisions of Article 14 of the Articles of Incorporation approved by shareholders at the 161st Annual General Meeting of Shareholders held on March 30, 2022, the Company has been sending notices of convocation using the system for providing informational materials for the general meeting of shareholders in electronic format (system for providing informational materials for the general meeting of shareholders via the website).

Please make a request to the contact information below if you wish to receive paper-based informational materials for the general meeting of shareholders in the same manner as in the previous year.

For inquiries regarding the system for provision in electronic format and the reception of paper-based informational materials for the general meeting of shareholders, please contact the following:

Stock Transfer Agency Department (dedicated phone number for the system for provision in electronic format), Mitsubishi UFJ Trust and Banking Corporation

Telephone: +81-0120-696-505 (Toll free)

Hours: 9:00–17:00 (not available on Saturdays, Sundays and holidays)

Guide to Exercising Voting Rights via the Internet

Method 1: Scan your QR code

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

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

Method 2: Enter your login ID and password

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

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

Follow the onscreen instructions to enter your votes

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

For inquiries regarding online voting, please contact the help desk below.

Stock Transfer Agency Department (Help Desk), Mitsubishi UFJ Trust and Banking Corporation

Telephone: +81-0120-173-027 Hours: 9:00–21:00; Toll free

For Institutional Investors:

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

Reference Materials for the General Meeting of Shareholders

Proposal Election of Eleven Directors

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

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

The candidates are as follows.

Candidate No.	Name	Current Position at Lion	Attendance at the Board of Directors Meetings
1	<input type="checkbox"/> Incumbent Masazumi Kikukawa	Representative Director, Chairman of the Board of Directors	18/18 meetings (100%)
2	<input type="checkbox"/> Incumbent Masayuki Takemori	Representative Director, President and Executive Officer	13/13 meetings (100%)
3	<input type="checkbox"/> Incumbent Hitoshi Suzuki	Director, Vice President and Executive Officer	18/18 meetings (100%)
4	<input type="checkbox"/> Incumbent Kenjiro Kobayashi	Director and Senior Executive Officer	18/18 meetings (100%)
5	<input type="checkbox"/> Incumbent Yugo Kume	Director and Senior Executive Officer	18/18 meetings (100%)
6	<input type="checkbox"/> Incumbent Fumitomo Noritake	Director and Senior Executive Officer	18/18 meetings (100%)
7	<input type="checkbox"/> Incumbent Kengo Fukuda	Director and Senior Executive Officer	18/18 meetings (100%)
8	<input type="checkbox"/> Incumbent <input type="checkbox"/> External <input type="checkbox"/> Independent Kazunari Uchida	External Director	17/18 meetings (94.4%)
9	<input type="checkbox"/> Incumbent <input type="checkbox"/> External <input type="checkbox"/> Independent Takashi Shiraishi	External Director	18/18 meetings (100%)
10	<input type="checkbox"/> Incumbent <input type="checkbox"/> External <input type="checkbox"/> Independent Takako Sugaya	External Director	18/18 meetings (100%)
11	<input type="checkbox"/> Incumbent <input type="checkbox"/> External <input type="checkbox"/> Independent Reiko Yasue	External Director	18/18 meetings (100%)

(Note) As Masayuki Takemori was elected as a director at the 162nd Annual General Meeting of Shareholders held on March 30, 2023 and assumed office on the same date, the attendance at the Board of Directors Meetings indicate the number of meetings attended during the fiscal year since such date.

Candidate No.	Name (Date of Birth)	Brief Career History and Positions and Responsibilities at Lion Corporation (Significant Concurrent Positions)	No. of Lion Corp. Shares Owned
1	<p style="text-align: center;"><u>Incumbent</u></p> <p style="text-align: center;">Masazumi Kikukawa (October 26, 1959)</p> <p><u>Years in office as director:</u> 12 (as of the end of this Annual General Meeting of Shareholders)</p> <p><u>Attendance at the Board of Directors Meetings</u> 18/18 meetings (100%)</p>	<p>April 1984 Joined Lion Corporation</p> <p>March 2012 Director, Executive Officer, Responsible for Health and Home Care Products Business, Gift and Channel-Specific Products Division, Executive General Manager of Health and Home Care Products Division, Responsible for Advertising Department, Behavioral Science Research Institute and Distribution Policy Department</p> <p>January 2016 Director, Executive Officer, Responsible for Health and Home Care Products Division, Health and Home Care Products Sales Division, Gift and Channel-Specific Products Division, Direct Marketing Division, Advertising Department, Behavioral Science Research Institute and Distribution Policy Department</p> <p>March 2016 Executive Director, Executive Officer, Responsible for Health and Home Care Products Division, Health and Home Care Products Sales Division, Gift and Channel-Specific Products Division, Direct Marketing Division, Advertising Department, Behavioral Science Research Institute and Distribution Policy Department</p> <p>March 2017 Director, Managing Executive Officer, Responsible for Health and Home Care Products Division, Health and Home Care Products Sales Division, Gift and Channel-Specific Products Division, Direct Marketing Division, Advertising Department, Behavioral Science Research Institute and Distribution Policy Department</p> <p>January 2018 Director, Managing Executive Officer, Responsible for Corporate Ethics, Direct Marketing Division, International Division and Overall Chemicals Businesses</p> <p>March 2018 Representative Director, Senior Managing Executive Officer, Responsible for Corporate Ethics, Direct Marketing Division, International Division and Overall Chemicals Businesses</p> <p>January 2019 Representative Director, President and Executive Officer, Chief Operating Officer</p> <p>March 2022 Representative Director, President and Executive Officer, Chief Executive Officer</p> <p>January 2023 Representative Director, President and Executive Officer, Chief Executive Officer</p>	27,809

		March 2023 Representative Director, Chairman of the Board of Directors, Chief Executive Officer (current position)	
<p>Reasons for Selection as a Candidate for Director</p> <p>Since taking office as Representative Director, President and Executive Officer in January 2019, Masazumi Kikukawa has been implementing various measures toward the realization of the management vision for 2030, “Becoming an advanced daily healthcare company.” In March 2023, he took office as Representative Director, Chairman of the Board of Directors. In addition to leading the overall management of the Company, he has contributed to enhancing the effectiveness of the Board of Directors as the Chairman of the Board of Directors. The Company judges that he is well qualified to help sustainably raise its corporate value as a director and requests that he be reelected.</p>			

Candidate No.	Name (Date of Birth)	Brief Career History and Positions and Responsibilities at Lion Corporation (Significant Concurrent Positions)	No. of Lion Corp. Shares Owned
2	<u>Incumbent</u> Masayuki Takemori (February 24, 1970) <u>Years in office as director:</u> 1 (as of the end of this Annual General Meeting of Shareholders) <u>Attendance at the Board of Directors Meetings</u> 13/13 meetings (100%)	April 1993 Joined Lion Corporation January 2014 Brand Manager of Fabric Care Business Department, Health and Home Care Products Division January 2018 General Manager of Fabric Care Business Department, Health and Home Care Products Division January 2021 Executive Officer, Executive General Manager of Health and Home Care Products Division January 2022 Senior Executive Officer, Executive General Manager of Health and Home Care Products Division March 2023 Representative Director, President and Executive Officer, Chief Operating Officer (current position)	14,300
	Reasons for Selection as a Candidate for Director Masayuki Takemori possesses a wealth of expert knowledge and experience, mainly in the areas of corporate planning and Health and Home Care Products Division. He took office as Representative Director, President and Executive Officer in March 2023, and has been leading management toward the achievement of the medium-term management plan "Vision 2030 1st STAGE" as the Chief Operating Officer. The Company judges that he is well qualified to help sustainably raise its corporate value as a director and therefore requests that he be reelected.		

Candidate No.	Name (Date of Birth)	Brief Career History and Positions and Responsibilities at Lion Corporation (Significant Concurrent Positions)	No. of Lion Corp. Shares Owned
3	<p data-bbox="371 817 496 846" style="text-align: center;"><u>Incumbent</u></p> <p data-bbox="336 898 531 965">Hitoshi Suzuki (March 24, 1963)</p> <p data-bbox="336 1014 531 1193"><u>Years in office as director:</u> 3 (as of the end of this Annual General Meeting of Shareholders)</p> <p data-bbox="336 1249 531 1406"><u>Attendance at the Board of Directors Meetings</u> 18/18 meetings (100%)</p>	<p data-bbox="555 349 1230 378">April 1985 Joined Lion Corporation</p> <p data-bbox="555 389 1230 512">January 2014 Assistant Executive General Manager of International Division and General Manager of Business Development Department II</p> <p data-bbox="555 524 1230 613">January 2015 Assistant Executive General Manager of International Division and Director of New Area Development office</p> <p data-bbox="555 624 1230 781">January 2016 Executive Officer, Executive General Manager of International Division, Director of Oleochemical Business Development Office and New Area Development office</p> <p data-bbox="555 792 1230 916">January 2017 Executive Officer, Executive General Manager of International Division and General Manager of Strategic Planning Department</p> <p data-bbox="555 927 1230 994">May 2017 Executive Officer, Executive General Manager of International Division</p> <p data-bbox="555 1005 1230 1095">March 2019 Senior Executive Officer, Executive General Manager of International Division</p> <p data-bbox="555 1106 1230 1173">March 2021 Director, Executive Officer, Responsible for International Division</p> <p data-bbox="555 1184 1230 1364">January 2023 Director and Executive Officer, Responsible for Overall Overseas Business, Northeast Asia Business Division, Southeast and South Asia Business Division and Overseas Strategic Planning Department</p> <p data-bbox="555 1375 1230 1588">March 2023 Director, Vice President and Executive Officer, Responsible for Overseas Strategic Planning Department, Northeast Asia Business Division, Southeast and South Asia Business Division, and Overall Overseas Businesses</p> <p data-bbox="555 1599 1230 1756">January 2024 Director, Vice President and Executive Officer, Responsible for Northeast Asia Business Division, Southeast and South Asia Business Division, and Overall Overseas Businesses (current position)</p> <p data-bbox="555 1778 1230 1868">(Significant concurrent positions) (Note 1) Representative, Lion Corporation (Thailand) Ltd. Representative, Southern Lion Sdn. Bhd.</p>	15,877
	<p data-bbox="331 1883 922 1912">Reasons for Selection as a Candidate for Director</p> <p data-bbox="331 1924 1394 1977">Hitoshi Suzuki possesses expert knowledge in operations, primarily in the overseas business, and a wealth of experience stationed overseas. Since March 2023, he also has</p>		

	been taking charge of the entire overseas business as Director, Vice President and Executive Officer and contributing to the growth of overseas business and the creation of brand strategy. The Company judges that he is well qualified to help sustainably raise its corporate value as a director and therefore requests that he be reelected.
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Candidate No.	Name (Date of Birth)	Brief Career History and Positions and Responsibilities at Lion Corporation (Significant Concurrent Positions)	No. of Lion Corp. Shares Owned
4	<p style="text-align: center;"><u>Incumbent</u></p> <p>Kenjiro Kobayashi (December 18, 1962)</p> <p><u>Years in office as director:</u> 12 (as of the end of this Annual General Meeting of Shareholders)</p> <p><u>Attendance at the Board of Directors Meetings</u> 18/18 meetings (100%)</p>	<p>April 1987 Joined Lion Corporation</p> <p>March 2012 Director, Executive Officer, Responsible for Overall International Businesses, Executive General Manager of International Division</p> <p>January 2014 Director, Executive Officer, Responsible for Overall International Businesses, Executive General Manager of International Division and General Manager of Business Development Department I</p> <p>January 2015 Director, Executive Officer, Responsible for Overall International Businesses, Executive General Manager of International Division and Director of Oleochemical Business Development Office, International Division</p> <p>January 2016 Director, Executive Officer, Responsible for Secretary Department, Corporate Brand Promotion Office, System Department, General Affairs Department, Corporate Communication Center and CSR Promotion Department</p> <p>January 2017 Director, Executive Officer, Responsible for Human Resources and General Affairs Headquarters, Secretary Department, Corporate Brand Promotion Office, System Department, Corporate Communication Center and CSR Promotion Department</p> <p>March 2017 Director, Senior Executive Officer, Responsible for Human Resources and General Affairs Headquarters, Secretary Department, Corporate Brand Promotion Office, System Department, Corporate Communication Center and CSR Promotion Department</p> <p>January 2018 Director, Senior Executive Officer, Responsible for Human Resources and General Affairs Headquarters, Secretary Department, CSV Promotion Department, System Department and Corporate Communication Center</p> <p>January 2019 Director, Senior Executive Officer, Responsible for Corporate Ethics, Human Resources and General Affairs Headquarters, Secretary Department, CSV Promotion Department, System Department, Corporate Communication Center and Business Process Re-engineering Department</p> <p>January 2020 Director, Senior Executive Officer, Responsible for Corporate Ethics, Human Resources Development Center, General Affairs Department, Secretary</p>	597,289

