

Summary of Consolidated Financial Statements for the Nine Months Ended September 30, 2015 [Japanese Standard]

November 5, 2015

Company name: Lion Corporation
Listed stock exchanges: Tokyo Stock Exchange
Code: 4912
URL: <http://www.lion.co.jp/>

Representative: Itsuo Hama, Representative Director and President
Contact: Yoshiaki Kamao, Director of Finance Department
Telephone: +81-3-3621-6211

Scheduled date of filing of quarterly financial report (Shihanki Houkokusho): November 11, 2015

Start date for payment of dividend: —

Supplementary materials prepared for quarterly results: Yes

Quarterly results information meeting held: None

Figures in this and subsequent tables are rounded down to the nearest million.

1. Consolidated Results for the Nine Months Ended September 30, 2015

(January 1, 2015 – September 30, 2015)

(1) Consolidated Results (cumulative total)

(Percentage figures denote year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine Months FY2015	274,027	3.3	11,070	50.8	12,265	49.5	7,413	51.4
Nine Months FY2014	265,305	5.2	7,343	30.1	8,202	22.1	4,895	45.0

Note: Comprehensive Income

September 30, 2015: ¥7,366 million [22.6%], September 30, 2014: ¥6,007 million [-26.3%]

	EPS	Diluted EPS
	Yen	Yen
Nine Months FY2015	27.57	25.67
Nine Months FY2014	18.25	17.52

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets
	Millions of yen	Millions of yen	%
Nine Months FY2015	280,177	130,649	43.7
FY2014	283,352	127,434	42.6

Note: Shareholders' equity: September 30, 2015: ¥122,335 million, December 31, 2014: ¥120,635 million

2. Dividend

	Cash dividend per share / Yen				
	First Quarter	Second Quarter	Third Quarter	Year-End	Annual
FY2014	—	5.00	—	5.00	10.00
FY2015 actual	—	5.00	—		
FY2015 plan				5.00	10.00

Note: Revision to Cash dividend forecast during period under review: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2015 (January 1, 2015 – December 31, 2015)

Notes: Percent figures for net sales, operating income, ordinary income, and net income express percentage change over the year-ago period.

	Net sales		Operating income		Ordinary income		Net income		EPS
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2015	375,000	2.1	14,200	14.5	15,700	11.7	8,500	15.4	31.70

Note: Revision to consolidated performance forecast during period under review: None

Notes

- (1) Significant changes in scope of consolidation during the period: None
- (2) Special accounting treatment for preparation of quarterly consolidated financial statements: None
- (3) Changes in Accounting Policies and Changes in and Restatement of Accounting Estimates:
 - a. Changes associated with revisions in accounting principles: Yes
 - b. Other changes: None
 - c. Changes in accounting estimates: None
 - d. Restatement: None
- (4) Number of outstanding shares (common stock)
 - a. Number of outstanding shares on balance sheet dates (including treasury stocks):
 - As of September 30, 2015: 299,115,346 shares
 - As of December 31, 2014: 299,115,346 shares
 - b. Number of treasury stocks on balance sheet date:
 - As of September 30, 2015: 27,883,378 shares
 - As of December 31, 2014: 31,001,366 shares
 - c. Average shares outstanding over period (cumulative; consolidated)
 - As of September 30, 2015: 268,822,112 shares
 - As of September 30, 2014: 268,212,713 shares

Appropriate use of business forecast; other special items

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. For more details, refer to “(3) Qualitative Information Concerning the Forecast of Consolidated Financial Results” on page 6.

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1. Qualitative Information Concerning the Results of Operations for the First Nine Months of the Current Fiscal Year

(1) Qualitative Information Concerning Consolidated Performance

During the first nine months of fiscal 2015 (January 1, 2015–September 30, 2015), net sales amounted to ¥274,027 million, a year-on-year increase of 3.3% (or an increase of 0.7 % in terms of real net sales, which exclude the influence of exchange rate conversions). The Company recorded operating income of ¥11,070 million, up 50.8% from the corresponding period of the previous fiscal year, and ordinary income of ¥12,265 million, up 49.5%. Net income for the first nine months of the current fiscal year stood at ¥7,413 million, a year-on-year increase of 51.4%.

