

Financial Results for the First Half of 2021

Lion Corporation
August 4, 2021

- Consolidated Financial Results for the First Half of 2021
- Progress of Key Measures
- 2021 Consolidated Financial Forecast

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Sales and profit met forecasts;* sales rose but profit fell year on year

Net sales(increased Y-o-Y)

- In Consumer Products, solid sales of toothbrushes, fabric softeners, pharmaceuticals and other products compensated for a decrease in hand soap sales, and net sales increased
- Overseas, performance in China was strong, and sales increased
- Industrial Products saw an increase in sales due to market recovery

Core operating income (decreased Y-o-Y)

- Despite total cost reductions, rising raw material costs and selling, general and administrative expenses resulted in decreased profit

Operating profit and profit for the period attributable to owners of the Parent (decreased Y-o-Y)

- Decreased due to drop in core operating income as well as recoil from a gain on transfer of non-current assets (land Lion's head office occupies) recorded in 2020

*Forecasts announced February 12, 2021; the same applies hereinafter.

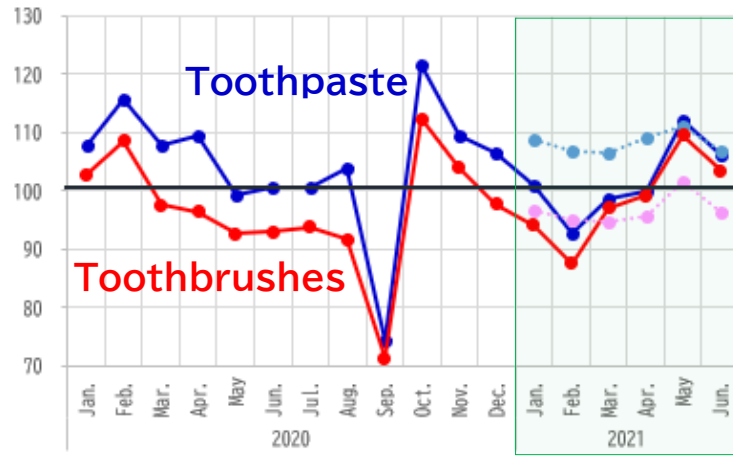
Market Trends—Major Product Categories in Japan

Despite recoil from demand related to COVID-19 from January to March, performance recovered from April to June, and many markets grew compared with 2019

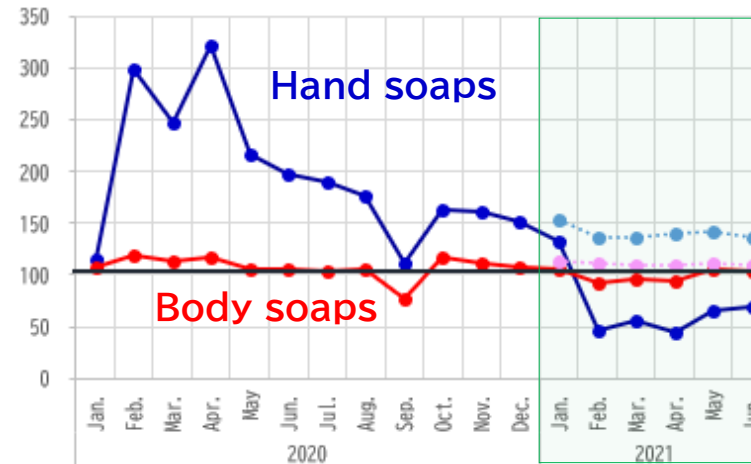
Y-o-Y comparison of consumer products markets in Japan by in-store sales value (%)

Source: INTAGE Inc. SRI and SDI surveys

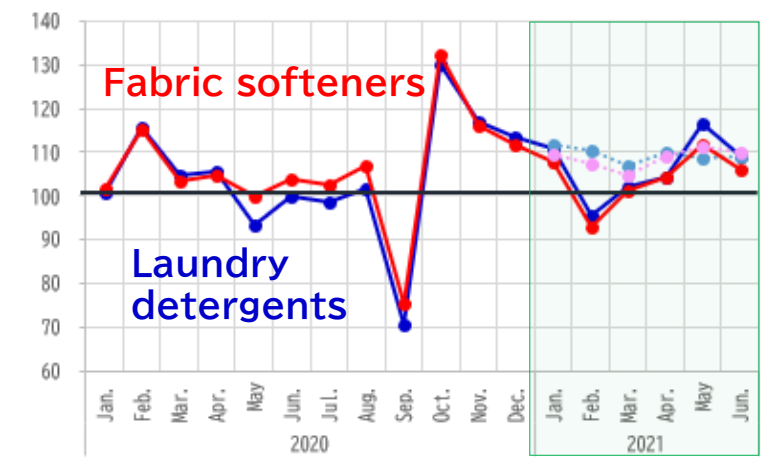
Oral Care



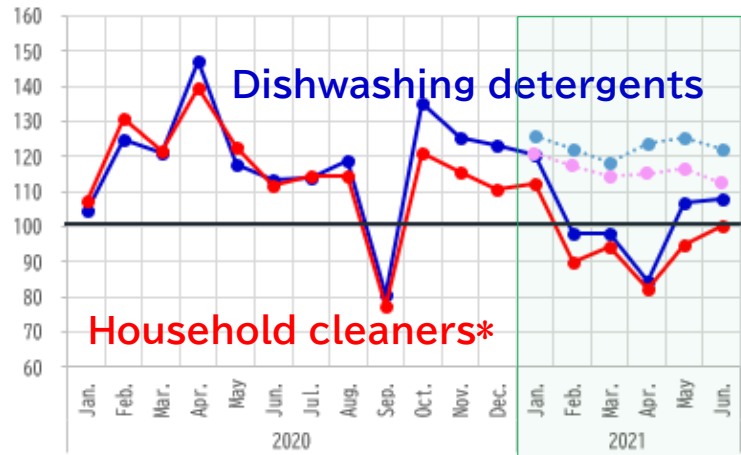
Beauty Care



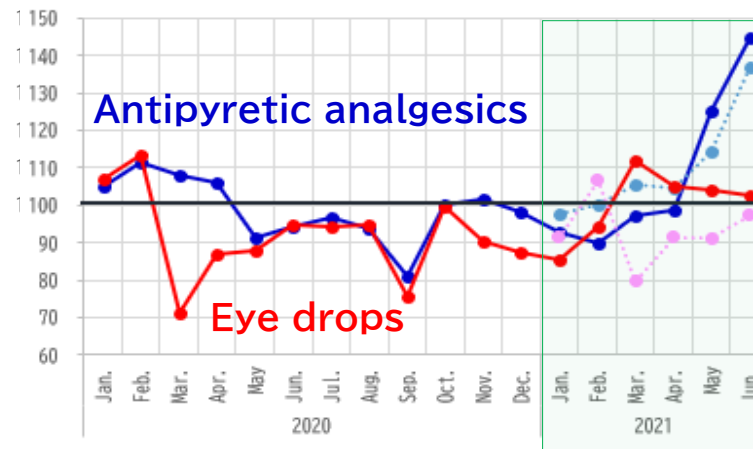
Fabric Care



Living Care



Pharmaceutical



For reference, dotted lines show Y-o-Y comparisons with January to June 2019

- Although the impact of COVID-19 on toothbrush sales value was the same as in the previous year, figures fell slightly Y-o-Y
- Sales value of hand soaps held steady at around 140% the 2019 level
- Demand for antipyretic analgesics increased from May onward, reflecting COVID-19 vaccination
- Sale value of eye drops fell from 2019 due to the decrease in demand from foreign visitors to Japan

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

Market Trends—Major Product Categories Overseas

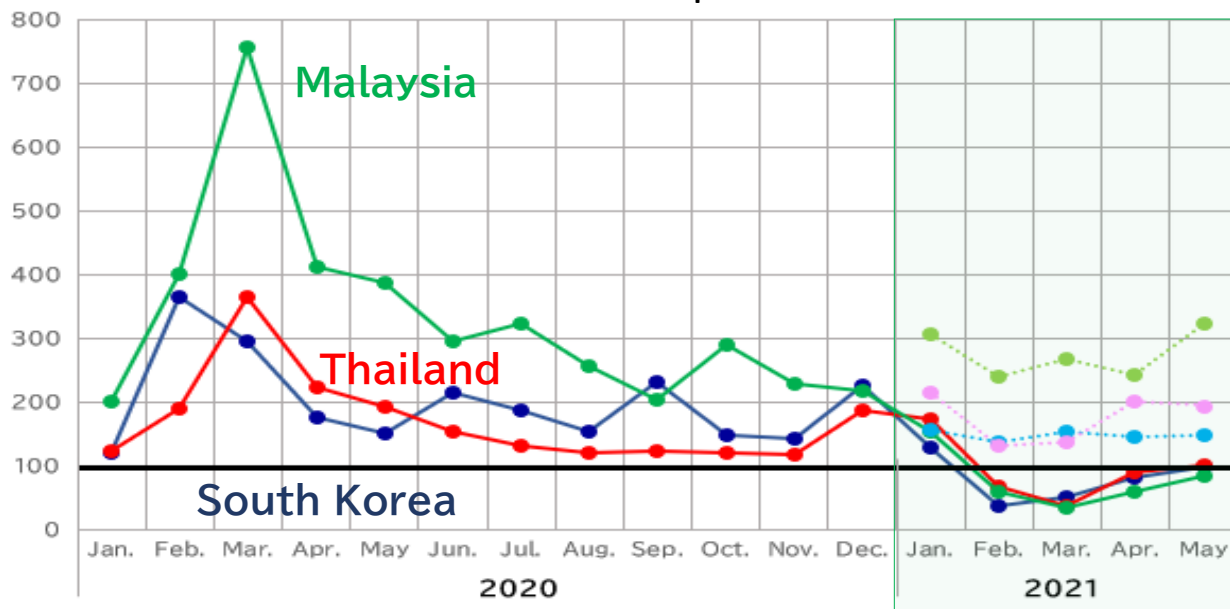
Despite continued stagnation in consumption,
hand soap sales increased compared with 2019

