



Medium-Term Management Plan

“Vision2020 Part-2”

Vision2020

Management Vision:

The Ideal Lion Corporation in Fiscal 2020 (Three Defining Characteristics)

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

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

life.love.
LION

Four Strategies: Basic Strategies for the "Vision 2020" Period

1. **Qualitative Growth of Domestic Businesses:** Cultivate Leading Brands

2. **Quantitative Expansion of Overseas Businesses:** Establish Business Leadership in Asia

3. **Development of New Business Value:** Develop Direct & Service Business Models

4. **Enhancement of Organizational Learning Capabilities:** Invigorate In-House Organizations and Develop Capable Human Resources

Health

Comfort

Environment

Business Fields

Life Innovation

Create value that contributes to people's health, lifestyles and lives

Green Innovation

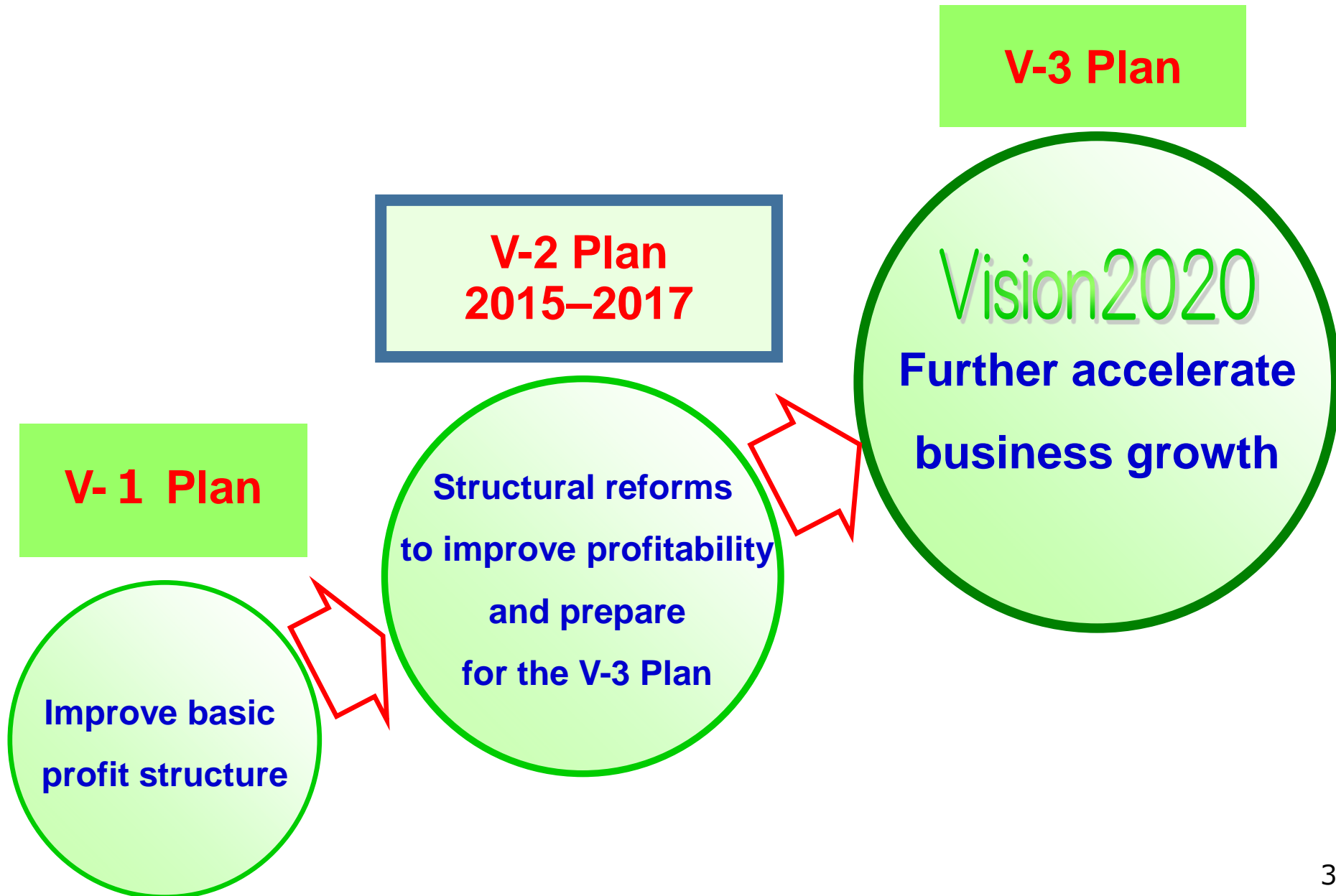
Create value that contributes to the realization of a sustainable society

