

November 5, 2015

**Summary of Business Results for the Nine Months
Ended September 30, 2015 (Consolidated)**
- Supplementary Information -



Lion Corporation

1. Financial Results for the Nine Months Ended September 2015

Highest ever Jan.–Sep. income

(Millions of yen)

	Jan.-Sep. 2015	Jan.-Sep. 2014	Y-o-Y Change	Y-o-Y Change(%)
Net sales	274,027	265,305	8,722	3.3
Operating income	11,070	7,343	3,726	50.8
% of Sales	4.0	2.8	1.2	—
Ordinary income	12,265	8,202	4,063	49.5
% of Sales	4.5	3.1	1.4	—
Net income	7,413	4,895	2,518	51.4
% of Sales	2.7	1.8	0.9	—
EPS (Yen)	27.57	18.25	9.32	51.1

1) Net sales: ¥274,027 million (up ¥8,722 million, or 3.3% year on year)

(Up 0.7% in terms of real net sales, which exclude the influence of exchange rate conversions)

- Domestically, sales of such high-value-added products as *SYSTEMA Haguki (the Gums) Plus* toothpaste, *BUFFERIN PREMIUM* antipyretic analgesics and *Smile 40 Premium* eye drops were favorable, and new *Between Zeitaku Care* toothbrushes and *CHARMY Magica* dishwashing detergent received favorable consumer reviews. In addition, new and improved Nice rim essence Lactoferrin was launched in June with labeling showing its function, helping to reduce visceral fat, based on the new functional food label system enacted in April.
- Overseas, sales in Thailand were steady, and those in South Korea and China grew. Overall sales rose year on year.

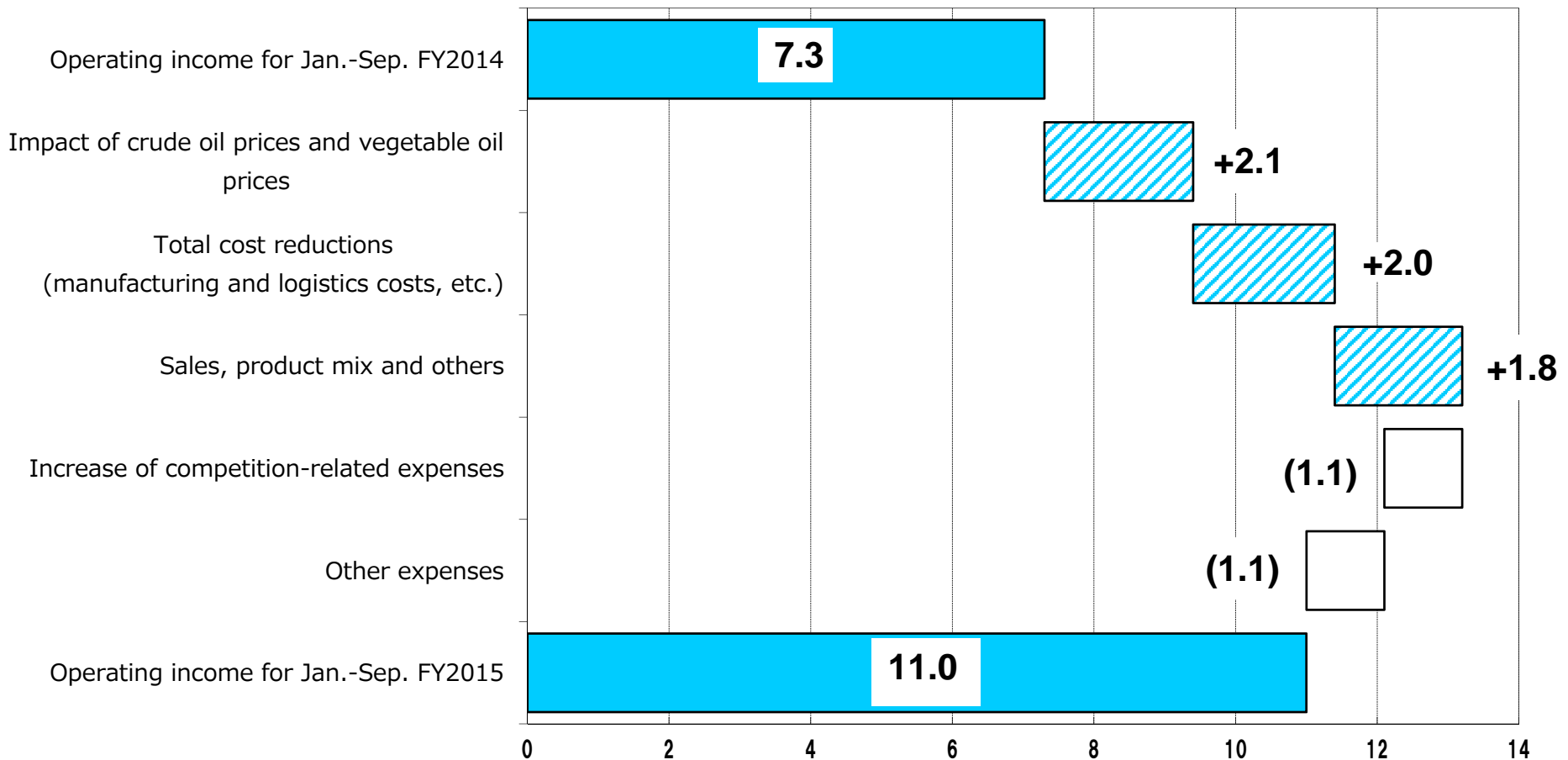
2) Operating income: ¥11,070 million (up ¥3,726 million, or 50.8%, year on year)

- In the domestic Consumer Products business, sales in the Oral Care Products and Pharmaceutical Products businesses rose, and the product mix improved.
- Overseas, Lion worked to bolster sales of personal care products, and profitability improved.
- The effect of low raw materials prices and cost savings helped improve income.

