



Summary of Consolidated Financial Statements for the First Quarter Ended March 31, 2026 [IFRS]

May 12, 2026

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

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Dividend payment commencement date: —
Supplementary materials prepared for quarterly results: Yes
Quarterly results information meeting held: Yes (for institutional investors, analysts, etc.)

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

1. Consolidated Results for the First Quarter Ended March 31, 2026 (January 1, 2026 – March 31, 2026)

(1) Consolidated Results (cumulative)

(Percentage figures denote year on year change)

	Net sales		Operating profit		Profit before tax	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2026	99,205	5.3	6,292	11.6	7,392	16.9
Three months ended March 31, 2025	94,237	1.4	5,636	15.2	6,322	8.7

	Profit for the period		Profit for the period attributable to owners of the parent		Total comprehensive income for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2026	5,297	11.4	4,206	4.5	5,384	—
Three months ended March 31, 2025	4,755	13.3	4,026	13.5	(1,329)	—

Note: Core operating income for the three months ended March 31, 2026 was ¥6,015 million (up 13.8% year on year).
Core operating income for the three months ended March 31, 2025 was ¥5,287 million (up 32.4% year on year).
Core operating income is an earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross profit.

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2026	15.21	15.19
Three months ended March 31, 2025	14.57	14.54

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
March 31, 2026	520,307	349,708	323,161	62.1
December 31, 2025	528,596	348,419	322,726	61.1

2. Dividends

	Cash dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2025	—	15.00	—	15.00	30.00
Fiscal 2026	—				
Fiscal 2026 (forecast)		17.00	—	17.00	34.00

Note: Changes from the most recently published forecast of dividends: No

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2026 (January 1, 2026 – December 31, 2026)

(Percentage figures denote year-on-year change)

	Net sales		Operating profit		Profit for the period attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half 2026	210,000	5.3	19,000	42.0	10,000	4.1	36.15
Fiscal 2026	430,000	1.9	40,000	10.0	25,000	(9.4)	90.38

Notes: 1. Core operating income forecast: First half 2026 : ¥14,000 million
Fiscal 2026 : ¥35,000 million

2. Changes from the most recently published financial results forecast: No

Notes

- (1) Significant Change in Scope of Consolidation during Period: Yes
Newly included: 8 companies (Company name) PNB Consolidated Pty Ltd and others
Excluded: - company (Company name)
- (2) Changes in accounting principles, procedures and presentation methods in connection with the preparation of quarterly consolidated financial statements:
- Changes in accounting standards required under IFRS: No
 - Other changes: No
 - Changes in accounting estimates: No
- (3) Number of outstanding shares (common stock)
- Number of outstanding shares on balance sheet dates (including treasury stocks):
As of March 31, 2026: 279,782,746 shares
As of December 31, 2025: 279,782,746 shares
 - Number of treasury stocks on balance sheet date:
As of March 31, 2026: 3,116,125 shares
As of December 31, 2025: 3,130,893 shares
 - Average number of shares outstanding over period
Three months ended March 31, 2026: 276,656,670 shares
Three months ended March 31, 2025: 276,422,569 shares

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

* Appropriate use of results forecasts; other special items

The forecasts and projected operating results contained in this report are based on information available at the time of preparation and thus involve inherent risks and uncertainties, including those related to economic conditions, the competitive environment and exchange rate fluctuations. Accordingly, readers are cautioned that actual results may differ materially from those projected as a result of a variety of factors. For information on forecasts of operating results, see 1. Qualitative Information Concerning the Results of Operations for the First Quarter of the Current Fiscal Year (3) Forecast of Consolidated Financial Results on page 9.

