

May 8, 2015

**Summary of Business Results for the First Quarter  
Ended March 31, 2015 (Consolidated)**  
- Supplementary Information -



**Lion Corporation**

# 1. Financial Results for the First Quarter Ended March 2015

(Millions of yen)

	Jan.-Mar. 2015	Jan.-Mar. 2014	Y-o-Y Change	Y-o-Y Change(%)
Net sales	82,925	89,596	(6,670)	(7.4)
Operating income (loss)	2,137	3,616	(1,478)	(40.9)
% of Sales	2.6	4.0	(1.4)	—
Ordinary income (loss)	2,273	3,894	(1,620)	(41.6)
% of Sales	2.7	4.3	(1.6)	—
Net income (loss)	1,136	2,347	(1,212)	(51.6)
% of Sales	1.4	2.6	(1.2)	—
EPS (Yen)	4.23	8.75	(4.52)	(51.7)

## 2. Financial Highlights

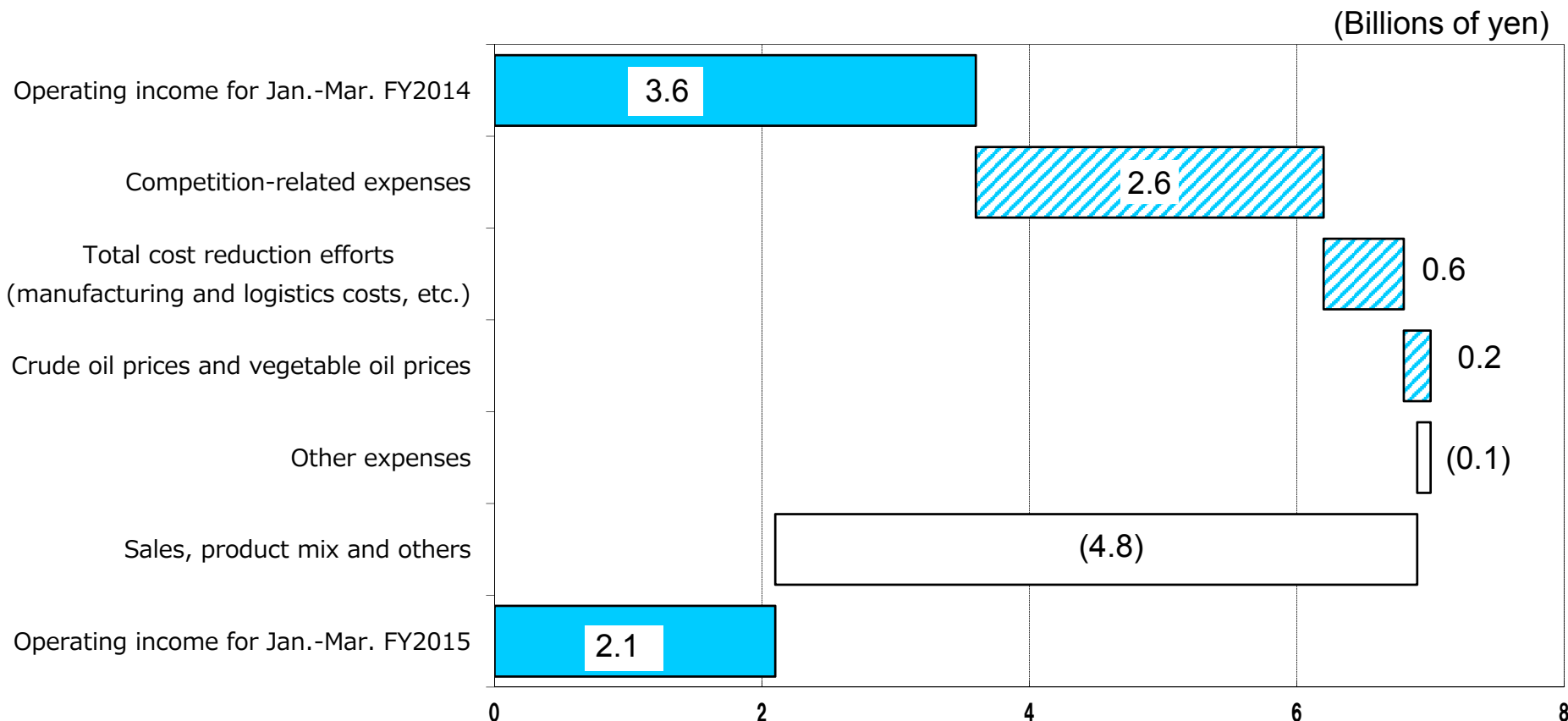
1) Net sales: ¥82,925 million (down ¥6,670 million, or 7.4%, year on year)  
(Down 10.6% in terms of real net sales, which exclude the influence of exchange rate conversions)

