Financial Results for the First Half Ended June 30, 2026

Lion Corporation

August 7, 2026

Today’s Highlights

Results Summary for the First Half Ended June 30, 2026

＊Figures in parentheses indicate Y-o-Y change

Net sales	Core operating income	EBITDA margin
¥216.83 billion (+ 8.7%)	¥15.33 billion (+21.3%)	11.8% (+1.1 points)

- **Achieved first-half targets,** 2nd STAGE strategies steadily advanced and sales and profit increased
- Sales: In Japan, Oral Healthcare drove strong performance; Overseas, the consolidation of highly profitable companies in Vietnam (Merap Lion) and Australia (PNB) boosted growth as did recovery of sales momentum in key countries
- Core operating income: Increased due to higher gross profit attributable to sales growth and rigorous profit-focused management overseas

Key Message

- In response to the rise in raw material costs driven by the situation in the Middle East—the effects of which are expected to become more pronounced in the 2nd half—we are striving to minimize impacts through such structural reforms as price revisions and cost reductions and thereby **achieve annual performance targets**
- Focus on returning the Overseas Business to a growth path by continuing to expand Personal Care sales in key countries and focusing on Oral Healthcare

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Consolidated Financial Results for the First Half of 2026

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Sales and profit increased with both exceeding forecasts and EBITDA margin rising 1.1 points

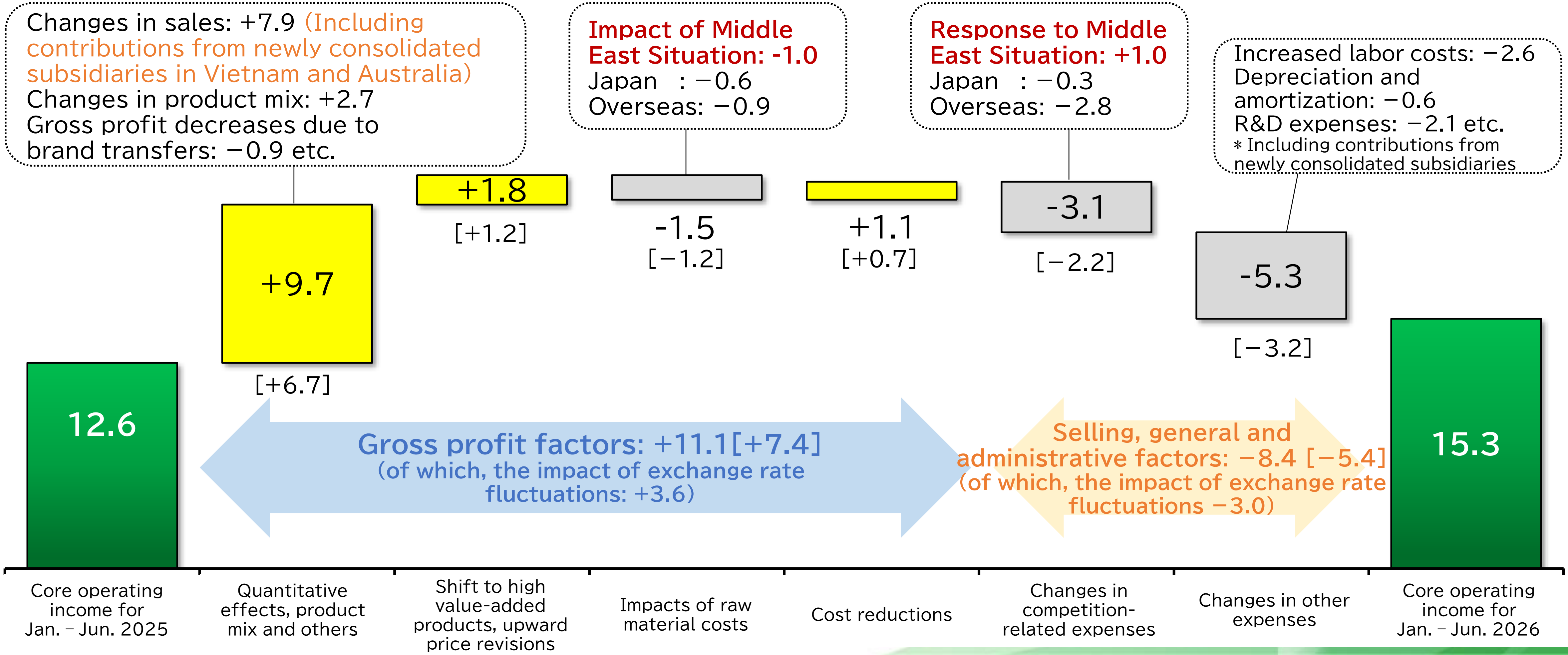
(Billions of yen)	Jan.–Jun. 2026	Jan.–Jun. 2025	Y-o-Y change		Deviation from Forecast %
			Amount	%	
Net sales	216.8	199.4	17.3	8.7 Excluding exchange rate fluctuations: 4.5 Excluding exchange rate fluctuations and impact of business transfers: 5.5	6.8 3.3
Core operating income*[1] % of net sales	15.3 7.1	12.6 6.3	2.6	21.3	1.3 9.5
Operating profit % of net sales	20.7 9.5	13.3 6.7	7.3	54.7	1.7 9.0
Profit for the interim period attributable to owners of the parent	10.8	9.6	1.2	12.9	0.8 8.4
EPS (Yen)	39.20	34.75	4.45	12.8	3.05 8.4
EBITDA*[2]	25.4	21.4	4.0	19.0	—
EBITDA margin (%)*[3]	11.8	10.7	—	1.1PP	—

Notes 1. Core operating income is an earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross profit.
2. EBITDA: An indicator of profitability on a cash basis calculated as the sum of core operating income and depreciation and amortization (excluding that of right-of-use assets).
3. EBITDA margin: The ratio of EBITDA to consolidated net sales.

Year-on-Year Changes in Core Operating Income

Business portfolio transformation on track
Sales growth, driven mainly by strategic competitive spending in overseas markets, contributed to an increase in gross profit

Unit: Billions of yen (Figures in brackets indicate change for Apr.–Jun.)



Results by Business Segment for the First Half of 2026

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Both Consumer Products and Overseas Business saw higher sales and profit
Overseas margins improved 1.4 points with the contribution of the newly consolidated companies in Vietnam and Australia

(Billions of yen)	Net sales*					Core operating income			
	Jan.–Jun. 2026	Jan.–Jun. 2025	Y-o-Y change Amount	Y-o-Y change %	Deviation from plan %	Jan.–Jun. 2026, % of net sales	Jan.–Jun. 2025, % of net sales	Y-o-Y change Amount	Y-o-Y change %
Consumer Products	123.6 106.7	121.7 105.0	1.9 1.6	1.6 1.6	— 0.7	9.7 7.9	9.1 7.5	0.6	7.1 +0.4PP
Industrial Products	27.5 19.1	28.6 19.1	(1.1) (0.0)	(3.9) (0.3)	— 6.3	1.4 5.3	1.4 5.1	(0.0)	(0.2) +0.2PP
Overseas	100.8 90.4	84.2 74.6	16.6 15.7	19.7 21.2	— 5.8	5.2 5.2	3.1 3.8	2.0	66.1 +1.4PP
Other	3.8 0.5	5.2 0.5	(1.4) (0.0)	(27.2) (10.5)	— 4.2	(0.0) (2.0)	(0.0) (0.6)	(0.0)	—
Adjustment	(39.0) —	(40.4) —	1.3 —	— —	— —	(1.1)	(1.1)	(0.0)	—
Consolidated Total	216.8	199.4	17.3	8.7	3.3	15.3 7.1	12.6 6.3	2.6	21.3 +0.8PP

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

Consumer Products Business Net Sales by Product Category

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Increased sales in Personal Care, mainly in Oral Healthcare, drove overall growth

(Billions of yen)¥	Net sales*1				Comments
	Jan.–Jun. 2026	Jan.–Jun. 2025	Y-o-Y change Amount	Y-o-Y change %	
Oral Healthcare	40.5	36.9	3.5	9.6	• Sales of mainstay toothpaste and toothbrush brands *CLINICA* and *SYSTEMA* grew • Apr. relaunch of high-end line of *SYSTEMA* toothpastes generated substantial growth thanks in part to proactive marketing
Beauty Care	13.1	13.0	0.0	0.2	• Sales of hand soaps were steady • Since Apr. relaunch, sales of body soap have exceeded expectations, driven largely by new high value-added *hadakara Beauty Premium* line (Apr.–Jun.: 123% Y-o-Y)
Fabric Care	28.2	28.9	(0.6)	(2.2)	• Sales of laundry detergents were steady • Amidst an increasingly competitive environment, sales of fabric softeners fell Y-o-Y
Living Care	10.0	12.0	(2.0)	(17.0) (4.2)*2	• Sales of dishwashing detergents were firm after relaunch (Apr.–Jun.: 111% Y-o-Y), however, unable to fully offset the impact of reduced promotion in Q1, sales decreased • Transferred *REED* brand food preparation products in Oct. 2025
Pharmaceutical	11.3	10.9	0.4	4.0	• Sales of *PAIR* acne products, popular with inbound tourists, continued to perform favorably thanks to increased demand in Japan (1.2x Y-o-Y)
Other	20.3	19.7	0.5	2.9	
Total	123.6	121.7	1.9	1.6 2.9*2	