Source: Nielsen

Hand soap sales value by country (Jan.–May 2021)

	Thailand	Malaysia	South Korea
Compared with 2020	81%	64%	63%
Compared with 2019	175%	278%	145%

Hand Soaps

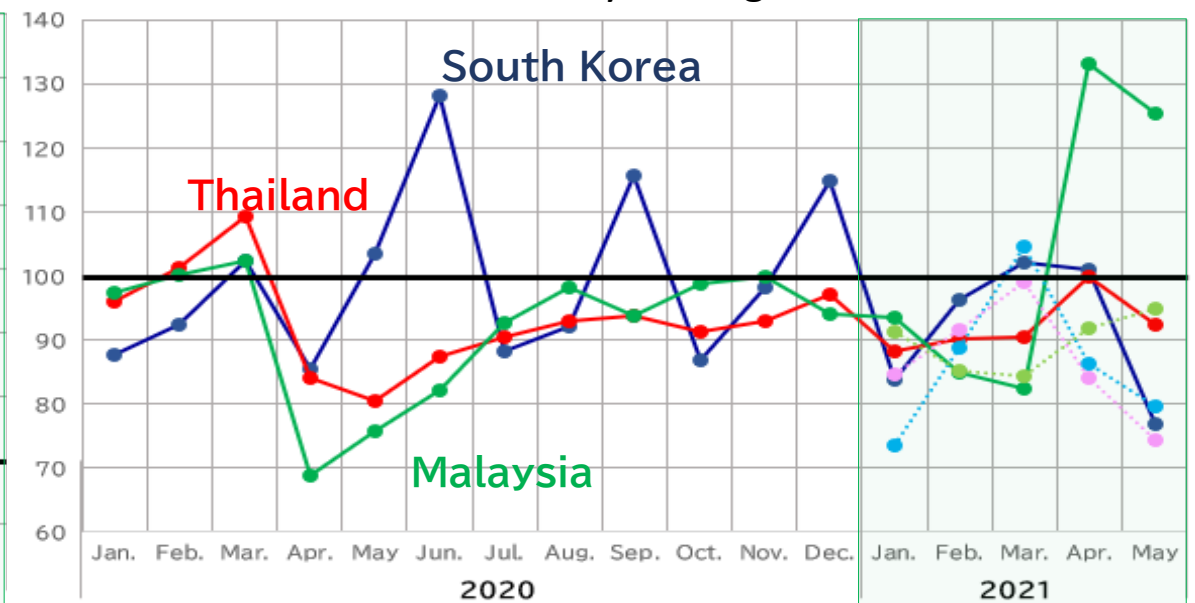


*Data for Malaysia is for the entire soap market, including hand soaps

Laundry detergent sales value by country (Jan.–May 2021)

	Thailand	Malaysia	South Korea
Compared with 2020	92%	100%	91%
Compared with 2019	86%	90%	87%

Laundry Detergents



* For reference, dotted lines show Y-o-Y comparisons with January to June 2019

Market Trends

Period: Jan.–Jun. 2021; Source: INTAGE Inc. SRI+

Aggregate of Key Domestic Markets	In the 38 home product markets surveyed, sales value fell 7% year on year, reflecting a decrease in sales volume of hand soaps and household cleaners due to year-on-year recoil
Oral Care	<ul style="list-style-type: none"> ✓ Toothpaste unit prices continued to increase, reflecting increased hygiene awareness (sales value up 2% Y-o-Y) ✓ Toothbrush unit prices rose, but sales volumes fell, reflecting thriftier consumer mindsets (sales value down 2% Y-o-Y)
Beauty Care	<ul style="list-style-type: none"> ✓ Hand soap sales volumes fell significantly due to recoil from expansion in 2020 but were still up approximately 40% from 2019 (sales value down 39% Y-o-Y)
Fabric Care	<ul style="list-style-type: none"> ✓ Laundry detergents and fabric softeners saw higher unit prices due to a shift to larger size products reflecting bulk buying (laundry detergent sales value up 6% Y-o-Y; fabric softener sales value up 4% Y-o-Y)
Living Care	<ul style="list-style-type: none"> ✓ Dishwashing detergent unit prices rose due to a shift to larger size products reflecting more frequent use (sales value up 1% Y-o-Y) ✓ Household cleaner sales volumes fell due to recoil from the previous year (total sales value of home cleaners, bath detergents and bathroom detergents down 5% Y-o-Y)
Pharmaceutical	<ul style="list-style-type: none"> ✓ Antipyretic analgesic sales volumes increased due to an increase in demand related to treating COVID-19 vaccine side effects (sales value up 7% Y-o-Y) ✓ Eye drop sales values were level year on year, as the absence of demand from overseas visitors was unchanged from a year before (sales value $\pm 0\%$ Y-o-Y)

Period: Jan.–May 2021; Source: Nielsen

Aggregate of Key Overseas Markets	Sales values of hand soaps increased compared with 2019, while sales values of laundry detergents fell year on year across the board, excluding Malaysia
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Financial Results for the First Half of 2021

Net sales and profit met forecasts; despite a Y-o-Y increase in net sales, profit fell due to changes in the sales mix and other factors

(Billions of yen)	Jan.–Jun. 2021	Jan.–Jun. 2020	Y-o-Y change		Deviation from forecast %
			Amount	%	
Net sales	173.2	169.1	4.1	2.4 1.3*	0.2 0.1
Core operating income* ¹ % of net sales	14.0 8.1	16.3 9.7	(2.3)	(14.3)	2.5 22.0
Operating profit % of net sales	14.1 8.2	25.9 15.4	(11.7)	(45.4)	2.6 23.3
Profit for the period attributable to owners of the parent	10.8	18.6	(7.8)	(41.9)	2.8 35.1
EPS (Yen)	37.20	64.06	(26.86)	(41.9)	9.68 35.2
EBITDA* ²	20.3	21.9	(1.5)	(7.3)	—
EBITDA Margin (%)* ³	11.7	13.0	—	(1.3)PP	—

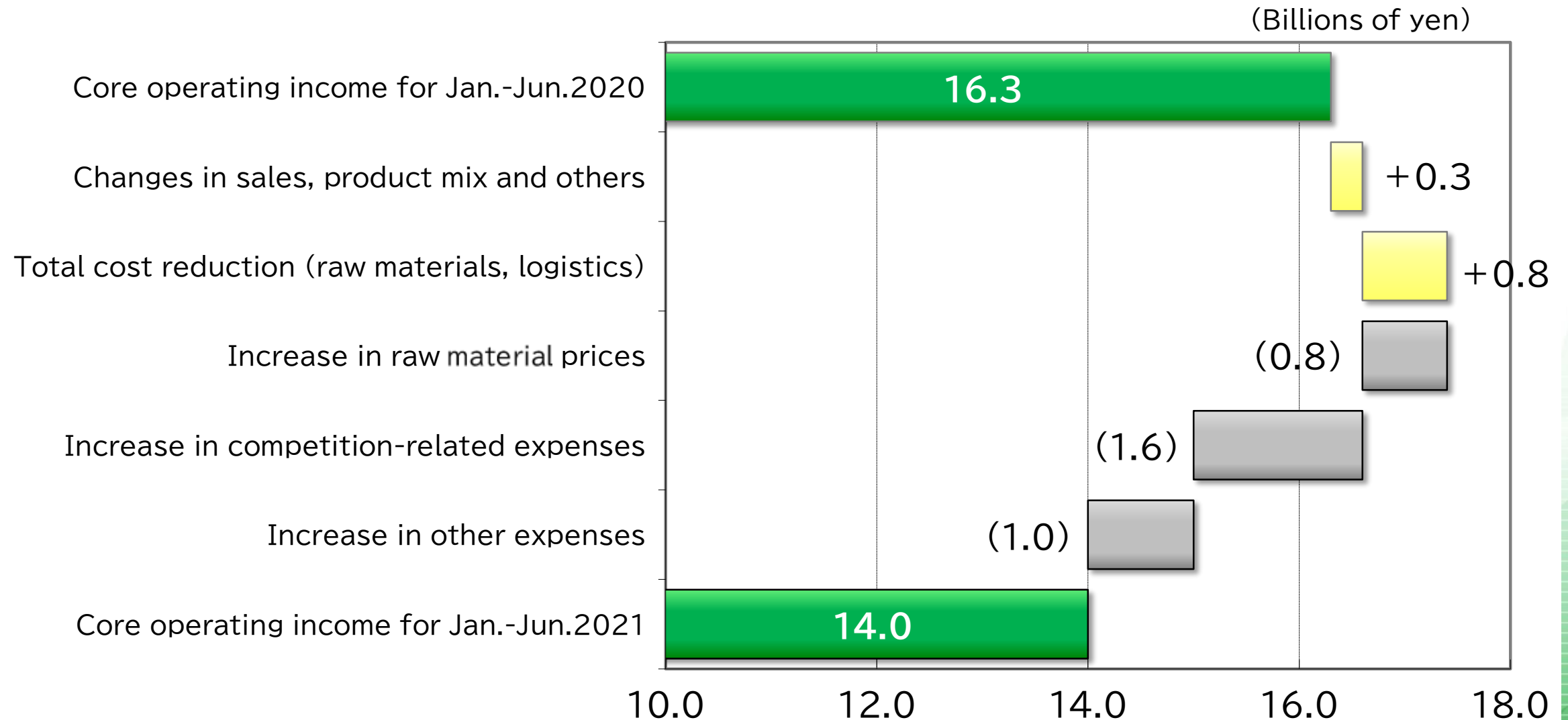
Notes 1. Core operating income is an earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross profit.

