

October 31, 2008

**Summary of Business Results for the Third Quarter
ended September 30, 2008 (Consolidated)**
- Supplementary Information -



Lion Corporation

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.

Note: Figures are rounded down to the digits that are displayed.

1. Qualitative Information Concerning Consolidated Results for the Third Quarter Ended September 30, 2008

1. Consolidated Net Sales

- ◇ Impacted by such factors as exchange rate fluctuations, net sales totaled ¥242,128 million, a decrease of 1.2% year-on-year. (Excluding the impact of exchange rate fluctuations, net sales climbed 1.2%.)
- ◇ In Japan, Lion bolster principle brands and developed new markets by introducing new, high-value-added products in the Health Care and Household business, and domestic net sales increased 0.5% compared with the corresponding period of the previous fiscal year.
- ◇ Overseas, Lion strove to nurture common brands for each country in the Asian region and sales increased 5.1% in local currencies compared with the corresponding period of the previous fiscal year. However, revenue decreased 9.3% year-on-year as result of the impact of exchange rate fluctuations on yen conversions.

2. Consolidated Operating Income

- ◇ Although such measures as reducing total costs were promoted, beginning with reduced manufacturing costs, operating income decreased 38.2% year-on-year to ¥2,893 million resulting from increases in material costs.

2. Results of Operations for the Third Quarter ended September 30, 2008 (Consolidated)

(Unit: ¥million)

	Jan-Sep 2007	Jan-Sep 2008	Year on Year	
			Amount	%Change
Net sales	244,994	242,128	(2,866)	(1.2)
Cost of sales	115,599	113,578	(2,021)	(1.7)
Gross profit	129,394	128,549	(845)	(0.7)
Selling, general and administrative expenses	124,714	125,656	941	0.8
Operating income	4,679	2,893	(1,786)	(38.2)
Non-operating income	2,079	1,485	(594)	(28.6)
Non-operating expenses	859	1,226	366	42.6
Ordinary income	5,899	3,152	(2,747)	(46.6)
Extraordinary gains	1,368	96	(1,272)	(92.9)
Extraordinary losses	2,291	300	(1,991)	(86.9)
Net income before income taxes	4,976	2,948	(2,027)	(40.7)
Income taxes	1,214	1,180	(34)	(2.9)
Minority interests in earnings of consolidated subsidiaries (subtraction)	121	152	30	25.2
Net income	3,640	1,616	(2,023)	(55.6)

3. Actual Results by Business Segment (Consolidated)

(unit: ¥million)

	Net sales				Operating income			
	Jan-Sep 2007	Jan-Sep 2008	Year on Year		Jan-Sep 2007	Jan-Sep 2008	Year on Year	
			Amount	%Change			Amount	%Change
Health care Products	98,332	96,925	(1,407)	(1.4)	3,511	3,882	370	10.5
Household products	119,034	116,183	(2,851)	(2.4)	848	(925)	(1,774)	–
Chemical products	23,812	24,266	454	1.9	(155)	(204)	(48)	–
Other	3,814	4,752	937	24.6	246	95	(151)	(61.3)
Corporate and eliminations	–	–	–	–	227	44	(183)	(80.3)
Consolidated total	244,994	242,128	(2,866)	(1.2)	4,679	2,893	(1,786)	(38.2)

- ◇ In Health Care Products and Household Products, net sales decreased. This is attributed to decrease in overseas sales due to influence of exchange rate fluctuations.
- ◇ Operating income of Health Care Products increased due to such measures as manufacturing cost reduction. However, severely affected by increases in material costs, we posted operating loss in Household Products and Chemical Products.

