

Summary of Consolidated Financial Statements for the First Half Ended June 30, 2013 [Japanese Standard]

August 2, 2013

Company name: Lion Corporation
Listed stock exchanges: Tokyo Stock Exchange
Code: 4912
URL: <http://www.lion.co.jp/>

Representative: Itsuo Hama, Representative Director and President
Contact: Yoshiaki Kamao, Director of Finance Department
Telephone: +81-3-3621-6211

Scheduled date of filing of quarterly financial report (Shihanki Houkokusho): August 13, 2013
Start date for payment of dividend: September 5, 2013
Supplementary materials prepared for quarterly results: Yes
Quarterly results information meeting held: Yes (for institutional 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, 2013

(January 1, 2013 – Jun. 30, 2013)

(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 FY2013	166,041	3.9	2,872	27.7	3,911	38.1	2,102	81.1
First Half FY2012	159,874	5.5	2,250	(32.3)	2,831	(29.5)	1,161	—

Note: Comprehensive Income

Jun. 30, 2013: ¥7,005 million [93.3%], Jun. 30, 2012: ¥3,624 million [—%]

	EPS	Diluted EPS
	Yen	Yen
First Half FY2013	7.83	7.82
First Half FY2012	4.32	4.32

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets
	Millions of yen	Millions of yen	%
First Half FY2013	264,919	119,400	43.0
FY 2012	257,595	114,163	42.4

Note: Shareholders' equity: Jun. 30, 2013: ¥114,045 million, FY 2012: ¥109,261 million

2. Dividend

Record Date	Cash dividend per share / Yen				
	First Quarter	Second Quarter	Third Quarter	Year-End	Annual
FY 2012	—	5.00	—	5.00	10.00
FY 2013 actual	—	5.00			
FY 2013 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, 2013 (January 1, 2013 – December 31, 2013)

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 2013	352,000	5.0	10,000	38.6	11,000	28.4	6,000	41.6	22.35

Note: Revision to consolidated performance forecast during period under review: Yes

Please refer to Lion's Performance Forecasts and Results for First Half of Fiscal 2013 Differ; Lion Revises Performance Forecasts announced on August 2, 2013 regarding revisions of consolidated financial results forecasts.

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: No
 - b. Other changes: No
 - 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, 2013: 299,115,346 shares
 - As of December 31, 2012: 299,115,346 shares
 - b. Number of treasury stocks on balance sheet date:
 - As of Jun. 30, 2013: 30,745,993 shares
 - As of December 31, 2012: 30,713,613 shares
 - c. Average shares outstanding over period (cumulative; consolidated)
 - As of Jun. 30, 2013: 268,384,913 shares
 - As of Jun. 30, 2012: 268,609,488 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

There was a sense of recovery in the Japanese economy during the first half of fiscal 2013 (January 1, 2013 – June 30, 2013), as corporate profits improved alongside a pickup in personal consumption amid indications of consumer prices bottoming out.

The business environment in the Lion Group's main business domain, the domestic toiletries industry, remained severe, as competition in stores remained intense, despite signs that unit prices were ceasing to fall.

In this harsh environment, the Lion Group is implementing its medium-term management plan, "Vision 2020 Part-1 (V-1 Plan)," centering on 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.

Domestically, Lion worked to nurture high-value-added products, such as new toothbrushes, antiperspirants and deodorants, fabric softeners and eye drops, while seeking to improve profitability by promoting cost-efficient sales promotion. In direct-to-consumer sales products, the Group reinforced advertising campaigns for functional food and other products, increased its scale of operations, and introduced new hair care products targeted at mature women.

Overseas, the Group promoted the cultivation of products in the key oral care and laundry detergent fields, principally in Thailand.

Consequently, consolidated results for the period under review are as follows: Net sales amounted to ¥166,041 million, a year-on-year increase of 3.9% (or a decrease of 0.5% in terms of real net sales, which exclude the influence of exchange rate conversions). The Company recorded operating income of ¥2,872 million, up 27.7% compared with the same period of the previous fiscal year, and ordinary income of ¥3,911 million, up 38.1% year on year. Net income stood at ¥2,102 million, a year-on-year increase of 81.8%.