		<p>Department, CSV Promotion Department, System Department, Corporate Communication Center and Business Process Re-engineering Department</p> <p>January 2021 Director, Senior Executive Officer, Responsible for Corporate Ethics, Human Resources Development Center, General Affairs Department, Secretary Department, Sustainability Promotion Department, System Department and Business Process Re-engineering Department</p> <p>January 2022 Director, Senior Executive Officer, Responsible for Corporate Ethics, Human Resources Development Center, General Affairs Department, Management Support Department, Sustainability Promotion Department, System Department and Business Process Re-engineering Department</p> <p>January 2023 Director and Senior Executive Officer, Responsible for Corporate Ethics, Human Resources Development Center, General Affairs Department, Management Support Department, Sustainability Promotion Department</p> <p>March 2023 Director and Senior Executive Officer, Responsible for Human Resources Development Center, Corporate Ethics, General Affairs Department, Management Support Department, Sustainability Promotion Department (current position)</p>	
<p>Reasons for Selection as a Candidate for Director</p> <p>Kenjiro Kobayashi possesses a wealth of expert knowledge and experience, mainly in the areas of the Overseas Business and the Health and Home Care Products Division. As director of such managerial divisions as the Human Resources Development Center and Sustainability Promotion Department and as director of Corporate Ethics, he has helped to reinforce the Company's business foundation. The Company judges that he is well qualified to help sustainably raise its corporate value as a director and therefore requests that he be reelected.</p>			

Candidate No.	Name (Date of Birth)	Brief Career History and Positions and Responsibilities at Lion Corporation (Significant Concurrent Positions)	No. of Lion Corp. Shares Owned
5	<p data-bbox="371 869 496 898" style="text-align: center;"><u>Incumbent</u></p> <p data-bbox="331 947 536 1014">Yugo Kume (October 1, 1961)</p> <p data-bbox="331 1064 544 1245"><u>Years in office as director:</u> 6 (as of the end of this Annual General Meeting of Shareholders)</p> <p data-bbox="331 1301 544 1451"><u>Attendance at the Board of Directors Meetings</u> 18/18 meetings (100%)</p>	<p data-bbox="555 349 1034 378">April 1984 Joined Lion Corporation</p> <p data-bbox="555 387 1230 477">January 2012 General Manager of the Oral Care Business Department, Health and Home Care Products Division</p> <p data-bbox="555 486 1230 544">January 2015 Assistant Executive General Manager of Health and Home Care Products Division</p> <p data-bbox="555 553 1182 642">January 2016 Executive Officer, Executive General Manager of Health and Home Care Products Division</p> <p data-bbox="555 651 1182 831">January 2018 Executive Officer, Executive General Manager of Health and Home Care Products Division, Responsible for Communication Design Department, Consumer Knowledge Center and Distribution Policy Department</p> <p data-bbox="555 840 1230 1111">March 2018 Director, Executive Officer, Responsible for Health and Home Care Products Sales Division, Gift and Channel-Specific Products Division, Communication Design Department, Consumer Knowledge Center and Distribution Policy Department, Executive General Manager of Health and Home Care Products Division</p> <p data-bbox="555 1120 1230 1335">January 2019 Director, Executive Officer, Responsible for Gift and Channel-Specific Products Division, Direct Marketing Division, Communication Design Department and Consumer Knowledge Center, Executive General Manager of Health and Home Care Products Division</p> <p data-bbox="555 1344 1230 1523">January 2020 Director, Executive Officer, Responsible for Business Development Center, Gift and Channel-Specific Products Division, Direct Marketing Division, Executive General Manager of Health and Home Care Products Division</p> <p data-bbox="555 1532 1230 1747">January 2021 Director, Senior Executive Officer, Responsible for Business Development Center, Health and Home Care Products Division, Gift and Channel-Specific Products Division, Direct Marketing Division and Corporate Communication Center</p> <p data-bbox="555 1756 1230 1971">January 2023 Director and Senior Executive Officer, Responsible for Business Development Center, Health and Home Care Products Division, Gift and Channel-Specific Products Division, Direct Marketing Division and Corporate Communication Center</p>	29,877

		<p>March 2023</p>	<p>Director and Senior Executive Officer, Responsible for Business Development Center, Health and Home Care Products Division, Gift and Channel-Specific Products Division, Direct Marketing Division and Corporate Communication Center</p>	
		<p>January 2024</p>	<p>Director and Senior Executive Officer, Responsible for Business Development Center, Health and Home Care Products Division, Gift and Channel-Specific Products Division and Corporate Communication Center (current position)</p>	
<p>Reasons for Selection as a Candidate for Director</p> <p>Yugo Kume possesses a wealth of expert knowledge and experience, mainly in the areas of corporate planning and the Health and Home Care Products Division. As the officer responsible for new businesses, he has contributed to the creation of new value proposition. The Company judges that he is well qualified to help sustainably raise its corporate value as a director and therefore requests that he be reelected.</p>				

Candidate No.	Name (Date of Birth)	Brief Career History and Positions and Responsibilities at Lion Corporation (Significant Concurrent Positions)	No. of Lion Corp. Shares Owned
6	<p data-bbox="371 869 496 902" style="text-align: center;"><u>Incumbent</u></p> <p data-bbox="320 949 549 1016">Fumitomo Noritake (August 20, 1963)</p> <p data-bbox="320 1064 549 1249"><u>Years in office as director:</u> 5 (as of the end of this Annual General Meeting of Shareholders)</p> <p data-bbox="320 1301 549 1456"><u>Attendance at the Board of Directors Meetings</u> 18/18 meetings (100%)</p>	<p data-bbox="555 349 1233 376">April 1988 Joined Lion Corporation</p> <p data-bbox="555 394 1233 483">January 2012 General Manager of Direct Marketing Business Department, Gift and Channel-Specific Products Division</p> <p data-bbox="555 501 1233 618">January 2016 Executive Officer, Executive General Manager of Direct Marketing Division, General Manager of Sales Administration Department</p> <p data-bbox="555 636 1233 692">January 2017 Executive Officer, Executive General Manager of Direct Marketing Division</p> <p data-bbox="555 710 1233 799">January 2018 Executive Officer, Executive General Manager of Research and Development Headquarters</p> <p data-bbox="555 817 1233 1030">January 2019 Executive Officer, Executive General Manager of Research and Development Headquarters, Responsible for Overall Chemicals Businesses, Intellectual Property Department, and Safety and Disaster Prevention Promotion Department</p> <p data-bbox="555 1048 1233 1395">March 2019 Director, Executive Officer, Responsible for Supply Chain Management Planning Headquarters, Production Engineering Research Headquarters, Purchasing Headquarters, Production Headquarters, Overall Chemicals Businesses, Intellectual Property Department and Safety and Disaster Prevention Promotion Department, Executive General Manager of Research and Development Headquarters</p> <p data-bbox="555 1413 1233 1720">January 2020 Director, Executive Officer, Responsible for Supply Chain Management Planning Headquarters, Production Engineering Research Headquarters, Purchasing Headquarters, Research and Development Headquarters, Production Headquarters, Overall Chemicals Businesses, Intellectual Property Department and Safety and Disaster Prevention Promotion Department</p> <p data-bbox="555 1738 1233 1975">January 2021 Director, Executive Officer, Responsible for Supply Chain Management Planning Headquarters, Production Engineering Research Headquarters, Purchasing Headquarters, Research and Development Headquarters, Production Headquarters, Overall Chemicals Businesses, DX Promotion Department,</p>	20,077

		<p>January 2022 Intellectual Property Department and Safety and Disaster Prevention Department Director, Executive Officer, Responsible for Supply Chain Management Planning Headquarters, Manufacturing Innovation Headquarters, Purchasing Headquarters, Research and Development Headquarters, Production and Logistics Headquarters, Overall Chemicals Businesses, DX Promotion Department, Intellectual Property Department and Safety and Disaster Prevention Department</p> <p>January 2023 Director and Executive Officer, Responsible for Supply Chain Management Planning Headquarters, Manufacturing Innovation Headquarters, Purchasing Headquarters, Research and Development Headquarters, Production and Logistics Headquarters, Overall Chemicals Businesses, Digital Strategy Department, Intellectual Property Department and Safety and Disaster Prevention Department</p> <p>March 2023 Director and Senior Executive Officer, Responsible for Supply Chain Management Planning Headquarters, Manufacturing Innovation Headquarters, Purchasing Headquarters, Research and Development Headquarters, Production and Logistics Headquarters, Overall Chemicals Businesses, Digital Strategy Department, Intellectual Property Department and Safety and Disaster Prevention Department (current position)</p>	
<p>Reasons for Selection as a Candidate for Director</p> <p>Fumitomo Noritake possesses a wealth of expert knowledge and experience, mainly in the areas of research and development. He has been taking charge of various important operations including the Overall Chemicals Businesses, Supply Chain Management Planning Headquarters, Production and Logistics Headquarters, and Purchasing Headquarters as well as contributing to building the Company's supply chain. The Company judges that he is well qualified to help sustainably raise its corporate value as a director and therefore requests that he be reelected.</p>			

Candidate No.	Name (Date of Birth)	Brief Career History and Positions and Responsibilities at Lion Corporation (Significant Concurrent Positions)	No. of Lion Corp. Shares Owned
7	<p style="text-align: center;"><u>Incumbent</u></p> <p>Kengo Fukuda (April 1, 1965)</p> <p><u>Years in office as director:</u> 2 (as of the end of this Annual General Meeting of Shareholders)</p> <p><u>Attendance at the Board of Directors Meetings</u> 18/18 meetings (100%)</p>	<p>April 1987 Joined Lion Corporation</p> <p>January 2014 General Manager of Corporate Planning Department</p> <p>January 2017 Executive Officer, Executive General Manager of Corporate Strategy Headquarters</p> <p>January 2020 Executive Officer, President of Lion Hygiene Co., Ltd.</p> <p>January 2022 Senior Executive Officer, Assistant to the President</p> <p>March 2022 Director, Executive Officer, Responsible for Risk Management, Corporate Planning Department, Finance Department, Consumer Service Center, Reliability Assurance Department and Legal Department</p> <p>January 2023 Director and Executive Officer, Responsible for Risk Management, Corporate Planning Department, Finance Department, Consumer Service Center, Reliability Assurance Department and Legal Department</p> <p>March 2023 Director and Senior Executive Officer, Responsible for Finance Department, Risk Management, Corporate Planning Department, Consumer Service Center, Reliability Assurance Department and Legal Department (current position)</p>	17,100
<p>Reasons for Selection as a Candidate for Director</p> <p>Kengo Fukuda has the experience of serving as the President of a subsidiary and possesses a wealth of expert knowledge and experience, mainly in the area of corporate planning. As director of such managerial divisions as the Corporate Planning Department and the Finance Department, and as the officer responsible for Risk Management, he has contributed to risk management of business. The Company judges that he is well qualified to help sustainably raise its corporate value as a director and therefore requests that he be reelected.</p>			

