

**Summary of Consolidated Financial Statements for the First Half
Ended June 30, 2012 [Japanese Standard]**

August 3, 2012

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 quarterly financial report (Shihanki Houkokusho): August 10, 2012

Start date for payment of dividend: September 5, 2012

Supplementary materials prepared for quarterly results: Yes

Quarterly results information meeting held: Yes (for investors and analysts, etc.)

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

1. Consolidated Results for the First Half Ended Jun. 30, 2012

(January 1, 2012 – Jun. 30, 2012)

(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	%
First Half FY2012	159,874	5.5	2,250	(32.3)	2,831	(29.5)	1,161	—
First Half FY2011	151,479	(2.7)	3,324	20.7	4,016	19.6	47	(97.0)

Note: Comprehensive Income

Jun. 30, 2012: ¥3,624 million [—%], Jun. 30, 2011: ¥(426) million [—%]

	EPS	Diluted EPS
	Yen	Yen
First Half FY2012	4.32	4.32
First Half FY2011	0.18	0.18

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets
	Millions of yen	Millions of yen	%
First Half FY2012	248,221	107,595	41.8
December 2011	249,272	105,252	40.9

Note: Shareholders' equity: Jun. 30, 2012: ¥103,795 million, December 31, 2011: ¥102,049 million

2. Dividend

		Cash dividend per share / Yen				
Record Date		First Quarter	Second Quarter	Third Quarter	Year-End	Annual
FY2011	—	5.00	—	6.00	11.00	
FY2012 actual	—	5.00				
FY2012 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, 2012 (January 1, 2012 – December 31, 2012)

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 2012	335,000	2.3	12,000	7.4	13,000	6.7	7,000	71.7	26.07

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

Notes

- (1) Significant changes in scope of consolidation during the period: No
- (2) Special accounting treatment for preparation of quarterly consolidated financial statements: No
- (3) Changes in Accounting Policies and Changes in and Restatement of Accounting Estimates:
 - a. Changes associated with revisions in accounting principles: Yes
 - b. Other changes: Yes
 - c. Changes in accounting estimates: No
 - d. Restatement: No

(4) Number of outstanding shares (common stock)

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

As of Jun. 30, 2012: 299,115,346 shares

As of December 31, 2011: 299,115,346 shares

- b. Number of treasury stocks on balance sheet date:

As of Jun. 30, 2012: 30,390,267 shares

As of December 31, 2011: 30,645,932 shares

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

As of Jun. 30, 2012: 268,609,488 shares

As of Jun. 30, 2011: 268,527,741 shares

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 7.

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1. Qualitative Information Concerning the Results of Operations for the First Half of the Current Fiscal Year

(1) Qualitative Information Concerning Consolidated Performance

Despite a gradual decrease in consumer prices, the Japanese economy began to recover during the first half of the 2012 fiscal year (January 1, 2012 – June 30, 2012). This was mainly attributable to a rebound in personal consumption and corporate profits.

The Lion Group faced severe operating conditions in the domestic toiletries industry—the Group's main business domain—due to intensifying competition in stores.

In this harsh environment, the Lion Group has commenced its new medium-term management plan, "Vision 2020 Part-1 (V-1 Plan)." Through this plan, Lion aims to "be a company that creates value for lifestyle and spiritual fulfillment," a defining characteristic of the Group's new management vision "Vision 2020."

Consequently, the Group is promoting four strategies: (1) Qualitative growth of domestic businesses; (2) Quantitative Expansion of Overseas Businesses; (3) Development of New Business Value; and (4) Enhancement of Organizational Learning Capabilities.

In Japan, Lion released new, high-value-added products, mainly under key brands in the Oral Care Products and Fabric Care Products fields, while actively investing in advertising campaigns and other marketing activities to nurture its brands. In addition, Lion worked to expand its functional food products (direct-to-consumer sales products) business (which saw steady increases in regular purchasers) primarily by strengthening product development system, enhancing marketing investment and expanding product lines. Overseas, the Group promoted the cultivation of key oral care and laundry detergent brands principally in Thailand and South Korea while establishing a joint venture to commence business operations in the Philippines.

