

**Summary of Financial Statements for the Interim Period  
Ended June 30, 2010  
[Japanese Standard]**

August 4, 2010

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 interim report (Shihanki Houkokusho): August 13, 2010  
Start date for payment of dividend: September 3, 2010  
Supplementary materials prepared for quarterly results: Yes  
Quarterly results information meeting held: Yes

Figures in the tables are rounded down to the nearest million.

**1. Consolidated Results for the Interim Period Ended June 30, 2010**

(January 1, 2010 – June 30, 2010)

(1) Consolidated Results (cumulative total)

(Percentage figures denote year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim FY2010	155,758	2.2	2,755	26.8	3,357	18.4	1,582	50.1
Interim FY2009	152,404	—	2,173	—	2,835	—	1,053	—

	EPS	Diluted EPS
	Yen	Yen
Interim FY2010	5.85	5.84
Interim FY2009	3.90	3.89

## (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Interim FY2010	242,245	103,393	41.4	370.94
FY2009	256,220	103,624	39.2	371.50

Note: Shareholders' equity: June 30, 2010: ¥100,277 million

December 31, 2009: ¥100,415 million

## 2. Dividend

Record Date	Cash dividend per share / Yen				
	First Quarter	Second Quarter	Third Quarter	Year-End	Annual
FY2009	—	5.00	—	5.00	10.00
FY2010 actual	—	5.00			
FY2010 plan			—	5.00	10.00

Note: Revision to Cash dividend forecast during period under review: None

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2010 (January 1, 2010 – December 31, 2010)

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

	Net sales		Operating income		Ordinary income		Net income		EPS
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2010	330,000	2.5	10,000	(0.4)	10,500	(5.8)	5,500	0.6	20.35

Note: Revision to consolidated earnings forecast during period under review: None

## 4. Others (for details, see page 10, "2. Other Information")

(1) Significant changes in scope of consolidation during the period: No

(2) Simplified accounting methods or special accounting practices: Yes

(3) Changes in accounting principles, procedures and presentation methods in connection with the preparation of quarterly consolidated financial statements:

a. Changes associated with revision in accounting standards: Yes

b. Other changes: No

(4) Number of outstanding shares (common stock)

a. Number of outstanding shares on balance sheet dates (including treasury stocks):

As of June 30, 2010: 299,115,346 shares

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

b. Number of treasury stocks on balance sheet date:

As of June 30, 2010: 28,783,068 shares

As of December 31, 2009: 28,817,278 shares

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

As of June 30, 2010: 270,336,886 shares

As of June 30, 2009: 270,292,584 shares

#### Presentation of quarterly review procedure implementation status

This summary is out of the scope of quarterly review procedure based upon the Financial Instruments and Exchange Act. The Company's quarterly consolidated financial statements are under the review procedure process at the time of disclosure of this report based upon the Financial Instruments and Exchange Act.

#### Appropriate use of business forecast; other special items

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.

For more details, refer to "(3) Qualitative Information Concerning the Forecast of Consolidated Financial Results" on page 9.

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**1. Qualitative Information Concerning the Consolidated Results of Operations**  
**(1) Performance Overview for the Consolidated First Half of the Current Fiscal Year**  
**(January 1, 2010 – June 30, 2010)**

Regarding the Japanese economy during the first half (January 1, 2010 to June 30, 2010) of the 2010 fiscal year, there remained a lingering sense that conditions would remain uncertain despite improvements in corporate profits and signs of recovery in areas including personal consumption. This was the result of such factors as a gradual drop in consumer prices.

At the same time, the domestic toiletries industry—the Lion Group's main business domain—was faced with intensifying competition in stores, causing operating conditions to remain severe.

In the wake of these harsh operating conditions, the Lion Group is taking steps to bolster its base for growth through such measures as cultivating mainstay brands and developing new markets with the aim of improving corporate value. In addition, the Group is working to increase profitability by promoting cost-reduction measures in the areas of manufacturing and distribution. In Japan during the first half of the 2010 fiscal year, the Group released new, high-value-added products in the Fabric Care Products Division, Oral Care Products Division and Pharmaceutical Products Division, while expanding the product lineups of mainstay brands in the Beauty Care Products Division and Living Care Products Division. Overseas, the Group promoted common global brands and original local brands primarily for laundry detergents and in the oral care segment. Amid a recovery of industrial demand, Lion focused primarily on cultivating highly functional products in the Chemical Products Business.