* Notes 1. 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 half of the previous consolidated fiscal year has been reclassified to reflect this change.
2. Actual rate of change excludes the impact of brand transfers

Overseas Business Results by Region

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In addition to the impact of newly consolidated subsidiaries, Malaysia drove performance in both sales and profit in Southeast and South Asia/Oceania
Sales and profit also increased in Northeast Asia due to recovery in China and strong performance in South Korea

(Billions of yen)	Net sales					Core operating income			
	Jan.–Jun. 2026	Jan.–Jun. 2025	Y-o-Y change			Jan.–Jun. 2026, % of net sales	Jan.–Jun. 2025, % of net sales	Y-o-Y change	
			Amount	%	Real rate (%)*1			Amount	%*2
Southeast and South Asia/ Oceania*3	64.8	51.5	13.3	25.9	13.4	4.0 6.2	2.7 5.3	1.2	46.0 +0.9PP
Northeast Asia	35.9	32.6	3.2	10.1	2.1	1.2 3.5	0.4 1.3	0.8	196.8 +2.2PP
Total	100.8	84.2	16.6	19.7	9.0	5.2 5.2	3.1 3.8	2.0	66.1 +1.4PP

Notes 1. Real rate refers to the rate of change, excluding the effects of exchange rate fluctuations
2. Figures on the lower line represent change in core operating income ratio
3. Due to the addition of Australia in January 2026, the former classification of “Southeast and South Asia” has been changed to “Southeast and South Asia/Oceania.”

Overseas Business: Status of Business in Key Countries

(Billions of yen)	External net sales*1				Comments	(Reference) Personal care field*4 ratio to sales (%)
	Jan.–Jun. 2026	Y-o-Y change				
		Change	Change (%)	Real rate*2 (%)		
Thailand	34.2	2.3	7.3	(3.4)	Change in Real Rate: Jan.-Mar. -5.9% ➡ Apr.-Jun. -1.1% • Amid geopolitical factors leading to lower exports and sluggish local consumption in Thailand, Personal Care for Apr-Jun was +5.2% Y-o-Y (of which Oral Healthcare, targeted for further strengthening, grew 10.2%)	35.2
Malaysia	14.6	3.3	29.7	10.4	Change in Real Rate: Jan.-Mar. 0.5% ➡ Apr.-Jun. 22.2% • In Personal Care, body soaps grew primarily due to proactive in-store promotions • In laundry detergents, where Lion holds the #1 share, new liquid detergent products performed favorably	24.5
China*3	14.2	0.9	7.2	(5.6)	Change in Real Rate: Jan.-Mar. -26.0% ➡ Apr.-Jun. 14.3% • Offline inventory optimization completed in Q1 • Large-scale promotion in Q2 was successful and enabled a return to both sales and profit growth	85.8
South Korea	9.2	0.6	7.1	4.2	Change in Real Rate: Jan.-Mar. 0.4% ➡ Apr.-Jun. 8.1% • High-profit businesses grew, including sales of a newly launched capsule detergent and the import and sale of *Kyusoku Jikan* cooling gel sheets for feet • Due to the situation in the Middle East, upward price revisions for a wide range of products were implemented	32.3

Notes 1. External sales: Total sales, excluding internal sales within and among segments
2. Real rate refers to the rate of change, excluding the effects of exchange rate fluctuations
3. Qingdao Lion
4. Personal care net sales: Total net sales from Oral Healthcare, Beauty Care and Pharmaceutical product categories (calculated based on Lion shipment amounts)

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2026 Consolidated Financial Forecast

Aim to counter the impact of the situation in the Middle East and achieve our initial targets

(Billions of yen)	2026	2025	Y-o-Y change	
			Amount	%
Net sales	430.0	422.0	7.9	1.9
Core operating income*1 % of net sales	35.0 8.1	30.7 7.3	4.2	13.8
Operating profit % of net sales	40.0 9.3	36.3 8.6	3.6	10.0
Profit for the period attributable to owners of the parent	25.0	27.5	(2.5)	(9.4)
EPS (Yen)	90.38	99.74	(9.36)	(9.4)
EBITDA*2	55.0	49.3	5.6	11.5
EBITDA margin (%)*3	12.8	11.7	—	1.1PP
ROIC (%)*4	7.0	6.7	—	0.3PP
ROE (%)	7.7	9.0	—	(1.3PP)

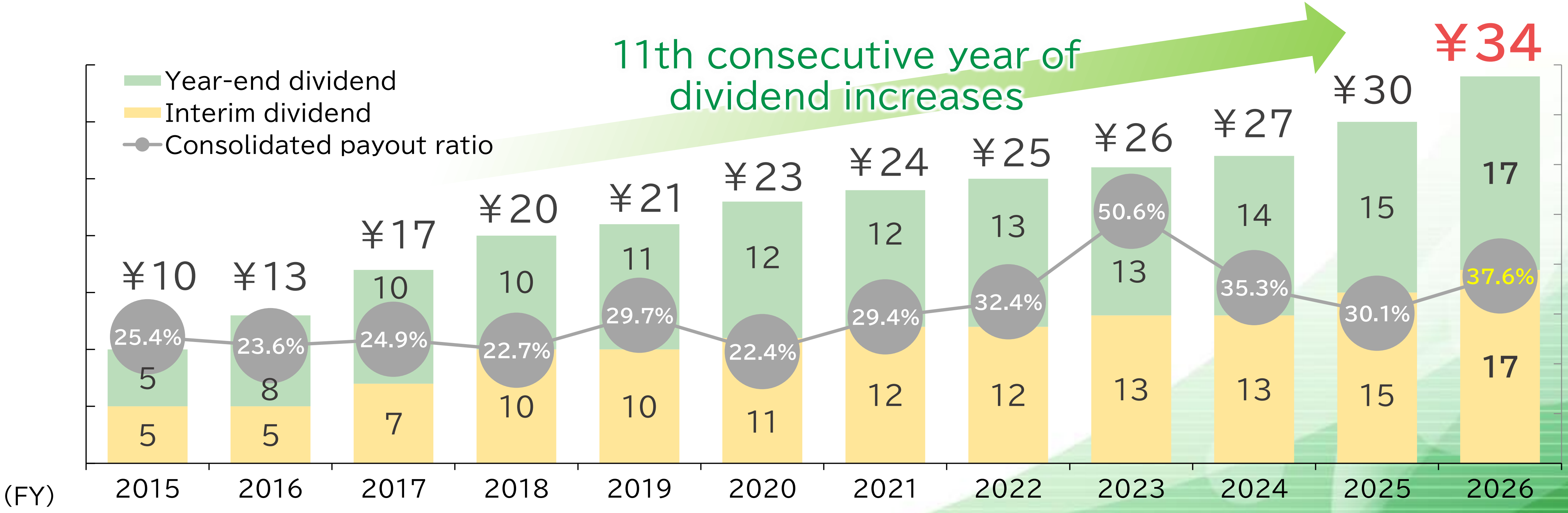
Notes 1. Core operating income is an earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross profit.
2. EBITDA is an indicator of profitability on a cash basis calculated as the sum of core operating income and depreciation and amortization (excluding that of right-of-use assets).
3. EBITDA margin: The ratio of EBITDA to consolidated net sales.
4. ROIC is an indicator calculated from net operating profit after tax (NOPAT) divided by the average invested capital (total equity plus interest-bearing liabilities) during the period, and measures the efficiency and profitability of the invested capital.