- Domestic sales fell from the same period of the previous fiscal year due to the lack of increased sales volumes accompanying the last-minute surge in demand before the 2014 consumption tax increase.
- New dishwashing detergent *CHARMY Magica* and antiperspirant and deodorant *Ban Odor-Blocking Roll-On* received favorable consumer reviews, and sales of such existing high-value-added products as *Kaori to Deodorant no SOFLAN (SOFLAN with Fragrance and Deodorant)* *Aroma Rich* fabric softener and *Smile 40 Premium* eye drops were strong.
- Overseas, sales in Thailand were steady and sales in China grew, leading to a year-on-year increase in overall sales.

2) Operating income: ¥2,137 million (down ¥1,478 million, or 40.9%, year on year)

- Although the decrease in sales in the domestic Consumer Products business caused operating income to fall year on year, the Company nevertheless recorded a positive first quarter income for a second consecutive year.
- Because the share of total sales accounted for by overseas business increased, the cost of sales ratio rose. Due in part to initiatives to reinforce sales of high-value-added products, however, the ratio of competition-related expenses to sales fell.

# 3. Year-on-year Changes in Operating Income



- Streamlined competition-related expenses and reduced costs
- Gross profit fell ¥3.8 billion due to the fall in sales and another ¥1.0 billion due to changes in the product mix

# 4. Results by Business Segment

(Millions of yen)

	Net sales				Segment income (operating income)			
	Jan.-Mar. 2015	Jan.-Mar. 2014	Y-o-Y change	Y-o-Y change(%)	Jan.-Mar. 2015	Jan.-Mar. 2014	Y-o-Y change	Y-o-Y change(%)
Consumer Products	58,027	67,775	(9,748)	(14.4)	330	2,394	(2,064)	(86.2)
Industrial Products	14,327	13,175	1,152	8.7	392	553	(160)	(29.1)
Overseas	23,520	19,911	3,608	18.1	983	442	540	122.0
Other	6,559	6,454	105	1.6	176	55	121	220.0
Subtotal	102,434	107,317	(4,883)	(4.6)	1,881	3,445	(1,563)	(45.4)
Adjustment	(19,509)	(17,721)	(1,787)	—	256	171	84	49.6
Consolidated total	82,925	89,596	(6,670)	(7.4)	2,137	3,616	(1,478)	(40.9)

- In the Consumer Products business, both net sales and operating income decreased, but real net sales excluding the impact of the last-minute surge in demand preceding the 2014 consumption tax hike grew, reflecting an increase in sales of high-value-added products.
- In Industrial Products, while sales of carbon and other high-value-added products expanded, Lion worked to improve profitability through such measures as revising low-margin products.  
In addition, certain affiliated companies were newly consolidated as of the second quarter of fiscal 2014.
- Overseas, both sales and profit increased due to steady sales in Thailand, sales growth in China and improved profitability in the Philippines. (Real net sales, which exclude the influence of exchange rate conversions, increased 2.9%.)