Consequently, consolidated results for the period under review are as follows: Net sales increased 5.5% year on year to ¥159,874 million. Turning to profits, the Company recorded operating income of ¥2,250 million (down 32.3% compared with the corresponding period of the previous fiscal year) and ordinary income of ¥2,831 million (down 29.5%). These results were mainly due to the Company increasing competition costs in the period under review, reflecting efforts to cultivate its brands and to promote its new corporate message. Net income totaled ¥1,161 million compared with a ¥47 million net income in the same period of the previous fiscal year, during which a loss on disaster was recorded.

<Consolidated Results> (Millions of yen)

	1st half Ended Jun. 2012	Ratio to net sales	1st half Ended Jun. 2011	Ratio to net sales	Increase/decrease	Change
Net sales	159,874		151,479		8,394	5.5%
Operating income	2,250	1.4%	3,324	2.2%	(1,074)	(32.3%)
Ordinary income	2,831	1.8%	4,016	2.7%	(1,185)	(29.5%)
Net income	1,161	0.7%	47	0.0%	1,113	—

< Results by Business Segment >

(Millions of yen)

	Net sales				Segment income (Operating income)			
	1st half Ended Jun. 2012	1st half Ended Jun. 2011	Increase/decrease	Change	1st half Ended Jun. 2012	1st half Ended Jun. 2011	Increase/decrease	Change
Consumer Products	126,811	119,278	7,533	6.3%	930	2,057	(1,127)	(54.8%)
Industrial Products	24,243	24,914	(670)	(2.7%)	47	464	(416)	(89.7%)
Overseas	28,310	26,680	1,629	6.1%	876	325	551	169.4%
Other	14,386	11,799	2,586	21.9%	483	271	211	77.9%
Subtotal	193,751	182,672	11,079	6.1%	2,337	3,119	(781)	(25.1%)
Adjustment	(33,877)	(31,193)	(2,684)	—	(87)	205	(292)	—
Total	159,874	151,479	8,394	5.5%	2,250	3,324	(1,074)	(32.3%)

Results by Business Segments are as follows.

<Consumer Products Business>

The Consumer Products Business segment is divided into the Oral Care Products, Beauty Care Products, Fabric Care Products, Living Care Products, Pharmaceutical Products and Other Products businesses. Segment net sales increased 6.3% compared with the corresponding period of the previous fiscal year. However, segment income fell 54.8% primarily due to higher competition, reflecting Lion's efforts to cultivate its brands.

(Millions of yen)

	1st half Ended Jun. 2012	Ratio to net sales	1st half Ended Jun. 2011	Ratio to net sales	Increase/decrease	Change
Net sales	126,811		119,278		7,533	6.3%
Segment income	930	0.7%	2,057	1.7%	(1,127)	(54.8%)

Note: Net sales include internal net sales within and among segments, which amounted to ¥10,923 million in the first half of fiscal 2012 and ¥10,230 million in the first half of fiscal 2011.

[Net Sales by Products Segment]

(Millions of yen)

	1st half FY2012	1st half FY2011	Increase/decrease	Change
Oral Care Products	24,981	21,104	3,877	18.4%
Beauty Care Products	10,977	11,842	(864)	(7.3%)
Fabric Care Products	36,881	35,055	1,825	5.2%
Living Care Products	10,154	10,589	(434)	(4.1%)
Pharmaceutical Products	18,286	18,943	(657)	(3.5%)
Other Products	25,529	21,742	3,787	17.4%

Oral Care Products

In toothpaste, sales were strong for Lion's mainstay *Dentor Systema* brand while *Clinica Enamel Pearl*—the new medicated toothpaste that prevents cavities and increases the density of enamel to maintain strong, shiny, white teeth—garnered favorable consumer reviews. As a result, overall sales rose substantially compared with the corresponding period of the previous fiscal year.

In toothbrushes, *Dentor Systema* toothbrushes with super-tapered bristles and new-and-improved *Clinica* toothbrushes enjoyed favorable sales. Consequently, overall sales jumped significantly

compared with the same period of the previous fiscal year.