Three Types of Innovation
Innovation That Underpins Strategy Implementation

Knowledge Innovation

Create capable organizations that generate new value

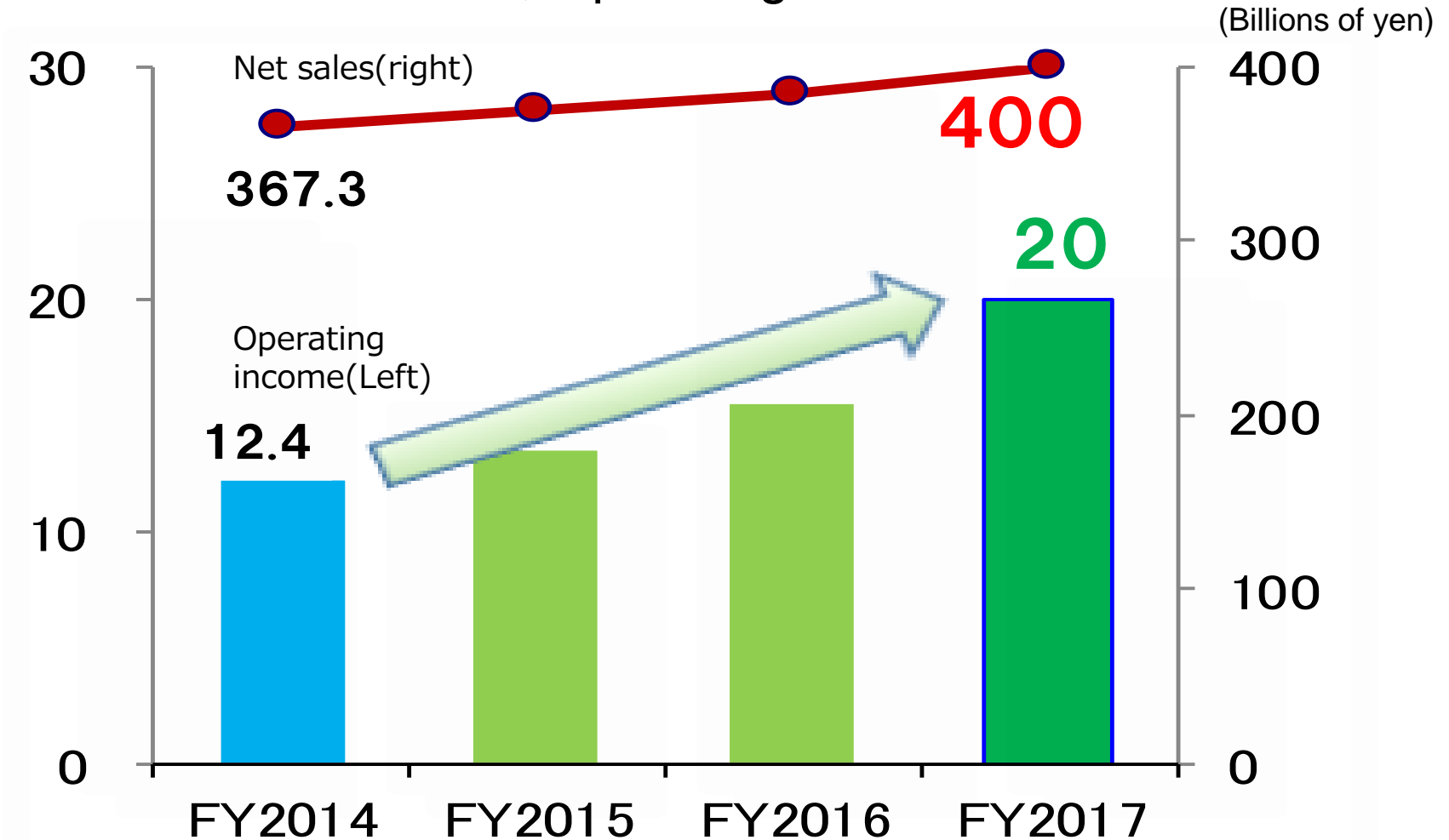
Achieving the Vision



V-2 Plan consolidated performance target

◇ Change the profit structure to achieve a 5% operating margin

Net sales: ¥400 billion, Operating income: ¥20 billion



Consolidated performance target

○ Income targets

(Billions of yen)	FY2017	Percent of total	Average net sales growth rate /margin improvement
Net sales	400	100.0%	2.9%
Operating income	20	5.0%	+1.6pp
Ordinary income	22	5.5%	+1.7pp
Net income	12	3.0%	+1.0pp