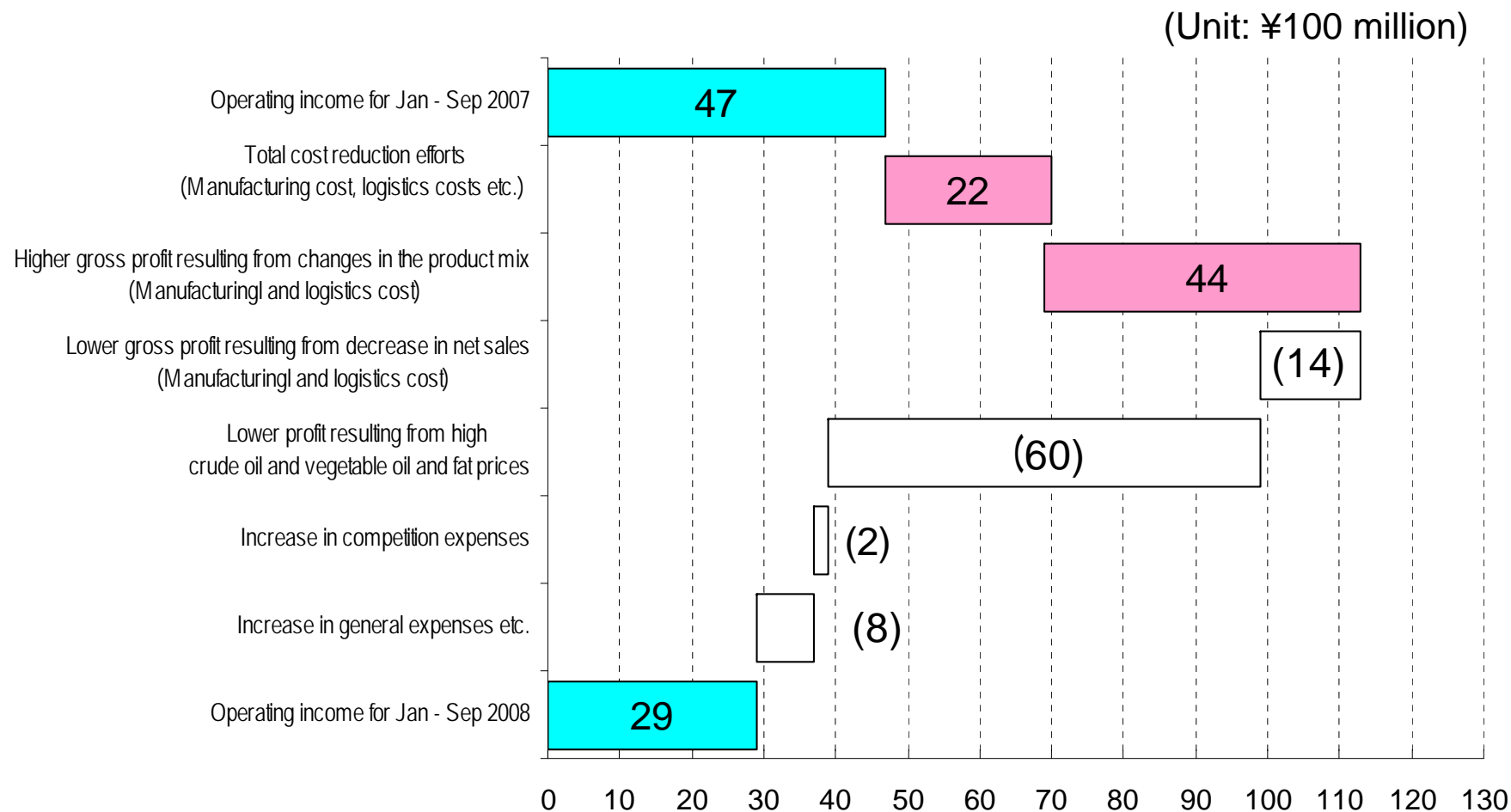
4. Actual Results by Geographical Segment (Consolidated)

(Unit: ¥million)

	Net sales*				Operating income			
	Jan-Sep 2007	Jan-Sep 2008	Year on Year		Jan-Sep 2007	Jan-Sep 2008	Year on Year	
			Amount	%Change			Amount	%Change
Japan	204,232	205,151	919	0.5	3,171	2,001	(1,170)	(36.9)
Asia	40,761	36,976	(3,785)	(9.3)	1,228	677	(550)	(44.8)
Total	244,994	242,128	(2,866)	(1.2)	4,399	2,678	(1,720)	(39.1)
Corporate and eliminations	—	—	—	—	280	214	(65)	(23.6)
Consolidated total	244,994	242,128	(2,866)	(1.2)	4,679	2,893	(1,786)	(38.2)