In mouthwashes, overall year-on-year sales increased considerably thanks to strong sales of the mainstay *Dentor Systema* brand and new-and-improved *Clinica Dental Rinse*.

Beauty Care Products

In hand soaps, *KireiKirei Medicated Foaming Hand Soap* recorded favorable sales. Accordingly, overall sales improved compared with the same period of the previous fiscal year.

In antiperspirants and deodorants, overall sales fell year on year amid sluggish sales of mainstay powder spray brands due to the negative impact of ongoing lower-than-average temperatures.

Fabric Care Products

In laundry detergents, new *Kaori Tsuzuku (Long-Lasting Fragrance) TOP plus*—blended with natural essential oils to provide a pleasantly long-lasting, abundant fragrance—received favorable consumer reviews while such liquid laundry detergents as new-and-improved *TOP NANOX* experienced strong sales. As a result, overall year-on-year sales increased. This rise occurred despite the negative effect of intensifying competition in the overall laundry detergent market, reflecting market shrinkage for power laundry detergents.

In fabric softeners, overall sales jumped significantly compared with the same period of the previous fiscal year owing to favorable sales of *Kaori to Deodorant no SOFLAN (SOFLAN with Fragrance and Deodorant) Aroma Rich* and firm sales of new-and-improved *Kaori to Deodorant no Soflan (Soflan with Fragrance and Deodorant)*, which features increased antibacterial power.

Living Care Products

In dishwashing detergents, although sales of the *CHARMY Awa no Chikara (Power of Suds)* series were steady, weak sales of *Charmy V* caused overall sales to remain unchanged compared with same period of the previous fiscal year.

In household cleaners, favorable consumer reviews were received for *Toire no Look (toilet bowl cleaner)*, a new product that washes away stubborn uric scale from the deepest crevice under the toilet bowl lip thanks to the newly designed, easy-pour, long-necked bottle. Despite this, overall sales declined compared with the corresponding period of the previous fiscal year because sales have run their course for new *LOOK Mame-Pika Toilet Cleaner*, which was released last year.

Pharmaceutical Products

In analgesics, *BUFFERIN Luna i*—which delivers quick relief from headaches and menstrual cramps while being easy on the stomach—received favorable consumer reviews. However, intensifying competition caused overall sales to decrease compared with the corresponding period of the previous fiscal year.

In eye drops, *Smile Contact AL-W*—a new product that effectively relieves both itchiness and discomfort when wearing contact lenses—garnered favorable consumer reviews. Despite this, overall sales declined compared with the same period of the previous fiscal year because of sluggish sales of *Smile 40*.

In insecticides, Lion released *Varsan Pro EX Non-Smoke Misty Type*, a fumigation agent that does not emit smoke or heat to avoid setting off fire alarms. However, overall year-on-year sales declined due to the impact of market shrinkage.

Other Products

In functional food products, Lion's mainstay *Nice rim essence Lactoferrin* experienced strong sales. In addition, Lion released *Tomatosu+Milk Peptide Seikatsu*, an easy-to-swallow health food supplement tablet that features powdered tomato vinegar and milk peptides, which are nutrients

extracted from milk. As a result, overall sales increased substantially compared with the corresponding period of the previous fiscal year.

In pet supplies, steady sales of *Nioi wo Toru Suna* (*Deodorizing Cat Litter*) led to a considerable improvement in overall sales compared with same period of the previous fiscal year.

<Industrial Products Business>

The Industrial Products Business segment engages in the manufacture and sale of activators derived from oils and fats, electro-conductive carbon, detergents for industrial use and other products. Segment net sales decreased 2.7% year on year. Segment income dropped 89.7% year on year.

	(Millions of yen)					
	1st half FY2012	Ratio to net sales	1st half FY2011	Ratio to net sales	Increase/ decrease	Change
Net sales	24,243		24,914		(670)	(2.7%)
Segment income	47	0.2%	464	1.9%	(416)	(89.7%)

Note: Net sales include internal net sales within and among segments, which amounted to ¥9,441 million in the first half of fiscal 2012 and ¥9,714 million in the first half of fiscal 2011.

In activators derived from oil and fats and electro-conductive carbon, overall sales declined compared with the same period of the previous fiscal year because of weak demand and intensifying competition.