2nd STAGE: Shareholder Return Measures

No change from the announcement made at the beginning of the year
Annual dividend increase of ¥4 to ¥34 per share expected

Shareholder Return Measures During 2nd STAGE (2026–2027)

Dividends	Strive to **increase dividends every fiscal year based on the progressive dividend policy** (12 consecutive fiscal years since 2016)
Acquisition of treasury stock	**Flexible acquisition and cancellation of treasury stock**



Revisions to Forecast of Change Factors Affecting Full Year Core Operating Income in 2026

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In light of the situation in the Middle East, change factors were reviewed based on the impact of rising raw material prices, countermeasures in response, and foreign exchange fluctuations

(Billions of yen) + indicates gain − indicates loss	Full year		
	Initial forecast	Revised forecast	Difference
Quantitative effects, product mix and others	+5.5	**+9.5**	+4.0
Shift to high value-added products, upward price revisions	+3.0	**+6.0**	+3.0
Impacts of raw material costs	(1.0)	(7.0)	(6.0) 1st half (1.0) 2nd half (5.0)
Cost reductions	+2.3	**+2.8**	+0.5
Total gross profit factors	+9.8	**+11.3**	+1.5
Changes in competition-related expenses	(3.0)	**(2.5)**	+0.5
Changes in other expenses	(2.5)	**(4.5)**	(2.0)
Total selling, general and administrative factors	(5.5)	**(7.0)**	(1.5)
Total core operating income	+4.2	**+4.2**	±0.0

Impact of the Middle East Situation and Response in the Second Half

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Promote initiatives not only as short-term measures but utilize them in strengthening the earnings structure to deliver benefits into the next fiscal year and beyond

Impact of higher raw material costs (2nd half)
Approx. −¥5.0 billion

Measures for the second half

Gross profit

- Continue price revisions where appropriate
  - Japan: Implement shipment price increases across a wide range of products (October onward)
    Overseas: Implement price revisions mainly in product categories with a strong market position
- Shift to high value-added product portfolio through product-based actions
- Additional cost reductions
  - Reduce material costs (formulation improvements etc.) and optimize procurement

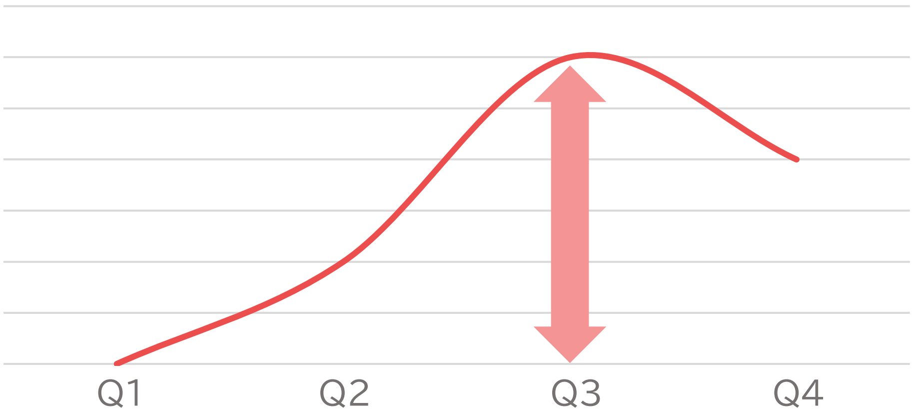
Selling, general and administrative expenses

- Strategic prioritization of advertising and promotional activities
  - Strengthen advertising investment in key areas
- Strengthen cost management
- Improve production and logistics efficiency

Expected impact of rising raw material costs

Raw material cost inflation to peak in Q3
Effects of countermeasures to fully materialize from Q4 onward

Expected trend by Quarter



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Key Themes and Progress for 2026

Key Themes	• **Transform into highly profitable business portfolio** • **Enhance organizational agility through management process transformation**
Results for the 1st half	* Y-o-Y • Continued the shift toward high value-added products primarily in the domestic Oral Healthcare market Group total Oral Healthcare sales growth rate: **+10.5%*** • Overseas, amid a challenging business environment, sales momentum improved from a focused allocation of resources to priority areas Personal Care field ratio to sales : **+3.8 points*** • Acquired Merap Lion (Jul. 2025) and PNB (Jan. 2026) which contributed to improved margins in the Overseas Business Gross profit margin: **+1.7 points***, core operating income ratio: **+1.3 points*** (combined acquisition effects) • Advanced business portfolio restructuring and completed transfer of shares of two subsidiaries in the Chemical Products business (June 30, 2026)
Issues for the 2nd half	• Strengthen key initiatives while flexibly responding to impacts of the Middle East situation Japan: Continue shift toward high value-added through product actions aligned with the business portfolio strategy Overseas: Achieve growth focused on Oral Healthcare in existing markets

Top Priority

Oral Healthcare: Japan

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2026 Key Measures

Shift toward high value-added by strengthening the high-end periodontal disease care market

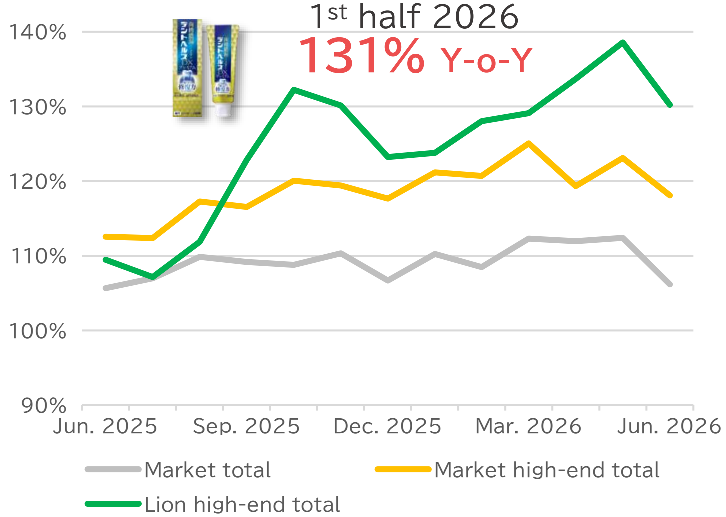
Results for the 1st half

Above-market growth for high-end toothpaste

Sales growth rate

Jan.–Mar.+9.8% ➡ Apr.–Jun.+9.5%

High-end toothpaste (over 1,000 JPY incl tax) sales value Y-o-Y (%)



Source: Lion survey

Contribution of high value-added products

Apr.–Jun. *SYSTEMA Haguki (the Gums) Plus Premium Toothpaste*

Y-o-Y:

Approx. 140%

Price:

Approx. +10%

Initiatives for the 2nd half

Continue product strategy for ¥1,000+ products to grow sales and profit

- Significantly improve the *Dent Health* brand (scheduled for Oct.)
  Expand lineup to meet consumer needs and further brand reach
  → Establish its position as the top periodontal disease* prevention brand

*A general term for inflamed gums and periodontitis

Approx. ¥1,500 price point

Enhance added value to increase unit price by approx. 10%

Approx. ¥2,000 price point

Highest-priced item in the series

Top Priority

Oral Healthcare: Strengthening Measures Overseas

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Amid continued market growth and premiumization across Asia, aim to achieve above-market growth

	China	Thailand	Malaysia
Market Environment	• Advancing consumption polarization • High-end toothpastes growing mainly offline • Emerging EC platforms with continuous high levels of growth	• Market for toothpaste growing steadily despite weak consumer spending domestically • Continuous growth in high value-added products	• Unit price rising even in general-purpose price range • High value-added products driving market growth
Business Issues	• Increase composition of high value-added products • Expand brand awareness to strengthen touchpoints with consumers	• Expansion of the customer base through a brand image revamp • Expand distribution tailored to target segments • Enhance added value through highly differentiated new products	• Raise brand position by expanding user base • Improve unit price of mainstay products in the general-purpose price range by enhancing added value
Key Measures	• **Launching products in the highest price segment** • **Focusing promotional efforts on high value-added brands** • **Strengthening strategies for priority channels**	• **New product actions based on new brand strategy** • **Expanding distribution to undistributed areas**	• **Strengthening in-store promotional campaigns across all of Malaysia** • **Continuing initiatives to drive penetration of value-added products of *Fresh&White***

Source: Lion survey

Top Priority

Oral Healthcare: China

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2026 Key Measures

Accelerate development of high value-added products and channel strategies focused on profitability

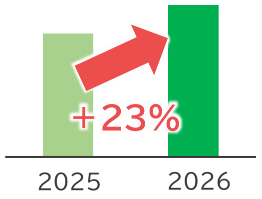
Results for the 1st half

Synergy of new product launches and cross-brand promotions led to sales recovery and profit increase

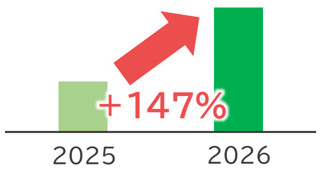
Sales growth rate
Jan.–Mar. -32%* ➡ Apr.–Jun. +15%

