

November 6, 2014

**Summary of Business Results for the Nine Months
Ended September 30, 2014 (Consolidated)**
- Supplementary Information -



Lion Corporation

1. Financial Highlights for the Nine Months Ended September 2014

Consolidated Results

(Millions of yen)

| | Jan-Sep 2014 | Jan-Sep 2013 | Y-o-Y Change | Y-o-Y Change (%) |
|--------------------------------|-----------------|-----------------|-----------------|------------------------|
| Net Sales | 265,305 | 252,222 | 13,082 | 5.2 |
| Operating Income % of Sales | 7,343 2.8 | 5,643 2.2 | 1,700 — | 30.1 — |
| Ordinary Income % of Sales | 8,202 3.1 | 6,717 2.7 | 1,484 — | 22.1 — |
| Net Income % of Sales | 4,895 1.8 | 3,377 1.3 | 1,518 — | 45.0 — |
| EPS (Yen) | 18.25 | 12.58 | 5.67 | 45.1 |

2. Financial Highlights for the Nine Months Ended September 2014

Summary of consolidated results

1) Net sales: ¥265.30 billion (up ¥13.08 billion, or 5.2% year on year)

Domestically, sales of new products, such as those of the *CLINICA* and *BUFFERIN* brands, were favorable. Existing products, especially high-value-added products, also saw sound growth, contributing to the year-on-year rise in net sales.

Overseas, sales rose year on year due to favorable results in China and recovery in Thailand.

2) Operating income: ¥7.34 billion (up ¥1.70 billion, or 30.1% year on year)

In addition to greater gross profit accompanying increased sales, factors leading to this significant increase included changes in segment composition and the composition of fields within the Consumer Products Business as well as the streamlining of advertising expenses and efforts to improve profitability in the Industrial Products Business.

3) Ordinary income: ¥8.20 billion (up ¥1.48 billion, or 22.1% year on year)

Ordinary income increased substantially year on year due to the increase in operating income.

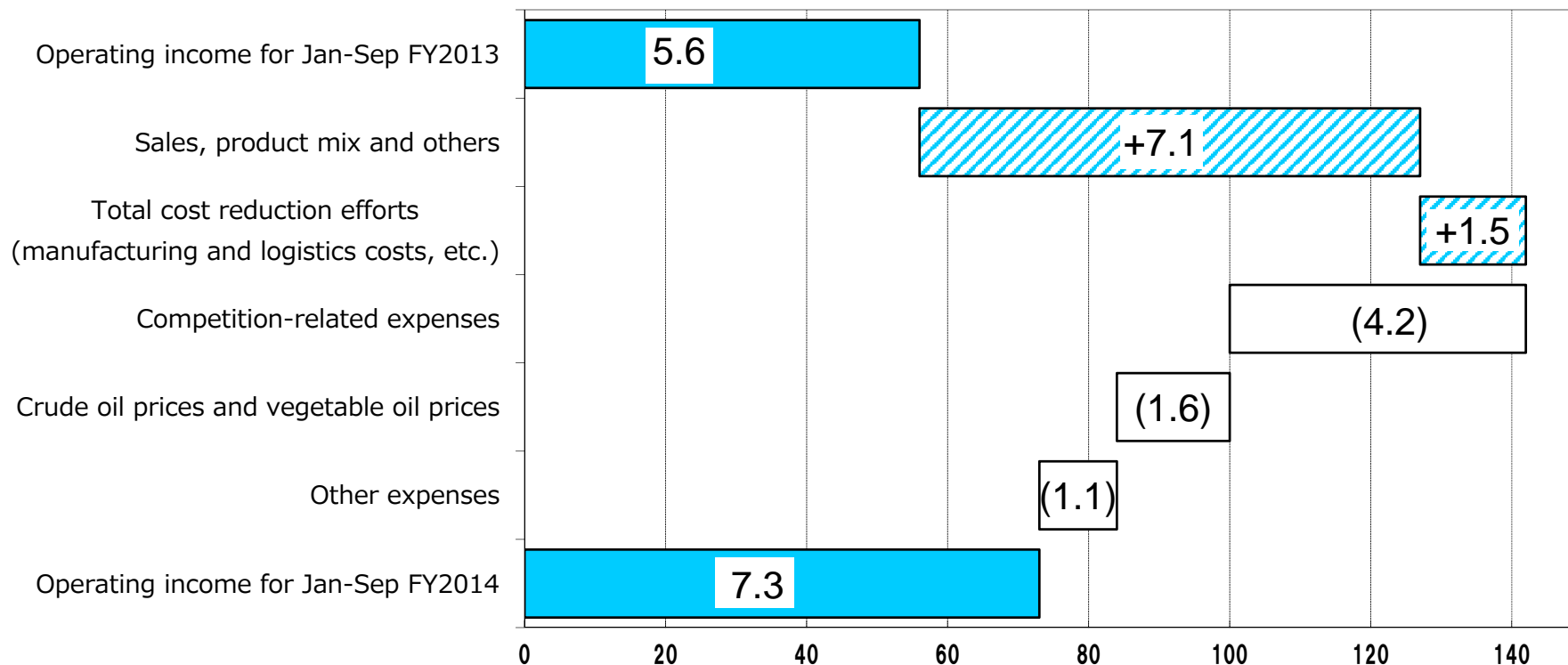
4) Net income: ¥4.89 billion (up ¥1.51 billion, or 45.0% year on year)

