

Summary of Consolidated Financial Statements for the First Half Ended June 30, 2015 [Japanese Standard]

August 5, 2015

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 11, 2015
Start date for payment of dividend: September 4, 2015
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, 2015

(January 1, 2015 – June 30, 2015)

(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	%
2015 First Half	180,283	2.1	5,698	44.0	6,647	47.4	3,898	58.1
2014 First Half	176,633	6.4	3,958	37.8	4,508	15.3	2,466	17.3

Note: Comprehensive Income

June 30, 2015: ¥7,694 million [584.4%], June 30, 2014: ¥1,124 million [-84.0%]

	EPS	Diluted EPS
	Yen	Yen
2015 First Half	14.53	13.53
2014 First Half	9.19	8.97

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets
	Millions of yen	Millions of yen	%
2015 First Half	277,703	128,563	43.8
2014	283,352	127,434	42.6

Note: Shareholders' equity: June 30, 2015: ¥121,696 million
December 31, 2014: ¥120,635 million

2. Dividend

Record Date	Cash dividend per share / Yen				
	First Quarter	Second Quarter	Third Quarter	Year-End	Annual
2014	—	5.00	—	5.00	10.00
2015 actual	—	5.00			
2015 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, 2015 (January 1, 2015 – December 31, 2015)

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
2015	375,000	2.1	14,200	14.5	15,700	11.7	8,500	15.4	31.70

Note: Revision to consolidated performance forecast during period under review: No

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: 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 June 30, 2015: 299,115,346 shares
 - As of December 31, 2014: 299,115,346 shares
 - b. Number of treasury stocks on balance sheet date:
 - As of June 30, 2015: 30,994,242 shares
 - As of December 31, 2014: 31,001,366 shares
 - c. Average shares outstanding over period (cumulative; consolidated)
 - As of June 30, 2015: 268,137,115 shares
 - As of June 30, 2014: 268,224,153 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 6.

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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

During the first half of fiscal 2015 (January 1, 2015–June 30, 2015), net sales amounted to ¥180,283 million, a year-on-year increase of 2.1% (or a decrease of 1.3% in terms of real net sales, which exclude the influence of exchange rate conversions). The Company recorded operating income of ¥5,698 million, up 44.0% from the corresponding period of the previous fiscal year, and ordinary income of ¥6,647 million, up 47.4%. Net income for the first half of the current fiscal year stood at ¥3,898 million, a year-on-year increase of 58.1%.

During the fiscal year under review, the Lion Group launched its medium-term management plan, the V-2 Plan (Vision2020 Part-2). The Lion Group is advancing initiatives based on the four basic strategies of this plan: (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 introduced new products under one of its mainstay dishwashing detergent brands and launched and worked to nurture such new, high-value-added products as toothbrushes, antiperspirants and deodorants, and bleaches.

Overseas, the Group implemented proactive marketing initiatives, focusing mainly on the personal care field, including oral care and beauty care products, seeking to cultivate markets for its key brands.

<Consolidated Results>

(Millions of yen)

	1st Half Ended Jun. 2015	Ratio to net sales	1st Half Ended Jun. 2014	Ratio to net sales	Increase/decrease	Change
Net sales	180,283		176,633		3,649	2.1%
Operating income	5,698	3.2%	3,958	2.2%	1,740	44.0%
Ordinary income	6,647	3.7%	4,508	2.6%	2,138	47.4%
Net income	3,898	2.2%	2,466	1.4%	1,432	58.1%

< Results by Business Segment >

(Millions of yen)

	Net sales				Segment income (Operating income)			
	1st Half Ended Jun. 2015	1st Half Ended Jun. 2014	Increase/ decrease	Change	1st Half Ended Jun. 2015	1st Half Ended Jun. 2014	Increase/ decrease	Change
Consumer Products	129,293	133,056	(3,763)	(2.8%)	2,527	2,274	252	11.1%
Industrial Products	29,015	28,849	165	0.6%	691	1,028	(336)	(32.7%)
Overseas	48,749	40,333	8,416	20.9%	1,612	387	1,225	316.6%
Other	14,320	13,364	956	7.2%	494	219	275	125.5%
Subtotal	221,378	215,603	5,774	2.7%	5,326	3,909	1,416	36.2%
Adjustment	(41,094)	(38,969)	(2,124)	—	372	48	323	661.8%
Total	180,283	176,633	3,649	2.1%	5,698	3,958	1,740	44.0%

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 2.8% compared with the previous fiscal year. Segment income increased 11.1% due to strong sales of high-value-added products and decreases in raw materials costs.