<Consolidated Results>

(Millions of yen)

	1st half Ended Jun. 2013	Ratio to net sales	1st half Ended Jun. 2012	Ratio to net sales	Increase/ decrease	Change
Net sales	166,041		159,874		6,167	3.9%
Operating income	2,872	1.7%	2,250	1.4%	622	27.7%
Ordinary income	3,911	2.4%	2,831	1.8%	1,079	38.1%
Net income	2,102	1.3%	1,161	0.7%	941	81.1%

< Results by Business Segment >

(Millions of yen)

	Net sales				Segment income (Operating income)			
	1st half Ended Jun. 2013	1st half Ended Jun. 2012	Increase/ decrease	Change	1st half Ended Jun. 2013	1st half Ended Jun. 2012	Increase/ decrease	Change
Consumer Products	124,277	126,811	(2,534)	(2.0%)	1,323	930	393	42.3%
Industrial Products	24,058	24,243	(185)	(0.8%)	256	47	208	433.8%
Overseas	37,747	28,310	9,436	33.3%	836	876	(39)	(4.5%)
Other	12,896	14,386	(1,489)	(10.4%)	327	483	(155)	(32.3%)
Subtotal	198,978	193,751	5,227	2.7%	2,743	2,337	406	17.4%
Adjustment	(32,937)	(33,877)	940	—	129	(87)	216	—
Total	166,041	159,874	6,167	3.9%	2,872	2,250	622	(27.7%)

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 decreased 2.0% compared to the same period of the previous fiscal year. Segment income increased 42.3% due in part to the cultivation of high-value-added products and decreased competition costs, including improved efficiency in sales promotion expenses.

(Millions of yen)

	1st half Ended Jun. 2013	Ratio to net sales	1st half Ended Jun. 2012	Ratio to net sales	Increase/ decrease	Change
Net sales	124,277		126,811		(2,534)	(2.0%)
Segment income	1,323	1.1%	930	0.7%	393	42.3%

Note: Net sales include internal net sales within and among segments, which amounted to ¥10,659 million in the first half of fiscal 2013 and ¥10,923 million in the first half of fiscal 2012.

[Net Sales by Products Segment]

(Millions of yen)

	1st half FY2013	1st half FY2012	Increase/ decrease	Change
Oral Care Products	23,736	24,981	(1,244)	(5.0%)
Beauty Care Products	9,939	10,977	(1,038)	(9.5%)
Fabric Care Products	37,475	36,881	593	1.6%
Living Care Products	9,943	10,154	(211)	(2.1%)
Pharmaceutical Products	16,885	18,286	(1,400)	(7.7%)
Other Products	26,295	25,529	765	3.0%

Oral Care Products

In toothpaste, sales of Lion's mainstay brand *Dentor Systema* were strong, with *Dentor Systema Toothpaste Sensitive Care*, launched last autumn, gaining favorable consumer reviews. However, due in part to slow sales of *Dentor Clear MAX*, overall sales were lower than those in the corresponding period of the previous fiscal year.

In toothbrushes, sales of new *Clinica Advantage* toothbrushes, featuring an extremely thin head and slender neck to clean the back of the molars, garnered favorable consumer reviews, but overall sales

were lower than those in the same period of the previous fiscal year.

In mouthwashes, sales of *Dentor Systema* dental rinses were firm, but sales of *Clinica* dental rinses were sluggish, resulting in a year-on-year decrease in overall sales.

Beauty Care Products

In hand soaps, while sales of new-and-improved *KireiKirei Medicated Foaming Hand Soap* were solid, sales of regular hand soaps were stagnant. As a result, overall sales were lower than those in the same period of the previous fiscal year.

In antiperspirants and deodorants, new *Ban Shower Deodorant*, an aqueous mist spray deodorant that provides a long-lasting feeling of smooth skin thanks to proprietary micro powder ingredients, garnered favorable consumer reviews. However, sluggish sales of Lion's mainstay *Ban Deodorant Powder Spray* line resulted in overall sales that were lower than those in the same period of the previous fiscal year.

