

**Summary of Financial Statements for the Three Months
Ended March 31, 2009**

May 11, 2009

Company name: Lion Corporation

Listed stock exchanges: Tokyo Stock Exchange

Code: 4912

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

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Scheduled date of filing of the quarterly financial report (Shihanki Houkokusho): May 15, 2009

Start date for payment of dividend: —

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

**1. Consolidated Results for the Three Months Ended March 31, 2009
(January 1, 2009 – March 31, 2009)**

a) Consolidated Results (cumulative total)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three Months Ended March 2009	62,897	—	(3,311)	—	(3,135)	—	(1,985)	—
Three Months Ended March 2008	70,048	2.4	(1,427)	—	(1,454)	—	(1,083)	—

	EPS	Diluted EPS
	Yen	Yen
Three Months Ended March 2009	(7.35)	—
Three Months Ended March 2008	(4.00)	—

b) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2009	239,270	96,380	39.1	346.08
December 31, 2008	267,438	100,574	36.6	362.02

Note: Shareholders' equity: March 31, 2009: ¥93,530 million
December 31, 2008: ¥97,847 million

2. Dividend

Record Date	Cash dividend per share / Yen				
	First Quarter	Second Quarter	Third Quarter	Year-End	Annual
Fiscal 2008	—	5.00	—	5.00	10.00
Fiscal 2009 actual	—				
Fiscal 2009 plan		5.00	—	5.00	10.00

Note: Revision to Cash dividend forecast during period under review: No

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2009 (January 1, 2009 – December 31, 2009)

	Net sales		Operating income		Ordinary income		Net income		EPS
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim 2009	160,000	—	1,400	—	1,500	—	1,300	—	4.81
Fiscal 2009	340,000	0.5	9,000	8.7	9,000	18.4	5,000	64.5	18.50

Notes: 1. Percent figures for net sales, operating income, ordinary income, and net income express percentage change over the year-ago period.

2. Revision to consolidated earnings forecast during period under review: No

4. Others

a) Significant Change in Scope of Consolidation during Period: No

b) Simplified accounting treatment or special accounting treatment for preparation of quarterly Consolidated financial statements: Yes

Note: For more details, refer to “Qualitative Information Concerning the Consolidated Results of Operations, IV. Others” on page 9.

c) Changes in accounting principles, procedures, disclosure methods, etc., pertaining to preparation of quarterly consolidated financial statements (those to be described in the section of Significant Accounting Policies for the Preparation of Consolidated Financial Statements):

1. Changes associated with revision in accounting standards: Yes

2. Other changes: Yes

Note: For more details, refer to “Qualitative Information Concerning the Consolidated Results of Operations, IV. Others” on page 9.

d) Number of outstanding shares (common stock)

1. Number of outstanding shares on balance sheet date (including treasury stocks):

As of March 31, 2009: 299,115,346 shares As of December 31, 2008: 299,115,346 shares

2. Number of treasury stocks on balance sheet date:

As of March 31, 2009: 28,856,554 shares As of December 31, 2008: 28,835,005 shares

3. Average shares outstanding over period (cumulative; consolidated)

As of March 31, 2009: 270,264,765 shares As of March 31, 2008: 270,696,574 shares

1. The forecasts and projected operating results contained in this report are based on information available at the time of preparation, and thus involve inherent risks and uncertainties. Accordingly, readers are cautioned that actual results may differ materially from those projected as a result of a variety of factors.

2. Application of Accounting Standard for Quarterly Financial Reporting Statements

Effective from the fiscal year ending December 31, 2009, the Lion Group has applied the Accounting Standard for Quarterly Financial Reporting, Statement No. 12, issued by the Accounting Standards Board of Japan (ASBJ) on March 14, 2007, as well as Guidance on Accounting Standard for Quarterly Financial Reporting Guidance No. 14, issued by the ASBJ on March 14, 2007. Furthermore, quarterly consolidated financial statements have been prepared in accordance with the Regulation for Quarterly Consolidated Financial Reporting. The Lion Group has also applied revised regulations concerning quarterly consolidated financial reporting based on provisions contained within Supplementary Provision 7, Section 1, No. 5 of Cabinet Order No. 50 (issued on August 7, 2008) that revises a portion of regulations related to financial reporting terminology, design and preparation methods for Quarterly Consolidated Financial Reporting.