(Millions of yen)

	1st Half Ended Jun. 2015	Ratio to net sales	1st Half Ended Jun. 2014	Ratio to net sales	Increase/ decrease	Change
Net sales	129,293		133,056		(3,763)	(2.8%)
Segment income	2,527	2.0%	2,274	1.7%	252	11.1%

Note: Net sales include internal net sales within and among segments, which amounted to ¥12,746 million in the first half of 2015 and ¥12,440 million in the first half of 2014.

[Net Sales by Products Segment]

(Millions of yen)

	1st Half Ended Jun. 2015	1st Half Ended Jun. 2014	Increase/ decrease	Change
Oral Care Products	26,795	25,682	1,112	4.3%
Beauty Care Products	10,909	11,410	(501)	(4.4%)
Fabric Care Products	36,690	40,558	(3,868)	(9.5%)
Living Care Products	9,987	9,750	237	2.4%
Pharmaceutical Products	17,831	17,554	276	1.6%
Other Products	27,079	28,100	(1,021)	(3.6%)

Oral Care Products

In toothpastes, Lion focused on cultivating the mainstay *CLINICA* and *SYSTEMA* brands and released new *CLINICA ADVANTAGE Dental Gel*, a product that, used before going to bed, ensures that fluoride remains in the mouth all night long, strengthening teeth as the user sleeps and helping to prevent dental caries. Overall sales increased slightly compared with the corresponding period of the previous fiscal year.

In toothbrushes, sales of *CLINICA ADVANTAGE toothbrushes* were firm, and the new *SYSTEMA Arch*

Fit Toothbrush, which features an arch-shaped brush to fit closely against teeth and scrub away grime from every nook and crevice, helping to clean the gingival sulcus, received favorable consumer reviews. Accordingly, overall sales rose significantly compared with the corresponding period of the previous fiscal year.

Beauty Care Products

In hand soaps, sales of *KireiKirei Medicated Foaming Hand Soap* were steady, and Lion released new *KireiKirei Medicated Foaming Hand Soap for the Kitchen*, a product that effectively removes even meat grease as well as fish odors that linger on hands after food preparation. Consequently, overall sales edged up slightly year on year.

In antiperspirants and deodorants, new *Ban Odor-Blocking Roll-On*, formulated with a nano ion antibacterial agent that provides lasting odor blocking, received favorable consumer reviews. However, sales of powder spray brands were sluggish. As a result, overall sales fell short of those recorded in the corresponding period of the previous fiscal year.

Fabric Care Products

In laundry detergents, Lion focused on cultivating demand for super-concentrated liquid laundry detergents *TOP NANOX* and *TOP HYGIA*, but overall sales were down year on year due to such factors as the shrinkage of powder detergent markets.

In fabric softeners, sales of the *Kaori to Deodorant no SOFLAN (SOFLAN with Fragrance and Deodorant) Aroma Rich* series, featuring deep fragrances that last all day, were favorable, and overall sales grew year on year.

Living Care Products

In dishwashing detergents, new *CHARMY Magica*, featuring nano cleansing action that makes stubborn grease slide like water off dishes for faster cleanup, garnered favorable consumer reviews, and overall sales were up significantly year on year.

In household cleaners, Lion focused on nurturing the bathroom fungicide *LOOK Bath Antimold Fogger* and *LOOK Mame-Pika Toilet Cleaner*, but overall sales were below those of the same period of the previous fiscal year.

Pharmaceutical Products

In antipyretic analgesics, although sales of high-value-added *BUFFERIN PREMIUM* were strong, sales of mainstay *BUFFERIN A* were stagnant, leading to a year-on-year decrease in overall sales.