Candidate No.	Name (Date of Birth)	Brief Career History and Positions and Responsibilities at Lion Corporation (Significant Concurrent Positions)	No. of Lion Corp. Shares Owned
8	<p><u>Incumbent</u></p> <p><u>External</u></p> <p><u>Independent</u></p> <p>Kazunari Uchida (October 31, 1951)</p> <p><u>Years in office as external director:</u> 8 (as of the end of this Annual General Meeting of Shareholders)</p> <p><u>Attendance at the Board of Directors Meetings</u> 17/18 meetings (94.4%)</p>	<p>January 1985 Joined Boston Consulting Group</p> <p>June 2000 Representative for Japan, Boston Consulting Group</p> <p>March 2006 External Auditor, Suntory Limited (now Suntory Holdings Limited)</p> <p>April 2006 Professor, Faculty of Commerce, Waseda University</p> <p>February 2012 External Auditor, Kewpie Corporation</p> <p>June 2012 External Director, Lifenet Insurance Company</p> <p>External Director, Mitsui-Soko Holdings Co., Ltd.</p> <p>August 2012 External Director, Japan ERI Co., Ltd. (now ERI Holdings Co., Ltd.)</p> <p>February 2015 External Director, Kewpie Corporation</p> <p>March 2016 External Director, Lion Corporation (current position)</p> <p>April 2022 Professor Emeritus, Waseda University (current position)</p> <p>(Significant concurrent positions) External Director, BROTHER INDUSTRIES, LTD.</p>	11,800
<p>Reasons for Selection as a Candidate for External Director and Overview of Expected Roles</p> <p>Kazunari Uchida possesses managerial experience as the Japan representative of an international management consulting group and also has experience at other companies both as an external director and an external corporate auditor. He has actively participated in meetings of the Board of Directors, and suitably carried out his role as an external director for the Company, including supervising business execution. We expect that he will continue to fulfill the roles above, and we have determined that his advanced management decision-making know-how is necessary to improve the transparency of our management and further strengthen the oversight function of the Board of Directors, and therefore request that he be reelected as an external director.</p>			

Candidate No.	Name (Date of Birth)	Brief Career History and Positions and Responsibilities at Lion Corporation (Significant Concurrent Positions)	No. of Lion Corp. Shares Owned
9	<p style="text-align: center;"> <input type="checkbox"/> Incumbent <input type="checkbox"/> External <input type="checkbox"/> Independent </p> <p>Takashi Shiraishi (February 22, 1950)</p> <p><u>Years in office as external director:</u> 7 (as of the end of this Annual General Meeting of Shareholders)</p> <p><u>Attendance at the Board of Directors Meetings</u> 18/18 meetings (100%)</p>	<p>June 1979 Assistant Professor, International Relations, Department of Humanities and Social Science, College of Arts and Sciences, University of Tokyo</p> <p>January 1996 Professor, Department of Asian Studies and Department of History, College of Arts and Sciences, Cornell University</p> <p>July 1996 Professor, Center for Southeast Asian Studies, Kyoto University</p> <p>April 2005 Professor and Vice President, National Graduate Institute for Policy Studies</p> <p>May 2007 President, Institute of Developing Economies, Japan External Trade Organization</p> <p>January 2009 Councilor, Council for Science, Technology and Innovation, Cabinet Office</p> <p>April 2011 President, National Graduate Institute for Policy Studies</p> <p>January 2013 Member, Management Evaluation Committee (now the Advisory Committee), Lion Corporation</p> <p>March 2017 External Director, Lion Corporation (current position)</p> <p>April 2017 Special visiting professor, Ritsumeikan University</p> <p>May 2017 Professor Emeritus, National Graduate Institute for Policy Studies (current position)</p> <p>April 2018 Chancellor, Prefectural University of Kumamoto (current position)</p>	9,200
<p>Reasons for Selection as a Candidate for External Director and Overview of Expected Roles</p> <p>Takashi Shiraishi possesses managerial experience as the president of a national university, has served as the president of the Japan External Trade Organization's Institute of Developing Economies and possesses broad-ranging expert knowledge in such areas as Asian politics, economics and social issues. He has actively participated in meetings of the Board of Directors and suitably carried out his role as an external director for the Company, including supervising business execution. We expect that he will continue to fulfill the roles above, and we have determined that his advanced management decision-making know-how is necessary to improve the transparency of our management and further strengthen the oversight function of the Board of Directors, and therefore request that he be reelected as an external director.</p>			

Candidate No.	Name (Date of Birth)	Brief Career History and Positions and Responsibilities at Lion Corporation (Significant Concurrent Positions)	No. of Lion Corp. Shares Owned
10	<p style="text-align: center;"> <input type="checkbox"/> Incumbent <input type="checkbox"/> External <input type="checkbox"/> Independent </p> <p>Takako Sugaya (September 20, 1972)</p> <p><u>Years in office as external director:</u> 5 (as of the end of this Annual General Meeting of Shareholders)</p> <p><u>Attendance at the Board of Directors Meetings</u> 18/18 meetings (100%)</p>	<p>October 2002 Registered as an attorney at law (Daini Tokyo Bar Association) Joined Yamada Hideo Law Office (now the Yamada Ozaki Law Office)</p> <p>April 2010 Associate Professor, Toin University of Yokohama Graduate School of Laws</p> <p>June 2018 External Director, Haruyama Holdings, Inc.</p> <p>March 2019 External Director, Lion Corporation (current position)</p> <p>January 2024 Established Sugaya Partners Law Firm, Representative Attorney (current position)</p> <p>(Significant concurrent positions) External Audit & Supervisory Board Member, Faith, Inc. External Director, Kyokuto Securities Co., Ltd.</p>	3,700
<p>Reasons for Selection as a Candidate for External Director and Overview of Expected Roles</p> <p>Takako Sugaya is not involved in corporate management outside the roles of external director and external Audit & Supervisory Board member, but she possesses a wealth of knowledge and experience as an attorney, mainly in corporate legal work, as well as experience as an external director and external Audit & Supervisory Board member at other companies. She has actively participated in meetings of the Board of Directors and suitably carried out her role as an external director for the Company, including supervising business execution. We expect that she will continue to fulfill the roles above, and we have determined that her advanced insight related to corporate governance and compliance is necessary to improve the transparency of our management and further strengthen the oversight function of the Board of Directors, and therefore request that she be reelected as an external director.</p>			
<p>(Note) Takako Sugaya's legal name is Takako Tanae.</p>			

Candidate No.	Name (Date of Birth)	Brief Career History and Positions and Responsibilities at Lion Corporation (Significant Concurrent Positions)	No. of Lion Corp. Shares Owned
11	<p style="text-align: center;"> <input type="checkbox"/> Incumbent <input type="checkbox"/> External <input type="checkbox"/> Independent </p> <p>Reiko Yasue (January 26, 1968)</p> <p><u>Years in office as external director:</u> 3 (as of the end of this Annual General Meeting of Shareholders)</p> <p><u>Attendance at the Board of Directors Meetings</u> 18/18 meetings (100%)</p>	<p>April 1991 Joined Nagoya Research Institute, Panasonic Information Systems Co., Ltd. (now Panasonic Advanced Technology Development Co., Ltd.)</p> <p>December 1999 Joined Motorola, Inc.</p> <p>June 2004 Joined SEVEN Networks, Inc.</p> <p>September 2005 Joined Qualcomm, Inc.</p> <p>July 2009 Joined FUJISOFT Inc.</p> <p>April 2015 Managing Executive Officer, FUJISOFT Inc.</p> <p>January 2018 Joined Cybernet Systems Co., Ltd., Executive Vice President</p> <p>March 2018 Representative Director, Executive Vice President, Cybernet Systems Co., Ltd.</p> <p>March 2019 Representative Director, President & CEO, Cybernet Systems Co., Ltd.</p> <p>January 2020 Representative Director, President and Executive Officer, Cybernet Systems Co., Ltd. (current position)</p> <p>March 2021 External Director, Lion Corporation (current position)</p> <p>(Significant concurrent positions) Board Director (external), TOMY COMPANY, LTD.</p>	2,200
<p>Reasons for Selection as a Candidate for External Director and Overview of Expected Roles</p> <p>In addition to her managerial experience as president and representative director of a domestic IT company, Reiko Yasue possesses a wealth of expert knowledge and experience in international business, as well as experience as an external director of other companies, actively participates in the Board of Directors meetings, and suitably carried out her role as an external director for the Company, including supervising business execution. We expect that she will continue to fulfill the roles above, and we have determined that her advanced insight related to the IT field is necessary to improve the transparency of our management and further strengthen the oversight function of the Board of Directors, and therefore request that she be reelected as an external director.</p>			

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

(Note 2) Details of limited liability agreement

Pursuant to Article 427, Paragraph 1 of the Companies Act and the provisions of the Articles of Incorporation, the Company has concluded an agreement with Kazunari Uchida, Takashi Shiraishi, Takako Sugaya and Reiko Yasue to limit liability under Article 423, Paragraph 1 of the Companies Act to 10 million yen or the amount specified by law, whichever is higher. The Company plans to conclude a similar limited liability agreement with each director if he/she is reelected as an external director.

(Note 3) Details of compensation contracts

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

(Note 4) Details of the Directors and Officers Liability Insurance

The Company has taken out Directors and Officers Liability Insurance which covers each of its directors in

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

[Overview of details of insurance policy]

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

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

(ii) Overview of insurance contingencies covered by the insurance

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

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

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

(Note 5) Kazunari Uchida, Takashi Shiraishi, Takako Sugaya and Reiko Yasue meet the requirements set forth in the "Lion Corporation Standards Regarding the Independence of External Directors/Audit & Supervisory Board Members" and are deemed sufficiently independent from management. All four also meet the requirements for independent directors set forth by the Tokyo Stock Exchange. Accordingly, the Company has notified said Stock Exchange with regard to their appointment as an independent director who have no potential conflict of interest with general shareholders. The "Lion Corporation Standards Regarding the Independence of External Directors/Audit & Supervisory Board Members" has been posted in <Reference 3> under "Basic Corporate Governance Policy" on the Company's website.

