

## Summary of Consolidated Financial Statements for the Nine Months Ended September 30, 2017 [Japanese Standard]

November 7, 2017

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

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Scheduled date of filing of quarterly financial report (Shihanki Houkokusho): November 13, 2017  
Start date for payment of dividend: —  
Supplementary materials prepared for quarterly results: Yes  
Quarterly results information meeting held: Yes (for institutional investors and analysts, etc.)

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

### 1. Consolidated Results for the Nine Months Ended September 30, 2017

(January 1, 2017 – September 30, 2017)

(1) Consolidated Results (cumulative total)

(Percentage figures denote year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine Months ended Sep. 2017	301,142	3.8	20,697	8.6	22,122	9.3	14,832	13.7
Nine Months ended Sep. 2016	290,134	5.9	19,064	72.2	20,237	65.0	13,043	75.9

Note: Comprehensive Income

September 30, 2017: ¥20,266 million [108.1%], September 30, 2016: ¥9,740 million [32.2%]

	EPS	Diluted EPS
	Yen	Yen
September 30, 2017	51.05	50.98
September 30, 2016	45.15	45.09

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets
	Millions of yen	Millions of yen	%
September 30, 2017	309,865	173,085	52.9
December 31, 2016	298,510	157,879	50.0

Note: Shareholders' equity: September 30, 2017: ¥163,779 million, December 31, 2016: ¥149,282 million

## 2. Dividend

	Cash dividend per share / Yen				
	First Quarter	Second Quarter	Third Quarter	Year-End	Annual
FY2016	—	5.00	—	8.00	13.00
FY2017 actual	—	7.00	—		
FY2017 forecast				8.00	15.00

Note: Revision to Cash dividend forecast during period under review: No

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2017 (January 1, 2017 – December 31, 2017)

Notes: Percent figures for net sales, operating income, ordinary income, and profit attributable to owners of parent express percentage change over the year-ago period.

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		EPS
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2017	405,000	2.4	27,000	10.2	28,000	6.5	17,000	6.6	58.50

Note: Revision to consolidated performance forecast during period under review: No

### 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: None
  - 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, 2017: 299,115,346 shares
    - As of December 31, 2016: 299,115,346 shares
  - b. Number of treasury stocks on balance sheet date:
    - As of September 30, 2017: 8,530,874 shares
    - As of December 31, 2016: 8,551,212 shares
  - c. Average shares outstanding over period (cumulative; consolidated)
    - As of September 30, 2017: 290,581,252 shares
    - As of September 30, 2016: 288,893,269 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) Consolidated Performance

During the first nine months of fiscal 2017 (January 1, 2017– September 30, 2017), net sales amounted to ¥301,142 million, a year-on-year increase of 3.8% (or an increase of 2.8% in terms of real net sales, which exclude the influence of exchange rate conversions). The Company recorded operating income of ¥20,697 million, up 8.6% from the corresponding period of the previous fiscal year, and ordinary income of ¥22,122 million, up 9.3%. Profit attributable to owners of parent for the first nine months of the current fiscal year amounted to ¥14,832 million, a year-on-year increase of 13.7%.

During the fiscal period under review, the Lion Group implemented its medium-term management plan, called the V-2 Plan (Vision2020 Part-2). The Lion Group is advancing initiatives based on the four strategies of this plan: (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 introduced such new products as toothpastes, toothbrushes, mouthwashes, antiperspirants and deodorants, and fabric softeners and worked to cultivate markets for its products through aggressive marketing, focusing mainly on high-value-added products.

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

#### <Consolidated Results>

(Millions of yen)

	Nine Months Ended Sep. 2017	Ratio to net sales	Nine Months Ended Sep. 2016	Ratio to net sales	Increase/decrease	Change
Net sales	301,142		290,134		11,008	3.8%
Operating income	20,697	6.9%	19,064	6.6%	1,633	8.6%
Ordinary income	22,122	7.3%	20,237	7.0%	1,884	9.3%
Profit attributable to owners of parent	14,832	4.9%	13,043	4.5%	1,789	13.7%

