

March 1, 2023

To Shareholders:

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

Announcing the Convocation of the Annual Meeting of Shareholders for the Year Ended December 31, 2022

Thank you for your continued support of Lion Corporation.

Lion Corporation hereby announces the holding of the Annual Meeting of Shareholders for the fiscal Year Ended December 31, 2022. The meeting will be held in accordance with the information listed below.

In convening this Annual 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 Convocation of the Annual Meeting of Shareholders for the Year Ended December 31, 2022. 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 (TSE-listed company information service) (in Japanese)
(<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.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 29, 2023. 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 30, 2023, 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, 2022, to December 31, 2022

Matters to be voted upon

Item 1. Election of Eleven Directors

Item 2. Election of Four Audit & Supervisory Board Members

4. Matters Decided on Regarding the Convocation

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

Of the items provided electronically, in accordance with the provisions of laws and regulations and Article 14 of the Articles of Incorporation of the Company, the “Matters Related to Subscription Rights to Shares,” “Basic Policy Regarding Control over the Company” and “Internal Control Systems” of the business report, the “Consolidated Statement of Changes in Equity” and “Consolidated Notes” of the consolidated financial statements, and the “Non-consolidated 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

Due to the implementation of the amended Companies Act on September 1, 2022, the Company has introduced a 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) starting with the General Meeting of Shareholders to be held in March 2023. As the meeting will be held immediately after the commencement of this system, the Company will send the materials as usual, but plans to provide the materials using a method that conforms to the system for providing informational materials for the general meeting of shareholders in electronic format from next year.

From next year onward, 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 this meeting.

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)

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.

QR codes can only be used to vote once.

After entering your votes, if you would like to change any of what you entered, please access the main voting website (designed for use with personal computers), log in using the login ID and temporary password shown on your voting sheet, and re-enter your voting information.

*If you scan your QR code again after the first use, you will be directed to the main voting website.

Method 2: Enter your login ID and password

Voting website <https://evote.tr.mufig.jp/>

1. Access the voting website.
2. Enter the login ID and temporary password shown on your voting sheet.
3. When you log in using your temporary password, you will automatically be prompted to change your password; please change it to a password of your choosing.
4. 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

Item 1. 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	FY2022 Board of Directors Attendance
1	<div>Incumbent</div> Masazumi Kikukawa	Representative Director, President and Executive Officer	18/18 meetings (100%)
2	<div>New candidate</div> Masayuki Takemori	Senior Executive Officer	—
3	<div>Incumbent</div> Hitoshi Suzuki	Director and Executive Officer	18/18 meetings (100%)
4	<div>Incumbent</div> Kenjiro Kobayashi	Director and Senior Executive Officer	18/18 meetings (100%)
5	<div>Incumbent</div> Yugo Kume	Director and Senior Executive Officer	18/18 meetings (100%)
6	<div>Incumbent</div> Fumitomo Noritake	Director and Executive Officer	18/18 meetings (100%)
7	<div>Incumbent</div> Kengo Fukuda	Director and Executive Officer	14/14 meetings (100%)
8	<div>Incumbent</div> <div>External</div> <div>Independent</div> Kazunari Uchida	External Director	17/18 meetings (94.4%)
9	<div>Incumbent</div> <div>External</div> <div>Independent</div> Takashi Shiraishi	External Director	18/18 meetings (100%)
10	<div>Incumbent</div> <div>External</div> <div>Independent</div> Takako Sugaya	External Director	18/18 meetings (100%)
11	<div>Incumbent</div> <div>External</div> <div>Independent</div> Reiko Yasue	External Director	18/18 meetings (100%)

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><u>Incumbent</u></p> <p>Masazumi Kikukawa (October 26, 1959)</p> <p><u>Years in office as director:</u> 11 (as of the end of this Annual Meeting of Shareholders)</p> <p><u>FY2022 Board of Directors Attendance</u> 18/18 meetings (100%)</p>	<p>April 1984 Joined Lion Corporation</p> <p>March 2012 Director, Executive Officer, Responsible for Health & Home Care Products Business, Gift and Channel-Specific Products Division, Executive General Manager of Health & 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 & Home Care Products Division, Health & 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 & Home Care Products Division, Health & 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 & Home Care Products Division, Health & 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,</p>	25,809

		<p>March 2018 International Division and Overall Chemicals Businesses 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 (current position)</p>	
<p>Reasons for Selection as a Candidate for Director Masazumi Kikukawa took office as Representative Director, President and Executive Officer in January 2019 and is leading management toward the realization of the management vision for 2030, "Becoming an advanced daily healthcare company." In January 2022, in addition to renewing the Company's corporate philosophy structure and leading management based on purpose-driven policy, he promoted the strategies set forth in the medium-term management plan "Vision 2030 1st STAGE," thereby contributing to raise the Company's corporate value. 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>			

2	<p><u>New candidate</u></p> <p>Masayuki Takemori (February 24, 1970)</p> <p><u>Years in office as director:</u> —</p> <p><u>FY2022 Board of Directors Attendance</u> —</p>	<p>April 1993 Joined Lion Corporation</p> <p>January 2010 Brand Manager of Living Care Business Department, Household Products Division</p> <p>January 2012 Brand Manager of Living Care Business Department, Health & Home Care Products Division</p> <p>January 2014 Brand Manager of Fabric Care Business Department, Health & Home Care Products Division</p> <p>January 2018 General Manager of Fabric Care Business Department, Health & Home Care Products Division</p> <p>January 2021 Executive Officer, Executive General Manager of Health & Home Care Products Division</p> <p>January 2022 Senior Executive Officer, Executive General Manager of Health & Home Care Products Division (current position)</p>	4,500
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		Planning Department, Finance Department, Consumer Service Center, Reliability Assurance Department and Legal Department (current position) (Significant concurrent positions) (Note1) Representative, Lion Corporation (Thailand) Ltd.	
	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 & Home Care Products Division, and as Executive General Manager of the Health & Home Care Products Division, he has formulated marketing strategies and contributed to the growth of the Consumer Products business and robust brand creation. The Company judges that he is well qualified to help sustainably raise its corporate value as a director and therefore requests that he be newly elected.		

3	<div>Incumbent</div> <div>Hitoshi Suzuki (March 24, 1963)</div> <div> <u>Years in office as director:</u> 2 (as of the end of this Annual Meeting of Shareholders) </div> <div> <u>FY2022 Board of Directors Attendance</u> 18/18 meetings (100%) </div>	<div>April 1985</div> <div>January 2012</div> <div>January 2014</div> <div>January 2015</div> <div>January 2016</div> <div>January 2017</div> <div>May 2017</div> <div>March 2019</div> <div>March 2021</div> <div>January 2023</div> <div> Joined Lion Corporation General Manager of Business Development Department, International Division Assistant Executive General Manager of International Division and General Manager of Business Development Department II Assistant Executive General Manager of International Division and Director of New Area Development office Executive Officer, Executive General Manager of International Division, Director of Oleochemical Business Development Office and New Area Development office Executive Officer, Executive General Manager of International Division and General Manager of Strategic Planning Department Executive Officer, Executive General Manager of International Division Senior Executive Officer, Executive General Manager of International Division Director, Executive Officer, Responsible for International Division Director and Executive Officer, </div>	14,977
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		<p>Responsible for Overall Overseas Business, Northeast Asia Division, Southeast and South Asia Division, Overseas Strategic Planning Department (current position)</p> <p>(Significant concurrent positions) (Note2) Representative, Lion Corporation (Thailand) Ltd., Representative, Southern Lion Sdn. Bhd.</p>	
	<p>Reasons for Selection as a Candidate for Director</p> <p>Hitoshi Suzuki possesses expert knowledge in operations, primarily in the international business, and wealth of experience stationed overseas. Based on that, he has been contributing to the growth of the overseas business and the creation of brand strategies as the officer responsible for the overall overseas 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>		

4	<p><u>Incumbent</u></p> <p>Kenjiro Kobayashi (December 18, 1962)</p> <p><u>Years in office as director:</u> 11 (as of the end of this Annual Meeting of Shareholders)</p> <p><u>FY2022 Board of Directors Attendance</u> 18/18 meetings (100%)</p>	<p>April 1987 Joined Lion Corporation</p> <p>January 2012 Executive Officer, Executive General Manager of International Division</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</p>	597,289
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		<p>March 2017</p> <p>January 2018</p> <p>January 2019</p> <p>January 2020</p> <p>January 2021</p>	<p>Headquarters, Secretary Department, Corporate Brand Promotion Office, System Department, Corporate Communication Center and CSR Promotion Department</p> <p>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>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>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>Director, Senior Executive Officer, Responsible for Corporate Ethics, Human Resources Development Center, General Affairs Department, Secretary Department, CSV Promotion Department, System Department, Corporate Communication Center and Business Process Re-engineering Department</p> <p>Director, Senior Executive Officer, Responsible for Corporate Ethics, Human Resources Development Center, General Affairs Department, Secretary</p>	
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		<p>January 2022</p> <p>January 2023</p>	<p>Department, Sustainability Promotion Department, System Department and Business Process Re-engineering Department</p> <p>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>Director and Senior Executive Officer, Responsible for Corporate Ethics, Human Resources Development Center, 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 & 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>				

