

Ordinance on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements

(Cabinet Office Ordinance No. 64 of August 10, 2007)

Pursuant to the provisions of Article 193 of the Financial Instruments and Exchange Act (Act No. 25 of 1948), and for the purpose of enforcement of that Act, the Ordinance on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements is enacted as follows.

Chapter I General Provisions (Articles 1 to 29)

Chapter II Quarterly Consolidated Balance Sheets

Section 1 General Provisions (Articles 30 to 32)

Section 2 Assets (Articles 33 to 46)

Section 3 Liabilities (Articles 47 to 53)

Section 4 Net Assets (Articles 54 to 59)

Section 5 Miscellaneous Provisions (Articles 60 to 63)

Chapter III Quarterly Consolidated Profit and Loss Statements

Section 1 General Provisions (Articles 64 and 65)

Section 2 Net Sales and the Cost of Sales (Articles 66 to 68)

Section 3 Selling Expenses and General and Administrative Expenses
(Articles 69 and 70)

Section 4 Non-operating Revenues and Non-operating Expenses (Articles 71
to 73)

Section 5 Extraordinary Profit and Extraordinary Losses (Articles 74 to 76)

Section 6 Quarterly Net Profit and Quarterly Net Losses (Articles 77 and 78)

Section 7 Miscellaneous Provisions (Articles 79 to 83)

Chapter IV Quarterly Consolidated Cash Flow Statements

Section 1 General Provisions (Articles 84 and 85)

Section 2 Method of Entry in a Quarterly Consolidated Cash Flow Statement
(Articles 86 and 87)

Chapter V Notes on Shareholders' Equity (Articles 88 to 92)

Chapter VI Special Provisions for Business Accounting Standards (Articles 93
and 94)

Chapter I General Provisions

Article 1 (1) From among finance and accounting documents to be submitted pursuant to the provisions of Article 5, Article 7, Article 9, paragraph (1),

Article 10, paragraph (1), Article 24-4-7, paragraph (1) or (2) of the Financial Instruments and Exchange Act (hereinafter referred to as the "Act") (including the cases where any of these provisions are applied mutatis mutandis pursuant to paragraph (4) of that Article and cases where these provisions are applied mutatis mutandis, pursuant to Article 27 of the Act, to a corporation which has been designated by the Commissioner of the Financial Services Agency pursuant to the provisions of Article 1, paragraph (1) of the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc. (Ordinance of the Ministry of Finance No. 59 of 1963; hereinafter referred to as the "Ordinance on Financial Statements, etc.") (such corporation is hereinafter referred to as a "Designated Corporation")), the terminology, forms, and preparation methods of Quarterly Consolidated Financial Statements (meaning quarterly consolidated balance sheets, quarterly consolidated profit and loss statements, quarterly statements of comprehensive profit, and quarterly consolidated cash flow statements or, if they are prepared pursuant to Designated International Accounting Standards (meaning Designated International Accounting Standards as provided in Article 93 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976; hereinafter referred to as "Ordinance on Consolidated Financial Statements") pursuant to the provisions of Article 93; equivalents to quarterly consolidated balance sheets, quarterly consolidated profit and loss statements, quarterly statements of comprehensive profit, and quarterly consolidated cash flow statements of which preparation is required pursuant to said Designated International Accounting Standards, and statements of changes in shareholders' equity; the same applies hereinafter) are governed by the provisions of this Ordinance, except for those subject to application of the provisions of Article 2 of the Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Financial Statements, etc. (Cabinet Office Ordinance No. 63 of 2007; hereinafter referred to as the "Ordinance on Quarterly Financial Statements, etc."), and any matters that are not provided for under this Ordinance are in compliance with the business accounting standards generally accepted as fair and appropriate.

- (2) Business accounting standards published by the business accounting council as provided in Article 24, paragraph (1) of the Cabinet Order for Organization of the Financial Services Agency (Cabinet Order No. 392 of 1998) are regarded as the business accounting standards generally accepted as fair and appropriate as provided in the preceding paragraph.
- (3) Business accounting standards specified by the Commissioner of the Financial Services Agency as provided in Article 1, paragraph (3) of the Ordinance on Consolidated Financial Statements are regarded as the business

accounting standards generally accepted as fair and appropriate as provided in paragraph (1):

(Special Provisions for Application)

Article 1-2 The terminology, forms, and preparation methods of Quarterly Consolidated Financial Statements that a company, as one that engages in international financing activities or business activities, which satisfies either of the following requirements (hereinafter referred to as a "Specified Company") submits may be in accordance with the provisions of Chapter VI:

- (i) that it should satisfy the requirements set forth in Article 1-2, item (i) of the Ordinance on Consolidated Financial Statements; or
- (ii) that it should be a company that prepared Consolidated Financial Statements (meaning documents as provided in Article 1, paragraph (1) of the Ordinance on Consolidated Financial Statements; the same applies hereinafter), Interim Consolidated Financial Statements (meaning documents as provided in Article 1, paragraph (1) of the Ordinance on Terminology, Forms and Preparation Methods of Interim Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 24 of 1999); hereinafter referred to as the "Ordinance on Interim Consolidated Financial Statements) or Quarterly Consolidated Financial Statements pertaining to the consolidated fiscal year immediately prior to the consolidated fiscal year containing the current Quarterly Consolidated Accounting Period or the Interim Consolidated Accounting Period (meaning a period as provided in Article 3, paragraph (2) of the Ordinance on Interim Consolidated Financial Statements) immediately prior to the current Quarterly Consolidated Accounting Period or the Quarterly Consolidated Accounting Period immediately prior to the current Quarterly Consolidated Accounting Period , whichever is the period of which last day is the closest to the quarterly consolidated closing date, in accordance with Designated International Accounting Standards and should satisfy the requirements set forth in Article 1-2, item (i), sub-items (b) and (c) of the Ordinance on Consolidated Financial Statements.

(Definitions)

Article 2 In this Ordinance, the meanings of the terms set forth in the following items are as provided respectively in those items:

- (i) Company Submitting the Quarterly Consolidated Financial Statements: a company (including a Designated Corporation) which is to submit the Quarterly Consolidated Financial Statements pursuant to the provisions of Article 24-4-7, paragraph (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) and a company