During the fiscal year under review, the Lion Group is implementing its medium-term management plan, Vision 2020 Part-2 (V-2 Plan),” centering on four strategies: (1) Qualitative Growth of Domestic Businesses; (2) Quantitative Expansion of Overseas Businesses; (3) Development of New Business Value; and (4) Enhancement of Organizational Learning Capabilities.

Domestically, Lion launched such new, high-value-added products as toothpastes, toothbrushes, fabric softeners and dishwashing detergents and worked to cultivate markets for these products using aggressive marketing.

Overseas, focusing mainly on the personal care field, including oral care and beauty care products, the Group sought to cultivate markets for its key brands as part of efforts to expand its business.

As of the end of the third quarter of 2015, Southern Lion Sdn. Bhd. of Malaysia was made a consolidated Lion subsidiary.

<Consolidated Results>

(Millions of yen)

	Nine Months Ended Sep. 2015	Ratio to net sales	Nine Months Ended Sep. 2014	Ratio to net sales	Increase/decrease	Change
Net sales	274,027		265,305		8,722	3.3%
Operating income	11,070	4.0%	7,343	2.8%	3,726	50.8%
Ordinary income	12,265	4.5%	8,202	3.1%	4,063	49.5%
Net income	7,413	2.7%	4,895	1.8%	2,518	51.4%

< Results by Business Segment >

(Millions of yen)

	Net sales				Segment income (Operating income)			
	Nine Months Ended Sep. 2015	Nine Months Ended Sep. 2014	Increase/decrease	Change	Nine Months Ended Sep. 2015	Nine Months Ended Sep. 2014	Increase/decrease	Change
Consumer Products	197,243	198,259	(1,016)	(0.5%)	6,596	4,477	2,118	47.3%
Industrial Products	42,253	43,938	(1,684)	(3.8%)	942	1,526	(583)	(38.2%)
Overseas	73,423	62,593	10,829	17.3%	2,497	833	1,663	199.5%
Other	21,581	20,943	637	3.0%	717	371	346	93.4%
Subtotal	334,501	325,734	8,766	2.7%	10,754	7,209	3,544	49.2%
Adjustment	(60,473)	(60,429)	(44)	—	315	133	182	136.3%
Total	274,027	265,305	8,722	3.3%	11,070	7,343	3,726	50.8%

Results by business segment are as follows.

<Consumer Products Business>

The Consumer Products Business segment is divided into the Oral Care Products, Beauty Care Products, Fabric Care Products, Living Care Products, Pharmaceutical Products and Other Products businesses. Segment net sales decreased 0.5% compared with the previous fiscal year. Segment income increased 47.3% due to strong sales of high-value-added products and decreases in raw materials costs.

(Millions of yen)

	Nine Months Ended Sep. 2015	Ratio to net sales	Nine Months Ended Sep. 2014	Ratio to net sales	Increase/decrease	Change
Net sales	197,243		198,259		(1,016)	(0.5%)
Segment income	6,596	3.3%	4,477	2.3%	2,118	47.3%

Note: Net sales include internal net sales within and among segments, which amounted to ¥19,004 million in the nine months of fiscal 2015 and ¥18,849 million in the nine months of fiscal 2014.

[Net Sales by Products Segment]

(Millions of yen)

	Nine Months Ended Sep. 2015	Nine Months Ended Sep. 2014	Increase/decrease	Change
Oral Care Products	41,726	38,926	2,799	7.2%
Beauty Care Products	15,477	15,903	(425)	(2.7%)
Fabric Care Products	55,985	59,773	(3,788)	(6.3%)
Living Care Products	15,103	14,537	565	3.9%
Pharmaceutical Products	28,210	27,381	829	3.0%
Other Products	40,739	41,737	(997)	(2.4%)

Oral Care Products

In toothpastes, sales of Lion's mainstay *CLINICA* series were steady. Lion added new hypersensitivity prevention and tooth whitening products to the *SYSTEMA Haguki (the Gums) Plus* series, which saw sales grow to three times their level in the corresponding period of the previous fiscal year. As a result, overall sales were up year on year.

In toothbrushes, sales of *CLINICA ADVANTAGE Toothbrushes* were strong, and new *Between Zeitaku Care*, a toothbrush that efficiently cleans every nook and cranny with generously packed bristle bundles and multi-level tapered bristles, received favorable consumer reviews. As a result, overall sales were up substantially from the corresponding period of the previous fiscal year.