In detergents for institutional-use, strong sales of alcohol sanitizers for kitchens led to an increase in overall sales compared with the same period of the previous fiscal year.

<Overseas Business>

The Overseas Business segment comprises businesses operations primarily in Thailand, South Korea and China. Segment net sales increased 6.1% year on year (or in terms of real net sales, which exclude the influence of exchange rate conversions, increased 11.0%). Segment income jumped 169.4% year on year mainly because of improvements in competition cost efficiency.

	(Millions of yen)					
	1st half FY2012	Ratio to net sales	1st half FY2011	Ratio to net sales	Increase/ decrease	Change
Net sales	28,310		26,680		1,629	6.1%
Segment income	876	3.1%	325	1.2%	551	169.4%

Note: Net sales include internal net sales within and among segments, which amounted to ¥1,519 million in the first half of fiscal 2012 and ¥1,360 million in the first half of fiscal 2011.

Conditions in Key Overseas Markets

In Thailand, overall sales increased substantially compared with the same period of the previous fiscal year. After yen conversions, the rise in overall sales remained significant. This result is attributable to a steady sales of *Pao* laundry detergent and strong sales of *Lipon* dishwashing detergent.

In South Korea, overall sales improved year on year owing to favorable sales of *Chamgreen* and *Kireikirei* hand soap brands. However, the effect of exchange rate fluctuations on yen conversions brought about a decrease in net sales.

In China, overall sales climbed substantially compared with the corresponding period of the previous fiscal year (even after yen conversions) due to strong sales of *Systema* brand toothbrushes.

<Other>

						(Millions of yen)
	1st half FY 2012	Ratio to net sales	1st half FY 2011	Ratio to net sales	Increase/ decrease	Change
Net sales	14,386		11,799		2,586	21.9%
Segment income	483	3.4%	271	2.3%	211	77.9%

Note: Net sales include internal net sales within and among segments, which amounted to ¥11,993 million in the first half of fiscal 2012 and ¥9,887 million in the first half of fiscal 2011.

In Other, overall segment sales increased 21.9% year on year to ¥14,386 million amid strong sales in the construction contractor business. In addition, Lion recorded a segment income totaling ¥483 million, a rise of 77.9% compared with the corresponding period of the previous fiscal year.

(2) Qualitative Information Concerning Consolidated Financial Status

1) Status of Assets, Liabilities, Net Assets for the First Half of the Current Fiscal Year

<Consolidated Financial Status >

	First Half Ended June 30, 2012	FY 2011 Year-end	Increase/ Decrease
Total assets (millions of yen)	248,221	249,272	(1,051)
Net assets (millions of yen)	107,595	105,252	2,342
Shareholders' equity to total assets ^{*1} (%)	41.8	40.9	0.9

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

Total assets fell ¥1,051 million compared with the previous consolidated fiscal year-end to ¥248,221 million. This is primarily attributable to a decrease in notes and accounts receivable—trade. Net assets increased ¥2,342 million year on year to ¥107,595 million. Shareholders' equity to total assets stood at 41.8%.

2) Status of Cash Flows for First Half Fiscal 2012

<Consolidated Cash Flows>

(Millions of yen)

	First Half FY2012	First Half FY2011	Increase/ Decrease
Net cash provided by (used in) operating activities	5,686	(9,861)	15,548
Net cash provided by (used in) investment activities	(5,153)	(5,317)	163
Net cash provided by (used in) financing activities	(2,115)	(4,807)	2,692
Effect of exchange rate change on cash and cash equivalents	62	(64)	127
Net increase (decrease) in cash and cash equivalents	(1,519)	(20,051)	18,531
Cash and cash equivalents at end of period	34,120	24,530	9,589

Net cash provided by operating activities totaled ¥5,686 million. Major components of this year-on-year turnaround from net cash used in operating activities included a decrease in notes and accounts receivable—trade.

Net cash used in investment activities totaled ¥5,153 million. Major components of this decline in cash flows included the purchase of property, plant and equipment.

Net cash used in financing activities totaled ¥2,115 million. Major components of this decrease in cash flows included repayments of loans payable and cash dividends paid.

