

**Summary of Business Results for the Nine Months
Ended September 30, 2017 (Consolidated)**
- Supplementary Information -



Lion Corporation

1. Financial Results for the Nine Months Ended September 2017 **LION**

Achieved Record-High Sales and Income

(Billions of yen)

	Jan.-Sep. 2017	Jan.-Sep. 2016	Y-o-Y Change	
			Amount	%
Net sales	301.1	290.1	11.0	3.8
Operating income	20.6	19.0	1.6	8.6
% of Sales	6.9	6.6		
Ordinary income	22.1	20.2	1.8	9.3
% of Sales	7.3	7.0		
Profit attributable to owners of parent	14.8	13.0	1.7	13.7
% of Sales	4.9	4.5		
EPS (Yen)	51.05	45.15	5.9	13.1

2. Financial Highlights

1) Net sales: ¥301.1 Billion

(up ¥11.0 Billion, or 3.8%, year on year)

(Up 2.8% in terms of real net sales, which exclude the influence of exchange rate conversions)

- In Japan, sales of *CLINICA Kid's Toothbrushes*, *hadakara Body Soap*, *BUFFERIN PREMIUM* antipyretic analgesic, and other high-value-added products were favorable. In addition, the new oral care brand *NONIO* received favorable consumer reviews.
- Overseas, sales were firm in the main markets of Thailand, South Korea, and China.

2) Operating income: ¥20.6 Billion

(up ¥1.6 Billion, or 8.6%, year on year)

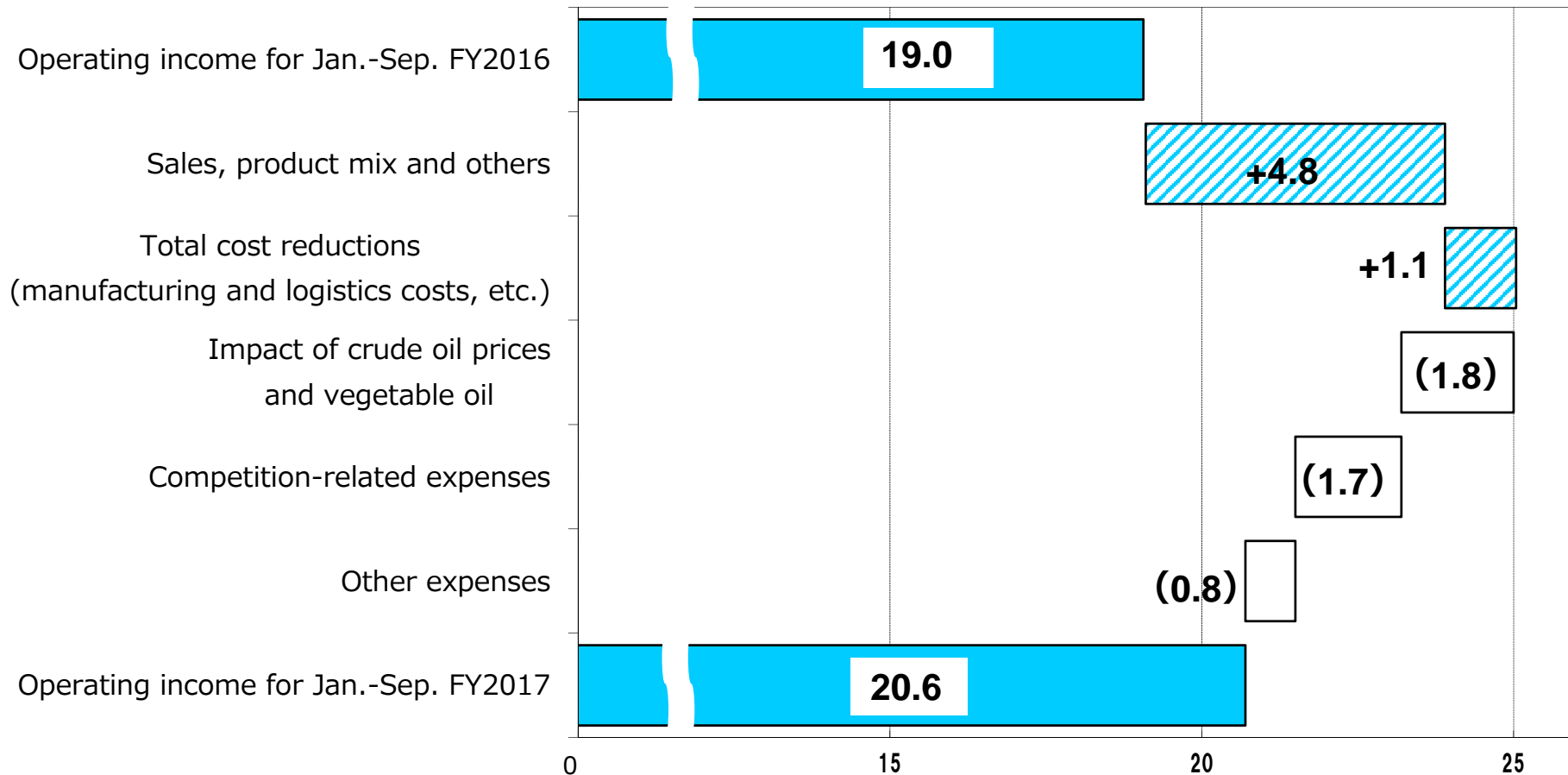
- Despite the effect of higher raw materials prices, profitability improved, in part due to the rationalization of competition-related expenses, an improved product mix as high-value-added products expanded and new products were launched and developed.