*Net sales is sales to outside customers

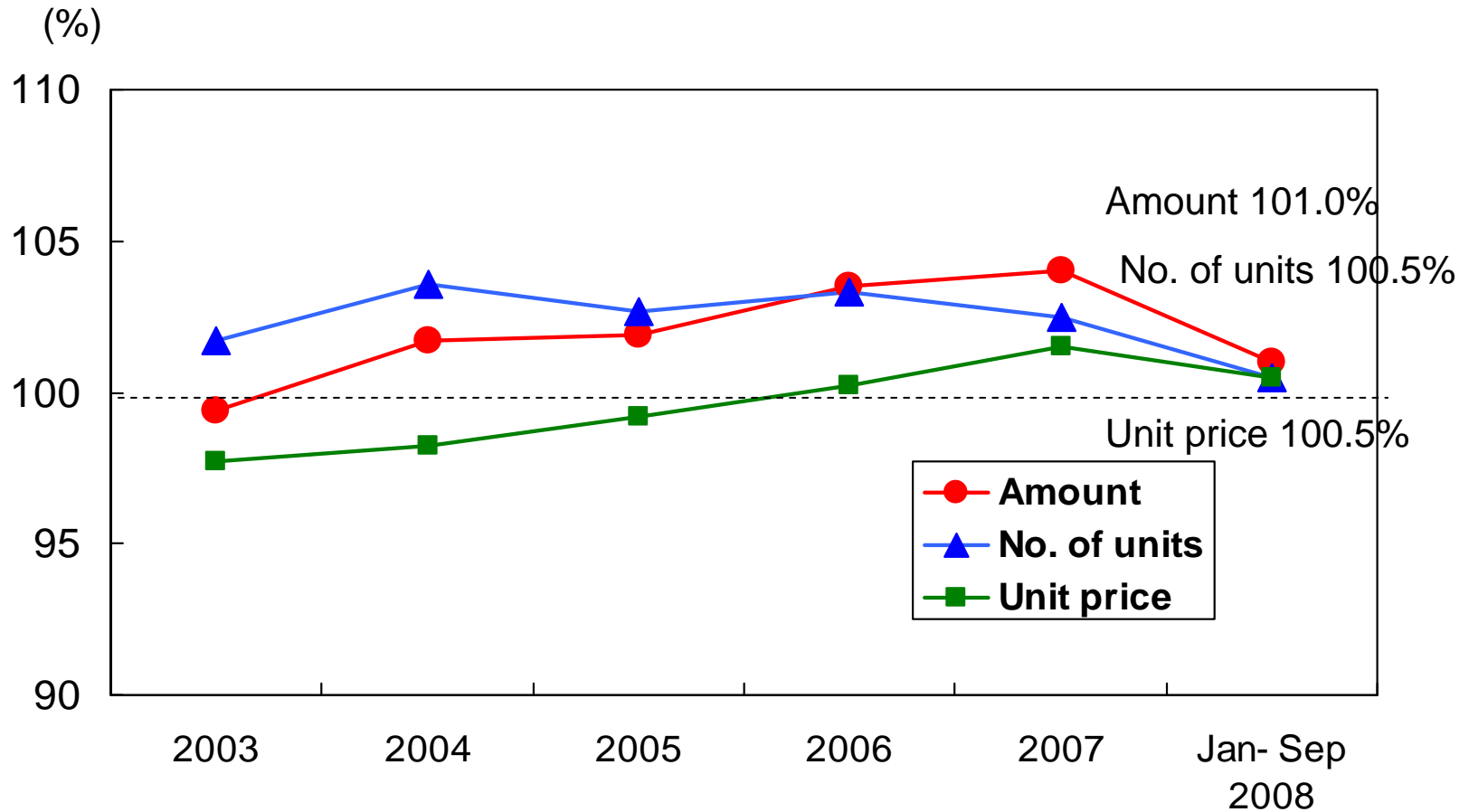
5. Reason for Changes in Operating Income (Consolidated)



Despite an increase in gross profit due to such measures as reducing total costs, with a focus on decreasing manufacturing costs, and acquiring the trademark right to Bufferin, Lion posted an operating loss because of its inability to offset a steep rise in the prices of crude oil, vegetable oil and fats.

