

Notes to Lease Transactions

Finance leases excluding leases where ownership is transferred to the lessee:

(Millions of yen)

	Interim 2005 (January to June 2005)	Interim 2004 (January to June 2004)	FY 2004 (January to December 2004)
1. Equivalent acquisition cost, equivalent accumulated depreciation, and equivalent balance at end of period			
Equivalent acquisition cost			
Machinery and equipment	65	38	48
Other property, plant and equipment	1,687	2,337	2,131
Intangible assets	<u>183</u>	<u>779</u>	<u>779</u>
Total	1,937	3,175	2,959
Equivalent accumulated depreciation			
Machinery and equipment	24	23	19
Other property, plant and equipment	856	1,365	1,264
Intangible assets	<u>95</u>	<u>596</u>	<u>642</u>
Total	976	1,985	1,926
Equivalent balance at end of period			
Machinery and equipment	41	14	28
Other property, plant and equipment	830	972	867
Intangible assets	<u>88</u>	<u>203</u>	<u>137</u>
Total	961	1,190	1,032
2. Equivalent lease commitments at end of period			
Due within one year	362	532	415
Due after one year	<u>598</u>	<u>657</u>	<u>617</u>
Total	961	1,190	1,032
3. Lease payments (Equivalent depreciation)	262	351	662
4. Equivalent depreciation is calculated according to the straight-line method.			
5. The interest inclusive method is used above since equivalent lease commitments at end of period account for only a small proportion of the balance of property, plant and equipment at end of period.			

Securities

1. Consolidated Interim 2005 (at June 30, 2005)

a) Other marketable securities with market prices

(Millions of yen)

	Acquisition cost	Book value for interim period	Difference
Stocks	9,907	18,300	8,392
Total	9,907	18,300	8,392

b) Securities without market prices

(Millions of yen)

	Book value for interim period
1. Held-to-maturity bonds	
Unlisted yen-denominated foreign bonds	500
2. Other marketable securities	
Unlisted stocks	1,377

2. Consolidated Interim 2004 (at June 30, 2004)

a) Other marketable securities with market prices

(Millions of yen)

	Acquisition cost	Book value for interim period	Difference
1. Stocks	9,387	16,007	6,619
2. Bonds	4,999	4,999	(0)
Total	14,387	21,006	6,619

b) Securities without market prices

(Millions of yen)

	Book value for interim period
1. Held-to-maturity bonds	
Unlisted yen-denominated foreign bonds	500
2. Other marketable securities	
Unlisted stocks	1,377

3. Consolidated Fiscal 2004 (at December 31, 2004)

a) Other marketable securities with market prices

(Millions of yen)

	Acquisition cost	Book value for fiscal year	Difference
1. Stocks	9,393	15,484	6,090
Total	9,393	15,484	6,090

b) Securities without market prices

(Millions of yen)

	Book value for fiscal year
1. Held-to-maturity bonds	
Unlisted yen-denominated foreign bonds	500
2. Other marketable securities	
Unlisted stocks	1,381

Derivatives Position, Market Value, and Valuation Gain or Loss

There is no derivatives position to disclose as of the end of interim 2005, interim 2004, and fiscal 2004.

Production, Orders, and Sales

1. Production

	Interim 2005 (January to June 2005)	Interim 2004 (January to June 2004)	Change	FY 2004 (January to December 2004)
	Millions of yen	Millions of yen	%	Millions of yen
Home products	98,201	95,539	2.8	197,355
Pharmaceutical products	2,916	804	252.5	1,661
Chemicals	7,821	7,460	4.8	13,729
Other businesses	2,550	2,910	(12.4)	5,414
Total	111,489	106,714	4.5	218,159

Note: Yen amounts are calculated from producer prices and do not include the consumption tax.

2. Orders

Lion Corporation does not engage in production to order.

3. Sales

	Interim 2005 (January to June 2005)	Interim 2004 (January to June 2004)	Change	FY 2004 (January to December 2004)
	Millions of yen	Millions of yen	%	Millions of yen
Home products	112,191	111,307	0.8	230,398
Pharmaceutical products	25,103	14,446	73.8	32,162
Chemicals	17,110	16,272	5.1	33,108
Other businesses	5,476	8,975	(39.0)	13,844
Total	159,882	151,001	5.9	309,514

Note: Figures above do not include the consumption tax.