- (including a Designated Corporation) which is to submit the Quarterly Consolidated Financial Statements pursuant to the provisions of Article 24-4-7, paragraph (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act);
- (ii) Quarterly Accounting Period: a period as provided in Article 3, item (iv) of the Ordinance on Quarterly Financial Statements, etc.;
 - (iii) Quarterly Consolidated Accounting Period: a period as provided in Article 3, item (v) of the Ordinance on Quarterly Financial Statements, etc.;
 - (iv) Year to Date: a period as provided in Article 3, item (vi) of the Ordinance on Quarterly Financial Statements, etc.;
 - (v) Consolidated Year to Date: a period as provided in Article 3, item (vii) of the Ordinance on Quarterly Financial Statements, etc.;
 - (vi) Subsidiary Company: an entity that is regarded as the subsidiary company of the Company Submitting the Quarterly Consolidated Financial Statements, pursuant to the provisions of Article 8, paragraphs (3), (4), and (7) of the Ordinance on Financial Statements, etc.;
 - (vii) Consolidated Subsidiary Company: a Subsidiary Company included in the scope of consolidation;
 - (viii) Consolidated Companies: the Company Submitting the Quarterly Consolidated Financial Statements and its Consolidated Subsidiary Companies;
 - (ix) Non-consolidated Subsidiary Company: a Subsidiary Company excluded from the scope of consolidation;
 - (x) Affiliated Company: an entity that is regarded as an affiliated company of the Company Submitting the Quarterly Consolidated Financial Statements, pursuant to the provisions of Article 8, paragraphs (5) and (6) of the Ordinance on Financial Statements, etc.;
 - (xi) Equity Method: a method whereby an investor company corrects its investment amount each business year according to the changes in the portions of the investee company's net assets, profit and loss which belong to said investor company;
 - (xii) Minority Shareholders' Equity: the portion of a Consolidated Subsidiary Company's capital which is not equity of the Company Submitting the Quarterly Consolidated Financial Statements;
 - (xiii) Cash Flow: any increase or decrease in the Funds provided in the following item;
 - (xiv) Funds: the total amount of cash (including any current deposits, ordinary deposits, and other deposits which the depositor is able to withdraw without waiting for a certain period to elapse; the same applies in Articles 85 and 87) and Cash Equivalents (meaning short-term investments which can be easily converted into cash and which have a low risk of fluctuating in value; the

- same applies in Articles 85 and 87);
- (xv) Derivative Transactions: transactions as provided in Article 8, paragraph (14) of the Ordinance on Financial Statements, etc.;
 - (xvi) Trading Securities: securities as provided in Article 8, paragraph (20) of the Ordinance on Financial Statements, etc.;
 - (xvii) Bonds Held to Maturity: bonds as provided in Article 8, paragraph (21) of the Ordinance on Financial Statements, etc.;
 - (xviii) Other Securities: securities as provided in Article 8, paragraph (22) of the Ordinance on Financial Statements, etc.;
 - (xix) Treasury Shares: the shares defined in Article 2, item (xix) of the Ordinance on Consolidated Financial Statements; in this case the term "Consolidated Financial Statements" in that item is deemed to be replaced with "Quarterly Consolidated Financial Statements";
 - (xx) Company's Own Shares: shares of Consolidated Companies under the provisions of Article 2, item (xx) of the Ordinance on Consolidated Financial Statements;
 - (xxi) Options on the Company's Own Shares: the options on the Company's Own Shares as provided in Article 2, item (xxi) of the Ordinance on Consolidated Financial Statements;
 - (xxii) Stock Options: stock options as provided in Article 2, item (xxii) of the Ordinance on Consolidated Financial Statements;
 - (xxiii) Business Combination: a business combination as provided in Article 8, paragraph (27) of the Ordinance on Financial Statements, etc.;
 - (xxiv) Acquiring Enterprise: an enterprise as provided in Article 8, paragraph (28) of the Ordinance on Financial Statements, etc.;
 - (xxv) Acquired Enterprise: an enterprise as provided in Article 8, paragraph (29) of the Ordinance on Financial Statements, etc.;
 - (xxvi) Combiner: an enterprise as provided in Article 8, paragraph (31) of the Ordinance on Financial Statements, etc.;
 - (xxvii) Combinee: an enterprise as provided in Article 8, paragraph (32) of the Ordinance on Financial Statements, etc.;
 - (xxviii) Combined Enterprise: an enterprise as provided in Article 8, paragraph (33) of the Ordinance on Financial Statements, etc.;
 - (xxix) Constituent Enterprises: an enterprises as provided in Article 8, paragraph (34) of the Ordinance on Financial Statements, etc.;
 - (xxx) Purchase Method: a method as provided in Article 8, paragraph (35) of the Ordinance on Financial Statements, etc.;
 - (xxxi) Reverse Acquisition: the Reverse Acquisition defined in Article 8, paragraph (36) of the Ordinance on Financial Statements, etc.;
 - (xxxii) Common Control Transaction, etc.: a common control transaction, etc. as provided in Article 8, paragraph (37) of the Ordinance on Financial

Statements, etc.;

(xxxiii) Business Divestiture: a business divestiture as provided in Article 8, paragraph (38) of the Ordinance on Financial Statements, etc.;

(xxxiv) Divesting Enterprise: an enterprise as provided in Article 8, paragraph (39) of the Ordinance on Financial Statements, etc.;

(xxxv) Divested Enterprise: an enterprise as provided in Article 8, paragraph (40) of the Ordinance on Financial Statements, etc.;

(xxxvi) Financial Instruments: financial instruments as provided in Article 8, paragraph (41) of the Ordinance on Financial Statements, etc.; and

(xxxvii) Asset Retirement Obligations: the asset retirement obligations defined in Article 8, paragraph (42) of the Ordinance on Financial Statements, etc.

(Quarterly Consolidated Closing Date)

Article 3 A Company Submitting Quarterly Consolidated Financial Statements is to specify the last day of its Quarterly Accounting Period as its quarterly consolidated closing date, and prepare Quarterly Consolidated Financial Statements based on said date.

(General Principles for Preparation of Quarterly Consolidated Financial Statements)

Article 4 The terminology, forms, and preparation methods of Quarterly Consolidated Financial Statements to be submitted pursuant to the provisions of the Act must comply with the following standards:

(i) Quarterly Consolidated Financial Statements are prepared in accordance with the accounting principles and procedures adopted for preparing Consolidated Financial Statements , in principle;

(ii) the Quarterly Consolidated Financial Statements are prepared based on quarterly financial statements of Consolidated Companies that have been prepared in accordance with the business accounting standards generally accepted as fair and appropriate;

(iii) the Quarterly Consolidated Financial Statements clearly present the accounting information necessary for preventing persons interested in the Company Submitting Quarterly Consolidated Financial Statements from making an erroneous determination on the financial position, business performance and Cash Flow conditions of the Business Group; and

(iv) the accounting principles and procedures adopted for preparing the Consolidated Financial Statements for the consolidated fiscal year immediately prior to the consolidated fiscal year containing the Quarterly Consolidated Accounting Period pertaining to the Quarterly Consolidated Financial Statements (such immediately prior to business year is hereinafter referred to as the "Previous Consolidated Fiscal Year") and the accounting

principles and procedures adopted for preparing Quarterly Consolidated Financial Statements for the Consolidated Year to Date as of the end of the immediately preceding the Quarterly Consolidated Accounting Period or as of the end of the relevant Quarterly Consolidated Accounting Period are applied continuously in the current Quarterly Consolidated Accounting Period, except if a change has been made on justifiable grounds.