2. EBITDA: An indicator of profitability on a cash basis calculated as the sum of core operating income and depreciation and amortization.

3. EBITDA margin: The ratio of EBITDA to consolidated net sales.

* Y-o-Y change at constant currency excluding exchange rate fluctuations.

Year-on-Year Changes in Core Operating Income



Results by Business Segment

Sales rose but profit fell in the Consumer Products Business due to changes in the sales mix reflecting recoil from hand soap sales in the previous year

(Billions of yen)	Net sales*				Segment profit (Core operating income)			
	Jan.-Jun. 2021	Jan.-Jun. 2020	Y-o-Y change		Jan.-Jun. 2021, %	Jan.-Jun. 2020, %	Y-o-Y change	
			Amount	%			Amount	%
Consumer Products	116.6	115.7	0.9	0.8	8.2	11.7	(3.5)	(29.9)
	107.1	108.1	(0.9)	(0.9)	7.1	10.2		
Industrial Products	28.4	27.1	1.3	4.8	1.4	1.0	0.3	35.9
	16.6	15.1	1.4	9.4	5.0	3.8		
Overseas	53.5	49.6	3.9	7.9	3.4	3.3	0.1	5.1
	48.3	44.3	3.9	9.0	6.5	6.7		
Other	16.3	14.5	1.7	12.2	1.0	0.8	0.1	13.3
	1.1	1.4	(0.2)	(19.8)	6.2	6.1		
Adjustment	(41.8)	(38.0)	(3.7)	—	(0.1)	(0.6)	0.5	—
	(0.0)	0.0	(0.0)	—	—	—		
Consolidated Total	173.2	169.1	4.1	2.4	14.0 8.1	16.3 9.7	(2.3)	(14.3)

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

Beauty care product sales fell significantly
due to recoil from the previous year

(Billions of yen)	Net sales			
	Jan.–Jun. 2021	Jan.–Jun. 2020	Y-o-Y change	
			Amount	%
Oral Care	32.1	30.6	1.5	4.9
Beauty Care	11.6	16.1	(4.5)	(28.0)
Fabric Care	28.5	26.9	1.6	6.2
Living Care	11.5	11.9	(0.3)	(3.0)
Pharmaceutical	11.4	10.9	0.5	4.6
Other	21.2	19.1	2.1	11.0
Total	116.6	115.7	0.9	0.8

Overseas Business Net Sales by Region

Sales increased in Southeast Asia despite ongoing stagnation in consumption due to laundry detergent sales promotion reinforcement, while business in China drove an increase in sales in Northeast Asia

(Billions of yen)	Net sales			
	Jan.–Jun. 2021	Jan.–Jun. 2020	Y-o-Y change	
			Amount	%
Southeast Asia	34.2	32.5	1.6	5.1
Northeast Asia	19.3	17.0	2.2	13.1
Total	53.5	49.6	3.9	7.9

*Y-o-Y change at constant currency excluding exchange rate fluctuations:
Southeast Asia: +2.4% (Thailand: +1.6%, Malaysia: +6.6%);
Northeast Asia: +5.2% (China: +25.2%, South Korea: -8.5%);
Total: +3.4%

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To achieve its management vision for 2030, based on its purpose, the Lion Group will synergistically **address its sustainability material issues** and advance **three growth strategies** in order to contribute to the realization of a sustainable society and achieve business growth.

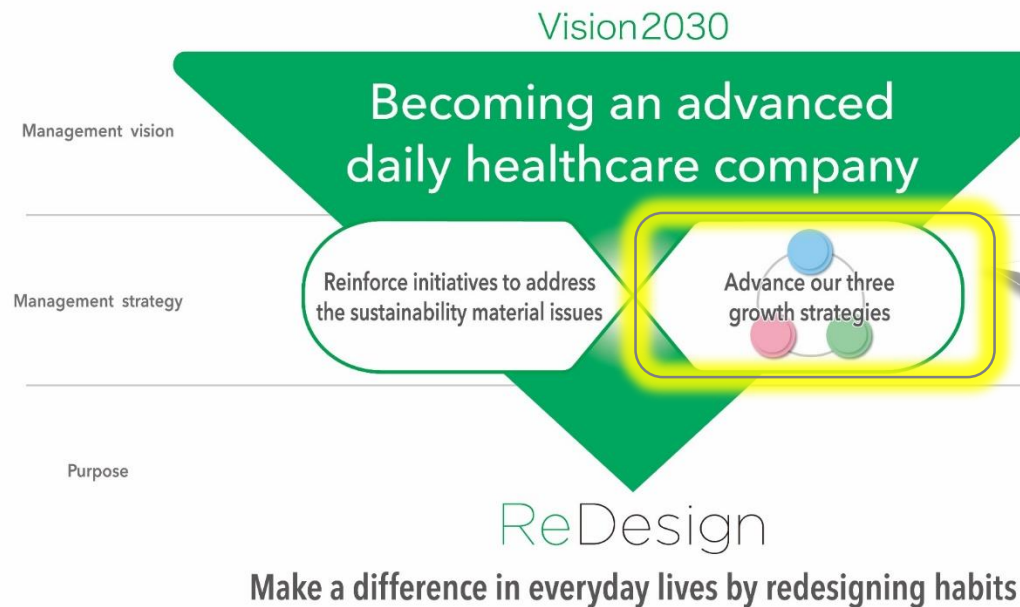
Vision2030



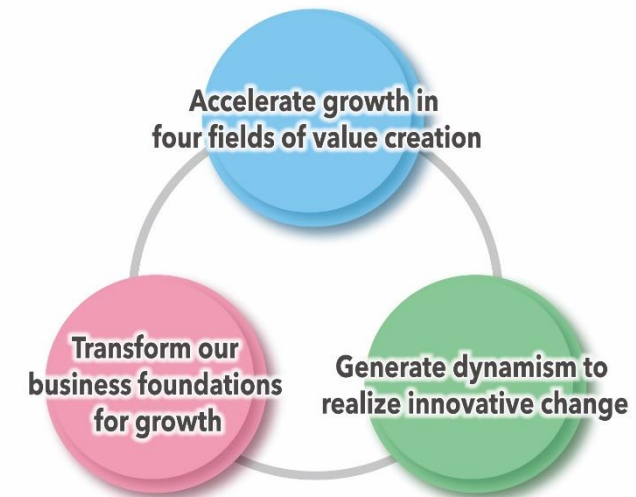
ReDesign

Make a difference in everyday lives by redesigning habits

To achieve its management vision for 2030, based on its purpose, the Lion Group will synergistically **address its sustainability material issues** and advance **three growth strategies** in order to contribute to the realization of a sustainable society and achieve business growth.



Our Three Growth Strategies



Key Themes in 2021

Growth strategy	Key themes in 2021
1. Accelerate growth in four fields of value creation	<ul style="list-style-type: none">○ Building new business models that leverage individuals' oral data○ Develop hygiene businesses for the new normal with COVID-19○ Accelerate expansion in the Chinese market through domestic-overseas coordination
2. Transform our business foundations for growth	<ul style="list-style-type: none">○ Build digital platforms for new value creation and work reforms○ Stably operate the Sakaide Toothpaste Factory to expand the toothpaste business in Japan and China○ Build a new SCM management platform for timely and adequate product supply
3. Generate dynamism to realize innovative change	<ul style="list-style-type: none">○ Build awareness of Vision2030 within the Group to realize the management vision○ Reinforce operational changes and human resource development to expand the Overseas business○ Implement the Lion Professional Fulfillment Reforms in line with new ways of working○ Continuously enhance the new value creation program NOIL, that promotes businesses proposed by employees