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1. Qualitative Information Concerning the Results of Operations for the First Quarter of the Current Fiscal Year

(1) Consolidated Performance

Consolidated results for the first quarter of fiscal 2026 (January 1, 2026–March 31, 2026) are as follows. Net sales amounted to ¥99,205 million, a year-on-year increase of 5.3% (or an increase of 1.7% at constant currency excluding exchange rate fluctuations). Core operating income came to ¥6,015 million, up 13.8% compared with the previous fiscal year, and operating profit to ¥6,292 million, up 11.6% year on year. Profit for the period attributable to owners of the parent totaled ¥4,206 million, up 4.5% compared with the previous fiscal year.

The Lion Group is efficiently advancing measures in line with the three basic policies of Vision2030 2nd STAGE, its three-year medium-term management plan, namely, strengthening business portfolio management, strengthening the management base and generating dynamism, while responding to changes in its business environment.

The Company is continuing to pursue the top priority material issue of expanding its oral healthcare business both domestically and overseas. In Beauty Care, positioned as a Challenge for Growth business, we acquired all shares of PNB Consolidated Pty Ltd, a company that manufactures and sells natural beauty care products in Australia, and made it a wholly owned subsidiary as part of our efforts to create new business opportunities. In addition, we have steadily advanced the review of our business portfolio, including making the decision to transfer the shares of two subsidiaries in the Chemical Products business.

Consolidated Results

(Millions of yen)						
	Three months ended March 31, 2026	Ratio to net sales	Three months ended March 31, 2025	Ratio to net sales	Change	Change (%)
Net sales	99,205		94,237		4,967	5.3%
Core operating income	6,015	6.1%	5,287	5.6%	728	13.8%
Operating profit	6,292	6.3%	5,636	6.0%	656	11.6%
Profit for the period attributable to owners of the parent	4,206	4.2%	4,026	4.3%	180	4.5%

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

Results by Business Segment

(Millions of yen)

	Net sales				Core operating income			
	Three months ended March 31, 2026	Three months ended March 31, 2025	Change	Change (%)	Three months ended March 31, 2026	Three months ended March 31, 2025	Change	Change (%)
Consumer Products	57,372	55,383	1,988	3.6%	4,063	4,419	(356)	(8.1%)
Industrial Products	13,233	14,157	(923)	(6.5%)	653	654	(1)	(0.2%)
Overseas	46,989	42,462	4,526	10.7%	2,895	1,801	1,094	60.7%
Other	1,387	2,766	(1,378)	(49.8%)	(45)	(24)	(21)	—
Subtotal	118,983	114,769	4,213	3.7%	7,565	6,850	715	10.4%
Adjustment	(19,777)	(20,531)	754	—	(1,549)	(1,563)	13	—
Total	99,205	94,237	4,967	5.3%	6,015	5,287	728	13.8%

Results by business segment are as follows.

Consumer Products Business

The Consumer Products Business segment comprises the Oral Healthcare Products, Beauty Care Products, Fabric Care Products, Living Care Products, Pharmaceutical Products, and Other Products businesses. Segment net sales increased 3.6% compared with the same period in the previous fiscal year. Reflecting active advertising and promotion primarily for mainstay brands, core operating income decreased 8.1%.

(Millions of yen)

	Three months ended March 31, 2026	Ratio to net sales	Three months ended March 31, 2025	Ratio to net sales	Change	Change (%)
Net sales	57,372		55,383		1,988	3.6%
Core operating income	4,063	7.1%	4,419	8.0%	(356)	(8.1%)

Note: Net sales include internal sales within and among segments, which amounted to ¥9,192 million in the first quarter of fiscal 2026 and ¥8,271 million in the first quarter of fiscal 2025.

Net Sales by Product Segment

(Millions of yen)

	Three months ended March 31, 2026	Three months ended March 31, 2025	Change	Change (%)
Oral Healthcare Products	18,287	16,648	1,638	9.8%
Beauty Care Products	5,526	5,701	(174)	(3.1%)
Fabric Care Products	13,680	13,418	261	1.9%
Living Care Products	4,393	5,476	(1,082)	(19.8%)
Pharmaceutical Products	4,973	4,742	230	4.9%
Other Products	10,510	9,395	1,114	11.9%

Note: Previously, transactions related to gifts and novelty products as well as some internal Group transactions were attributed to the Consumer Products business segment in the “Other” category, but to reflect organizational changes, accounting for these items has been transferred by category to the Oral Healthcare, Beauty Care, Fabric Care, Living Care, and Pharmaceutical categories starting from the beginning of fiscal 2026.

