

**Summary of Business Results for the Nine Months
Ended September 30, 2016 (Consolidated)**
- Supplementary Information -



Lion Corporation

Record-high income for first nine months

(Millions of yen)

	2016 Jan.-Sep.	2015 Jan.-Sep.	Y-o-Y Change	
			Amount	%
Net sales	290,134	274,027	16,106	5.9
Operating income	19,064	11,070	7,994	72.2
% of Sales	6.6	4.0	2.6	—
Ordinary income	20,237	12,265	7,972	65.0
% of Sales	7.0	4.5	2.5	—
Profit attributable to owners of parent	13,043	7,413	5,630	75.9
% of Sales	4.5	2.7	1.8	—
EPS (Yen)	45.15	27.57	17.58	63.8

2. Financial Highlights

1) Net sales: ¥290,134 million (up ¥16,106 million, or 5.9%, year on year)
(Up 9.4% in terms of real net sales, which exclude the influence of exchange rate conversions)

- In domestic operations, sales of high-value-added products, such as *SYSTEMA Haguki (the Gums) Plus* toothpaste, *TOP SUPER NANOX* laundry detergent and the antipyretic analgesic *BUFFERIN PREMIUM*, were strong.

Furthermore, new *hadakara* Body Soap received favorable consumer reviews.

- 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 became a consolidated subsidiary in 2015, contributed greatly to the increase in revenue.

The ratio of overseas sales to total sales grew to 26%.

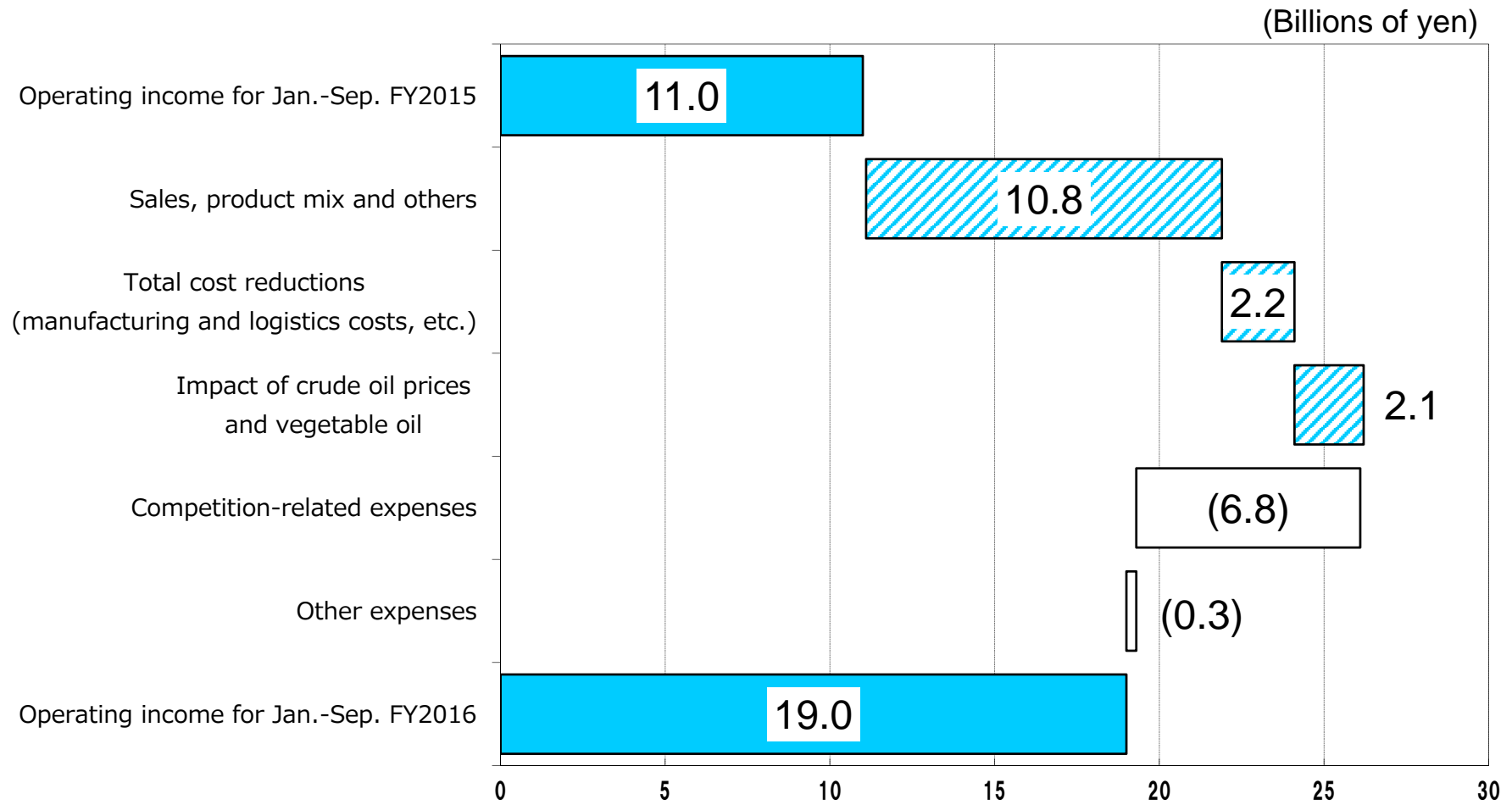
2) Operating income: ¥19,064 million (up ¥7,994 million, or 72.2%, year on year)

- In Consumer Products, the operating income ratio surpassed 6%, thanks to growth in sales of high-value-added products and business structure improvements.
- In Industrial Products, profitability increased, thanks in part to synergies resulting from the integration of the segment's businesses in 2015.
- Overseas, profitable growth continued, due in part to growth in the personal care field in Thailand and South Korea.