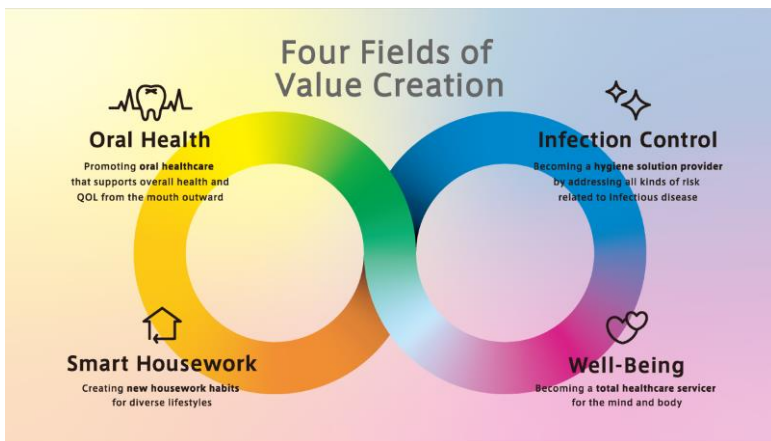


Field Program Promotion Framework

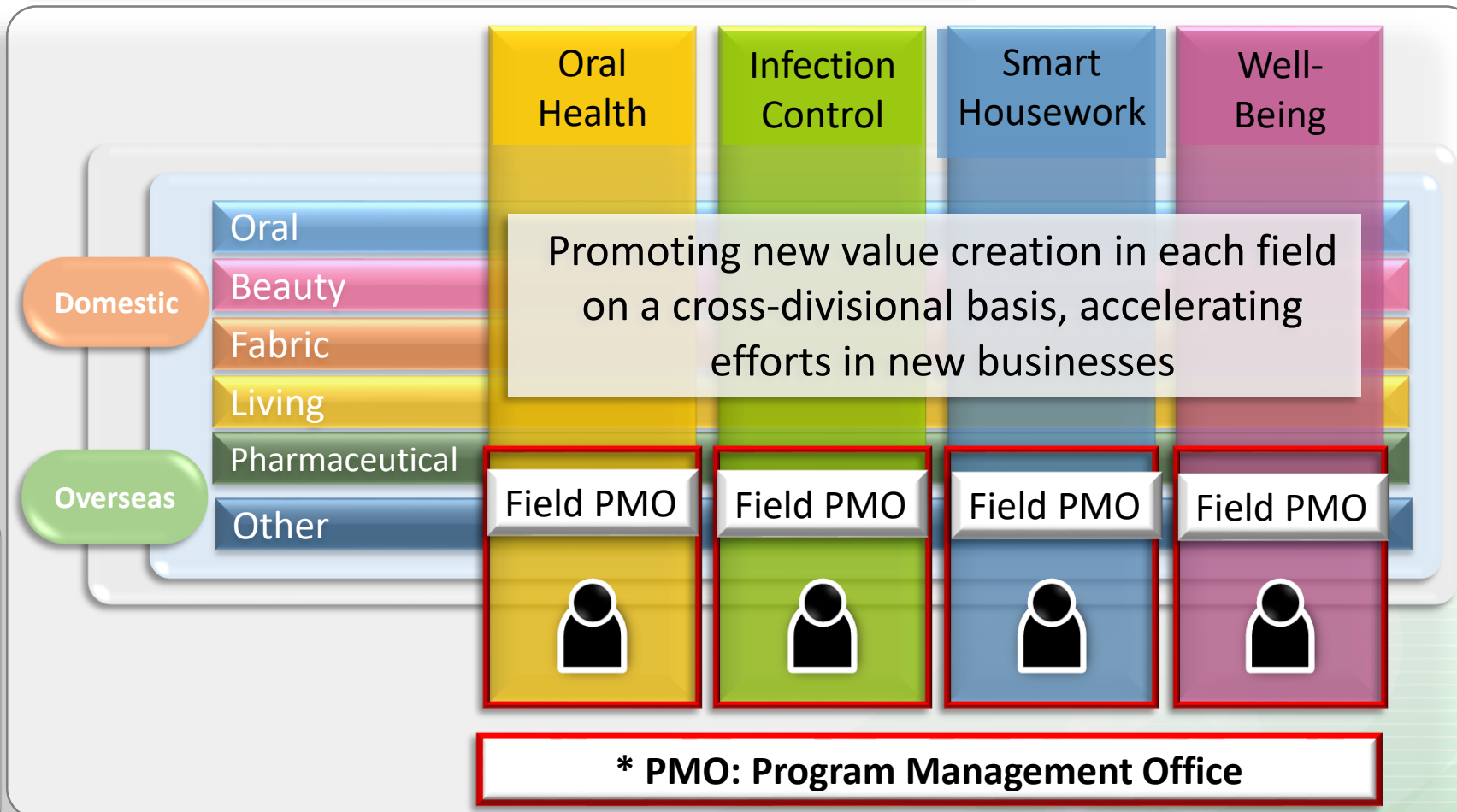
—Accelerate Growth in Four Fields of Value Creation

Framework for creating new value in the four fields

Four fields of value creation



Field Program promotion framework



We have created a promotional framework (the field PMOs) in which an executive officer has been appointed to lead efforts in each field

Establishing Hygiene Habits —Accelerate Growth in Four Fields of Value Creation (Infection Control)

Meeting a variety of hygiene needs and launching initiatives to promote hygienic habits

Expanding the fields of value of creation covered by *KireiKirei*



Expanding lineup of products that promote the formation of hygiene habits



Pocket size

Blue KireiKirei series

- ▶ Expand fields of value creation from handwashing at home
- ▶ Expand lineup of products that promote the formation of hygienic habits
- ▶ Implement activities to provide hygiene information for public and commercial facilities, retail outlets, etc.

Kirei Relay Project

For a world free of fear of viruses, for a special someone, we can each take action to pass on some peace of mind.



Promoting the formation of hygiene habits through products + information

Free bonus: Strap holder





Offering solutions via both products and services (Lion Hygiene Co., Ltd.)

Food product hygiene management support

HACCP * compliance: Hygiene management support system

*Hazard Analysis and Critical Control Point



Light version, for small enterprises (free)



Professional version, for store chains

HACCP now mandatory in restaurants in Japan (June 2021)



Supporting restaurants' HACCP through app development

Environmental hygiene assessments



Up approx. 20% Y-o-Y



e-learning



Up approx. 150% Y-o-Y



Offering e-learning about food product hygiene

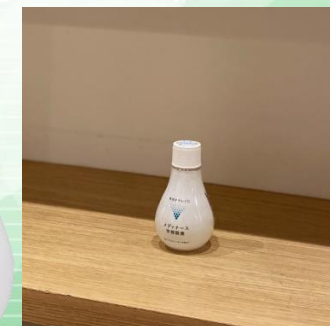
New Product to Meet Public Health Needs

Indoor space disinfectant

Sales approx. 508% higher than planned

Medinurse Room Disinfectant

Launched
December 14, 2020



Meeting social needs, such as disinfecting indoor spaces of public facilities

Supporting the creation of the hygienic environments that are the basis of food product hygiene



Increased Production Capacity to Support Business Growth —Transform Our Business Foundations for Growth

life.love.
LION

Start of operations at a new factory increased toothpaste production capacity (at the Lion Chemical Oleochemical Production Site)

New toothpaste factory



End-to-end production

Tube production

Tube filling

Packaging

Boxing

Laminated tube
production facility
of Dai Nippon
Printing Co., Ltd.'s

■ **Increased production capacity** by adopting cutting-edge production facilities

➡ Lion's annual toothpaste production capacity increased by approximately **130 million** tubes*1

*1. Approximately 16,000 tons/year

■ Built an end-to-end production framework to save labor and share data on material supply and demand, **improving productivity**

➡ New factory realizes approximately **2.8** times the production efficiency*2 of existing plants*3

*2. Labor productivity (annual production volume/number of direct personnel), in comparison with Lion's existing plants

*3. Lion Corporate Odawara Plant and Akashi Plant



New Business, Gokinjo Cheftomo —Generate Dynamism to Realize Innovative Change



New restaurant dinner takeout reservation service launched February 21, 2021 through NOIL