Fabric Care Products

In laundry detergents, *TOP HYGIA*, a super-concentrated liquid laundry detergent that enhances the antibacterial properties of clothing through washing, gained favorable consumer reviews. However, powder detergents were affected by market shrinkage, and overall sales were level with those of the corresponding period of the previous fiscal year.

In fabric softeners, the *Kaori to Deodorant no SOFLAN (SOFLAN with Fragrance and Deodorant) Aroma Rich* series saw the introduction of a new fragrance, *Annie*, based on the scent of berry-laden confections, and enjoyed strong sales. Overall sales were substantially greater than those in the same period of the previous fiscal year.

Living Care Products

In dishwashing detergents, sales of the *CHARMY Awa no Chikara (Power of Suds)* series were weak, leading to a year-on-year decrease in overall sales.

In household cleaners, bathroom mold inhibitor *LOOK Bath Antimold Fogger* garnered favorable consumer reviews, and overall sales increased considerably year on year.

In cooking-aid products, sales of *REED Healthy-Cooking Paper* were sluggish, and overall sales were less than those in the corresponding period of the previous fiscal year.

Pharmaceutical Products

In analgesics, sales of Lion's mainstay brand *BUFFERIN A* were affected by intensifying competition, and overall sales fell year on year.

In eye drops, *Smile 40 Premium*, a new, effective ophthalmic remedy that helps alleviate tired, bleary eyes caused by aging and overuse, as well as *Smile 40EX GOLD Mild*, featuring a milder cooling sensation for gentle, comfortable application, both received favorable consumer reviews. As a result, overall sales were firm.

In digestive medicines, the *Sucrate Ichoyaku* series, which is highly effective in relieving stomach pain, heaviness in the stomach and heartburn experienced when the stomach is empty, received favorable consumer reviews, and overall sales were significantly higher than those in the same period of the previous fiscal year.

In tonics and nutrients, sales of *Guronsan* and *New Guromont* brand health drinks were impacted by market shrinkage, resulting in overall sales that were below those of the same period of the previous fiscal year.

Other Products

In direct-to-consumer sales products, within functional food products, sales of Lion's mainstay brand *Nice rim essence Lactoferrin* were strong, and overall sales rose substantially year-on-year. Lion also introduced *Fleuria*, a hair care series for the mature woman that promotes beautiful and healthy hair.

In pet supplies, sales of *Pet Kirei Nioi wo Toru Suna (Deodorizing Car Litter)* were firm, but overall sales remained level with those in the corresponding 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 institutional use and other products. Segment net sales decreased 0.8% compared with the corresponding period of the previous fiscal year. Segment income, however, increased 433.8% year on year due in part to extended sales of highly profitable products.

(Millions of yen)

	1st half FY2013	Ratio to net sales	1st half FY2012	Ratio to net sales	Increase/ decrease	Change
Net sales	24,058		24,243		(185)	(0.8%)
Segment income	256	1.1%	47	0.2%	208	433.8%

Note: Net sales include internal net sales within and among segments, which amounted to ¥9,211 million in the first half of fiscal 2013 and ¥9,441 million in the first half of fiscal 2012.

In activators derived from fats and oils, despite strong sales of raw materials for detergents and shampoos, sales of products for other uses were stagnant, and overall sales were on level with those of the corresponding period of the previous fiscal year.

In electro-conductive carbon, overseas sales of products used in electronics devices were firm, and overall sales increased considerably year on year.

In detergents for institutional use, sales of hand soaps and alcohol sanitizers for kitchen use were strong, leading to overall sales that were considerably higher than those in 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 33.3% year on year (or in terms of real net sales, which exclude the influence of exchange rate conversions, increased 7.8%). Segment income decreased 4.5% due to increases in competition costs made in order to strengthen market position.

(Millions of yen)

	1st half FY2013	Ratio to net sales	1st half FY2012	Ratio to net sales	Increase/ decrease	Change
Net sales	37,747		28,310		9,436	33.3%
Segment income	836	2.2%	876	3.1%	(39)	(4.5%)

Note: Net sales include internal net sales within and among segments, which amounted to ¥1,906 million in the first half of fiscal 2013 and ¥1,519 million in the first half of fiscal 2012.