**< Results by Business Segment >** (Millions of yen)

	Net sales				Segment income (Operating income)			
	Nine Months Ended Sep. 2017	Nine Months Ended Sep. 2016	Increase/decrease	Change	Nine Months Ended Sep. 2017	Nine Months Ended Sep. 2016	Increase/decrease	Change
Consumer Products	213,826	209,652	4,173	2.0%	14,280	12,620	1,660	13.2%
Industrial Products	40,171	39,892	279	0.7%	1,476	1,838	(362)	(19.7%)
Overseas	89,976	83,354	6,621	7.9%	3,859	3,601	258	7.2%
Other	22,160	18,916	3,243	17.1%	953	523	429	82.0%
Subtotal	366,134	351,816	14,318	4.1%	20,570	18,584	1,986	10.7%
Adjustment	(64,992)	(61,682)	(3,309)	—	126	480	(353)	(73.6%)
Total	301,142	290,134	11,008	3.8%	20,697	19,064	1,633	8.6%

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 increased 2.0% compared with the same period of the previous fiscal year. Segment income increased 13.2% year on year due in part to growth in sales of high-value-added products, despite rising raw material prices.

(Millions of yen)

	Nine Months Ended Sep. 2017	Ratio to net sales	Nine Months Ended Sep. 2016	Ratio to net sales	Increase/decrease	Change
Net sales	213,826		209,652		4,173	2.0%
Segment income	14,280	6.7%	12,620	6.0%	1,660	13.2%

Note: Net sales include internal net sales within and among segments, which amounted to ¥20,212 million in the nine months of fiscal 2017 and ¥19,357 million in the nine months of fiscal 2016.

**[Net Sales by Products Segment]**

(Millions of yen)

	Nine Months Ended Sep. 2017	Nine Months Ended Sep. 2016	Increase/decrease	Change
Oral Care Products	48,110	44,794	3,316	7.4%
Beauty Care Products	18,956	17,502	1,454	8.3%
Fabric Care Products	59,267	58,997	270	0.5%
Living Care Products	15,092	15,153	(60)	(0.4%)
Pharmaceutical Products	28,745	30,001	(1,256)	(4.2%)
Other Products	43,654	43,203	450	1.0%

**Oral Care Products**

In toothpastes, Lion introduced new a flavor of *CLINICA Kid's Gel Toothpaste*, which is marketed as a preventive dentistry option that can be used from age zero. Sales of this toothpaste were steady. *NONIO Toothpaste*, a new brand designed to fight bad breath, received favorable consumer reviews, and overall sales substantially increased year on year.

In toothbrushes, a new compact version was added to the lineup of *Between Zeitaku Care Toothbrushes*, and sales of this line were favorable. *CLINICA Kid's Toothbrushes*, designed to meet children's needs at each growth stage in order to help with everything from establishing good brushing habits to properly caring for permanent teeth, saw sales grow to three times the level recorded in the same period of the previous fiscal year. Overall sales increased year on year.

In mouthwashes, sales of *SYSTEMA Haguki (the Gums) Plus Dental Rinse* were firm. *NONIO Mouthwash*, which has a long-lasting suppressant effect on bacterial growth and prevents bad breath, received favorable consumer reviews, and overall sales substantially increased year on year.

### **Beauty Care Products**

In hand soaps, sales of *KireiKirei Medicated Foaming Hand Soap* were steady, and overall sales increased year on year.

In body washes, the *hadakara Body Soap* series, which includes a new fragrance and a new product offering that leaves skin both moisturized and smooth, received favorable reviews, and overall sales significantly increased.

In antiperspirants and deodorants, new *Ban Sweat-Blocking Stick Premium Label*, which goes on smooth and dry and effectively controls underarm sweat, received favorable consumer reviews. However, overall sales decreased slightly year on year.

### **Fabric Care Products**

In fabric softeners, *Kaori to Deodorant no SOFLAN (SOFLAN with Fragrance and Deodorant) Premium Deodorizer Plus*, which effectively eliminates sweat and body odor from clothing, received favorable consumer reviews. Sales of *SOFLAN Aroma Rich* were firm, and overall sales were up from the same period of the previous fiscal year.

In laundry detergents, sales of *TOP HYGIA*, a super-concentrated liquid laundry detergent featuring a newly developed and even more effective "premium antibacterial formula," were strong. However, sales of powder detergents fell year on year, reflecting continued market contraction, and overall sales were down year on year.

### **Living Care Products**

In dishwashing detergents, sales of *CHARMY Crysta* detergents for dishwashers were favorable, but sales of *CHARMY Magica* were sluggish, and overall sales were down slightly year on year.

In household cleaners, sales of the bathroom fungicide *LOOK Bath Antimold Fogger* were favorable. However, sales of bath cleaners decreased year on year, and overall sales edged down year on year.

### **Pharmaceutical Products**

In antipyretic analgesics, sales *BUFFERIN PREMIUM* were strong, and overall sales rose year on year.