As a result, consolidated results for the period under review are as follows: There was a 2.2% increase in net sales year on year to ¥155,758 million. Turning to profits, Lion recorded an operating income of ¥2,755 million (a 26.8% rise year on year), an ordinary income of ¥3,357 million (a 18.4% improvement year on year), and a net income of ¥1,582 million (a 50.1% increase year on year). These increases were primarily attributable to a rise in net sales and cost-reduction measures focusing on manufacturing.

**<Consolidated Results>**

(Millions of yen)

	FY2010 1st half	Ratio to net sales	FY2009 1st half	Ratio to net sales	Increase/ decrease	Change
Net sales	155,758		152,404		3,353	2.2%
Operating income	2,755	1.8%	2,173	1.4%	581	26.8%
Ordinary income	3,357	2.2%	2,835	1.9%	522	18.4%
Net income	1,582	1.0%	1,053	0.7%	528	50.1%

<Consolidated Business Segment>

(Millions of yen)

	Net sales				Operating income			
	FY2010 1st half	FY2009 1st half	Increase/ decrease	Change	FY2010 1st half	FY2009 1st half	Increase/ decrease	Change
Health Care Products	63,685	65,163	(1,477)	(2.3%)	2,267	2,697	(429)	(15.9%)
Household Products	77,660	75,419	2,240	3.0%	652	191	461	240.4%
Chemical Products	12,436	10,263	2,172	21.2%	(237)	(734)	497	—
Others	1,976	1,558	417	26.8%	54	(33)	88	—
Eliminations and corporate	—	—	—	—	18	52	(34)	(65.7%)
Total	155,758	152,404	3,353	2.2%	2,755	2,173	581	26.8%

<Consolidated Geographical Segment>

(Millions of yen)

	Net sales				Operating income			
	FY2010 1st half	FY2009 1st half	Increase/ decrease	Change	FY2010 1st half	FY2009 1st half	Increase/ decrease	Change
Japan	131,538	131,231	306	0.2%	2,350	1,098	1,252	114.0%
Asia	24,219	21,172	3,047	14.4%	239	933	(694)	(74.4%)
Eliminations and corporate	—	—	—	—	165	142	23	16.7%
Total	155,758	152,404	3,353	2.2%	2,755	2,173	581	26.8%

<Health Care Products>

(Millions of yen)

	FY2010 1st half	Ratio to net sales	FY2009 1st half	Ratio to net sales	Increase/ decrease	Change
Net sales	63,685		65,163		(1,477)	(2.3%)
Operating income	2,267	3.6%	2,697	4.1%	(429)	(15.9%)

<Net Sales of divisions>

(Millions of yen)

	FY2010 1st half	FY2009 1st half	Increase/ decrease	Change
Oral Care Products Division	27,629	25,916	1,713	6.6%
Beauty Care Products Division	17,077	19,134	(2,057)	(10.8%)
Pharmaceutical Products Division	18,978	20,112	(1,133)	(5.6%)

**Oral Care Products Division**

In the Oral Care Products Division, Lion released the new toothpaste brand, *platus*, while making efforts to cultivate the mainstay brand series, *Dentor Systema*, *Clinica* and *Dent-Health*.

In toothpastes, Lion released the high-value-added medicated whitening toothpaste, *platus creamy up paste*, a product that helps restore the original white appearance of teeth and has garnered favorable customer reviews. At the same time, *Dent Health* series—a highly functional

product that prevents periodontal disease—and *Hitect Shoyaku no Megumi (Bountiful Herbal Medicine)*—a product that prevents pyorrhea owing to the use of a herbal medicinal ingredient—experienced robust sales. As a result, overall sales increased compared with the corresponding period of the previous fiscal year.

