

## ■ Lion Formulates New Management Vision “Vision 2020” and New Medium-Term Management Plan “Vision 2020 Part-1”

Lion Corporation (president: Sadayoshi Fujishige) today announces that it has formulated a new management vision, “Vision 2020,” and a new medium-term management plan aimed at achieving this management vision, “Vision 2020 Part-1 (V-1 Plan),” as it marks the 120th anniversary of its founding on October 30, 2011. Brief details are as follows.

### I. New Management Vision “Vision 2020”

#### 1. Background of the Formulation of “Vision 2020”

Since its founding, Lion Corporation has closely adhered to its corporate motto, “Fulfilling a spirit of love,” to this end continually working to develop businesses and fulfill its social responsibility, thereby serving people better. In recent years, we have come to recognize the possibility of three major paradigm\* shifts emerging in today’s and tomorrow’s society, which are described below.

\* Paradigm: An intellectual perception or view, accepted by an individual or a society as a clear example, model, or pattern of how things are

#### (1) Inclination to Health and Comfort

On the back of the aging of Japan’s population coupled with a declining birthrate, it is believed that Japanese people are increasingly shifting their focus from material indicators of prosperity and convenience to mental fulfillment. Also, their views on lifestyles and health are undergoing significant change, with desire shifting from merely treating disease or extending life to securing both physical and mental comfort and fulfillment. To sum up, people seem to be increasing the priority placed on improving the quality of their life.

#### (2) Pursuit of Sustainability

As the anticipated global population explosion draws near, the international community is expected to place greater focus on “sustainable social development.” Accordingly, it is becoming clear that the role that corporations play in achieving a recycling-oriented, low-carbon society in harmony with nature is gaining ever greater significance.

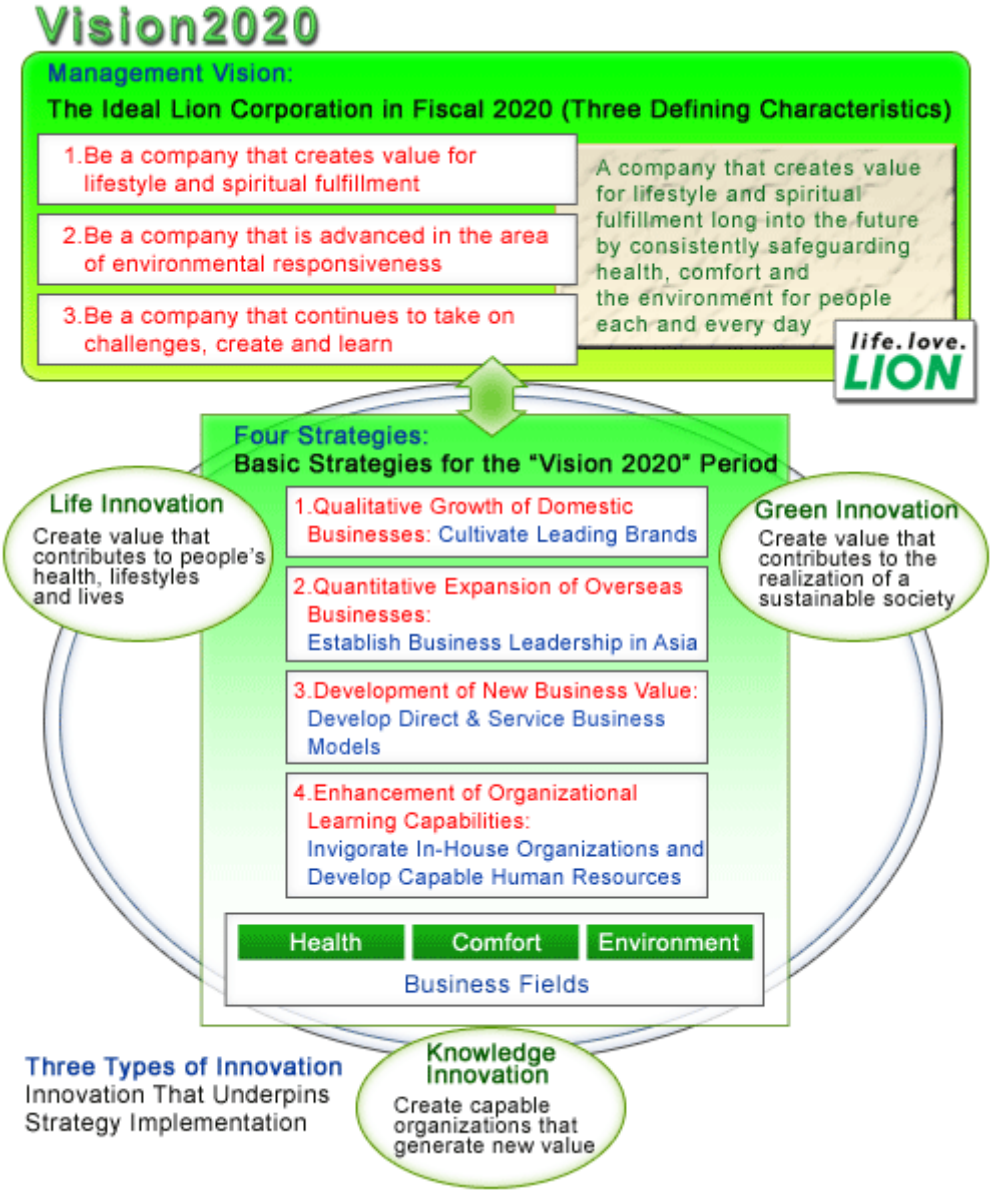
#### (3) Transformation from a “Zero-Sum” Society to a “Plus-Sum” Society