Conditions in Key Overseas Markets

In Thailand, sales of *Systema* toothbrushes were favorable, and sales of *Pao* brand laundry detergent were firm. As a result, overall sales increased substantially compared with the same period of the previous fiscal year. Overall sales after yen conversions also rose significantly.

In South Korea, sales of *KireiKirei* hand soap and *Beat* brand liquid laundry detergent were strong. Overall sales edged up year on year, while overall sales after yen conversions were much higher.

In China, although sales of *Systema* toothbrushes were strong, exports of travel toothbrush sets

decreased, leading to a year-on-year decrease in overall sales. However, due to fluctuations in exchange rates, overall sales after yen conversions were substantially increased.

<Other>

(Millions of yen)

	1st half FY 2013	Ratio to net sales	1st half FY 2012	Ratio to net sales	Increase/ decrease	Change
Net sales	12,896		14,386		(1,489)	(10.4%)
Segment income	327	2.5%	483	3.4%	(155)	(32.3%)

Note: Net sales include internal net sales within and among segments, which amounted to ¥11,159 million in the first half of fiscal 2013 and ¥11,993 million in the first half of fiscal 2012.

In Other, the construction contracting business market was sluggish, leading to overall sales of ¥12,896 million, a year-on-year decrease of 10.4%. Segment income came to ¥327 million, down 32.3% from the same 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, 2013	FY 2012 Year-end	Increase/ Decrease
Total assets (millions of yen)	264,919	257,595	7,323
Net assets (millions of yen)	119,400	114,163	5,236
Shareholders' equity to total assets ^{*1} (%)	43.0	42.4	0.6

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

Total assets increased ¥7,323 million yen compared with the previous consolidated fiscal year-end to ¥264,919 million, due mainly to an increase in property, plant and equipment. Net assets increased ¥5,236 million year on year to ¥119,400 million. Shareholder's equity to total assets stood at 43.0%.

2) Status of Cash Flows for First Half Fiscal 2013

<Consolidated Cash Flows>

(Millions of yen)

	First Half FY2013	First Half FY2012	Increase/ Decrease
Net cash provided by (used in) operating activities	10,226	5,686	4,540
Net cash provided by (used in) investing activities	(9,884)	(5,153)	(4,730)
Net cash provided by (used in) financing activities	(1,424)	(2,115)	691
Effect of exchange rate change on cash and cash equivalents	463	62	400
Net increase (decrease) in cash and cash equivalents	(618)	(1,519)	901
Cash and cash equivalents at end of period	40,295	34,120	6,174

Net cash provided by operating activities totaled ¥10,226 million, due mainly to a decrease in notes and accounts receivable—trade.

Net cash used in investing activities totaled ¥9,884 million, due in part to the purchase of property, plant and equipment.

Net cash used in financing activities totaled ¥1,424 million, due largely to repayments of loans payable and cash dividends paid.

As a result of the above, cash and cash equivalents as of June 30, 2013 decreased ¥618 million to

¥40,295 million compared with the end of the previous fiscal year, and increased ¥6,174 million compared with the end of the corresponding period of the previous fiscal year.

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

As announced on August 2, 2013, consolidated fiscal results forecasts for the full fiscal year, specifically forecasts of net sales, have been revised since the initial release of forecasts on February 12, 2013, to reflect recent fluctuations in exchange rates. Details can be found in the press release, "Lion's Performance Forecasts and Results for First Half of Fiscal 2013 Differ; Lion Revises Performance Forecast."

Although continued improvement in personal consumption and corporate profits is expected in the Japanese economy, the economic outlook is expected to remain unclear, as concerns remain over economic deceleration in emerging countries, debt problems in European countries and other global economic trends.

In addition to rises in materials costs, intense competition in stores is expected to continue in the domestic toiletries industry, the Lion Group's main business domain. Lion will continue to cultivate its key brands and take measures to reduce costs and make competition costs more efficient to improve profitability.