< Qualitative Information and Financial Statements >

I. Qualitative Information Concerning the Consolidated Results of Operations

Note: Comparisons with and financial totals from the first quarter of the previous fiscal year have been listed as references in the section titled, Qualitative Information Concerning the Consolidated Results of Operations.

a) Management Performance

Impacted by deteriorating global economic conditions brought about by the financial crisis that began in the United States, the recession that affected the Japanese economy during the first quarter of the 2009 fiscal year has deepened further. Consequently, severe operating conditions have led to a substantial decline in company earnings amid slumping personal consumption.

The domestic toiletries industry—which is the Lion Group’s core business domain—was faced with a harsh operating environment stemming from the high prices of crude oil and vegetable oil and fats that continued to be a factor from the previous year through the first quarter, as well as intensifying competition at the point-of-sale.

In the wake of these operating conditions, the Group continued to implement its medium-term management plan, Value Innovation Plan Part II 09 (VIP II 09), with the aim of securing increased corporate value. Based on this plan, Lion is taking steps to bolster its base for growth by further cultivating its key brands and tapping into new markets. In addition, Lion is undertaking firm initiatives to shore up its earnings base by further strengthening total cost-reduction measures in manufacturing and other areas. During the first quarter of the current fiscal year, Lion made efforts to cultivate main brands in growth markets in the Fabric Care and Living Care businesses by introducing new, high-value-added products, while actively developing new markets by releasing highly distinctive new products in the Beauty Care business. Moreover, cost-reduction measures were implemented with a focus on decreasing manufacturing costs and distribution expenses.

Despite implementation of the above measures, net sales for the first quarter of fiscal 2009 totaled ¥62,897 million, a decrease of 10.2% over the same period last year, due to the major impact of the of the global recession on the Chemicals products business, as well as from the effect of appreciation of the yen rates on overseas business operations.

Operating loss amounted to ¥3,311 million, compared with the ¥1,427 million operating loss for the same period of the previous fiscal year. Lion also recorded a ¥3,135 million ordinary loss, against an ordinary loss of ¥1,454 million in the corresponding period of the previous fiscal year, while the first quarter net loss amounted to ¥1,985 million, compared with the net loss of ¥1,083 million in the same period one year earlier.

b) Segment Information

<Health Care Products>

(Millions of yen)

	Three Months Ended March 2009	Ratio to net sales	Three Months Ended March 2008	Ratio to net sales	Increase/ decrease	Change
Net sales	25,694		27,097		(1,402)	(5.2%)
Operating income	(1,188)	—	(71)	—	(1,117)	—

In Health Care Products, net sales decreased 5.2% year on year to ¥25,694 million, and operating loss was ¥1,188 million, compared with the ¥71 million losses for the same period of the previous fiscal year.

Oral Care Products Division

In the Oral Care Products Division, Lion focused on fostering its Clinica Lion, Dent-Health series and Dentor Systema series, developing into a ¥10 billion brand during the previous fiscal year.

In toothpastes, favorable sales of the mainstay brands Clinica, Dentor Clear MAX and Dent Health—a highly functional toothpaste for preventing periodontal disease—facilitated a rise in overall sales compared with the first quarter of the previous fiscal year.

In toothbrushes, overall sales increased considerably compared with the corresponding period of the previous fiscal year as a result of strong sales for improved Dentor Systema, which was released to the market and features ultra-fine bristles.

In mouthwash, owing to robust increases in sales for Dentor Systema EX Dental Rinse and Clinica Dental Rinse, sales remained steady overall.

In dental products, despite firm sales of mainstay, DENT. EX Interdental Brush, there were sluggish sales of the DENT. Check-Up toothpaste series. This resulted in a flattening out of overall sales year-on-year.

Overseas, although sales of toothbrushes in South Korea were steady, overall sales remained flat due to the slowdown in sales of toothpastes in Thailand and South Korea.

Beauty Care Products Division

In the Beauty Care Products Division, in addition to cultivating its core KireiKirei series, Lion actively developed new markets with the release of the new men's body care product, PRO TEC STYLE.

In hand soaps, in the midst of a greater awareness among consumers of methods to prevent colds and influenza, sales of KireiKirei Medicated Foaming Hand Soap were strong, contributing to a substantial increase in overall sales over the first quarter of the previous fiscal year.