(Scope of Consolidation)

Article 5 (1) A Company Submitting Quarterly Consolidated Financial Statements must include all of its Subsidiary Companies in the scope of consolidation; provided, however, that it is not to include a Subsidiary Company that falls under either of the following categories in the scope of consolidation:

- (i) a Subsidiary Company over whose administrative organ that makes decisions on financial and operational or business policies (meaning a shareholders meeting or any body equivalent thereto) the Company Submitting the Quarterly Consolidated Financial Statements is found to only have temporary control; and
 - (ii) a Subsidiary Company whose inclusion in the scope of consolidation is found likely to lead to an extremely erroneous conclusion about the Company Submitting the Quarterly Consolidated Financial Statements by its interested parties.
- (2) If any Subsidiary Company which should be included in the scope of consolidation pursuant to the provisions of the preceding paragraph lacks materiality in terms of its assets, net sales (including revenues from service operations; the same applies hereinafter) , profit or loss, retained earnings and Cash Flows and any other items, to the extent that its exclusion from the scope of consolidation would not hinder reasonable determination on the financial position, business performance and Cash Flow conditions of the Business Group, said Subsidiary Company may be excluded from the scope of consolidation.
- (3) If there is any material matter concerning the financial position, business performance or Cash Flow conditions of a Company, etc. (meaning a company, partnership or any other business entity equivalent thereto (including a business entity equivalent thereto in a foreign state); the same applies hereinafter) set forth as follows, which is found to exert influence on determination on the financial position, business performance and Cash Flow conditions of the Business Group, the details thereof must be stated in the notes in the Quarterly Consolidated Financial Statements:
- (i) a Subsidiary Company that is excluded from the scope of consolidation pursuant to the provisions of the proviso to paragraph (1); or

(ii) among Companies, etc. whose majority of voting rights are held by the Company Submitting Quarterly Consolidated Financial Statements on its own account, a Company, etc. that has received an order of commencement of rehabilitation proceedings under the provisions of the Civil Rehabilitation Act (Act No. 225 of 1999), a stock company that has received an order of commencement of corporate reorganization proceedings under the provisions of the Corporate Reorganization Act (Act No. 154 of 2002), a Company, etc. that has received an order of commencement of bankruptcy proceedings under the provisions of the Bankruptcy Act (Act No. 75 of 2004), or any other Company, etc. equivalent thereto, which at the same time is not categorized as a Subsidiary Company due to being found to have no effective parent-sub subsidiary relationship with the Company Submitting Quarterly Consolidated Financial Statements.

(Valuation of Assets and Liabilities of Consolidated Subsidiary Companies, etc.)

Article 6 When preparing Quarterly Consolidated Financial Statements, assets and liabilities of Consolidated Subsidiary Companies must be valued, investments by the Company Submitting Quarterly Consolidated Financial Statements in Consolidated Subsidiary Companies must be offset against the corresponding equity of said Consolidated Subsidiary Companies, and any other necessary elimination of items between the Consolidated Companies must be made.

(Application of the Equity Method)

Article 7 (1) Investments in any Non-consolidated Subsidiary Company or Affiliated Company must be reported on a quarterly consolidated balance sheet by indicating values calculated by the Equity Method; provided, however, that the Equity Method is not to be applied to investments in a company that falls under either of the following categories:

- (i) an Affiliated Company over whose decisions on financial and operational or business policies the Company Submitting Quarterly Consolidated Financial Statements is found to only exert a temporary influence; or
- (ii) a Non-consolidated Subsidiary Company or Affiliated Company, where application of the Equity Method to said company is found likely to lead to a extremely erroneous conclusion about the Company Submitting the Quarterly Consolidated Financial Statements by its interested parties.

(2) If any Non-consolidated Subsidiary Company or Affiliated Company to which the Equity Method should be applied pursuant to the provisions of the preceding paragraph does not, in terms of its profit or loss and retained earnings and any other items, exert a material influence on Quarterly

Consolidated Financial Statements even if said company is excluded from the target of application of the Equity Method, said company may be excluded from the target of application of the Equity Method.

(Application of Tax Effect Accounting)

Article 8 With regard to Consolidated Companies' corporation tax and any other taxes that are imposed on amounts related to profits as the tax base (hereinafter referred to as "Corporation Tax, etc."), Quarterly Consolidated Financial Statements must be prepared by applying Tax Effect Accounting (meaning an accounting method which, if there are differences between the amounts of assets and liabilities reported on the quarterly consolidated balance sheet and the amounts of assets and liabilities derived as a result of calculating the taxable income, reasonably matches the amount of quarterly net profit before deducting the Corporation Tax, etc. with the applicable amount of Corporation Tax, etc. through appropriate inter-period allocation of the amount of Corporation Tax, etc. pertaining to such differences; the same applies hereinafter).

(Subsidiary Company with a Different Quarterly Closing Date)

Article 9 Any Consolidated Subsidiary Company for which the last day of the Quarterly Accounting Period differs from the quarterly consolidated closing date of the Quarterly Accounting Period of the Company Submitting the Quarterly Consolidated Financial Statements corresponding to the relevant period must, on the quarterly consolidated closing date of the Quarterly Accounting Period corresponding to the relevant period, carry out the necessary quarterly settlement of accounts for preparing quarterly financial statements that serve as the basis for preparation of Quarterly Consolidated Financial Statements; provided, however, that this does not apply when the difference between the last day of the Quarterly Accounting Period of said Consolidated Subsidiary Company and the quarterly consolidated closing date of the Quarterly Accounting Period corresponding to the relevant period is not more than three months, and Quarterly Consolidated Financial Statements corresponding to the relevant period are prepared based on quarterly financial statements for said Quarterly Accounting Period of said Consolidated Subsidiary Company.

(Entry of Material Matters that Serve as the Basis for Preparation of Quarterly Consolidated Financial Statements)

Article 10 (1) If any matters concerning the scope of consolidation or any other material matters that serve as the basis for preparation of Quarterly Consolidated Financial Statements (meaning significant matters that are

applied in an equivalent manner as those applied in preparing consolidated financial statements) have been changed, the matters set forth in the following items for the respective categories of cases listed in those items must be entered immediately after the quarterly consolidated cash flow statement:

- (i) if any matter concerning the Subsidiary Companies included in the scope of consolidation or the Non-consolidated Subsidiary Companies and Affiliated Companies to which the Equity Method is applied has been changed: a statement to that effect, and the reason for the change;
 - (ii) if there has been any material change or substantial fluctuations in the outline of the Special Purpose Company Subject to Disclosure (meaning the special purpose company subject to disclosure defined in Article 8-9, item (ii) of the Ordinance on Financial Statements, etc.; hereinafter the same applies in this item), an outline of transactions with the Special Purpose Company Subject to Disclosure, the transaction amounts, and any other material matters as compared to such statements as of the end of the Previous Consolidated Fiscal Year: the details thereof;
 - (iii) if any accounting principles or procedures have been changed in the current consolidated fiscal year: a statement to that effect, the reason for the change, and the amount of influence of said change on the Quarterly Consolidated Financial Statements for the Consolidated Year to Date;
 - (iv) if any presentation formats of Quarterly Consolidated Financial Statements have been changed: the details thereof; and
 - (v) if the scope of Funds in the quarterly consolidated cash flow statement has been changed: a statement to that effect, the reason for the change, and details of the influence of said change on the quarterly consolidated cash flow statement.
- (2) If any accounting principles or procedures have been changed voluntarily in the current Quarterly Consolidated Accounting Period (limited to a Quarterly Consolidated Accounting Period in or after the Second Quarter (meaning the quarter immediately following the first quarter of the consolidated fiscal year; hereinafter the same applies in this paragraph and Article 15, paragraph (3)) of the current consolidated fiscal year), the reason for making the change in or after the Second Quarter and the amount of influence of said change on the Quarterly Consolidated Financial Statements for the Consolidated Year to Date as of the end of the immediately prior to Quarterly Consolidated Accounting Period must be entered in addition to the matters specified in item (iii) of the preceding paragraph.
- (3) If any accounting principles or procedures have been changed voluntarily in the Previous Consolidated Fiscal Year, and there is any difference between the accounting principles and procedures adopted for preparing the Quarterly Consolidated Financial Statements for the corresponding Quarterly

Consolidated Accounting Period in the Previous Consolidated Fiscal Year and those adopted for preparing the Quarterly Consolidated Financial Statements for the current Quarterly Consolidated Accounting Period, a statement to that effect and the amount of influence on the corresponding Quarterly Consolidated Accounting Period and Consolidated Year to Date in the Previous Consolidated Fiscal Year must be entered.