5	<p><u>Incumbent</u></p> <p>Yugo Kume (October 1, 1961)</p> <p><u>Years in office as director:</u> 5 (as of the end of this Annual Meeting of Shareholders)</p> <p><u>FY2022 Board of Directors Attendance</u> 18/18 meetings</p>	<p>April 1984</p> <p>January 2012</p> <p>January 2015</p> <p>January 2016</p> <p>January 2018</p>	<p>Joined Lion Corporation</p> <p>General Manager of the Oral Care Business Department, Health & Home Care Products Division</p> <p>Assistant Executive General Manager of Health & Home Care Products Division</p> <p>Executive Officer, Executive General Manager of Health & Home Care Products Division</p> <p>Executive Officer, Executive General Manager of Health & Home Care Products Division, Responsible for Communication Design Department, Consumer Knowledge Center and</p>	25,677
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	(100%)	March 2018	Distribution Policy Department Director, Executive Officer, Responsible for Health & 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 & Home Care Products Division	
		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 & Home Care Products Division	
		January 2020	Director, Executive Officer, Responsible for Business Development Center, Gift and Channel-Specific Products Division, Direct Marketing Division, Executive General Manager of Health & Home Care Products Division	
		January 2021	Director, Senior Executive Officer, Responsible for Business Development Center, Health & Home Care Products Division, Gift and Channel- Specific Products Division, Direct Marketing Division and Corporate Communication Center	
		January 2023	Director and Senior Executive Officer, Business Development Center, Health & Home Care Products Division, Gift and Channel-Specific Products Division, Direct Marketing Division and Corporate Communication Center (current position)	
		(Significant concurrent positions) (Note1) Representative, Lion Corporation (Thailand) Ltd.		
	Reasons for Selection as a Candidate for Director			

	Yugo Kume possesses a wealth of expert knowledge, mainly in the areas of corporate planning and the Health & 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.
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6	<p><u>Incumbent</u></p> <p>Fumitomo Noritake (August 20, 1963)</p> <p><u>Years in office as director:</u> 4 (as of the end of this Annual Meeting of Shareholders)</p> <p><u>FY2022 Board of Directors Attendance</u> 18/18 meetings (100%)</p>	<p>April 1988 Joined Lion Corporation</p> <p>January 2012 General Manager of Direct Marketing Business Department, Gift and Channel-Specific Products Division</p> <p>January 2016 Executive Officer, Executive General Manager of Direct Marketing Division, General Manager of Sales Administration Department</p> <p>January 2017 Executive Officer, Executive General Manager of Direct Marketing Division</p> <p>January 2018 Executive Officer, Executive General Manager of Research and Development Headquarters</p> <p>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>March 2019 Director, Executive Officer, Responsible for Supply Chain Management 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>January 2020 Director, Executive Officer, Responsible for Supply Chain Management Headquarters, Production Engineering Research Headquarters, Purchasing Headquarters,</p>	17,577
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		<p>Research and Development Headquarters, Production Headquarters, Overall Chemicals Businesses, Intellectual Property Department and Safety and Disaster Prevention Promotion Department</p> <p>January 2021 Director, Executive Officer, Responsible for Supply Chain Management Headquarters, Production Engineering Research Headquarters, Purchasing Headquarters, Research and Development Headquarters, Production Headquarters, Overall Chemicals Businesses, DX Promotion Department, Intellectual Property Department and Safety and Disaster Prevention Promotion Department</p> <p>January 2022 Director, Executive Officer, Responsible for Supply Chain Management 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 Promotion Department</p> <p>January 2023 Director and Executive Officer, Responsible for Supply Chain Management 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 Promotion Department (current position)</p>	
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		(Significant concurrent positions) (Note1) Representative, Lion Corporation (Thailand) Ltd.	
	<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 and direct-to-consumer business. He has been taking charge of various important operations including the Overall Chemicals Businesses, Supply Chain Management 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>		

7	<p><u>Incumbent</u></p> <p>Kengo Fukuda (April 1, 1965)</p> <p><u>Years in office as director:</u> 1 (as of the end of this Annual Meeting of Shareholders)</p> <p><u>FY2022 Board of Directors Attendance</u> 14/14 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>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 (current position)</p>	16,200
	<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, mainly in the area of corporate planning. As director of such managerial divisions as the Corporate Planning Department and the Finance Department, he has helped to formulate and promote management strategies. 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>		

8	<p><u>Incumbent</u></p> <p><u>External</u></p> <p><u>Independent</u></p> <p>Kazunari</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</p>	10,100
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	<p>Uchida (October 31, 1951)</p> <p><u>Years in office as external director:</u> 7 (as of the end of this Annual Meeting of Shareholders)</p> <p><u>FY2022 Board of Directors Attendance</u> 17/18 meetings (94.4%)</p>	<p>April 2006 Limited (now Suntory Holdings Limited) Professor, Faculty of Commerce, Waseda University (Scheduled to retire in March 2022)</p> <p>February 2012 External Auditor, Kewpie Corporation</p> <p>June 2012 External Director, Lifenet Insurance Company 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>	
<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>			

9	<p><u>Incumbent</u> <u>External</u> <u>Independent</u></p> <p>Takashi Shiraishi (February 22, 1950)</p> <p><u>Years in office as external director:</u> 6 (as of the end of this</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</p>	7,100
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<div>Annual Meeting of Shareholders)</div> <div><u>FY2022 Board of Directors Attendance</u></div> <div>18/18 meetings (100%)</div>	January 2009	Economies, Japan External Trade Organization	
	April 2011	Councilor, Council for Science, Technology and Innovation, Cabinet Office	
	January 2013	President, National Graduate Institute for Policy Studies	
		Member, Management Evaluation Committee (now the Advisory Committee), Lion Corporation	
	March 2017	External Director, Lion Corporation (current position)	
	April 2017	Special visiting professor, Ritsumeikan University	
	May 2017	Professor Emeritus, National Graduate Institute for Policy Studies (current position)	
	April 2018	Chancellor, Prefectural University of Kumamoto (current position)	
<div>Reasons for Selection as a Candidate for External Director and overview of expected roles</div> <div>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.</div>			

10	<div>Incumbent</div> <div>External</div> <div>Independent</div>	October 2002	Registered as an attorney at law (Daini Tokyo Bar Association) Joined Yamada Hideo Law Office (now the Yamada Ozaki Law Office) (current position)	2,400
	Takako Sugaya (September 20, 1972)	April 2010	Associate Professor, Toin University of Yokohama Graduate School of Laws	
	<u>Years in office as external director:</u>	June 2018	External Director, Haruyama Holdings, Inc.	
	4	March 2019	External Director, Lion Corporation (current position)	
	(as of the end of this Annual Meeting of Shareholders)	(Significant concurrent positions) External Audit & Supervisory Board Member, Faith, Inc., External Director, Kyokuto Securities Co., Ltd.		

	<u>FY2022 Board of Directors Attendance</u> 18/18 meetings (100%)		
	<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>		

11	<div> <div>Incumbent</div> <div>External</div> <div>Independent</div> </div> <p>Reiko Yasue (January 26, 1968)</p> <p><u>Years in office as external director:</u> 2 (as of the end of this Annual Meeting of Shareholders)</p> <p><u>FY2022 Board of Directors Attendance</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)</p> <p>Board Director (external), TOMY COMPANY, LTD.</p>	1,600
	Reasons for Selection as a Candidate for External Director and overview of expected roles		

	In addition to her managerial experience as president and representative director of a domestic IT company, Reiko Yasue possesses a wealth of 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.
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(Note1) Masayuki Takemori is also a representative of Lion Corporation (Thailand) Ltd. The Company engages in transactions with Lion Corporation (Thailand) involving the sale of finished products and the procurement of merchandise. In addition, the Company receives royalties for the use of its technologies and trademarks from Lion Corporation (Thailand).

(Note2) 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.

(Note3) 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.

(Note4) 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.

(Note5) 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.

(Note6) 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)

Item 2. Election of Four Audit & Supervisory Board Members

The tenures of the four Audit & Supervisory Board members whose services are currently retained will end as of the close of this General Meeting of Shareholders. Accordingly, the Company requests the approval of four Audit & Supervisory Board members.

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

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

The candidates are as follows.

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	<div>New candidate</div> <p>Naoki Miidera (November 19, 1963)</p>	<p>April 1986 Joined Lion Corporation</p> <p>April 2013 General Manager of the Corporate Planning Department for Special Mission</p> <p>January 2017 General Manager of the Corporate Planning Department for Special Mission of Corporate Strategy Headquarters</p> <p>January 2019 General Manager of Legal Department and General Manager of the Corporate Planning Department for Special Mission of Corporate Strategy Headquarters</p> <p>August 2019 General Manager of Legal Department</p> <p>January 2023 Assistant to the President (current position)</p>		8,800
<p>Reasons for Selection as a Candidate for Audit & Supervisory Board Member</p> <p>Naoki Miidera possesses a wealth of expert knowledge, mainly in the areas of corporate legal work and corporate planning, and possesses experience as General Manager of the Legal Department, leading the formulation and promotion of the Company's legal strategy. The Company judges that his understanding of these areas is necessary to achieve effective auditing of the Company and therefore requests that he be newly elected as an Audit & Supervisory Board member.</p>				
2	<div>New candidate</div> <p>Yoshitada Ishii (June 3, 1963)</p>	<p>April 1986 Joined Lion Corporation</p> <p>August 2020 Acting General Manager of Finance Department</p> <p>August 2022 Finance Department</p> <p>January 2023 Assistant to the President (current position)</p>		3,800

	<p>Reasons for Selection as a Candidate for Audit & Supervisory Board Member</p> <p>Yoshitada Ishii possesses a wealth of expert knowledge in the finance divisions, and possesses experience as Acting General Manager of the Finance Department, leading the formulation and promotion of the Company's accounting and finance strategy. The Company judges that his understanding of these areas is necessary to achieve effective auditing of the Company and therefore requests that he be newly elected as an Audit & Supervisory Board member.</p>
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3	<p>New candidate</p> <p>External</p> <p>Independent</p> <p>Masatoshi Matsuzaki (July 21, 1950)</p>	<p>April 1976 Joined Konishiroku Photo Industry Co., Ltd. (now KONICA MINOLTA, INC.)</p> <p>October 2003 Director, Konica Minolta Business Technologies Co., Ltd.</p> <p>April 2005 Executive Officer, Konica Minolta Holdings, Inc. (now KONICA MINOLTA, INC.) Representative Director and President, Konica Minolta Business Technology Center Co., Ltd.</p> <p>April 2006 Executive Vice President and Executive Officer, Konica Minolta Holdings, Inc. (now KONICA MINOLTA, INC.)</p> <p>June 2006 Director, Executive Vice President and Executive Officer</p> <p>April 2009 Director, President, Representative Executive Officer</p> <p>April 2014 Director, Chairman of the Board, KONICA MINOLTA, INC.</p> <p>June 2016 Outside Director, Nomura Research Institute, Ltd. Outside Director, Nippon Sheet Glass Co., Ltd.</p> <p>January 2019 Member, Advisory Committee, Lion Corporation (Scheduled to retire in March 2023)</p> <p>June 2022 Special Adviser, KONICA MINOLTA, INC. (current position)</p> <p>(Significant concurrent positions) Independent Director, Ichigo Inc. Outside Director, Chairperson of the Board, LIXIL Corporation Outside Director, Ushio Inc.</p>	0
		<p>Reasons for Selection as Candidate for External Audit & Supervisory Board Member</p> <p>In addition to corporate experience as president, representative executive officer of a listed company that has expanded business globally, Masatoshi Matsuzaki also possesses advanced expert knowledge related to corporate governance as well as experience as an external director at other companies. The Company judges that his understanding of these areas is necessary to achieve effective auditing of the</p>	