In Body washes, despite efforts to cultivate BATHOLOGY Foam Body Care Wash—which was released during the previous fiscal year—overall year-on-year sales fell slightly due to the impact of contracting markets.

In antiperspirants and deodorants, owing to the release of improved Ban Deodorant Roll On and Ban Deodorant Powder Stick within the expanding roll on- and stick-type deodorant markets, in conjunction with the market release of PRO TEC STYLE Deodorant Mist—which controls odors specific to men in their 30s—overall year-on-year sales remained firm.

Moreover, Lion continued to cultivate the functional food product category due to such factors as a three-fold increase in sales of the mail-order-sales-based product, Nicelim Essence Lactoferrin—a supplement that effectively delivers milk-derived lactoferrin to the intestines—compared with the first quarter of the previous fiscal year, thanks to the continuing patronage of customers.

Overseas, sales of hand soap in South Korea were robust. However, while overall sales increased in the local currency compared with the corresponding period of the fiscal year, earnings declined year-on-year as a result of the impact of exchange rate fluctuations on yen conversions.

Pharmaceutical Products Division

In the Pharmaceutical Products Division, in addition to such main brands as Bufferin and Smile, Lion made efforts to cultivate PAIR, which underwent improvements to its product line up during the previous fiscal year.

In analgesics, weak sales of Bufferin A stemming from a contraction in the market led to a decline in overall sales compared with the same period of the previous fiscal year.

In eyedrops, sales of Lion's mainstay Smile 40EX, suffered due to the impact of intensifying competition. Consequently, overall sales fell compared with the corresponding period of the previous fiscal year.

In tonics and nutrients, sales of the New Guromont brand of health tonic drinks remained steady. However, overall year-on-year sales dropped as a result of sluggish sales of the Guronsan brand.

In insecticides, despite the release of the new fumigation-type product, Varsan CPM Jet, the impact of contractions to the market resulted in overall sales remaining flat.

Overall year-on-year sales for medicinal skin care products doubled due to favorable customer reviews of PAIR A Tablets, an oral medicine for improving adult acne and rough skin.

<Household Products>

(Millions of yen)

	Three Months Ended March 2009	Ratio to net sales	Three Months Ended March 2008	Ratio to net sales	Increase/ decrease	Change
Net sales	32,031		34,783		(2,752)	(7.9%)
Operating income	(1,757)	—	(1,259)	—	(497)	—

In Household Products, net sales decreased 7.9% year on year to ¥32,031 million, and operating loss was ¥1,757 million, compared with the ¥1,259 million losses for the same period of the previous fiscal year.

Fabric Care Products Division

In the Fabric Care Products Division, owing to continuing expansion of the liquid laundry detergents market, Lion bolstered main brands through such measures as releasing new products under the TOP brand and by augmenting the product lineup for the fabric softener, SOFLAN.

In laundry detergents, despite receiving favorable reviews for newly released TOP Clear Liquid—a liquid laundry detergent that completely removes invisible grime that causes odors and dullness—overall year-on-year sales remained flat due to sluggish sales of ACRON delicate fabric wash for fine clothing, stemming from contracting markets and other factors.

In bleaches, although sales of Lion's mainstay Temanashi Bright remained steady, sales for Chokko Bright, a product improved by Lion last year, slackened as a result of intensifying competition. Consequently, overall sales dropped compared with the corresponding period of the previous fiscal year.

In fabric softeners, owing to Lion's augmentation of the Kaori to Deodorant no SOFLAN (SOFLAN with Fragrance and Deodorant) line of products—which features superior deodorizing effectiveness through a pleasant and long-lasting fragrance—overall year-on-year sales remained steady.

Overseas, although firm sales were recorded for laundry detergents in Thailand and South Korea, overall sales declined compared with the same period of the fiscal year as a result of the sluggish sales of fabric softener in Thailand.

Living Care Products Division

In the Living Care Products Division, Lion released high-value-added products under its main brand, CHARMY, and made efforts to cultivate the REED series of cooking-aid products to promote healthy and balanced eating habits.