○ Financial data

ROE 10% or above

BEP 90% or less



1. Qualitative Growth of Domestic Businesses

2. Quantitative Expansion of Overseas Businesses

3. Development of New Business Value

4. Enhancement of Organizational Learning Capabilities

1. Qualitative Growth of Domestic Businesses

Consumer Products targets (2014→2017)

- Grow sales: 103%
- Improve operating margin: +1.4pp
- Portion of sales accounted for by No. 1 market share brands: Double

Develop high-value-added and market creation-type products for selective consumption

Aggressive investment to develop strategic fields

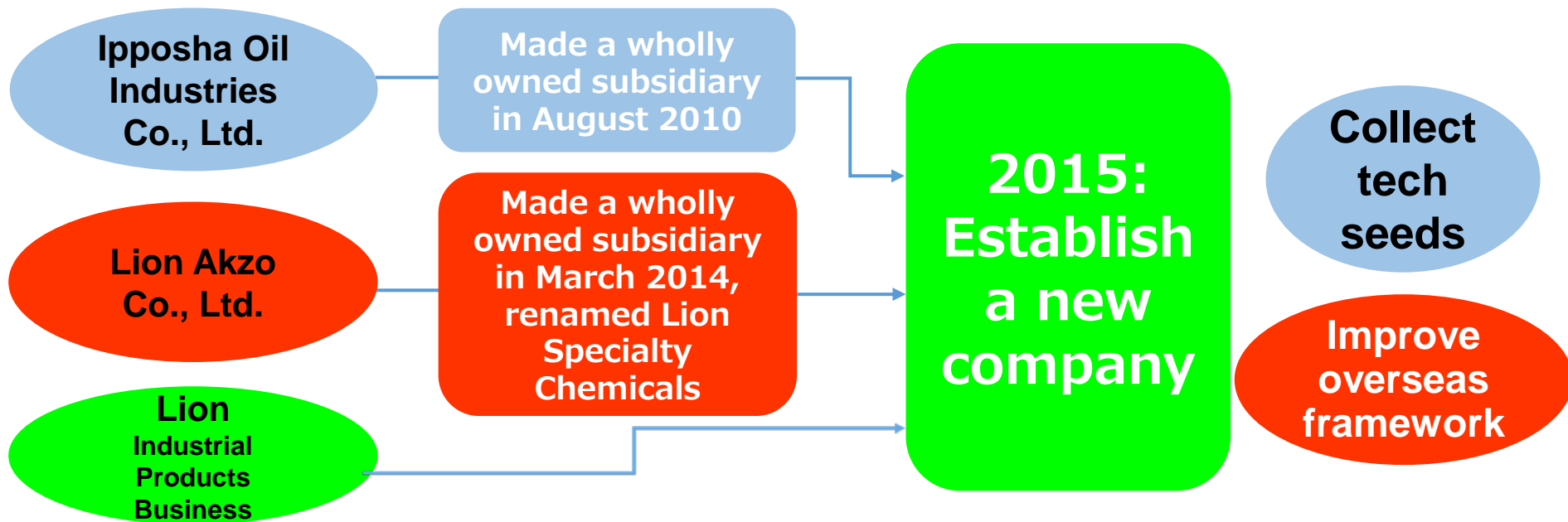
Maximize SCM efficiency (production, distribution)

1. Qualitative Growth of Domestic Businesses

Industrial Products targets (2014→2017)

- Grow sales **102%**
- Improve operating margin **+2.1pp**

Unifying the Group's chemicals business



Overseas targets (2014→2017)

- **Grow sales** **130%**
- **Improve operating margin** **+2.1pp**
- **Consolidated overseas sales ratio** **27%**



3. Development of New Business Value

New Businesses: Nurturing future business pillars

1. Target new growth in the direct-to-consumer sales business

2015

2016

2017

Reinforce promotions using
functional products' labels

Streamline procurement
and production structures

Develop new products
Enhance product lineup

2. Reinforce online shopping initiatives

3. Explore new business areas

Improve work environments to promote diversity

Nurture and utilize human resources to invigorate the organization



Digital communications initiatives

Facilitate contact with consumers, provide feedback to development and marketing divisions



