

## IV. Consolidated Financial Statements

### 1. Consolidated Balance Sheets

	Fiscal 2006 (Ended December 31, 2006)		Fiscal 2007 (Ended December 31, 2007)		Increase/ decrease
	Millions of yen	Share of total (%)	Millions of yen	Share of total (%)	Millions of yen
<b>Assets</b>					
Current assets	123,008	49.9	127,019	45.5	4,010
Cash and time deposits	26,995		32,647		5,651
Trade notes and accounts receivable	64,138		61,786		(2,352)
Short-term investments	—		923		923
Inventories	26,387		27,837		1,450
Deferred tax assets	3,491		2,762		(729)
Other	3,867		2,057		(1,809)
Allowance for doubtful accounts	(1,870)		(995)		875
Fixed assets	123,318	50.1	152,127	54.5	28,809
Property, plant and equipment	65,606	26.7	64,345	23.1	(1,261)
Buildings and structures	21,410		20,812		(597)
Machinery and equipment	18,936		19,883		947
Land	18,824		18,823		(1)
Construction in progress	3,401		1,825		(1,576)
Other	3,033		3,000		(33)
Intangible assets	9,428	3.8	37,193	13.3	27,764
Goodwill	1,026		898		(128)
Trademarks, etc.	8,402		36,295		27,892
Investments and other assets	48,282	19.6	50,589	18.1	2,306
Investment securities	26,853		25,057		(1,795)
Long-term loans receivable	370		257		(113)
Prepaid pension cost	9,766		13,954		4,188
Deferred tax assets	10,272		10,093		(178)
Other	1,181		1,360		179
Allowance for doubtful accounts	(160)		(135)		25
<b>Total assets</b>	<b>246,327</b>	<b>100.0</b>	<b>279,147</b>	<b>100.0</b>	<b>32,819</b>

Lion Corporation (Code 4912): Summary of Financial Statements  
for the Year Ended December 31, 2007

	Fiscal 2006 (Ended December 31, 2006)		Fiscal 2007 (Ended December 31, 2007)		Increase/ decrease
	Millions of yen	Share of total (%)	Millions of yen	Share of total (%)	Millions of yen
<b>Liabilities</b>					
Current liabilities	98,375	39.9	96,084	34.4	(2,290)
Trade notes and accounts payable	50,185		44,499		(5,685)
Short-term loans payable	7,612		5,463		(2,148)
Current portion of long-term debt	—		1,150		1,150
Other payables and accrued expenses	33,592		35,127		1,535
Accrued income taxes	2,121		1,509		(612)
Allowance for returns	940		1,191		251
Allowance for sales promotion expenses	215		278		62
Allowance for bonuses to directors and statutory auditors	50		132		81
Other	3,657		6,731		3,074
Long-term liabilities	42,818	17.4	75,522	27.1	32,703
Long-term debt	13,599		47,397		33,798
Accrued employee retirement benefits	23,687		22,893		(793)
Accrued director retirement allowances	526		464		(62)
Other	5,004		4,766		(238)
Total liabilities	141,193	57.3	171,607	61.5	30,413
<b>Net assets</b>					
Shareholders' equity	96,620	39.2	99,556	35.7	2,935
Common stock	34,433	14.0	34,433	12.3	—
Capital surplus	31,499	12.8	31,505	11.3	6
Retained earnings	46,600	18.9	49,344	17.7	2,743
Treasury stock	(15,913)	(6.5)	(15,727)	(5.6)	186
Valuation and translation adjustments	5,157	2.1	4,014	1.4	(1,143)
Unrealized holding gain on other securities	4,727	1.9	3,524	1.3	(1,202)
Deferred losses on hedges	(3)	(0.0)	(10)	(0.0)	(7)
Foreign currency translation adjustments	433	0.2	500	0.1	66
Stock Acquisition Rights	—	—	74	0.0	74
Minority interest in consolidated subsidiaries	3,354	1.4	3,894	1.4	540
Total net assets	105,133	42.7	107,540	38.5	2,406
Total liabilities and net assets	246,327	100.0	279,147	100.0	32,819