(Preconditions for the Estimated Figures in Outlook for Fiscal 2013)

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

¥95 = US\$1.00

¥3.2 = 1.00 baht

2. Summary Information and Note

(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

None

3. Consolidated Quarterly Financial Reporting Statements
(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal Year Ended December 31, 2012	First Half Ended June 30, 2013
Assets		
Current assets		
Cash and deposits	26,149	26,010
Notes and accounts receivable-trade	51,218	50,708
Short-term investments securities	16,358	16,322
Merchandise and finished goods	20,383	21,444
Work in process	3,496	3,037
Raw materials and supplies	7,954	7,358
Other	5,527	5,800
Allowance for doubtful accounts	(41)	(38)
Total current assets	131,047	130,643
Noncurrent assets		
Property, plant and equipment	61,955	66,473
Intangible assets		
Right of trademark	15,301	13,436
Other	2,453	2,218
Total intangible assets	17,754	15,654
Investments and other assets		
Investment securities	28,564	33,077
Other	18,312	19,114
Allowance for doubtful accounts	(39)	(45)
Total Investments and other assets	46,837	52,146
Total noncurrent assets	126,547	134,275
Total assets	257,595	264,919

(Millions of yen)

	Fiscal Year Ended December 31, 2012	First Half Ended June 30, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	40,530	44,204
Short-term loans payable	5,943	7,807
Current portion of long-term loans payable	2,416	2,416
Accounts payable-other and accrued expenses	39,650	37,468
Income taxes payable	1,532	1,223
Provision for bonuses	1,928	652
Provision for sales returns	664	659
Provision for sales promotion expenses	408	737
Provision for directors' bonuses	147	101
Other	2,920	2,669
Total current liabilities	96,142	97,941
Noncurrent liabilities		
Long-term loans payable	22,670	21,462
Provision for retirement benefits	19,231	19,265
Provision for directors' retirement benefits	331	374
Asset retirement obligation	324	338
Other	4,731	6,136
Total noncurrent liabilities	47,288	47,577
Total liabilities	143,431	145,518
Net assets		
Shareholders' equity		
Capital stock	34,433	34,433
Capital surplus	31,499	31,499
Retained earnings	57,996	58,757
Treasury stock	(16,656)	(16,673)
Total shareholders' equity	107,273	108,016
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,688	5,967
Deferred gains or losses on hedges	6	(13)
Foreign currency translation adjustment	(1,708)	74
Total accumulated other comprehensive income	1,987	6,028
Subscription rights to shares	129	160
Minority interests	4,772	5,193
Total net assets	114,163	119,400
Total liabilities and net assets	257,595	264,919

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

Consolidated Quarterly Statements of Income (cumulative)

(Millions of yen)

	First Half Ended June 30, 2012 (January 1 to June 30, 2012)	First Half Ended June 30, 2013 (January 1 to June 30, 2013)
Net sales	159,874	166,041
Cost of sales	69,356	72,670
Gross profit	90,517	93,371
Selling, general and administrative expenses	88,266	90,498
Operating income	2,250	2,872
Non-operating income		
Interest income	71	107
Dividends income	308	371
Equity in earnings of affiliates	314	452
Royalty income	101	126
Foreign exchange gains	43	151
Other	190	253
Total non-operating income	1,029	1,463
Non-operating expenses		
Interest expenses	356	342
Other	91	82
Total non-operating expenses	448	425
Ordinary income	2,831	3,911
Extraordinary income		
Gain on sales of investment securities	-	451
Gain on disposal of noncurrent assets	-	40
Total extraordinary income	-	492
Extraordinary loss		
Loss on disposal of noncurrent assets	138	224
Impairment loss	71	53
Total extraordinary losses	210	277
Income before income taxes	2,621	4,125
Income taxes-current	835	942
Income taxes-deferred	323	680
Total income taxes	1,159	1,622
Income before minority interests	1,461	2,503
Minority interests in income	300	400
Net Income	1,161	2,102

Consolidated Statement of Comprehensive Income (cumulative)

