

■ **Lion Announces Its New Medium-Term Management Plan, “Vision2020 Part-2”**

In line with the Vision2020 management vision, Lion Corporation hereby announces the adoption of Vision2020 Part-2 (the V-2 Plan, for 2015 to 2017), a new medium-term management plan to succeed the V-1 Plan, which was in force from 2012 to 2014.

I . Evaluation of the V-1 Plan Initiatives

Under the V-1 Plan, we adopted the theme of “Launching initiatives aimed at achieving the management vision,” and, accordingly, took various initial steps based on the four basic Vision2020 strategies.

(1) Qualitative Growth of Domestic Businesses

In the Consumer Products Business, the Company has developed more robust marketing and sales structures and cultivated high-value-added business areas while stepping up sales management.

(2) Quantitative Expansion of Overseas Businesses

In addition to nurturing its global brands, the Company has boosted production capacity in its main existing overseas markets and launched operations in the Philippines.

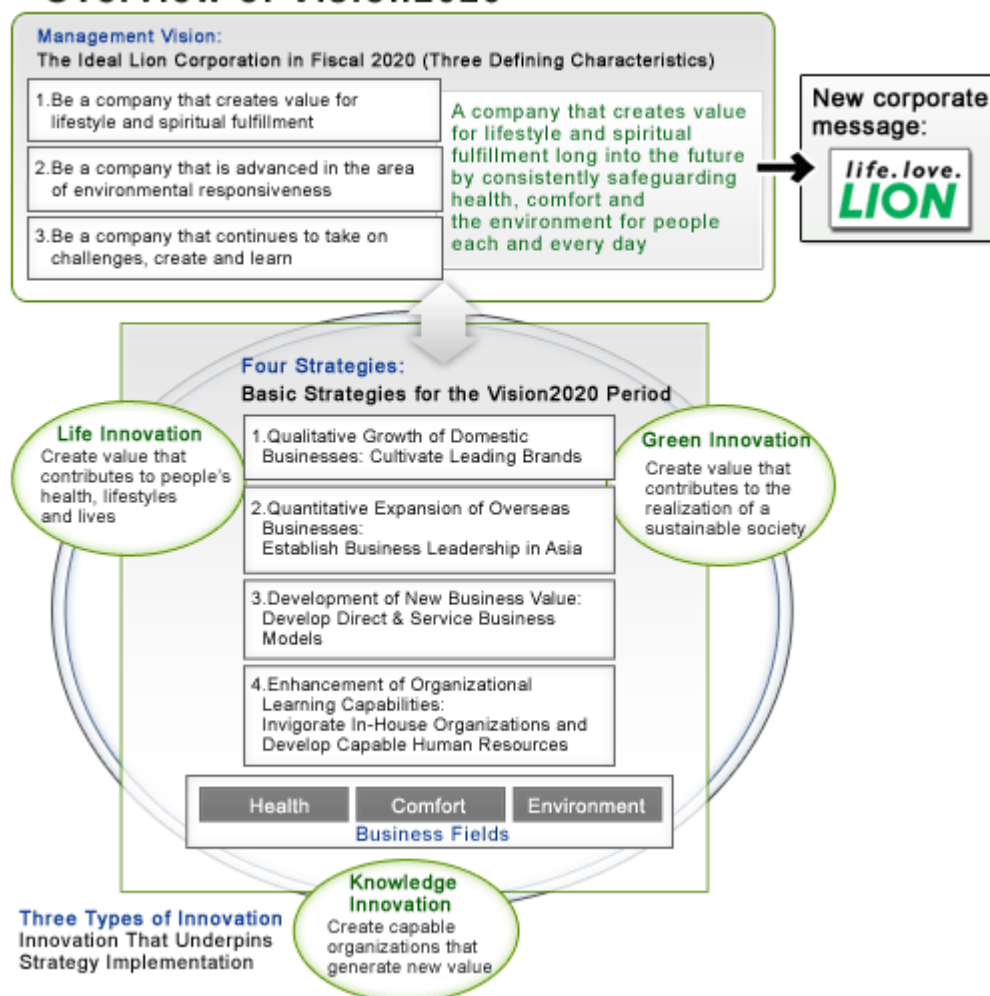
(3) Development of New Business Value

While expanding the direct-to-consumer business centered on functional food products, the Company has worked to cultivate the growing online shopping market.

(4) Enhancement of Organizational Learning Capabilities

In line with the new corporate message, the Company has actively promoted communication initiatives carried out both in-house and with external bodies while enhancing its human resource policies to invigorate the entire organization.

