

May 11, 2009

**Summary of Business Results for the Three Months  
Ended March 31, 2009 (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 Three Months Ended March 31, 2009



## 1) Net Sales

- Net sales companywide decreased 10.2% to ¥62,897 million due to a significant drop in the Chemical Products business stemming from the major impact of the global recession as well as from the effect of appreciation of the yen (real sales that omit the effect of exchange rate fluctuations totaling approximately ¥3,000 million fell 5.6% compared with the same period of the previous fiscal year).
- In Japan, Lion made concerted efforts to cultivate main brands in the Household Products business segments by introducing new, high-value-added products in growth markets, while actively developing new markets by releasing highly distinctive new products in the Health Care Products business. However, due to the impact of significant reductions in the production volume of main counterparties by the Chemical Products business, overall sales fell by 7.0% compared with the first quarter of the previous fiscal year.
- Overseas, Lion strove to nurture common brands for each country in the Asian region. However, although overall sales increased 0.8% in the local currency compared with the corresponding period of the previous fiscal year, earnings declined 24.6% year-on-year as a result of the impact of appreciation of the yen due to exchange rate fluctuations on yen conversions.

## 2) Operating Income

- Despite efforts to actively implement total cost reduction measures focusing on manufacturing costs and distribution expenses, operating loss totaled ¥3,311 million (operating loss totaled ¥1,427 million during the first quarter of the previous fiscal year) as a result of the impact of such factors as reduced net sales and the escalating prices of raw materials.

## 2. Financial Highlight    Net Sales and Profits

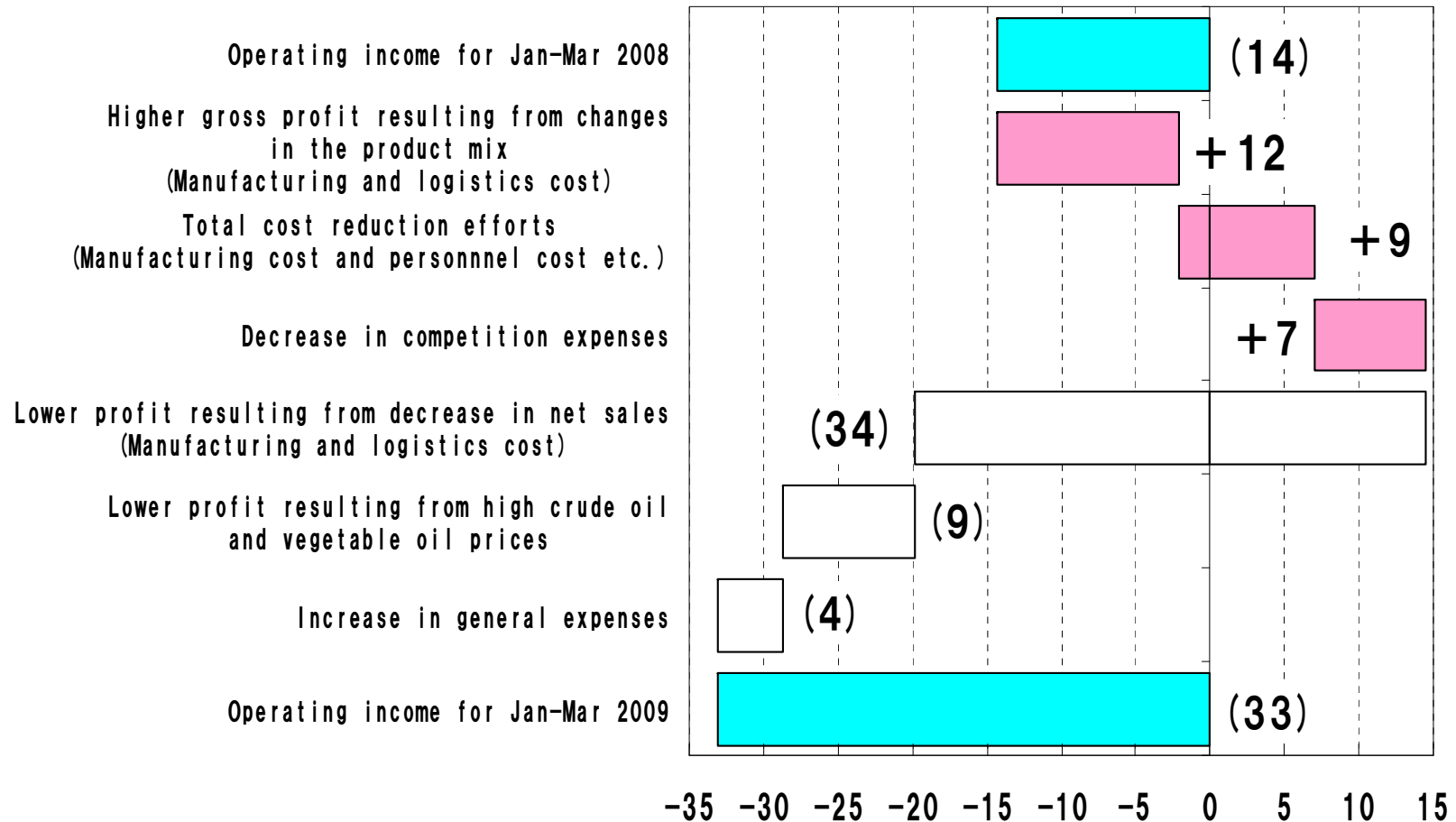
(unit: ¥100 million)