	Company and therefore requests that he be newly elected as an external Audit & Supervisory Board member.
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4	<div> <div>New candidate</div> <div>External</div> <div>Independent</div> </div> <p>Akemi Sunaga (August 14, 1961)</p>	<p>October 1989 Joined Aoyama Audit Corporation (now PricewaterhouseCoopers Aarata LLC)</p> <p>February 1991 Joined Chuo Audit Corporation</p> <p>August 1993 Acquired Japanese CPA certification</p> <p>October 1994 Acquired Japanese tax accountant certification</p> <p>November 1994 Established Sunaga CPA Firm (current position)</p> <p>November 1996 Established and became representative director of Marunouchi Business Consulting Ltd. (current position)</p> <p>January 2012 Established and became representative of Marunouchi Business Consulting Tax Co. (current position)</p> <p>June 2016 External Audit & Supervisory Board Member of Matsumotokiyoshi Holdings Co., Ltd.</p> <p>June 2017 Senior Partner/ CEO of Marunouchi Audit Corporation</p> <p>March 2019 Alternate Audit & Supervisory Board Member of Lion Corporation</p> <p>January 2022 Senior Partner of Marunouchi Audit Corporation (current position)</p> <p>(Significant concurrent positions)</p> <p>Outside Director (Audit & Supervisory Committee Member), Ushio Inc.</p> <p>Outside Director (Audit and Supervisory Committee Member), YOMEISHU SEIZO CO., LTD.</p> <p>Outside Corporate Auditor, Prima Meat Packers, Ltd.</p> <p>Member of the Board of Directors (External), KYB Corporation</p>	0
<p>Reasons for Selection as Candidate for External Audit & Supervisory Board Member</p> <p>In addition to corporate experience as representative of a consulting company, Akemi Sunaga also possesses a wealth of knowledge and experience related to accounting and taxes cultivated over many years as a certified public accountant and a tax accountant as well as experience as an external Audit & Supervisory</p>			

	Board member at other companies. The Company judges that her understanding of these areas is necessary to achieve effective auditing of the Company and therefore requests that she be newly elected as an external Audit & Supervisory Board member.
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(Note1) Details of limited liability agreement

Pursuant to Article 427, Paragraph 1 of the Companies Act and the provisions of the Articles of Incorporation, the Company plans to conclude an agreement with Masatoshi Matsuzaki and Akemi Sunaga to limit liability under Article 423, Paragraph 1 of the Companies Act to 10 million yen or the amount specified by law, whichever is higher, if they are elected as Audit & Supervisory Board member.

(Note2) Details of compensation contracts

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

(Note3) Details of the Directors and Officers Liability Insurance

The Company has taken out Directors and Officers Liability Insurance which covers each of its Audit & Supervisory Board members 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.

(Note4) Masatoshi Matsuzaki and Akemi Sunaga meet the requirements set forth in the "Lion Corporation Standards Regarding the Independence of External Directors/Audit & Supervisory Board Members" and are deemed sufficiently independent from management.

All two also meet the requirements for independent directors set forth by the Tokyo Stock Exchange.

Accordingly, the Company has notified said Stock Exchange with regard to their appointment as an independent director who have no potential conflict of interest with general shareholders.

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

Basic Corporate Governance Policy

https://www.lion.co.jp/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, President and Executive Officer	●	●						●	●
	Masayuki Takemori	Senior Executive Officer			●	●				●	
	Hitoshi Suzuki	Director and Executive Officer	●	●						●	
	Kenjiro Kobayashi	Director and Senior Executive Officer		●			●	●	●	●	
	Yugo Kume	Director and Senior Executive Officer	●		●	●				●	
	Fumitomo Noritake	Director and Executive Officer							●	●	●
	Kengo Fukuda	Director and Executive Officer	●		●	●	●			●	
	Kazunari Uchida	External Director	●	●	●				●	●	
	Takashi Shiraishi	External Director		●			●	●			●
	Takako Sugaya	External Director				●	●				
	Reiko Yasue	External Director	●	●					●	●	
Auditors	Naoki Miidera	Assistant to the President			●	●				●	
	Yoshitada Ishii	Assistant to the President			●						
	Atsuko Suzuki	External Audit & Supervisory Board Member		●				●			
	Masatoshi Matsuzaki	—	●	●		●	●	●	●		●
	Akemi Sunaga	—	●		●						

(Attached Documents)
Business Report (From January 1, 2022 to December 31, 2022)

I Current Conditions of the Lion Group

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

			159th term (From January 1, 2019 to December 31, 2019)	160th term (From January 1, 2020 to December 31, 2020)	161st term (From January 1, 2021 to December 31, 2021)	162nd term (Current fiscal year) (From January 1, 2022 to December 31, 2022)
Profit/loss	Net sales	(Millions of yen)	347,519	355,352	366,234	389,869
	Core operating income	(Millions of yen)	30,048	35,937	30,923	23,559
	Profit for the period attributable to owners of the parent	(Millions of yen)	20,559	29,870	23,759	21,939
	Basic earnings per share	(Yen)	70.72	102.75	81.73	77.04
Financial position	Total equity	(Millions of yen)	221,201	244,856	265,014	279,168
	Equity attributable to owners of the parent per share	(Yen)	716.94	797.08	865.31	929.72
	Total assets	(Millions of yen)	380,701	435,501	428,025	469,278
Company information	Consolidated subsidiaries		22 companies	21 companies	21 companies	23 companies
	Associates accounted for using equity method		6 companies	6 companies	4 companies	4 companies

Notes:

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

2. Business Activity and Results

In fiscal 2022 (January 1, 2022–December 31, 2022), as restrictions on movement and other measures related to the COVID-19 pandemic were eased, overall conditions in the Japanese economy, including ongoing recovery in personal consumption and corporate profits, gradually improved.

In domestic consumer products, the Lion Group's main business, despite the significant impact of rising resource prices and exchange rate fluctuations, the market was steady overall.

Amid these circumstances, the Lion Group launched its new medium-term management plan, Vision 2030 1st STAGE, and advanced initiatives based on three growth strategies. 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 its domestic operations, Lion focused on cultivating markets for such high-value-added products as toothpastes, toothbrushes, household cleaners and antipyretic analgesics. In its overseas operations, in addition to efforts to expand its business in the personal care field, which includes oral care and beauty care products, the Group focused on bolstering its competitiveness in the home care field, which includes such products as laundry detergents. Both in Japan and overseas, the Group worked to increase the efficiency of sales promotion efforts and further reduce costs to secure profitability.

Reflecting these efforts, consolidated results for fiscal 2022 are as follows. Net sales amounted to ¥389,869 million, a year-on-year increase of 6.5% (or a 3.4% increase at constant currency excluding exchange rate fluctuations). Core operating income came to ¥23,559 million, down 23.8% compared with the previous fiscal year, and operating profit to ¥28,843 million, down 7.5% year on year. Profit for the period attributable to owners of the parent totaled ¥21,939 million, down 7.7% compared with the previous fiscal year.

Results by business

	Net sales	YoY change	Core operating income	YoY change
Consumer Products Business	¥265,555 million	3.0 %	¥11,454 million	(39.6) %
Industrial Products Business	¥58,076 million	15.2 %	¥3,132 million	15.3 %
Overseas Business	¥129,342 million	18.4 %	¥5,116 million	(14.8) %
Other Business	¥15,394 million	(44.8) %	¥1,202 million	(44.0) %
Subtotal	¥468,368 million	5.1 %	¥20,904 million	(29.9) %
Adjustment	¥(78,499) million	– %	¥2,654 million	– %
Total	¥389,869 million	6.5 %	¥23,559 million	(23.8) %

Consumer Products Business	Net sales	¥265,555 million (Up 3.0% year on year)
	Core operating income	¥11,454 million (Down 39.6% 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 3.0% compared with the previous fiscal year. Core operating income decreased 39.6% year on year.

Oral Care Products	Net sales	¥72,299 million (Up 4.2% year on year)
In toothpastes, sales of CLINICA ADVANTAGE Toothpaste were strong, and new SYSTEMA Haguki (the Gums) Plus Premium Toothpaste Yokubari na BIHAKU (Whitening) and CLINICA PRO toothpastes received favorable customer reviews. Overall sales increased year on year.		
In toothbrushes, sales of CLINICA ADVANTAGE Toothbrush and NONIO Toothbrush were strong, and overall sales increased year on year.		
In dental rinses, sales of NONIO Plus Whitening Dental Rinse were favorable. Overall sales increased year on year.		
Beauty Care Products	Net sales	¥26,482 million (Up 7.1% year on year)
In hand soaps, sales of KireiKirei Medicated Foaming Hand Soap were strong. Overall sales increased significantly year on year.		
In body washes, sales of hadakara Body Soap were steady, and overall sales increased year on year.		

