

## Notes to Lease Transactions

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

(Millions of yen)

	Interim 2007 (January to June 2007)	Interim 2008 (January to June 2008)	FY 2007 (January to December 2007)
1. Equivalent acquisition cost, equivalent accumulated depreciation, and equivalent balance at end of period			
Equivalent acquisition cost			
Machinery and equipment	95	122	113
Other property, plant and equipment	1,493	1,410	1,415
Intangible assets	<u>159</u>	<u>101</u>	<u>159</u>
Total	1,748	1,634	1,687
Equivalent accumulated depreciation			
Machinery and equipment	36	59	47
Other property, plant and equipment	874	765	756
Intangible assets	<u>112</u>	<u>55</u>	<u>111</u>
Total	1,023	880	916
Equivalent balance at end of period			
Machinery and equipment	59	62	65
Other property, plant and equipment	618	645	658
Intangible assets	<u>47</u>	<u>45</u>	<u>47</u>
Total	725	754	771
2. Equivalent lease commitments at end of period			
Due within one year	294	285	295
Due after one year	<u>430</u>	<u>468</u>	<u>476</u>
Total	725	754	771
3. Lease payments (Equivalent depreciation)	193	172	364
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 2007 (at June 30, 2007)

#### a) Other marketable securities with market prices

(Millions of yen)

	Acquisition cost	Book value for interim period	Difference
Stocks	12,097	19,814	7,716
Total	12,097	19,814	7,716

#### b) Securities without market prices

(Millions of yen)

	Book value for interim period
Other securities Non-marketable securities	1,417

### 2. Consolidated Interim 2008 (at June 30, 2008)

#### a) Other marketable securities with market prices

(Millions of yen)

	Acquisition cost	Book value for interim period	Difference
Stocks	13,261	17,308	4,046
Total	13,261	17,308	4,046

#### b) Securities without market prices

(Millions of yen)

	Book value for interim period
Other securities Non-marketable securities	1,235

3. Consolidated Fiscal 2007 (at December 31, 2007)

a) Other marketable securities with market prices

(Millions of yen)

	Acquisition cost	Book value for fiscal 2007	Difference
Stocks	12,470	18,402	5,932
Total	12,470	18,402	5,932

b) Securities without market prices

(Millions of yen)

	Book value for fiscal 2007
Other securities	
Non-marketable securities	1,404

**Derivatives Position, Market Value, and Valuation Gain or Loss**

Derivatives to which hedge accounting is applied are excluded from the scope of disclosure.

## Stock Options

Consolidated Interim 2008 (January 1, 2008 to June 30, 2008)

### 1. Amount Equivalent to Stock Options and Relevant Line Items

Selling, general and administrative expenses: ¥42 million

### 2. Details of Stock Options Offered during the Interim Period under Review

(1) Stock options (subscription rights) as part of a stock-linked compensation plan resolved at the Board of Directors' meeting held on December 28, 2007

Number of persons to which subscription rights shall be allotted	Executive officers: 6
Type and number of shares to be issued (Note 1)	6,133 shares of common stock
Date of subscription right offer allotment	January 17, 2008
Vesting conditions	Note 2
Conditions related to employment period	None
Exercise period for subscription rights	Lion's Board of Directors shall determine an exercise period that falls between January 17, 2008 and January 16, 2038.
Exercise Price (Yen)	1
Fair unit price as of the date granted (Yen) (Note 3)	450

Note:

1. Stock options are converted into shares of common stock.
2. a. Based on the condition that they have served a minimum of one year, Lion's executive officers shall exercise their subscription rights within a 10-day period from the day following either (1) their departure from office or (2) their retirement date, whichever is the later. Other conditions apply in the event of an executive officer's death while in office. The executive officers shall exercise their allotted subscription rights in full at one time. However, in the event that: (1) an executive officer's term of office has been less than a year; or (2) an executive officer's term of office has been more than a year and is terminated in the middle of his or her term of office due to resignation, the Company's Board of Directors may determine that their allotted subscription rights, the issue date of which fell in the previous 12-month period can be exercised on a prorated basis according to their actual term of office. In this case, a portion of their term of office less than a month shall be calculated as a month. Also, fractional figures below one subscription right resulting from the calculation shall be omitted.
  - b. Other terms and conditions relating to the exercise of subscription rights shall be defined in a subscription right allotment agreement, subject to the approval by the Board of Directors, signed between the Company and the recipient of the allotted subscription rights.
3. The aforementioned amounts were calculated using the Black-Scholes model on January 17, 2008.