In toothbrushes, sales of Lion's mainstay product, *Dentor Systema Toothbrush*, and the *Between* series (which also features the new ultra compact type), significantly improved year on year. In addition, the children's product, *KODOMO toothbrush*, featuring a new character, experienced favorable sales. Consequently, overall sales rose compared with the same period of the previous fiscal year.

In mouthwashes, sales of the mainstay *Clinica Dental Rinse* brand were strong, while the new milky-type dental rinse, *Dentor Systema Haguki (the gums) Plus Dental Rinse*, enjoyed high customer ratings. As a result, overall sales rose substantially compared to the same period of the previous fiscal year.

In dental products marketed to dental clinics, sales of the mainstay *DENT.EX Systema brush* remained favorable, while *DENT.EX Systema genki j*—a new children's toothbrush appropriate for treating gingivitis—received favorable ratings from customers. Consequently, overall sales increased significantly compared with the corresponding period of the previous fiscal year.

Overseas, sales of toothpaste and toothbrushes in Thailand, China and South Korea remained robust, leading to a considerable jump in overall sales year on year.

As a result of the above, net sales for this division stood at ¥27,629 million, a 6.6% rise compared with the corresponding period of the previous fiscal year.

### **Beauty Care Products Division**

In the Beauty Care Products Division, Lion has focused on cultivating the *KireiKirei* series as well as augmenting the product lineup for *Ban* brand antiperspirants and deodorants by releasing new products in this series.

In hand soaps, Lion released *portable size KireiKirei Medicated Foaming Hand Sanitizer*, a product that is easy to use anytime, anywhere, even without water. However, overall sales decreased year on year because the outbreak of the new H1N1 strain of influenza subsided.

In antiperspirants and deodorants, the release of Lion's *High-Density Ban Medicated Deodorant Powder Spray* coincided with the recording of strong sales for *Ban Deodorant Body Sheets*. However, due to the impact of intensifying competition on Lion's mainstay powder spray, overall sales declined compared with the same period of the previous fiscal year.

Moreover, overall sales in the functional food product categories jumped substantially compared with the corresponding period of the previous fiscal year owing to strong sales of the mail-order-sales-based product, *Nicelim Essence Lactoferrin*—a supplement that effectively delivers milk-derived lactoferrin to the intestines.

Overseas, sales of body soap in Thailand were robust. Consequently, overall sales increased significantly compared with the same period of the previous fiscal year.

As a result of the above, net sales for this division stood at ¥17,077 million, a 10.8% decrease compared with the corresponding period of the previous fiscal year.

## Pharmaceutical Products Division

In the Pharmaceutical Products Division, in addition to its mainstay *BUFFERIN* and *Smile* brands, Lion made efforts to cultivate the *Varsan* brand, which had its product lineup expanded during the previous fiscal year.

In analgesics, despite experiencing strong sales following the release of improved versions of *BUFFERIN PLUS S* and *BUFFERIN Luna* during the previous fiscal year, overall sales fell year on year due to the impact of market shrinkage on the sales of *BUFFERIN A*.

In eyedrops, sales for the *Smile Contact* series fell year on year due to intensifying competition. However, owing to favorable customer evaluations for *Smile 40EX GOLD*—a product that effectively relieves the discomfort of eye fatigue and blurred vision—overall sales were strong compared with the same period of the previous fiscal year.

In tonics and nutrients, due to the impact of a shrinking market for the *Guronsan* and *New Guromont* health tonic drink brands, overall year-on-year sales declined.

In insecticides, Lion released *Mizu De Hajimeru (Starts with Water) Varsan Pro CPM*, the most effective fumigation-type product within the *Varsan* product series, to favorable customer ratings. Despite this, overall sales fell compared with the same period of the previous fiscal year due to the impact of shrinking markets.

As a result of the above, net sales for this division stood at ¥18,978 million, a decrease of 5.6% compared with the previous fiscal year.