Fabric Care Products	Net sales	¥60,120 million (Down 0.9% year on year)
<p>In fabric softeners, sales of SOFLAN Premium Deodorizer decreased year on year, but those of SOFLAN Aroma Rich were strong. Overall sales were up year on year.</p> <p>In laundry detergents, sales of highly concentrated liquid laundry detergent TOP SUPER NANOX For Odors increased year on year, but sales of liquid laundry detergents Kaori Tsuzuku (Long-Lasting Fragrance) TOP and TOP Clear Liquid fell. Overall sales decreased slightly year on year.</p>		
Living Care Products	Net sales	¥23,630 million (Down 6.1% year on year)
<p>In dishwashing detergents, sales of CHARMY Magica fell year on year, and overall sales decreased year on year.</p> <p>In household cleaners, sales of bath detergent LOOK Plus Bath Cleansing and LOOK Plus Bath Antimold Fogger were up year on year, but sales of toilet cleaners fell year on year. Overall sales edged down year on year.</p>		
Pharmaceutical Products	Net sales	¥25,144 million (Down 0.9% year on year)
<p>In antipyretic analgesics, amid a favorable market, sales of BUFFERIN PREMIUM DX were strong, and sales of BUFFERIN A increased year on year. Overall sales were up year on year.</p> <p>In eye drops, sales of the Smile 40EX GOLD series, which saw the addition of new products, were up year on year, and overall sales increased year on year.</p> <p>In acne medicines, sales of PAIR® Acne Cream W decreased year on year, and overall sales fell year on year.</p>		
Other products	Net sales	¥57,877 million (Up 10.1% year on year)
<p>In pet supplies, sales of Nioi wo Toru Suna (Deodorizing Cat Litter) were firm, and sales of oral care products were favorable. Overall sales were up year on year.</p> <p>In direct-to-consumer sales products, sales of Intestinal Effect Nice rim essence Lactoferrin were down year on year, and overall sales were down year on year.</p> <p>In addition to the above, Group internal sales recorded by manufacturing subsidiaries increased significant.</p>		

Industrial Products Business	Net sales	¥58,076 million (Up 15.2% year on year)
	Core operating income	¥3,132 million (Up 15.3% year on year)
The Industrial Products Business segment includes the Mobility, Electronics and Detergents for Institutional Use Products fields. These businesses handle products that include anti-sticking agents for tires, electro-conductive carbon for secondary batteries, and detergents for institutional and kitchen use, respectively. Segment net sales increased 15.2% compared with the previous fiscal year. Core operating income increased 15.3% year on year.		
In the Mobility field, sales of anti-sticking agents for tires were strong, and overall sales increased significantly year on year.		
In the Electronics field, sales of electro-conductive carbon for secondary batteries were strong, and overall sales were up substantially year on year.		
In the Detergents for Institutional Use Products field, sales of hand soaps were down year on year, but sales of alcohol sanitizers for kitchen use were strong, and overall sales were up year on year.		

Overseas Business	Net sales	¥129,342 million (Up 18.4% year on year)
	Core operating income	¥5,116 million (Down 14.8% year on year)
The Overseas Business segment comprises business operations located in Southeast Asia, including Thailand and Malaysia, and Northeast Asia, including South Korea and China. Segment net sales increased 18.4% year on year (or a 7.1% increase at constant currency excluding exchange rate fluctuations). Due in part to the significant impact of rising raw material prices in Southeast Asia, core operating income decreased 14.8% year on year.		
Southeast Asia	Net sales	¥81,249 million (Up 18.1 % year on year)
	Core operating income	¥2,378 million (Down 37.0% year on year)
In Southeast Asia, overall sales were up 18.1% year on year (or up 7.0% at constant currency excluding exchange rate fluctuations), but core operating income was down 37.0%.		
In Thailand, sales of laundry detergents were down year on year, but sales of body washes were strong. Overall sales after yen conversions were up significantly year on year.		
In Malaysia, sales of TOP laundry detergent were strong. Overall sales after yen conversions were up significantly year on year.		
Northeast Asia	Net sales	¥48,093 million (Up 18.9% year on year)
	Core operating income	¥2,737 million (Up 22.8 % year on year)
In Northeast Asia, overall sales were up 18.9% year on year (or up 7.2% at constant currency excluding exchange rate fluctuations), and core operating income was up 22.8%.		
In South Korea, sales of laundry detergents were strong. Overall sales after yen conversions increased significantly year on year.		
In China, sales of White & White toothpaste were strong, and sales of SYSTEMA toothbrushes were steady. Overall sales after yen conversions were up significantly year on year.		

Other Business	Net sales	¥15,394 million (Down 44.8% year on year)
	Core operating income	¥1,202 million (Down 44.0% year on year)
In other business, including the construction contracting business, overall sales decreased 44.8% year on year and core operating income decreased 44.0% year on year.		

3. Capital Expenditure

Total capital expenditure for the Lion Group during the fiscal year under review was ¥22,651 million, which included ¥11,065 million for the Consumer Products Business, ¥1,001 million for the Industrial Products Business, ¥2,062 million for the Overseas Business, and ¥8,521 million for Other Business.

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

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

(i) The Company

Chiba Plant	Detergent manufacturing equipment (additional)	¥1,585 million
	Fabric softener manufacturing equipment (additional)	¥990 million
Odawara Plant	Toothpaste manufacturing equipment (additional)	¥375 million
Osaka Plant	Fabric softener manufacturing equipment (additional)	¥919 million
	Detergent manufacturing equipment (additional)	¥280 million
Akashi Plant	Toothbrush manufacturing equipment (additional)	¥411 million
	Toothpaste manufacturing equipment (additional)	¥309 million
Lion Chemical Co., Ltd.'s Oleochemical production site	Toothpaste manufacturing equipment (additional)	¥666 million
Research Center	Research and development devices (expanded)	¥855 million

(ii) Subsidiaries

Lion Corporation (Thailand) Ltd.	Detergent manufacturing equipment (additional)	¥229 million
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(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)
Osaka Plant	Fabric softener manufacturing equipment (additional)
	Detergent 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,” 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 Vision 2030 1st STAGE.

◇Management Strategies for Realizing the Management Vision

The Three Growth Strategies

(1) Accelerate Growth in four fields of value creation

Focusing on the four fields of value creation, we will reinforce existing businesses and create new value to secure profit opportunities and further accelerate growth in Japan and overseas.

(2) Transform Our Business Foundations for Growth

We will reinforce strategic investment (in M&A, supply chain management, manufacturing infrastructure, digital technologies, sustainability, etc.) necessary for future growth and transform our business base into one that promotes growth.

(3) Generate Dynamism to Realize Innovative Change

We will create dynamism to transform into a company that can grow sustainably by improving employee engagement through professional fulfillment reforms and diversity and inclusion initiatives.

Reinforce Initiatives to Address the Sustainability Material Issues

We will contribute to the realization of a decarbonized, resource-circulating society by promoting the formation of environmentally friendly living habits together with consumers. We will further develop our environmental technologies and advance the development of products and services that apply such technologies. Furthermore, we will work with other industry actors and companies to develop water-saving habits, power-saving habits, refill habits and waste-free habits* that reduce environmental impact in the home, both in Japan and the rest of Asia.

* Creating habits to realize resource recycling through advanced recycling initiatives (infrastructure development, recycling technology, etc.)

As social issues related to healthcare, such as improving quality of life (QOL) and extending healthy life expectancies, grow more prevalent in Japan and overseas, the Lion Group's role as a familiar presence in people's everyday life will continue to grow.

By vigorously promoting the aforementioned strategies, the Lion Group will create shared value with society through its businesses. Simultaneously, the Group will make broad-ranging contributions to the realization of a sustainable society and thereby enhance its corporate value.

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 Business Service Co., Ltd.	490	100.0	Real estate and welfare services
*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 Trading 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 Corporation (Hong Kong) Ltd.	12 million H\$	100.0	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	16.0	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

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, baht...Thai baht, MR...Malaysian Ringgit, RP...Indonesian rupiah

(2) Progress in important corporate consolidation

On January 5, 2022, the Company acquired all shares of Kyuzitu Hack Co., Ltd. from Global Catalyst Partners Japan No. 2 Investment Business Limited Partnership, and made it a wholly owned subsidiary.

Furthermore, the Company established Lion Kallol Limited as a joint venture with Kallol Limited, which operates businesses in the People's Republic of Bangladesh, on June 30, 2022.

7. Major Offices and Plants (as of December 31, 2022)

(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 Trading 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, 2022)

The number of employees of the Lion Group is 7,587 (an increase of 3 from the end of the previous year). The number of employees of the Company is 3,190 (an increase of 25 from the end of the previous year).

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

9. Major Creditors (as of December 31, 2022)

Not applicable.

II Shares of the Company (as of December 31, 2022)

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:

1. Total number of shares issued includes treasury stocks (7,598,923 shares). Treasury stocks do not include the executive compensation BIP trust (705,327 shares).
2. There are no changes in share capital.

Composition ratios by shareholder category

- Japanese financial institutions 33.57%
- Foreign institutions and individuals 22.00%
- Individual investors and others 26.10%
- Other corporations 13.94%
- Financial instrument firms 4.39%

2. Number of Shareholders 198,809

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)	34,838	12.22
2	Custody Bank of Japan, Ltd. (Trust Account)	23,389	8.20
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	STATE STREET BANK AND TRUST COMPANY 505223	7,514	2.63
5	MUFG Bank, Ltd.	7,076	2.48
6	Tokio Marine & Nichido Fire Insurance Co., Ltd.	4,450	1.56
7	SMBC Nikko Securities Inc.	4,395	1.54
8	Meiji Yasuda Life Insurance Company	4,100	1.43
9	Toyota Tsusho Corporation	3,506	1.23
10	Mitsubishi UFJ Trust and Banking Corporation	3,500	1.22

Notes:

1. Number of shares held is rounded down to the nearest thousand.
2. Shareholding ratio is calculated based on the number of shares (284,937,523 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)	27,703	2 person

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

5. Other significant matters relating to shares

Based on a resolution passed by the Board of Directors held on February 14, 2022, the Company acquired 6,578,900 shares of treasury stock on February 15, 2022 and retired all the acquired shares on February 22, 2022.