Until today, society has been based on a “zero-sum” (competition-oriented) structure, where one person’s gain can result only from an equivalent loss on the part of another. Under this model, the net change in total wealth is zero as the wealth simply shifts from A to B. It is believed, however, that societies worldwide are striving to break away from this structure and move on toward a “plus-sum” structure, where value is created through cooperation and all people are able to achieve growth and thus create a whole that is greater than its parts. To improve their value in such a society, corporations will need to help solve social ills and create new value.

### 2. Overview of “Vision 2020”

Having gained an accurate understanding of the aforementioned paradigm shifts, Lion Corporation has

formulated “**Vision 2020,**” which encapsulates the ideal Lion Corporation in fiscal 2020 (and its three defining characteristics) and the basic strategies needed to realize these characteristics.



**(1) The Ideal Lion Corporation in Fiscal 2020.**

**< Three Defining Characteristics >**

- a. Be a company that creates value for lifestyle and spiritual fulfillment
- b. Be a company that is advanced in the area of environmental responsiveness
- c. Be a company that continues to take on challenges, create and learn

**< The Ideal Lion Corporation in Fiscal 2020 >**

Company that creates value for lifestyle and spiritual fulfillment long into the future by consistently safeguarding health, comfort and the environment for people each and every day

**(2) Four Strategies: Framework to Achieve “Vision 2020”**

**a. Qualitative Growth of Domestic Businesses**

By developing brands that are supported by customers and business partners, we aim to create added value in our businesses.

**b. Quantitative Expansion of Overseas Businesses**

We will aggressively promote business expansion in Asian countries, where further economic growth and living standard improvements are highly anticipated.

**c. Development of New Business Value**

While implementing growth strategies in our existing operations, we will actively develop and nurture new businesses.

**d. Enhancement of Organizational Learning Capabilities**

We aim to become a corporate entity that continues to take on challenges, goes beyond existing frameworks, and learns and grows organically.

**(3) The Three Types of Innovation Required for Strategy Promotion**

**a. Life Innovation**

Through new discoveries in life science and lifestyle science, we will continue to enlighten people in how to approach different stages of life and achieve comfortable lifestyles, in this way helping them live today to the fullest and arrive at a fulfilling tomorrow.

**b. Green Innovation**

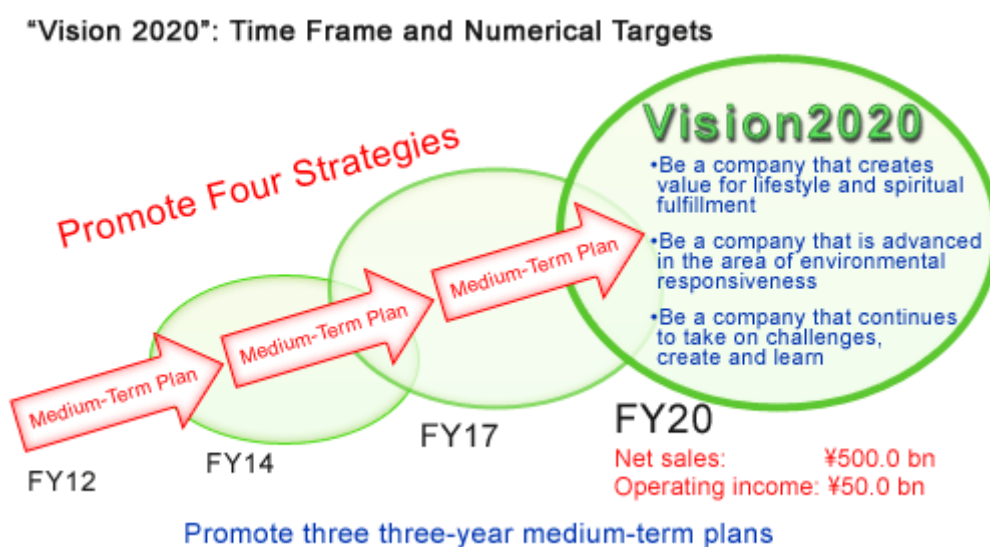
While further strengthening our consideration of environmental issues in our existing operations, we will contribute to the realization of a recycling-oriented, low-carbon society in harmony with nature through new discoveries.