Overview of Vision2020



These initiatives have yielded steady progress in the implementation of our strategies for achieving the management vision. The Company has recorded favorable operating results that included record-high results (ordinary income for fiscal 2013 and operating income and ordinary income for fiscal 2014) thanks to the success of its efforts to strengthen the corporate structure. However, results fell short of the initial targets set forth in the V-1 Plan due to changes in the business environment, such as in raw material prices and the political environments of certain countries where Lion operates, as well as delays in realizing profit from initiatives in which we made up-front investments.

Results under the V-1 Plan

	2011			2012		2013		2014		Changes	
(Millions of yen)	Results	Results	Y-o-y	Results	Y-o-y	Results	Y-o-y	Results	Y-o-y	('11-'14)	Difference from V-1 Plan targets
Net sales	327,500	335,171	102%	352,005	105%	367,396	104%	+39,896			+2,396
Operating income	11,169	7,213	65%	10,819	150%	12,406	115%	+1,237			-7,594
Ordinary income	12,183	8,564	70%	12,300	144%	14,059	114%	+1,876			-6,941
Net income	4,077	4,235	104%	6,097	144%	7,368	121%	+3,291			-4,132

II . Outline of the V-2 Plan

1. Theme and Performance Targets

Taking into account the successes and shortcomings of the V-1 Plan, the V-2 Plan is centered on the

further promotion of the four basic strategies and on turning their success into solid business results. In implementing these strategies, we will once again strive to attain performance targets on the level of those set under the V-1 Plan. Moving forward, we consider improving profitability our foremost priority and will focus on improving our profit structure.

Under the V-2 Plan, Lion will steadily increase profitability and lay the groundwork for future growth, working toward the achievement of the goals of Vision2020.

V-2 Plan Consolidated Performance Targets

(Millions of yen)

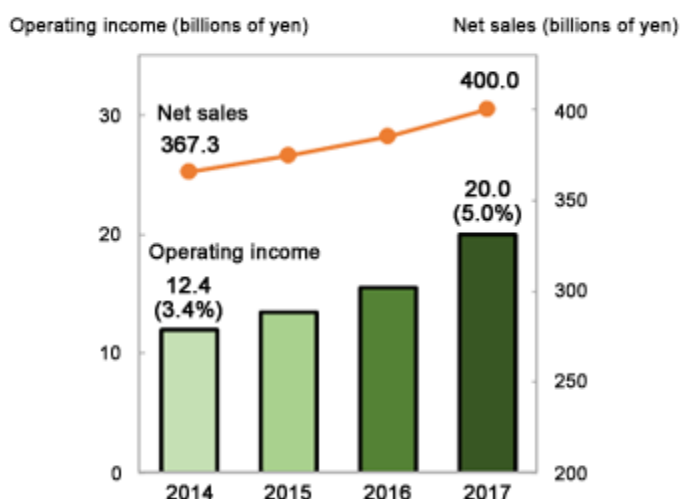
	2017		
		Sales ratio	Increase from 2014
Net sales	400,000	100.0%	+32,604
Operating income	20,000	5.0%	+7,594
Ordinary income	22,000	5.5%	+7,941
Net income	12,000	3.0%	+4,632
ROE	10% or above		
BEP	90% or below		

Assumptions

	Dubai crude	Palm oil
Raw materials	65\$/BBL	RM2,400/ton

	U.S. dollar	Thai baht	Korean won
Foreign exchange rate	¥118	¥3.5	¥0.11

Projection of Results under the V-2 Plan



2. Companywide Policies and Key Measures

(1) Qualitative Growth of Domestic Businesses

- (i) Consumer Products Business: We will systematically nurture products in mainstay fields and brands and develop new high-value-added products. We will also review our production and supply structures while streamlining our assets.
- (ii) Industrial Products Business: We will continue to augment our worksite hygiene analysis and

management business to secure growth in the detergent for institutional use business. At the same time, we will reorganize the chemical business to facilitate the Groupwide gathering of R&D seeds and realization of synergies. (See today's press release, "Notice Concerning the Transfer of Chemicals Business to a Lion Consolidated Subsidiary via Corporate Split (Absorption-Type Split) and the Merger of Two Lion Consolidated Subsidiaries.")