Segment information for the first quarter of the previous consolidated fiscal year has been reclassified to reflect this change.

Oral Healthcare Products

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

In toothpastes, sales of *CLINICA Advantage Toothpaste* were strong, and with the addition of the new *Dent Health Medicated Toothpaste DX Premium* in Lion's highest price range launched in September of last year, overall sales increased year on year.

In toothbrushes, sales of *SYSTEMA Toothbrush* and *CLINICA ADVANTAGE Toothbrush* were favorable, and overall sales increased year on year.

In dental rinses, sales of *NONIO Plus Whitening Dental Rinse* were strong, and overall sales increased year on year.

In addition to the above, sales of products sold through dental clinics increased, resulting in overall sales of Oral Healthcare Products increasing 9.8% year on year.

Beauty Care Products

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

In hand soaps, sales of *KireiKirei Medicated Foaming Hand Soap* increased year on year, leading to an overall increase in sales year on year. However, in body washes, due to restrained promotions ahead of its brand restage in April, sales of *hadakara Body Soap* were down year on year, and overall sales of Beauty Care Products decreased 3.1% year on year.

Fabric Care Products

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

In fabric softeners, sales of the new and improved *SOFLAN Premium Deodorizer* launched in March were strong, but sales of *SOFLAN Aroma Rich* decreased year on year, and overall sales decreased year on year.

In laundry detergents, sales of *TOP Clear Liquid Antibacterial* increased significantly year on year, and overall sales increased year on year. With the launch of the new *NANOX one Antibacterial x Quick Wash* at selected retailers, which enables a zero rinse 15-minute* wash cycle while suppressing odors through its high antibacterial properties, we proposed a new laundry habit.

As a result, year on year total sales of Fabric Care Products increased 1.9%.

*In the case of a zero-rinse cycle using standard models from major domestic washing machine manufacturers

Living Care Products

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

In household cleaners, sales of *LOOK Plus Bath Cleansing* were firm, and sales of *LOOK Plus Toilet Cleansing Spray*, added to the product lineup last year, were up substantially year on year, and overall sales increased year on year.

In dishwashing detergents, ahead of an improved relaunch in April, sales of *CHARMY Magica* were down year on year, and overall sales decreased year on year.

In addition, due to the impact of transferring the *REED* brand of food preparation products to another company in October 2025, overall sales of Living Care Products decreased 19.8% year on year.

Pharmaceutical Products

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

In antipyretic analgesics, sales of *BUFFERIN PREMIUM* increased year on year, but sales of *BUFFERIN PREMIUM DX QUICK⁺* were down year on year, and overall sales decreased year on year.

In eye drops, sales of *Smile 40 Premium* were down year on year, and overall sales decreased year on year.

However, in acne medicines, *PAIR ACNE Cream W* and in cooling gel sheets for feet, sales of *Kyusoku Jikan Ashi-Sukkiri Sheet* were up significantly year on year, and overall sales of Pharmaceutical Products increased 4.9% year on year.

Other Products

This product segment consists of pet supplies and other related products.

In pet supplies, sales of *Nioi wo Toru Suna (Deodorizing Cat Litter)* were up year on year while those of oral treats such as *PETKISS* were steady, and overall sales increased year on year.

As a result, overall sales of Other Products increased 11.9% year on year.

Industrial Products Business

The Industrial Products Business segment consists of the Mobility, Electronics, Life-Chemical, and Detergents for Institutional Use Products fields. These businesses handle products that include anti-sticking agents for tire rubber, electro-conductive carbon for secondary batteries, surfactants derived from oils and fats, and detergents for institutional and professional kitchen use, respectively. Segment net sales decreased 6.5% year on year. Core operating income decreased 0.2%.