Basic Corporate Governance Policy

https://www.lion.co.jp/ja/company/governance/policies/pdf/cg_policy.pdf (in Japanese)

	Name	Position	The principle skills and areas of expertise								
			Corporate management	Global business	Finance/ accounting	Legal/risk management	Human resource/ HR development	Sustainability	IT/DX	Sales/marketing	R&D/production
Directors	Masazumi Kikukawa	Representative Director, Chairman of the Board of Directors	●	●						●	●
	Masayuki Takemori	Representative Director, President and Executive Officer	●		●	●				●	
	Hitoshi Suzuki	Director, Vice President and Executive Officer	●	●						●	
	Kenjiro Kobayashi	Director and Senior Executive Officer		●			●	●	●	●	
	Yugo Kume	Director and Senior Executive Officer	●		●	●				●	
	Fumitomo Noritake	Director and Senior Executive Officer							●	●	●
	Kengo Fukuda	Director and Senior Executive Officer	●		●	●	●			●	
	Kazunari Uchida	External Director	●	●	●				●	●	
	Takashi Shiraishi	External Director		●			●	●			●
	Takako Sugaya	External Director				●	●				
	Reiko Yasue	External Director	●	●					●	●	
Audit & Supervisory Board Members	Naoki Miidera	Standing Audit & Supervisory Board Member			●	●				●	
	Yoshitada Ishii	Standing Audit & Supervisory Board Member			●						
	Atsuko Suzuki	External Audit & Supervisory Board Member		●				●			
	Masatoshi Matsuzaki	External Audit & Supervisory Board Member	●	●		●	●	●	●		●
	Akemi Sunaga	External Audit & Supervisory Board Member	●		●						

(Attached Documents)
Business Report (From January 1, 2023 to December 31, 2023)

I Current Conditions of the Lion Group

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

		160th term (From January 1, 2020 to December 31, 2020)	161st term (From January 1, 2021 to December 31, 2021)	162nd term (From January 1, 2022 to December 31, 2022)	163rd term (Current fiscal year) (From January 1, 2023 to December 31, 2023)	
Profit/loss	Net sales	(Millions of yen)	355,352	366,234	389,869	402,767
	Core operating income	(Millions of yen)	35,937	30,923	23,559	20,133
	Profit for the period attributable to owners of the parent	(Millions of yen)	29,870	23,759	21,939	14,624
	Basic earnings per share	(Yen)	102.75	81.73	77.04	51.42
Financial position	Total equity	(Millions of yen)	244,856	265,014	279,168	298,134
	Equity attributable to owners of the parent per share	(Yen)	797.08	865.31	929.72	985.43
	Total assets	(Millions of yen)	435,501	428,025	469,278	486,363
Company information	Consolidated subsidiaries		21 companies	21 companies	23 companies	23 companies
	Associates accounted for using equity method		6 companies	4 companies	4 companies	5 companies

Notes:

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

2. Business Activity and Results

The Lion Group is advancing initiatives based on three growth strategies under its medium-term management plan, Vision 2030 1st STAGE. These three strategies are “Accelerate growth in four fields of value creation,” “Transform our business foundations for growth” and “Generate dynamism to realize innovative change.”

In fiscal 2023 (January 1, 2023–December 31, 2023), against a backdrop of geopolitical issues and monetary tightening, the global outlook remained uncertain. The business environment surrounding the Group, especially in Japan, remained on a gradual recovery trend overall, despite the continued depreciation of the yen affecting the raw material prices to remain at a high level. Amid these circumstances, the Company introduced new high-value-added products in fabric softeners, laundry detergents and other products and focused on developing our mainstay brands.

Overseas, the economy was generally on a recovery trend, especially in our major markets such as Thailand and China. However, in China, there were signs of stagnation in the latter half of the period due to factors including the impact of decreased investment in real estate. In this environment, the Company focused on expanding in the personal care fields such as oral and beauty care, and bolstering competitiveness in the home care field including laundry detergents. Moreover, we invested in a healthcare company in Vietnam to create new growth opportunities.

Reflecting these efforts, consolidated results for fiscal 2023 are as follows. Net sales amounted to ¥402,767 million, a year-on-year increase of 3.3% (or a 1.3% increase at constant currency excluding exchange rate fluctuations). However, due to an increase in costs associated with competition and one-off expenses incurred in connection with the head office relocation, core operating income came to ¥20,133 million, down 14.5% compared with the previous fiscal year, and operating profit to ¥20,505 million, down 28.9% year on year. Profit for the period attributable to owners of the parent totaled ¥14,624 million, down 33.3% compared with the previous fiscal year.

Results by business

	Net sales	YoY change	Core operating income	YoY change
Consumer Products Business	¥267,380 million	0.7 %	¥4,799 million	(58.1)%
Industrial Products Business	¥57,191 million	(1.5)%	¥3,013 million	(3.8)%
Overseas Business	¥148,067 million	14.5 %	¥8,587 million	67.8%
Other Business	¥20,909 million	35.8%	¥1,375 million	14.4%
Subtotal	¥493,548 million	5.4 %	¥17,775 million	(15.0)%
Adjustment	¥(90,781) million	– %	¥2,358 million	– %
Total	¥402,767 million	3.3 %	¥20,133 million	(14.5)%

Consumer Products Business	Net sales	¥267,380 million (Up 0.7% year on year)
	Core operating income	¥4,799 million (Down 58.1% year on year)
The Consumer Products Business segment comprises the Oral Care Products, Beauty Care Products, Fabric Care Products, Living Care Products, Pharmaceutical Products and Other Products businesses. Segment net sales increased 0.7% compared with the previous fiscal year. Core operating income decreased 58.1% year on year mainly due to the rise in raw material prices.		
Oral Care Products	Net sales	¥72,847 million (Up 0.8% year on year)
In toothpaste, although sales of CLINICA PRO Toothpaste and NONIO Plus Whitening Toothpaste were strong, due in part to revisions to sales promotions for some brands, overall sales decreased year on year.		
In toothbrushes, the new LION “Electric Assist” Toothbrush, and the new CLINICA PRO Toothbrush Rubber Head, which uses a rubbery material for the bristles, were launched and received favorable customer reviews. As a result, overall sales increased year on year.		
In dental rinses, sales of NONIO Mouthwash were down year on year, and overall sales decreased year on year.		
As a result of the above, overall sales of Oral Care Products increased 0.8% year on year.		
Beauty Care Products	Net sales	¥24,348 million (Down 8.1% year on year)
In hand soaps, although sales of KireiKirei Medicated Hand Conditioning Soap were steady, due to the effect of a shrinking market, overall sales decreased year on year.		
In body washes, sales of hadakara Body Soap Foam were firm, but sales of the liquid version were lower year on year. As a result, overall sales declined year on year.		
As a result of the above, overall sales of Beauty Care Products decreased 8.1% year on year.		

Fabric Care Products	Net sales	¥60,957 million (Up 1.4% year on year)
<p>In fabric softeners, sales of SOFLAN Premium Deodorizer decreased year on year. However, due in part to the addition of new SOFLAN Airis to the lineup, overall sales increased year on year.</p> <p>In laundry detergents, the new highly concentrated liquid laundry detergent NANOX one, which cuts through odors and grime while protecting clothing from discoloration was launched. As a result, overall sales increased year on year.</p> <p>During the fiscal year under review, although we aimed for significant business growth by introducing these new products in the field, sales trended at a level below our target, and overall sales of Fabric Care Products increased only 1.4% year on year.</p>		
Living Care Products	Net sales	¥22,187 million (Down 6.1% year on year)
<p>In household cleaners, overall sales decreased year on year due to lower sales of toilet cleaners year on year and sluggish sales of bath detergent LOOK Plus Bath Cleansing.</p> <p>In dishwashing detergents, although sales of CHARMY Magica were steady, sales of CHARMY Crysta for dishwashers decreased year on year, leading to overall sales also decreasing year on year.</p> <p>As a result of the above, overall sales of Living Care Products decreased 6.1% year on year.</p>		
Pharmaceutical Products	Net sales	¥26,341 million (Up 4.8% year on year)
<p>In antipyretic analgesics, sales of BUFFERIN PREMIUM DX were strong, but sales of BUFFERIN PREMIUM and BUFFERIN A declined year on year. As a result, overall sales decreased year on year.</p> <p>In eye drops, sales of the Smile 40 GOLD series were steady, and overall sales increased year on year.</p> <p>In acne medicines, sales of PAIR® Acne Cream W were strong, and overall sales significantly increased year on year.</p> <p>In cooling gel sheets for feet, Kyusoku Jikan Ashi-Sukkiri Sheet were strong due to a recovery in demand from inbound visitors to Japan, and overall sales significantly increased year on year.</p> <p>As a result of the above, overall sales of Pharmaceutical Products increased 4.8% year on year.</p>		
Other products	Net sales	¥60,697 million (Up 4.9% year on year)
<p>In pet supplies, sales of Nioi wo Toru Suna (Deodorizing Cat Litter) were steady, and sales of oral care products were strong. As a result, overall sales were up year on year.</p> <p>In gifts and novelty products, sales of gift products decreased, and overall sales also decreased year on year.</p> <p>As a result of the above, overall sales of Other Products increased 4.9% year on year.</p>		

Industrial Products Business	Net sales	¥57,191 million (Down 1.5% year on year)
	Core operating income	¥3,013 million (Down 3.8% year on year)
<p>The Industrial Products Business segment includes the Mobility, Electronics and Detergents for Institutional Use Products fields. These businesses handle products that include anti-sticking agents for tire rubber, electro-conductive carbon for secondary batteries, and detergents for institutional and kitchen use, respectively. Segment net sales decreased 1.5% compared with the previous fiscal year. Core operating income decreased 3.8% year on year.</p> <p>In the Mobility field, sales of anti-sticking agents for tire rubber were firm, and overall sales increased year on year.</p> <p>In the Electronics field, sales of conductive carbon for secondary batteries were steady, and overall sales increased year on year.</p> <p>In the Detergents for Institutional Use Products field, sales of hand soaps decreased year on year, while sales of laundry detergents were strong. However, as Group internal sales recorded by manufacturing subsidiaries decreased, overall sales decreased year on year.</p>		

Overseas Business	Net sales	¥148,067 million (Up 14.5% year on year)
	Core operating income	¥8,587 million (Up 67.8% year on year)
<p>The Overseas Business segment comprises business operations located in Southeast and South Asia, including Thailand and Malaysia, as well as Northeast Asia, including China and South Korea. Segment net sales increased 14.5% year on year (or an 8.0% increase at constant currency excluding exchange rate fluctuations). Core operating income increased 67.8% year on year.</p>		
Southeast and South Asia	Net sales	¥90,521 million (Up 11.4% year on year)
	Core operating income	¥5,122 million (Up 115.4% year on year)
<p>In Southeast and South Asia, net sales were up 11.4% year on year (or up 3.8% at constant currency excluding exchange rate fluctuations), and core operating income was up 115.4%.</p> <p>In Thailand, sales of laundry detergents increased year on year, and sales of Shokubutsu Monogatari body washes were strong. As a result, overall sales after yen conversions significantly increased year on year.</p> <p>In Malaysia, sales of TOP laundry detergents were firm. As a result, overall sales after yen conversions significantly increased year on year.</p> <p>Note: Due to the establishment of a joint venture company in Bangladesh in the previous fiscal year, the region previously referred to as "Southeast Asia" has been changed to "Southeast and South Asia."</p>		
Northeast Asia	Net sales	¥57,546 million (Up 19.7% year on year)
	Core operating income	¥3,464 million (Up 26.6% year on year)
<p>In Northeast Asia, overall sales were up 19.7% year on year (or up 15.2% at constant currency excluding exchange rate fluctuations), and core operating income was up 26.6%.</p> <p>In China, sales of White & White toothpaste and SYSTEMA toothbrushes were strong. As a result, overall sales after yen conversions significantly increased year on year.</p> <p>In South Korea, sales of laundry detergents were strong. As a result, overall sales after yen conversions increased year on year.</p>		

Other Business	Net sales	¥20,909 million (Up 35.8% year on year)
	Core operating income	¥1,375 million (Up 14.4% year on year)
In other business, including the construction contracting business, overall sales increased 35.8% year on year and core operating income increased 14.4% year on year.		

3. Capital Expenditure

Total capital expenditure for the Lion Group during the fiscal year under review was ¥26,691 million, which included ¥22,299 million for the Consumer Products Business, ¥1,447 million for the Industrial Products Business, ¥2,354 million for the Overseas Business, and ¥589 million for Other Business.