(Millions of yen)

	First Half Ended June 30, 2012 (January 1 to June 30, 2012)	First Half Ended June 30, 2013 (January 1 to June 30, 2013)
Income before minority interests	1,461	2,503
Other comprehensive income		
Valuation difference on available-for-sale securities	1,930	2,243
Deferred gains or losses on hedges	5	(19)
Foreign currency translation adjustment	223	2,003
Share of other comprehensive income of associates accounted for using equity method	4	274
Total other comprehensive income	2,163	4,501
Comprehensive income	3,624	7,005
Comprehensive income attributable to:		
Comprehensive income attributable to owner of the parent	3,256	6,144
Comprehensive income attributable to minority interests	368	861

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	First Half Ended June 30, 2012 (January 1 to June 30, 2012)	First Half Ended June 30, 2013 (January 1 to June 30, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,621	4,125
Depreciation and amortization	5,675	5,414
Impairment loss	71	53
Increase (decrease) in provision for retirement benefits	(420)	(633)
Interest and dividends income	(380)	(479)
Interest expenses	356	342
Loss (gain) on disposal of noncurrent assets	138	183
Loss (gain) on sales of investment securities	-	(451)
Equity in (earnings) losses of affiliates	(314)	(452)
Decrease (increase) in notes and accounts receivable-trade	4,398	1,818
Decrease (increase) in inventories	(1,940)	619
Increase (decrease) in notes and accounts payable-trade	(715)	3,061
Increase (decrease) in accounts payable-other and accrued expenses	(833)	(1,460)
Increase (decrease) in other current liabilities	(22)	258
Decrease (increase) in other current assets	(1,304)	(736)
Other, net	(1,289)	(883)
Subtotal	6,042	10,781
Interest and dividends income received	733	716
Interest expenses paid	(331)	(293)
Income taxes paid	(758)	(977)
Net cash provided by (used in) operating activities	5,686	10,226
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	(618)	(188)
Purchases of property, plant and equipment	(4,007)	(9,186)
Proceeds from sales of property, plant and equipment	58	41
Purchase of intangible assets	(523)	(71)
Purchase of investment securities	(52)	(795)
Proceeds from sales of investment securities	0	515
Payments of loans receivable	-	(163)
Collection of loans receivable	7	1
Other, net	(18)	(37)
Net cash provided by (used in) investment activities	(5,153)	(9,884)

Lion Corporation (Code 4912): Consolidated Financial Statements for the
First Half Ended June 30, 2013

(Millions of yen)

	First Half Ended June 30, 2012 (January 1 to June 30, 2012)	First Half Ended June 30, 2013 (January 1 to June 30, 2013)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	8,244	10,038
Decrease in short-term loans payable	(7,817)	(8,515)
Repayment of long-term loans payable	(1,208)	(1,208)
Purchase of treasury stock	(10)	(17)
Proceeds from disposal of treasury stock	2	0
Cash dividends paid	(1,614)	(1,347)
Cash dividend to minority shareholders	(181)	(322)
Proceeds from issuance of common stock to minority shareholders involve the establishment of a consolidated subsidiary	545	-
Other, net	(76)	(52)
Net cash provided by (used in) financing activities	(2,115)	(1,424)
Effect of exchange rate change on cash and cash equivalents	62	463
Net increase (decrease) in cash and cash equivalents	(1,519)	(618)
Cash and cash equivalents at beginning of period	35,640	40,913
Cash and cash equivalents at end of period	34,120	40,295

(4) Notes Regarding Going Concern Assumptions

None

(5) Segment Information

1. 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.

2. First Half Ended Jun. 30, 2013 (January 1 to June 30, 2013)

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	113,617	14,846	35,841	1,736	166,041	—	166,041
(2) Intersegment sales ^{*1}	10,659	9,211	1,906	11,159	32,937	(32,937)	—
Total	124,277	24,058	37,747	12,896	198,978	(32,937)	166,041
Segment income (loss)	1,323	256	836	327	2,743	129	2,872

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

2. Segment income and losses adjustments totaling ¥129 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