3. Year-on-year Changes in Operating Income



Income Continued to Increase Due to Higher Sales of High-Value-Added Products

(Billions of yen)



4. Results by Business Segment



The Consumer Products Business Leads in Improved Results

(Billions of yen)

	Sales				Segment income (operating income)			
	Jan.-Sep. 2017	Jan.-Sep. 2016	Y-o-Y change		Jan.-Sep. 2017	Jan.-Sep. 2016	Y-o-Y change	
			Amount	%			Amount	%
Consumer Products	213.8	209.6	4.1	2.0	14.2	12.6	1.6	13.2
Industrial Products	40.1	39.8	0.2	0.7	1.4	1.8	(0.3)	(19.7)
Overseas	89.9	83.3	6.6	7.9	3.8	3.6	0.2	7.2
Other	22.1	18.9	3.2	17.1	0.9	0.5	0.4	82.0
Subtotal	366.1	351.8	14.3	4.1	20.5	18.5	1.9	10.7
Adjustment	(64.9)	(61.6)	(3.3)	—	0.1	0.4	(0.3)	(73.6)
Consolidated total	301.1	290.1	11.0	3.8	20.6	19.0	1.6	8.6

Overseas net sales: Real net sales, which exclude the influence of exchange rate conversions, increased 4.4% year on year

5. Sales by Business Segment

(Billions of yen)

	Sales			
	Jan.-Sep. 2017	Jan.-Sep. 2016	Y-o-Y Change	
			Amount	%
Consumer Products	213.8	209.6	4.1	2.0
	193.6	190.2	3.3	1.7
Industrial Products	40.1	39.8	0.2	0.7
	23.7	22.9	0.8	3.5
Overseas	89.9	83.3	6.6	7.9
	81.0	74.6	6.4	8.6
Other	22.1	18.9	3.2	17.1
	2.7	2.2	0.4	19.4
Sales total	366.1	351.8	14.3	4.1
Sales to external customers total	301.1	290.1	11.0	3.8

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. Consumer Products Business

Sales Results by Products

Sales in Oral Care and Beauty Care were Firm

(Billions of yen)

	Jan.-Sep. 2017	Jan.-Sep. 2016	Y-o-Y change	
			Amount	%
Oral Care	48.1	44.7	3.3	7.4
Beauty Care	18.9	17.5	1.4	8.3
Fabric Care	59.2	58.9	0.2	0.5
Living Care	15.0	15.1	(0.0)	(0.4)
Pharmaceutical	28.7	30.0	(1.2)	(4.2)
Other	43.6	43.2	0.4	1.0
Total	213.8	209.6	4.1	2.0

Sales Results by Region

Sales in Both Regions Maintained Firm Growth

(Billions of yen)

	Jan.-Sep. 2017	Jan.-Sep. 2016	Y-on-Y Change	
			Amount	(%)
Southeast Asia	61.9	56.9	4.9	8.7
Northeast Asia	28.0	26.4	1.6	6.3
Total	89.9	83.3	6.6	7.9

8. 2017 Consolidated Financial Forecast (Sales, Profit) **LION**

There is No Change in the Financial Forecast

(Billions of yen)

	2017	2016	Y-o-Y Change	
			Amount	(%)
Net Sales	405.0	395.6	9.3	2.4
Operating Income	27.0	24.5	2.4	10.2
% of Sales	6.7	6.2		
Ordinary Income	28.0	26.2	1.7	6.5
% of Sales	6.9	6.6		
Profit attributable to owners of parent	17.0	15.9	1.0	6.6
% of Sales	4.2	4.0		
EPS (yen)	58.50	55.13	3.37	6.1

〈Reference Materials〉

Third Quarter Consolidated Financial Results

(Billions of yen)

	Jul. – Sep. 2017	Jul. – Sep. 2016	Y-on-Y Change	
			Amount	%
Net sales	106.5	101.8	4.6	4.6
Operating income	8.9	8.6	0.2	3.1
Ordinary income	9.2	8.8	0.3	4.1
Profit attributable to owners of parent	6.5	5.8	0.6	11.5