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

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

(i) The Company

Chiba Plant	Detergent manufacturing equipment (additional)	¥2,121 million
	Fabric softener manufacturing equipment (additional)	¥422 million
Odawara Plant	Pharmaceutical manufacturing equipment (additional)	¥344 million
	Toothpaste manufacturing equipment (additional)	¥241 million
Osaka Plant	Fabric softener manufacturing equipment (additional)	¥3,047 million
	Detergent manufacturing equipment (additional)	¥1,002 million
Akashi Plant	Toothpaste manufacturing equipment (additional)	¥559 million
	Toothbrush manufacturing equipment (additional)	¥466 million
Lion Chemical Co., Ltd.'s Oleochemical production site	Toothpaste manufacturing equipment (additional)	¥1,188 million
Research Center	Research and development devices (expanded)	¥744 million
Headquarters	New headquarters related equipment (new)	¥5,737 million

(ii) Subsidiaries

Lion Chemical Co., Ltd.	Hand soap manufacturing equipment (additional)	¥749 million
Lion Specialty Chemicals Co., Ltd.	Chemical manufacturing equipment (additional)	¥202 million

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

(i) The Company

Chiba Plant	Detergent manufacturing equipment (additional)	
Odawara Plant	Pharmaceutical manufacturing equipment (additional)	

4. Financing Activities

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

5. Management Issues

The Group has set forth its management vision of “Becoming an advanced daily healthcare company” for 2030, and it aims to contribute to a sustainable society and grow its business by application of its stated purpose “Make a difference in everyday lives by redesigning habits: ReDesign,” and has formulated its medium- to long-term management strategy framework “Vision 2030.”

To achieve its management vision, the Lion Group must rapidly implement and realize results from the strategies of its 3-year medium-term management plan launched in 2022, Vision 2030 1st STAGE.

◇Management Strategies for Realizing the Management Vision

The Three Growth Strategies and Their Progress

(1) Accelerate Growth in four fields of value creation

In the field of oral health, we are creating new business opportunities that contribute to market expansion through fostering healthy living habits, such as starting Okuchi Plus You in July 2022 to support the well-being management (health and productivity management) of companies and local governments.

In China, which has been positioned as our highest priority country for business growth, we aim for a scale of ¥100 billion in sales by 2030, expanding sales areas, channels, and product categories starting with oral care.

(2) Transform Our Business Foundations for Growth

The new toothpaste factory in Sakaide City, Kagawa Prefecture, completed in 2021, has been positioned as one of the Group’s main toothpaste production facilities, and we will make maximum use of it to establish an efficient and sustainable production and supply system.

We have launched new core systems in 2022 and are working on the prompt output of management information such as demand and supply planning, procurement, production, and sales, as well as the enhancement of management control and supply chain management using such information.

With respect to the establishment of a foundation for growth for our overseas business, we have achieved the goal in our medium-term management plan of entering two new countries: Bangladesh (2022) and Vietnam (2023). Going forward, we will aim to get business on track as soon as possible in the above two countries and continue to explore further countries to enter.

(3) Generate Dynamism to Realize Innovative Change

We have revamped our human resource management system, including personnel compensation systems and human resource development systems, to enhance organizational capabilities through promoting the autonomous growth of employees and creating highly specialized human resources.

In addition, to help each and every employee realize their life plan and lifestyle, we are enhancing systems that allow more flexible work styles and promoting the improvement of a comfortable office environment, including relocation to a new head office.

Reinforce Initiatives to Address the Sustainability Material Issues

Regarding “promoting environmental initiatives for a sustainable planet,” which is positioned as a top-priority material issue, we are promoting initiatives for resource recycling in collaboration with local governments and other companies and the development of resource-saving products. Similarly, in terms of “creating healthy living habits,” we are advancing measures such as launching a service-based business that proposes new oral care habits.

In addition, we have conducted scenario analysis according to the Task Force on Climate-related Financial Disclosures (TCFD) framework regarding the risks and opportunities posed by climate change to the Company and disclosed the results in 2023.

◇Progress and Issues

As a result of implementing measures based on the three growth strategies, consolidated net sales has exceeded the growth rate of the three years before the start of this plan, achieving a certain level of “gear change toward accelerated growth” as set out in our medium-term management plan. In particular, in our overseas business, where we aim to achieve a sales composition ratio of 50% by fiscal 2030, we have expanded our presence in existing countries and areas, including China, and the sales composition ratio for the fiscal year ended December 31, 2023 has steadily increased to 33%.

However, regarding profit, we have not reached the initially targeted level due to the impact of the increase in raw material prices caused by the global surge in resource prices and the underperformance of new products in the domestic fabric care field, which had been launched with high targets.

In light of these circumstances, the Group views this year, the final year of Vision 2030 1st STAGE, as a year of rebuilding the foundation for the next medium-term management plan, and we will push ahead with the restructuring of low-profit businesses, a review of the business portfolio through the allocation of management resources, and efforts to improve operational efficiency even stronger. At the same time, we will sharpen investment in priority countries and areas, as well as in fields, and aim to enhance corporate value toward the realization of our vision for 2030.

6. Business Combinations

(1) Significant subsidiaries

	Company name	Share capital		Percentage of voting rights held by the Company	Major business activities
			million yen	%	
*1	Lion Chemical Co., Ltd.	7,800		100.0	Manufacture and sale of household goods, surfactants, etc.
*1	Lion Expert Business Co., Ltd.	490		100.0	Outsourcing of indirect Group functions, etc., building management, and personnel dispatch
*1	Lion Specialty Chemicals Co., Ltd.	400		100.0	Manufacture and sale of surfactants, etc. Manufacture and sale of industrial chemicals, etc.
*1	Lion Hygiene Co., Ltd.	300		100.0	Manufacture and sale of kitchen detergents, etc.
*1	Lion Pet Co., Ltd.	240		100.0	Sale of pet supplies
*1	Lion Engineering Co., Ltd.	100		100.0	Construction contracting
*1	Kyuzitu Hack Co., Ltd.	80		100.0	Planning, development and sale of experiential services
*1	Lion Dental Products Co., Ltd.	10		100.0	Sale of dentistry materials
*1	Lion Daily Necessities Chemicals (Qingdao) Co., Ltd.	39	million U\$	100.0	Manufacture and sale of household goods
*1	Lion Home Products (Taiwan) Co., Ltd.	530	million Taiwan\$	100.0	Sale of household goods
*1	Lion Corporation (Korea)	9,976	million won	100.0	Manufacture and sale of household goods
*1	Lion Corporation (Singapore) Pte. Ltd.	9	million S\$	100.0	Sale of household goods
*1	Lion Innovation Center (Shanghai) Co., Ltd.	2	million U\$	100.0	Research and development
*1	Lion Corporation (Hong Kong) Ltd.	12	million H\$	100.0	Sale of household goods
*1	Lion Kallol Limited	1,370	million BDT	75.0	Manufacture and sale of household goods
*1	Lion Corporation (Thailand) Ltd.	500	million baht	51.0	Manufacture and sale of household goods
*1	Southern Lion Sdn. Bhd.	22	million MR	50.0	Manufacture and sale of household goods
*2	PLANET, INC.	436	million yen	15.6	Network building and information provision for the commodities industry
*2	P.T. Lion Wings	64,062	million RP	48.0	Manufacture and sale of household goods
*2	Merap Lion Holding Corporation	224,000	million VND	36.0	Manufacture and sale of pharmaceuticals and medical equipment

Notes:

- *1 indicates a consolidated subsidiary.
- *2 indicates an associate accounted for using equity method.
- Share capital is rounded down to the nearest unit.
- Percentage of voting rights held by the Company is rounded down to one decimal place.
- U\$...U.S. Dollar, Taiwan\$...Taiwan dollar, won...South Korean won, S\$...Singapore Dollar, H\$...Hong Kong dollar, BDT...Bangladeshi Taka, baht...Thai baht, MR...Malaysian Ringgit, RP...Indonesian rupiah, VND...Vietnamese dong

6. Lion Trading Co., Ltd. changed its name to Lion Pet Co., Ltd. as of January 1, 2023.
- (2) Progress in important corporate consolidation
- (i) We acquired 36% of issued shares of Merap Holding Corporation, which operates in the Socialist Republic of Vietnam, on March 1, 2023, making it an equity method affiliate of the Company. The trade name was then changed to Merap Lion Holding Corporation on April 19, 2023.
 - (ii) We increased our capital for Lion Kallol Limited to establish a production foundation for the future business expansion, such as factory construction. The share capital after the capital increase is 1,370 million BDT.
 - (iii) We established the research and development subsidiary, Lion Innovation Center (Shanghai) Co., Ltd., on May 23, 2023 to enhance the Group's product development capabilities and product development speed in China.
 - (iv) To strengthen the functions of the Group's back-office operations, Lion Business Service Co., Ltd., and Lion Cordial Support Co., Ltd., were merged on July 1, 2023, and the surviving company's trade name, Lion Business Service Co., Ltd., was changed to Lion Expert Business Co., Ltd.
 - (v) As part of reviewing our business portfolio, we transferred the portion of the business handling the lactoferrin series and other direct-to-consumer foods with functional claim to NISSIN FOODS PRODUCTS CO., LTD., through a corporate split on November 30, 2023.

7. Major Offices and Plants (as of December 31, 2023)

(1) The Company

Head office: Tokyo

Branch offices: Sapporo, Sendai, Nagoya, Osaka and Fukuoka

Plants: Chiba Plant, Odawara Plant, Osaka Plant and Akashi Plant

(2) Major offices of subsidiaries

Lion Chemical Co., Ltd. (Ibaraki and Kagawa)

Lion Specialty Chemicals Co., Ltd. (Tokyo)

Lion Hygiene Co., Ltd. (Tokyo)

Lion Pet Co., Ltd. (Tokyo)

Lion Engineering Co., Ltd. (Tokyo)

Lion Dental Products Co., Ltd. (Tokyo)

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

Lion Corporation (Korea) (South Korea)

Lion Corporation (Thailand) Ltd. (Thailand)

Southern Lion Sdn. Bhd. (Malaysia)

8. Employees (as of December 31, 2023)

The number of employees of the Lion Group is 7,550 (a decrease of 37 from the end of the previous year). The number of employees of the Company is 3,132 (a decrease of 58 from the end of the previous year).

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

9. Major Creditors (as of December 31, 2023)

Not applicable.

II Shares of the Company (as of December 31, 2023)

1. Number of Shares

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

(2) Total number of shares issued and share capital

Total number of shares issued 292,536,446 shares

Share capital ¥34,433,728,970

Notes:

- Total number of shares issued includes treasury stocks (7,464,910 shares). Treasury stocks do not include the executive compensation BIP trust (610,597 shares).
- There are no changes in share capital.

Composition ratios by shareholder category

- Japanese financial institutions 34.55%
- Foreign institutions and individuals 18.84%
- Individual investors and others 30.78%
- Other corporations 13.43%
- Financial instrument firms 2.40%

2. Number of Shareholders 287,776

3. Principal Shareholders (top 10 shareholders)

	Name of shareholder	Number of shares held (thousands of shares)	Shareholding ratio (%)
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	39,303	13.78
2	Custody Bank of Japan, Ltd. (Trust Account)	24,262	8.51
3	Custody Bank of Japan, Ltd. as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.	8,282	2.90
4	MUFG Bank, Ltd.	7,076	2.48
5	STATE STREET BANK AND TRUST COMPANY 505223	5,881	2.06
6	Tokio Marine & Nichido Fire Insurance Co., Ltd.	4,450	1.56
7	Meiji Yasuda Life Insurance Company	3,690	1.29
8	Toyota Tsusho Corporation	3,506	1.22
9	Mitsubishi UFJ Trust and Banking Corporation	3,500	1.22
10	STATE STREET BANK AND TRUST COMPANY 505103	3,205	1.12

Notes:

- Number of shares held is rounded down to the nearest thousand.
- Shareholding ratio is calculated based on the number of shares (285,071,536 shares) obtained by deducting the total number of treasury stocks from the total number of shares issued, and is rounded down to the third decimal place.