Beauty Care Products

In hand soaps, sales of *KireiKirei Medicated Foaming Hand Soap* were steady, and Lion released new *KireiKirei Medicated Foaming Hand Soap for the Kitchen*, a product that effectively removes even meat grease as well as fish odors that linger on hands after food preparation. Consequently, overall sales increased year on year.

In antiperspirants and deodorants, new *Ban Odor-Blocking Roll-On*, formulated with a nano ion antibacterial agent that provides lasting odor blocking, received favorable consumer reviews. However, sales of powder spray brands were sluggish. As a result, overall sales fell short of those recorded in the corresponding period of the previous fiscal year.

Fabric Care Products

In laundry detergents, Lion focused on cultivating demand for super-concentrated liquid laundry detergents *TOP NANOX* and *TOP HYGIA*, but overall sales were down year on year due to such factors as the shrinkage of powder detergent markets.

In fabric softeners, sales of the *Kaori to Deodorant no SOFLAN (SOFLAN with Fragrance and Deodorant) Aroma Natural* series were firm, and those of the *Kaori to Deodorant no SOFLAN (SOFLAN with Fragrance and Deodorant) Aroma Rich* series were strong. Overall sales grew significantly year on year.

Living Care Products

In dishwashing detergents, new *CHARMY Magica*, featuring nano cleansing action that makes stubborn grease slide like water off dishes for faster cleanup, garnered favorable consumer reviews, and overall sales were up significantly year on year.

In household cleaners, Lion focused on nurturing the bathroom fungicide *LOOK Bath Antimold Fogger* and *LOOK Mame-Pika Toilet Cleaner*, but overall sales were below those of the same period of the previous fiscal year.

Pharmaceutical Products

In antipyretic analgesics, although sales of *BUFFERIN PREMIUM* were strong, sales of *BUFFERIN A* were stagnant, leading to overall sales that were level year on year.

In eye drops, sales of *Smile40 Premium* and *Smile40 EX GOLD Mild* were favorable. Overall sales increased substantially year on year.

Other Products

In direct-to-consumer sales products, at the end of June, Lion re-launched *Nice rim essence Lactoferrin* as a labeled functional food product that helps reduce visceral fat and bring down high BMI, and sales of *Fleuria*, a hair care series for the mature woman, were favorable. Overall sales, however, fell year on year.

In pet supplies, sales of *Nioi wo Toru Suna (Deodorizing Cat Litter)* were stagnant, and overall

sales were virtually equivalent to those in the corresponding period of the previous fiscal year.

<Industrial Products Business>

The Industrial Products Business segment comprises businesses in such product categories as electro-conductive carbon, surfactants and detergents for institutional use. Segment net sales decreased 3.8% compared with the corresponding period of the previous fiscal year, and segment income decreased 38.2%.

(Millions of yen)

	Nine Months Ended Sep. 2015	Ratio to net sales	Nine Months Ended Sep. 2014	Ratio to net sales	Increase/ decrease	Change
Net sales	42,253		43,938		(1,684)	(3.8%)
Segment income	942	2.2%	1,526	3.5%	(583)	(38.2%)

Note: Net sales include internal net sales within and among segments, which amounted to ¥19,624 million in the Nine Months of fiscal 2015 and ¥20,668 million in the Nine Months of fiscal 2014.

In electro-conductive carbon, sales of *KETJENBLACK* for use in lithium-ion and other secondary batteries were steady, and overall sales increased significantly year on year.

In surfactants, sales of raw materials for detergents were sluggish, and overall sales fell year on year.

In detergents for institutional use, sales of alcohol sanitizers for kitchen use were favorable while those of hand soaps were steady, and overall sales increased year on year.

<Overseas Business>

The Overseas Business segment primarily comprises consumer products business operations in Thailand, South Korea and China. Segment net sales increased 17.3 % year on year (or in terms of real net sales, which exclude the influence of exchange rate conversions, increased 5.7%). Segment income increased 199.5% year on year.

(Millions of yen)

	Nine Months Ended Sep. 2015	Ratio to net sales	Nine Months Ended Sep. 2014	Ratio to net sales	Increase/ decrease	Change
Net sales	73,423		62,593		10,829	17.3%
Segment income	2,497	3.4%	833	1.3%	1,663	199.5%

Note: Net sales include internal net sales within and among segments, which amounted to ¥4,911 million in the Nine Months of fiscal 2015 and ¥3,205 million in the Nine Months of fiscal 2014.