## Principal New Products

*platus creamy up paste*  
*Between Ultra Compact*  
*KODOMO toothbrush*  
*Smile 40EX GOLD*  
*Mizu De Hajimeru (Starts with Water) Varsan Pro CPM*

## <Household Products>

(Millions of yen)

	FY2010 1st half	Ratio to net sales	FY2009 1st half	Ratio to net sales	Increase/ decrease	Change
Net sales	77,660		75,419		2,240	3.0%
Operating income	652	0.8%	191	0.3%	461	240.4%

## <Net Sales of division>

(Millions of yen)

	FY2010 1st half	FY2009 1st half	Increase/ decrease	Change
Fabric Care Products Division	56,535	54,118	2,416	4.5%
Living Care Products Division	21,124	21,300	(176)	(0.8%)

## Fabric Care Products Division

In the Fabric Care Products Division, Lion cultivated its mainstay brands by releasing such brands as the super-concentrated liquid laundry detergent, *TOP NANOX*—a product that uses plant-based, high-detergency components to solubilize and remove sebum (a substance that causes odors) at the nano level—and *Sterilizing & Antibacterial Bright W*—a liquid oxygen-based laundry bleach that completely cleans away worrisome germs and noticeable odors from laundry washed in recycled bath water.

In laundry detergents, sales of *Kaori Tsuzuku (Long-Lasting Fragrance) TOP* in the expanding liquid laundry detergent market remained robust. At the same time, the new liquid laundry detergent, *TOP NANOX*, received favorable customer reviews. Consequently, overall sales increased compared with the same period of the previous fiscal year.

In fabric softeners, although sales of the improved *Kaori to Deodorant no SOFLAN (SOFLAN with Fragrance and Deodorant)* were strong, sales of *Funwari SOFLAN* were sluggish due to intensifying competition. As a result, overall sales fell year on year.

In bleaches, the new product, *Sterilizing & Antibacterial Bright W*, received good customer ratings, leading to a significant jump in overall sales compared with the corresponding period of the previous fiscal year.

Overseas, strong sales were recorded for laundry detergents in Thailand. Consequently, overall sales rose substantially year on year.

As a result of the above, net sales for this division stood at ¥56,535 million, an increase of 4.5% compared with the same period of the previous fiscal year.

## Living Care Products Division

In the Living Care Products Division, Lion focused on cultivating mainstay brands by stepping up sales promotion activities for *CHARMY* dishwashing detergents and *LOOK* household cleaners.

In dishwashing detergents, sales of the *CHARMY Awa no Chikara (Power of Suds)* series—to which the “Fresh Lemon” fragrance was added during the previous fiscal year—increased significantly year on year, while sales of the detergent for dishwashers, *CHARMY Crysta Gel*, were steady. As a result, overall sales rose considerably compared with the same period of the previous fiscal year.

In household cleaners, amid favorable sales of *Toire no LOOK Deodorizing EX* (toilet bowl cleaner), Lion released an improved version of *Ofuro no LOOK* (bath cleaner), featuring foam that dissolves even more rapidly during rinsing to improve water savings. However, sales of *LOOK Noko (Strong & Effective) Pipeman* were impacted by intensifying competition. Consequently, overall sales declined year on year.

In cooking-aid products, although Lion aggressively expanded sales-promotion activities for *REED Healthy-Cooking Paper*, overall sales dropped compared with the corresponding period of the previous fiscal year due to intensifying competition.

Overseas, sales of dishwashing detergents in South Korea were sluggish, leading to

overall sales remaining flat compared with same period of the previous fiscal year.

As a result of the above, net sales for this division stood at ¥21,124 million, a decrease of 0.8% compared with the corresponding period of the previous fiscal year.

### Principal new products

TOP NANOX  
Sterilizing & Antibacterial Bright W  
Ofuro no LOOK (bath cleaner)

### <Chemical Products>

(Millions of yen)

	FY2010 1st half	Ratio to net sales	FY2009 1st half	Ratio to net sales	Increase/ decrease	Change
Net sales	12,436		10,263		2,172	21.2%
Operating income	(237)	—	(734)	—	497	—

In the Chemical Products Business, net sales totaled ¥12,436 million, an increase of 21.2% year on year. Turning to operating income, Lion recorded an operating loss of ¥237 million, compared with an operating loss of ¥734 million for the corresponding period of the previous fiscal year.