In eye drops, sales of high-value added *Smile 40 Premium* and *Smile 40EX GOLD Mild* were favorable. Overall sales increased substantially year on year.

Other Products

In direct-to-consumer sales products, sales of *Fleuria*, a hair care series for the mature woman, were favorable, but those of *Nice rim essence Lactoferrin* in the functional food products category were sluggish. As a result, overall sales fell year on year.

In pet supplies, sales of *Nioi wo Toru Suna (Deodorizing Cat Litter)* were steady, but overall sales were virtually equivalent to those recorded in the corresponding period of the previous fiscal year.

<Industrial Products Business>

The Industrial Products Business segment engages in the manufacture and sale of electro-conductive carbon, surfactants, detergents for institutional use and other products. Segment net sales increased 0.6% compared with the corresponding period of the previous fiscal year, reflecting the consolidation of certain affiliated companies in April 2014, despite the effect of the last-minute surge in demand ahead of the sales tax increase in the same period of the previous fiscal year. Segment income

decreased 32.7% year on year..

(Millions of yen)

	1st Half Ended Jun. 2015	Ratio to net sales	1st Half Ended Jun. 2014	Ratio to net sales	Increase/ decrease	Change
Net sales	29,015		28,849		165	0.6%
Segment income	691	2.4%	1,028	3.6%	(336)	(32.7%)

Note: Net sales include internal net sales within and among segments, which amounted to ¥14,121 million in the first half of 2015 and ¥13,134 million in the first half of 2014.

In electro-conductive carbon, sales of carbon black for use in lithium-ion and other secondary batteries were steady, and overall sales increased year on year.

In surfactants, sales of raw materials for detergents were sluggish, and overall sales fell year on year.

In detergents for institutional use, sales of alcohol sanitizers for kitchen use were favorable while those of hand soaps were steady, and overall sales increased year on year.

<Overseas Business>

The Overseas Business segment comprises business operations primarily in Thailand, South Korea and China. Segment net sales increased 20.9% year on year (or in terms of real net sales, which exclude the influence of exchange rate conversions, increased 5.3%). Segment income increased 316.6% year on year.

(Millions of yen)

	1st Half Ended Jun. 2015	Ratio to net sales	1st Half Ended Jun. 2014	Ratio to net sales	Increase/ decrease	Change
Net sales	48,749		40,333		8,416	20.9%
Segment income	1,612	3.3%	387	1.0%	1,225	316.6%

Note: Net sales include internal net sales within and among segments, which amounted to ¥3,225 million in the first half of 2015 and ¥¥2,064 million in the first half of 2014.

Conditions in Key Overseas Markets

In Thailand, sales of *Shokubutsu-Monogatari body wash* were steady, while those of the *KODOMO* brand oral care series were favorable. As a result, overall sales rose year on year. Overall sales after yen conversions increased substantially year on year due to exchange rate fluctuations.

In South Korea, sales of *Systema toothpaste* and *KireiKirei hand soap* were favorable, but sales of *Beat laundry detergent* were weak. Consequently, overall sales increased slightly year on year. Overall sales after yen conversions increased substantially year on year.

In China, sales of *Systema toothbrushes* were firm and sales of imported Japanese products increased. Overall sales rose substantially year on year. Overall sales after yen conversions also increased substantially.

<Other> (The Construction Contracting Business, Etc.)

(Millions of yen)

	1st Half Ended Jun. 2015	Ratio to net sales	1st Half Ended Jun. 2014	Ratio to net sales	Increase/ decrease	Change
Net sales	14,320		13,364		956	7.2%
Segment income	494	3.5%	219	1.6%	275	125.5%

Note: Net sales include internal net sales within and among segments, which amounted to ¥11,000 million in the first half of 2015 and ¥11,329 million in the first half of 2014.

(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 >

	1st Half Ended June 30, 2015	2014 Year-end	Increase/ Decrease
Total assets (millions of yen)	277,703	283,352	(5,649)
Net assets (millions of yen)	128,563	127,434	1,128
Shareholders' equity to total assets * (%)	43.8	42.6	1.2

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

Total assets fell ¥5,649 million compared with the previous consolidated fiscal year-end to ¥277,703 million, due partly to a decrease in notes and accounts receivable—trade. Net assets increased ¥1,128 million to ¥128,563 million. Shareholder's equity to total assets stood at 43.8%.