(Millions of yen)

	Three months ended March 31, 2026	Ratio to net sales	Three months ended March 31, 2025	Ratio to net sales	Change	Change (%)
Net sales	13,233		14,157		(923)	(6.5%)
Core operating income	653	4.9%	654	4.6%	(1)	(0.2%)

Note: Net sales include internal sales within and among segments, which amounted to ¥4,431 million in the first quarter of fiscal 2026 and ¥5,134 million in the first quarter of fiscal 2025.

In the Mobility field, sales of anti-sticking agents for tire rubber were up year on year, and electro-conductive carbon for use in paint were firm, and overall sales increased year on year.

In the Electronics field, sales of electro-conductive carbon for secondary batteries were driven by market recovery and increased substantially year on year, and overall sales also increased year on year.

In the Life-Chemical field, sales of nitrogen compounds such as surfactants decreased year on year, and overall sales also decreased year on year.

In the Detergents for Institutional Use Products field, sales of laundry detergents increased substantially year on year, but due to the impact of transferring the *REED* brand of food preparation products to another company, overall sales decreased year on year.

Overseas Business

The Overseas Business segment comprises business operations located in Southeast and South Asia/ Oceania, including Thailand, Malaysia, and Australia, as well as Northeast Asia, including China and South Korea. Overall net sales increased 10.7% year on year (or an increase of 2.0% at constant currency excluding exchange rate fluctuations). Core operating income increased 60.7% year on year.

(Millions of yen)

	Three months ended March 31, 2026	Ratio to net sales	Three months ended March 31, 2025	Ratio to net sales	Change	Change (%)
Net sales	46,989		42,462		4,526	10.7%
Core operating income	2,895	6.2%	1,801	4.2%	1,094	60.7%

Note: Net sales include internal sales within and among segments, which amounted to ¥5,023 million in the first quarter of fiscal 2026 and ¥4,692 million in the first quarter of fiscal 2025.

Net Sales by Region

(Millions of yen)

		Three months ended March 31, 2026	Three months ended March 31, 2025	Change	Change (%)
Southeast and South Asia/ Oceania	Net sales	31,131	26,195	4,936	18.8%
	Core operating income	2,374	1,496	877	58.6%
Northeast Asia	Net sales	15,857	16,267	(409)	(2.5%)
	Core operating income	520	304	216	71.1%

Note: Due to the addition of Australia in January of this year, the former designation of "Southeast and South Asia" has been changed to "Southeast and South Asia/Oceania".

In Southeast and South Asia/Oceania, net sales were up 18.8% year on year (or up 7.9% at constant currency excluding exchange rate fluctuations), and core operating income was up 58.6% year on year.

In Northeast Asia, overall sales were down 2.5% year on year (or down 7.4% at constant currency excluding exchange rate fluctuations), and core operating income was up 71.1% year on year.

Net Sales by Key Country

(Millions of yen)

	Three months ended March 31, 2026	Three months ended March 31, 2025	Change	Change (%)
Thailand	17,109	16,476	632	3.8%
Malaysia	7,591	6,609	982	14.9%
China	6,165	7,328	(1,162)	(15.9%)
South Korea	5,030	4,851	178	3.7%

Thailand

In laundry detergents, sales were down year on year due to such factors as lower exports to nearby countries, and in body soaps, sales of *Shokubutsu Monogatari* decreased year on year, and overall sales were down year on year.

Overall sales in Thailand, after yen conversions, were up 3.8% year on year, partly due to the effects of exchange rate fluctuations (or down 5.9% at constant currency excluding exchange rate fluctuations).

Malaysia

In laundry detergents, sales were down year on year partly due to a temporary decline in demand related to recoil after the end of government-implemented demand-stimulating measures.

