

## IV. Consolidated Financial Statements

### 1. Consolidated Balance Sheets

	Fiscal 2007 (Ended December 31, 2007)		Fiscal 2008 (Ended December 31, 2008)		Increase/ decrease
	Millions of yen	Share of total (%)	Millions of yen	Share of total (%)	Millions of yen
<b>Assets</b>					
Current assets	127,019	45.5	122,003	45.6	(5,016)
Cash and time deposits	32,647		33,318		671
Trade notes and accounts receivable	61,786		58,455		(3,330)
Short-term investments	923		-		(923)
Inventories	27,837		26,323		(1,513)
Deferred tax assets	2,762		2,531		(231)
Other	2,057		1,525		(532)
Allowance for doubtful accounts	(995)		(150)		844
Fixed assets	152,127	54.5	145,434	54.4	(6,692)
Property, plant and equipment	64,345	23.1	63,473	23.8	(872)
Buildings and structures	20,812		21,034		222
Machinery and equipment	19,883		17,070		(2,813)
Land	18,823		18,496		(327)
Construction in progress	1,825		4,154		2,329
Other	3,000		2,717		(283)
Intangible assets	37,193	13.3	32,697	12.2	(4,496)
Goodwill	898		769		(128)
Trademarks	34,636		30,720		(3,915)
Other	1,659		1,207		(451)
Investments and other assets	50,589	18.1	49,264	18.4	(1,324)
Investment securities	25,057		19,256		(5,801)
Long-term loans receivable	257		179		(78)
Prepaid pension cost	13,954		18,163		4,208
Deferred tax assets	10,093		10,396		303
Other	1,360		1,341		(19)
Allowance for doubtful accounts	(135)		(72)		62
<b>Total assets</b>	<b>279,147</b>	<b>100.0</b>	<b>267,438</b>	<b>100.0</b>	<b>(11,709)</b>

Lion Corporation (Code 4912): Summary of Financial Statements  
for the Year Ended December 31, 2008

	Fiscal 2007 (Ended December 31, 2007)		Fiscal 2008 (Ended December 31, 2008)		Increase/ decrease
	Millions of yen	Share of total (%)	Millions of yen	Share of total (%)	Millions of yen
<b>Liabilities</b>					
Current liabilities	96,084	34.4	101,105	37.8	5,021
Trade notes and accounts payable	44,499		46,918		2,418
Short-term loans payable	5,463		6,213		749
Current portion of long-term debt	1,150		8,300		7,150
Other payables and accrued expenses	35,127		34,971		(156)
Accrued income taxes	1,509		1,216		(292)
Allowance for returns	1,191		1,039		(152)
Allowance for sales promotion expenses	278		216		(61)
Allowance for bonuses to directors	132		118		(14)
Other	6,731		2,112		(4,619)
Long-term liabilities					
Long-term debt	75,522	27.1	65,758	24.6	(9,764)
Accrued employee retirement benefits	47,397		39,050		(8,347)
Accrued director retirement allowances	22,893		21,657		(1,236)
Other	464		290		(174)
Other	4,766		4,760		(5)
Total liabilities	171,607	61.5	166,864	62.4	(4,742)
<b>Net assets</b>					
Shareholders' equity					
Common stock	99,556	35.7	99,723	37.3	166
Capital surplus	34,433	12.3	34,433	12.9	—
Retained earnings	31,505	11.3	31,499	11.8	(6)
Treasury stock	49,344	17.7	49,657	18.5	313
Valuation and translation adjustments	(15,727)	(5.6)	(15,868)	(5.9)	(141)
Unrealized holding gain on other securities	4,014	1.4	(1,875)	(0.7)	(5,890)
Deferred losses on hedges	3,524	1.3	1,060	0.4	(2,463)
Foreign currency translation adjustments	(10)	(0.0)	(24)	(0.0)	(13)
Other	500	0.1	(2,912)	(1.1)	(3,412)
Stock Acquisition Rights	74	0.0	109	0.0	35
Minority interest in consolidated subsidiaries	3,894	1.4	2,617	1.0	(1,277)
Total net assets	107,540	38.5	100,574	37.6	(6,966)
Total liabilities and net assets	279,147	100.0	267,438	100.0	(11,709)