As a result of the above, cash and cash equivalents as of June 30, 2012 decreased ¥1,519 million to ¥34,120 million compared with the consolidated fiscal year ended December 31, 2011 and

increased ¥9,589 million compared with the corresponding period of the previous fiscal year.

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

Consolidated financial results forecasts for the full fiscal year remain unchanged since being announced on February 10, 2012.

The Japanese economy is expected to remain uncertain for the foreseeable future due mainly to concerns of a global recession amid the worsening of the European debt crisis. This uncertainty persists despite signs of an economic recovery on the back of disaster reconstruction-related demand. The domestic toiletries industry—the Lion Group's main business domain—is expected to be negatively impacted by intensifying competition in stores.

Under these circumstances, the Lion Group aims to improve profitability and strengthen its business foundation by steadily implementing the strategies of the "V-1 Plan", cultivating key brands in Japan and overseas and continually reducing costs.

In the Consumer Products Business, the Group will release new products in both growing and new fields as it continues to cultivate mainstay brands.

In the Industrial Products Business, the Group aims to increase sales of such highly functional products as electro-conductive carbon, activators derived from oil and fats, and industrial cleaners.

In the Overseas Business, the Group will continue to cultivate key brands centered on the oral care and laundry detergent fields while commencing business operations at the joint venture company it established in the Philippines.

(Preconditions for the Estimated Figures in Outlook for Fiscal 2012)

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

¥78 = US\$1.00

¥2.5 = 1.00 baht

2. Summary (Other) Information

(1) Changes in Important Subsidiaries during the Period

None

(2) Special Accounting Treatment for Preparation of Quarterly Consolidated Financial Statements

None

(3) Changes in Accounting Policies and Changes in and Restatement of Accounting Estimates

(Application of Accounting Principles for Earnings per Share)

From the first quarter of the consolidated fiscal year ending December 31, 2012, Lion Corporation has applied the "Accounting Standard for Earnings per Share" (ASBJ Statement No. 2, June 30, 2010) and the "Guidance on Accounting Standard for Earnings per Share" (ASBJ Guidance No. 4, June 30, 2010) concerning the calculation of earnings per share—fully diluted.

The application of these accounting standards did not impact performance.

(Changes in the Treatment of Reversal of Valuation Loss based on Impairment Loss on Investment Securities)

Reversal of valuation loss based on impairment loss of investment securities recorded at the end of the consolidated quarterly accounting period had previously been calculated using the quarterly cost-or-market method. However, from the first quarter of the consolidated fiscal year ending December 31, 2012, Lion Corporation has applied the quarterly reversal method. This change in accounting method is intended to more appropriately display Lion Corporation's consolidated fiscal year-end financial position and operating results by eliminating the effect of short-term share price fluctuations during the fiscal period caused by a significant deterioration in recent economic conditions.

Retroactive application of the quarterly reversal method will not be undertaken because the effect of this change in accounting methods on impairment loss of investment securities is minimal.

3. Consolidated Quarterly Financial Reporting Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal Year Ended December 31, 2011	First Half Ended June 30, 2012
Assets		
Current assets		
Cash and deposits	25,478	23,420
Notes and accounts receivable-trade	55,193	50,957
Short-term investments securities	10,439	11,590
Merchandise and finished goods	20,277	22,389
Work in process	2,776	2,969
Raw materials and supplies	7,198	6,906
Other	5,913	6,992
Allowance for doubtful accounts	(53)	(57)
Total current assets	127,224	125,170
Noncurrent assets		
Property, plant and equipment	58,503	59,583
Intangible assets		
Right of trademark	18,968	17,158
Other	2,521	2,426
Total intangible assets	21,489	19,585
Investments and other assets		
Investment securities	22,386	24,861
Other	19,708	19,061
Allowance for doubtful accounts	(39)	(39)
Total Investments and other assets	42,055	43,883
Total noncurrent assets	122,048	123,051
Total assets	249,272	248,221