In body soaps, sales of *Shokubutsu Monogatari* were strong due to in-store promotions, and overall sales increased significantly year on year.

Overall sales in Malaysia were up 14.9% year on year (or down 0.7% at constant currency excluding exchange rate fluctuations).

China

In toothpastes, although efforts were concentrated on expanding sales of high value-added brands, sales of *White&White*, for which pricing strategy is being revised, declined year on year, and overall sales decreased year on year.

Overall sales in China decreased 15.9% year on year partly due to efforts to optimize inventory levels in the intermediate distribution channels (or down 22.9% at constant currency excluding exchange rate fluctuations).

South Korea

In toothpastes and toothbrushes, sales of high value-added brands such as *SYSTEMA* were favorable, and overall sales increased year on year.

In cooling gel sheets for feet, sales of *Kyusoku Jikan* were strong, and overall sales increased substantially year on year.

As a result, overall sales in South Korea increased 3.7% year on year (or up 0.7% at constant currency excluding exchange rate fluctuations).

Other (Construction Contracting Business, etc.)

(Millions of yen)

	Three months ended March 31, 2026	Ratio to net sales	Three months ended March 31, 2025	Ratio to net sales	Change	Change (%)
Net sales	1,387		2,766		(1,378)	(49.8%)
Core operating income	(45)	(3.3%)	(24)	(0.9%)	(21)	—

Note: Net sales include internal sales within and among segments, which amounted to ¥1,129 million in the first quarter of fiscal 2026 and ¥2,433 million in the first quarter of fiscal 2025.

(2) Financial Status

Status of Consolidated Assets, Liabilities and Equity

	March 31, 2026	December 31, 2025	Change
Total assets (millions of yen)	520,307	528,596	(8,288)
Total equity (millions of yen)	349,708	348,419	1,288
Ratio of equity attributable to owners of the parent to total assets ¹ (% , points)	62.1	61.1	1.1

Total assets decreased ¥8,288 million compared with the previous consolidated fiscal year-end to ¥520,307 million due largely to a decrease in cash and cash equivalents. Total equity increased ¥1,288 million to ¥349,708 million. The ratio of equity attributable to owners of the parent to total assets stood at 62.1%.

(3) Forecast of Consolidated Financial Results

Lion has made no revisions to the consolidated financial results forecasts released on February 12, 2026 for the first half of the fiscal year under review and for the full fiscal year.

Assumptions Underlying the Forecast of Consolidated Financial Results for Fiscal 2026

Lion utilized the following foreign exchange rates for the calculation of forecasts released at the beginning of the fiscal year.

¥155 = US\$1.00

¥4.7 = 1.00 baht

2. Condensed Interim Consolidated Financial Statements and Notes
(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of yen)

	December 31, 2025	March 31, 2026
Assets		
Current assets		
Cash and cash equivalents	88,092	57,556
Trade and other receivables	80,876	65,090
Inventories	54,133	55,430
Other financial assets	25,322	26,120
Other current assets	5,539	7,206
Subtotal	253,964	211,404
Assets held for sale	—	19,109
Total current assets	253,964	230,513
Non-current assets		
Property, plant and equipment	125,239	119,880
Goodwill	19,580	38,013
Intangible assets	31,509	31,868
Right-of-use assets	28,839	30,868
Investments accounted for using the equity method	13,966	14,998
Deferred tax assets	4,568	4,290
Retirement benefit assets	21,008	20,172
Other financial assets	29,153	28,965
Other non-current assets	766	735
Total non-current assets	274,632	289,794
Total assets	528,596	520,307

Lion Corporation (Code 4912): Consolidated Financial Statements
for the First Quarter Ended March 31, 2026

(Millions of yen)