- (4) In the cases set forth in the preceding three paragraphs (excluding paragraph (1), items (i), (iv) and (v)), if it is difficult to calculate the accurate amount of influence in a timely manner, an estimated amount obtained by an appropriate method may be entered.
- (5) Notwithstanding the provisions of the preceding three paragraphs, if it is difficult to calculate the amount of influence in the cases set forth in paragraphs (2) and (3), a statement to that effect and the reason therefor may be entered in lieu of entering the amount of influence.

(Entry under a Simple Accounting Method)

Article 11 If a simple accounting method has been applied, in compliance with the business accounting standards generally accepted as fair and appropriate, for preparing Quarterly Consolidated Financial Statements, a statement to that effect and the details thereof must be entered immediately after the entries under the provisions of the preceding Article; provided, however, that said entry may be omitted if it has little materiality.

(Entry under an Accounting Method Specific to the Preparation of Quarterly Consolidated Financial Statements)

Article 12 If an accounting method specific to the preparation of Quarterly Consolidated Financial Statements has been applied in compliance with the business accounting standards generally accepted as fair and appropriate, a statement to that effect and the details thereof must be entered immediately after the entries under the provisions of the preceding Article; provided, however, that such a statement may be omitted if they have little materiality.

(Notes on Material Post-Balance Sheet Events)

Article 13 (1) If any events that exert a material influence on the financial position, business performance and Cash Flow conditions of Consolidated Companies, as well as Non-consolidated Subsidiary Companies and Affiliated Companies to which the Equity Method is applied, in and/or after the consolidated fiscal year containing the Quarterly Consolidated Accounting Period pertaining to the relevant Quarterly Consolidated Financial Statements (excluding the Consolidated Year to Date as of the end of said Quarterly Consolidated Accounting Period) have occurred after the quarterly consolidated

closing date (such events are referred to as "Material Post-Balance Sheet Events" in Article 78, paragraph (4)), said events must be stated in the notes.

(2) With regard to any Subsidiary Company or Affiliated Company for which the last day of the Quarterly Accounting Period differs from the quarterly consolidated closing date in the Quarterly Accounting Period of the Company Submitting Quarterly Consolidated Financial Statements corresponding to the relevant period, such events that have occurred after the quarterly closing date of said Subsidiary Company or Affiliated Company must be stated in the notes, notwithstanding the provisions of the preceding paragraph.

(Notes on Additional Information)

Article 14 In addition to the notes particularly specified under this Ordinance, if there are any matters that are found to be necessary for persons interested in the Company Submitting Quarterly Consolidated Financial Statements to make adequate judgments on the financial position, business performance and Cash Flow conditions of the Business Group for the consolidated fiscal year containing the Quarterly Consolidated Accounting Period pertaining to the Quarterly Consolidated Financial Statements, said matters must be stated in the notes.

(Notes on Segment Information, etc.)

Article 15 (1) With regard to information on a certain unit of an Enterprise (hereinafter referred to as a "Reporting Segment") (such information will hereinafter be referred to as "Segment Information"), the following matters must be set down in the notes in accordance with Form No. 1:

(i) the amounts of the net sales and profit or loss by Reporting Segment;

(ii) the difference between the total amount of profits or losses set forth in the preceding item and the amount reported on the quarterly consolidated profit and loss statement by accounting title equivalent to said item and the main contents of said difference; and

(iii) the outline of the event that served as the cause for fluctuations in the amount of assets by Reporting Segment (limited to cases where a substantial fluctuation is found as compared to the last day of the Previous Consolidated Fiscal Year).

(2) If there has been any change in Reporting Segments or any material change in the calculation method of an amount of profit or loss pertaining to Reporting Segments (referred to as the "Calculation Method Pertaining to Reporting Segments" in the following paragraph and paragraph (4)) during the current Quarterly Consolidated Accounting Period (including any Quarterly Consolidated Accounting Periods within the current consolidated fiscal year prior to the current Quarterly Consolidated Accounting Period), the contents

thereof must be stated in the notes.

- (3) If there has been any change in Reporting Segments or any material change in the Calculation Method Pertaining to Reporting Segments during any Quarterly Consolidated Accounting Period in or after the Second Quarter of the current consolidated fiscal year, the reason for changing it in or after the Second Quarter must be set down in the notes in addition to the notes made pursuant to the provisions of the preceding paragraph.
- (4) If there has been any change in Reporting Segments or any material change in the Calculation Method Pertaining to Reporting Segments during the Previous Consolidated Fiscal Year and any difference is observed between the Reporting Segments or the Calculation Method Pertaining to Reporting Segments during the corresponding Quarterly Consolidated Accounting Period in the Previous Consolidated Fiscal Year and those matters during the current Quarterly Consolidated Accounting Period, a statement to that effect and the amounts set forth in paragraphs (1), items (i) and (ii) pertaining to the corresponding Year to Date in the Previous Consolidated Fiscal Year (limited to such amounts calculated on the basis of the Reporting Segments and the Calculation Method Pertaining to Reporting Segments during the current Quarterly Consolidated Accounting Period) must be stated in the notes.
- (5) If, in the cases set forth in the preceding paragraph, it is difficult to calculate an accurate amount, an amount estimated by an appropriate method may be noted in lieu of the amount as provided in that paragraph; provided, however, that if it is difficult to calculate an amount, a statement to that effect and the reason therefor may be stated in lieu of the amount as provided in that paragraph.
- (6) If a material impairment loss pertaining to fixed assets has been recognized, if there has been a material change in the amount of goodwill or if a material gain from negative goodwill has been recognized during the current Quarterly Consolidated Accounting Period, the outline thereof must be stated in the notes by Reporting Segment.

(Notes on Financial Instruments)

Article 15-2 (1) By account title of a quarterly consolidated balance sheet concerning Financial Instruments, if said Financial Instruments are material to the Business Group's business operation and there has been a substantial fluctuation in the amount reported on the quarterly consolidated balance sheet or any other amount as compared to the last day of the Previous Consolidated Fiscal Year, the amount reported on the quarterly consolidated balance sheet, the market price, and the difference between the amount reported on the quarterly consolidated balance sheet and said market price, as of the quarterly consolidated closing date, and the calculation method for the market price

must be stated in the notes by account title in the quarterly consolidated balance sheet; provided, however, that if it is difficult to calculate the accurate amount in a timely manner, an estimated amount may be entered.