2) Status of Cash Flows for First Half Fiscal 2015

<Consolidated Cash Flows>

(Millions of yen)

	1st Half Ended Jun. 2015	1st Half Ended Jun. 2014	Increase/ Decrease
Net cash provided by (used in) operating activities	4,697	981	3,716
Net cash provided by (used in) investing activities	(2,775)	(10,745)	7,970
Net cash provided by (used in) financing activities	(1,966)	15,596	(17,562)
Effect of exchange rate change on cash and cash equivalents	(28)	(195)	166
Net increase (decrease) in cash and cash equivalents	(72)	5,637	(5,709)
Cash and cash equivalents at end of period	38,077	54,578	(16,500)

Net cash provided by operating activities totaled ¥4,697 million, due mainly to a decrease in notes and accounts receivable—trade.

Net cash used in investing activities totaled ¥2,775 million, due in part to purchases of property, plant and equipment.

Net cash used in financing activities totaled ¥1,966 million, due largely to cash dividends paid.

As a result of the above, cash and cash equivalents as of June 30, 2015 decreased ¥72 million compared with the end of the previous fiscal year to ¥38,077 million, and decreased ¥16,500 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 July 31, 2015, consolidated financial results forecasts for the full fiscal year have been revised since the release of initial forecasts on February 10, 2015.

For details, please refer to the July 31, 2015 press release, "Lion Revises Performance Forecasts."

(Assumptions for the Fiscal 2015 Forecasts)

Lion adopted the following foreign exchange rates in the calculation of the aforementioned estimated figures for the third quarter of the current fiscal year and onward:

¥125 = US\$1.00

¥3.6 = 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 (Application of Accounting Standard for Retirement Benefits)

The Group has adopted the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ), Statement No. 26, issued on May 17, 2012; hereinafter, "Retirement Benefit Accounting Standard") and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, issued on March 26, 2015; hereinafter the "Guidance") including, from the consolidated quarterly fiscal accounting period under review, the provisions stipulated in the main clause of Article 35 of the Retirement Benefit Accounting Standard and in the main clause of Article 67 of the Guidance. Accordingly, the Group has revised its methods of calculating retirement benefit obligation and service cost and changed the method of attributing estimated retirement benefits to each period from a straight-line method to the benefit formula method. It has also changed its method of determining the discount rate from the previous method, which employed a discount rate based on employees' approximated average remaining years of service, to a single weighted average discount rate that reflects the expected periods and per-period amounts of benefit payments.

The effect of the adoption of the Retirement Benefit Accounting Standard and the Guidance due to the changes in the methods of calculating retirement benefit obligation and service cost was included in retained earnings as of January 1, 2015, in accordance with the transitional accounting treatment stipulated in Article 37 of the Retirement Benefit Accounting Standard.

As a result, net defined benefit asset decreased ¥4,106 million, net defined benefit liability increased by ¥3,161 million, and retained earnings decreased by ¥4,680 million as of January 1, 2015. The impact of this change on profit and loss for the consolidated quarterly fiscal accounting period under review is minor.

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

(Millions of yen)

	Fiscal Year Ended Dec. 31, 2014	1st Half Ended Jun. 30, 2015
Assets		
Current assets		
Cash and deposits	18,008	16,981
Notes and accounts receivable-trade	59,007	53,350
Short-term investments securities	24,448	24,596
Merchandise and finished goods	25,270	26,736
Work in process	4,605	5,856
Raw materials and supplies	9,489	9,311
Other	5,396	5,317
Allowance for doubtful accounts	(51)	(52)
Total current assets	146,175	142,098
Noncurrent assets		
Property, plant and equipment	79,275	78,156
Intangible assets		
Right of trademark	7,197	5,813
Other	1,909	1,690
Total intangible assets	9,106	7,504
Investments and other assets		
Investment securities	34,438	38,663
Other	14,388	11,312
Allowance for doubtful accounts	(31)	(31)
Total Investments and other assets	48,794	49,944
Total noncurrent assets	137,176	135,605
Total assets	283,352	277,703

