

May 10, 2010

**Summary of Business Results for the Three Months  
Ended March 31, 2010 (Consolidated)**  
- Supplementary Information -



**Lion Corporation**

## 1) Net Sales

- ◇ Net sales increased 3.3% compared with the corresponding period of the previous fiscal year, to ¥64,951 million. This is attributable to robust sales of new products introduced in the domestic toiletries market, a rise in overseas net sales and a recovery in the Chemical Products Business.
- ◇ In Japan, sales remained flat compared with the same period of the previous fiscal year despite efforts to cultivate mainstay brands by releasing new high-value-added products and by augmenting product lineups. By business segment, sales in the Household Products Business, which released TOP NANOX, rose year on year, while sales in the Chemicals Products Business also increased compared with the same period of the previous fiscal year due to a recovery in industry demand. However, sales in the Health Care Products Business were sluggish as a result of declining sales of KireiKirei products following the subsiding of the new H1N1 influenza strain as well as a contraction of the over-the-counter (OTC) drug market.
- ◇ Overseas, sales rose 21.6%, particularly for laundry detergents and in the oral care business segment, due to efforts to cultivate common global brands and original local brands.

## 2) Operating Income

- ◇ Amid increases in net sales, competition-related expenses rose due to Lion's active investment in the marketing of new products. However, the implementation of total cost reduction measures, focusing on manufacturing costs and distribution expenses, resulted in an operating loss of ¥2,912 million compared with an operating loss of ¥3,311 million during the first quarter of the previous fiscal year.

## 2. Financial Highlight for the Three Months Ended March 2010 (Consolidated)



### Performance overview

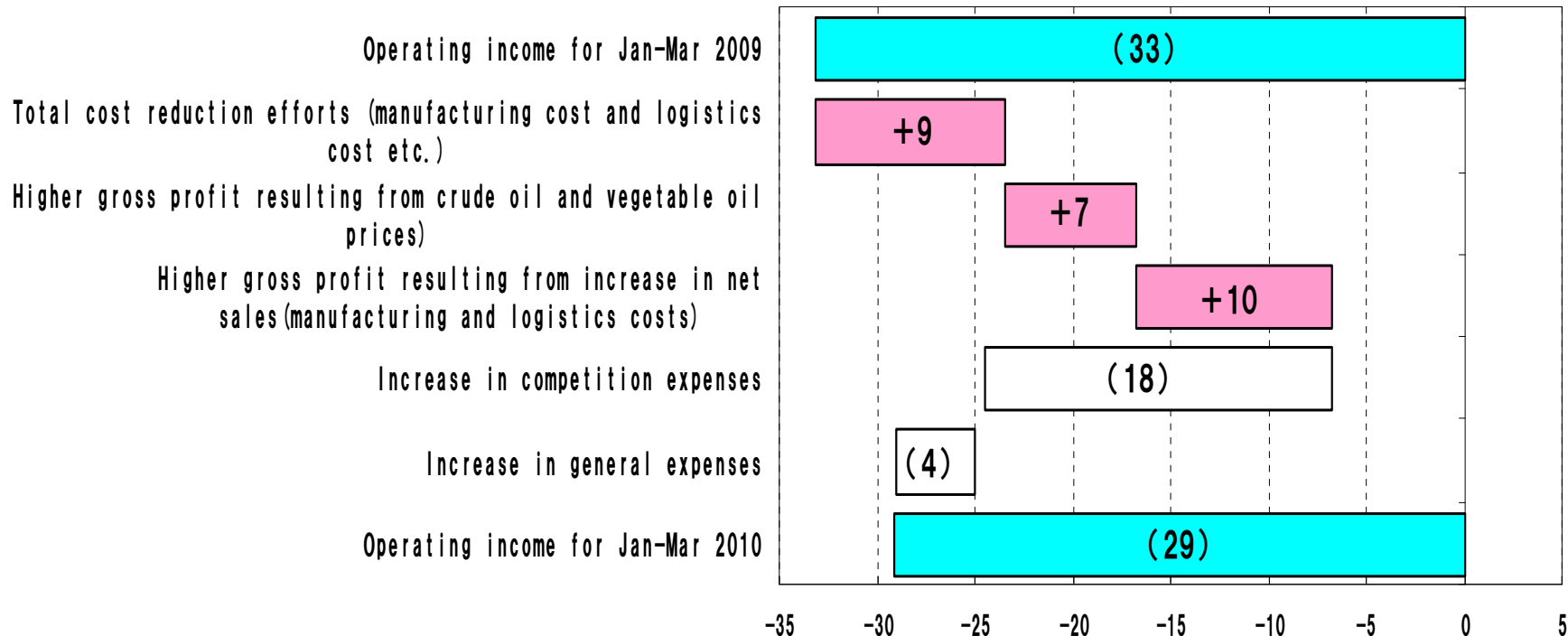
(unit: ¥100 million)

	Jan-Mar 2009	Jan-Mar 2010	Y on Y Change	Y on Y Change (%)
Net Sales	628.9	649.5	20.5	3.3
Operating Income	(33.1)	(29.1)	3.9	—
Ordinary Income	(31.3)	(26.2)	5.0	—
Net Income	(19.8)	(17.5)	2.3	—
EPS (Yen)	(7.35)	(6.47)	0.88	—

### 3. Financial Highlight for the Three Months Ended March 2010 (Consolidated)

#### Year-on-year changes in operating income

(unit:¥100 million)



◇ The sales composition of mainstay products remained at the lowest point compared with the remainder of the fiscal year. At the same time, the Company undertook proactive investment aimed at cultivating new products. Despite these efforts, Lion once again reported an operating loss for the period.