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

Classification	Number of shares	Number of eligible recipients
Director (excluding external directors)	193,940	2 persons

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

5. Other significant matters relating to shares

Status of Adopting Socially Responsible Investing (SRI) Indices

The Company has been selected for inclusion in leading socially responsible investing (SRI) indices in and outside Japan, namely the FTSE4Good Global Index (based in the UK) and the Dow Jones Sustainability Asia/Pacific Index (U.S.A. and Switzerland).

We are also included in the six ESG indices used by Japan's Government Pension Investment Fund (GPIF): the FTSE Blossom Japan Index, the FTSE Blossom Japan Sector Relative Index, the MSCI Japan ESG Select Leaders Index, the MSCI Japan Empowering Women Index (WIN), the S&P/JPX Carbon Efficient Index and Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J). Inclusion in these indices indicates that Lion is recognized globally as a highly trustworthy company that meets high standards of corporate ethics and corporate social responsibility.

III Company's Corporate Officers

1. Details of Directors and Audit & Supervisory Board Members (as of December 31, 2023)

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

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

Notes:

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

Responsibilities of the corporate officers, etc. as of January 1, 2024 are as follows.

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

Executive officers who do not concurrently serve as directors as of December 31, 2023 are as follows. Masaharu Mikuni, Tomomichi Okano, Jiro Nagasawa, Yasutsugu Shimizu, Yoko Koike, Annette Ling, Kei Minamikawa, Akihiko Takeo, Katsuhiko Chikyu, Ayako Suzuki, Yasuhiro Urao

Executive officers appointed on January 1, 2024 who do not concurrently serve as directors are as follows.

Masaharu Mikuni, Tomomichi Okano, Yasutsugu Shimizu, Annette Ling, Kei Minamikawa, Akihiko Takeo, Katsuhiko Chikyu, Ayako Suzuki, Yasuhiro Urao, Yoshihiro Aihara, Go Ichitani

2. External Officers

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

(1) External Directors

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

(2) External Audit & Supervisory Board Members

Name	Attendance at Board of Directors' meetings	Attendance at Audit & Supervisory Board meetings	Principal comments
Atsuko Suzuki	16/18 meetings	18/18 meetings	Regarding the business execution of the entire Group, she made appropriate remarks based on her knowledge as an expert mainly on sustainability.
Masatoshi Matsuzaki	12/13 meetings	13/14 meetings	Utilizing his experience in the management of a listed company, in addition to advanced expert knowledge gained from successively serving as Chairperson of the Board, he has made remarks from a broad perspective regarding overall management, such as enhancement of the effectiveness of the Group's corporate governance.
Akemi Sunaga	13/13 meetings	14/14 meetings	She made appropriate remarks to ensure the appropriateness of the Group's operations, mainly in the areas of finance, accounting and tax.

(Note) As Masatoshi Matsuzaki and Akemi Sunaga were elected as Audit & Supervisory Board Members at the 162nd Annual General Meeting of Shareholders held on March 30, 2023 and assumed offices on the same date, the

attendance at the Board of Directors Meetings and Audit & Supervisory Board Meetings indicate the number of meetings attended during the fiscal year since such date.

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

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

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

(i) Method of determination of policy

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

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

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

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

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

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

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

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

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

the duties of directors or internal regulations.

A summary of the above basic policy on executive compensation and details of the basic policy shall be resolved by the Board of Directors after consulting with the Compensation Advisory Committee and shall be disclosed in business reports, annual securities reports, etc.

(2) Indicators Used to Calculate Performance-Linked Compensation

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

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

Indicator as a goal	Target value	Achievement	Achievement rate
Core operating income	¥25,000 million	¥20,133 million	81%
Profit for the period attributable to owners of the parent	¥17,500 million	¥14,624 million	84%

(3) Calculation method of bonuses to corporate officers

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

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

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

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

Number of points =	$\frac{(\text{Fixed base amount} + \text{Performance-linked base amount} \times \text{Performance-linked coefficient})}{\text{Per-share acquisition cost}}$
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The fixed base amount is calculated using the coefficient set for each rank, and the performance-linked base amount is the same amount as the fixed base amount. The performance coefficient is calculated based on the degree to which targets for core operating income and profit attributable to owners of parent have been achieved.

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

Regarding the compensation, etc. received by individual directors for the fiscal year under review, as the Board of Directors has confirmed that the method for determining the amount of compensation, etc. and the amount of compensation, etc. are consistent with the policy for

determining the amount of compensation, etc. and that reports of the Compensation Advisory Committee were respected, the Board of Directors has deemed that the compensation, etc. complies with the policy.

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

Classification	Number of Corporate Officers	Fixed compensation	Performance-linked compensation		Total
			Bonuses	Stock-based compensation	
Directors	12	¥285 million	¥105 million	¥56 million	¥448 million
(External Directors)	(4)	(¥48 million)	—	—	(¥48 million)
Audit & Supervisory Board Members	9	¥96 million	—	—	¥96 million
(External Audit & Supervisory Board Members)	(5)	(¥36 million)	—	—	(¥36 million)
Total	21	¥381 million	¥105 million	¥56 million	¥544 million
(External officers)	(9)	(¥84 million)	—	—	(¥84 million)

Notes:

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

IV Accounting Auditor

1. Name of Accounting Auditor

Ernst & Young ShinNihon LLC

2. Amount of compensations

Classification	Amount paid
(1) Amount of compensations pertaining to the fiscal year under review	¥97 million
(2) Total amount of money and other financial profits to be paid by the Company and its subsidiaries	¥142 million

Notes:

1. The audit contract between the Company and the accounting auditor does not separate the audit compensation for audits based on the Companies Act and audits based on the Financial Instruments and Exchange Act, and as they cannot be separated in practice, the total amount is shown in (1) above.
 2. The Audit & Supervisory Board of the Company checked the grounds for calculation based on the explanation of the accounting auditor regarding the compensation estimated from the number of audit days and man-scheduling, etc. of the auditing plan for the fiscal year under review while referring to the evaluation of the performance for the previous year, and since members deemed that content was reasonable, agreed with Article 399, Paragraph 1 of the Companies Act.
 3. Of the significant subsidiaries of the Company listed on page 37, Lion Daily Necessities Chemicals (Qingdao) Co., Ltd., Lion Home Products (Taiwan) Co., Ltd., Lion Corporation (Korea), Lion Corporation (Singapore) Pte. Ltd., Lion Innovation Center (Shanghai) Co., Ltd., Lion Corporation (Hong Kong) Ltd., Lion Kallol Limited, Lion Corporation (Thailand) Ltd., and Southern Lion Sdn. Bhd. receive audits by an auditor other than Ernst & Young ShinNihon LLC.
 4. Amounts are rounded down to the nearest million yen.
3. Details of Non-Auditing Services
- The Company pays the accounting auditor compensation for the preparation of documents to be filed to overseas taxation authorities as a service other than that defined in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-auditing service).
4. Policy for Decisions on Dismissal and Non-Reappointment of Accounting Auditor
- When the Audit & Supervisory Board deems the dismissal or non-reappointment of the accounting auditor necessary due to an inability to implement their duties, the Board decides the contents of the proposal, and based on this decision, the Board of Directors makes a proposal on the dismissal or non-reappointment of the accounting auditor to the General Meeting of Shareholders.
- Furthermore, when the Audit & Supervisory Board deems that any of the items in Article 340, Paragraph 1 of the Companies Act apply to the accounting auditor, the accounting auditor shall be dismissed upon the agreement of all members of the Audit & Supervisory Board. In this case, an Audit & Supervisory Board member selected by the Audit & Supervisory Board reports the dismissal and the reason behind it to the first General Meeting of Shareholders after the dismissal.
5. Details of Limited Liability Agreement
- Pursuant to Article 427, Paragraph 1 of the Companies Act and the provisions of the Articles of Incorporation, the Company has concluded agreements with accounting auditor that limit liability under Article 423, Paragraph 1 of the Companies Act to ¥32 million or the amount specified by law, whichever is higher.

V Policy on Decisions on Dividends from Surplus etc.

The Company considers returning profits to shareholders on a continuous and stable basis by increasing its consolidated earnings capacity to be one of its most important management issues. To this end, the Company strives to ensure the payment of continuous and stable cash dividends, aiming for a consolidated payout ratio of 30%, and bases the acquisition of treasury stock on comprehensive reviews to ensure that it maintains levels of internal reserves required to secure medium- and long-term growth. The Company allocates internal reserves to research and development, capital investment in production facilities and the acquisition of external resources, aiming to reinforce the Company's growth potential and to develop a sustainable business foundation.

Taking into consideration the Company's cash dividend payment record, as well as its dividend payout ratio target, the Company's Board of Directors resolved to pay an interim dividend of ¥13 per share (payment date: September 5, 2023) and a year-end dividend of ¥13 per share (payment date: March 7, 2024) for the fiscal year under review.