In dishwashing detergents, Lion strengthened the product lineup of the CHARMY Awa no Chikara (Power of Suds) series during the previous year. This series has been enjoying firm sales amid intensifying competition. In addition, with the dishwasher detergent market continuing to expand, Lion released CHARMY Crysta Powder—a product that displays high detergency that completely washes away stubborn, greasy grime. As a result of these actions, overall sales remained steady.

In household cleaners, amid robust sales for the improved Ofuro no LOOK (bath cleaner) that entered the market last year, Lion released improved LOOK Noko (Strong & Effective) Pipeman. However, due to impact of intensifying competition, overall sales declined slightly.

In cooking-aid products, sales of improved REED Healthy-Cooking Paper, which was released during the previous year, rose considerably, allowing overall sales to remain steady.

Overseas, Lion dishwashing detergents enjoyed strong sales in South Korea. However, overall sales declined year-on-year as a result of the impact of exchange rate fluctuations on yen conversions.

<Chemical Products>

(Millions of yen)

	Three Months Ended March 2009	Ratio to net sales	Three Months Ended March 2008	Ratio to net sales	Increase/ decrease	Change
Net sales	4,450		7,512		(3,062)	(40.8%)
Operating income	(372)	—	(74)	—	(297)	—

Sales in the Chemical Products Business declined 40.8% year on year to ¥4,450 million. Operating loss stood at ¥372 million with the corresponding period of the previous fiscal year's operating loss of ¥74 million.

In the Chemical Products Business, amid an ongoing harsh operating environment characterized by a sharp reduction in manufacturing volume by domestic and foreign manufacturers and the continuing appreciation of the yen, Lion is implementing such measures as prioritizing the nurturing of highly functional products and revising its product mix to augment profitability.

In activators derived from fats and oils, due to sluggish sales of surfactants for detergents and cosmetics in Japan and fatty acid methyl esters for raw materials used in the production of alcohol overseas, overall sales declined compared with the first quarter of the previous fiscal year.

In electro-conductive carbon, sales for use in batteries in Japan and as a compound raw material overseas remained weak, resulting in a drop in overall sales compared with the first quarter of the previous fiscal year.

Note: Classification of product divisions changed during the current fiscal year.

<Others>

(Millions of yen)

	Three Months Ended March 2009	Ratio to net sales	Three Months Ended March 2008	Ratio to net sales	Increase/ decrease	Change
Net sales	721		655		65	10.0%
Operating income	(6)	—	(98)	—	91	—

In other segment, net sales amounted to ¥721 million, a 10.0% increase year on year. Operating loss stood at ¥6 million with the corresponding period of the previous fiscal year's operating loss of ¥98 million.

II. Qualitative Information Concerning Consolidated Financial Status

As of March 31, 2009, total assets stood at ¥239,270 million, a drop of ¥28,167 million from December 31, 2008. This was mainly attributable to decreases in cash and deposits and notes and accounts receivable-trade. Due to such factors as a net loss for the quarter, net assets declined ¥4,193 million to ¥96,380 million and shareholders' equity to total assets was 39.1%.

<Consolidated Cash Flows>

Despite cash inflows primarily from a decrease in notes and accounts receivable-trade, net cash used in operating activities declined to ¥11,592 million as a result of cash outflows mainly comprising decreases in notes and accounts payable-trade as well as in accounts payable-other and accrued expenses.

Net cash used in investing activities decreased to ¥3,818 million. A major component of this was the purchase of property, plant and equipment.

Net cash used in financing activities decreased to ¥2,256 million, primarily due to the payment of dividends and repayment of long-term loans payable.

As a result, cash and cash equivalents as of March 31, 2009 declined ¥17,594 million compared with the end of the previous fiscal year to ¥15,504 million.

III. Qualitative Information Concerning the Forecast of Consolidated Financial Results

There are no changes to consolidated financial results forecasts for the interim period or fiscal 2009 announced on February 6, 2009.

IV. Others

1. Changes in Important Subsidiaries during the Period (Changes in Special Subsidiaries Involving Changes in the Scope of Consolidation):

None

2. Simplified Accounting Method and Special Accounting Practices in the Preparation of Quarterly Consolidated Financial Statements:

- a. Simplified Accounting Method

- 1) Measurement methods for inventories

Inventories at the end of the first quarter of the current fiscal year, omitting stocktaking, are calculated using a rational method based on ending inventories at the end of the previous fiscal year.