3. Year-on-year Changes in Operating Income



(Billions of yen)



- Achieved better than expected cost savings from reduced raw materials prices
- Promoted cost reductions
- Continued to cultivate markets for high-value-added products

4. Results by Business Segment



Improved profitability in Consumer Products, continued growth in Overseas sales and income

(Millions of yen)

	Net sales				Segment income (operating income)			
	Jan-Sep 2015	Jan-Sep 2014	Y-o-Y change	Y-o-Y change(%)	Jan-Sep 2015	Jan-Sep 2014	Y-o-Y change	Y-o-Y 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
Consolidated total	274,027	265,305	8,722	3.3	11,070	7,343	3,726	50.8

Overseas net sales: Real net sales, which exclude the influence of exchange rate conversions, increased 5.7% year on year

5. Results by Business Segment



Net sales and sales to external customers

(Millions of yen)

	Net Sales			
	Jan.-Sep. 2015	Jan.-Sep. 2014	Y-o-Y Change	Y-o-Y Change(%)
Consumer Products	197,243	198,259	(1,016)	(0.5)
	178,239	179,410	(1,170)	(0.7)
Industrial Products	42,253	43,938	(1,684)	(3.8)
	22,628	23,269	(641)	(2.8)
Overseas	73,423	62,593	10,829	17.3
	68,511	59,388	9,123	15.4
Other	21,581	20,943	637	3.0
	4,647	3,237	1,410	43.6
Net sales total	334,501	325,734	8,766	2.7
Sales to external customers total	274,027	265,305	8,722	3.3

Net sales include internal net sales within and among segments.

6. 2015 Consolidated Financial Forecast



There are no changes to consolidated financial results forecasts for the fiscal 2015

(Millions of yen)

	2015	2014	Y-on-Y Change	
			Amount	%
Net Sales	375,000	367,396	7,603	2.1
Operating Income % of Sales	14,200 3.8	12,406 3.4	1,793	14.5
Ordinary Income % of Sales	15,700 4.2	14,059 3.8	1,640	11.7
Net Income % of Sales	8,500 2.3	7,368 2.0	1,131	15.4
EPS	31.70 yen	27.47 yen	4.23 yen	15.4 yen

Assumptions about the operating environment:

Changes in the domestic competitive environment; economic slowdown in mainstay countries in Asia

- **Southern Lion Sdn. Bhd. of Malaysia was made a consolidated subsidiary as of the end of the third quarter of fiscal 2015.**

- **Effect on full-year consolidated performance:**
 - Net sales : Increase of around ¥2.0 billion**
 - Operating income: Slight increase**

8. Changes in Home Products and OTC Drug Markets



Environment of Home Products

Market trend of the total of 39 home product markets in which Lion participates.
(percentage change over the year-ago period.)

	2010	2011	2012	2013	2014	Jan.-Sep. 2015
Sales value	102	101	101	102	102	102
Unit sales	103	101	102	102	100	99
Average unit price	99	99	99	100	102	102

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 and FY2013-2014 is for 40.)

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.)

	2010	2011	2012	2013	2014	Jan.-Sep. 2015
Sales value	96	98	98	99	100	101
Unit sales	98	98	99	99	98	100
Average unit price	98	100	99	100	102	101

Source: INTAGE Inc. SDI Survey

Third Quarter Consolidated Financial Results

(Millions of yen)

	Jul-Sep 2015	Jul-Sep 2014	Y-o-Y Change	Y-o-Y Change (%)
Net sales	93,743	88,671	5,072	5.7
Operating income	5,371	3,384	1,986	58.7
Ordinary income	5,617	3,693	1,924	52.1
Net income	3,515	2,428	1,086	44.7

Third Quarter Consolidated Financial Results by Business segment

(Millions of yen)

	Net sales				Segment income (operating income)			
	Jul-Sep 2015	Jul-Sep 2014	Y-o-Y change	Y-o-Y change(%)	Jul-Sep 2015	Jul-Sep 2014	Y-o-Y change	Y-o-Y change(%)
Consumer Products	67,950	65,203	2,747	4.2	4,068	2,203	1,865	84.7
Industrial Products	13,237	15,088	(1,850)	(12.3)	250	498	(247)	(49.6)
Overseas	24,673	22,260	2,413	10.8	885	446	438	98.1
Other	7,261	7,579	(318)	(4.2)	222	151	71	47.0
Subtotal	113,123	110,131	2,991	2.7	5,428	3,300	2,128	64.5
Adjustment	(19,379)	(21,460)	2,080	—	(56)	84	(141)	—
Consolidated total	93,743	88,671	5,072	5.7	5,371	3,384	1,986	58.7

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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.