Reference

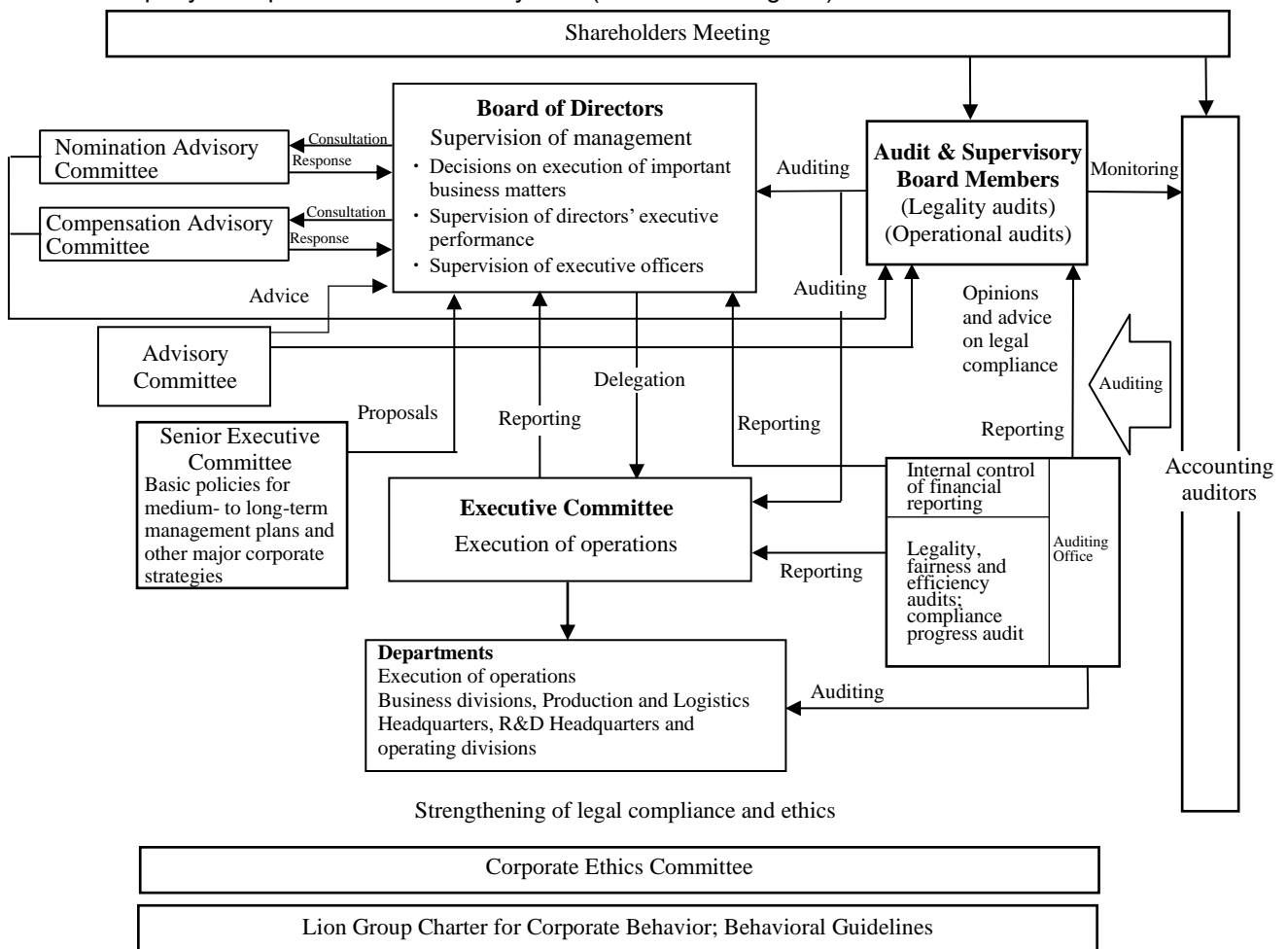
Corporate Governance Systems

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

Organizational Structure

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

The Company's Corporate Governance System (Schematic Diagram)



■ Directors, Board of Directors and Executive Committee, etc.

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

■ Nomination Advisory Committee

In order to enhance the objectivity and transparency of the Company's appointment process of directors, Audit & Supervisory Board members and executive officers and their respective advisors after retirement (hereinafter referred to as "directors"), the Nomination Advisory Committee, which comprises representative directors determined in advance by external directors and the chair of the Board of Directors, was established on June 30, 2016. The Committee deliberates on the qualities of directors, reasons and processes of their selection and dismissal, etc., upon receiving consultation from the Board of Directors, and reports to the Board of Directors (to the Audit & Supervisory Board regarding Audit & Supervisory Board members). The Committee also exchanges opinions on the development of successors to the president. The committee consists of eight members: external directors Takashi Shiraishi (committee chairman), Kazunari Uchida, Takako Sugaya and Reiko Yasue; as well as external Audit & Supervisory Board members Atsuko Suzuki, Masatoshi Matsuzaki and Akemi Sunaga; in addition to Masazumi Kikukawa, Chairman of the Board of Directors. (as of December 31, 2023).

■ Compensation Advisory Committee

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

■ Advisory Committee

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

■ Audit & Supervisory Board members and Audit & Supervisory Board

The Audit & Supervisory Board is composed of five members, and holds a regular meeting once every two months and extraordinary meetings as necessary. Of the five Audit & Supervisory Board members, three of whom are external Audit & Supervisory Board members (independent Audit & Supervisory Board members) and two of whom are standing Audit & Supervisory Board members from within the Company, and one external Audit & Supervisory Board member and one of the standing Audit & Supervisory Board members possesses knowledge regarding finance and accounting. Two staff members are allocated to the Audit & Supervisory Board members and the Audit & Supervisory Board. Each Audit & Supervisory Board member attends meetings of the Board of Directors and other important meetings, conducts interviews with directors and executive officers as well as audits regarding the status of the execution of their duties (including the status of the execution of the duties of directors pertaining to the development and operation of internal control over financial reporting), performs site visits to Lion's headquarters and major offices and plants, and conducts research on subsidiaries in accordance with the Audit & Supervisory Board members' standards, audit policy, audit plans, etc., stipulated by the Audit & Supervisory Board. In addition, each Audit & Supervisory Board Member confirms the accounting auditor's audit plans, implementation progress and results reports, etc., and audits the reasonableness of Board of Director resolutions, as well as the lawfulness, appropriateness and efficiency of directors' execution of duties. Furthermore, Audit & Supervisory Board members conduct comprehensive themed audits of response to important management issues. The themes in fiscal 2023 were the Corporate Governance Code, risk management, global compliance, IT governance, and sustainability.

For information on the Company's basic approach to corporate governance, see our website. <https://www.lion.co.jp/ja/company/governance/> (in Japanese)

<Reference>

Promoting Environmental Initiatives for a Sustainable Planet

■ Lion Group's Plastic Challenge

Lion Group is promoting various initiatives to realize a resource-circulating society. We aim to minimize the amount of resources used in our business, recover resources after use, and effectively reuse or utilize valuable resources in our business.

3R + Renewable for reducing containers and packaging materials

Reduce usage – Make containers and packaging smaller and less –

By concentrating laundry detergents, fabric softeners, kitchen detergents, and other products, we aim to reduce their volume and thus achieve the downsized containers. We also aim to promote lightweight design through advanced design technology.

Reuse – Increase refill products –

The plastic body containers can be used repeatedly by refilling the contents. In addition, film packaging used in refill packs can reduce the amount of container materials compared to the body containers.

Recycle – Actively use recycled materials –

We actively use recycled plastic in our products and containers. We use recycled PET resin from beverage PET bottles, etc. for the body containers of laundry detergents and kitchen detergents, and blister packaging of toothbrushes.

Renewable/Recyclable– Use of sustainable resources –

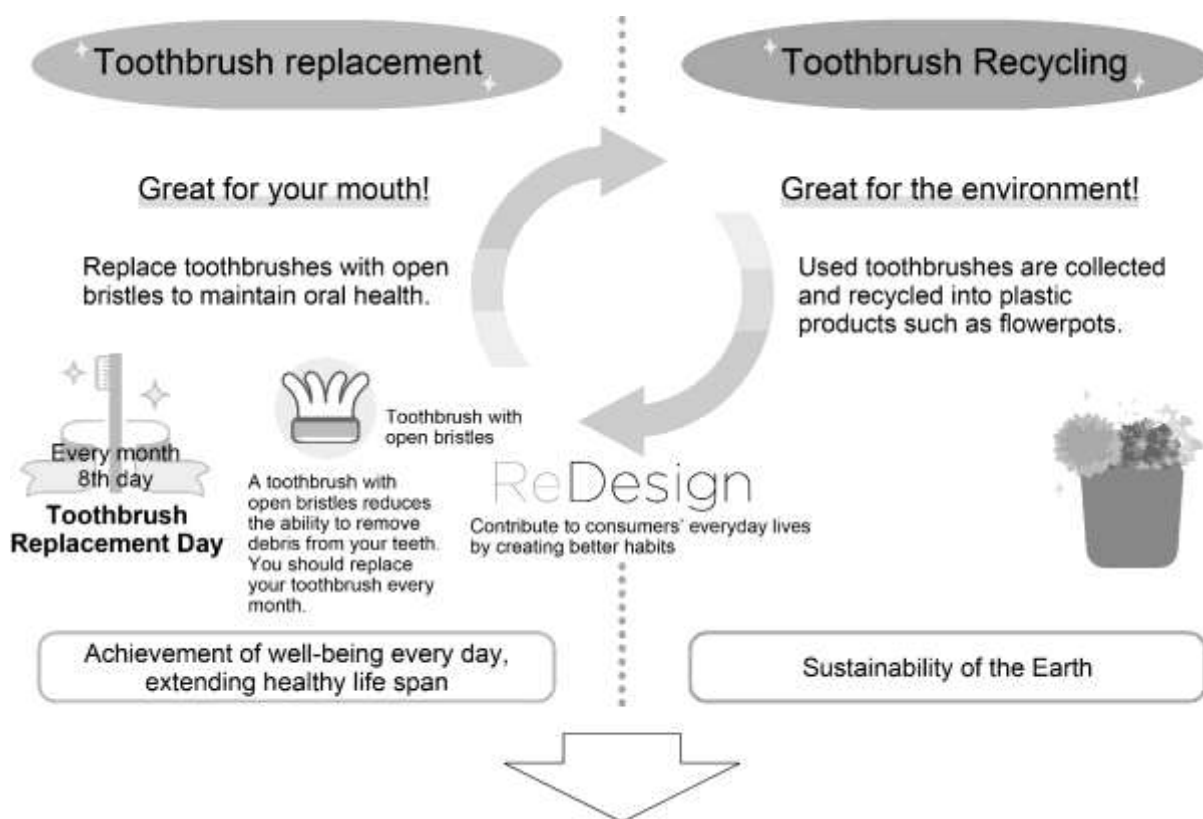
We use biomass plastic (plant-derived plastic) for the containers and packaging materials of certain products. We also utilize mono-material film packs* that are easy to recycle.

* Refill packs made mainly from one packaging material or at least from the main material of one group of packaging materials.

■ Foster waste-free habits

We will contribute to a decarbonized and resource-circulating society by promoting the creation of environmentally friendly habits with consumers, or equivalently, providing planet-friendly lifestyles and making daily life more sustainable. We are promoting the fostering of waste-free habits through programs that allow consumers to participate.

Toothbrush recycling program



Recycled materials from toothbrush recycling are used in cat litter boxes

Domestic Group company Lion Pet Co., Ltd. is currently rolling out the Love Cats Love Earth Sakura Project, through which it donates cat litter boxes and cat litter sets to support people fostering rescue cats. 10% of the material being used for the cat litter boxes are recycled plastics sourced from toothbrush recycling.

Pilot film-to-film recycling of used refill packs

Film-to-film recycling of film packaging used in refill packs

In September 2020, we announced that we would be collaborating with Kao Corporation to help realize a circular economy for plastic packaging. Together, we have been collecting used refill packs at some stores in Japan. We have used recycled materials collected in this initiative to make a limited production run of the refill packs for TOP SUPER NANOX for Odors XXL, a highly concentrated laundry detergent launched in May 2023.

Information about Lion Group's Sustainability is available on Lion's website.