- 2) Methods for calculating corporate income tax, deferred income tax assets and deferred tax liabilities

Corporate tax payment calculation methods are limited to include significant additions/subtractions and tax deductions.

Methods that make use of performance forecasts and tax planning utilized during the previous fiscal year are used to determine the collectability of deferred income tax assets, recognizing that no significant changes in the operating environment or temporary variances have occurred from the end of the previous fiscal year onward.

- b. Special Accounting Practices in the Preparation of Quarterly Consolidated Financial Statements

None

3. Changes in Accounting Principles, Procedures and Presentation Methods in Connection with the Preparation of Quarterly Consolidated Financial Statements:

a. Application of Accounting Standard for Quarterly Financial Reporting Statements

Effective from the fiscal year ending December 31, 2009, the Lion Group has applied the Accounting Standard for Quarterly Financial Reporting, Statement No. 12, issued by the Accounting Standards Board of Japan (ASBJ) on March 14, 2007, as well as Guidance on Accounting Standard for Quarterly Financial Reporting Guidance No. 14, issued by the ASBJ on March 14, 2007. Furthermore, quarterly consolidated financial statements have been prepared in accordance with the Regulation for Quarterly Consolidated Financial Reporting. The Lion Group has also applied revised regulations concerning quarterly consolidated financial reporting based on provisions contained within Supplementary Provision 7, Section 1, No. 5 of Cabinet Order No. 50 (issued on August 7, 2008) that revises a portion of regulations related to financial reporting terminology, design and preparation methods for Quarterly Consolidated Financial Reporting.

b. Application of Accounting Standard for the Measurement of Inventories

Effective from the first quarter of the fiscal year ending December 31, 2009, the Lion Group has adopted ASBJ Statement No. 9 issued on July 5, 2006 Accounting Standard for the Measurement of Inventories. As a result, measurement standards have changed from stating inventories at cost to measuring inventories at the lower of cost or net selling value, which is defined as the selling price less the additional estimated manufacturing costs and direct selling expense. Consequently, the impact on income and loss for the first quarter of the current fiscal year has been minor.

c. Application of Practical Solution on Unification of Accounting Standards Applied to Foreign Subsidiaries for Consolidated Financial Statements

Effective from the first quarter of the fiscal year ending December 31, 2009, the Lion Group has undertaken all essential adjustments following adoption of the Practical Issues Task Force No. 18 Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements, issued by the ASBJ on May 17, 2006. Therefore, retained earnings declined ¥308 million at beginning of period. Consequently, the impact on income and loss for the first quarter of the current fiscal year has been minor.

d. Application of Accounting Standards for Lease Transactions

From the first quarter of the fiscal year ending December 31, 2009 onward, the Lion Group adopted the Accounting Standard for Lease Transactions (ASBJ Statement No. 13 issued on June 17, 1993 and last revised on March 30, 2007) and Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No. 16 issued on January 18, 1994 and last revised on March 30, 2007), and can both be applied to quarterly consolidated financial statements for the fiscal year beginning from April 1, 2008 onward. Accordingly, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized under the former accounting standards, and all finance lease transactions shall be capitalized recognizing lease assets and lease obligations. Depreciation equivalent is computed on the straight-line method over the lease period without residual value. Consequently, the impact on income and loss for the first quarter of the current fiscal year has been minor.

V. Consolidated Quarterly Financial Reporting Statements

1. Consolidated Quarterly Balance Sheets

	Three Months Ended March 31, 2009	Fiscal Year Ended December 31, 2008
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and deposits	15,723	33,318
Notes and accounts receivable-trade	41,911	58,455
Merchandise and finished goods	21,703	18,135
Work in process	2,465	2,377
Raw materials and supplies	6,022	5,810
Other	9,156	4,056
Allowance for doubtful accounts	(116)	(150)
Total current assets	96,865	122,003
Noncurrent assets		
Property, plant and equipment	64,427	63,473
Intangible assets		
Right of trademark	29,740	30,720
Other	1,865	1,977
Total intangible assets	31,606	32,697
Investments and other assets	46,433	49,337
Allowance for doubtful accounts	(61)	(72)
Total investments and other assets	46,371	49,264
Total noncurrent assets	142,404	145,434
Total assets	239,270	267,438