- (2) Notwithstanding the provisions of the preceding paragraph, if it is difficult to calculate the market price as of the quarterly consolidated closing date, a statement to that effect, the reason therefor, an outline of said Financial Instruments, and the amount reported on the quarterly consolidated balance sheet may be entered in lieu of the matters specified in that paragraph.

(Notes on Securities)

Article 16 (1) In addition to the matters specified in the preceding Article, with regard to securities (limited to the securities set forth in the following items), if said securities are material to the Business Group's business operation and there has been a substantial fluctuation in the amount reported on the quarterly consolidated balance sheet or any other amount of said securities as compared to the last day of the Previous Consolidated Fiscal Year, the matters specified in the following items for the respective categories of securities set forth in those items must be stated in the notes; provided, however, that if it is difficult to calculate the accurate amount in a timely manner, an estimated amount may be entered:

(i) Bonds Held to Maturity that have a market price: the following matters:

- (a) the amount reported on the quarterly consolidated balance sheet as of the quarterly consolidated closing date;
- (b) the market price as of the quarterly consolidated closing date; and
- (c) the difference between the amount reported on the quarterly consolidated balance sheet and the market price as of the quarterly consolidated closing date; and

(ii) Other Securities that have a market price: the following matters by class of shares, bonds and any other securities:

- (a) the acquisition cost;
- (b) the amount reported on the quarterly consolidated balance sheet as of the quarterly consolidated closing date; and
- (c) the difference between the amount reported on the quarterly consolidated balance sheet as of the quarterly consolidated closing date and the acquisition cost.

- (2) If, during the current Quarterly Consolidated Accounting Period, there has been any material change or substantial fluctuation in the matters specified in the items of Article 15-6, paragraph (3) of the Ordinance on Consolidated Financial Statements as compared to the last day of the Previous Consolidated Fiscal Year, the details thereof must be stated in the notes.

(Notes on Derivative Transactions)

Article 17 (1) In addition to the matters specified in Article 15-2, with regard to Derivative Transactions (those to which Hedge Accounting is applied may be excluded), if said transactions are material to the Business Group's business operation and there has been a substantial fluctuation in the contract amount or any other amount of said transactions as compared to the last day of the Previous Consolidated Fiscal Year, the contract amount or the principal equivalent amount specified in the contract, the market price, and valuation gains or losses as of the quarterly consolidated closing date must be stated in the notes, by the type of currency, money rate, share, bond, commodity or any other subject matter of transactions; provided, however, that if it is difficult to calculate the accurate amount in a timely manner, an estimated amount may be entered.

(2) The matters specified in the preceding paragraph must be entered by categorizing them into futures transactions, options transactions, forward transactions, swap transactions and any other Derivative Transactions, or any other types of transactions.

(Notes on the Granting or Issuance of Stock Options, Options on the Company's Own Shares or Company's Own Shares)

Article 18 If Stock Options or Options on the Company's Own Shares have been granted or the Company's Own Shares have been issued, if the amount of influence on the Quarterly Consolidated Financial Statements is material, the following matters must be stated in the notes; provided, however, that if it is difficult to calculate the accurate amount in a timely manner, an estimated amount of influence may be entered:

- (i) if an offer of service has been received, the amount reported as expenses for the Quarterly Consolidated Accounting Period and the account title thereof;
- (ii) if goods have been acquired, the initial amount reported as assets or expenses for such transaction, and the account title thereof; and
- (iii) if unexercised Stock Options have been forfeited, the amount reported as profits.

(Notes on Stock Options)

Article 19 (1) In addition to the provisions of the preceding Article, if any Stock Options have been granted during the current Quarterly Consolidated Accounting Period, the following matters must be stated in the notes with regard to said Stock Options; provided, however, that the notes may be omitted if they have little materiality:

- (i) the number of persons who qualify for grants, by category, such as officers and employees;

- (ii) the number of Stock Options granted by class of shares;
 - (iii) the grant date;
 - (iv) vesting conditions (if there are no vesting conditions, a statement to that effect);
 - (v) the requisite service period (if there is no requisite service period, a statement to that effect);
 - (vi) the exercise period;
 - (vii) the exercise price; and
 - (viii) the fair unit value as of the grant date.
- (2) If the conditions of Stock Options have been modified during the current Quarterly Consolidated Accounting Period, the details of such modification must be stated in the notes; provided, however, that if the details of such modification have little materiality, the notes may be omitted.

(Notes If a Business Combination through Acquisition Was Implemented)

Article 20 (1) If a Business Combination applying the Purchase Method has been carried out during the current Quarterly Consolidated Accounting Period through acquisition of another Enterprise or a business segment of another Enterprise (excluding the cases specified in paragraph (1) of the following Article), the following matters must be stated in the notes; provided, however, that the notes may be omitted if the transaction pertaining to said Business Combination has little materiality:

- (i) the outline of the Business Combination;
- (ii) the period of performance of the Acquired Enterprise or the acquired business included in the Quarterly Consolidated Financial Statements for the Quarterly Consolidated Accounting Period and the Consolidated Year to Date;
- (iii) the acquisition cost for the Acquired Enterprise or the acquired business, and the breakdown thereof;
- (iv) if shares have been delivered as the consideration for acquisition, the exchange ratio and the calculation method thereof, and the number of shares delivered or to be delivered by class of shares;
- (v) if the acquisition has been carried out through multiple transactions, the difference between the acquisition cost of the Acquired Enterprise and the total amount of the acquisition costs of the respective transactions leading to the acquisition;
- (vi) the amount of goodwill that occurred, the cause for the occurrence, the amortization method, and the amortization period, or the amount of gain from negative goodwill and the cause for the occurrence;
- (vii) if the amount of goodwill that occurred or the amount of gain from negative goodwill set forth in the preceding item is a provisionally calculated

- amount, a statement to that effect; and
- (viii) the estimated amount of influence that would be exerted on the quarterly consolidated profit and loss statement for the current Consolidated Year to Date if the Business Combination were to have been completed on the day of commencement of the current consolidated fiscal year.
- (2) Notwithstanding the provisions of the proviso to the preceding paragraph, if, despite the little materiality of the transactions pertaining to individual Business Combinations during the current Quarterly Consolidated Accounting Period, the transactions pertaining to multiple Business Combinations during the current Quarterly Consolidated Accounting Period have materiality as a whole, the matters set forth in item (i) and items (iii) to (vii) inclusive of that paragraph must be stated in the notes for the transactions pertaining to such Business Combinations as a whole.
- (3) If it is difficult to calculate the estimated amount of influence set forth in paragraph (1), item (viii), a statement to that effect and the reason therefor may be entered in lieu of entering the estimated amount of influence.
- (4) If the estimated amount of influence set forth in paragraph (1), item (viii) has yet to receive an audit certification, a statement to that effect must be made.