Services and new value created

Place orders on
a weekly basis



Reduces
housework burden

Pick up food in the
area where you live



Fosters healthy
eating habits

Balanced menu
options



Fosters community
connection

New value created

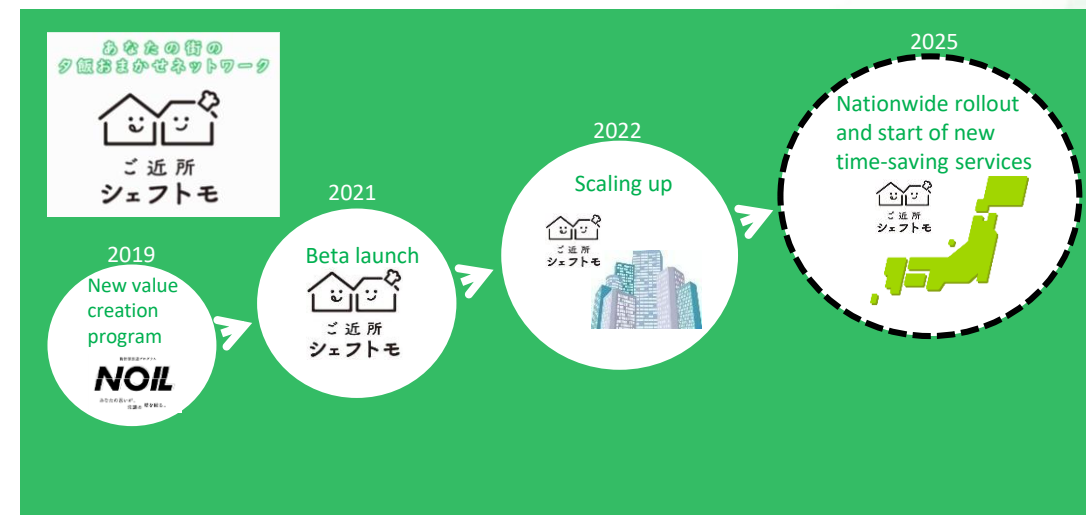
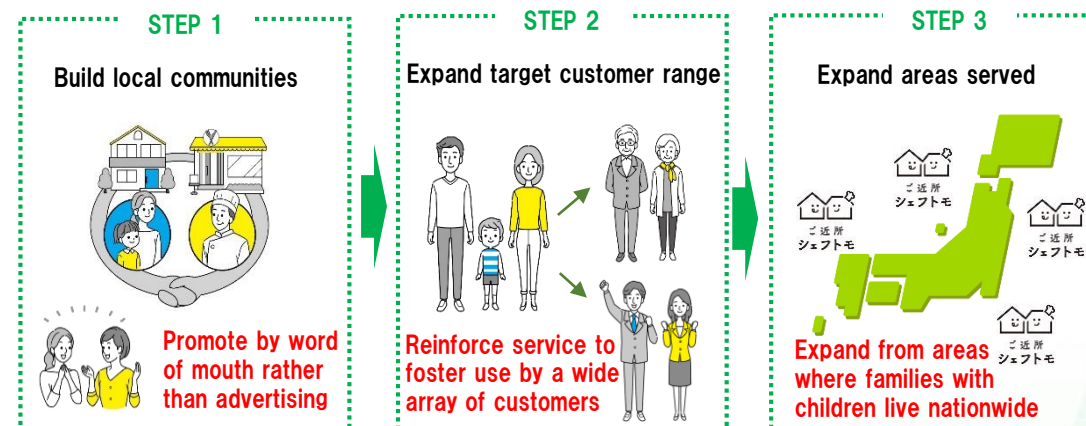
- ▶Reduces housework burden for dual-income households and frees up time to spend as a family
- ▶Builds local community connections and has been well received by both customers and restaurants

Registered users and restaurants (as of July 2021)

■Users: **5,789**

■Restaurants: **37**

Medium- to long-term outlook





Acquiring shares of Kyuzitsu Hack Co., Ltd. —Generate Dynamism to Realize Innovative Change



Lion will acquire all shares of Kyuzitsu Hack Co., Ltd., a new business created through NOIL

Services (Day Off Hack! At-Home Hack!)

Business model

Service that makes plans for you on your day off

Service that sends fun kits for in-home activities

Released October 6, 2020

Day Off Hack!

Let us plan your day!
Something new and exciting for your day off



Released March 16, 2021

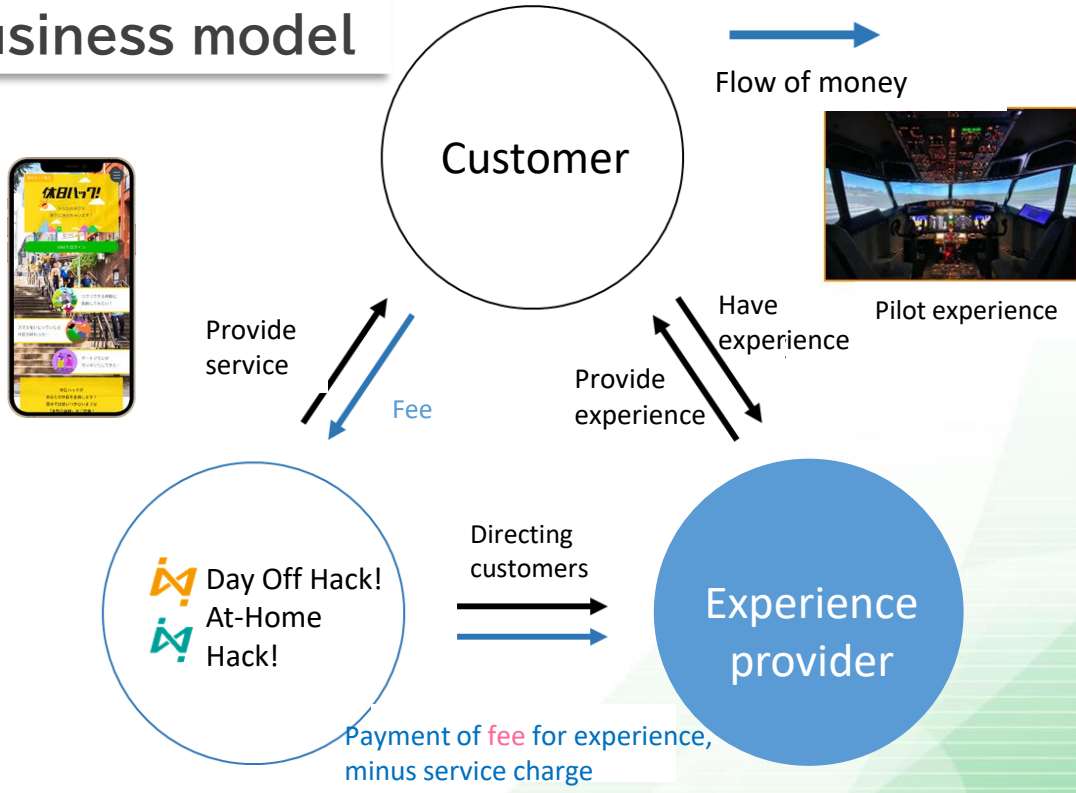
At-Home Hack!

Fun kits for in-home activities delivered to your door
Something new and exciting for your time at home!



(As of July 2021)
Registered users: 20,617
Cumulative users: 1,434
<https://www.kyuzituhack.com/>

(As of July 2021)
Registered users: 27,113
Cumulative users: 5,138
<https://ouchihack.com/>



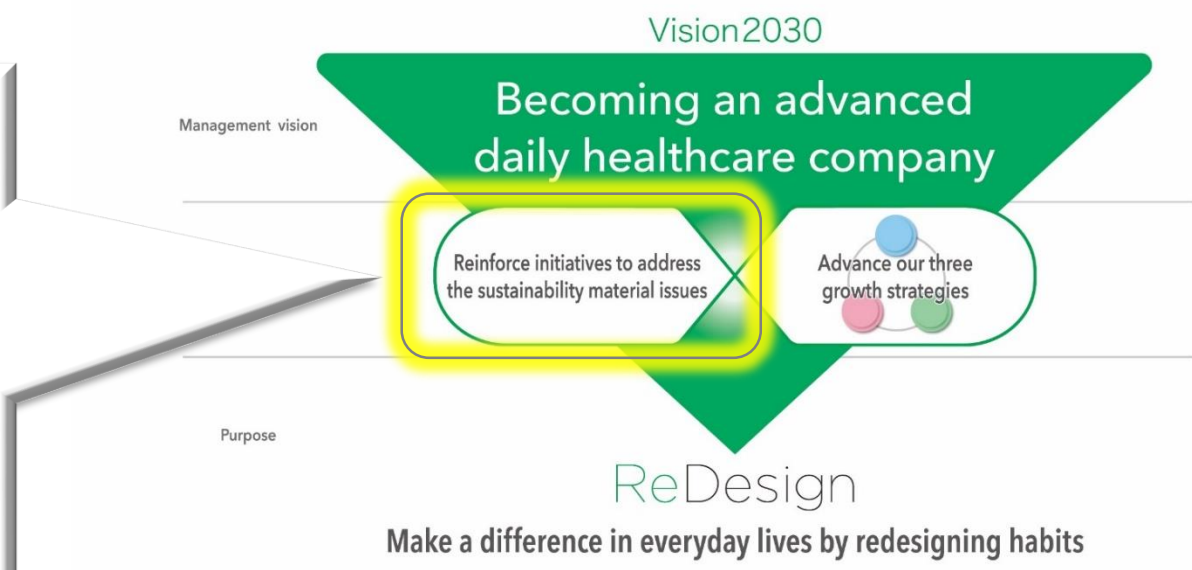
Kyuzitsu Hack Co., Ltd. was established by Global Catalyst Partners Japan, with business ideas, human resources, and investment from Lion.

Lion plans to acquire all shares of Kyuzitsu Hack Co., Ltd. from Global Catalyst Partners Japan in January 2022 in light of its business potential.