3. Year-on-year Changes in Operating Income



Sales growth and cost reductions boost income



4. Results by Business Segment



Continuing to bolster profitability domestically and overseas

(Millions of yen)

	Net sales				Segment income (operating income)			
	2016 Jan.-Sep.	2015 Jan.-Sep.	Y-o-Y change		2016 Jan.-Sep.	2015 Jan.-Sep.	Y-o-Y change	
			Amount	%			Amount	%
Consumer Products	209,652	197,243	12,409	6.3	12,620	6,596	6,024	91.3
Industrial Products	39,892	42,253	(2,361)	(5.6)	1,838	942	895	95.0
Overseas	83,354	73,423	9,931	13.5	3,601	2,497	1,103	44.2
Other	18,916	21,581	(2,664)	(12.3)	523	717	(193)	(27.0)
Subtotal	351,816	334,501	17,315	5.2	18,584	10,754	7,830	72.8
Adjustment	(61,682)	(60,473)	(1,208)	—	480	315	164	52.1
Consolidated total	290,134	274,027	16,106	5.9	19,064	11,070	7,994	72.2

Overseas net sales: Real net sales, which exclude the influence of exchange rate conversions, increased 28.4% year on year

5. Sales by Business Segment

(Millions of yen)

	Sales			
	2016 Jan.-Sep.	2015 Jan.-Sep	Y-o-Y Change	
			Amount	%
Consumer Products	209,652	197,243	12,409	6.3
	190,295	178,239	12,055	6.8
Industrial Products	39,892	42,253	(2,361)	(5.6)
	22,933	22,628	305	1.3
Overseas	83,354	73,423	9,931	13.5
	74,624	68,511	6,112	8.9
Other	18,916	21,581	(2,664)	(12.3)
	2,280	4,647	(2,366)	(50.9)
Sales total	351,816	334,501	17,315	5.2
Sales to external customers total	290,134	274,027	16,106	5.9

Sales: The upper row for each segment shows gross sales, while the bottom row shows sales to external customers. Sales include internal net sales within and among segments.

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

Full-year performance and year-end dividend forecasts revised

(Millions of yen)

	2016 Revised Forecast (Nov. 4, 2016)	2015	Y-on-Y Change		V-2 Plan final targets (2017)
			Amount	%	
Net Sales	390,000	378,659	11,340	3.0	400,000
Operating Income	23,500	16,374	7,125	43.5	20,000
% of Sales	6.0	4.3			
Ordinary Income	25,000	18,099	6,900	38.1	22,000
% of Sales	6.4	4.8			
Profit attributable to owners of parent	15,000	10,680	4,319	40.4	12,000
% of Sales	3.8	2.8			
EPS	51.61	39.35	12.26	31.2	

Per-share annual dividend forecast: ¥13 (up ¥3 year on year)

7. Approaching the Final Year of the V-2 Plan **LION**

Advancing innovation to realize Vision2020.

Preparing for the V-3 Plan starting in 2018.

- **Accelerate profit structure reform**

Create corporate structure responsive to environmental changes and achieve sustainable growth to reach long-term goals

- **Lay foundation for new business growth**

2017 will be a year to prepare for greater future success.

8. Changes in Home Products and OTC Drug Markets



Home Products Market Data

Market trend of the total of 38 home product markets in which Lion participates. (percentage change over the year-ago period.)

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

Year-on-year data for 2011-2012 is for the 42 home product markets in which Lion operates. Data for 2013-2014 is for 40 and 2015 is for 39 such markets

OTC Drug Market Data

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	2016 Jan.-Sep.
Sales value	98	98	99	100	102	101
Unit sales	98	99	99	98	101	100
Average unit price	100	99	100	102	101	101

Source: INTAGE Inc. SDI Survey

〈Reference Materials〉

Third Quarter Consolidated Financial Results

(Millions of yen)

	2016 Jul. – Sep.	2015 Jul. – Sep.	Y-on-Y Change	
			Amount	%
Net sales	101,885	93,743	8,142	8.7
Operating income	8,634	5,371	3,262	60.7
Ordinary income	8,899	5,617	3,281	58.4
Profit attributable to owners of parent	5,882	3,515	2,367	67.3

〈Reference Materials〉

Third Quarter Consolidated Financial Results by Segment

(Millions of yen)

	Net sales				Segment income (operating income)			
	2016 Jul.-Sep.	2015 Jul.-Sep.	Y-o-Y change		2016 Jul.-Sep.	2015 Jul.-Sep.	Y-o-Y change	
			Amount	%			Amount	%
Consumer Products	73,937	67,950	5,987	8.8	6,464	4,068	2,395	58.9
Industrial Products	13,277	13,237	39	0.3	588	250	337	134.6
Overseas	28,212	24,673	3,538	14.3	1,132	885	247	28.0
Other	6,773	7,261	(488)	(6.7)	190	222	(32)	(14.7)
Subtotal	122,200	113,123	9,077	8.0	8,376	5,428	2,948	54.4
Adjustment	(20,314)	(19,379)	(935)	-	257	(56)	314	-
Consolidated total	101,885	93,743	8,142	8.7	8,634	5,371	3,262	60.7

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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.