Amid a recovery of industrial demand, Lion focused on cultivating highly functional products and undertaking cost-reduction measures in order to bolster the profitability of the Chemical Products Business.

In activators derived from oil and fats, overseas sales of fatty acid methyl esters were stagnant due to the impact of the strong yen. However, domestic sales of surfactants for detergents, cosmetics and synthetic resins as well as fatty acid methyl esters used in food additives were favorable, causing overall sales in this category to rise significantly compared with the corresponding period of the previous fiscal year.

Domestic and overseas sales of electro-conductive carbon for use in secondary batteries and electronic components were strong. Consequently, overall sales in this category doubled compared with the same period of the previous fiscal year.

### <Others>

(Millions of yen)

	FY2010 1st half	Ratio to net sales	FY2009 1st half	Ratio to net sales	Increase/ decrease	Change
Net sales	1,976		1,558		417	26.8%
Operating income	54	2.8%	(33)	—	88	—

In the Others Businesses, net sales rose 26.8% year on year to ¥1,976 million due to an expansion of the construction contractor business. In addition, Lion recorded an operating income totaling ¥54 million, compared with an operating loss of ¥33 million for the same period of the previous fiscal year.

## (2) Qualitative Information Concerning Consolidated Financial Status

### 1) Status of Assets, Liabilities and Net Assets

#### <Consolidated Financial Status >

	Six Months Ended June 30, 2010	Fiscal 2009 (Ended Dec. 31, 2009)	Increase/ decrease
Total assets (millions of yen)	242,245	256,220	(13,974)
Net assets (millions of yen)	103,393	103,624	(231)
Shareholders' equity to total assets <sup>*1</sup> (%)	41.4	39.2	2.2p
Net assets per share <sup>*2</sup> (yen)	370.94	371.50	(0.56)

\*1 Shareholders' equity to total assets = (Net assets – Subscription rights to shares and Minority interests) / Total assets

\*2 Subscription rights and minority interests were excluded from calculation of net assets per share.

Total assets fell ¥13,974 million compared with the previous consolidated fiscal year-end to ¥242,245 million. This is primarily attributable to a reduction in cash and time deposits and trade notes and accounts receivable. Net assets decreased ¥231 million year on year to ¥103,393 million. Shareholders' equity to total assets stood at 41.4%.

### 2) Status of Cash Flows

#### <Consolidated Cash Flows>

(Millions of yen)

	FY2010 1st half	FY2009 1st half	Increase/ decrease
Net cash provided by (used in) operating activities	(175)	(2,067)	1,892
Net cash provided by (used in) investment activities	(3,461)	(6,757)	3,295
Net cash provided by (used in) financing activities	(3,772)	(2,899)	(872)
Effect of exchange rate change on cash and cash equivalents	(111)	83	(194)
Net increase (decrease) in cash and cash equivalents	(7,518)	(11,641)	4,122
Cash and cash equivalents at end of period	25,293	21,457	3,836

Net cash provided by operating activities totaled ¥175 million due to a decrease in trade notes and accounts payable. This decrease in cash flow occurred despite a reduction in such areas as trade notes and accounts receivable.

Net cash used in investment activities totaled ¥3,461 million. Major components of this fall in cash flow were outflows for the purchases of property, plant and equipment.

Net cash used in financing activities totaled ¥3,772 million. Major components of this decline in cash flow were cash dividends paid and the repayment of long-term loans payable.

As a result of the above, cash and cash equivalents as of June 30, 2010 decreased ¥7,518 million to ¥25,293 million compared with the consolidated fiscal year ended December 31, 2009.

However, cash and cash equivalents as of June 30, 2010 increased ¥3,836 million compared with the corresponding period of the previous fiscal year.

### **(3) Qualitative Information Concerning the Forecast of Consolidated Financial Results**

In line with the announcement made on July 30, 2010, there are no changes to consolidated financial results forecasts for the full fiscal year since the release of initial forecasts on February 10, 2010.