Progress of Key Measures —Reinforce Initiatives to Address the Sustainability Material Issues

To achieve its management vision for 2030, based on its purpose,
 the Lion Group will synergistically **address its sustainability material issues** and
 advance **three growth strategies** in order to contribute to the realization of a
 sustainable society and achieve business growth

Reinforce Initiatives to Address the Sustainability Material Issues



Taking action to address the top priority sustainability material issues

Top priority material issues	2021 highlights
<p>Creating Healthy Living Habits</p>	<ul style="list-style-type: none"> Launched a special webpage for inclusive oral care activities Held the 78th Oral Health Event of Tooth Brushing for Children (via DVD content) Began in-school lessons about hygiene habits for children in upper elementary grades Began the Kirei Relay project at the Sumida Aquarium
<p>Promoting Environmental Initiatives for a Sustainable Planet</p>	<ul style="list-style-type: none"> Completed preparations to send advanced shipping notices (ASNs) for individual delivery trucks to improve logistics efficiency using logistics EDI Field testing of in-store used refill pack collection with Kao Corporation Participating in field testing of used plastic collection in Kita Kyushu City Received the Supply Chain Innovation Award 2021

Improving Logistics Efficiency Using Logistics EDI

—Promoting Environmental Initiatives for a Sustainable Planet

Working with other companies to effectively use logistics resources and improve efficiency

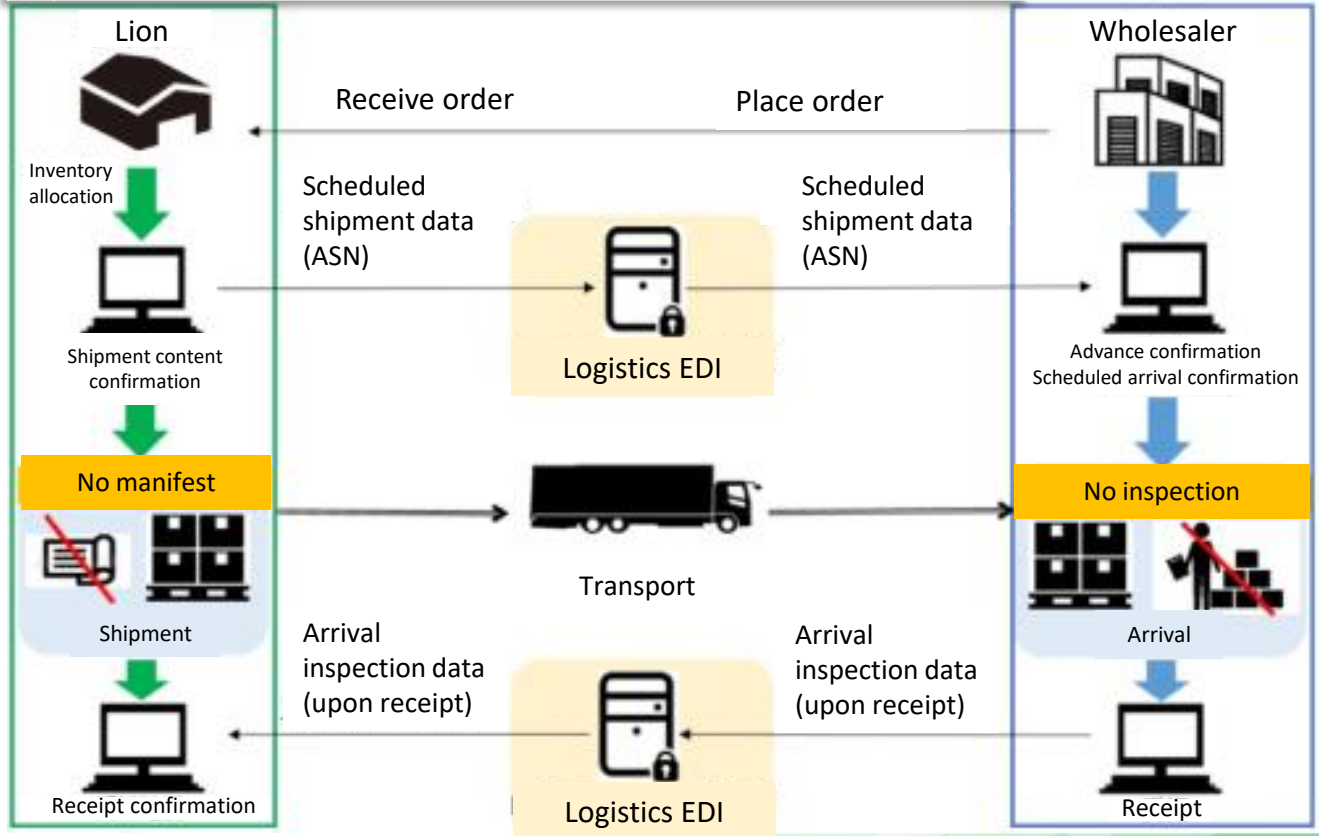
Smart logistics (logistics EDI) concept

➔Effectively utilize logistics resources and improve logistics efficiency through improved accessibility of logistics data and mutual collaboration

Expected Effects

- | | |
|--|---|
| <p>1. Improved work environments</p> | <ul style="list-style-type: none"> • Reduce standby times |
| <p>2. Improved labor productivity</p> | <ul style="list-style-type: none"> • Eliminate inspections • Paperless • Save pallet management work • Increase loads and loaded running rate |
| <p>3. Reduced environmental burden</p> | <ul style="list-style-type: none"> • Reduce CO₂ emissions • Reduce paper use |

Improving logistics efficiency



We have **completed preparations to send advanced shipping notices (ASNs)** for individual delivery trucks to improve logistics efficiency using PLANET, INC.'s logistics EDI.

We begun sending ASNs to wholesalers.



Highlight: New Lightee Brand

—Accelerate Growth in Four Fields of Value Creation



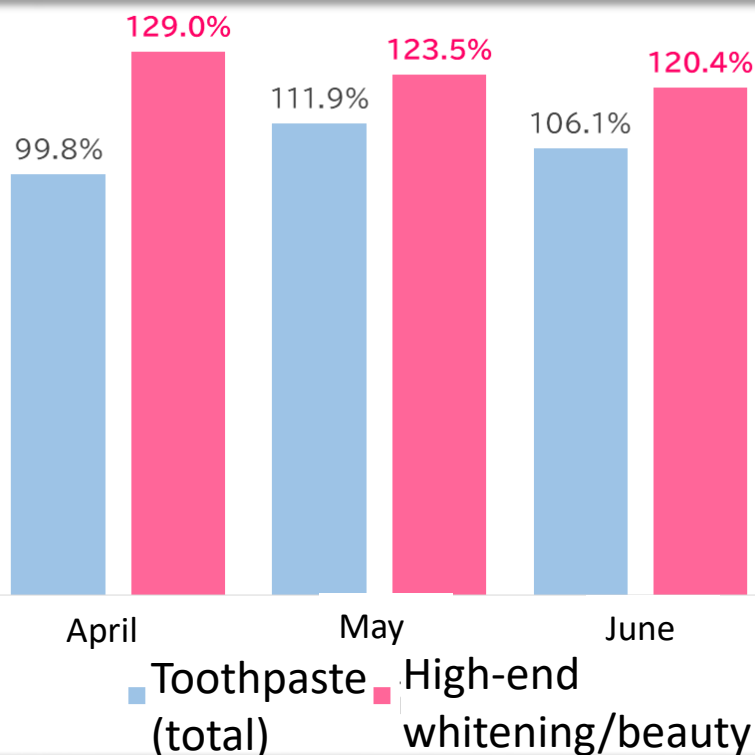
Domestic: Driving growth in the high-end whitening subcategory

Overseas: Secured brand recognition through uniform rollout

Domestic sales (Mar.-Jun. 2021)

Strong sales since launch (149% of plan)

Subcategory sales value Y-o-Y (Apr.-Jun. 2021)



High-end whitening subcategory Y-o-Y comparison
April: 129%
May: 123%
June: 120%



Overseas e-commerce

Qingdao Lion e-commerce site



Tmall flagship store



Douyin

RED



Highlight: New LOOK Plus Awa-Pita (Precision-Foam) Toilet Cleaning Spray

LOOK Plus Awa-Pita (Precision-Foam) Toilet Cleaning Spray

- Bottle (300ml)
- Refill pack (250ml)
- Clean and clear Cool Citrus fragrance
- Elegant Waterlily fragrance

Release: September 15, 2021

Features of Awa-Pita

No need to scrub under the rim—the most hated bathroom chore—Just wait 60 seconds and flush!

-Previous method-

Difficult to scrub under the rim; hard to tell if it's clean
Just ignore it



-New method-

Just spray under the rim,
wait 60 seconds and flush!
Easy and clean



Awa-Pita is a new type of cleaner that cleans all the way up under the toilet rim—the only product like it on the market

Doesn't reach

Drips down

Doesn't remove grime

Can't effectively clean under the rim

Gets all the way up

Stays in place (clinging foam)

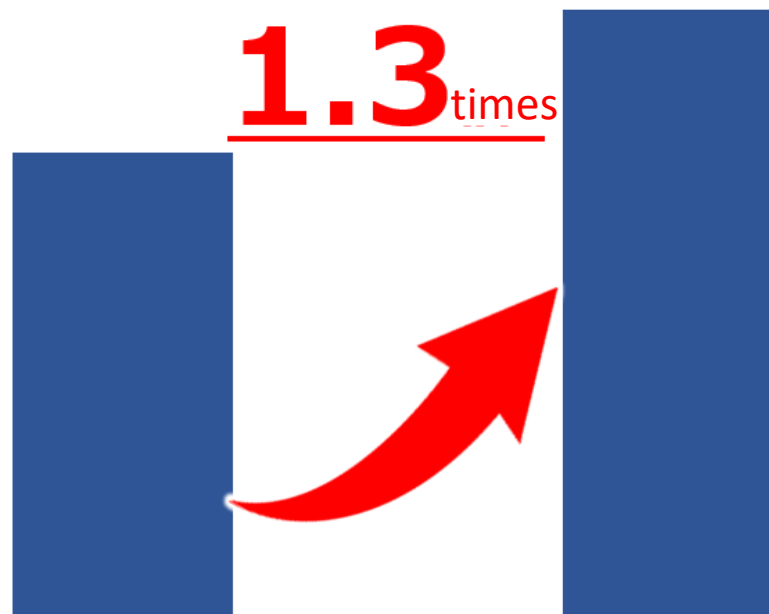
Removes grime

Just wait 60 seconds and flush
*Under the rim (New type)

Target results

Bathroom detergent market growth potential

1.3 times



Before launch of Awa-Pita (2020)

After launch of Awa-Pita





Highlight: Lion Professional Fulfillment Reforms

Changing workstyles and prioritizing autonomy

•Following the adoption of a remote work system in January 2021: In April, **introduced remote work allowances**, changed to **pay-as-you go system** for commuting expenses, and changed rules for **food service deductions**, etc.

