

Summary of Consolidated Financial Statements for Interim 2006

August 1, 2006

Company name: Lion Corporation

Code: 4912

URL: <http://www.lion.co.jp>

Listed stock exchanges: Tokyo Stock Exchange and Osaka Securities Exchange

Location of head office: Tokyo Prefecture, Japan

Representative: Sadayoshi Fujishige, Representative Director and President

Contact: Shinjiro Iwahori, Executive Officer, Director of Finance Department

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Board of Directors meeting on interim period 2006: August 1, 2006

Use of U.S. accounting standards: Not used

1. Consolidated Results for the Interim Period Ended June 30, 2006 (January 1, 2006 – June 30, 2006)

a) Consolidated Results

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim 2006	163,295	2.1	1,343	(57.8)	2,508	(43.4)
Interim 2005	159,882	5.9	3,179	(17.9)	4,432	(6.9)
Fiscal 2005	331,798		6,066		8,514	

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

	Net income		EPS	Diluted EPS
	Millions of yen	%	Yen	Yen
Interim 2006	1,770	(33.4)	6.24	6.22
Interim 2005	2,659	32.3	9.43	9.42
Fiscal 2005	5,473		19.10	19.05

Notes:

- Equity in earnings of non-consolidated subsidiaries and affiliates: ¥814 million in interim 2006, ¥798 million in interim 2005, and ¥1,768 million in FY 2005.
- Average number of outstanding shares during the period (consolidated): 283,727,926 in interim 2006; 281,988,135 in interim 2005; and 282,420,189 in fiscal 2005.
- Changes in accounting practices: Yes
- Percent figures for net sales, operating income, ordinary income, and net income (for the interim period or full year) express percentage change over the year-ago period.

b) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
June 30, 2006	249,418	112,955	44.2	388.05
June 30, 2005	234,692	103,077	43.9	365.40
December 31, 2005	249,303	109,103	43.8	384.60

Note: Number of outstanding shares on balance sheet date (consolidated): 283,999,037 for interim 2006; 282,093,105 for interim 2005; and 283,475,481 for FY 2005.

c) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Interim 2006	(4,976)	(1,135)	6,843	16,520
Interim 2005	(9,584)	(1,908)	6,064	19,173
Fiscal 2005	1,865	(9,262)	(1,514)	15,788

d) Scope of Consolidation and Equity-Method Companies

Consolidated subsidiaries: 22

Non-consolidated equity-method subsidiaries: 4

Equity-method companies: 8

e) Change in Scope of Consolidation and Equity-Method Companies

Consolidated subsidiaries: None included, One excluded

Equity-method companies: None included, none excluded

2. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2006 (January 1, 2006 – December 31, 2006)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Fiscal 2006	350,000	9,000	5,000

Reference: Projected earnings per share of 17.61 for FY 2006.

Refer to pages 23 through 24 in the reference materials regarding the premises for the above forecast and other related matters.