	December 31, 2025	March 31, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	114,139	93,973
Corporate bonds and borrowings	—	10,000
Income tax payables	6,583	2,288
Provisions	2,724	2,811
Lease liabilities	2,061	2,476
Other financial liabilities	1,317	1,487
Other current liabilities	9,369	6,346
Subtotal	136,196	119,384
Liabilities directly related to assets held for sale	—	5,398
Total current liabilities	136,196	124,782
Non-current liabilities		
Deferred tax liabilities	6,618	6,892
Retirement benefit liabilities	4,755	4,245
Provisions	2,224	2,220
Lease liabilities	26,189	28,297
Other financial liabilities	2,354	2,142
Other non-current liabilities	1,838	2,018
Total non-current liabilities	43,980	45,816
Total liabilities	180,176	170,599
Equity		
Share capital	34,433	34,433
Capital surplus	31,419	31,463
Treasury stock	(3,304)	(3,294)
Other components of equity	27,987	28,829
Retained earnings	232,190	231,728
Equity attributable to owners of the parent	322,726	323,161
Non-controlling interests	25,692	26,546
Total equity	348,419	349,708
Total liabilities and equity	528,596	520,307

(2) Condensed Interim Consolidated Statement of Income and Statement of Comprehensive Income

Condensed Interim Consolidated Statement of Income

Three months ended March 31, 2025 and 2026

(Millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Net sales	94,237	99,205
Cost of sales	(52,216)	(53,427)
Gross profit	42,021	45,778
Selling, general and administrative expenses	(36,734)	(39,762)
Other income	523	446
Other expenses	(174)	(169)
Operating profit	5,636	6,292
Finance income	287	665
Finance costs	(409)	(251)
Share of profit of investments accounted for using the equity method	808	685
Profit before tax	6,322	7,392
Income taxes	(1,567)	(2,094)
Profit for the period	4,755	5,297
Profit for the period attributable to:		
Owners of the parent	4,026	4,206
Non-controlling interests	729	1,090
Profit for the period	4,755	5,297
Earnings per share		
Basic (Yen)	14.57	15.21
Diluted (Yen)	14.54	15.19

Condensed Interim Consolidated Statement of Comprehensive Income
Three months ended March 31, 2025 and 2026

(Millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Profit for the period	4,755	5,297
Other comprehensive income		
Items that will not be reclassified as profit or loss		
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	(575)	(18)
Remeasurements of defined benefit plans	(184)	(451)
Share of other comprehensive income (loss) of investments accounted for using the equity method	(6)	(19)
Total items that will not be reclassified as profit or loss	(765)	(489)
Items that may be subsequently reclassified as profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges	(5)	—
Exchange differences on translation of foreign operations	(5,313)	575
Total items that may be subsequently reclassified as profit or loss	(5,319)	575
Total other comprehensive income, net of tax	(6,085)	86
Comprehensive income for the period	(1,329)	5,384
Comprehensive income for the period attributable to:		
Owners of the parent	(936)	4,530
Non-controlling interests	(392)	853
Comprehensive income for the period	(1,329)	5,384

(3) Condensed Interim Consolidated Statement of Changes in Equity

Three months ended March 31, 2025

(Millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Treasury stock	Other components of equity		
				Subscription rights to shares	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at January 1, 2025	34,433	31,327	(8,730)	50	10,687	—
Profit for the period						
Other comprehensive income					(558)	(184)
Total comprehensive income for the period	—	—	—	—	(558)	(184)
Dividends						
Acquisition of treasury stock			(0)			
Disposal of treasury stock			50	(7)		
Share-based payments		88				
Transfer from other components of equity to retained earnings					(394)	184
Total transactions with owners	—	88	49	(7)	(394)	184
Balance at March 31, 2025	34,433	31,415	(8,681)	42	9,734	—