* Optimized distribution inventories in the first quarter

CLINICA toothpaste
Apr.–Jun. sales Y-o-Y



NONIO toothpaste
Apr.–Jun. sales Y-o-Y

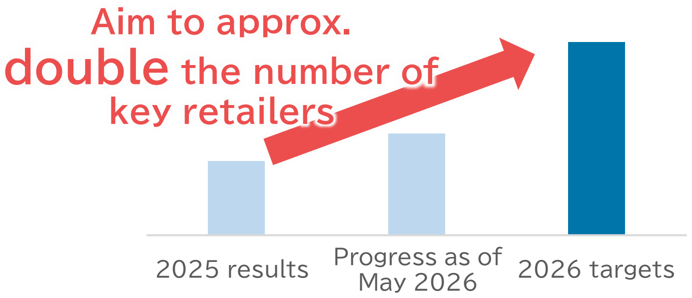


- Improved gross profit margin, increased brand awareness with new customer base
- Distribution to key offline retailers progressed steadily in line with targets, achieving higher growth rates

Initiatives for the 2nd half

Maintain momentum of sales growth and profit increase by continuously developing new high value-added products

- Develop high value-added products:
  Continue communication strategies successful in the first half to further grow Lion's presence in the middle range to high-end markets
- Strengthen channel strategies:
  Enhance brand awareness through collaboration with strong emerging e-commerce platforms (150% Y-o-Y in the first half), and improve distribution to offline retail outlets with good growth potential and high profitability



Top Priority

Oral Healthcare: Thailand

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2026 Key Measures

Update brand strategy and expand distribution

Results for the 1st half

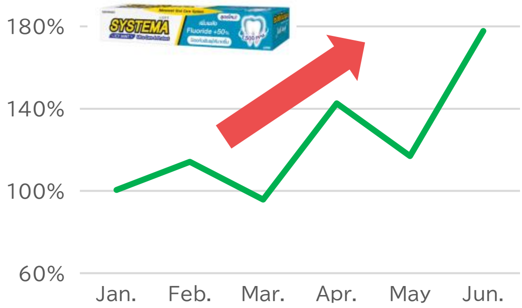
Steadily advanced brand strategy update

Sales growth rate
Jan.–Mar. +4% ➡ Apr.–Jun. +10%

- Rebranded local toothpaste brand *SALZ*,
  → Revamp of packaging and brand communication

- Expanded distribution of *SYSTEMA* toothpaste, with a focus on rural areas where distribution had been an issue
  → Apr.–Jun. 140% Y-o-Y

SYSTEMA toothpaste sales trend (Y-o-Y))



Initiatives for the 2nd half

Focus on ongoing product initiatives tailored to target consumers and expand distribution

- Strengthen branding:
  Attract younger customer base to *SALZ* salt-based toothpaste line by strengthening marketing of the entry-level Pink Salt toothpaste,
  Plans in place for new product initiatives for *SYSTEMA* toothpastes which have been steady

- Expand distribution:
  Retail orders increased by approx. 30%* since strengthening distribution to traditional trade in the second half of 2025
  → Strengthen sales activities for further expansion

Deepen collaboration with joint venture partners and implement the above measures

* Averages for May–Sep. 2025 and Oct. 2025–May 2026

Beauty Care and Pharmaceutical Products Business: Initiatives for Growth in New Countries

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Build on stable growth in existing high-profit businesses by leveraging synergies to pursue further growth

Vietnam

Key Measures

Drive stable growth in Pharmaceuticals, and expand the personal care field by leveraging group assets and sales networks

- ✓ Sensitive skincare brand *SunoHada* introduced last year performing above expectations
- ✓ Secure endorsements through professional events (academic conferences, etc.)
- ✓ Apply the knowledge gained for the launch of the Oral Healthcare business this year

Australia

Key Measures

Solidify the foundation of business in Australia, and explore full-scale expansion of the *Sukin* brand into Asia

- ✓ The Sukin business has remained steady, including exports, with the OEM business also growing, resulting in sales significantly exceeding the previous year

Establishment of Sukin Japan

- Begin the full-scale launch of *Sukin* in Japan
- Aim to increase agility and expand while maintaining high brand value and profitability through the launch of the new subsidiary
- In the medium- to long-term develop new businesses in Beauty Care and acquire expertise in importation

Structural Reform Businesses

Home Care: Measures to Further Improve Profitability in Japan

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2026 Key Measures

Launch distinctive high value-added products and improve business efficiency

Results for the 1st half

Steady execution of product initiatives in line with the Business Portfolio Strategy

NANOX one Antibacterial x Quick Wash (Mar.)

NANOX Washing Tub Antimold Ball (Apr.)

Shift toward high value-added by proposing new habits that promote the mindful use of water

- *Antimold Ball* performing beyond expectations (approx. 3x of plan)
- Further strengthen energy- and cost-saving appeal of *Antibacterial x Quick Wash*

Pricing structure revision along with product relaunch

Initiatives for the 2nd half

Improve product mix with product actions and ensure profitability even as costs rise

SOFLAN Aroma Rich moA (launch planned for Oct.)

Fabric Softeners: Capture premium price range

- ✓ Full-scale entry into the high-growth premium price* segment
  *market value share approx. 23% (share up by more than 7PP over the past five years; CAGR approx. 10%)
- ✓ Differentiation through the premium scent appeal of natural aromas, with a strong focus on ingredients and production methods
- ✓ Positioned in the highest price tier, improving product mix

CHARMY Crysta Pre-Wash Foam Spray (launch planned for Sep.)

Dishwasher Detergent: Drive market creation through the proposal of new habits

- ✓ With rising popularity of dishwashers, the dishwasher detergent market has continued to grow steadily
- ✓ Create a plus-one demand with the proposal of a new habit streamlining the pre-wash process
- ✓ Pricing to reflect unique value proposition

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Vision2030 2nd STAGE Progress of Growth Strategies

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Medium- to long-term Outlook

Create value by focusing on healthcare needs mainly in Oral Healthcare

Theme of 2nd STAGE

Strengthen Profitability

Enhancing profitability and capital efficiency to establish a highly profitable business foundation and achieve sustainable growth

Transformation of Business Portfolio Management

1 Accelerate growth in Oral Healthcare

- ○ Japan: Shift toward high value-added products progressing
- ○ Southeast Asia: Strengthening business framework with joint venture partners
- △ China: Responding to changes in the market

- ✓ **Focusing on high value-added** inside and outside of Japan
- ✓ **Identifying subcategories** where it is possible to **leverage strengths** by country and area and refine strategies accordingly
- ✓ Refining business to create a virtuous cycle between strong self-care products and services

2 Strengthen Overseas growth initiatives

- ○ Significant sales growth in Personal Care
- ○ Secured new business opportunities and efforts to generate synergies are progressing
- △ Facing impacts from external environmental factors, key countries turning to shift focus toward profitability

- ✓ Entering the phase of capturing results of **medium- to long-term priority brand development and channel strategies** in Thailand and China
- ✓ **Optimizing regional portfolios** based on progress
- ✓ **Strengthening exports to countries not yet entered** Newly established a dedicated department to efficiently expand into new countries

Summary

Toward Achieving Full-Year Performance Goals

- Growth in high-profit businesses, led by Oral Healthcare, contributed to improved profitability in the first half
- In the second half, aim to achieve initial targets while flexibly responding to the situation in the Middle East and accelerate transformational and structural reforms Group-wide
- Moving toward the last year of 2nd STAGE, further accelerate measures to strengthen profitability through the refinement of business portfolio strategy

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Reference Materials

2nd STAGE Progress in Key KPIs

Themes	KPI	2027 targets (From 2024 to 2027)	2025	2026 Jan.-Jun.
Accelerate growth in Oral Healthcare	Group Oral Healthcare sales growth rate	CAGR 8%level	5.2% (vs. fiscal 2024)	10.5% (Y-o-Y)
Strengthen overseas growth initiatives	Sales growth rate	CAGR 10%level	3.6% External net sales 4.9% (vs. fiscal 2024)	19.7% External net sales 21.2% (Y-o-Y)
	EBITDA margin	Approx. +2 points	+0.7pp (vs. fiscal 2024)	+2.3pp (vs. fiscal 2024)
Reform profit structure in Consumer Products	EBITDA margin	Approx. +3～5 points	+1.4pp (vs. fiscal 2024)	+3.0pp (vs. fiscal 2024)

Medium- to Long-Term Initiatives: Preparing for Growth in Key Areas

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Expanding domains of Oral Healthcare

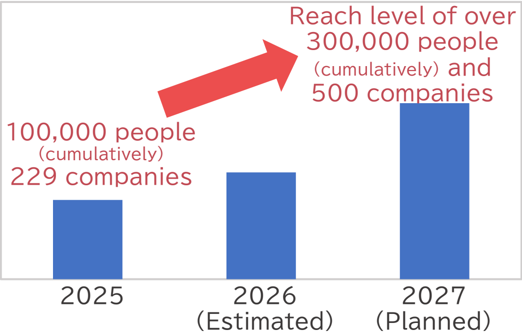
With the implementation of the "universal oral health checks", as oral hygiene awareness continues to rise, further growth in consumption and an increasing need for KENKO Investment for Health (health and productivity management for corporations) **is expected**