In eyedrops, sales of Smile 40 decreased year on year. Overall sales were down year on year amid intensifying competition.

### **Other Products**

In direct-to-consumer sales products, sales of *Nice rim essence Lactoferrin* were steady, and sales of *Gussumin Yeast NO CHIKARA* were favorable. Overall sales were higher than in the same period of the previous fiscal year

In pet supplies, sales of *Nioi wo Toru Suna (Deodorizing Cat Litter)* were firm, and those of oral care

products were strong. Overall sales were higher than in the previous fiscal year.

#### <Industrial Products Business>

The Industrial Products Business segment includes the Automotive, Electrical and Electronics, and Detergents for Institutional Use Products fields. These businesses handle products that include anti-sticking agents for tires, electro-conductive carbon for secondary batteries, and detergents for institutional and kitchen use, respectively. Segment net sales increased 0.7% compared with the corresponding period of the previous fiscal year. Segment income fell 19.7% year on year, in part due to higher raw material prices.

(Millions of yen)

	Nine Months Ended Sep. 2017	Ratio to net sales	Nine Months Ended Sep. 2016	Ratio to net sales	Increase/ decrease	Change
Net sales	40,171		39,892		279	0.7%
Segment income	1,476	3.7%	1,838	4.6%	(362)	(19.7%)

Note: Net sales include internal net sales within and among segments, which amounted to ¥16,424 million in the nine months of fiscal 2017 and ¥16,958 million in the nine months of fiscal 2016.

In Automotive, sales of anti-sticking agents for tires were firm, and overall sales grew year on year.

In Electrical and Electronics, sales of electro-conductive compounds for semiconductor carrier materials were favorable, and overall sales increased year on year.

In Detergents for Institutional Use Products, sales of alcohol sanitizers for kitchens were favorable, while those of hand soaps were firm, and overall sales increased year on year.

#### <Overseas Business>

The Overseas Business segment comprises business operations located in Southeast Asia, including Thailand and Malaysia, and Northeast Asia, including South Korea and China. Segment net sales increased 7.9% year on year (or in terms of real net sales, which exclude the influence of exchange rate conversions, increased 4.4%). Segment income increased 7.2% year on year.

(Millions of yen)

	Nine Months Ended Sep. 2017	Ratio to net sales	Nine Months Ended Sep. 2016	Ratio to net sales	Increase/ decrease	Change
Net sales	89,976		83,354		6,621	7.9%
Segment income	3,859	4.3%	3,601	4.3%	258	7.2%

Note: Net sales include internal net sales within and among segments, which amounted to ¥8,916 million in the nine months of fiscal 2017 and ¥8,730 million in the nine months of fiscal 2016.

#### [Sales by Region]

(Millions of yen)

	Nine Months Ended Sep. 2017	Nine Months Ended Sep. 2016	Increase/ decrease	Change
Southeast Asia	61,902	56,940	4,962	8.7%
Northeast Asia	28,073	26,414	1,659	6.3%

#### (Sales by Region)

In Southeast Asia, overall sales were up 8.7% year on year.

In Thailand, sales of *SYSTEMA toothpaste* and *Shokubutsu-Monogatari body wash* were firm. Overall sales after yen conversions were up year on year..

In Northeast Asia, overall sales were up 6.3% year on year.

In South Korea, sales of *SYSTEMA toothpaste* and *KireiKirei hand soap* were favorable. Overall sales after yen conversions grew substantially year on year.

In China, sales of *SYSTEMA toothbrushes* were firm, and sales through our e-commerce channel were favorable. Overall sales after yen conversions were up significantly year on year.

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

(Millions of yen)

	Nine Months Ended Sep. 2017	Ratio to net sales	Nine Months Ended Sep. 2016	Ratio to net sales	Increase/ decrease	Change
Net sales	22,160		18,916		3,243	17.1%
Segment income	953	4.3%	523	2.8%	429	82.0%

Note: Net sales include internal net sales within and among segments, which amounted to ¥19,437 million in the nine months of fiscal 2017 and ¥16,636 million in the nine months of fiscal 2016.

**(2) Financial Status**

**1) Status of Assets, Liabilities, Net Assets for the Nine Months Ended September 30, 2017**

**<Consolidated Financial Status >**

	Fiscal Year 2017 Third Quarter (As of Sep. 30, 2017)	Fiscal Year 2016 (As of Dec. 31, 2016)	Increase/ Decrease
Total assets (millions of yen)	309,865	298,510	11,355
Net assets (millions of yen)	173,085	157,879	15,206
Shareholders' equity to total assets * (%)	52.9	50.0	2.9

\* Shareholders' equity to total assets

= (Net assets – Subscription rights to shares and Non-controlling interests) / Total assets

Total assets increased ¥11,355 million compared with the previous consolidated fiscal year-end to ¥309,865 million due in part to an increase in property, plant and equipment. Net assets increased ¥15,206 million to ¥173,085 million. Shareholder's equity to total assets stood at 52.9%.