<https://www.lion.co.jp/en/sustainability/>

Consolidated Statement of Financial Position
(As of December 31, 2023)

(Millions of yen)

Item	Amount	(Reference) Amount for the previous fiscal year	Item	Amount	(Reference) Amount for the previous fiscal year
Assets			Liabilities		
Current assets	232,274	237,691	Current liabilities	143,333	141,574
Cash and cash equivalents	85,526	101,078	Trade and other payables	126,158	126,024
Trade and other receivables	75,230	71,263	Borrowings	148	1,433
Inventories	56,090	53,909	Income tax payables	2,508	2,182
Other financial assets	12,276	7,977	Provisions	2,399	1,444
Other current assets	3,151	3,462	Lease liabilities	2,043	1,746
			Other financial liabilities	2,363	1,681
			Other current liabilities	7,711	7,061
Non-current assets	254,089	231,587	Non-current liabilities	44,896	48,536
Property, plant and equipment	140,671	130,137	Borrowings	-	141
Goodwill	327	327	Deferred tax liabilities	5,847	2,701
Intangible assets	22,712	23,917	Retirement benefit liabilities	4,531	10,431
Right-of-use assets	31,313	31,518	Provisions	2,046	2,058
Investments accounted for using the equity method	17,487	8,939	Lease liabilities	28,150	28,849
Deferred tax assets	4,357	3,912	Other financial liabilities	2,452	2,378
Retirement benefit assets	10,826	9,147	Other non-current liabilities	1,867	1,974
Other financial assets	25,475	22,856	Total liabilities	188,229	190,110
Other non-current assets	917	831	Equity		
			Share capital	34,433	34,433
			Capital surplus	31,118	31,069
			Treasury stock	(7,868)	(8,056)
			Other components of equity	18,377	13,966
			Retained earnings	204,255	192,842
			Equity attributable to owners of the parent	280,316	264,255
			Non-controlling interests	17,817	14,912
			Total equity	298,134	279,168
Total assets	486,363	469,278	Total liabilities and equity	486,363	469,278

Consolidated Statement of Income
(Year ended December 31, 2023)

(Millions of yen)

Item	Amount	(Reference) Amount for the previous fiscal year
Net sales	402,767	389,869
Cost of sales	(222,168)	(215,263)
Gross profit	180,598	174,605
Selling, general and administrative expenses	(160,465)	(151,046)
Other income	2,196	6,738
Other expenses	(1,824)	(1,453)
Operating profit	20,505	28,843
Finance income	1,106	804
Finance costs	(843)	(179)
Share of profit (loss) of investments accounted for using the equity method	1,607	1,824
Profit before tax	22,375	31,292
Income taxes	(5,687)	(8,182)
Profit for the period	16,687	23,110
Profit for the period attributable to:		
Owners of the parent	14,624	21,939
Non-controlling interests	2,062	1,170
Profit for the period	16,687	23,110

Non-consolidated Balance Sheet
(As of December 31, 2023)

(Millions of yen)

Item	Amount	(Reference) Amount for the previous fiscal year	Item	Amount	(Reference) Amount for the previous fiscal year
(Assets)			(Liabilities)		
Current assets	141,171	161,268	Current liabilities	102,378	115,453
Cash and deposits	65,357	84,775	Notes payable - trade	15,938	15,626
Notes receivable - trade	1,528	1,708	Accounts payable - trade	33,318	35,638
Accounts receivable - trade	36,111	35,819	Lease liabilities	64	38
Merchandise and finished goods	24,774	22,994	Accounts payable - other	29,128	41,029
Work in process	1,377	1,276	Accrued expenses	2,536	2,409
Raw materials and supplies	7,028	7,513	Income taxes payable	414	310
Prepaid expenses	1,365	1,421	Deposits received	12,457	12,704
Accrued revenue	1,082	920	Refund liabilities	5,002	4,231
Other current assets	2,550	4,842	Provision for bonuses	1,654	1,808
Allowance for doubtful accounts	(5)	(5)	Provision for sales promotion expenses	1,129	856
Non-current assets	177,958	171,175	Provision for bonuses for directors (and other officers)	93	136
Property, plant and equipment	91,664	93,915	Other	641	663
Buildings and structures	33,470	29,579	Non-current liabilities	10,659	12,573
Machinery and equipment	38,233	37,068	Lease liabilities	132	55
Vehicles	188	193	Provision for share awards	601	698
Tools, furniture and fixtures	5,015	4,158	Provision for retirement benefits	6,630	8,429
Land	7,833	7,833	Long-term deposits received	1,347	1,279
Leased assets	196	93	Asset retirement obligations	1,948	2,111
Construction in progress	6,725	14,988	Total liabilities	113,038	128,027
Intangible assets	15,224	16,420	(Net assets)		
Software	13,916	15,255	Shareholders' equity	197,743	197,354
Trademark right	233	267	Share capital	34,433	34,433
Other	1,074	896	Capital surplus	31,499	31,499
Investments and other assets	71,069	60,839	Legal capital surplus	31,499	31,499
Investment securities	17,826	15,716	Retained earnings	140,609	140,554
Shares of subsidiaries and associates	31,811	23,320	Legal retained earnings	5,551	5,551
Investments in capital of subsidiaries and associates	3,964	3,606	Other retained earnings	135,058	135,002
Long-term loans receivable	4,235	3,770	Reserve for tax purpose reduction entry	548	602
Long-term prepaid expenses	197	54	Reserve for dividends	2,365	2,365
Prepaid pension costs	7,404	8,429	Reserve for research and development	830	830
Deferred tax assets	3,551	3,857	General reserve	18,280	18,280
Other	2,107	2,115	Retained earnings brought forward	113,034	112,925
Allowance for doubtful accounts	(29)	(29)	Treasury stock	(8,800)	(9,133)
Total assets	319,129	332,443	Valuation and translation adjustments	8,297	6,938
			Valuation difference on available-for-sale securities	8,297	6,938
			Share acquisition rights	50	123
			Total net assets	206,091	204,415
			Total liabilities and net assets	319,129	332,443

Non-consolidated Statement of Income
(Year ended December 31, 2023)

(Millions of yen)

Item	Amount		(Reference)	
			Amount for the previous fiscal year	
Net sales		230,801		231,299
Cost of sales		124,109		118,610
Gross profit		106,691		112,688
Selling, general and administrative expenses		104,424		103,722
Operating profit		2,267		8,966
Non-operating income				
Interest income	39		29	
Dividend income	4,389		5,916	
Royalty income	2,088		1,843	
Miscellaneous income	392	6,908	1,086	8,876
Non-operating expenses				
Interest expenses	108		104	
Loss on disposal of inventories	818		358	
Miscellaneous loss	168	1,094	82	546
Ordinary profit		8,081		17,296
Extraordinary income				
Gain on disposal of non-current assets	0		1	
Gain on sales of investment securities	637		404	
Gain on sales of shares of subsidiaries and associates	-	1,302	33	439
Gain on sales of businesses	664		-	
Extraordinary losses				
Gain on disposal of non-current assets	525		486	
Impairment loss	187		179	
Other	-	712	3	669
Profit before income taxes		8,671		17,066
Income taxes - current	1,438		2,323	
Income taxes - deferred	(295)	1,142	868	3,191
Profit		7,528		13,874

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

Independent Auditor's Report (Translation)

February 13, 2024

The Board of Directors
Lion Corporation

Ernst & Young ShinNihon LLC
Tokyo, Japan

Hirokazu Tanaka
Certified Public Accountant
Designated and Engagement Partner

Masayuki Tada
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of changes in equity, and notes to the consolidated financial statements of Lion Corporation (the "Company") applicable to the fiscal year from January 1, 2023 to December 31, 2023.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group, which consisted of the Company and its consolidated subsidiaries, applicable to the fiscal year ended December 31, 2023, in accordance with accounting principles that omit certain items required by International Financial Reporting Standards ("IFRSs") as permitted by the provisions of the latter part of Article 120, Paragraph 1 of the Regulations on Corporate Accounting.

Basis for Opinion

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

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

Conflicts of Interest

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

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

Independent Auditor's Report (Translation)

February 13, 2024

The Board of Directors
Lion Corporation

Ernst & Young ShinNihon LLC
Tokyo, Japan

Hirokazu Tanaka
Certified Public Accountant
Designated and Engagement Partner

Masayuki Tada
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 436, paragraph 2, Item 1 of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity, notes to the non-consolidated financial statements, and the accompanying supplementary schedules (collectively, the "non-consolidated financial statements") of Lion Corporation (the "Company") applicable to the 163rd fiscal year from January 1, 2023 to December 31, 2023.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position and results of operations of the Company, applicable to the fiscal year ended December 31, 2023, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

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

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

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

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

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

Conflicts of Interest

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

Audit Report

Based on the audit report prepared by each Audit & Supervisory Board member with regard to the performance of duties by the directors of Lion Corporation (the "Company") for the 163rd fiscal year (from January 1, 2023 to December 31, 2023), the Audit & Supervisory Board of the Company prepares this audit report after deliberation and hereby report, by a unanimous show of hands, as follows:

1. Auditing methods used by Audit & Supervisory Board members and the Audit & Supervisory Board, and details of audit
 - (1) The Audit & Supervisory Board specified audit policies and audit plans for the fiscal year under review, received reports from each Audit & Supervisory Board member on the status of implementation and results of audit, and received reports from directors, employees and the accounting auditor on the status of the performance of their duties and asked for explanations as necessary.
 - (2) In accordance with the auditing standards, auditing policies and audit plans for the fiscal year under review stipulated by the Audit & Supervisory Board, all Audit & Supervisory Board members strived to achieve effective communication with directors, the Auditing Office and other employees, collected information and improved the audit environment. In addition, all Audit & Supervisory Board members conducted an audit in the following methods.
 - (i) All Audit & Supervisory Board members attended the meetings of the Board of Directors and other important meetings, received reports from directors and employees about the status of the performance of their duties, asked for explanations as necessary, reviewed important approval documents, and conducted investigations on the status of the business operations and assets of the Company at its head office, major offices and plants. Furthermore, Audit & Supervisory Board members also worked to facilitate communication and information exchange with the directors, Audit & Supervisory Board members and others of the subsidiaries of the Company, and received reports on the business conditions of subsidiaries each month.
 - (ii) Audit & Supervisory Board members received reports periodically from directors and employees on the content of the resolution made by the Board of Directors concerning the development of a system for ensuring that the performance of duties by directors conforms with laws and regulations and the Company's Articles of Incorporation, as described in the Company's business report, and other systems prescribed in Article 100, Paragraphs 1 and 3 of the Regulations for Enforcement of the Companies Act as systems necessary for ensuring proper business conduct by a stock company and a corporate group formed by its subsidiaries (internal control system), as well as the construction and status of operation of the internal control system developed based on said resolution. Audit & Supervisory Board members also asked for explanations from directors and employees and expressed opinions as necessary.
 - (iii) The Audit & Supervisory Board examined the basic policy under Article 118 (iii) (a) of the Regulations for Enforcement of the Companies Act and the initiatives under (iii) (b) of the same Article stated in the business report taking into account the situation of deliberation by the Board of Directors and other parties.
 - (iv) We have monitored and verified whether the accounting auditor maintained independence and properly implemented its audit, received from the accounting auditor reports on the performance of its duties, and asked for explanations as necessary. The accounting auditor reported to us that the "Systems for Ensuring Proper Execution of Duties" (listed in each item of Article 131 of Regulations on Corporate Accounting) have been developed in accordance with the "Quality Control Standards concerning Audit" (Business Accounting Council) and other applicable regulations, and we asked for explanations as necessary.

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

2. Audit results

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

- (i) We confirm that the business report and its supplementary schedules present fairly the situation of the Company in accordance with relevant laws and regulations and the Company's Articles of Incorporation.
- (ii) With respect to the directors' performance of their duties, we confirm that there has been no improper acts committed or material violations of applicable laws and regulations or of the Articles of Incorporation.
- (iii) We confirm that the details of the resolution made by the Board of Directors concerning the internal control system are proper. With respect to the description in the business report and the directors' performance of their duties regarding the said internal control system, including internal controls over financial reporting, we confirm that there is no matter to be pointed out.
- (iv) There are no matters to be pointed out regarding the Basic Policy Regarding Control over the Company as stated in the business report. We confirm that the initiatives under Article 118 (iii) (b) of the Regulations for Enforcement of the Companies Act stated in the business report follow the said basic policy, do not impair the common interests of the Company shareholders, and are not for the purpose of maintaining the position of the Corporate Officers of the Company.

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

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

(3) Results of audit of consolidated financial statements

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

February 14, 2024

The Audit & Supervisory Board,
Lion Corporation

Naoki Miidera
Standing Audit & Supervisory Board Member

Yoshitada Ishii
Standing Audit & Supervisory Board Member

Atsuko Suzuki
External Audit & Supervisory Board Member

Masatoshi Matsuzaki
External Audit & Supervisory Board Member

Akemi Sunaga
External Audit & Supervisory Board Member