◇ Competition-related expenses increased due to Lion's active investment in the marketing of new products during the period under review. Operating loss decreased compared with the same period of the previous fiscal year due an increase in sales and the promotion of total cost reduction measures focusing on manufacturing expenses.

## 4. Financial Highlight for the Three Months Ended March 2010 (Consolidated) **LION**

### Results by business segment

(unit: ¥ 100 million)

	Net Sales				Operating Income			
	Jan-Mar 2009	Jan-Mar 2010	Y on Y Change	Y on Y Change (%)	Jan-Mar 2009	Jan-Mar 2010	Y on Y Change	Y on Y Change (%)
Health Care	256.9	245.6	(11.3)	(4.4)	(11.8)	(19.3)	(7.4)	—
Household	320.3	336.8	16.5	5.2	(17.5)	(10.2)	7.2	—
Chemical	44.5	59.3	14.8	33.4	(3.7)	0.4	4.1	—
Other	7.2	7.6	0.4	6.1	(0.0)	(0.0)	0.0	—
Eliminations and corporate	—	—	—	—	0.1	0.1	0.0	16.2
Consolidated Total	628.9	649.5	20.5	3.3	(33.1)	(29.1)	3.9	—

◇ In the Health Care Products Business, sales in the Oral Care Products Division were flat compared with the same period of the previous fiscal year, while the Beauty Care Products Division and Pharmaceutical Products Division experienced decreased sales due to the subsiding of the new H1N1 influenza strain as well as sluggishness in the OTC drug market. Consequently, Lion recorded a decrease in net sales overall.

◇ In the Household Products Business, overall sales rose compared with the same period of the previous fiscal year due to the release of TOP NANOX and an increase in overseas net sales.

◇ In the Chemical Products Business, revenue and earnings increased owing to a recovery in industry demand.

## 5. Financial Highlight for the Three Months Ended March 2010 (Consolidated)



### Results by geographical segment

(unit: ¥ 100 million)

	Net Sales				Operating Income			
	Jan-Mar 2009	Jan-Mar 2010	Y on Y Change	Y on Y Change (%)	Jan-Mar 2009	Jan-Mar 2010	Y on Y Change	Y on Y Change (%)
Japan	532.9	532.7	(0.1)	(0.0)	(37.7)	(30.7)	6.9	—
Overseas	96.0	116.7	20.7	21.6	4.1	1.1	(3.0)	(73.0)
Total	628.9	649.5	20.5	3.3	(33.5)	(29.6)	3.9	—
Eliminations and corporate	—	—	—	—	0.4	0.4	0.0	5.3
Consolidated Total	628.9	649.5	20.5	3.3	(33.1)	(29.1)	3.9	—

◇Despite net sales increases in both the Household Products Business and the Chemical Products Business, domestic net sales remained flat overall due to decreased net sales in the Health Care Products Business.

◇Overseas net sales increased 21.6% compared with the corresponding period of the previous fiscal year, causing sales trends to remain strong.

(Real overseas net sales (excluding the influence of exchange rate fluctuations) rose 15.1% compared with the corresponding period of the previous fiscal year.

(Year-on-year exchange rates: The yen depreciated 3.0% against the Thai baht and 18.9% against the Korean won.)

## 6.Fiscal 2010 Consolidated Financial Forecast (Consolidated)

(unit: ¥100 million)

	FY2009	FY2010	Change	Change (%)	H1 FY2009	H1 FY2010	Change	Change (%)
Net Sales	3,219.4	3,300.0	80.5	2.5	1,524.0	1,560.0	35.9	2.4
Operating Income % of Sales	100.3 3.1%	100.0 3.0%	(0.3)	(0.4)	21.7 1.4%	20.0 1.3%	(1.7)	(8.0)
Ordinary Income % of Sales	111.4 3.5%	105.0 3.2%	(6.4)	(5.8)	28.3 1.9%	22.0 1.4%	(6.3)	(22.4)
Net Income % of Sales	54.6 1.7%	55.0 1.7%	0.3	0.6	10.5 0.7%	7.0 0.4%	(3.5)	(33.6)

There are no changes to consolidated financial results forecasts for the interim period or fiscal 2010 announced on February 10, 2010.

## Environment of Home Products Market

Market trend of the total of 44 home product markets in which Lion participates. (percentage change over the year-ago period.)

	FY2005	FY2006	FY2007	FY2008	FY2009	Jan-Mar 2010
Sales value	102	102	103	100	102	102
Unit sales	102	103	103	100	103	103
Average unit price	99	99	100	100	99	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	FY2009	Jan-Mar 2010
Sales value	102	99	103	98	101	93
Unit sales	104	98	102	99	101	94
Average unit price	99	101	100	100	100	98

Source: INTAGE Inc. SDI Survey

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.

from Good Morning to Good Night

**More Dreams for Your Life**

**LION**