Lion Corporation (Code 4912): Summary of Financial Statements
for the Three Months Ended March 31, 2009

	Three Months Ended March 31, 2009	Fiscal Year Ended December 31, 2008
	Millions of yen	Millions of yen
Liabilities		
Current liabilities		
Notes and accounts payable-trade	30,314	46,918
Short-term loans payable	6,476	6,213
Current portion of long-term loans payable	8,600	8,300
Accounts payable-other and accrued expenses	27,352	34,971
Income taxes payable	396	1,216
Provision for bonuses	1,591	—
Provision for sales returns	1,038	1,039
Provision for sales promotion expenses	291	216
Provision for directors' bonuses	45	118
Other	2,558	2,112
Total current liabilities	78,666	101,105
Noncurrent liabilities		
Long-term loans payable	37,600	39,050
Provision for retirement benefits	21,098	21,657
Provision for directors' retirement benefits	307	290
Other	5,216	4,760
Total noncurrent liabilities	64,223	65,758
Total liabilities	142,889	166,864
Net assets		
Shareholders' equity		
Capital stock	34,433	34,433
Capital surplus	31,499	31,499
Retained earnings	46,011	49,657
Treasury stock	(15,878)	(15,868)
Total shareholders' equity	96,067	99,723
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	271	1,060
Deferred gains or losses on hedges	9	(24)
Foreign currency translation adjustment	(2,817)	(2,912)
Total valuation and translation adjustments	(2,536)	(1,875)
Subscription rights to shares	126	109
Minority interests	2,723	2,617
Total net assets	96,380	100,574
Total liabilities and net assets	239,270	267,438

2. Consolidated Quarterly Statements of Income

	Three Months Ended March 31, 2009
	Millions of yen
Net sales	62,897
Cost of sales	28,462
Gross profit	34,434
Selling, general and administrative expenses	37,745
Operating loss	(3,311)
Non-operating income	
Interest and dividends income	26
Equity in earnings of affiliates	132
Royalty income	54
Foreign exchange gains	30
Other	212
Total non-operating income	456
Non-operating expenses	
Interest expenses	266
Other	13
Total non-operating expenses	280
Ordinary loss	(3,135)
Extraordinary income	
Reversal of allowance for doubtful accounts	45
Total extraordinary income	45
Extraordinary loss	
Loss on disposal of noncurrent assets	24
Loss on valuation of investment securities	152
Impairment loss	12
Total extraordinary losses	189
Loss before income taxes and minority interests	(3,278)
Income taxes-current	105
Income taxes-deferred	(1,527)
Total income taxes	(1,421)
Minority interests in income	128
Net loss	(1,985)

3. Consolidated Quarterly Statements of Cash Flows

	Three Months
	January to March 2009
	Millions of yen
I. Net cash provided by (used in) operating activities	
Loss before income taxes and minority interests	(3,278)
Depreciation and amortization	2,967
Impairment loss	12
Increase (decrease) in provision for retirement benefits	(459)
Interest and dividends income	(26)
Interest expenses	266
Loss (gain) on disposal of noncurrent assets	24
Loss (gain) on valuation of investment securities	152
Equity in (earnings) losses of affiliates	(132)
Decrease (increase) in notes and accounts receivable-trade	16,857
Decrease (increase) in inventories	(3,736)
Increase (decrease) in notes and accounts payable-trade	(16,734)
Increase (decrease) in accounts payable-other and accrued expenses	(7,049)
Increase (decrease) in other current liabilities	277
Decrease (increase) in other current assets	(784)
Other, net	885
Subtotal	(10,756)
Interest and dividends income received	383
Interest expenses paid	(421)
Income taxes paid	(797)
Net cash provided by (used in) operating activities	(11,592)
II. Net cash provided by (used in) investment activities	
Purchases of property, plant and equipment	(2,640)
Proceeds from sales of property, plant and equipment	45
Purchase of intangible assets	(1)
Purchase of investment securities	(1,275)
Proceeds from sales of investment securities	11
Purchase of investments in subsidiaries	(0)
Payments of loans receivable	(13)
Collection of loans receivable	28
Other, net	27
Net cash provided by (used in) investment activities	(3,818)
III. Net cash provided by (used in) financing activities	
Increase in short-term loans payable	2,586
Decrease in short-term loans payable	(2,435)
Repayment of long-term loans payable	(1,150)
Purchase of treasury stock	(15)
Proceeds from disposal of treasury stock	5
Cash dividends paid	(1,186)
Other, net	(60)
Net cash provided by (used in) financing activities	(2,256)