(Millions of yen)

	Fiscal Year Ended Dec. 31, 2014	1st Half Ended Jun. 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	46,590	42,071
Short-term loans payable	12,602	12,149
Current portion of long-term loans payable	116	116
Accounts payable-other and accrued expenses	45,123	42,572
Income taxes payable	3,336	1,955
Provision for bonuses	2,631	1,293
Provision for sales returns	525	501
Provision for sales promotion expenses	894	1,172
Provision for directors' bonuses	256	142
Other	3,459	2,934
Total current liabilities	115,537	104,909
Noncurrent liabilities		
Bonds with subscription rights to shares	14,430	14,494
Long-term loans payable	2,448	2,381
Provision for directors' retirement benefits	448	457
Provision for retirement benefits	18,526	22,297
Asset retirement obligation	344	342
Other	4,182	4,256
Total noncurrent liabilities	40,380	44,230
Total liabilities	155,918	149,139
Net assets		
Shareholders' equity		
Capital stock	34,433	34,433
Capital surplus	31,499	31,499
Retained earnings	66,095	63,967
Treasury stock	(16,827)	(16,831)
Total shareholders' equity	115,201	113,069
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,912	11,207
Deferred gains or losses on hedges	(0)	-
Foreign currency translation adjustment	3,339	3,046
Remeasurements of defined benefit plans	(5,816)	(5,626)
Total accumulated other comprehensive income	5,434	8,627
Subscription rights to shares	910	925
Minority interests	5,888	5,941
Total net assets	127,434	128,563
Total liabilities and net assets	283,352	277,703

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

Consolidated Quarterly Statements of Income (cumulative)

(Millions of yen)

	1st Half Ended Jun. 2014 (Jan. 1 to Jun. 30)	1st Half Ended Jun. 2015 (Jan. 1 to Jun. 30)
Net sales	176,633	180,283
Cost of sales	77,229	78,846
Gross profit	99,404	101,437
Selling, general and administrative expenses	95,445	95,738
Operating income	3,958	5,698
Non-operating income		
Interest income	84	66
Dividends income	369	414
Equity in earnings of affiliates	297	430
Royalty income	127	151
Foreign exchange gains	28	77
Other	199	198
Total non-operating income	1,106	1,338
Non-operating expenses		
Interest expenses	370	222
Interest on bonds	21	64
Other	164	102
Total non-operating expenses	556	390
Ordinary income	4,508	6,647
Extraordinary income		
Gain on step acquisitions	477	-
Gain on negative goodwill	97	-
Gain on sales of investment securities	-	139
Gain on disposal of noncurrent assets	-	615
Other	34	-
Total extraordinary income	609	755
Extraordinary loss		
Loss on disposal of noncurrent assets	147	781
Impairment loss	90	173
Total extraordinary losses	237	955
Income before income taxes	4,880	6,447
Income taxes-current	1,242	1,300
Income taxes-deferred	911	613
Total income taxes	2,154	1,913
Income before minority interests	2,726	4,533
Minority interests in income	259	635
Net income	2,466	3,898

Consolidated Statement of Comprehensive Income (cumulative)

(Millions of yen)

	1st Half Ended Jun. 2014 (Jan. 1 to Jun. 30)	1st Half Ended Jun. 2015 (Jan. 1 to Jun. 30)
Income (loss) before minority interests	2,726	4,533
Other comprehensive income		
Valuation difference on available-for-sale securities	(918)	3,325
Deferred gains or losses on hedges	(26)	0
Foreign currency translation adjustment	(632)	(184)
Remeasurements of defined benefit plans, net of tax	-	190
Share of other comprehensive income of associates accounted for using equity method	(24)	(170)
Total other comprehensive income	(1,601)	3,160
Comprehensive income	1,124	7,694
Comprehensive income attributable to:		
Comprehensive income attributable to owner of the parent	995	7,090
Comprehensive income attributable to minority interests	129	603