	Fiscal Year Ended December 31, 2011	First Half Ended June 30, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	42,078	41,505
Short-term loans payable	5,140	5,605
Current portion of long-term loans payable	2,416	2,416
Accounts payable-other and accrued expenses	37,885	37,420
Income taxes payable	1,349	1,073
Provision for bonuses	2,091	676
Provision for sales returns	569	589
Provision for sales promotion expenses	450	311
Provision for directors' bonuses	147	96
Other	2,474	2,764
Total current liabilities	94,603	92,461
Noncurrent liabilities		
Long-term loans payable	25,087	23,879
Provision for retirement benefits	19,153	19,147
Provision for directors' retirement benefits	267	256
Asset retirement obligation	323	321
Other	4,584	4,560
Total noncurrent liabilities	49,417	48,165
Total liabilities	144,020	140,626
Net assets		
Shareholders' equity		
Capital stock	34,433	34,433
Capital surplus	31,499	31,499
Retained earnings	56,755	56,265
Treasury stock	(16,653)	(16,512)
Total shareholders' equity	106,035	105,686
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(351)	1,563
Deferred gains or losses on hedges	(6)	(1)
Foreign currency translation adjustment	(3,628)	(3,452)
Total accumulated other comprehensive income	(3,986)	(1,890)
Subscription rights to shares	180	102
Minority interests	3,023	3,697
Total net assets	105,252	107,595
Total liabilities and net assets	249,272	248,221

(2) Consolidated Quarterly Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Quarterly Statements of Income	(Millions of yen)	
	First Half Ended June 30, 2011	First Half Ended June 30, 2012
Net sales	151,479	159,874
Cost of sales	64,429	69,356
Gross profit	87,049	90,517
Selling, general and administrative expenses	83,724	88,266
Operating income	3,324	2,250
Non-operating income		
Interest income	48	71
Dividends income	291	308
Equity in earnings of affiliates	575	314
Royalty income	114	101
Foreign exchange gains	18	43
Other	178	190
Total non-operating income	1,226	1,029
Non-operating expenses		
Interest expenses	442	356
Other	92	91
Total non-operating expenses	535	448
Ordinary income	4,016	2,831
Extraordinary income		
Gain on disposal of noncurrent assets	25	-
Reversal of allowance for doubtful accounts	22	-
Total extraordinary income	48	-
Extraordinary loss		
Loss on disposal of noncurrent assets	33	138
Impairment loss	3	71
Loss on disaster	2,800	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	190	-
Other	311	-
Total extraordinary losses	3,338	210
Income before income taxes	725	2,621
Income taxes-current	877	835
Income taxes-deferred	(506)	323
Total income taxes	371	1,159
Loss before minority interests	353	1,461
Minority interests in income	305	300
Net income	47	1,161

Consolidated Statement of Comprehensive Income (Millions of yen)

	First Half Ended June 30, 2011	First Half Ended June 30, 2012
Income before minority interests	353	1,461
Other comprehensive income		
Valuation difference on available-for-sale securities	(828)	1,930
Deferred gains or losses on hedges	16	5
Foreign currency translation adjustment	4	223
Share of other comprehensive income of associates accounted for using equity method	27	4
Total other comprehensive income	(780)	2,163
Comprehensive income	(426)	3,624
Comprehensive income attributable to:		
Comprehensive income attributable to owner of the parent	(742)	3,256
Comprehensive income attributable to minority interests	316	368

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	First Half Ended June 30, 2011	First Half Ended June 30, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	725	2,621
Depreciation and amortization	5,954	5,675
Impairment loss	3	71
Increase (decrease) in provision for retirement benefits	(631)	(420)
Interest and dividends income	(340)	(380)
Interest expenses	442	356
Loss (gain) on disposal of noncurrent assets	8	138
Equity in (earnings) losses of affiliates	(575)	(314)
Decrease (increase) in notes and accounts receivable-trade	2,367	4,398
Decrease (increase) in inventories	(3,235)	(1,940)
Increase (decrease) in notes and accounts payable-trade	(10,891)	(715)
Increase (decrease) in accounts payable-other and accrued expenses	(2,068)	(833)
Increase (decrease) in other current liabilities	780	(22)
Decrease (increase) in other current assets	(441)	(1,304)
Other, net	(1,034)	(1,289)
Subtotal	(8,934)	6,042
Interest and dividends income received	771	733
Interest expenses paid	(479)	(331)
Income taxes paid	(1,219)	(758)
Net cash provided by (used in) operating activities	(9,861)	5,686
Net cash provided by (used in) investment activities		
Decrease (increase) in time deposits	(3)	(618)
Purchases of property, plant and equipment	(4,720)	(4,007)
Proceeds from sales of property, plant and equipment	38	58
Purchase of intangible assets	(584)	(523)
Purchase of investment securities	(54)	(52)
Proceeds from sales of investment securities	0	0
Payments of loans receivable	(7)	-
Collection of loans receivable	6	7
Other, net	8	(18)
Net cash provided by (used in) investment activities	(5,317)	(5,153)