The Japanese economy is expected to remain in a recovery trend owing to improvements in corporate profits. However, future conditions remain uncertain primarily due to trends in consumer prices and in overseas economies. Consequently, competition is forecasted to continue to intensify in the domestic toiletries industry, the Lion Group's main business domain.

Under these circumstances, the Group will continue promoting initiatives to strengthen its base for growth, including cultivating mainstay brands and releasing new products in growth markets.

In the Health Care Products Business, although Lion will continue to release new high-value-added products and cultivate mainstay brands, sales are expected to fall year on year due mainly to the subsiding of the new H1N1 strain of influenza.

In the Household Products Business, sales are forecasted to rise year on year owing to such factors as favorable sales of laundry detergents both in Japan and overseas, and the scheduled release of new high-value-added products in growing markets in the future.

The Chemical Products Business is anticipated to experience higher year-on-year sales accompanying a recovery in industrial demand.

The Others Business is forecasted to enjoy sales higher than the previous fiscal year due to an increase in Lion's construction contractor business.

During the first half of fiscal 2010, profits exceeded initial forecasts primarily due to promoting cost-reduction measures focused on manufacturing, as well as lower raw material prices accompanying the strong yen. Despite this, consolidated forecasts of results for the full fiscal year remain unchanged. This is mainly attributable to proactive marketing investments, including the release of new products, that Lion is expected to undertake, as well as future uncertainty related to trends in raw material prices and foreign currency exchange rates.

(Preconditions for the Estimated Figures in Outlook for Fiscal 2010)

Lion adopted the following foreign exchange rates in the calculation of the aforementioned estimated figures:

¥93 = US\$1.00

¥2.70 = 1.00 baht

## 2. Other information

(1) Changes in Important Subsidiaries during the Period: None

(2) Simplified Accounting Method and Special Accounting Practices:

1) Simplified Accounting Method

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.

2) 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:

Application of Accounting Standard for Construction Contracts

Previously, earnings from construction contracts had been recognized under the completed-contract method. Effective from the first quarter of the consolidated fiscal year ending December 31, 2010, however, the Lion Group has applied the "Accounting Standard for Construction Contracts" (Accounting Standards Board of Japan (ASBJ) Statement No. 15, December 27, 2007) and the "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007). Accordingly, with regard to construction contracts commenced on or after January 1, 2010, the percentage-of-completion method is applied if the outcome of the construction activities can be accurately estimated as of June 30, 2010. Otherwise, the completed-contract method shall be applied. Under the percentage-of-completion method, the percentage of completion as of June 30, 2010 is estimated based on the percentage of the cost incurred to the estimated total cost. Consequently, the impact on income and loss for the first half of the current fiscal year has been minor.

### 3. Consolidated Financial Reporting Statements

#### (1) Consolidated Balance Sheets

(Millions of yen)

	Six Months Ended June 30, 2010	Fiscal 2009 (Ended December 31, 2009)
<b>Assets</b>		
Current assets		
Cash and deposits	21,215	31,387
Notes and accounts receivable-trade	49,771	52,440
Short-term investments securities	4,340	1,667
Merchandise and finished goods	16,614	17,076
Work in process	3,356	2,234
Raw materials and supplies	5,662	5,856
Other	5,738	5,714
Allowance for doubtful accounts	(64)	(122)
Total current assets	106,634	116,254
Noncurrent assets		
Property, plant and equipment	61,605	62,846
Intangible assets		
Right of trademark	24,845	26,803
Other	1,493	1,555
Total intangible assets	26,339	28,359
Investments and other assets		
Investments and other assets	47,710	48,811
Allowance for doubtful accounts	(44)	(52)
Total Investments and other assets	47,666	48,758
Total noncurrent assets	135,610	139,965
Total assets	242,245	256,220

(Millions of yen)