Net income for the period under review improved significantly year on year due to the improvement in operating income.

3. Financial Highlights for the Nine Months Ended September 2014

Year-on-year changes in consolidated operating income

(Billions of yen)



Operating income improved substantially due to the net sales increase and changes in segment composition.

◇ Effect of increased sales and composition changes:

Increased domestic net sales reflecting strong performance of new products as well as changes to segment composition and the composition of fields within the Consumer Products Business led to a substantial increase in gross profit.

◇ Increase in competition-related expenses:

Despite efforts to streamline domestic advertising expenses, overall competition-related expenses increased alongside the increased sales and intensifying competition at the retail level.

4. Financial Highlights for the Nine Months Ended September 2014

Results by business segment

(Millions of yen)

| | Net sales | | | | Segment income (operating income) | | | |
|---------------------|--------------|--------------|--------------|-----------------|-----------------------------------|--------------|--------------|-----------------|
| | Jan-Sep 2014 | Jan-Sep 2013 | Y-o-Y change | Y-o-Y change(%) | Jan-Sep 2014 | Jan-Sep 2013 | Y-o-Y change | Y-o-Y change(%) |
| Consumer Products | 198,259 | 188,302 | 9,957 | 5.3 | 4,477 | 3,195 | 1,282 | 40.1 |
| Industrial Products | 43,938 | 37,366 | 6,571 | 17.6 | 1,526 | 613 | 913 | 148.9 |
| Overseas | 62,593 | 56,909 | 5,684 | 10.0 | 833 | 1,187 | (353) | (29.8) |
| Other | 20,943 | 20,724 | 218 | 1.1 | 371 | 594 | (223) | (37.6) |
| Subtotal | 325,734 | 303,302 | 22,432 | 7.4 | 7,209 | 5,590 | 1,618 | 29.0 |
| Adjustment | (60,429) | (51,080) | (9,349) | — | 133 | 52 | 81 | 156.3 |
| Consolidated total | 265,305 | 252,222 | 13,082 | 5.2 | 7,343 | 5,643 | 1,700 | 30.1 |

- ◇ Consumer Products: Sales of new products, including the new and improved *CLINICA* series, *BUFFERIN PREMIUM* and *Ban Anti-Perspirant Deodorant (Roll on type): Block "Sweat Gland,"* were strong, while sales of such existing products as *SOFLAN Aroma Natural* and *KireiKirei foaming hand soap* grew steadily, leading to a year-on-year increase in sales. Segment income improved year on year due to the increase in sales and efforts to streamline advertising expenses.
- ◇ Industrial Products: Sales of detergents for industrial use, carbon and ground stabilization products were strong, leading to an increase in sales. Efforts to improve profitability also led to a year-on-year improvement in the profit ratio.
- ◇ Overseas: Sales in China grew and those in Thailand recovered. As a result, sales rose 10.0% year on year (or 5.6% in terms of real net sales, excluding the influence of exchange rates on conversions). Segment income decreased year on year due to up-front investments, mainly in advertising in China and the Philippines.
- ◇ Other: Segment income decreased year on year due to increased construction costs.