	Equity attributable to owners of the parent					Non-controlling interests	Total equity
	Other components of equity			Retained earnings	Total		
	Net gain (loss) on derivatives designated as cash flow hedges	Exchange differences on translation of foreign operations	Total				
Balance at January 1, 2025	1	13,009	23,749	212,938	293,717	21,976	315,694
Profit for the period			—	4,026	4,026	729	4,755
Other comprehensive income	(5)	(4,214)	(4,963)		(4,963)	(1,122)	(6,085)
Total comprehensive income for the period	(5)	(4,214)	(4,963)	4,026	(936)	(392)	(1,329)
Dividends			—	(3,869)	(3,869)		(3,869)
Acquisition of treasury stock			—		(0)		(0)
Disposal of treasury stock			(7)		42		42
Share-based payments			—		88		88
Transfer from other components of equity to retained earnings			(210)	210	—		—
Total transactions with owners	—	—	(218)	(3,659)	(3,738)	—	(3,738)
Balance at March 31, 2025	(4)	8,795	18,568	213,305	289,042	21,583	310,625

for the First Quarter Ended March 31, 2026

Three months ended March 31, 2026

(Millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Treasury stock	Other components of equity		
				Subscription rights to shares	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at January 1, 2026	34,433	31,419	(3,304)	2	11,047	—
Profit for the period						
Other comprehensive income					(132)	(451)
Total comprehensive income for the period	—	—	—	—	(132)	(451)
Dividends						
Acquisition of treasury stock			(0)			
Disposal of treasury stock			11			
Share-based payments		43				
Transfer from other components of equity to retained earnings					67	451
Total transactions with owners	—	43	10	—	67	451
Balance at March 31, 2026	34,433	31,463	(3,294)	2	10,982	—

	Equity attributable to owners of the parent					Non-controlling interests	Total equity
	Other components of equity			Retained earnings	Total		
	Net gain (loss) on derivatives designated as cash flow hedges	Exchange differences on translation of foreign operations	Total				
Balance at January 1, 2026	—	16,937	27,987	232,190	322,726	25,692	348,419
Profit for the period			—	4,206	4,206	1,090	5,297
Other comprehensive income		907	323		323	(237)	86
Total comprehensive income for the period	—	907	323	4,206	4,530	853	5,384
Dividends			—	(4,149)	(4,149)		(4,149)
Acquisition of treasury stock			—		(0)		(0)
Disposal of treasury stock			—		11		11
Share-based payments			—		43		43
Transfer from other components of equity to retained earnings			518	(518)	—		—
Total transactions with owners	—	—	518	(4,668)	(4,095)	—	(4,095)
Balance at March 31, 2026	—	17,845	28,829	231,728	323,161	26,546	349,708

(4) Condensed Interim Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Cash flows from operating activities		
Profit before tax	6,322	7,392
Depreciation and amortization	5,054	5,660
Impairment loss	27	—
Interest and dividend income	(222)	(210)
Interest expenses	211	236
Share of loss (profit) of investments accounted for using the equity method	(808)	(685)
Loss (gain) on disposal of non-current assets	26	75
Decrease (increase) in trade and other receivables	9,729	10,696
Decrease (increase) in inventories	(5,633)	(5,365)
Increase (decrease) in trade and other payables	(14,153)	(19,402)
Increase in net defined benefit liability	330	290
Other	(2,608)	(5,053)
Subtotal	(1,723)	(6,365)
Interest and dividends received	189	282
Interest paid	(30)	(76)
Income taxes paid	(8,601)	(4,709)
Cash flows from operating activities	(10,166)	(10,868)
Cash flows from investing activities		
Net decrease (increase) in time deposits	(1,131)	(1,588)
Purchase of property, plant and equipment	(4,439)	(2,464)
Proceeds from sales of property, plant and equipment	1	0
Purchase of intangible assets	(174)	(188)
Purchase of other financial assets	(283)	(26)
Proceeds from sales of other financial assets	702	24
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(13,599)
Other	70	50
Cash flows from investing activities	(5,253)	(17,792)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	—	(957)
Net increase (decrease) in commercial paper	—	10,000
Repayment of long-term borrowings	—	(5,440)
Cash dividends paid	(3,880)	(4,161)
Repayment of lease liabilities	(654)	(672)
Purchase of treasury stock	(0)	(0)
Other	0	1
Cash flows from financing activities	(4,535)	(1,231)
Effect of exchange rate changes on cash and cash equivalents	(1,453)	224
Increase (decrease) in cash and cash equivalents	(21,408)	(29,667)
Cash and cash equivalents at beginning of period	102,240	88,092
Cash and cash equivalents at end of period	80,831	58,424

(5) Notes to Condensed Interim Consolidated Financial Statements

Notes relating to the assumption of a going concern

Not applicable.