	Six Months Ended June 30, 2010	Fiscal 2009 (Ended December 31, 2009)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	30,921	39,825
Short-term loans payable	7,617	6,151
Current portion of long-term loans payable	6,050	6,050
Accounts payable-other and accrued expenses	34,463	35,330
Income taxes payable	1,067	1,258
Provision for bonuses	608	1,829
Provision for sales returns	735	764
Provision for sales promotion expenses	311	285
Provision for directors' bonuses	69	209
Other	1,905	2,201
Total current liabilities	83,750	93,907
Noncurrent liabilities		
Long-term loans payable	29,975	33,000
Provision for retirement benefits	19,785	20,204
Provision for directors' retirement benefits	291	290
Other	5,050	5,193
Total noncurrent liabilities	55,101	58,688
Total liabilities	138,852	152,595
<b>Net assets</b>		
Shareholders' equity		
Capital stock	34,433	34,433
Capital surplus	31,499	31,499
Retained earnings	52,322	52,099
Treasury stock	(15,829)	(15,851)
Total shareholders' equity	102,426	102,181
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	604	747
Deferred gains or losses on hedges	(23)	1
Foreign currency translation adjustment	(2,730)	(2,514)
Total valuation and translation adjustments	(2,148)	(1,765)
Subscription rights to shares	140	138
Minority interests	2,974	3,070
Total net assets	103,393	103,624
Total liabilities and net assets	242,245	256,220

**(2) Consolidated Statements of Income**

(Millions of yen)

	Six Months Ended June 30, 2009	Six Months Ended June 30, 2010
Net sales	152,404	155,758
Cost of sales	66,456	66,095
Gross profit	85,947	89,662
Selling, general and administrative expenses	83,774	86,907
Operating income	2,173	2,755
Non-operating income		
Interest and dividends income	226	-
Interest income	-	37
Dividends income	-	252
Equity in earnings of affiliates	548	595
Royalty income	106	116
Foreign exchange gains	34	-
Other	341	204
Total non-operating income	1,257	1,206
Non-operating expenses		
Interest expenses	532	462
Foreign exchange losses	-	7
Other	63	134
Total non-operating expenses	596	604
Ordinary income	2,835	3,357
Extraordinary income		
Reversal of allowance for doubtful accounts	41	62
Total extraordinary income	41	62
Extraordinary loss		
Loss on disposal of noncurrent assets	91	433
Impairment loss	488	52
Loss on valuation of investment securities	152	-
Other	33	-
Total extraordinary losses	765	486
Income before income taxes	2,111	2,933
Income taxes-current	607	909
Income taxes-deferred	135	207
Total income taxes	742	1,116
Minority interests in income	314	234
Net income	1,053	1,582

**(3) Consolidated Quarterly Statements of Cash Flows**

(Millions of yen)

	Six Months Ended June 30, 2009	Six Months Ended June 30, 2010
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes	2,111	2,933
Depreciation	6,059	5,992
Impairment loss	488	52
Increase (decrease) in provision for retirement benefits	(557)	684
Interest and dividends income	(226)	(290)
Interest expenses	532	462
Loss (gain) on disposal of noncurrent assets	91	433
Loss (gain) on valuation of investment securities	152	-
Equity in (earnings) losses of affiliates	(548)	(595)
Decrease (increase) in notes and accounts receivable-trade	8,866	2,076
Decrease (increase) in inventories	1,756	(606)
Increase (decrease) in notes and accounts payable-trade	(18,159)	(8,846)
Increase (decrease) in accounts payable-other and accrued expenses	(2516)	(44)
Increase (decrease) in other current liabilities	11	(10)
Decrease (increase) in other current assets	150	(121)
Other, net	364	(1,588)
Subtotal	(1,424)	533
Interest and dividends income received	769	694
Interest expenses paid	(551)	(481)
Income taxes paid	(860)	(921)
Net cash provided by (used in) operating activities	(2,067)	(175)
<b>Net cash provided by (used in) investment activities</b>		
Purchase of property, plant and equipment	(5,438)	(3,147)
Proceeds from sales of property, plant and equipment	56	17
Purchase of intangible assets	(16)	(41)
Purchase of investment securities	(1,375)	(331)
Proceeds from sales of investment securities	11	1
Purchase of investments in subsidiaries	(3)	-
Payments of loans receivable	(21)	(0)
Collection of loans receivable	36	100
Other, net	(6)	(59)
Net cash provided by (used in) investment activities	(6,757)	(3,461)