5. Financial Highlights for the Nine Months Ended September 2014

Net sales and sales to external customers

(Millions of yen)

| | Net Sales | | | |
|-----------------------------------|-----------------|-----------------|-----------------|--------------------|
| | Jan-Sep 2014 | Jan-Sep 2013 | Y-o-Y Change | Y-o-Y Change(%) |
| Consumer Products | 198,259 | 188,302 | 9,957 | 5.3 |
| | 179,410 | 171,745 | 7,664 | 4.5 |
| Industrial Products | 43,938 | 37,366 | 6,571 | 17.6 |
| | 23,269 | 22,713 | 556 | 2.4 |
| Overseas | 62,593 | 56,909 | 5,684 | 10.0 |
| | 59,388 | 53,957 | 5,430 | 10.1 |
| Other | 20,943 | 20,724 | 218 | 1.1 |
| | 3,237 | 3,805 | (568) | (14.9) |
| Net sales total | 325,734 | 303,302 | 22,432 | 7.4 |
| Sales to external customers total | 265,305 | 252,222 | 13,082 | 5.2 |

Upper line: Net sales; Lower line: Sales to external customers
 Net sales include internal net sales within and among segments.

6. Fiscal 2014 Consolidated Financial Forecast

There are no changes to consolidated financial results forecasts for the fiscal 2014 announced on February 10, 2014.

(Millions of yen)

| | FY2014 | FY2013 | Y-o-Y Change | Y-o-Y Change(%) |
|------------------|---------|---------|-----------------|--------------------|
| Net Sales | 360,000 | 352,005 | 7,994 | 2.3 |
| Operating Income | 12,000 | 10,819 | 1,181 | 10.9 |
| % of Sales | 3.3 | 3.1 | — | — |
| Ordinary Income | 13,000 | 12,300 | 699 | 5.7 |
| % of Sales | 3.6 | 3.5 | — | — |
| Net Income | 7,000 | 6,097 | 903 | 14.8 |
| % of Sales | 1.9 | 1.7 | — | — |

〈Reference Materials〉

Changes in Home Products Markets

Environment of Home Products Market

Market trend of the total of 40 home product markets in which Lion participates. (percentage change over the year-ago period.)

| | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | Jan-Sep 2014 |
|--------------------|--------|--------|--------|--------|--------|-----------------|
| Sales value | 102 | 102 | 101 | 101 | 102 | 102 |
| Unit sales | 103 | 103 | 101 | 102 | 102 | 101 |
| Average unit price | 99 | 99 | 99 | 99 | 100 | 102 |

Source: INTAGE Inc. SRI Survey (Year-on-year data for FY2010 and prior years is for the 44 home product markets in which Lion operates. Data for FY2011-2012 is for 42 such markets.)

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.)

| | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | Jan-Sep 2014 |
|--------------------|--------|--------|--------|--------|--------|-----------------|
| Sales value | 101 | 96 | 98 | 98 | 99 | 100 |
| Unit sales | 101 | 98 | 98 | 99 | 99 | 98 |
| Average unit price | 100 | 98 | 100 | 99 | 100 | 102 |

Source: INTAGE Inc. SDI Survey

〈Reference Materials〉

Third Quarter Consolidated Financial Results

(Millions of yen)

| | Jul-Sep 2014 | Jul-Sep 2013 | Y-o-Y Change | Y-o-Y Change (%) |
|---------------------|-----------------|-----------------|-----------------|------------------------|
| Net sales | 88,671 | 86,180 | 2,491 | 2.9 |
| Operating income | 3,384 | 2,770 | 614 | 22.2 |
| Ordinary income | 3,693 | 2,805 | 888 | 31.6 |
| Net income | 2,428 | 1,274 | 1,154 | 90.5 |

〈Reference Materials〉

Third Quarter Consolidated Financial Results by Business segment

(Millions of yen)

| | Net sales | | | | Segment income (operating income) | | | |
|---------------------|--------------|--------------|--------------|-----------------|-----------------------------------|--------------|--------------|-----------------|
| | Jul-Sep 2014 | Jul-Sep 2013 | Y-o-Y change | Y-o-Y change(%) | Jul-Sep 2014 | Jul-Sep 2013 | Y-o-Y change | Y-o-Y change(%) |
| Consumer Products | 65,203 | 64,025 | 1,178 | 1.8 | 2,203 | 1,872 | 331 | 17.7 |
| Industrial Products | 15,088 | 13,308 | 1,780 | 13.4 | 498 | 357 | 140 | 39.5 |
| Overseas | 22,260 | 19,161 | 3,098 | 16.2 | 446 | 350 | 96 | 27.5 |
| Other | 7,579 | 7,828 | (248) | (3.2) | 151 | 267 | (115) | (43.3) |
| Subtotal | 110,131 | 104,323 | 5,807 | 5.6 | 3,300 | 2,847 | 453 | 15.9 |
| Adjustment | (21,460) | (18,143) | (3,316) | — | 84 | (76) | 161 | — |
| Consolidated total | 88,671 | 86,180 | 2,490 | 2.9 | 3,384 | 2,770 | 614 | 22.2 |

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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.