Promoting gender equality

- Set target of **35%** for the ratio of women in management at Lion (non-consolidated)
- Aiming for **100%** of eligible male employees to take parental leave (targets published in Lion's April 2021 Act on Promotion of Women's Participation and Advancement in the Workplace General Employer Action Plan)

Promoting health and productivity management

- Selected as a White 500 company under the Certified Health & Productivity Management Outstanding Organizations Recognition Program for a **fifth consecutive year**



Lion Professional Fulfillment Reform Framework



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Changes in the business environment from initial assumptions and effects on performance

❑ The COVID-19 pandemic will continue until after the end of the year

- ☞ Ongoing demand related to increased time spent at home, rising health awareness and ongoing demand related to vaccine side effects will lead to **increased sales**
- ☞ Hand soaps and hygiene-related products will see smaller market expansion than expected, leading to **decreased sales**
- ☞ In Southeast Asia, consumption will remain weak due to additional waves of COVID-19, leading to **decreased sales**, and intensifying consumption will cause **increased competition-related expenses**

❑ Rising demand for chemical materials due to market recovery, mainly in the automotive industry

- ☞ In the Industrial Products business, the chemicals field will see **increased sales**

❑ Raw material prices rising more than expected

- ☞ **Decreased gross profit** due to rising costs

2021 Consolidated Financial Forecast

(Billions of yen)	2021 (Jul. 30 revision)	2021 (initial forecast)	Change	
			Amount	%
Net sales	365.0	365.0	—	—
Core operating income* ¹ % of net sales	30.0 8.2	30.0 8.2	—	—
Operating profit % of net sales	30.0 8.2	30.0 8.2	—	—
Profit for the period attributable to owners of the parent	21.5	21.0	0.5	2.4
EPS (Yen)	73.95	72.24	—	—
ROE (%)	9.0	8.8	—	0.2PP
ROIC (%)	8.5	8.5	—	—
EBITDA* ²	43.5	43.5	—	—
EBITDA margin (%)* ³	11.9	11.9	—	—

Notes 1. Core operating income is an earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross profit.

2. EBITDA: An indicator of profitability on a cash basis calculated as the sum of core operating income and depreciation and amortization.

3. EBITDA margin: The ratio of EBITDA to consolidated net sales.

2021 Sales to External Customers Forecast

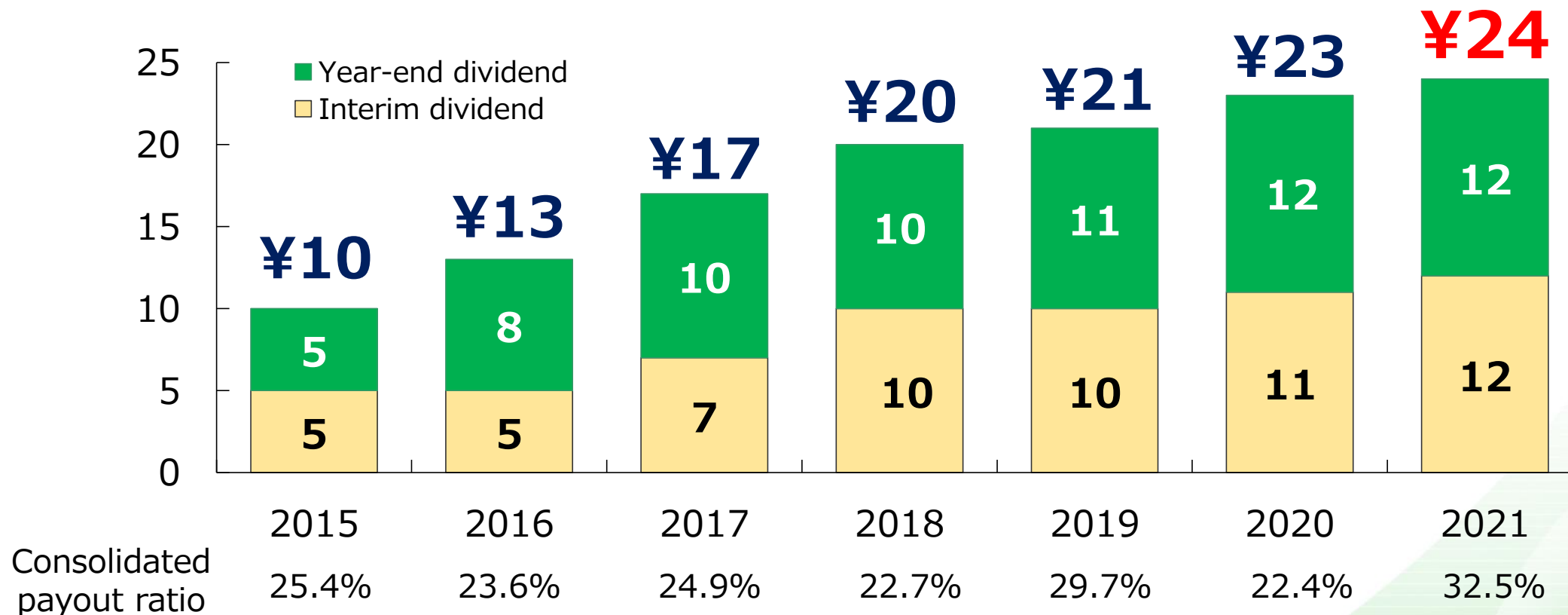
(Billions of yen)	Sales to External Customers			
	2021 (Aug. 4 revision)	2021 (Initial forecast)	Change	
			Amount	%
Consumer Products	233.0	235.0	(2.0)	(0.9)
Industrial Products	34.0	32.0	2.0	6.3
Overseas	95.0	95.0	—	—
Others	3.0	3.0	—	—
Consolidated Total	365.0	365.0	—	—

Fiscal 2021 Forecast of Factors Affecting Core Operating Income

Impact on income

(Billions of yen)	Assumptions at start of year	Revision	Change
Sales, product mix and others	+1.5	+1.0	(0.5)
Total cost reduction (manufacturing and logistics costs, etc.)	+1.0	+1.5	+0.5
Crude oil and vegetable oils and fats, etc.	(1.5)	(2.4)	(0.9)
Competition-related expenses	(4.4)	(4.0)	+0.4
Other expenses	(2.5)	(2.0)	+0.5
Total	(5.9)	(5.9)	±0.0

Annual per-share dividend forecast of **¥24**
(increased for a **sixth consecutive year**)



Basic dividend policy

Return profits to shareholders on a continuous and stable basis
(Consolidated payout ratio target: 30%)

Reference Materials

Consolidated Statement of Income

(Billions of yen)	Jan.–Jun. 2021	Jan.–Jun. 2020	Y-o-Y change	
			Amount	%
Net sales	173.2	169.1	4.1	2.4
Cost of sales	86.8	83.5	3.3	4.0
Gross profit	86.3	85.6	0.7	0.9
Selling, general and administrative expenses	72.3	69.2	3.1	4.5
Core operating income	14.0	16.3	(2.3)	(14.3)
Other income	0.6	11.5	(10.8)	(94.4)
Other expenses	0.4	1.9	(1.4)	(74.4)
Operating profit	14.1	25.9	(11.7)	(45.4)
Finance income	0.4	0.4	0.0	7.9
Finance costs	0.0	0.0	(0.0)	(9.3)
Share of profit of investments accounted for using the equity method	1.3	0.7	0.6	89.1
Profit before tax	15.9	27.0	(11.1)	(41.1)
Income taxes	4.1	7.4	(3.3)	(44.8)
Profit for the period	11.7	19.5	(7.7)	(39.7)
Profit for the period attributable to non-controlling interests	0.9	0.9	0.0	5.1
Profit for the period attributable to owners of the parent	10.8	18.6	(7.8)	(41.9)

Selling, General and Administrative Expenses

(Billions of yen)		Jan.–Jun. 2021		Jan.–Jun. 2020		Y-o-Y change	
		Amount	% of sales (%)	Amount	% of sales (%)	Amount	%
Selling, general and administrative expenses		72.3	41.8	69.2	40.9	3.1	4.5
	Sales commissions	4.5	2.6	4.6	2.7	(0.0)	(1.6)
	Promotional expenses	13.4	7.8	12.6	7.5	0.8	6.7
	Advertising expenses	12.9	7.5	12.1	7.2	0.8	6.6
	Transportation and warehousing expenses	9.6	5.6	9.1	5.4	0.5	5.9
	R&D expenses	5.4	3.1	4.9	2.9	0.4	8.7
	Other expenses	26.2	15.2	25.6	15.2	0.5	2.2

