

Lion's Response to and Support for Combatting the Novel Coronavirus Pandemic

We at the Lion Group would like to express our deepest condolences to those who have lost loved ones to the novel coronavirus. We also extend our sympathies to those battling the illness and wish for their full and swift recovery. Furthermore, we wish to express our heartfelt respect and gratitude for the selfless commitment of the medical professionals as well as the many other essential workers working on the front lines of this pandemic, including those in logistics and retail who are working to maintain the supply of important products and supplies.

The Lion Group is focusing efforts on preventing the spread of the virus, reducing the risk of infection to employees and their families and ensuring safety while maintaining its business activities. To this end, we are currently implementing the response measures described below. In addition, we are working with governments, industrial associations and other related organizations to provide useful information to consumers on such topics as effective hand washing techniques.

◆ Lion's Response

1. Preventing the Spread of the Virus and Reducing the Risk of Infection to Employees and Their Families

- Except for employees who must be physically present to perform their duties, such as those involved in production, receiving orders and shipment operations, all employees are working through Lion's telecommuting system. Since the declaration of the state of emergency by Japan's national government, fewer than 10% of employees (excluding employees in production operations) have been working on premises.
- For those employees who must come to the workplace, we are taking steps to minimize contagion risk during their commutes. For example, we are promoting commuting at off-peak hours and making it easier for employees to commute in their private vehicles and stay at nearby hotels for the duration of the state of emergency.
- To ensure flexibility in work hours, we have suspended the core time requirements of our flextime system.
- We are periodically gathering data on the health status of employees and their families.
- We are allowing employees to take special paid leave when they or members of their households are suspected or confirmed to be infected, and when they need to care for family members due to the closure of schools or nursing care facilities.

2. Initiatives in Production Activities

Although we are working to increase production of hygiene-related products, such as hand soaps and disinfectants, the sharp increase in demand has resulted in a shortage of products in stores. We sincerely apologize to consumers for the difficulties this creates. Going forward, the entire Lion Group will increase production as we strive to ensure that production and supply meet the needs of our customers to the greatest extent possible.

◆ Support for Medical Professionals

To support the efforts of the medical professionals working on the front lines at designated medical institutions of specified infectious diseases and other medical facilities to prevent the spread of the virus, the Lion Group will donate ¥100,000,000 to the Japan Red Cross Society.

◆ Forecast of Consolidated Financial Results

In the second quarter of 2020 and onward, the economic downturn due to the novel coronavirus is expected to result in a major decrease in consumption in Japan and overseas. As such, the outlook is extremely unclear.

Given these conditions, Lion has made no revisions to the consolidated financial results forecasts released on February 28, 2020 for the first half of fiscal 2020 and for the full fiscal year. Lion will disclose any changes to these forecasts if they become necessary going forward.

Going forward, the Lion Group will continue to make every effort to prevent the spread of the novel coronavirus.