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	1st Half Ended Jun. 2014 (Jan. 1 to Jun. 30)	1st Half Ended Jun. 2015 (Jan. 1 to Jun. 30)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	4,880	6,447
Depreciation and amortization	4,996	5,406
Impairment loss	90	173
Increase (decrease) in provision for retirement benefits	959	-
Increase (decrease) in net defined benefit liability	-	1,210
Interest and dividends income	(454)	(481)
Interest expenses	370	222
Interest on bonds	21	64
Loss (gain) on disposal of noncurrent assets	147	166
Loss (gain) on sales of investment securities	-	(139)
Equity in (earnings) losses of affiliates	(297)	(430)
Gain on negative goodwill	(97)	-
Loss (gain) on step acquisitions	(477)	-
Decrease (increase) in notes and accounts receivable-trade	8,963	5,530
Decrease (increase) in inventories	(3,892)	(2,588)
Increase (decrease) in notes and accounts payable-trade	(11,180)	(4,454)
Increase (decrease) in accounts payable-other and accrued expenses	(680)	(3,665)
Increase (decrease) in other current liabilities	232	450
Decrease (increase) in other current assets	(629)	(277)
Other, net	15	(880)
Subtotal	2,967	6,755
Interest and dividends income received	929	726
Interest expenses paid	(277)	(117)
Income taxes paid	(2,637)	(2,666)
Net cash provided by (used in) operating activities	981	4,697
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	947	800
Purchases of property, plant and equipment	(10,187)	(4,608)
Proceeds from sales of property, plant and equipment	11	781
Purchase of intangible assets	(42)	(28)
Purchase of investment securities	(330)	(69)
Proceeds from sales of investment securities	28	238
Proceeds from redemption of investment securities	500	-
Payments of loans receivable	(0)	(13)
Collection of loans receivable	0	-
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(1,418)	-
Purchase of investments in subsidiaries	(386)	-
Other, net	130	125
Net cash provided by (used in) investing activities	(10,745)	(2,775)

Lion Corporation (Code 4912): Consolidated Financial Statements for the
First Half Ended June 30, 2015

(Millions of yen)

	1st Half Ended Jun. 2014 (Jan. 1 to Jun. 30)	1st Half Ended Jun. 2015 (Jan. 1 to Jun. 30)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	8,498	5,226
Decrease in short-term loans payable	(7,074)	(5,350)
Proceeds from long-term loans payable	2,107	-
Repayment of long-term loans payable	(1,208)	(58)
Proceeds from issuance of bonds	14,983	-
Purchase of treasury stock	(19)	(28)
Proceeds from disposal of treasury stock	0	0
Cash dividends paid	(1,345)	(1,321)
Cash dividend to minority shareholders	(332)	(397)
Other, net	(13)	(37)
Net cash provided by (used in) financing activities	15,596	(1,966)
Effect of exchange rate change on cash and cash equivalents	(195)	(28)
Net increase (decrease) in cash and cash equivalents	5,637	(72)
Cash and cash equivalents at beginning of period	48,941	38,150
Cash and cash equivalents at end of period	54,578	38,077

**(4) Notes Concerning Consolidated Quarterly Financial Statements
(Notes Regarding Going Concern Assumptions)**

None

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

None

(Segment Information)

1. First Half Ended Jun. 30, 2014 (January 1 to June 30, 2014)

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	120,615	15,714	38,268	2,034	176,633	—	176,633
(2) Intersegment sales ^{*1}	12,440	13,134	2,064	11,329	38,969	(38,969)	—
Total	133,056	28,849	40,333	13,364	215,603	(38,969)	176,633
Segment income	2,274	1,028	387	219	3,909	48	3,958

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

2. Segment income adjustments totaling ¥48 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, 2015 (January 1 to June 30, 2015)

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	116,546	14,893	45,524	3,319	180,283	—	180,283
(2) Intersegment sales ^{*1}	12,746	14,121	3,225	11,000	41,094	(41,094)	—
Total	129,293	29,015	48,749	14,320	221,378	(41,094)	180,283
Segment income (loss)	2,527	691	1,612	494	5,326	372	5,698

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

2. Segment income adjustments totaling ¥372 million are composed mainly of internal transaction eliminations.

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