Expansion of health support services for corporations

おくちプラスユー

- Providing seminars, salivary testing, dental exam promotion programs, etc.
- Create touchpoints with customer segments with a high interest in oral healthcare: spending increases an additional +10% after service provision

Trend of cumulative number of client companies



✓ Building a model that will further drive behavioral change, including regular dental exams, going forward
✓ Also considering collaboration with government agencies and overseas expansions

Accelerating growth in newly entered countries (Vietnam)

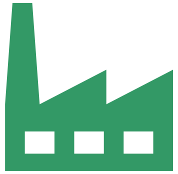
Leverage Merap Lion's strengths so as to enter the solid dosage market, which accounts for half of the pharmaceutical market in Vietnam, where strong economic growth continues

Construction of a new pharmaceutical product plant in Vietnam (scheduled to begin operations in 2030)

Expansion of product lineup

Acquire production capacity for solid dosage forms in addition to liquid formulations, for which the company possesses many strong brands

Increase production capacity



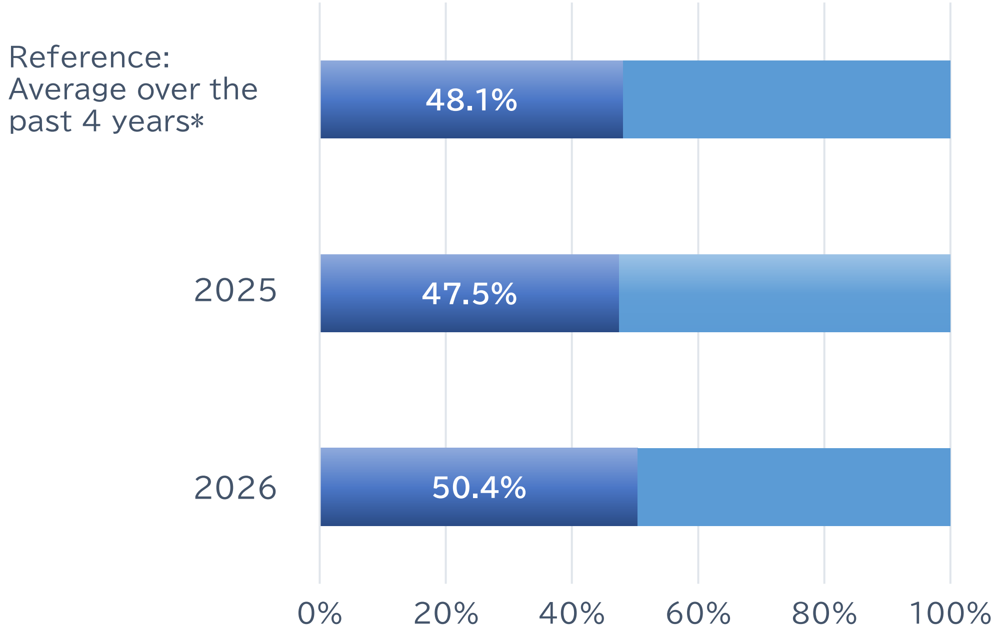
Work with other existing plants to establish a stable supply system

✓ Expand the highly profitable Pharmaceutical Business
✓ Create a new base for Lion's Pharmaceutical Business in Asia

*Annual spending on oral healthcare products of JPY 10,000 or more

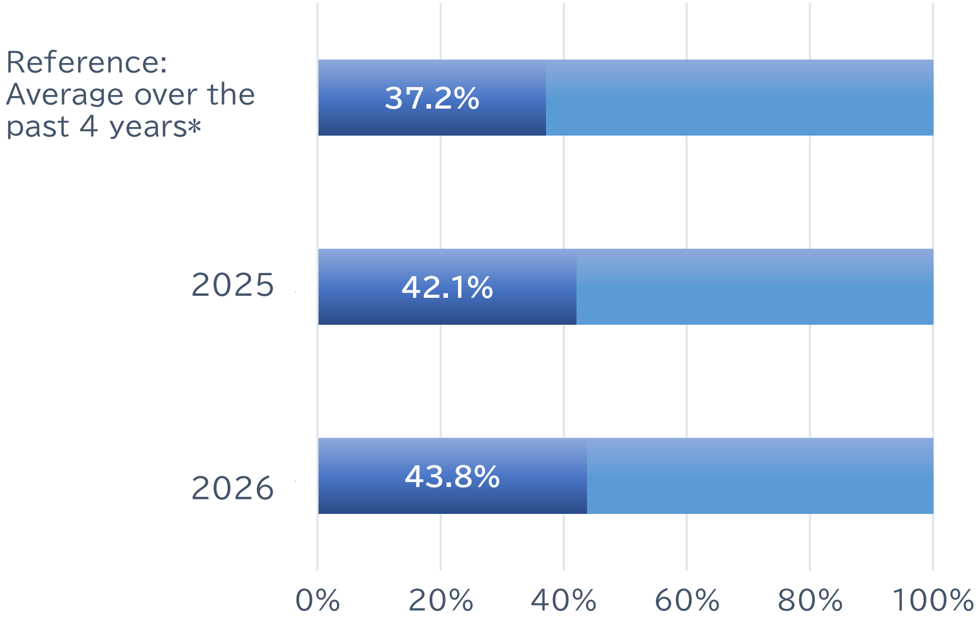
FY2026 Progress Rate Versus Full-Year Forecast Published at the Beginning of the Year

Net sales progress rate (versus full-year forecast)



1st half progress rate: 50.4%

Core operating income progress rate (versus full-year forecast)

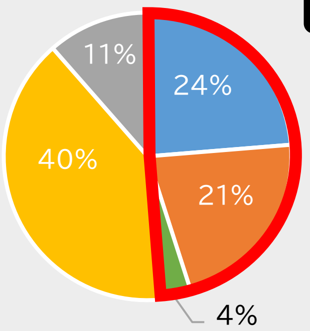


1st half progress rate: 43.8%

* 4-year period between 2022–2025

Overseas Business Share of Total Net Sales*1 by Category

Overseas Business total

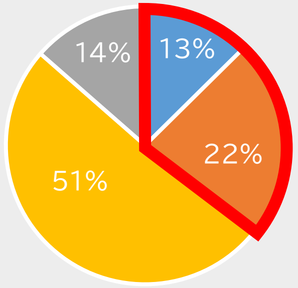


Personal Care field

Ratio to sales : 48.9%

Net year-on-year change in net sales :7.5%

Thailand

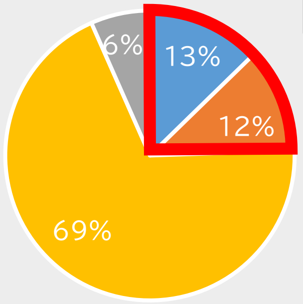


Personal Care field

Ratio to sales : 35.2%

Net year-on-year change in net sales :1.7%

Malaysia



Personal Care field

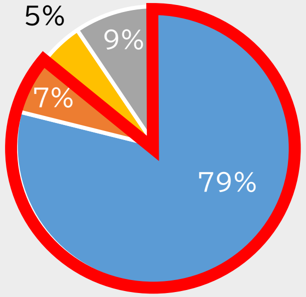
Ratio to sales : 24.5%

Net year-on-year change in net sales :2.0%

- Oral Healthcare
- Beauty Care
- Pharmaceutical
- Home Care*3
- Export and others

Oral Healthcare, Beauty Care, Pharmaceutical: Personal Care field

China*2

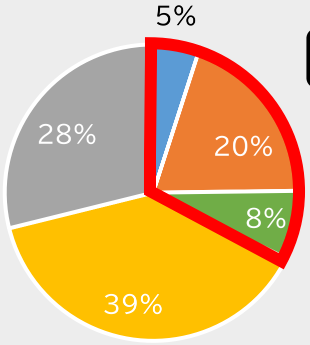


Personal Care field

Ratio to sales : 85.8%

Net year-on-year change in net sales :-9.9%

South Korea



Personal Care field

Ratio to sales : 32.3%

Net year-on-year change in net sales :4.7%

Notes 1. Based on Lion shipment amounts(Jan.–Jun. 2026)