Status of Adopting Social Responsible Investment Indices (SRI)

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 five ESG indices used by Japan's Government Pension Investment Fund (GPIF): the FTSE Blossom Japan Index, the FTSE Blossom Japan Sector Relative Index, MSCI Japan ESG Select Leaders Index, MSCI Japan Empowering Women Index (WIN) and S&P/JPX Carbon Efficient Index. 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, 2022)

Position	Name	Responsibilities in the Company and significant concurrent positions, etc.
Representative Director, Chairman of the Board of Directors	Itsuo Hama	Representative Director Chairman of the Board of Directors Board Director (external), Nichirei Corporation
Representative Director, President and Executive Officer	Masazumi Kikukawa	Chief Executive Officer
Director, Senior Executive Officer	Kenjiro Kobayashi	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
Director, Senior Executive Officer	Yugo Kume	Responsible for Business Development Center, Health & Home Care Products Division, Gift and Channel-Specific Products Division, Direct Marketing Division and Corporate Communication Center, Representative, Lion Corporation (Thailand) Ltd.
Director, Executive Officer	Fumitomo Noritake	Responsible for Supply Chain Management 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 Promotion Department, Representative, Lion Corporation (Thailand) Ltd.
Director, Executive Officer	Hitoshi Suzuki	Responsible for International Division, Representative, Lion Corporation (Thailand) Ltd., Representative, Southern Lion Sdn. Bhd.
Director, Executive Officer	Kengo Fukuda	Responsible for Risk Management, Corporate Planning Department, Finance 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	Lawyer, 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 (external), TOMY COMPANY, LTD.
Audit & Supervisory Board Member	Toshiyuki Nikkawa	(Full-time)
Audit & Supervisory Board Member	Yoshiaki Kamao	(Full-time)

Position	Name	Responsibilities in the Company and significant concurrent positions, etc.
External Audit & Supervisory Board Member	Takao Yamaguchi	Certified Public Accountant, Certified Tax Accountant, External Audit & Supervisory Board Member, KYORIN Holdings, Inc., External Audit & Supervisory Board Member, Tokyo Tatemono Co., Ltd.
External Audit & Supervisory Board Member	Setsuko Takemoto	Certified Tax Accountant
External Audit & Supervisory Board Member	Atsuko Suzuki	External Director (Audit & Supervisory Committee Member), ASAHI CO., LTD., External Director, YAMAZEN CORPORATION

Notes:

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

Responsibilities of the corporate officers, etc. as of January 1, 2023 are as follows.

Representative Director, Chairman of the Board of Directors	Itsuo Hama	Chairman of the Board of Directors Board Director (external), Nichirei Corporation
Representative Director, President and Executive Officer	Masazumi Kikukawa	Chief Executive Officer

Director, Senior Executive Kenjiro Kobayashi Officer	Responsible for Corporate Ethics, Human Resources Development Center, General Affairs Department, Management Support Department, Sustainability Promotion Department
Director, Senior Executive Yugo Kume Officer	Responsible for Business Development Center, Health & Home Care Products Division, Gift and Channel-Specific Products Division, Direct Marketing Division and Corporate Communication Center
Director, Executive Officer Fumitomo Noritake	Responsible for Supply Chain Management 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 Promotion Department
Director, Executive Officer Hitoshi Suzuki	Responsible for Overall Overseas Business, Northeast Asia Division, Southeast and South Asia Division, Overseas Strategic Planning Department, Lion Corporation (Thailand) Ltd., Representative, Southern Lion Sdn. Bhd.
Director, Executive Officer Kengo Fukuda	Responsible for Risk Management, Corporate Planning Department, Finance Department, Consumer Service Center, Reliability Assurance Department and Legal Department

Executive officers who do not concurrently serve as directors as of December 31, 2022 are as follows. Masaharu Mikuni, Masayuki Takemori, Tomomichi Okano, Jiro Nagasawa, Yasutsugu Shimizu, Yoko Koike, Kosuke Tanaka, Annette Ling, Kei Minamikawa

Executive officers appointed on January 1, 2023 who do not concurrently serve as directors are as follows.

Masaharu Mikuni, Masayuki Takemori, Tomomichi Okano, Jiro Nagasawa, Yasutsugu Shimizu, Yoko Koike, Annette Ling, Kei Minamikawa, Akihiko Takeo, Katsuhiko Chikyu, Ayako Suzuki

2. External Officers

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

(1) External Director

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 Member

Name	Attendance at Board of Directors' meetings	Attendance at Audit & Supervisory Board meetings	Principal comments
Takao Yamaguchi	16/18 meetings	17/18 meetings	Makes suitable statements for maintaining the adequateness of the finance and accounting for the Lion Group.
Setsuko Takemoto	18/18 meetings	18/18 meetings	Makes suitable statements for maintaining the adequateness of taxes for the Lion Group.
Atsuko Suzuki	16/18 meetings	17/18 meetings	Regarding the business execution of the entire Group, she made appropriate remarks based on her knowledge as an expert mainly on sustainability.

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

In order to contribute to the realization of the Company's management policy and the continuous and medium- to long-term improvement of the Company's corporate value, we design the executive compensation system to be a sound and appropriate incentive necessary to secure excellent human resources responsible for the management of the Company.

The Board of Directors consults with the Compensation Advisory Committee within the range of the amount of compensation of directors and Audit & Supervisory Board members (executive compensation) resolved at the general meeting of shareholders, and based on the results of the

report, compensation for directors is determined by the Board of Directors, and for Audit & Supervisory Board members is determined by the Audit & Supervisory Board.

Compensation of directors excluding external directors consists of monthly fixed remuneration and performance-linked compensation (bonuses, stock-based compensation). Compensation for external directors and Audit & Supervisory Board members shall be monthly fixed remuneration 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 executive officers.

The ratio of compensation for directors excluding external directors is determined by position based on fixed remuneration of 50% and performance-linked compensation of 50% (including bonuses of 30% and stock-based compensation of 20%), and the ratio of performance-linked compensation shall be set to increase in accordance with the promotion of roles, and reviewed as necessary. Fixed remuneration is assessed and added to or subtracted from once a year according to the degree of performance of business execution function and management oversight function. Performance-linked compensation is calculated according to the achievement status of the target values for each fiscal year, and it is paid to each individual at a certain time after the end of the fiscal 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 less than 10,000 yen) to each director, and the upper limit shall be 250 million yen. However, if each of the above profits is a loss, the profit amount is calculated as 0.

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

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

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

(2) Indicators Used to Calculate Performance-Linked Compensation

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

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

Indicator as a goal	Target value	Achievement	Achievement rate
Core operating income	¥23,000 million	¥23,559 million	102%
Profit for the period attributable to owners of the parent	¥20,000 million	¥21,939 million	110%

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

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

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

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

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

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

Classification	Number of Corporate Officers	Fixed compensation	Performance-linked compensation		Total
			Bonuses	Stock-based compensation	
Directors	12	¥287 million	¥141 million	¥109 million	¥538 million
(External Directors)	(4)	(¥48 million)	—	—	(¥48 million)
Audit & Supervisory Board Members	5	¥96 million	—	—	¥96 million
(External Audit & Supervisory Board Members)	(3)	(¥36 million)	—	—	(¥36 million)
Total	17	¥383 million	¥141 million	¥109 million	¥634 million
(External officers)	(7)	(¥84 million)	—	—	(¥84 million)

Notes:

1. There are no directors of the Company who concurrently serve as employees.
2. The fixed compensation for directors was decided to be up to ¥300 million for one fiscal year at the 156th Annual 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 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 attributable to owners of the parent company by the method described above. The maximum amount of bonuses was resolved at the 156th Annual Meeting of Shareholders held on March 30, 2017 at 250 million yen 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 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 yen 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	¥105 million
(2) Total amount of money and other financial profits to be paid by the Company and its subsidiaries	¥149 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 all 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 33, Lion Daily Necessities Chemicals (Qingdao) Co., Ltd., Lion Home Products (Taiwan) Co., Ltd., Lion Corporation (Korea), Lion Corporation (Singapore) Pte. Ltd., Lion Corporation (Hong Kong) Ltd., 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 ¥12 per share (payment date: September 5, 2022) and a year-end dividend of ¥13 per share (payment date: March 2, 2023) for the fiscal year under review.