〈Reference Materials〉

Third Quarter Consolidated Financial Results

(Billions of yen)

	Sales				Segment income (operating income)			
	Jul.-Sep. 2017	Jul.-Sep. 2016	Y-o-Y change		Jul.-Sep. 2017	Jul.-Sep. 2016	Y-o-Y change	
			Amount	%			Amount	%
Consumer Products	75.0	73.9	1.0	1.5	6.7	6.4	0.3	4.8
Industrial Products	13.9	13.2	0.6	4.7	0.4	0.5	(0.0)	(16.9)
Overseas	31.7	28.2	3.5	12.6	1.3	1.1	0.1	15.5
Other	7.9	6.7	1.1	16.9	0.3	0.1	0.1	86.9
Subtotal	128.6	122.2	6.4	5.2	8.9	8.3	0.5	6.6
Adjustment	(22.0)	(20.3)	(1.7)	—	(0.0)	0.2	(0.2)	—
Consolidated total	106.5	101.8	4.6	4.6	8.9	8.6	0.2	3.1

Overseas net sales: Real net sales, which exclude the influence of exchange rate conversions, increased 3.8% year on year

<Reference Materials>

Third Quarter Consolidated Financial Results

Balance Sheets (Selected) I

	Third quarter 2017 (As of Sep. 30, 2017)	Fiscal year 2016 (As of Dec. 31, 2016)	Change
Current assets	189.7	185.4	4.3
Cash and deposits	19.4	17.8	1.5
Notes and accounts receivable-trade	62.3	60.2	2.0
Short-term investments	59.1	61.0	(1.9)
Inventories	42.1	39.7	2.4
Noncurrent assets	120.0	113.0	7.0
Property, plant and equipment	78.5	74.4	4.1
Intangible assets	1.4	2.8	(1.3)
Investments and other assets	40.0	35.8	4.2
Total assets	309.8	298.5	11.3

〈Reference Materials〉

Third Quarter Consolidated Financial Results

Balance Sheets (Selected) II

	Third quarter 2017 (As of Sep. 30, 2017)	Fiscal year 2016 (As of Dec. 31, 2016)	Change
Current liabilities	118.0	123.4	(5.3)
Notes and accounts payable-trade	52.1	50.9	1.1
Short-term loans payable	4.2	4.2	0.0
Accounts payable-other and accrued expenses	44.0	51.9	(7.8)
Noncurrent liabilities	18.6	17.1	1.4
Long-term loans payable	1.5	1.6	(0.0)
Net defined benefit liability	11.3	10.4	0.8
Total net assets	173.0	157.8	15.2
Capital surplus	35.2	34.5	0.7
Retained earnings	92.9	82.4	10.4
Treasury shares	(5.5)	(4.7)	(0.8)
Accumulated other comprehensive income	6.6	2.6	4.0
Total liabilities and net assets	309.8	298.5	11.3

〈Reference Materials〉

1) Market Environment for Home Products (38 markets, SRI*)

Overall market trend for the total of 38 home product markets in which Lion participates.
(Percentage change from the corresponding period of the previous year.)

	2012	2013	2014	2015	2016	Jan.-Sep. 2017
Sales value	101	102	102	103	104	100
Unit sales	102	102	100	100	102	98
Average unit price	99	100	102	102	102	102

Source: INTAGE Inc. SRI Survey (Year-on-year data for 2012 is for 42 such markets in which Lion operates; data for 2013 and 2014 is for 40; data for 2015 is for 39; data for 2016 is for 38.)

2) Market Environment for Home Products (15 markets, SCI**)

Overall market trend for the total of 15 home product markets in which Lion participates.
(Percentage change from the corresponding period of the previous year.)

	2016	Jan.-Sep. 2017
Sales value	105	104
Unit sales	101	102
Average unit price	104	102

Source: INTAGE Inc. SCI Survey

* The SRI survey uses point-of-sales data from around 3,000 stores nationwide for its estimates.

** The SCI survey monitors around 50,000 shoppers nationwide for its sales data.

<Reference Materials>

3) Market Environment for OTC Drug Market (8 markets, SDI)

Overall market trend for the total of 8 OTC drug markets in which Lion participates.
(Percentage change from the corresponding period of the previous year.)

	2012	2013	2014	2015	2016	Jan.-Sep. 2017
Sales value	98	99	100	102	101	100
Unit sales	99	99	98	101	100	99
Average unit price	99	100	102	101	101	102

Source: INTAGE Inc. SDI Survey

4) Market Environment for OTC Drug Market (2 markets, SCI)

Overall market trend for the total of 2 OTC drug markets in which Lion participates.
(Percentage change from the corresponding period of the previous year.)

	2016	Jan.-Sep. 2017
Sales value	104	103
Unit sales	102	100
Average unit price	102	103

Source: INTAGE Inc. SCI 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.