Segment Information

(1) Overview of reportable segments

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

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

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

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

The Company's reportable segments are as follows.

A. Consumer Products Business

The Consumer Products Business engages in the manufacture and sale of commodities and over-the-counter drugs, primarily in Japan.

Main products: Toothpastes, toothbrushes, hand soaps, antipyretic analgesics, eye drops, laundry detergents, dishwashing detergents, fabric softeners, household cleaners, bleaches, and pet supplies

B. Industrial Products Business

The Industrial Products Business engages primarily in the manufacture, sale and trading of chemical raw materials, industrial products and other items in Japan and also includes the manufacture, sale and trading of such products for overseas markets.

Main products: Surfactants derived from oils and fats, electro-conductive carbon, and detergents for institutional use

C. Overseas Business

The Overseas Business engages mainly in the manufacture and sale of commodities by affiliated overseas businesses.

"Other" is not included in the reportable segments, which consists of Lion subsidiaries in Japan which are primarily engaged in construction contracting, real estate management and temporary staffing.

(2) Net Sales and Performance of Reportable Segments

Three months ended March 31, 2025

(Millions of yen)

	Reportable Segment			Other	Total	Adjustment ²	Consolidated ³
	Consumer Products Business	Industrial Products Business	Overseas Business				
Net sales							
External	47,112	9,022	37,769	333	94,237	—	94,237
Intersegment ¹	8,271	5,134	4,692	2,433	20,531	(20,531)	—
Total	55,383	14,157	42,462	2,766	114,769	(20,531)	94,237
Core operating income	4,419	654	1,801	(24)	6,850	(1,563)	5,287
Other income							523
Other expenses							(174)
Operating profit							5,636
Finance income							287
Finance costs							(409)
Share of profit of investments accounted for using the equity method							808
Profit before tax							6,322

- Notes:
1. Includes intra-segment transactions within the reportable segments.
 2. A negative ¥1,563 million adjustment of core operating income mainly comprises intersegment eliminations and corporate expenses not allocated to any reportable segment.
 3. Core operating income is reconciled with gross profit as follows.

(Millions of yen)

Gross profit	42,021
<u>Selling, general and administrative expenses</u>	<u>(36,734)</u>
Core operating income	5,287

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

Three months ended March 31, 2026

(Millions of yen)

	Reportable Segment			Other	Total	Adjustment ²	Consolidated ³
	Consumer Products Business	Industrial Products Business	Overseas Business				
Net sales							
External	48,179	8,802	41,965	257	99,205	—	99,205
Intersegment ¹	9,192	4,431	5,023	1,129	19,777	(19,777)	—
Total	57,372	13,233	46,989	1,387	118,983	(19,777)	99,205
Core operating income	4,063	653	2,895	(45)	7,565	(1,549)	6,015
Other income							446
Other expenses							(169)
Operating profit							6,292
Finance income							665
Finance costs							(251)
Share of profit of investments accounted for using the equity method							685
Profit before tax							7,392

- Notes:
1. Includes intra-segment transactions within the reportable segments.
 2. A negative ¥1,549 million adjustment of core operating income mainly comprises intersegment eliminations and corporate expenses not allocated to any reportable segment.
 3. Core operating income is reconciled with gross profit as follows.

(Millions of yen)

Gross profit	45,778
<u>Selling, general and administrative expenses</u>	<u>(39,762)</u>
Core operating income	6,015

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