Conditions in Key Overseas Markets

In Thailand, sales of the *KODOMO* brand oral care series and of *Shokubutsu-Monogatari* body wash were favorable. As a result, overall sales rose year on year. Overall sales after yen conversions increased substantially year on year due to exchange rate fluctuations.

In South Korea, sales of *Systema* toothpaste were firm, and those of and *KireiKirei* hand soap were favorable. Consequently, overall sales increased year on year. Overall sales after yen conversions increased substantially year on year.

In China, sales of *Systema* toothbrushes were firm and sales of imported Japanese products increased. Overall sales rose substantially year on year. Overall sales after yen conversions also increased substantially.

<Other> (The Construction Contracting Business, Etc.)

(Millions of yen)

	Nine Months Ended Sep. 2015	Ratio to net sales	Nine Months Ended Sep. 2014	Ratio to net sales	Increase/ decrease	Change
Net sales	21,581		20,943		637	3.0%
Segment income	717	3.3%	371	1.8%	346	93.4%

Note: Net sales include internal net sales within and among segments, which amounted to ¥16,933 million in the Nine Months of fiscal 2015 and ¥17,706 million in the Nine Months of fiscal 2014.

(2) Financial Status

1) Status of Assets, Liabilities, Net Assets for the Nine Months Ended September 30, 2015

<Consolidated Financial Status >

	Nine Months Ended September 30, 2015	FY 2014 Year-end	Increase/ Decrease
Total assets (millions of yen)	280,177	283,352	(3,174)
Net assets (millions of yen)	130,649	127,434	3,214
Shareholders' equity to total assets * (%)	43.7	42.6	1.1

* Shareholders' equity to total assets = (Net assets – Subscription rights to shares and Minority interests) / Total assets

Total assets decreased ¥3,174 million compared with the previous consolidated fiscal year-end to ¥280,177 million due to a decrease in notes and accounts receivable—trade. Net assets increased ¥3,214 million to ¥130,649 million. Shareholder's equity to total assets stood at 43.7%.

(3) Qualitative Information Concerning the Forecast of Consolidated Financial Results

Consolidated financial results forecasts for the full fiscal year remain unchanged since being announced on July 31, 2015.

(Preconditions for the Estimated Figures in Outlook for Fiscal 2015)

Lion adopted the following foreign exchange rates in the calculation of the aforementioned estimated figures:

¥125 = US\$1.00

¥3.6 = 1.00 baht

2. Summary (Other) Information and Note

(1) Changes in Important Subsidiaries during the Period

None

The following changes during the fiscal quarter under review do not constitute changes to specified subsidiaries, but are included for reference.

On July 1, 2015, Lion Specialty Chemicals Co., Ltd. was merged with and absorbed by Ipposha Oil Industries Co., Ltd., with the latter as the surviving company. As a result, Lion Specialty Chemicals Co., Ltd. was dissolved and thus removed from the scope of consolidation. The surviving company, Ipposha Oil Industries Co., Ltd., was renamed Lion Specialty Chemicals Co., Ltd. on the same date.

On August 3, 2015, Lion (China) Home Products & Technology Co., Ltd. was merged with and absorbed by Lion Daily Necessities Chemicals (Qingdao) Co., Ltd., with the latter as the surviving company. As a result, Lion (China) Home Products & Technology Co., Ltd. was dissolved and thus removed from the scope of consolidation.

Lion Corporation (Taiwan) Co., Ltd. was newly established and is therefore included in the scope of consolidation.

To speed up management decision making, Southern Lion Sdn. Bhd. was reclassified from an equity-method company to a consolidated subsidiary in accordance with a partial revision to the company's joint-venture contract.

(2) Special Accounting Treatment for Preparation of Quarterly Consolidated Financial Statements

None

(3) Changes in Accounting Policies and Changes in and Restatement of Accounting Estimates

(Application of Accounting Standard for Retirement Benefits)

The Group has adopted the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ), Statement No. 26, issued on May 17, 2012; hereinafter, "Retirement Benefit Accounting Standard") and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, issued on March 26, 2015; hereinafter the "Guidance") including, from the consolidated quarterly fiscal accounting period under review, the provisions stipulated in the main clause of Article 35 of the Retirement Benefit Accounting Standard and in the main clause of Article 67 of the Guidance. Accordingly, the Group has revised its methods of calculating retirement benefit obligation and service cost and changed the method of attributing estimated retirement benefits to each period from a straight-line method to the benefit formula method. It has also changed its method of determining the discount rate from the previous method, which employed a discount rate based on employees' approximated average remaining years of service, to a single weighted average discount rate that reflects the expected periods and per-period amounts of benefit payments.