(Notes If a Business Combination Resulting in Reverse Acquisition Was Implemented)

- Article 21 (1) If a Business Combination resulting in Reverse Acquisition has been carried out during the current Quarterly Consolidated Accounting Period (excluding those set forth in Article 8, paragraph (36), item (i) of the Ordinance on Financial Statements, etc.), the matters equivalent to the matters set forth in paragraph (1), items (i) to (vi) inclusive of the preceding Article and an estimated amount that would be exerted on the quarterly consolidated balance sheet and the quarterly consolidated profit and loss statement if the Purchase Method is assumed to have been applied to said Business Combination must be stated in the notes.
- (2) If the notes have been made pursuant to the provisions of the preceding paragraph, such notes must continue to be made in and after the Quarterly Consolidated Accounting Period following the Quarterly Consolidated Accounting Period in which the Business Combination was carried out unless the estimated amount of influence loses materiality.
- (3) Notwithstanding the provisions of the preceding two paragraphs, the notes are not required to be made if, in a Business Combination set forth in Article 8-18, paragraph (3), item (ii) or (iii) of the Ordinance on Financial Statements, etc., the Enterprise specified in item (ii) or (iii) of that paragraph prepares Consolidated Financial Statements; in this case, a statement to that effect must be set down in the notes.

(Notes on Common Control Transactions, etc.)

Article 22 (1) If a Common Control Transaction, etc. has been carried out during the current Quarterly Consolidated Accounting Period, the following matters must be stated in the notes:

(i) the outline of the transaction;

(ii) an outline of the accounting implemented; and

(iii) if Subsidiary Company shares were additionally acquired, the matters equivalent to those set forth in Article 20, paragraph (1), items (iii), (iv), and (vi).

(2) Notwithstanding the provisions of the preceding paragraph, the notes may be omitted if the Common Control Transaction, etc. has little materiality; provided, however, that if, despite the little materiality of individual Common Control Transactions, etc. during the current Quarterly Consolidated Accounting Period, the multiple Common Control Transactions, etc. during the current Quarterly Consolidated Accounting Period have materiality as a whole, the matters set forth in the items of that paragraph must be stated in the notes for such transactions, etc. as a whole.

(Notes on the Formation of Jointly Controlled Enterprises)

Article 23 (1) If a Formation of a Jointly Controlled Enterprise (meaning a Formation of a Jointly Controlled Enterprise defined in Article 8-22, paragraph (1) of the Ordinance on Financial Statements, etc.; hereinafter the same applies in this Article and paragraph (1) of the following Article) has been carried out during the current Quarterly Consolidated Accounting Period, the matters equivalent to those set forth in paragraph (1), items (i) and (ii) of the preceding Article must be stated. In this case, if the matters equivalent to the matters set forth in item (i) of that paragraph are stated, the reason for determining said Business Combination to be a Formation of a Jointly Controlled Enterprise must be stated.

(2) Notwithstanding the provisions of the preceding paragraph, the notes may be omitted if the transaction pertaining to the Formation of a Jointly Controlled Enterprise has little materiality; provided, however, that if, despite the little materiality of the transactions pertaining to individual Formations of a Jointly Controlled Enterprise during the current Quarterly Consolidated Accounting Period, the transactions pertaining to multiple Formations of a Jointly Controlled Enterprise during the current Quarterly Consolidated Accounting Period have materiality as a whole, the matters set forth in that paragraph must be stated in the notes for the transactions pertaining to such Business Combinations as a whole.

Article 24 (1) If a material Business Divestiture has been carried out during the current Quarterly Consolidated Accounting Period, and said Business Divestiture is neither categorized as a Common Control Transaction, etc. nor formation of a Jointly Controlled Enterprise, the Divesting Enterprise must state the following matters in the notes:

(i) the outline of the Business Divestiture

(ii) an outline of the accounting implemented;

(iii) the name of the Reporting Segment in which the divested business was included;

(iv) the estimated amount of profit or losses pertaining to the divested business, which is reported on the quarterly consolidated profit and loss statement for the Quarterly Consolidated Accounting Period and the Consolidated Year to Date; and

(v) if, for a Business Divestiture for which a gain or loss on transfer has been recognized, there is any continuing involvement other than holding Divested Enterprise shares as Subsidiary Company shares or Affiliated Company shares, an outline of such continuing involvement.

(2) The statement of the matters set forth in item (v) of the preceding paragraph may be omitted if said continuing involvement is immaterial.

(3) If, despite the little materiality of the transactions pertaining to individual Business Divestitures during the current Quarterly Consolidated Accounting Period, the transactions pertaining to multiple Business Divestitures during the current Quarterly Consolidated Accounting Period have materiality as a whole, the matters set forth in items (i) and (ii) of that paragraph must, notwithstanding the provisions of paragraph (1), be stated in the notes for said transactions pertaining to Business Divestitures as a whole.

(Notes by Divested Enterprise in Business Divestitures)

Article 25 If a Business Divestiture is not categorized as a Business Combination, the Divested Enterprise must state the following matters in the notes.

(i) the outline of the transaction;

(ii) the outline of the accounting implemented; and

(iii) the breakdown of the assets, liabilities and net assets succeeded from the Divesting Enterprise.

(Notes on the Business Combination of a Subsidiary Company)

Article 26 The provisions of Article 15-18 of the Ordinance on Consolidated Financial Statements apply mutatis mutandis to the Business Combination of a Subsidiary Company. In this case, the terms "Company Submitting the Consolidated Financial Statements" and "Consolidated Fiscal Year" in

paragraph (1) of that Article are deemed to be replaced with "Company Submitting the Quarterly Consolidated Financial Statements" and "Quarterly Consolidated Accounting Period" respectively, the term "consolidated profit and loss statement" in item (iv) of that paragraph is deemed to be replaced with "quarterly consolidated profit and loss statement," and the term "Consolidated Fiscal Year" in paragraph (3) of that Article is deemed to be replaced with "Quarterly Consolidated Accounting Period."

(Notes on the Going Concern Assumption)

Article 27 The provisions of Article 21 of the Ordinance on Quarterly Financial Statements, etc. apply mutatis mutandis to a Company Submitting Quarterly Consolidated Financial Statements. In this case, the term "quarterly balance sheet date" in that Article is deemed to be replaced with "quarterly consolidated closing date" and the term "Quarterly Financial Statements" in item (iv) of that Article is deemed to be replaced with "Quarterly Consolidated Financial Statements."

(Notes on Asset Retirement Obligations)

Article 27-2 (1) If Asset Retirement Obligations are material to the Business Group's business operation and there has been a substantial fluctuation in the amount reported on the quarterly consolidated balance sheet or any other amount of said Asset Retirement Obligations as compared to the last day of the Previous Consolidated Fiscal Year, the following matters must be stated in the notes:

- (i) the details of such fluctuation; and
- (ii) the increase or decrease in the total amount of Asset Retirement Obligations during the current Consolidated Year to Date.

(2) Notwithstanding the provisions of the preceding paragraph, if any Asset Retirement Obligations are not reported on the quarterly consolidated balance sheet, a statement to that effect, the reason therefor, and an outline of said Asset Retirement Obligations must be entered in lieu of the matters set forth in the items of that paragraph.

(Notes on Rental, etc. Real Properties)

Article 27-3 With regard to any Rental, etc. Real Property (meaning a Rental, etc. Real Property as provided in Article 15-24 of the Ordinance on Consolidated Financial Statements), if a substantial change is found in the amount reported in any quarterly consolidated balance sheet or any other amount for said Rental, etc. Real Property as compared to the last day of the Previous Consolidated Fiscal Year, the market price of said Rental, etc. Real Property as of the quarterly consolidated balance sheet date and the amount

reported in the quarterly consolidated balance sheet must be stated in the notes.