IV. Effect of exchange rate change on cash and cash equivalents	72
V. Net increase (decrease) in cash and cash equivalents	(17,594)
VI. Cash and cash equivalents at beginning of period	33,098
VII. Cash and cash equivalents at end of period	15,504

Effective from the fiscal year ending December 31, 2009, the Lion Group has applied the Accounting Standard for Quarterly Financial Reporting, Statement No. 12, issued by the Accounting Standards Board of Japan (ASBJ) on March 14, 2007, as well as Guidance on Accounting Standard for Quarterly Financial Reporting Guidance No. 14, issued by the ASBJ on March 14, 2007. Furthermore, quarterly consolidated financial statements have been prepared in accordance with the Regulation for Quarterly Consolidated Financial Reporting. The Lion Group has also applied revised regulations concerning quarterly consolidated financial reporting based on provisions contained within Supplementary Provision 7, Section 1, No. 5 of Cabinet Order No. 50 (issued on August 7, 2008) that revises a portion of regulations related to financial reporting terminology, design and preparation methods for Quarterly Consolidated Financial Reporting.

4. Notes Regarding Going-Concern Assumptions

None.

5. Segment Information

1. Business Segments

(Millions of yen)

	Three Months Ended March 31, 2009 (January 1 to March 31, 2009)						
	Health Care Products	Household Products	Chemical Products	Other	Total	Eliminations and corporate	Consolidated total
1. Net sales							
a) Sales to outside customers	25,694	32,031	4,450	721	62,897	—	62,897
b) Intersegment sales	2	25	2,129	960	3,118	[3,118]	—
Total	25,697	32,057	6,580	1,681	66,016	[3,118]	62,897
Operating income(loss)	(1,188)	(1,757)	(372)	(6)	(3,324)	13	(3,311)

Note:

Categorization of industry segments and principal products

Industry segments are categorized in accordance with the similarity of products and markets.

- Health Care Products: Toothpastes, toothbrushes, hand soaps, analgesics, eyedrop solutions, health tonic drinks and insecticides
- Household Products: Laundry detergents, dishwashing detergents, fabric softeners, household cleaners and bleaches
- Chemical Products: Activators and electro-conductive carbon
- Other: Plant construction, real estate management, and transportation and storage

2. Geographical Segments

(Millions of yen)

	Three Months Ended March 31, 2009 (January 1 to March 31, 2009)				
	Japan	Asia	Total	Eliminations and corporate	Consoli- dated total
1. Net sales					
a) Sales to external customers	53,293	9,604	62,897	—	62,897
b) Intersegment sales	173	290	463	[463]	—
Total	53,466	9,894	63,361	[463]	62,897
Operating income(loss)	(3,771)	413	(3,357)	46	(3,311)

Note:

1. Countries and regions have been grouped in accordance with geographic proximity.
2. The key countries and regions grouped as countries other than Japan are as listed below.
Asia: China, South Korea and Thailand

3. Sales to Overseas Customers

Three Months Ended March 2009(January 1 to March 31, 2009)

	Three Months Ended March 31, 2009 (January 1 to March 31, 2009)		
	Asia	Other regions	Total
Sales to overseas customers (millions of yen)	9,843	267	10,111
Consolidated net sales (millions of yen)	—	—	62,897
Percent of sales to overseas customers in consolidated net sales (%)	15.7	0.4	16.1

Note:

1. Countries and regions have been grouped in accordance with geographic proximity.
2. The key countries and regions grouped as each segments are as listed below.
Asia: China, South Korea and Thailand
Other regions: Europe, America and others
3. Sales to overseas customers include sales of Lion and its consolidated subsidiaries in countries and regions other than Japan.