The effect of the adoption of the Retirement Benefit Accounting Standard and the Guidance due to the changes in the methods of calculating retirement benefit obligation and service cost was included in retained earnings as of January 1, 2015, in accordance with the transitional accounting treatment stipulated in Article 37 of the Retirement Benefit Accounting Standard.

As a result, net defined benefit asset decreased ¥4,106 million, net defined benefit liability increased by ¥3,161 million, and retained earnings decreased by ¥4,680 million as of January 1, 2015. The impact of this change on profit and loss for the consolidated quarterly fiscal accounting period under review is minor.

3. Consolidated Quarterly Financial Reporting Statements
(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal Year Ended December 31, 2014	Nine Months Ended September 30, 2015
Assets		
Current assets		
Cash and deposits	18,008	19,859
Notes and accounts receivable-trade	59,007	52,564
Short-term investments securities	24,448	27,911
Merchandise and finished goods	25,270	26,641
Work in process	4,605	6,046
Raw materials and supplies	9,489	9,828
Other	5,396	6,268
Allowance for doubtful accounts	(51)	(48)
Total current assets	146,175	149,071
Noncurrent assets		
Property, plant and equipment	79,275	78,297
Intangible assets		
Right of trademark	7,197	5,120
Other	1,909	1,634
Total intangible assets	9,106	6,754
Investments and other assets		
Investment securities	34,438	34,045
Other	14,388	12,268
Allowance for doubtful accounts	(31)	(260)
Total Investments and other assets	48,794	46,054
Total noncurrent assets	137,176	131,106
Total assets	283,352	280,177

(Millions of yen)

	Fiscal Year Ended December 31, 2014	Nine Months Ended September 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	46,590	43,678
Short-term loans payable	12,602	10,650
Current portion of long-term loans payable	116	116
Accounts payable-other and accrued expenses	45,123	39,450
Income taxes payable	3,336	2,840
Provision for bonuses	2,631	3,534
Provision for sales returns	525	490
Provision for sales promotion expenses	894	2,424
Provision for directors' bonuses	256	228
Other	3,459	3,776
Total current liabilities	115,537	107,190
Noncurrent liabilities		
Bonds with subscription rights to shares	14,430	12,493
Long-term loans payable	2,448	2,162
Provision for retirement benefits		
Provision for directors' retirement benefits	448	407
Net defined benefit liability	18,526	22,509
Asset retirement obligation	344	344
Other	4,182	4,420
Total noncurrent liabilities	40,380	42,338
Total liabilities	155,918	149,528
Net assets		
Shareholders' equity		
Capital stock	34,433	34,433
Capital surplus	31,499	31,917
Retained earnings	66,095	66,147
Treasury stock	(16,827)	(15,161)
Total shareholders' equity	115,201	117,337
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,912	9,350
Deferred gains or losses on hedges	(0)	(11)
Foreign currency translation adjustment	3,339	1,040
Remeasurements of defined benefit plans	(5,816)	(5,382)
Total accumulated other comprehensive income	5,434	4,998
Subscription rights to shares	910	840
Minority interests	5,888	7,472
Total net assets	127,434	130,649
Total liabilities and net assets	283,352	280,177

(2) Consolidated Quarterly Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Quarterly Statements of Income

(Millions of yen)