# 5. Fiscal 2015 First Quarter Results Summary



## ● Domestic businesses

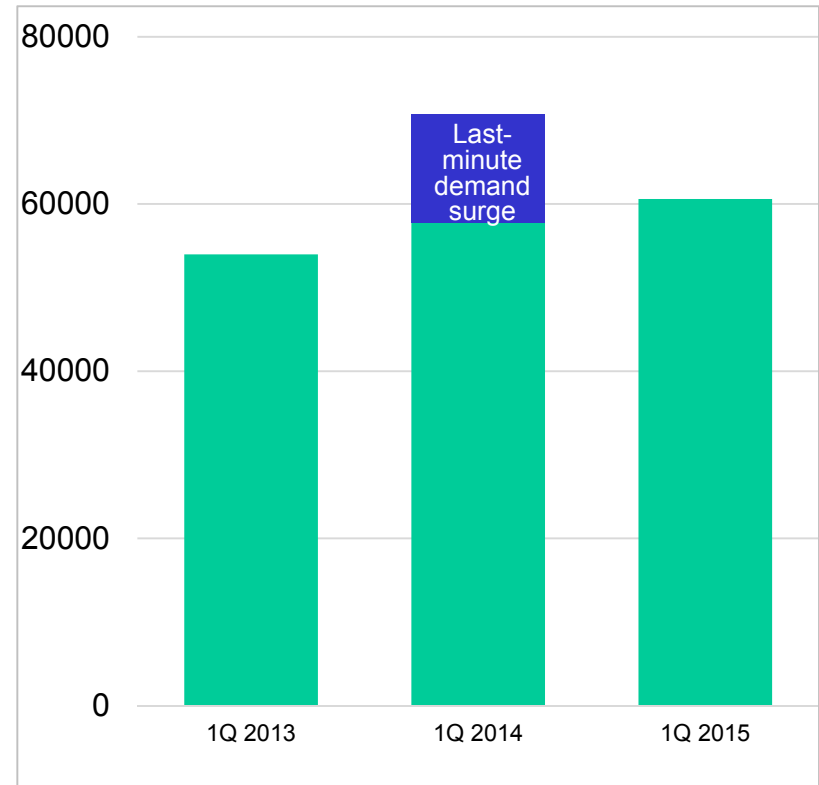
- Excluding the impact of the last-minute surge in demand in the first quarter of fiscal 2014, real net sales and profit increased year on year

## ● Overseas businesses

- Continued growth in main overseas countries
- Improved profitability in businesses in which Lion made up-front investment

Consolidated net sales in domestic businesses

(Millions of yen)



# 6. FY2015 Consolidated Financial Forecast



There are no changes to consolidated financial results forecasts for the interim period or fiscal 2015 announced on February 10, 2015.

(Millions of yen)

	FY2015	FY2014	Y-on-Y Change	Y-on-Y Change (%)	FY2015 1H	FY2014 1H	Y-on-Y Change	Y-on-Y Change (%)
Net Sales	375,000	367,396	7,603	2.1	178,000	176,633	1,367	0.8
Operating Income	13,500	12,406	1,093	8.8	4,200	3,958	242	6.1
% of Sales	3.6	3.4			2.4	2.2		
Ordinary Income	15,000	14,059	940	6.7	4,800	4,508	292	6.5
% of Sales	4.0	3.8			2.7	2.6		
Net Income	7,500	7,368	131	1.8	2,500	2,466	34	1.4
% of Sales	2.0	2.0			1.4	1.4		
EPS(Yen)	27.97	27.47	0.50	1.8	9.32	9.19	0.13	1.4

# 7. Results by Business Segment



Net sales and sales to external customers

(Millions of yen)

	Net Sales			
	Jan.-Mar. 2015	Jan.-Mar. 2014	Y-o-Y Change	Y-o-Y Change(%)
Consumer Products	58,027	67,775	(9,748)	(14.4)
	51,733	61,616	(9,882)	(16.0)
Industrial Products	14,327	13,175	1,152	8.7
	7,105	8,157	(1,051)	(12.9)
Overseas	23,520	19,911	3,608	18.1
	22,328	18,871	3,456	18.3
Other	6,559	6,454	105	1.6
	1,758	951	807	84.9
Net sales total	102,434	107,317	(4,883)	(4.6)
Sales to external customers total	82,925	89,596	(6,670)	(7.4)

Net sales include internal net sales within and among segments.



## 8. Changes in Home Products and OTC Drug Markets



### Environment of Home Products

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

	FY2010	FY2011	FY2012	FY2013	FY2014	Jan.-Mar. 2015
Sales value	102	101	101	102	102	88
Unit sales	103	101	102	102	100	85
Average unit price	99	99	99	100	102	103

Source: INTAGE Inc. SRI Survey (Year-on-year data for FY2010 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.)

	FY2010	FY2011	FY2012	FY2013	FY2014	Jan.-Mar. 2015
Sales value	96	98	98	99	100	94
Unit sales	98	98	99	99	98	95
Average unit price	98	100	99	100	102	100

Source: INTAGE Inc. SDI Survey

# *life. love.* **LION**

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.