2. Qingdao Lion

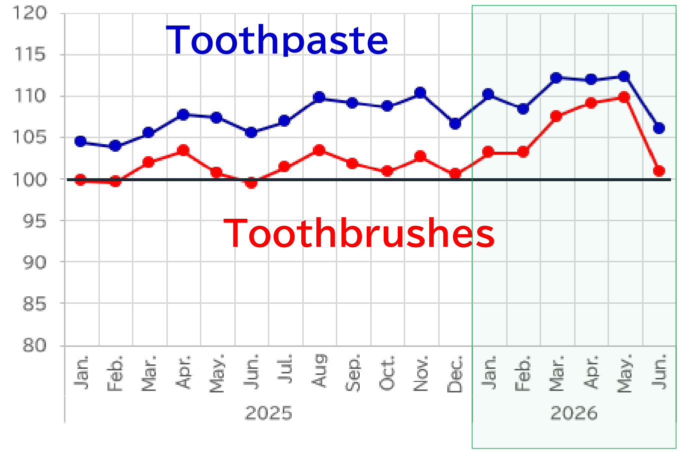
3. Fabric Care and Living Care

Market Trends—Major Product Categories in Japan

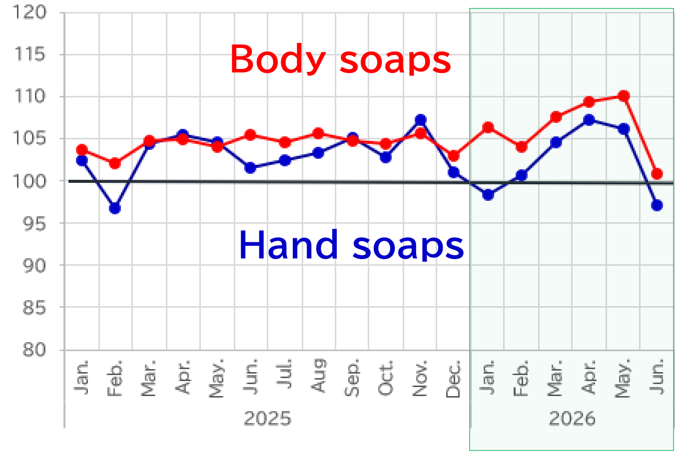
Y-o-Y comparison of consumer product markets in Japan by in-store sales value (%)

Source: INTAGE Inc. SRI+

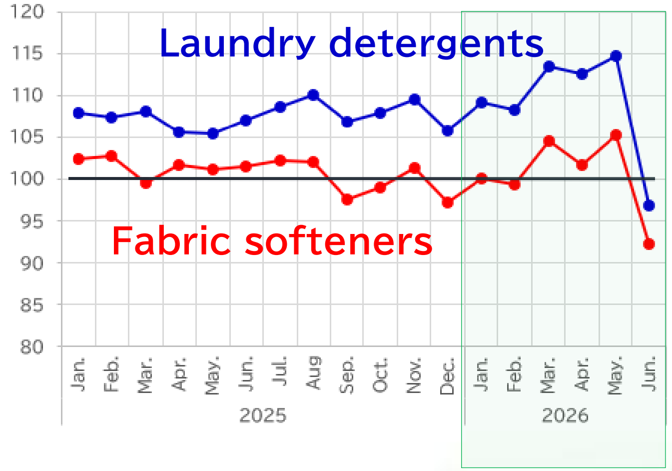
Oral Healthcare



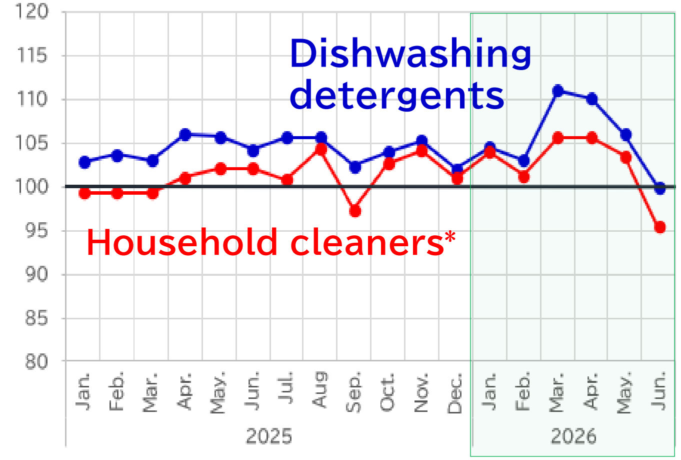
Beauty Care



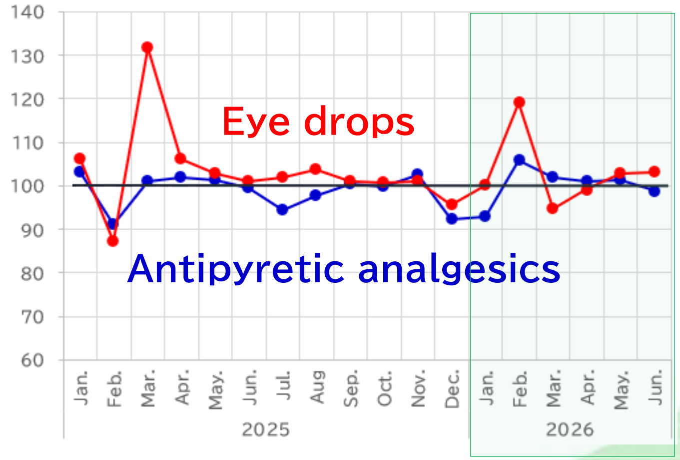
Fabric Care



Living Care



Pharmaceutical



Y-o-Y comparison of key categories from January to June 2026 (%) (vs. 2025)

Category	Vs. '25
Toothpaste	110
Toothbrushes	106
Hand soaps	102
Laundry detergents	109
Fabric softeners	101
Dishwashing detergents	106
Household cleaners	103
Antipyretic analgesics	100

＊Household cleaners refers to the sum of figures for bath detergents and toilet cleaners

Market Trends—Major Product Categories Overseas

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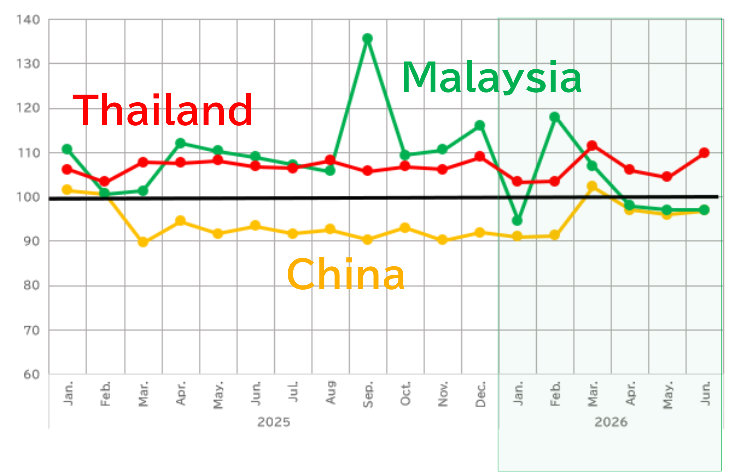
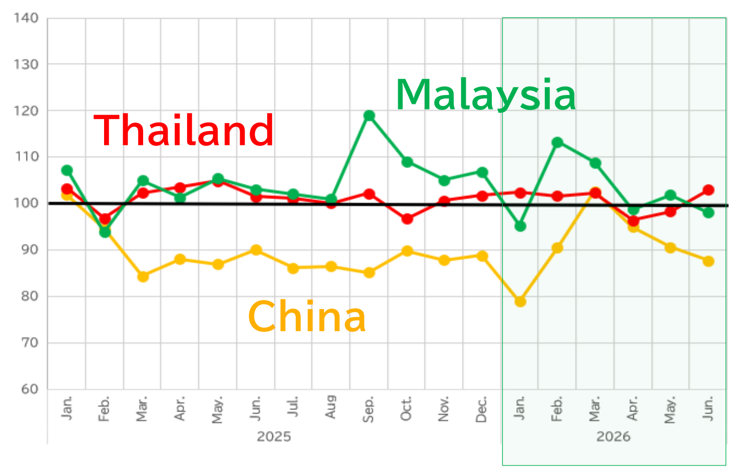
Y-o-Y comparison of consumer product markets overseas by in-store sales value (%)