6. Notes in the event of major changes in shareholders' equity

None

[Reference]

Condensed Consolidated Quarterly Financial Reporting Statements

1. Condensed Consolidated Statements of Income

	Three Months Ended March 31, 2008 (January to March ,2008)
	Millions of yen
Net sales	70,048
Cost of sales	32,743
Gross profit	37,305
Selling, general and administrative expenses	38,732
Operating income	(1,427)
Non-operating income	408
Interest and dividend income	90
Equity in earnings of affiliates	153
Other	164
Non-operating expenses	436
Interest expenses	282
Other	153
Ordinary income	(1,454)
Extraordinary income	16
Reversal of allowance for doubtful accounts	16
Extraordinary losses	10
Loss on disposal of noncurrent assets	10
Loss before income taxes and minority interests	(1,448)
Income taxes, etc.	(516)
Minority interests in income	151
Net income	(1,083)

2. Condensed Consolidated Statements of Cash Flows

	Three Months Ended March 31, 2008 (January 1 to March 31, 2008)
	Millions of yen
I. Net cash provided by (used in) operating activities	
Loss before income taxes and minority interests	(1,448)
Depreciation and amortization	3,057
Increase (decrease) in provision for retirement benefits	(1,471)
Interest and dividends income	(90)
Interest expenses	282
Loss (gain) on disposal of noncurrent assets	10
Equity in (earnings) losses of affiliates	(153)
Decrease (increase) in notes and accounts receivable-trade	13,838
Decrease (increase) in inventories	(5,197)
Increase (decrease) in notes and accounts payable-trade	(9,441)
Increase (decrease) in accounts payable-other and accrued expenses	(8,099)
Increase (decrease) in other current liabilities	260
Decrease (increase) in other current assets	(647)
Other, net	1,909
Subtotal	(7,193)
Interest and dividends income received	453
Interest expenses paid	(485)
Income taxes paid	(904)
Net cash provided by (used in) operating activities	(8,130)
II. Net cash provided by (used in) investment activities	
Decrease (increase) in time deposits	10
Purchase of property, plant and equipment	(3,400)
Proceeds from sales of property, plant and equipment	11
Purchase of intangible assets	(37)
Purchase of investment securities	(757)
Proceeds from sales of investment securities	0
Payments of loans receivable	(20)
Collection of loans receivable	31
Other, net	93
Net cash provided by (used in) investment activities	(4,069)
III. Net cash provided by (used in) financing activities	
Increase in short-term loans payable	2,122
Decrease in short-term loans payable	(1,981)
Repayment of long-term loans payable	(1)
Purchases of odd-lot shares, net	8
Net proceeds from sale/purchases of treasury stock	74
Cash dividends paid	(1,174)
Net cash provided by (used in) financing activities	(951)
IV. Effect of exchange rate change on cash and cash equivalents	(514)

V. Net increase (decrease) in cash and cash equivalents	(13,665)
VI. Cash and cash equivalents at beginning of period	33,219
VII. Cash and cash equivalents at end of period	19,553

3. Segment Information

1. Business Segments

(Millions of yen)

	Three Months Ended March 31, 2008 (January 1 to March 31, 2008)						
	Health Care Products	Household Products	Chemical products	Other	Total	Eliminations and corporate	Consolidated total
1. Net sales							
a) Sales to external customers	27,097	34,783	7,512	655	70,048	—	70,048
b) Intersegment sales	2	0	2,010	500	2,514	[2,514]	—
Total	27,100	34,784	9,522	1,155	72,563	[2,514]	70,048
Operating expenses	27,171	36,043	9,597	1,254	74,066	[2,590]	71,476
Operating income (loss)	(71)	(1,259)	(74)	(98)	(1,503)	76	(1,427)

2. Geographical Segments

(Millions of yen)

	Three Months Ended March 31, 2008 (January 1 to March 31, 2008)				
	Japan	Asia	Total	Eliminations And corporate	Consolidated total
1. Net sales					
a) Sales to external customers	57,319	12,729	70,048	—	70,048
b) Intersegment sales	219	374	593	[593]	—
Total	57,538	13,103	70,642	[593]	70,048
Operating expenses	59,364	12,782	72,146	[670]	71,476
Operating income (loss)	(1,825)	321	(1,504)	77	(1,427)

3. Sales to Overseas Customers

	Three Months Ended March 31, 2008 (January 1 to March 31, 2008)		
	Asia	Other regions	Total
Sales to overseas customers (millions of yen)	13,313	473	13,787
Consolidated net sales (millions of yen)	—	—	70,048
Percent of sales to overseas customers in consolidated net sales (%)	19.0	0.7	19.7