(Method of Notation)

- Article 28 (1) The notes to be stated pursuant to the provisions of this Ordinance must be entered immediately after the entries under the provisions of Articles 10 and 12; provided, however, that this does not apply in the following cases:
- (i) if matters related to those that were entered pursuant to the provisions of Articles 10 to 12 were entered together with them; or
 - (ii) if notes that it is found appropriate to enter as Footnotes (meaning entering notes at the end of the table or account statement contained in the Quarterly Consolidated Financial Statements in which the matters pertaining to said notes are entered) are entered as Footnotes.
- (2) Notwithstanding the provisions of the preceding paragraph, the notes under the provisions of Article 27 must be entered immediately after the quarterly consolidated cash flow statement. In this case, notwithstanding the provisions of Articles 10 to 12, the matters entered under those provisions must be entered immediately after the notes under the provisions of Article 27.
- (3) If entering notes that are related to a specific account title pursuant to the provisions of this Ordinance, the association between said account title and said notes must be made clear by appending a symbol to said account title or by another similar method.

(Units for Presenting Amounts)

Article 29 The amounts in account titles and any other matters contained in Quarterly Consolidated Financial Statements are to be presented in units of millions of yen or thousands of yen.

Chapter II Quarterly Consolidated Balance Sheets

Section 1 General Provisions

(Method of Entry in a Quarterly Consolidated Balance Sheet)

- Article 30 (1) The Method of Entry in a quarterly consolidated balance sheet is in accordance with the provisions of this Chapter.
- (2) A quarterly consolidated balance sheet is to be presented in accordance with Form No. 2.

(Classification into Assets, Liabilities and Net Assets)

Article 31 Assets, liabilities and net assets must be entered by respectively classifying them into an assets section, a liabilities section, and a net assets section.

(Arrangement of Account Titles)

Article 32 The account titles of assets and liabilities are to be arranged by using the method of current arrangement.

Section 2 Assets

(Classification of Assets)

Article 33 Assets must be entered by classifying them into current assets, fixed assets and deferred assets, and assets categorized as fixed assets must be further classified into tangible fixed assets, intangible fixed assets, investments, and any other assets.

(Scope of Each Class of Assets)

Article 34 The provisions of Articles 15 to 16-3 inclusive, 22, 27, 31 to 31-5 inclusive, and 36 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to the scopes of current assets, tangible fixed assets, intangible fixed assets, investments and other assets, and deferred assets. In this case, the term "Within One Year" in Articles 15 to 16-3 of the Ordinance on Financial Statements, etc. is deemed to be replaced with "on a day within one year from the day following the quarterly consolidated closing date" and the term "Company Submitting the Financial Statements" in Article 22, item (viii) and Article 27, item (xii) of the Ordinance on Financial Statements, etc. is deemed to be replaced with "Company Submitting the Quarterly Consolidated Financial Statements."

(Separate Presentation of Current Assets)

Article 35 (1) Assets categorized as current assets must be set down under account titles with names that are indicative of said assets, in accordance with the following categorization of items; provided, however, that assets categorized under any of said items whose amount is not more than one percent of the total amount of assets and which it is found appropriate to present collectively with assets categorized under another item, may be set down collectively under an account title with an appropriate name:

- (i) cash and deposits;
- (ii) negotiable instruments receivable and accounts receivable;
- (iii) securities;
- (iv) merchandise and manufactured goods (including semi-finished goods);
- (v) work in progress;
- (vi) raw materials and supplies; and
- (vii) others.

- (2) If it is found appropriate to present assets categorized under any of the items set forth in the items of the preceding paragraph separately, the provisions of that paragraph do not preclude said assets from being set down separately under an account title with a name that is indicative of said assets.
- (3) Among the assets categorized under the item set forth in paragraph (1), item (vii), any asset whose amount exceeds ten percent of the total amount of assets or any asset whose amount is not more than ten percent of the total amount of assets but that it is found appropriate to present separately must be set down separately under an account title with a name that is indicative of said asset.
- (4) Notwithstanding the provisions of the main clause of paragraph (1), assets categorized under the items set forth in items (iv) to (vi) inclusive of said paragraph may be set down collectively under the account title of inventory assets. In this case, the account titles of the assets categorized under said items and the amounts thereof must be stated in the notes.

(Presentation of Allowances Related to Current Assets)

Article 36 The provisions of Article 20 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to allowances related to assets that are categorized as current assets.

(Separate Presentation of Tangible Fixed Assets)

- Article 37 (1) Assets categorized as tangible fixed assets are to be set down collectively under an account title with a name that is indicative of tangible fixed assets; provided, however, that this does not preclude tangible fixed assets from being classified into an item that is found to be appropriate and set down under an account title with a name that is indicative of said assets.
- (2) Notwithstanding the provisions of the preceding paragraph, if assets categorized as tangible fixed assets include any asset whose amount exceeds ten percent of the total amount of assets or if the amount of any asset is not more than ten percent of the total amount of assets but it is found appropriate to present it separately, said assets must be separated from other tangible fixed assets and must be set down under an account title with a name that is indicative of each of such assets.

(Presentation of the Amounts of Accumulated Depreciation for Tangible Fixed Assets)

Article 38 The provisions of Articles 25 and 26 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to the amounts of accumulated depreciation for tangible fixed assets.

(Presentation of the Amounts of Accumulated Impairment Losses)

Article 39 The provisions of Article 26-2 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to the amounts of accumulated impairment losses for tangible fixed assets.

(Separate Presentation of Intangible Fixed Assets)

Article 40 (1) Assets categorized as intangible fixed assets must be set down under account titles with names that are indicative of said assets, in accordance with the following categorization of items; provided, however, that assets categorized under the item set forth in item (i) whose amount is not more than one percent of the total amount of assets may be set down collectively with assets categorized set forth in item (ii):

- (i) goodwill; and
- (ii) others.

(2) Among the assets set forth in item (ii) of the preceding paragraph, any asset whose amount exceeds ten percent of the total amount of assets or any asset whose amount is not more than ten percent of the total amount of assets but that it is found appropriate to present separately must be set down separately under an account title with a name that is indicative of said asset.

(3) A difference that results from investments by Consolidated Companies being in excess of the amount of corresponding equity of Consolidated Subsidiary Companies is presented by including it into goodwill.

(Presentation of Amounts of Accumulated Amortization for Intangible Fixed Assets)

Article 41 The provisions of Article 30 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to the amounts of accumulated amortization and the amounts of accumulated impairment losses for intangible fixed assets.

(Separate Presentation of Investments and Other Assets)

Article 42 (1) Assets categorized as investments and other assets are to be collectively set down under an account title with a name that is indicative of investments and other assets; provided, however, that this does not preclude assets categorized as investments and other assets from being classified into an item that is found to be appropriate and set down under an account title with a name that is indicative of said assets.

(2) The provisions of Article 37, paragraph (2) apply mutatis mutandis to investments and other assets.

(Presentation of Allowances Related to Investments and Other Assets)

Article 43 The provisions of Article 20 of the Ordinance on Financial Statements, etc. as applied mutatis mutandis pursuant to Article 34 of that Ordinance

apply mutatis mutandis to allowances related to assets categorized as investments and other assets.