＊Lion survey

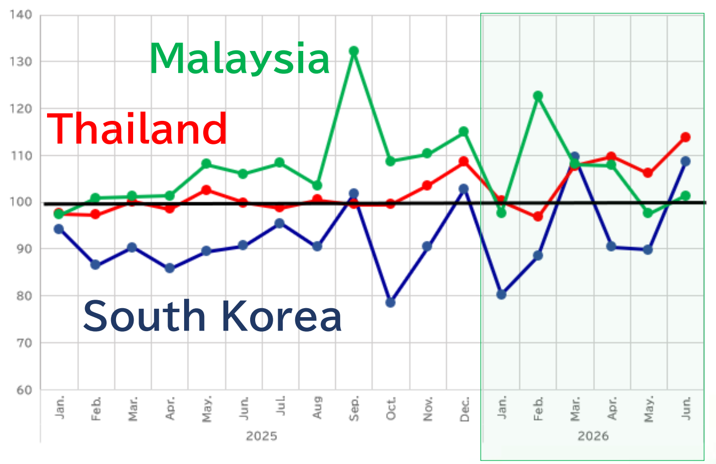
Toothpaste



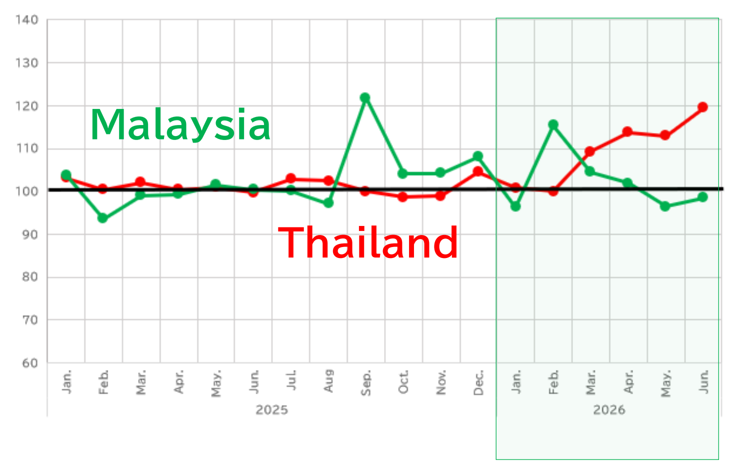
Toothbrushes



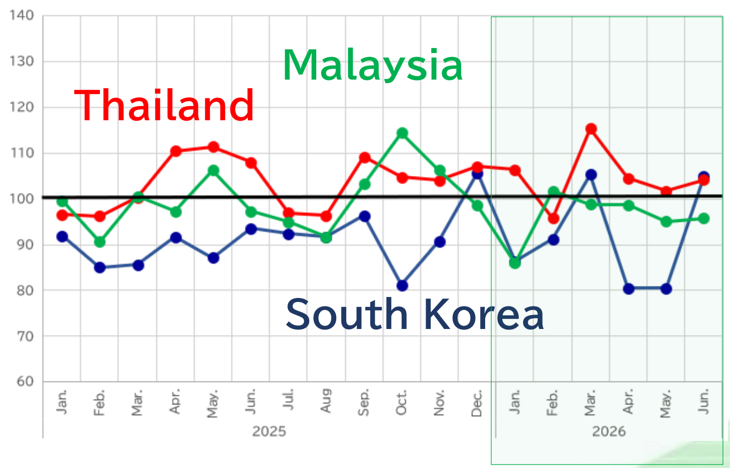
Laundry detergents



Body soaps



Hand soaps



Y-o-Y comparison of key categories from January to June 2026 (%) (vs. 2025)

Category	Thailand	Malaysia
Toothpaste	106	102
Toothbrushes	101	103
Laundry detergents	106	105
Body soaps	110	102
Hand soaps	105	96

1. Data for Thailand and Malaysia has been updated and past figures have been revised accordingly.
2. Figures for Malaysia represent the entire soap market, including the hand soap market.

Changes in Household Products Market and OTC Drug Market

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1) Market Environment for Household Products (23 markets, SRI+*)

Overall market trend for the 23 household product markets in which Lion operates
(Values are percentages of the results of the corresponding periods of the previous years)

	2021	2022	2023	2024	2025	Jan.-Jun. 2026
Sales Value	95	101	103	107	104	106
Sales Volume	92	97	96	99	99	100
Average price	103	104	107	107	105	106

Source: INTAGE Inc. SRI+ survey (data for 2021 is for 38; data for 2022 is for 37; data for 2023 is for 35; data for 2024 to 2025 is for 26; data for 2026 is for 23 major markets in which Lion operates)

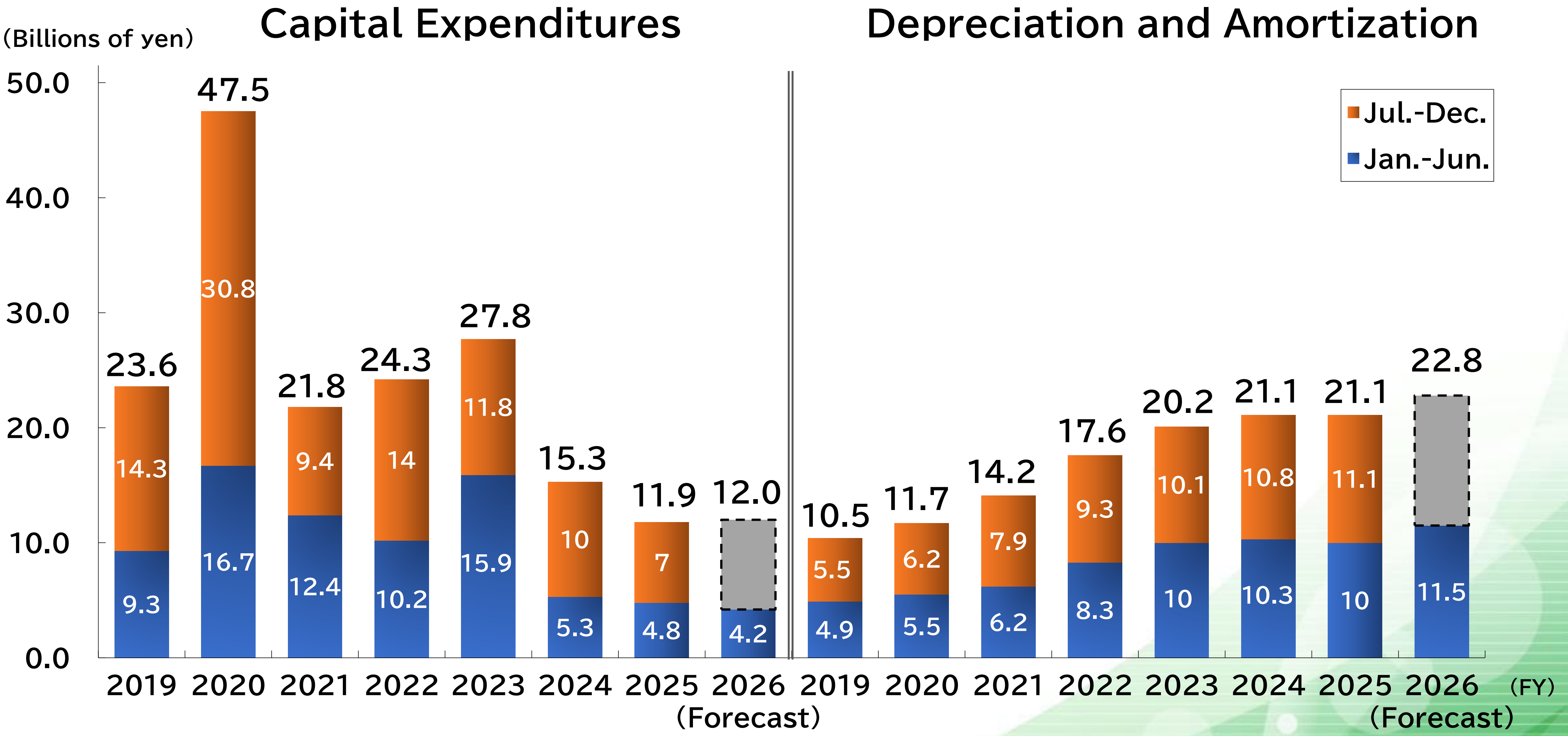
2) Market Environment for OTC Drug Market (6 markets*, SRI+)

Overall market trends in the 6 OTC drug markets in which Lion operates
(Values are percentages of the results of the corresponding periods of the previous years)

	2021	2022	2023	2024	2025	Jan.-Jun. 2026
Sales Value	103	103	111	102	101	101
Sales Volume	101	102	107	99	98	98
Average price	102	101	103	103	103	103

Source: INTAGE Inc. SRI+ Survey (data for 2021-2023 is for 7 markets; data from 2024 onward is for 6 markets)

Capital Expenditures and Depreciation and Amortization



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

Assumed Raw Material Prices and Exchange Rates
＊Updated as of FY26Q2

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Raw Material Prices

	Dubai Crude	Domestic Naphtha	Crude Palm Oil
2026 Revised forecast	85$/BBL	JPY90,000/KL	4,500RM/ton

Exchange Rates

	U.S. Dollar	Thai Baht
2026 Revised forecast	JPY160	JPY4.9

◇ Reference

	Dubai Crude	Domestic Naphtha	Crude Palm Oil
2026 Initial forecast	70$/BBL	JPY66,000/KL	4,400RM/ton

	U.S. Dollar	Thai Baht
2026 Initial forecast	JPY155	JPY4.7

Consolidated Results for April-June 2026

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(Billions of yen)	Jan.–Mar. 2026	Apr.–Jun. 2026	Y-o-Y change	
			Amount	%
Net sales	99.2	117.6	12.4	11.8
Core operating income*1 % of net sales	6.0 6.1	9.3 7.9	1.9	26.7
Operating profit % of net sales	6.2 6.3	14.4 12.3	6.6	86.1
Profit for the period attributable to owners of the parent	4.2	6.6	1.0	18.9
EPS (Yen)	15.21	23.99	3.81	18.9
EBITDA*2	11.0	14.4	2.7	23.6

Notes 1. Core operating income is an earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross profit.
2. EBITDA: An indicator of profitability on a cash basis calculated as the sum of core operating income and depreciation and amortization (excluding that of right-of-use assets).