(2) Quantitative Expansion of Overseas Businesses

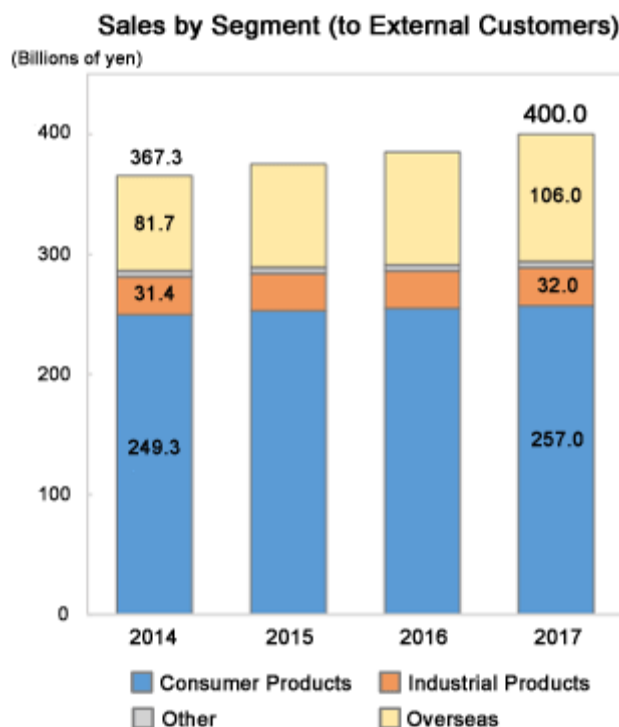
- (i) We will step up efforts to nurture our global brands while reinforcing our operations in the personal care field. This will help to expand our business domain and enhance our business portfolio to ensure profitable business growth.
- (ii) We will steadily work to secure profits from the up-front investments made during the three-year period of the previous plan. To this end, we will step up operations in new business locations overseas and new business fields while improving facility utilization.

(3) Development of New Business Value

- (i) In the direct-to-consumer business, we will develop a more efficient product supply structure for our mainstay Nice rim essence Lactoferrin and accelerate the development of products that will become second and third earnings pillars.
- (ii) We will actively explore business opportunities related to new business domains in which we can utilize our existing management resources.

(4) Enhancement of Organizational Learning Capabilities

- (i) We will continuously nurture human resources while developing a working environment that is more accommodating of workforce diversity.
- (ii) We will develop more sophisticated marketing based on feedback via interactive digital communications.



(Millions of yen)

	2014		2017		Average growth rate
	Net sales	Percent of total	Net sales	Percent of total	
Consumer Products	249,313	68%	257,000	64%	1%
Industrial Products	31,455	9%	32,000	8%	1%
Overseas	81,774	22%	106,000	27%	9%
Other	4,853	1%	5,000	1%	1%
Consolidated total	367,396	100%	400,000	100%	3%

3. Plans by Business Segment

(1) Consumer Products Business

- We will focus greater management resources on key measures aimed at nurturing products in mainstay fields and brands in Japan.
- Specifically, we will step up product development in such profitable fields as oral care, pharmaceuticals, and functional food products.
- We will streamline our production facilities, including those for raw materials, to better adapt to the changing business environment.

(2) Industrial Products Business

- We will pursue constant growth in the detergent for institutional use business by enhancing our comprehensive hygiene management service functions and cultivating new customers.
- In the Chemicals Business, we will integrate and reorganize our business units, including subsidiaries, and are planning to launch a new operating company in July 2015. By doing so, we will develop a business structure that is finely tuned to customer needs while pursuing overseas expansion.

(3) Overseas Business

- In countries where we are already solidly positioned, we will step up the development of value-added global brands and the expansion of our business domain as we aim to secure business growth and improve our business portfolio.
- We will better utilize our production networks and increase efficiency through mutual supply between regional sites.
- We will speed up the development of new businesses, such as our operations in the Philippines and the MES business, with the aim of creating steady profit sources that can contribute to consolidated results.

(4) Other

- We will assess the future prospects of non-core businesses. At the same time, we will review functions that are considered cost centers, especially those related to logistics and service-centered functions, with the aim of streamlining the Groupwide operational structure.

4. Policy on Shareholder Returns

It is our basic policy to maintain stable returns to shareholders. We will consider enhancing the return of profits to all shareholders in step with our business performance going forward.

5. Other

(1) Risks That May Significantly Affect Business Performance

- Sudden and significant changes in foreign exchange rates
- Drastic fluctuations in raw material prices
- Such unforeseen incidents as political turmoil in countries in which the Lion Group operates

(2) Other uncertainties

- Changes in tax systems and accounting standards
- Major business reorganizations or changes in the scope of consolidation

We will promptly announce any revisions to performance targets made necessary by the occurrence of an abovementioned risk or other development.