- ◇ Continued investment in growth to achieve the goals of Vision2020

Investing in facilities:

**Streamline production,
reinforce information infrastructure**

Investing in innovation:

Strengthening global R&D

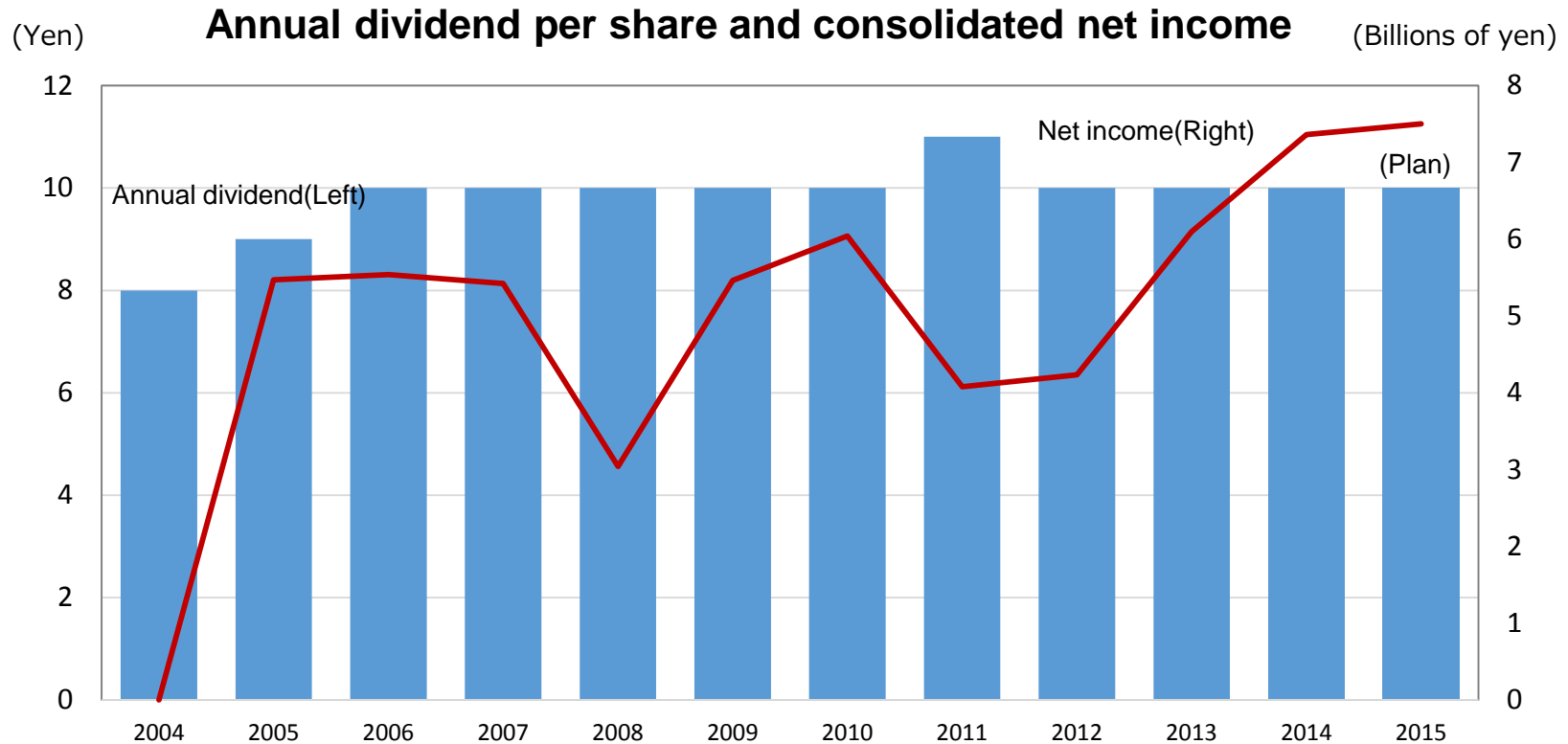
Investing in marketing:

Cultivating No. 1 brands

Investing in new businesses:

**Reinforce incubation,
utilize external resources**

- **Stable and continuous profit returns**
- **Enhance shareholder returns**



*Lion recorded a net loss of ¥4.7 billion in 2004

※120th Anniversary Commemorative Dividend Paid in FY2011 as of the year-end: ¥1