Results by Business Segment for April-June 2026

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(Billions of yen)	Net sales*1				Core operating income			
	Jan.–Mar. 2026	Apr.–Jun. 2026	Y-o-Y change Amount	Y-o-Y change %	Jan.–Mar. 2026, % of net sales	Apr.–Jun. 2026, % of net sales	Y-o-Y change Amount	Y-o-Y change %*2
Consumer Products	57.3	66.2	(0.0)	(0.1)	4.0	5.7	1.0	21.3
	48.1	58.5	0.6	1.1	7.1	8.6		+1.5PP
Industrial Products	13.2	14.3	(0.1)	(1.3)	0.6	0.8	(0.0)	(0.2)
	8.8	10.3	0.1	1.6	4.9	5.6		+0.0PP
Overseas	46.9	53.8	12.0	29.0	2.8	2.3	1.0	73.1
	41.9	48.4	11.6	31.5	6.2	4.4		+1.1PP
Other	1.3	2.4	(0.0)	(2.0)	(0.0)	(0.0)	(0.0)	—
	0.2	0.2	0.0	5.6	(3.3)	(1.3)		
Adjustment	(19.7)	(19.3)	0.6	—	(1.5)	0.4	(0.0)	—
	—	—	—	—				
Consolidated Total	99.2	117.6	12.4	11.8	6.0	9.3	1.9	26.7
					6.1	7.9		+0.9PP

Notes 1. Upper lines: net sales; lower lines: sales to external customers
2. Lower lines: change in core operating income ratio

Consumer Products Business Net Sales by Product Category for April-June 2026

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(Billions of yen)	Net sales			
	Jan.–Mar. 2026	Apr.–Jun. 2026	Y-o-Y change	
			Amount	%
Oral Healthcare	18.2	22.2	1.9	9.5
Beauty Care	5.5	7.5	0.1	2.7
Fabric Care	13.6	14.6	(0.9)	(5.8)
Living Care	4.3	5.6	(0.9)	(14.7) (2.6)*
Pharmaceutical	4.9	6.4	0.2	3.4
Other	10.5	9.8	(0.5)	(5.3)
Total	57.3	66.2	(0.0)	(0.1) 1.1*

* Actual rate of change, excluding the impact of brand transfers

Overseas Business Results by Region for April-June 2026

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(Billions of yen)	Net sales					Core operating income			
	Jan.–Mar. 2026	Apr.–Jun. 2026	Y-o-Y change			Jan.–Mar. 2026, % of net sales	Apr.–Jun. 2026, % of net sales	Y-o-Y change	
			Amount	%	(Reference) Real rate (%)*1			Amount	%*2
Southeast and South Asia/ Oceania	31.1	33.7	8.3	33.1	11.9	2.3 7.6	1.6 4.9	0.3	31.1 (0.1PP)
Northeast Asia	15.8	20.1	3.7	22.5	11.5	0.5 3.3	0.7 3.6	0.6	521.3 +2.9PP
Total	46.9	53.8	12.0	29.0	16.1	2.8 6.2	2.3 4.4	1.0	73.1 +1.1PP

Notes 1. Real rate refers to the rate of change, excluding the effects of exchange rate fluctuations
2. Figures on the lower line represent change in core operating income ratio

Consolidated Statement of Income

(Billions of yen)	Jan.–Jun. 2026	Jan.–Jun. 2025	Y-o-Y change	
			Amount	%
Net sales	216.8	199.4	17.3	8.7
Cost of sales	115.1	108.9	6.2	5.7
Gross profit	101.7	90.5	11.1	12.3
Selling, general and administrative expenses	86.3	77.8	8.4	10.9
Core operating income	15.3	12.6	2.6	21.3
Other income	7.9	1.0	6.9	670.7
Other expenses	2.6	0.2	2.3	783.6
Operating profit	20.7	13.3	7.3	54.7
Finance income	1.3	0.7	0.6	82.4
Finance costs	0.5	0.9	(0.4)	(44.1)
Share of profit of investments accounted for using the equity method	1.0	1.5	(0.4)	(33.0)
Profit before tax	22.5	14.6	7.8	53.6
Income taxes	9.8	3.5	6.2	179.0
Profit for the period	12.7	11.1	1.5	14.1
Profit for the period attributable to non-controlling interests	1.8	1.5	0.3	21.6
Profit for the period attributable to owners of the parent	10.8	9.6	1.2	12.9

Selling, General and Administrative Expenses

(Billions of yen)	Jan.–Jun. 2026		Jan.–Jun. 2025		Y-o-Y change	
	Amount	% of sales (%)	Amount	% of sales (%)	Amount	%
Selling, general and administrative expenses	86.3	39.8	77.8	39.1	8.4	10.9
Sales commissions	2.8	1.3	2.6	1.3	0.2	8.0
Promotional expenses	23.0	10.6	20.9	10.5	2.0	9.9
Advertising expenses	9.3	4.3	8.4	4.3	0.8	10.2
Transportation and warehousing expenses	10.0	4.6	10.1	5.1	(0.1)	(1.8)
R&D expenses	5.8	2.7	5.6	2.8	0.1	2.5
Other expenses	35.2	16.3	29.9	15.0	5.3	18.0

Consolidated Statement of Financial Position

(Billions of yen)		June 30, 2026	December 31, 2025	Change
Current assets		241.0	253.9	(12.8)
	Cash and cash equivalents	83.4	88.0	(4.6)
	Trade and other receivables	71.6	80.8	(9.2)
	Inventories	55.7	54.1	1.6
Non-current assets		291.7	274.6	17.0
	Property, plant and equipment	118.1	125.2	(7.0)
	Intangible assets	31.3	31.5	(0.1)
	Right-of-use assets	30.5	28.8	1.7
	Other financial assets	29.1	29.1	(0.0)
Total assets		532.7	528.5	4.2

Consolidated Statement of Financial Position

(Billions of yen)		June 30, 2026	December 31, 2025	Change
Current liabilities		127.3	136.1	(8.8)
	Trade and other payables	103.4	114.1	(10.7)
	Lease liabilities	2.5	2.0	0.4
	Other current liabilities	6.5	9.3	(2.8)
Non-current liabilities		46.9	43.9	2.9
	Retirement benefit liabilities	4.1	4.7	(0.5)
	Lease liabilities	28.1	26.1	1.9
Equity		358.5	348.4	10.1
	Share capital	34.4	34.4	–
	Capital surplus	31.4	31.4	0.0
	Treasury stock	(3.2)	(3.3)	0.0
	Other components of equity	29.6	27.9	1.6
	Retained earnings	240.5	232.1	8.3
Total liabilities and equity		532.7	528.5	4.2

Consolidated Statement of Cash Flows

(Billions of yen)	Jan.–Jun. 2026	Jan.–Jun. 2025	Change
Cash flows from operating activities	9.5	1.8	7.6
Cash flows from investing activities	(3.6)	(15.1)	11.4
Cash flows from financing activities	(11.2)	(6.3)	(4.8)
Effect of exchange rate changes on cash and cash equivalents	0.6	(1.8)	2.4
Net increase (decrease) in cash and cash equivalents	(4.6)	(21.4)	16.7
Cash and cash equivalents at beginning of period	88.0	102.2	(14.1)
Cash and cash equivalents at end of period	83.4	80.7	2.6

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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. Accordingly, readers are cautioned that actual results may differ materially from those projected as a result of a variety of factors.

* The Lion Group applies the International Financial Reporting Standards (IFRS).
* Monetary amounts herein are truncated after the last digit shown.