6. Environment of Home Products Market

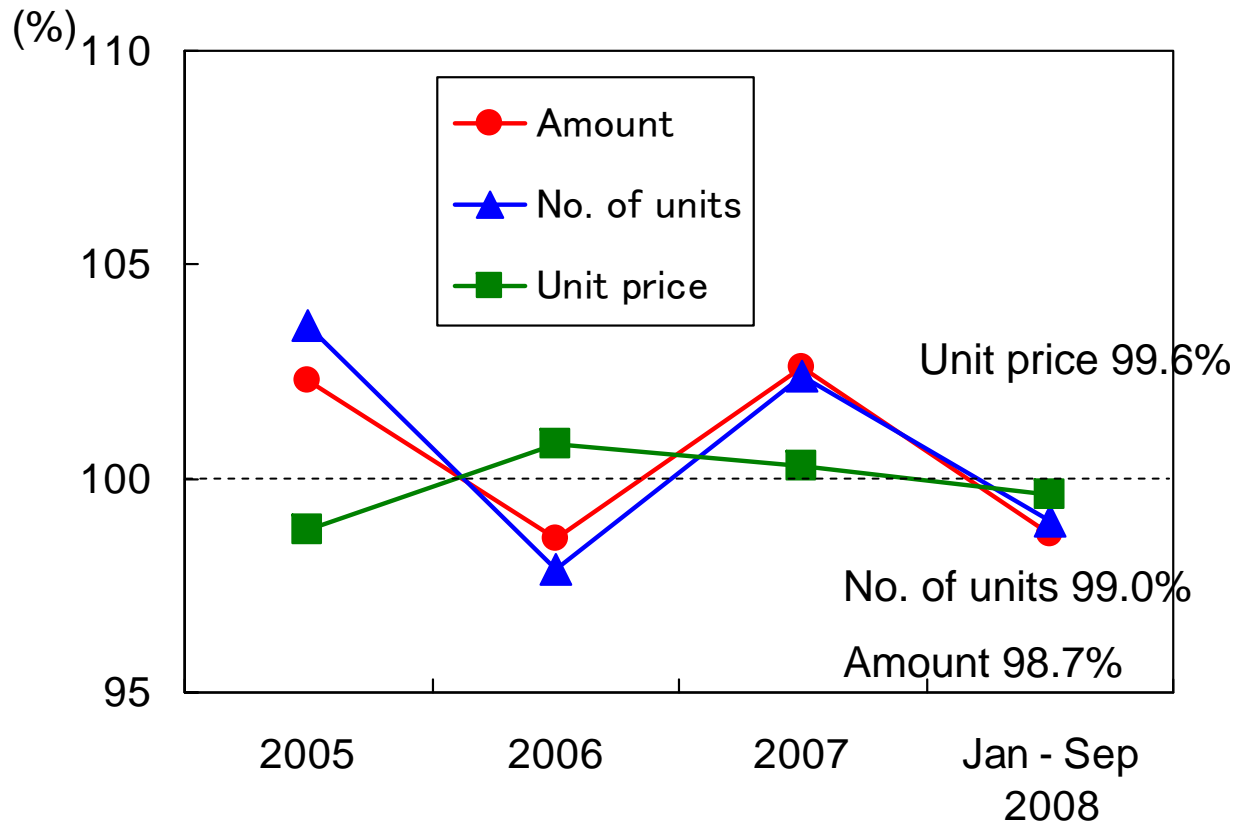
Market trend of the total of 16 home product markets in which Lion participates (percentage change over the year-ago period.)



Source: INTAGE Inc. SRI survey

7. Environment of Pharmaceutical Products Market

Market trend of the total of 8 OTC drug markets in which Lion participates (percentage change over the year-ago period.)



Source: INTAGE Inc. SDI survey

8. Fiscal 2008 Consolidated Financial Forecast

(unit: ¥100 million)

	Annual			
	FY 2007	FY 2008	Year on Year	
			Amount	%
Net Sales	3,417.1	3,450.0	32.8	1.0
Operating Income	89.0	100.0	10.9	12.3
% of Sales	2.6	2.9		
Ordinary Income	101.0	105.0	3.9	3.9
% of Sales	2.9	3.0		
Net Income	54.2	57.0	2.7	5.1
% of Sales	1.6	1.7		

from Good Morning to Good Night

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