	Nine Months Ended September 30, 2014 (Jan. 1 to Sep. 30)	Nine Months Ended September 30, 2015 (Jan. 1 to Sep. 30)
Net sales	265,305	274,027
Cost of sales	116,092	118,844
Gross profit	149,212	155,182
Selling, general and administrative expenses	141,869	144,112
Operating income	7,343	11,070
Non-operating income		
Interest income	124	94
Dividends income	405	449
Equity in earnings of affiliates	462	542
Royalty income	200	222
Foreign exchange gains	106	85
Other	320	366
Total non-operating income	1,619	1,761
Non-operating expenses		
Interest expenses	511	328
Interest on bonds	53	95
Other	195	143
Total non-operating expenses	760	566
Ordinary income	8,202	12,265
Extraordinary income		
Gain on step acquisitions	477	-
Gain on negative goodwill	97	-
Gain on sales of investment securities	-	141
Gain on disposal of noncurrent assets	-	625
Other	34	-
Total extraordinary income	609	766
Extraordinary loss		
Loss on disposal of noncurrent assets	205	824
Impairment loss	90	196
Loss on step acquisitions	-	178
Total extraordinary losses	296	1,199
Income before income taxes	8,515	11,832
Income taxes-current	3,189	3,947
Income taxes-deferred	(4)	(482)
Total income taxes	3,184	3,465
Income before minority interests	5,330	8,366
Minority interests in income	435	953
Net Income	4,895	7,413

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine Months Ended September 30, 2014 (Jan. 1 to Sep. 30)	Nine Months Ended September 30, 2015 (Jan. 1 to Sep. 30)
Income before minority interests	5,330	8,366
Other comprehensive income		
Valuation difference on available-for-sale securities	(417)	1,472
Deferred gains or losses on hedges	(14)	(11)
Foreign currency translation adjustment	975	(2,634)
Remeasurements of defined benefit plans, net of tax	-	434
Share of other comprehensive income of associates accounted for using equity method	134	(261)
Total other comprehensive income	677	(1,000)
Comprehensive income	6,007	7,366
Comprehensive income attributable to:		
Comprehensive income attributable to owner of the parent	5,319	6,976
Comprehensive income attributable to minority interests	688	389

(3) Notes Concerning Consolidated Quarterly Financial Statements

(Notes Regarding Going Concern Assumptions)

None

(Notes in the Event of Significant Changes in Amount of Shareholders' Equity)

None

(Segment Information)

1. Nine Months Ended September 30, 2014 (January 1 to September 30, 2014)

1) Information Regarding Net Sales, Profits and Losses for Each Reportable Segment

(Millions of yen)

	Reportable segments			Other	Total	Adjustment ²	Consolidated total ³
	Consumer Products Business	Industrial Products Business	Overseas Business				
1. Net sales							
(1) Sales to External customers	179,410	23,269	59,388	3,237	265,305	-	265,305
(2) Intersegment sales ^{*1}	18,849	20,668	3,205	17,706	60,429	(60,429)	-
Total	198,259	43,938	62,593	20,943	325,734	(60,429)	265,305
Segment income	4,477	1,526	833	371	7,209	133	7,343

Notes: 1. Internal transactions are included within reportable segments.

2. Segment income adjustments totaling ¥133 million are composed mainly of internal transaction eliminations.

3. Segment income is adjusted based on operating income in consolidated quarterly income statements.

2. Nine Months Ended September 30, 2015 (January 1 to September 30, 2015)

1) Information Regarding Net Sales, Profits and Losses for Each Reportable Segment

(Millions of yen)

	Reportable segments			Other	Total	Adjustment ²	Consolidated total ³
	Consumer Products Business	Industrial Products Business	Overseas Business				
1. Net sales							
(1) Sales to External customers	178,239	22,628	68,511	4,647	274,027	-	274,027
(2) Intersegment sales ^{*1}	19,004	19,624	4,911	16,933	60,473	(60,473)	-
Total	197,243	42,253	73,423	21,581	334,501	(60,473)	274,027
Segment income	6,596	942	2,497	717	10,754	315	11,070

Notes: 1. Internal transactions are included within reportable segments.

2. Segment income adjustments totaling ¥315 million are composed mainly of internal transaction eliminations.

3. Segment income is adjusted based on operating income in consolidated quarterly income statements.

(Important Subsequent Events)

Lion Corporation reached a decision at the October 29, 2015 Board of Directors meeting to remove the powder detergent manufacturing facilities at its Chiba Plant as part of revisions to its production system for laundry detergents. As a result, the Company will record a write-down of the book value of the assets to be removed and removal costs totaling ¥1,130 million under extraordinary loss for the fourth period of fiscal 2015.

(1)Reasons

To respond to revisions in risk countermeasures related to earthquakes and other disasters and to changes in the laundry detergent market.

(2)Schedule (Tentative)

Beginning of removal: December 2015

End of removal: December 2016