

May 9, 2016

**Summary of Business Results for the First Quarter  
Ended March 31, 2016 (Consolidated)**  
- Supplementary Information -



**Lion Corporation**

## Highest ever Jan.–Mar. income

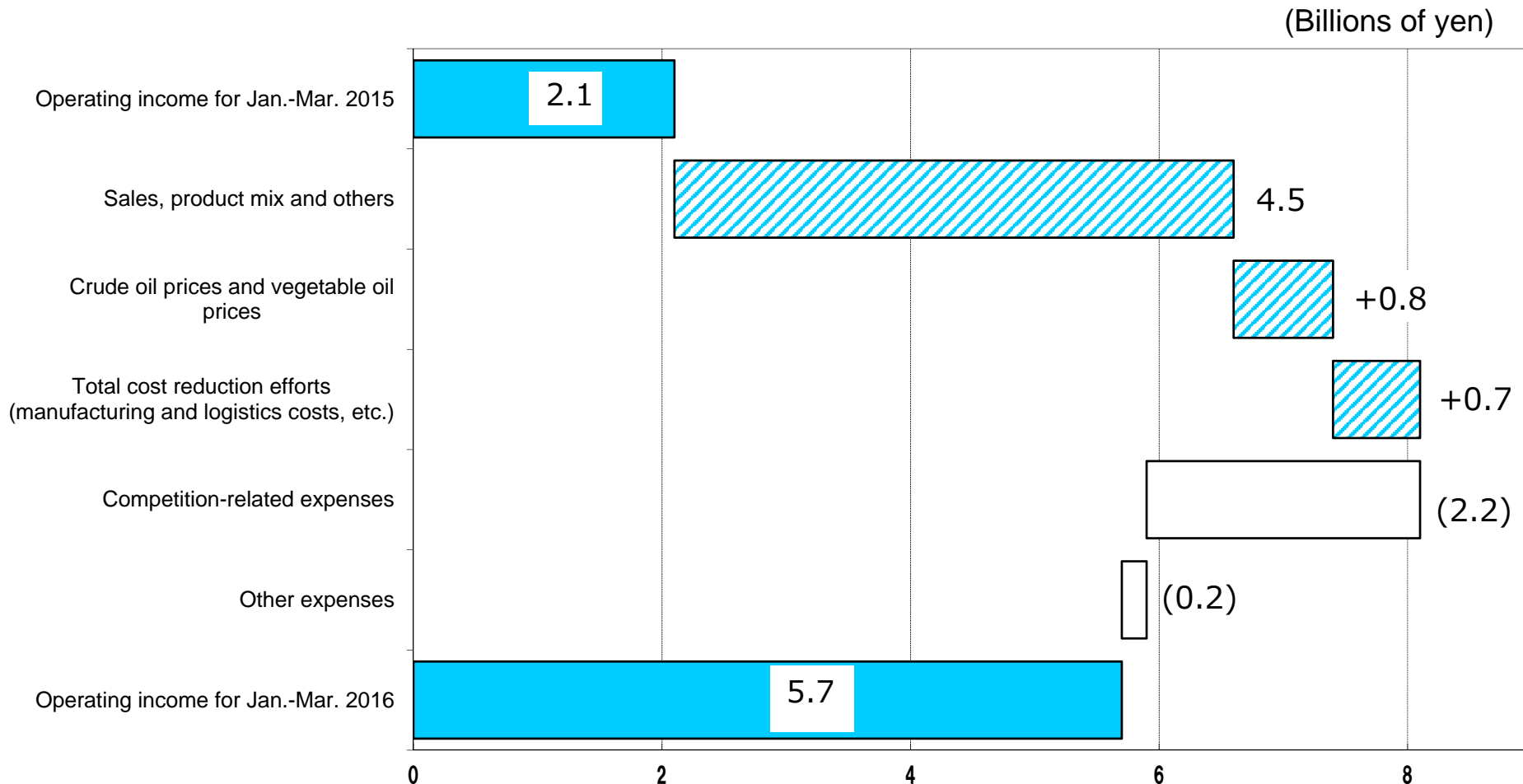
(Millions of yen)

	Jan.-Mar. 2016	Jan.-Mar. 2015	Y-o-Y Change	Y-o-Y Change(%)
Net sales	89,485	82,925	6,560	7.9
Operating income	5,795	2,137	3,657	171.1
% of Sales	6.5	2.6	3.9	—
Ordinary income	6,130	2,273	3,857	169.6
% of Sales	6.9	2.7	4.2	—
Profit attributable to owners of parent	3,797	1,136	2,661	234.1
% of Sales	4.2	1.4	2.8	—
EPS (Yen)	13.25	4.23	9.02	213.2

## 2. Financial Highlights

- 1) Net sales: ¥89,485 million (up ¥6,560 million, or 7.9%, year on year)  
(Up 10.8% in terms of real net sales, which exclude the influence of exchange rate conversions)
- Domestically, sales of such high-value-added products as *CLINICA ADVANTAGE* Toothpaste, *BUFFERIN PREMIUM* antipyretic analgesics and *Smile40 Premium* eye drops were favorable. Furthermore, the new super-concentrated liquid laundry detergent *TOP SUPER NANOX* received favorable consumer reviews, and sales of *NANOX* products doubled year on year.
  - Overseas, despite the negative impact of exchange rate fluctuations, sales in such mainstay countries as Thailand and South Korea were firm. Furthermore, sales at Southern Lion SDN. BHD, which was made a consolidated subsidiary in 2015, greatly helped boost sales. As a result, Overseas Business sales grew to 28% of the Group total.
- 2) Operating income: ¥5,795 million (up ¥3,657 million, or 171.1%, 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, sales increased in the personal care field in Thailand and South Korea, leading to improvement in profitability and an operating income ratio of over 5%.
  - Greater than anticipated reductions in raw materials prices and cost savings helped boost profit.