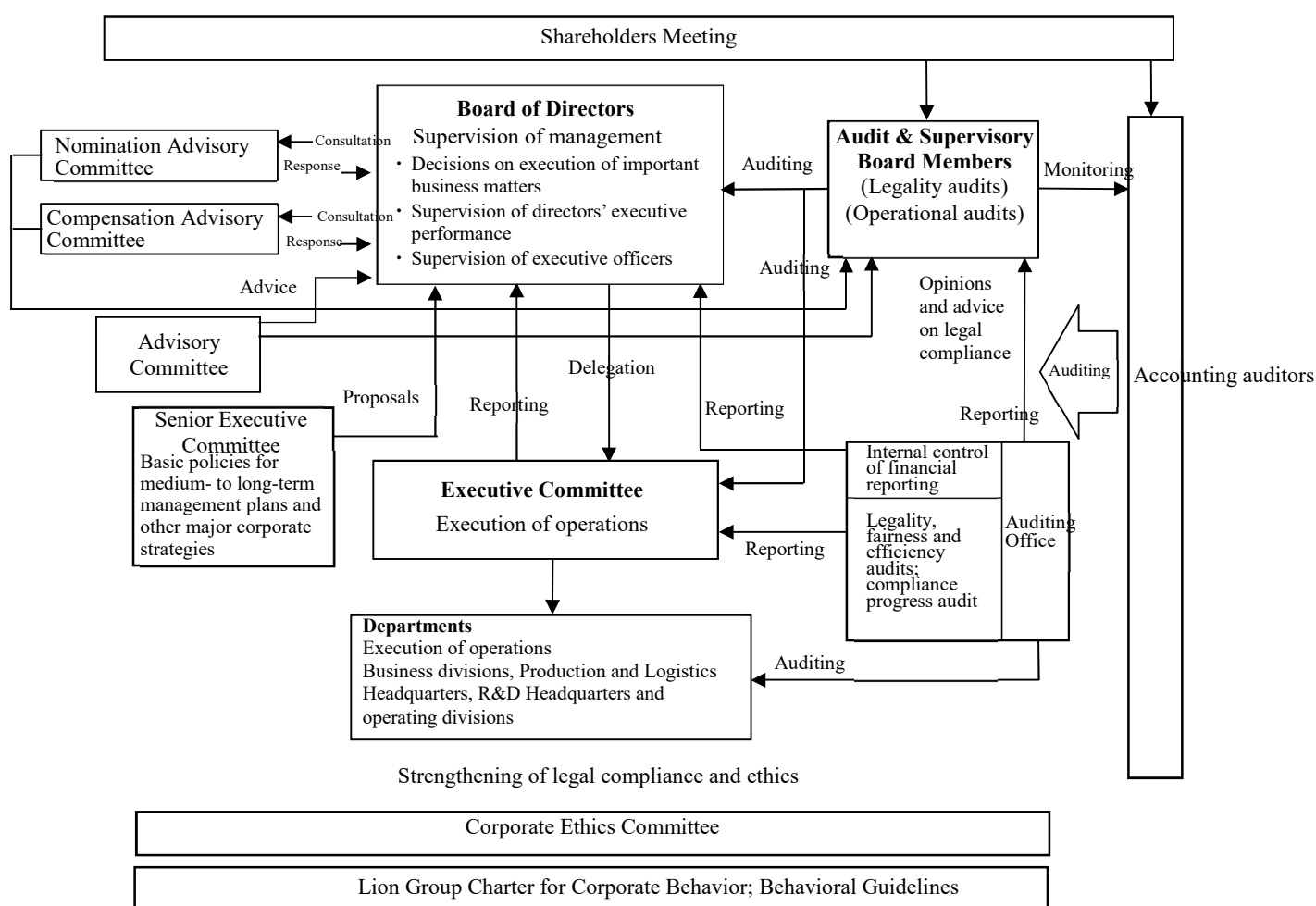
Reference

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 a Board of Corporate Auditors as defined in the Corporation Law, with a system of corporate governance in which the Board of Directors provides adequate oversight of management while independently operating corporate auditors 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.



■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 Company determines important matters related to the business execution of the Company and supervises the business execution of directors and executive officers. Also, in addition to the regular Board of Directors' meetings, resolutions of the Board of Directors may be made in writing in accordance with laws and regulations. For important corporate strategies such as the basic policies of the medium- to long-term management plan, a system is established that enables the Board of Directors to make appropriate decisions upon deliberation by the Senior Executive Committee. Additionally, with regard to measures related to business execution that are directly connected to the business, the Executive Committee has a system in place to discuss and examine issues from various angles.

■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 Takao Yamaguchi, Setsuko Takemoto, Atsuko Suzuki; in addition to Mr. Itsuo Hama, Chairman of the Board of Directors. (as of December 31, 2022).

■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 Meeting of Shareholders held on March 30, 2017. Furthermore, at the Compensation Advisory Committee meeting held in December 2020, the renewal of performance-linked stock-based compensation, 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 2022, monthly fixed remuneration was resolved at the Board of Directors' meeting held in March 2022 based on the report of the Compensation Advisory Committee held in February 2022, and performance-linked remuneration will be deliberated at the Board of Directors' meeting in March 2023 based on the report of the Compensation Advisory Committee held in February 2023. 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 Takao Yamaguchi, Setsuko Takemoto and Atsuko Suzuki (as of December 31, 2022).

■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 six members.

■Audit & Supervisory Board members and Audit & Supervisory Board

There are 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 the two external Audit & Supervisory Board members 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 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 audits on subsidiaries in accordance with the Audit & Supervisory Board members' standards, audit policy, audit plans, etc. stipulated by the Audit & Supervisory Board. The Audit & Supervisory Board regularly meets once every two months, and holds extraordinary meetings as necessary. The Audit & Supervisory Board exchanges information, opinions and views from a risk approach standpoint, and facilitates coordination upon receiving audit reports (including internal control, which is conducted as part of the accounting auditor process) from accounting auditors and audit reports (including the status of the development, operation status, and evaluation results of internal control relating to financial reporting based on the Financial Instruments and Exchange Act) from the Auditing Office, which is the internal auditing division. Furthermore, the opinions of external directors are used in forming the opinions of Audit & Supervisory Board members as they relate to each proposal from the Board of Directors. Moreover, regular meetings that promote the exchange of information, opinions and views will be conducted with the representative directors three times a year.

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: Taking on the Challenge to Solve Sustainability Issues through Living Habit Creation (Environment/Health)

Promoting Environmental Initiatives for a Sustainable Planet

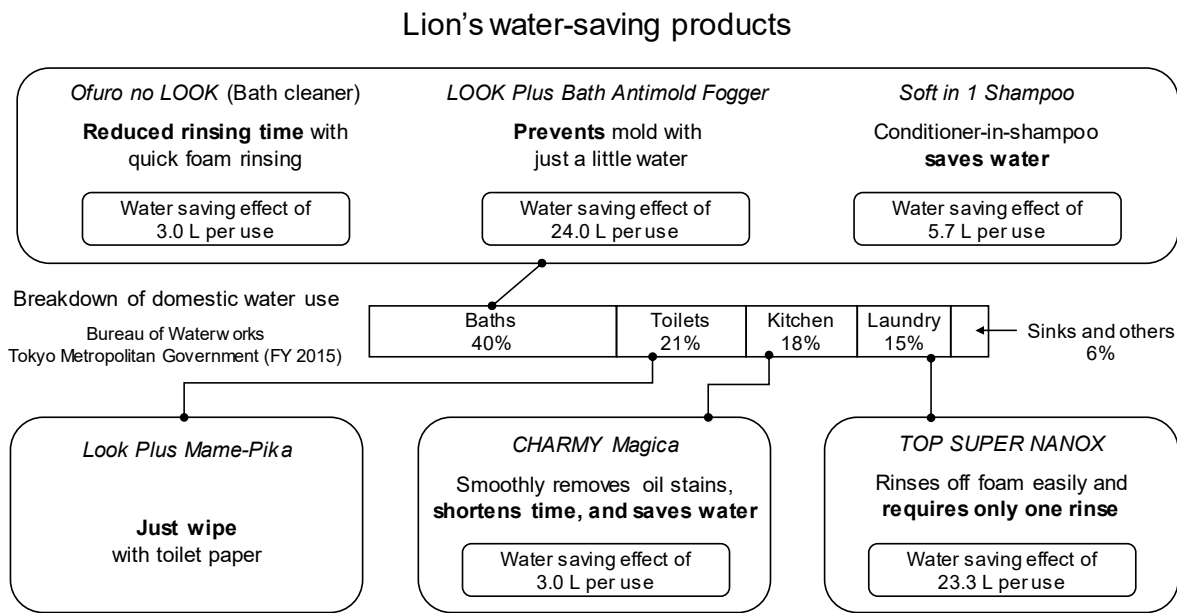
Lion has used cutting-edge technology to enhance its lineup of products with lower environmental impact, be it products with lower CO₂ emissions or reduced plastic and water use. We have also contributed to a more sustainable global environment and achieved business growth by proposing more environmentally friendly habits among consumers.

We are taking on the challenge of reducing CO₂ emissions and water consumption at home, which have a particularly large impact on the environment, through the development of environmentally friendly habits among consumers.

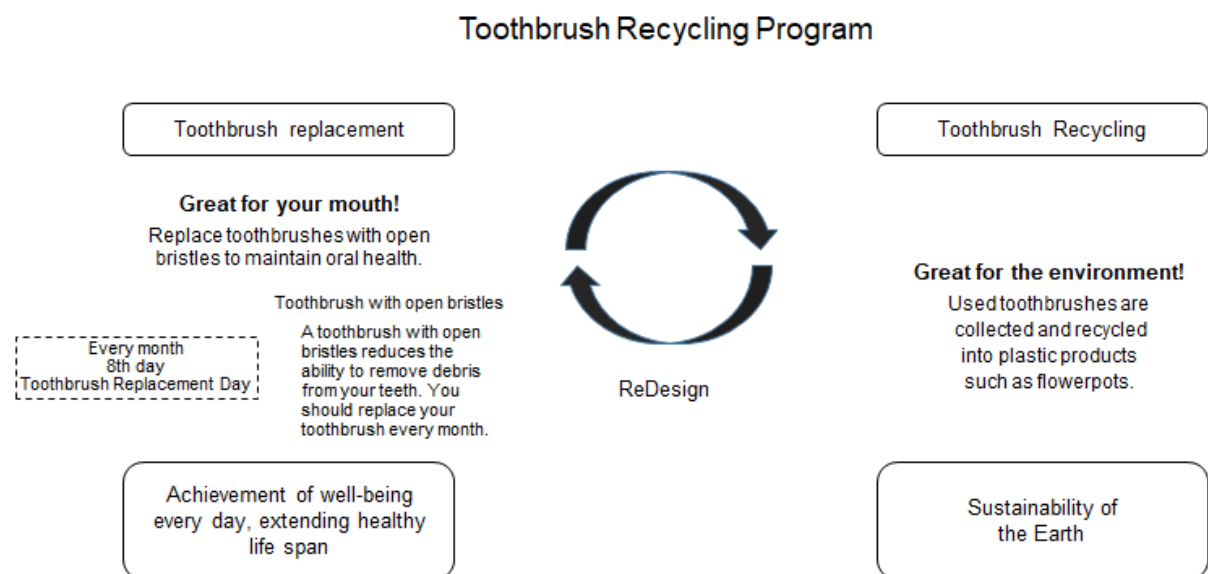
■ Creating environmentally friendly habits through water and power saving (Provide environmentally friendly products)