Lion Corporation (Code 4912): Consolidated Financial Statements for the
First Half Ended June 30, 2012

	First Half Ended June 30, 2011	First Half Ended June 30, 2012
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	5,747	8,244
Decrease in short-term loans payable	(5,807)	(7,817)
Repayment of long-term loans payable	(3,083)	(1,208)
Purchase of treasury stock	(18)	(10)
Proceeds from disposal of treasury stock	2	2
Cash dividends paid	(1,344)	(1,614)
Cash dividend to minority shareholders	(167)	(181)
Proceeds from issuance of common stock to minority shareholders involve the establishment of a consolidated subsidiary	-	545
Other, net	(135)	(76)
Net cash provided by (used in) financing activities	(4,807)	(2,115)
Effect of exchange rate change on cash and cash equivalents	(64)	62
Net increase (decrease) in cash and cash equivalents	(20,051)	(1,519)
Cash and cash equivalents at beginning of period	44,582	35,640
Cash and cash equivalents at end of period	24,530	34,120

(4) Notes Regarding Going Concern Assumptions

None

(5) Segment Information

1. First Half Ended June 30, 2011 (January 1 to June 30, 2011)

1) Information Regarding Net Sales, Profits and Losses for Each Reportable Segment

(Millions of yen)

	Reportable segments			Other	Total	Adjustment ^{*2}	Consolidated total ^{*3}
	Consumer Products Business	Industrial Products Business	Overseas Business				
1. Net sales							
(1) Sales to external customers	109,047	15,199	25,319	1,912	151,479	-	151,479
(2) Intersegment sales ^{*1}	10,230	9,714	1,360	9,887	31,193	(31,193)	-
Total	119,278	24,914	26,680	11,799	182,672	(31,193)	151,479
Segment income	2,057	464	325	271	3,119	205	3,324

Notes: 1. Internal transactions are included within reportable segments.

2. Segment income adjustments totaling ¥205 million are composed mainly of internal transaction eliminations.

3. Segment income is adjusted based on operating income in consolidated quarterly income statements.

2. First Half Ended Jun. 30, 2012 (January 1 to June 30, 2012)

1) Information Regarding Net Sales, Profits and Losses for Each Reportable Segment

(Millions of yen)

	Reportable segments			Other	Total	Adjustment ^{*2}	Consolidated total ^{*3}
	Consumer Products Business	Industrial Products Business	Overseas Business				
1. Net sales							
(1) Sales to external customers	115,888	14,802	26,791	2,392	159,874	-	159,874
(2) Intersegment sales ^{*1}	10,923	9,441	1,519	11,993	33,877	(33,877)	-
Total	126,811	24,243	28,310	14,386	193,751	(33,877)	159,874
Segment income (loss)	930	47	876	483	2,337	(87)	2,250

Notes: 1. Internal transactions are included within reportable segments.

2. Segment income and losses adjustments totaling ¥(87) million are composed mainly of internal transaction eliminations.

3. Segment income is adjusted based on operating income in consolidated quarterly income statements.

(6) Notes in the Event of Significant Changes in Amount of Shareholders' Equity

None

(7) Supplemental Information

From the first quarter of the consolidated fiscal year ending December 31, 2012, Lion Corporation has applied the "Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No.24, December 4, 2009)" and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No.24, December 4, 2009)" to make changes in accounting principles and correct errors from previous years.