Consolidated Statement of Financial Position

(Billions of yen)		Jun. 30, 2021	Dec. 31, 2020	Change
Current assets		220.1	245.4	(25.2)
	Cash and cash equivalents	90.1	121.5	(31.3)
	Trade and other receivables	58.0	62.4	(4.3)
	Inventories	53.9	45.1	8.8
Non-current assets		196.4	190.0	6.3
	Property, plant and equipment	123.7	118.3	5.4
	Intangible assets	20.3	18.9	1.4
	Right-of-use assets	6.6	4.8	1.7
	Other financial assets	24.1	24.8	(0.7)
Total assets		416.6	435.5	(18.8)

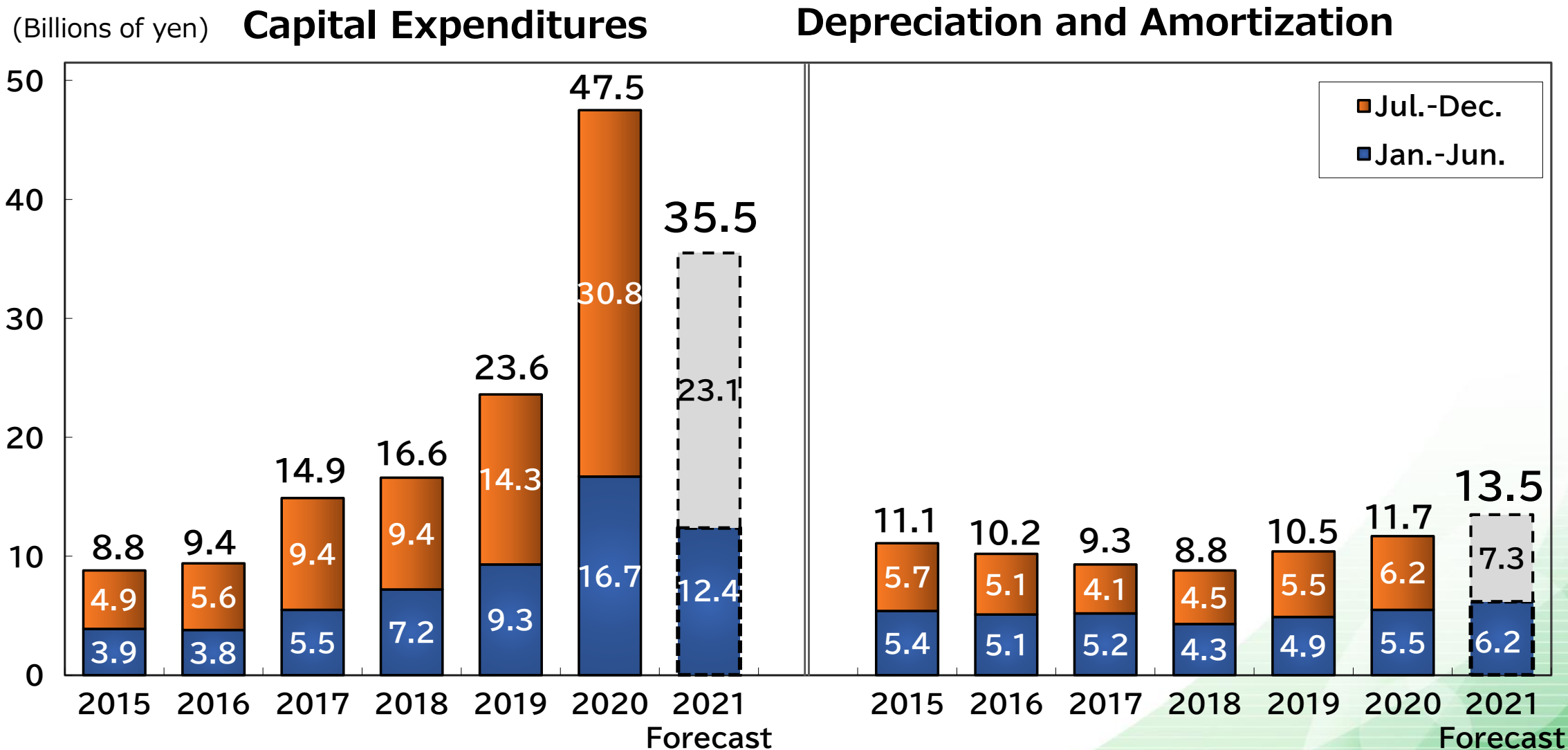
Consolidated Statement of Financial Position

(Billions of yen)		Jun. 30, 2021	Dec. 31, 2020	Change
Current liabilities		137.7	166.6	(28.8)
	Trade and other payables	124.6	141.2	(16.6)
	Lease liabilities	1.5	1.3	0.1
	Other current liabilities	5.4	8.7	(3.2)
Non-current liabilities		24.1	24.0	0.1
	Retirement benefit liabilities	11.6	13.0	(1.4)
	Lease liabilities	6.3	4.6	1.6
Equity		254.7	244.8	9.8
	Share capital	34.4	34.4	—
	Capital surplus	35.0	34.9	0.0
	Treasury stock	(4.7)	(4.7)	0.0
	Other components of equity	11.1	10.0	1.0
	Retained earnings	165.7	156.9	8.7
Total liabilities and equity		416.6	435.5	(18.8)

Consolidated Statement of Cash Flows

(Billions of yen)	Jan.-Jun. 2021	Jan.-Jun. 2020	Change
Cash flows from operating activities	(6.2)	9.9	(16.1)
Cash flows from investing activities	(20.4)	(5.0)	(15.3)
Cash flows from financing activities	(5.1)	(4.8)	(0.3)
Effect of exchange rate changes on cash and cash equivalents	0.4	(0.6)	1.1
Net increase (decrease) in cash and cash equivalents	(31.3)	(0.6)	(30.7)
Cash and cash equivalents at beginning of period	121.5	110.4	11.1
Cash and cash equivalents at end of period	90.1	109.7	(19.6)

Capital Expenditures and Depreciation and Amortization



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

1) Market Environment for Household Products (38 markets, SRI/SRI+*)

Overall market trend for the 38 home product markets in which Lion participates
(Values are percentages of the results of the corresponding periods of the previous years)

	2016	2017	2018	2019	2020	Jan.–Jun. 2021
Sales value	104	99	102	102	112	93
Sales volume	102	98	100	100	105	90
Average unit price	102	102	102	102	106	103

Source: INTAGE Inc. SRI Survey (data for 2016 are for 38 markets; data for 2017 are for 37; data for 2018–2020 are for 38)
SRI+ Survey data (data for 2021 are for 38 markets)

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

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

	2016	2017	2018	2019	2020	Jan.–Jun. 2021
Sales value	105	103	102	105	108	103
Sales volume	101	101	100	102	101	96
Average unit price	104	102	103	104	106	107

Source: INTAGE Inc. SCI survey (data for 2016–2019 are for 15 markets; data for 2020 onward are for 14)

* The SRI+ survey uses point-of-sales data from around 3,000 stores nationwide for its estimates.

** The SCI survey monitors around 50,000 shoppers nationwide for its sales data.

3) Market Environment for OTC Drug Market (7 markets, SDI/SRI+)

Overall market trends in the seven drug markets in which Lion participates

(Values are percentages of the results of the corresponding periods of the previous years)

	2016	2017	2018	2019	2020	Jan.–Jun. 2021
Sales value	104	103	102	100	93	102
Sales volume	102	101	101	99	89	100
Average unit price	101	102	101	101	105	102

Source: INTAGE Inc. SDI Survey (2016–2018, 8 markets; 2019–2020, 7 markets); SRI+ Survey (2021, 7 markets)

* Panel data changed from January 2019. Data for 2016 onward has been updated accordingly.

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

Overall market trends in the two drug markets in which Lion participates

(Values are percentages of the results of the corresponding periods of the previous years)

	2016	2017	2018	2019	2020	Jan.–Jun. 2021
Sales value	104	103	104	104	102	107
Sales volume	102	100	102	102	99	105
Average unit price	102	103	102	102	103	102

Source: INTAGE Inc. SCI survey

Assumed Raw Material Prices and Exchange Rates

Raw material prices

	Dubai Crude	Domestic Naphtha	Crude Palm Oil
2021 second-half forecasts	\$70.0/BBL	JPY52,000/KL	4,000RM/ton

Exchange Rates

	U.S. Dollar	Thai Baht
2021 second-half forecasts	JPY110.0	JPY3.40

◇Reference

	Dubai Crude	Domestic Naphtha	Crude Palm Oil
2020 actual	USD 56.0/BBL	JPY 35,000/KL	RM 3,800/ton
	USD	THB	
2020 actual	JPY 104.0	JPY 3.40	

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LION

A decorative graphic in the bottom right corner consisting of overlapping, semi-transparent green shapes, including a large curved band and several circles, creating a modern, organic feel.