“Environmentally-friendly Living, Everyday” mark

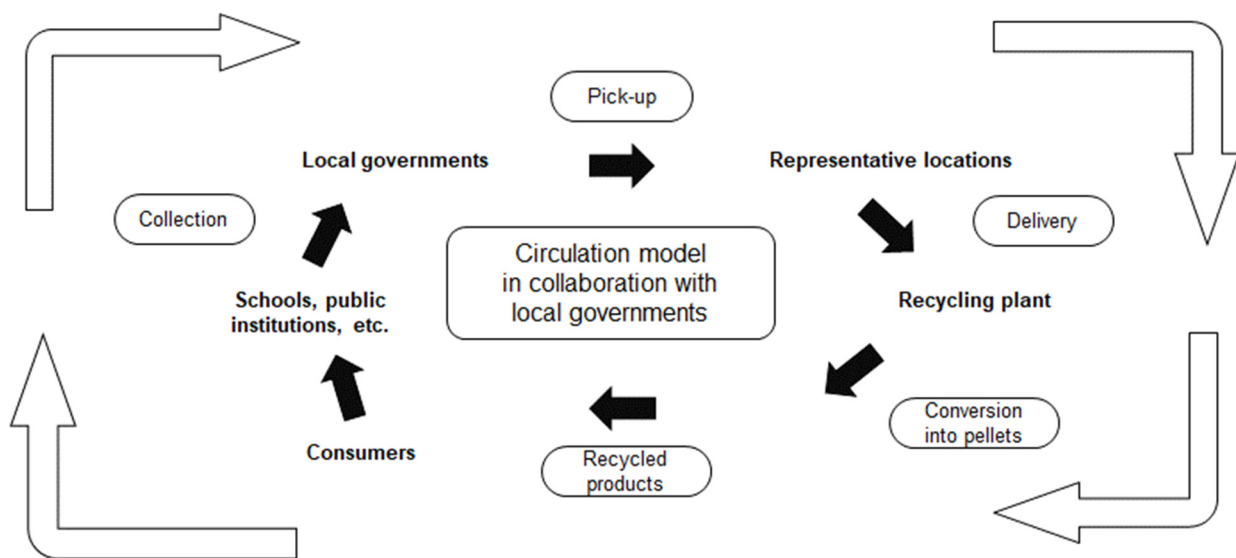
The environmental slogan “Environmentally-friendly Living, Everyday” and the environmental mark are combined as a symbol to represent our environmental activities. To help customers choose environmentally friendly products, we display an environmental label on products that meet our proprietary Lion Eco Standards along with the environmental reasons why they are environmentally friendly.



■ Foster waste-free habits (Promotion of recycling activities)



Resource circulation (collection, recycling, reclamation) mechanism with local governments



Creating Healthy Living Habits

Lion's origins lie in soap and toothpaste. We have sought to encourage consumers to enjoy healthy living through the provision of superior products while engaging in communication and educational activities aimed at promoting better living habits. In addressing social and lifestyle issues through better living habits, we aim to contribute to consumers' everyday lives and in turn achieve sustainable business growth.

■ Creating hand washing habits

The world is moving toward coexistence with the coronavirus as behavioral and other restrictions due to COVID-19 are being eased. We continue to promote the creation of hand washing habits through means including the Internet so that everyone can live a healthy and safe life.

Hand washing educational activities at elementary schools

108 employees educated a total of approximately 1,100 elementary and kindergarten children about hand washing in 2022.

Hybrid classes fusing on-site and online methods

KireiKirei Global Draw My Bottle Contest, Global Handwashing Day (October 15)

We received 24,250 entries from Japan and overseas, depicting the dreams and hopes of children.

Held in 8 countries/regions where *KireiKirei* is available

Gold Prize (Japan)

■ Creating oral care habits

Inclusive oral care "Okuchikarada Project" (Activities at children's community centers)

In Japan, relative poverty of children has become a social issue. Because good living habits acquired which children learn at young age help reduce the health gap when they become adults, along with the provision of experience kits, employees volunteer to help children, mainly at children's community centers that provide meals and services that deliver food to households with children, to develop oral care habits.

Children's community centers using an experience kit (employee volunteers)

We provided experience kits to approximately 60,000 children, a total of 1,106 organizations. A total of 129 employee volunteers worked at 39 children's community centers.

Information about Lion Group's Sustainability is available on Lion's website.
<https://www.lion.co.jp/ja/sustainability/> (in Japanese)

Reference

Consolidated Statements of Financial Position
(As of December 31, 2022)

(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	237,691	232,150	Current liabilities	141,574	139,218
Cash and cash equivalents	101,078	97,250	Trade and other payables	126,024	123,146
Trade and other receivables	71,263	70,115	Borrowings	1,433	1,411
Inventories	53,909	51,714	Income tax payables	2,182	2,470
Other financial assets	7,977	6,656	Provisions	1,444	1,673
Other current assets	3,462	6,413	Lease liabilities	1,746	1,483
			Other financial liabilities	1,681	855
			Other current liabilities	7,061	8,178
Non-current assets	231,587	195,875	Non-current liabilities	48,536	23,792
Property, plant and equipment	130,137	120,673	Borrowings	141	392
Goodwill	327	182	Deferred tax liabilities	2,701	1,270
Intangible assets	23,917	23,975	Retirement benefit liabilities	10,431	12,684
Right-of-use assets	31,518	5,416	Provisions	2,058	332
Investments accounted for using the equity method	8,939	6,935	Lease liabilities	28,849	5,088
Deferred tax assets	3,912	6,005	Other financial liabilities	2,378	2,469
Retirement benefit assets	9,147	9,768	Other non-current liabilities	1,974	1,554
Other financial assets	22,856	21,815	Total liabilities	190,110	163,011
Other non-current assets	831	1,100	Equity		
			Share capital	34,433	34,433
			Capital surplus	31,069	35,189
			Treasury stock	(8,056)	(4,731)
			Other components of equity	13,966	9,311
			Retained earnings	192,842	177,370
			Equity attributable to owners of the parent	264,255	251,572
			Non-controlling interests	14,912	13,442
			Total equity	279,168	265,014
Total assets	469,278	428,025	Total liabilities and equity	469,278	428,025

Consolidated Statement of Income
(From January 1, 2022 to December 31, 2022)

(Millions of yen)		
Item	Amount	(Reference) Amount for the previous fiscal year
Net sales	389,869	366,234
Cost of sales	(215,263)	(187,129)
Gross profit	174,605	179,104
Selling, general and administrative expenses	(151,046)	(148,181)
Other income	6,738	1,208
Other expenses	(1,453)	(953)
Operating profit	28,843	31,178
Finance income	804	817
Finance costs	(179)	(136)
Share of profit (loss) of investments accounted for using the equity method	1,824	2,229
Profit before tax	31,292	34,089
Income taxes	(8,182)	(8,657)
Profit for the period	23,110	25,431
Profit for the period attributable to:		
Owners of the parent	21,939	23,759
Non-controlling interests	1,170	1,671
Profit for the period	23,110	25,431

Non-consolidated Balance Sheet
(As of December 31, 2022)

(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	161,268	164,605	Current liabilities	115,453	109,630
Cash and deposits	84,775	83,147	Notes payable - trade	15,626	16,370
Notes receivable - trade	1,708	1,700	Accounts payable - trade	35,638	31,076
Accounts receivable - trade	35,819	37,856	Lease obligations	38	59
Merchandise and finished goods	22,994	23,619	Accounts payable - other		
Work in process	1,276	1,117		41,029	37,303
Raw materials and supplies	7,513	7,300	Accrued expenses	2,409	2,488
Prepaid expenses	1,421	1,413	Income taxes payable	310	490
Accrued income	920	1,240	Deposits received	12,704	12,881
Other current assets	4,842	7,214	Refund liability	4,231	4,806
Allowance for doubtful accounts	(5)	(5)	Provision for bonuses	1,808	2,998
			Provision for sales promotion expenses	856	968
			Provision for bonuses for directors (and other officers)	136	165
			Other	663	20
Non-current assets	171,175	161,882	Non-current liabilities	12,573	9,931
Property, plant and equipment	93,915	83,666	Lease obligations	55	89
Buildings and structures	29,579	30,671	Provision for directors' stock benefits	698	659
Machinery and equipment	37,068	37,808	Provision for retirement benefits	8,429	7,418
Vehicles	193	168	Long-term time deposits	1,279	1,369
Tools, furniture and fixtures	4,158	3,679	Asset retirement obligations	2,111	393
Land	7,833	7,833			
Leased assets	93	148			
Construction in progress	14,988	3,355			
			Total Liabilities	128,027	119,562
Intangible assets	16,420	16,475			
Software	15,255	1,053	(Net assets)		
Trademark right	267	303	Shareholders' equity	197,354	200,251
Software in progress	670	14,854	Share capital	34,433	34,433
Other	225	263	Capital surplus	31,499	35,757
Investments and other assets	60,839	61,740	Legal capital surplus	31,499	31,499
Investment securities	15,716	15,093	Other capital surplus	-	4,257
Shares of subsidiaries and associates	23,320	23,017	Retained earnings	140,554	135,968
Investments in capital of subsidiaries and associates	3,606	3,606	Legal retained earnings	5,551	5,551
Long-term loans receivable	3,770	3,455	Other retained earnings	135,002	130,417
Long-term prepaid expenses	54	150	Reserve for reduction entry	602	280
Prepaid pension cost	8,429	9,697	Reserve for dividends	2,365	2,365
Deferred tax assets	3,857	4,902	Reserve for research and development	830	830
Other	2,115	1,846	General reserve	18,280	18,280
Allowance for doubtful accounts	(29)	(29)	Retained earnings brought forward	112,925	108,662
			Treasury stock	(9,133)	(5,908)
			Valuation and translation adjustments	6,938	6,539
			Valuation difference on available-for-sale securities	6,938	6,539
			Share acquisition rights	123	135
Total Assets	332,443	326,488	Total Net Assets	204,415	206,925
			Total liabilities and net asset	332,443	326,488

Non-consolidated Statement of Income
(From January 1, 2022 to December 31, 2022)