**c. Knowledge Innovation**

Through innovation in human resource development and business processes, we will attain the excellent organizational capabilities required to create new value.

**(4) “Vision 2020”: Time Frame and Numerical Targets**

Lion Corporation expects to implement a trio of successive three-year medium-term management plans as part of the processes to achieve “Vision 2020.” Our performance targets for fiscal 2020 are: (1) consolidated net sales totaling about ¥500.0 billion; and (2) consolidated operating income totaling about ¥50.0 billion. As the first medium-term management plan over the “Vision 2020” period, Lion Corporation has formulated the “V-1 Plan,” which extends from fiscal 2012 to fiscal 2014.



- Build a powerful earnings structure with a consolidated operating income margin of around 10%
- Promote overseas businesses, including new target markets, and increase the overseas sales ratio to about 30%

- Strengthen new businesses as the Group's third business pillar

## II . **Medium-Term Management Plan “V-1 Plan”**

As the first step toward achieving “**Vision 2020**,” Lion Corporation has formulated the “**V-1 Plan**,” which will be effective from fiscal 2012 to fiscal 2014.

### 1. Theme of the “V-1 Plan”

Under the theme of “Launching initiatives aimed at achieving the management vision,” we will launch and accelerate specific initiatives in line with our four “Vision 2020” strategies. At the same time, we will work to improve our profitability.

### 2. Basic Strategies under the “V-1 Plan”

#### (1) Qualitative Growth of Domestic Businesses

In the Consumer Products Business in Japan, Lion Corporation will undertake organizational restructuring to fully leverage its marketing and sales functions. We will foster operations in high-value-added product categories and improve the efficiency in these operations, thereby bolstering our earnings base. In addition, we will cultivate new mainstay brands to secure higher market positions in principal business fields. Also, we will work to further strengthen our R&D and production technologies while stepping up consumer research.

#### (2) Quantitative Expansion of Overseas Businesses

Along with ongoing efforts to increase its production capacity in Thailand, Malaysia and China, Lion Corporation will aggressively promote laundry detergents as well as oral care and other products in Asian countries. Lion Corporation plans to make a full entry into the Philippine market in fiscal 2012. By penetrating other new markets, we will expand our business foundation in Asia.

#### (3) Development of New Business Value

Lion Corporation aims to transform its growing mail-order services into a ¥10-billion business by fiscal 2014. Meanwhile, we will actively launch new businesses that utilize our existing management resources while seeking new business opportunities through, for example, the acquisition of external resources.

#### (4) Enhancement of Organizational Learning Capabilities

Lion Corporation will implement various measures to promote internal and external communication in line with its new corporate message in order to enhance comprehensive organizational capabilities and invigorate various corporate structures. Simultaneously, we will strive to create a corporate culture in which diverse personnel can utilize their full capacity while reinforcing human resource development.

### 3. Performance Targets

#### < Targets for Fiscal 2014 >

<b>Consolidated net sales:</b>	<b>¥365.0 billion (average annual growth of 3%)</b>
<b>Consolidated operating income:</b>	<b>¥20.0 billion (up ¥9.0 billion from fiscal 2011)</b>
<b>Consolidated operating income margin:</b>	<b>5.5% (up 2.2 points from fiscal 2011)</b>

\* Based on fiscal 2011 performance forecasts

\* Details of the “V-1 Plan” will be disclosed in connection with the performance forecasts for fiscal 2012, which will be included in the financial results for fiscal 2011.

Under its new management vision, Lion Corporation aims to become a “Company that creates value for lifestyle and spiritual fulfillment long into the future by consistently safeguarding health, comfort and the environment for people each and every day” and will continue to contribute to the sound development of society through its business.