Lion Corporation (Code 4912):  
Summary of Financial Statements for Interim 2010

	Six Months Ended June 30, 2009	Six Months Ended June 30, 2010
<b>Net cash provided by (used in) financing activities</b>		
Increase in short-term loans payable	4,247	4,764
Decrease in short-term loans payable	(4,390)	(3,829)
Repayment of long-term loans payable	(1,150)	(3,025)
Purchase of treasury stock	(24)	(15)
Proceeds from disposal of treasury stock	34	0
Cash dividends paid	(1,342)	(1,356)
Cash dividends paid to minority shareholders	(148)	(179)
Other, net	(125)	(130)
Net cash provided by (used in) financing activities	(2,899)	(3,772)
<b>Effect of exchange rate change on cash and cash equivalents</b>	83	(111)
<b>Net increase (decrease) in cash and cash equivalents</b>	(11,641)	(7,520)
<b>Cash and cash equivalents at beginning of period</b>	33,098	32,812
<b>Increase in cash and cash equivalents from newly consolidated subsidiary</b>	-	2
<b>Cash and cash equivalents at end of period</b>	21,457	25,293

#### (4) Notes Regarding Going-Concern Assumptions

None.

#### (5) Segment Information

[Business Segments]

(Millions of yen)

	Interim FY2009 January 1 to June 30, 2009						
	Health Care Products	Household Products	Chemical Products	Others	Total	Eliminations and corporate	Consolidated total
1. Net sales							
a) Sales to outside customers	65,163	75,419	10,263	1,558	152,404	—	152,404
b) Intersegment sales	6	47	4,022	4,334	8,410	[8,410]	—
Total	65,169	75,466	14,285	5,892	160,814	[8,410]	152,404
Operating income(loss)	2,697	191	(734)	(33)	2,121	52	2,173

(Millions of yen)

	Interim FY2010 January 1 to June 30, 2010						
	Health Care Products	Household Products	Chemical Products	Others	Total	Eliminations and corporate	Consolidated total
1. Net sales							
a) Sales to outside customers	63,685	77,660	12,436	1,976	155,758	—	155,758
b) Intersegment sales	3	102	4,418	2,541	7,066	[7,066]	—
Total	63,689	77,762	16,854	4,517	162,824	[7,066]	155,758
Operating income(loss)	2,267	652	(237)	54	2,737	18	2,755

Notes:

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

[Geographical Segments]

(Millions of yen)

	Interim FY2009 January 1 to June 30, 2009				
	Japan	Asia	Total	Eliminations and corporate	Consolidated total
1. Net sales					
a) Sales to external customers	131,231	21,172	152,404	—	152,404
b) Intersegment sales	366	567	933	[933]	—
Total	131,598	21,740	153,338	[933]	152,404
Operating income	1,098	933	2,031	142	2,173

(Millions of yen)

	Interim FY2010 January 1 to June 30, 2010				
	Japan	Asia	Total	Eliminations and corporate	Consolidated total
1. Net sales					
a) Sales to external customers	131,538	24,219	155,758	—	155,758
b) Intersegment sales	305	645	951	[951]	—
Total	131,844	24,865	156,709	[951]	155,758
Operating income	2,350	239	2,590	165	2,755

Notes:

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

[Overseas sales]

	Interim FY2009 January 1 to June 30, 2009		
	Asia	Other regions	Total
Overseas sales (millions of yen)	21,815	660	22,476
Consolidated net sales (millions of yen)	—	—	152,404
Percent of overseas sales in consolidated net sales (%)	14.3	0.4	14.7

	Interim FY2010 January 1 to June 30, 2010		
	Asia	Other regions	Total
Overseas sales (millions of yen)	24,974	485	25,460
Consolidated net sales (millions of yen)	—	—	155,758
Percent of overseas sales in consolidated net sales (%)	16.0	0.3	16.3

Notes:

- Countries and regions have been grouped in accordance with geographic proximity.
- The key countries and regions grouped as each segments are as listed below.  
Asia: China, South Korea and Thailand  
Other regions: Europe, North America and others
- Overseas sales 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