**(3) Forecast of Consolidated Financial Results**

Lion has made no revisions to the consolidated financial results forecasts released on February 10, 2017 for the full fiscal year.

(Assumptions for the Fiscal 2017 Forecasts)

Lion adopted the following foreign exchange rates in the calculation of the aforementioned estimated figures for the third quarter of the current fiscal year and onward:

¥112 = US\$1.00

¥3.20 = 1.00 baht



## 2. Summary (Other) Information and Note

### (1) Changes in Important Subsidiaries 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

None

### (4) Additional Information

#### Adoption of Implementation Guidance on Recoverability of Deferred Tax Assets

Lion has adopted the Implementation Guidance on Recoverability of Deferred Tax Assets (Accounting Standards Board of Japan Guidance No. 26, issued on March 28, 2016) from the first quarter of the fiscal year under review.

#### Performance-Linked Stock-Based Compensation System

Lion conducts transactions involving the issuance of its shares to directors (excluding external directors) and executive officers (collectively “directors and executive officers”) through a trust.

##### 1) Overview of the transactions

Lion has adopted a performance-linked stock-based compensation system (“the System”) for directors and executive officers with the aim of motivating directors and executive officers to contribute to the Company’s performance and increase corporate value over the medium- to long-term.

The System employs a compensation structure referred to as a board incentive plan trust (“BIP trust”). A BIP trust is an executive incentive plan based on performance share plans and restricted stock plans used in the United States. This BIP trust grants shares of the Company it has acquired and cash in the amount of the converted value of such shares to directors and executive officers after their retirement according to their degree of achievement of performance targets and other factors.

To ensure neutrality toward corporate management, no voting rights may be exercised for the Company’s shares held in the trust during the trust period.

##### 2) Company shares remaining in the trust

Company shares remaining in the trust were recorded as treasury stock under net assets based on their carrying amount in the BIP trust (less ancillary expenses). The carrying amount and the number of shares of said treasury stock at the end of the third quarter of the fiscal 2017 were ¥1,069 million and 502,000 shares, respectively.

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

(Millions of yen)

	Fiscal Year 2016 (As of Dec. 31, 2016)	Fiscal Year 2017 Third Quarter (As of Sep. 30, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	17,879	19,451
Notes and accounts receivable-trade	60,293	62,328
Short-term investments securities	61,007	59,104
Merchandise and finished goods	26,120	27,841
Work in process	2,863	3,771
Raw materials and supplies	10,742	10,542
Other	6,626	6,797
Allowance for doubtful accounts	(64)	(43)
Total current assets	185,469	189,794
Non-current assets		
Property, plant and equipment	74,402	78,538
Intangible assets		
Trademark right	1,658	41
Other	1,164	1,427
Total intangible assets	2,822	1,469
Investments and other assets		
Investment securities	24,025	28,954
Other	11,874	11,194
Allowance for doubtful accounts	(84)	(85)
Total Investments and other assets	35,815	40,062
Total non-current assets	113,040	120,070
Total assets	298,510	309,865

(Millions of yen)

	Fiscal Year 2016 (As of Dec. 31, 2016)	Fiscal Year 2017 Third Quarter (As of Sep. 30, 2017)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	34,680	33,500
Electronically recorded obligations - operating	16,266	18,644
Short-term loans payable	4,244	4,257
Current portion of long-term loans payable	260	265
Accounts payable-other and accrued expenses	51,979	44,085
Income taxes payable	4,677	2,517
Provision for bonuses	3,792	4,520
Provision for sales returns	382	373
Provision for sales promotion expenses	2,974	3,712
Provision for directors' bonuses	387	206
Other	3,793	6,009
Total current liabilities	123,440	118,094
Non-current liabilities		
Long-term loans payable	1,690	1,594
Provision for directors' retirement benefits	287	271
Provision for stocks payment	-	57
Net defined benefit liability	10,446	11,314
Asset retirement obligation	337	411
Other	4,428	5,035
Total non-current liabilities	17,190	18,685
Total liabilities	140,630	136,780
<b>Net assets</b>		
Shareholders' equity		
Capital stock	34,433	34,433
Capital surplus	34,508	35,292
Retained earnings	82,479	92,950
Treasury stock	(4,778)	(5,583)
Total shareholders' equity	146,642	157,092
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,429	10,591
Deferred gains or losses on hedges	12	2
Foreign currency translation adjustment	445	924
Remeasurements of defined benefit plans	(5,246)	(4,832)
Total accumulated other comprehensive income	2,640	6,686
Subscription rights to shares	218	210
Non-controlling interests	8,377	9,095
Total net assets	157,879	173,085
Total liabilities and net assets	298,510	309,865