(Millions of yen)

Item	Amount		(Reference) Amount for the previous fiscal year	
Net sales		231,299		230,522
Cost of sales		118,610		108,143
Gross profit		112,688		122,378
Selling, general and administrative expenses		103,722		106,636
Operating profit		8,966		15,742
Non-operating income				
Interest income	29		27	
Dividend income	5,916		11,199	
Royalty income	1,843		1,558	
Miscellaneous income	1,086	8,876	384	13,170
Non-operating expenses				
Interest expenses	104		138	
Loss on disposal of inventories	358		251	
Miscellaneous loss	82	546	34	424
Ordinary profit		17,296		28,488
Extraordinary income				
Gain on disposal of non-current assets	1		-	
Gain on sales of investment securities	404		3,119	
Gain on sales of shares of subsidiaries and associates	33	439	2,115	5,234
Extraordinary losses				
Gain on disposal of non-current assets	486		367	
Impairment loss	179		15	
Other	3	669	205	587
Profit before income taxes		17,066		33,134
Income taxes - current	2,323		5,700	
Income taxes - deferred	868	3,191	478	6,178
Profit		13,874		26,956

Auditors' Report

Accounting Auditor's report for the consolidated financial statements (Certified Copy)

Report of Independent Auditors (Translation)

February 10, 2023

The Board of Directors
Lion Corporation

Tokyo Office
Ernst & Young ShinNihon LLC
Hirokazu Tanaka
Certified Public Accountant
Designated, Limited Liability and Operating
Partner

Masayuki Tada
Certified Public Accountant
Designated, Limited Liability and Operating
Partner

Audit opinion

Pursuant to the provisions of Article 444, paragraph 4 of the Companies Act, we have audited the consolidated financial statements of Lion Corporation (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2022, the consolidated statement of income, the consolidated statement of changes in equity, and the notes to the consolidated financial statements for the fiscal year from January 1, 2022 to December 31, 2022.

In our opinion, the consolidated financial statements referred to above, in accordance with accounting principles that omit a part of the disclosures required under International Financial Reporting Standards pursuant to the provisions of the second sentence of paragraph 1 of Article 120 of the Ordinance on Company Accounting, present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2022 and the results of their operations for the period then ended.

Basis for audit opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditors' responsibility for the audit of the consolidated financial statements* section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the regulations on professional ethics in Japan, and we have fulfilled our other ethical responsibilities as the auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The other information refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. In addition, Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of duties within the maintenance and operation of the reporting process for the other information.

The scope of our audit opinion on the consolidated financial statements does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the consolidated financial statements is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the consolidated financial statements or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to report regarding the other information.

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 the consolidated financial statements in accordance with accounting principles that omit a part of the disclosures required under International Financial Reporting Standards pursuant to the provisions of the second sentence of paragraph 1 of Article 120 of the Ordinance on Company Accounting; this includes the development and operation of internal control deemed necessary by management for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements on the going concern basis of accounting and, as required, disclosing matters related to going concern in accordance with accounting principles that omit a part of the disclosures required under International Financial Reporting Standards pursuant to the provisions of the second sentence of paragraph 1 of Article 120 of the Ordinance on Company Accounting.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by the directors in the development and operation of the financial reporting process.

Auditors' responsibility for the audit of the consolidated financial statements

Our responsibility is to express an opinion on the consolidated financial statements in our audit report from an independent standpoint based on our audit by obtaining reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error. 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 decision-making of users of the consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we perform the following by exercising professional judgment and maintaining professional skepticism throughout the audit.

- We identify and assess the risks of material misstatement, whether due to fraud or error, and then design and perform audit procedures responsive to those risks. The procedures selected and applied depend on the auditors' judgment. Further, we 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 internal control.
- We evaluate the appropriateness of accounting policies and their method of application adopted by management, as well as the reasonableness of accounting estimates made by management and adequacy of related disclosures in the notes.
- We conclude on the appropriateness of management's use of the going concern basis of accounting to prepare the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the going concern basis of accounting. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the notes to consolidated financial statements or, if such disclosures are inadequate, to express a qualified opinion with an exceptive item on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause an entity to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the related disclosures in the notes, and whether the consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation, in addition to whether the presentation of the consolidated financial statements and related disclosures in the notes are in accordance with accounting principles that omit a part of the disclosures required under International Financial Reporting Standards pursuant to the provisions of the second sentence of paragraph 1 of Article 120 of the Ordinance on Company Accounting.
- We obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit on the consolidated financial statements. We remain solely responsible for our audit opinion.

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

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with the regulations on professional ethics in Japan regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards to eliminate or mitigate factors that may hinder our independence.

Interests in the Company

Our firm and engagement partners have no interest in the Company and its consolidated subsidiaries that should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Report of Independent Auditors

February 10, 2023

The Board of Directors
Lion Corporation

Tokyo Office
Ernst & Young ShinNihon LLC

Hirokazu Tanaka
Certified Public Accountant
Designated, Limited Liability and Operating
Partner

Masayuki Tada
Certified Public Accountant
Designated, Limited Liability and Operating
Partner

Audit opinion

Pursuant to the provisions of Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the non-consolidated financial statements of Lion Corporation (the “Company”), which comprise the balance sheet as of December 31, 2022, the statement of income, the statement of changes in shareholders’ equity, the notes to the non-consolidated financial statements as well as the related supplementary schedules thereto (hereinafter, collectively, the “non-consolidated financial statements, etc.”) for the 162nd fiscal year from January 1, 2022 to December 31, 2022.

In our opinion, the above non-consolidated financial statements, etc. present fairly, in all material respects, the financial position and results of operations of the Company, applicable to the fiscal year ended December 31, 2022, in accordance with accounting principles generally accepted in Japan.

Basis for audit opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditors’ responsibility for the audit of the non-consolidated financial statements, etc.* section of our report. We are independent of the Company in accordance with the regulations on professional ethics in Japan, and we have fulfilled our other ethical responsibilities as the auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The other information refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. In addition, Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the directors’ performance of duties within the maintenance and operation of the reporting process for the other information.

The scope of our audit opinion on the non-consolidated financial statements does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the non-consolidated financial statements is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the non-consolidated financial statements or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to report regarding the other information.

Responsibility of management, Audit & Supervisory Board members and the Audit & Supervisory Board for the non-consolidated financial statements, etc.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan; this includes the development and operation of internal control deemed necessary by management for the preparation and fair presentation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. on the going concern basis of accounting and disclosing matters related to going concern, as required by accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by the directors in the development and operation of the financial reporting process.

Auditors' responsibility for the audit of the non-consolidated financial statements, etc.

Our responsibility is to express an opinion on the non-consolidated financial statements, etc. in our audit report from an independent standpoint based on our audit by obtaining reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error. 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 decision-making of users of the non-consolidated financial statements, etc.

As part of an audit in accordance with auditing standards generally accepted in Japan, we perform the following by exercising professional judgment and maintaining professional skepticism throughout the audit.

- We identify and assess the risks of material misstatement, whether due to fraud or error, and then design and perform audit procedures responsive to those risks. The procedures selected and applied depend on the auditors' judgment. Further, we 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, etc. is not expressing an opinion on the effectiveness of the internal control.
- We evaluate the appropriateness of accounting policies and their method of application adopted by management, as well as the reasonableness of accounting estimates made by management and adequacy of related disclosures in the notes.
- We conclude on the appropriateness of management's use of the going concern basis of accounting to prepare the non-consolidated financial statements, etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the going concern basis of accounting. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the notes to non-consolidated financial statements, etc. or, if such disclosures are inadequate, to express a qualified opinion with an exceptive item on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the non-consolidated financial statements, etc., including the related disclosures in the notes, and whether the non-consolidated financial statements, etc. represent the underlying transactions and accounting events in a manner that achieves fair presentation, in addition to whether the presentation of the non-consolidated financial statements, etc. and related disclosures in the notes are in accordance with accounting principles generally accepted in Japan.

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

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with the regulations on professional ethics in Japan regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards to eliminate or mitigate factors that may hinder our independence.

Interests in the Company

Our firm and engagement partners have no interest in the Company that should be disclosed pursuant to the provisions of 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 162nd fiscal year (from January 1, 2022 to December 31, 2022), 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 accounting auditors on the status of the performance of their duties and asked them for explanations as necessary.
- (2) In accordance with the auditing standards stipulated by the Audit & Supervisory Board, auditing policies and audit plans, etc. for the fiscal year under review, 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, obtained 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 Ordinance for Enforcement of the Company Law 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. As necessary, Audit & Supervisory Board members also asked for explanations from directors and employees and expressed opinions.
 - (iii) An investigation on the situation of deliberation by the Board of Directors and other parties regarding the basic policy of Article 118 (iii) (a) of the Ordinance for Enforcement of the Companies Act and the efforts of (iii) (b) of the same Article indicated in the business report has been added.
 - (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 it 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 Ordinance on Accounting of Companies) have been developed in accordance with the "Quality Control Standards concerning Audit" (Business Accounting Council, October 28, 2005) and other applicable regulations, and we asked the accounting auditor for explanations as necessary.

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

2. Audit results

(1) Results of audit of the business report, etc.

- (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 act committed or important violation 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) Matters to be pointed out are not recognized for the basic policy regarding the governance of the Company as indicated in the business report.
We confirm that the efforts of Article 118 (iii) (b) of the Ordinance for Enforcement of the Companies Act indicated in the business report follow the corresponding basic policy, do not damage 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 financial statements and their supplementary schedules

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

(3) Results of audit of consolidated financial statements

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

February 10, 2023

The Audit & Supervisory Board,
Lion Corporation

Toshiyuki Nikkawa
Standing Audit & Supervisory Board Member

Yoshiaki Kamao
Standing Audit & Supervisory Board Member

Takao Yamaguchi
External Audit & Supervisory Board Member

Setsuko Takemoto
External Audit & Supervisory Board Member

Atsuko Suzuki
External Audit & Supervisory Board Member