(2) Stock options (subscription rights) as part of a stock-linked compensation plan resolved at the Board of Directors' meeting held on March 28, 2008

Number of persons to which subscription rights shall be allotted	Directors (except external directors): 9 Executive officers: 9
Type and number of shares to be issued (Note 1)	143,771 shares of common stock
Date of subscription right offer allotment	April 15, 2008
Vesting conditions	Note 2
Conditions related to employment period	None
Exercise period for subscription rights	From April 15, 2008 to April 14, 2038.
Exercise Price (Yen)	1
Fair unit price as of the date granted (Yen) (Note 3)	441

Note:

1. Stock options are converted into shares of common stock.
2. a. Based on the condition that they have served a minimum of one year, Lion's directors (excluding external directors) shall exercise their subscription rights within a 10-day period from the day following their departure from office. Other conditions apply in the event of a director's death while in office. The directors shall exercise their allotted subscription rights in full at one time.  
b. Based on the condition that they have served a minimum of one year, Lion's executive officers shall exercise their subscription rights within a 10-day period from the day following either (1) their departure from office or (2) their retirement date, whichever is the later. Other conditions apply in the event of an executive officer's death while in office. The executive officers shall exercise their allotted subscription rights in full at one time. However, in the event that: (1) an executive officer's term of office has been less than a year; or (2) an executive officer's term of office has been more than a year and is terminated in the middle of his or her term of office due to resignation, the Company's Board of Directors may determine that their allotted subscription rights, the issue date of which fell in the previous 12-month period can be exercised on a prorated basis according to their actual term of office. In this case, a portion of their term of office less than a month shall be calculated as a month. Also, fractional figures below one subscription right resulting from the calculation shall be omitted.  
c. The Board of Directors shall determine an exercise period for subscription rights so that: (1) the period falls within the period presented in the table above; or (2) the period falls within the period specified under a. and b. above.
3. The aforementioned amounts were calculated using the Black-Scholes model on April 15, 2008.

### Matters Related to Business Combinations

None

### Per Share Information

	Interim 2007 (January 1 to June 30, 2007)	Interim 2008 (January 1 to June 30, 2008)	FY 2007 (January 1 to December 31, 2007)
Net assets per share	380.46 Yen	374.94 Yen	382.80 Yen
EPS	6.89 Yen	5.67 Yen	20.06 Yen
Diluted EPS	6.88 Yen	5.67 Yen	20.02 Yen

Note: Net income per share (EPS) and diluted net income per share (diluted EPS)

	Interim 2007 (January 1 to June 30, 2007)	Interim 2008 (January 1 to June 30, 2008)	FY 2007 (January 1 to December 31, 2007)
EPS			
Net income (millions of Yen)	1,862	1,536	5,423
Amount not belong to common stockholders (millions of Yen)	—	—	—
Net Income concerning common stock (millions of Yen)	1,862	1,536	5,423
Average number of outstanding shares during the period (thousands of shares)	270,282	270,766	270,386
Diluted EPS			
Net income adjustment (millions of Yen)	—	—	—
Increase in number of common stocks (thousands of shares)	436	280	584
Of which, stock options (thousands of shares)	[436]	[280]	[584]
Summary of residual shares not included in diluted EPS due to lack of dilution effect.	Stock options resolved by the Ordinary Annual General Meeting of Shareholders held on March 30, 2006 (Subscription Rights) 950,000 shares of common stocks	Stock options resolved by the Ordinary Annual General Meeting of Shareholders held on March 30, 2004 (Subscription Rights) 8,019,000 shares of common stocks  Stock options	Same as at left

		resolved by the Ordinary Annual General Meeting of Shareholders held on March 30, 2005 (Subscription Rights) 628,000 shares of common stocks  Stock options resolved by the Ordinary Annual General Meeting of Shareholders held on March 30, 2006 (Subscription Rights) 950,000 shares of common stocks	
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**Significant Post Balance Sheet Date Events**

There were no significant post balance sheet date events.