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

**Consolidated Quarterly Statements of Income (cumulative)**

(Millions of yen)

	Nine Months Ended Sep. 30, 2016 (Jan. 1 to Sep. 30)	Nine Months Ended Sep. 30, 2017 (Jan. 1 to Sep. 30)
Net sales	290,134	301,142
Cost of sales	119,179	125,398
Gross profit	170,954	175,744
Selling, general and administrative expenses	151,889	155,046
Operating income	19,064	20,697
Non-operating income		
Interest income	109	103
Dividends income	311	413
Share of profit of entities accounted for using equity method	528	623
Royalty income	166	208
Foreign exchange gains	70	53
Other	377	483
Total non-operating income	1,563	1,885
Non-operating expenses		
Interest expenses	231	151
Interest on bonds	9	-
Loss on disposal of inventories	53	138
Other	97	171
Total non-operating expenses	390	460
Ordinary income	20,237	22,122
Extraordinary income		
Gain on sales of investment securities	31	113
Total extraordinary income	31	113
Extraordinary loss		
Loss on disposal of non-current assets	488	201
Impairment loss	71	360
Loss on liquidation of subsidiaries and associates	303	-
Total extraordinary losses	863	561
Profit before income taxes	19,405	21,673
Income taxes-current	5,738	5,449
Income taxes-deferred	(418)	230
Total income taxes	5,320	5,680
Profit	14,084	15,993
Profit attributable to non-controlling interests	1,041	1,160
Profit attributable to owners of parent	13,043	14,832

**Consolidated Statement of Comprehensive Income (cumulative)**

(Millions of yen)

	Nine Months Ended Sep. 30, 2016 (Jan. 1 to Sep. 30)	Nine Months Ended Sep. 30, 2017 (Jan. 1 to Sep. 30)
Profit	14,084	15,993
Other comprehensive income		
Valuation difference on available-for-sale securities	(385)	3,260
Deferred gains or losses on hedges	(22)	(9)
Foreign currency translation adjustment	(4,332)	674
Remeasurements of defined benefit plans, net of tax	603	413
Share of other comprehensive income of associates accounted for using equity method	(207)	(67)
Total other comprehensive income	(4,344)	4,272
Comprehensive income	9,740	20,266
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	9,683	18,878
Comprehensive income attributable to non-controlling interests	56	1,387

**(3) Consolidated Quarterly Financial Reporting 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, 2016 (January 1 to September 30, 2016)

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

(Millions of yen)

	Reportable segments			Other	Total	Adjustment <sup>2</sup>	Amount recorded in Consolidated Quarterly Statements of Income <sup>*3</sup>
	Consumer Products Business	Industrial Products Business	Overseas Business				
1. Net sales							
(1) Sales to external customers	190,295	22,933	74,624	2,280	290,134	-	290,134
(2) Intersegment sales and transfers <sup>*1</sup>	19,357	16,958	8,730	16,636	61,682	(61,682)	-
Total	209,652	39,892	83,354	18,916	351,816	(61,682)	290,134
Segment income	12,620	1,838	3,601	523	18,584	480	19,064

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

2. Segment income adjustments totaling ¥480 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, 2017 (January 1 to September 30, 2017)

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

(Millions of yen)

	Reportable segments			Other	Total	Adjustment <sup>2</sup>	Amount recorded in Consolidated Quarterly Statements of Income <sup>*3</sup>
	Consumer Products Business	Industrial Products Business	Overseas Business				
1. Net sales							
(1) Sales to external customers	193,613	23,746	81,060	2,722	301,142	-	301,142
(2) Intersegment sales and transfers <sup>*1</sup>	20,212	16,424	8,916	19,437	64,992	(64,992)	-
Total	213,826	40,171	89,976	22,160	366,134	(64,992)	301,142
Segment income	14,280	1,476	3,859	953	20,570	126	20,697

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

2. Segment income adjustments totaling ¥126 million are composed mainly of internal transaction eliminations.

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