	Q1 Fiscal 2008	Q1 Fiscal 2009	Change	Change (%)
Net Sales	700.4	628.9	(71.5)	(10.2)
Operating Income	(14.2)	(33.1)	(18.8)	(132.0)
Ordinary Income	(14.5)	(31.3)	(16.8)	(115.5)
Net Income	(10.8)	(19.8)	(9.0)	(83.3)
EPS (Yen)	(4.00)	(7.35)	(3.35)	—

# 3. Financial Highlight Y o Y Changes in Operating Income



(unit: ¥100 million)



The sales composition of mainstay products in the first quarter of each fiscal year remains low. At the same time, the Company undertook proactive investment aimed at cultivating new products. As a result, Lion again reported an operating loss for the period.

In the first quarter of the current fiscal year, the Lion Group made efforts to cut total expenses, focusing on manufacturing costs. However, operating losses increased due to an inability to absorb a decline in gross profit stemming from reduced income.

## 4. Financial Highlight Results by Geographical Segment

(unit: ¥100 million)

	Net Sales				Operating Income			
	Q1 Fiscal 2008	Q1 Fiscal 2009	Change	Change (%)	Q1 Fiscal 2008	Q1 Fiscal 2009	Change	Change (%)
Japan	573.1	532.9	(40.2)	(7.0)	(18.2)	(37.7)	(19.4)	—
Overseas	127.2	96.0	(31.2)	(24.6)	3.2	4.1	0.9	28.9
Total	700.4	628.9	(71.5)	(10.2)	(15.0)	(33.5)	(18.5)	—
Eliminations and Corporate	—	—	—	—	0.7	0.4	(0.3)	(40.3)
Consolidated Total	700.4	628.9	(71.5)	(10.2)	(14.2)	(33.1)	(18.8)	—

In Japan, net sales remained flat due to the decrease in net sales of Pharmaceutical Products division and Chemical Products businesses.

Real net sales, excluding exchange rate fluctuations, increased 0.8% year-on-year.

(Compared with the same period last year, the yen has appreciated 20.7% against the Thai baht and 38.7% against the Korean won)

# 5. Financial Highlight Results by Business Segment



(unit: ¥100 million)

	Net Sales				Operating Income			
	Q1 Fiscal 2008	Q1 Fiscal 2009	Change	Change (%)	Q1 Fiscal 2008	Q1 Fiscal 2009	Change	Change (%)
Health Care	270.9	256.9	(14.0)	(5.2)	(0.7)	(11.8)	(11.1)	—
Household	347.8	320.3	(27.5)	(7.9)	(12.5)	(17.5)	(4.9)	—
Chemical	75.1	44.5	(30.6)	(40.8)	(0.7)	(3.7)	(2.9)	—
Other	6.5	7.2	0.6	10.0	(0.9)	(0.0)	0.9	—
Corporate and eliminations	—	—	—	—	0.7	0.1	(0.6)	(82.6)
Consolidated Total	700.4	628.9	(71.5)	(10.2)	(14.2)	(33.1)	(18.8)	—

In Health Care Products, overall sales decreased due to an impact of contraction in the market of analgesics, mainstay products.

In Household Products, net sales in Japan remains flat. However overseas, net sales considerably fell due to the impact of exchange rate fluctuations of yen conversions, overall sales declined.

In Chemical products business, net sales declined due to the impact of significant reductions in the production volume of manufactures in Japan and overseas.

## 6. Fiscal 2009 Consolidated Financial Forecast

(unit: ¥100 million)

	FY2008	FY2009	Change	Change (%)	1H FY2008	1H FY2009	Change	Change (%)
Net Sales	3,382.3	3,400.0	17.6	0.5	1,615.4	1,600.0	(15.4)	(1.0)
Operating Income	82.7	90.0	7.2	8.7	25.2	14.0	(11.2)	(44.6)
% of Sales	2.4	2.6			1.6	0.9		
Ordinary Income	76.0	90.0	13.9	18.4	29.6	15.0	(14.6)	(49.3)
% of Sales	2.2	2.6			1.8	0.9		
Net Income	30.4	50.0	19.5	64.5	15.3	13.0	(2.3)	(15.4)
% of Sales	0.9	1.5			1.0	0.8		

There are No changes to the forecasts for the interim and fiscal 2009, announced on February 6, 2009 .

# 〈Reference Materials〉



## 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.)

	FY2004	FY2005	FY2006	FY2007	FY2008	Q1 FY2009
Sales value	102	102	104	104	100	99
Sales unit	104	103	103	103	100	101
Unit price	98	99	100	102	100	99

Source: INTAGE Inc. SRI Survey

## Environment of OTC Drug Market

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

	FY2005	FY2006	FY2007	FY2008	Q1 FY2009
Sales value	102	99	103	98	99
Sales unit	104	98	102	99	99
Unit price	99	101	100	100	100

Source: INTAGE Inc. SDI Survey

from Good Morning to Good Night

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**LION**