

Notes to Lease Transactions

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

(Millions of yen)

	Interim 2006 (January to June 2006)	Interim 2005 (January to June 2005)	FY 2005 (January to December 2005)
1. Equivalent acquisition cost, equivalent accumulated depreciation, and equivalent balance at end of period			
Equivalent acquisition cost			
Machinery and equipment	73	65	80
Other property, plant and equipment	1,671	1,687	1,623
Intangible assets	<u>247</u>	<u>183</u>	<u>196</u>
Total	1,991	1,937	1,900
Equivalent accumulated depreciation			
Machinery and equipment	20	24	31
Other property, plant and equipment	875	856	839
Intangible assets	<u>155</u>	<u>95</u>	<u>107</u>
Total	1,051	976	978
Equivalent balance at end of period			
Machinery and equipment	52	41	48
Other property, plant and equipment	795	830	783
Intangible assets	<u>91</u>	<u>88</u>	<u>89</u>
Total	939	961	921
2. Equivalent lease commitments at end of period			
Due within one year	383	362	368
Due after one year	<u>556</u>	<u>598</u>	<u>553</u>
Total	939	961	921
3. Lease payments (Equivalent depreciation)	205	262	472
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 2006 (at June 30, 2006)

a) Other marketable securities with market prices

(Millions of yen)

	Acquisition cost	Book value for interim period	Difference
Stocks	15,847	30,120	14,272
Total	15,847	30,120	14,272

b) Securities without market prices

(Millions of yen)

	Book value for interim period
Other marketable securities Unlisted stocks	1,375

2. 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

3. Consolidated Fiscal 2005 (at December 31, 2005)

a) Other marketable securities with market prices

(Millions of yen)

	Acquisition cost	Book value for fiscal year	Difference
1. Stocks	14,098	27,088	12,990
Total	14,098	27,088	12,990

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	1,378

Derivatives Position, Market Value, and Valuation Gain or Loss

There is no derivatives position to disclose as of the end of interim 2006, interim 2005, and fiscal 2005.

Production, Orders, and Sales

1. Production

	Interim 2006 (January to June 2006)	Interim 2005 (January to June 2005)	Change	FY 2005 (January to December 2005)
	Millions of yen	Millions of yen	%	Millions of yen
Home products	98,628	98,201	0.4	204,546
Pharmaceutical products	4,401	2,916	50.9	5,437
Chemicals	8,253	7,821	5.5	13,388
Other businesses	2,553	2,550	0.1	4,713
Total	113,837	111,489	2.1	228,085

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 2006 (January to June 2006)	Interim 2005 (January to June 2005)	Change	FY 2005 (January to December 2005)
	Millions of yen	Millions of yen	%	Millions of yen
Home products	114,282	112,191	1.9	237,241
Pharmaceutical products	23,636	25,103	(5.8)	50,315
Chemicals	16,074	17,110	(6.1)	33,898
Other businesses	9,301	5,476	69.8	10,343
Total	163,295	159,882	2.1	331,798

Note: Intercompany transactions between each segment were balanced out.

Figures above do not include the consumption tax.