# Steadily increasing profitability



# 4. Results by Business Segment



## Continuing to bolster profitability domestically and overseas

(Millions of yen)

	Net sales				Segment income (operating income)			
	Jan.-Mar. 2016	Jan.-Mar. 2015	Y-o-Y change	Y-o-Y change(%)	Jan.-Mar. 2015	Jan.-Mar. 2015	Y-o-Y change	Y-o-Y change(%)
Consumer Products	63,277	58,027	5,250	9.0	3,591	330	3,261	988.4
Industrial Products	13,183	14,327	(1,144)	(8.0)	644	392	252	64.5
Overseas	28,016	23,520	4,496	19.1	1,410	983	427	43.5
Other	5,432	6,559	(1,126)	(17.2)	93	176	(83)	(47.3)
Subtotal	109,910	102,434	7,475	7.3	5,740	1,881	3,858	205.1
Adjustment	(20,424)	(19,509)	(915)	—	54	256	(201)	(78.6)
Consolidated total	89,485	82,925	6,560	7.9	5,795	2,137	3,657	171.1

Overseas net sales: Real net sales, which exclude the influence of exchange rate conversions, increased 30.8% year on year

# 5. Sales by Business Segment



(Millions of yen)

	Sales			
	Jan.-Mar. 2016	Jan.-Mar. 2015	Y-o-Y Change	Y-o-Y Change(%)
Consumer Products	63,277	58,027	5,250	9.0
	56,796	51,733	5,063	9.8
Industrial Products	13,183	14,327	(1,144)	(8.0)
	7,239	7,105	134	1.9
Overseas	28,016	23,520	4,496	19.1
	24,894	22,328	2,566	11.5
Other	5,432	6,559	(1,126)	(17.2)
	554	1,758	(1,204)	(68.5)
Net sales total	109,910	102,434	7,475	7.3
Sales to external customers total	89,485	82,925	6,560	7.9

Upper row: Net sales; Lower row: Sales to external customers

Net sales include internal net sales within and among segments.

## 6. 2016 Consolidated Financial Forecast (Sales, Profit) **LION**

### Forecasts of consolidated results revised upward

(Millions of yen)

	2016	2015	Y-on-Y Change	Y-on-Y Change (%)	Jan.-Jun. 2016	Jan.-Jun. 2015	Y-on-Y Change	Y-on-Y Change (%)
Net Sales	395,000	378,659	16,340	4.3	190,000	180,283	9,716	5.4
Operating Income % of Sales	19,000 4.8	16,374 4.3	2,625	16.0	8,000 4.2	5,698 3.2	2,301	40.4
Ordinary Income % of Sales	20,000 5.1	18,099 4.8	1,900	10.5	9,000 4.7	6,647 3.7	2,352	35.4
Profit attributable to owners of parent % of Sales	11,500 2.9	10,680 2.8	819	7.7	5,000 2.6	3,898 2.2	1,101	28.3
EPS(Yen)	40.11	39.35	0.76	1.9	17.44	14.53	2.91	20.0

## 7. 2016 Consolidated Financial Forecast (Sales by Segment) **LION**

### Sales to external customers

(Millions of yen)

	2016	2015	Y-o-Y change	Y-o-Y change(%)	Jan.-Jun. 2016	Jan.-Jun. 2015	Y-o-Y change	Y-o-Y change(%)
Consumer Products	258,500	247,978	10,521	4.2	122,000	116,546	5,453	4.7
Industrial Products	31,000	30,805	194	0.6	15,000	14,893	106	0.7
Overseas	102,500	93,903	8,596	9.2	51,500	45,524	5,975	13.1
Other	3,000	5,972	(2,972)	(49.8)	1,500	3,319	(1,819)	(54.8)
Consolidated total	395,000	378,659	16,340	4.3	190,000	180,283	9,716	5.4



### ○ Results improving faster than anticipated

#### ● Net sales

#### **Increase from previous forecast: +¥5 billion**

- Sales in Consumer Products Business forecast to exceed earlier assumptions

#### ● Operating income

#### **Increases from previous forecast:**

#### **+¥1.5 billion in first half; +¥1 billion for full year**

- Strong sales of highly profitable products in such categories as oral care and OTC pharmaceuticals
- Decreases in raw materials prices and cost reductions to exceed earlier assumptions

# 9. 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.)

	2011	2012	2013	2014	2015	Jan.-Mar. 2016
Sales value	101	101	102	102	103	105
Unit sales	101	102	102	100	100	103
Average unit price	99	99	100	102	102	103

Source: INTAGE Inc. SRI Survey (Year-on-year data for 2011-2012 is for 42 such markets in which Lion operates.  
Data for 2013-2014 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.)

	2011	2012	2013	2014	2015	Jan.-Mar. 2016
Sales value	98	98	99	100	102	102
Unit sales	98	99	99	98	101	101
Average unit price	100	99	100	102	101	101

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.