(Separate Presentation of Deferred Assets)

Article 44 (1) Assets categorized as deferred assets are to be collectively set down under an account title with a name that is indicative of deferred assets; provided, however, that this does not preclude assets categorized as deferred assets from being classified into an item that is found to be appropriate and set down under an account title with a name that is indicative of said assets.

(2) The provisions of Article 37, paragraph (2) apply mutatis mutandis to deferred assets.

(Presentation of Amounts of Accumulated Amortization for Deferred Assets)

Article 45 The provisions of Article 38 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to the amounts of accumulated amortization for deferred assets.

(Notes on Collateral Assets)

Article 46 With regard to assets that have been provided as collateral, if said assets are material to the Business Group's business operation and there has been a substantial fluctuation in the amount of said assets as compared to the last day of the Previous Consolidated Fiscal Year, the details and the amount of the assets that have been provided as collateral must be stated in the notes; provided, however, that if it is difficult to calculate the accurate amount in a timely manner, an estimated amount may be entered.

Section 3 Liabilities

(Classification of Liabilities)

Article 47 Liabilities must be entered by classifying them into current liabilities and fixed liabilities.

(Scope of Each Class of Liabilities)

Article 48 The provisions of Articles 47 to 48-4 inclusive and 51 to 51-5 inclusive of the Ordinance on Financial Statements, etc. apply mutatis mutandis to the scopes of current liabilities and fixed liabilities. In this case, the term "Within One Year" in Articles 47 and 48-2 to 48-4 inclusive of the Ordinance on Financial Statements, etc. is deemed to be replaced with "on a day within one year from the day following the quarterly consolidated closing date."

(Separate Presentation of Current Liabilities)

Article 49 (1) Liabilities categorized as current liabilities must be set down under account titles with names that are indicative of said liabilities, in accordance with the following categorization of items; provided, however, that any liabilities categorized under items other than that set forth in item (iv) whose amounts are not more than one percent of the combined total of liabilities and net assets, which it is found appropriate to present collectively with liabilities categorized under another item, may be set down collectively under an account title with an appropriate name:

(i) negotiable instruments payable and accounts payable;

(ii) short-term borrowings (including finance negotiable instruments and overdrafts);

(iii) accrued Corporation Tax, etc.;

(iv) allowances;

(v) Asset Retirement Obligations; and

(vi) others.

(2) If it is found appropriate to present liabilities categorized under any of the items set forth in the items of the preceding paragraph separately, the provisions of that paragraph do not preclude said liabilities from being set down separately under an account title with a name that is indicative of said liabilities.

(3) If the allowances set forth in paragraph (1), item (iv) include any allowance whose amount exceeds one percent of the combined total of liabilities and net assets, said allowance must be separately set down under an account title with a name that is indicative of the purpose of establishment of said allowance.

(4) Among the liabilities categorized under the item set forth in paragraph (1), item (vi), any liability whose amount exceeds ten percent of the combined total of liabilities and net assets or any liability whose amount is not more than ten percent of the combined total of liabilities and net assets but which it is found appropriate to present separately must be set down under an account title with a name that is indicative of said liability.

(Separate Presentation of Fixed Liabilities)

Article 50 (1) Liabilities categorized as fixed liabilities must be set down under account titles with names that are indicative of said liabilities, in accordance with the following categorization of items; provided, however, that any liabilities categorized under items other than that set forth in item (iii) whose amounts are not more than one percent of the combined total of liabilities and net assets and which it is found appropriate to present collectively with liabilities categorized under another item, may be set down collectively under an account title with an appropriate name:

(i) corporate bonds;

- (ii) long-term borrowings (including finance negotiable instruments; the same applies hereinafter);
 - (iii) allowances;
 - (iv) Asset Retirement Obligations;
 - (v) others.
- (2) The provisions of paragraph (2) of the preceding Article apply mutatis mutandis to cases under the preceding paragraph.
- (3) The provisions of paragraph (3) of the preceding Article apply mutatis mutandis to the allowances set forth in paragraph (1), item (iii).
- (4) The provisions of paragraph (4) of the preceding Article apply mutatis mutandis to liabilities categorized under the item set forth in paragraph (1), item (v).

(Notes on Contingent Liabilities)

Article 51 If there are contingent liabilities (meaning guarantees of debts (including acts that have the same effect as a debt guarantee), obligations to compensate resulting from contentious cases, and other liabilities that have not actually arisen but may be borne by the business in the future) pertaining to any Consolidated Company, the contents and amounts thereof must be stated in the notes; provided, however, that notes may be omitted for matters having little materiality.

(Notes on the Amount of Discount on Negotiable Instruments and the Amount of Transfer by Endorsement)

Article 52 The provisions of Article 47 of the Ordinance on Quarterly Financial Statements, etc. apply mutatis mutandis to negotiable instruments that have been discounted or that have been transferred by endorsement for the purpose repaying debts.

(Presentation of Inventory Assets and Reserves for Losses on Construction Contracts)

Article 53 The provisions of Article 54-4 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to the presentation of inventory assets and reserves for losses on construction contracts.

Section 4 Net Assets

(Classification of Net Assets)

Article 54 Net assets must be entered by classifying them into shareholders' equity, valuation and translation adjustments, share options, and Minority Shareholders' Equity.

(Classification and Separate Presentation of Shareholders' Equity)

Article 55 (1) Shareholders' equity must be classified into stated capital, capital surplus, and retained earnings, and must be set down under the account titles of stated capital, capital surplus, and retained earnings, respectively.

(2) The provisions of Article 61 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to stated capital.

(3) The provisions of Article 62 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to a deposit for subscriptions to shares after the offer date.

(4) The provisions of Article 43, paragraphs (3) and (4) of the Ordinance on Consolidated Financial Statements apply mutatis mutandis to Treasury Shares and deposits for subscriptions to Treasury Shares.

(Classification and Separate Presentation of Valuation and Translation Adjustments)

Article 56 The provisions of Article 43-2 of the Ordinance on Consolidated Financial Statements apply mutatis mutandis to valuation and translation adjustments.

(Presentation of Share Options)

Article 57 The provisions of Article 43-3 of the Ordinance on Consolidated Financial Statements apply mutatis mutandis to share options. In this case, the term "Company Submitting the Consolidated Financial Statements" in paragraph (2) of that Article is deemed to be replaced with "Company Submitting the Quarterly Consolidated Financial Statements."

(Presentation of Minority Shareholders' Equity)

Article 58 Minority Shareholders' Equity must be set down under the account title of Minority Shareholders' Equity.

(Notes on the Per-Share Amount of Net Assets)

Article 59 The per-share amount of net assets as of the end of the current Quarterly Consolidated Accounting Period and that as of the end of the Previous Consolidated Fiscal Year must be stated in the notes.

Section 5 Miscellaneous Provisions

(Reserves, etc. under Special Laws)

Article 60 (1) Reserves or allowances that must be reported under the name of reserves or allowances pursuant to the provisions of laws and regulations, and

that are inappropriate to report in the assets section or the liabilities section (hereinafter referred to as "Reserves, etc." in the following paragraph and Article 80) must be entered under a separate category that has been added immediately after fixed liabilities, notwithstanding the provisions of Articles 32 and 47.

- (2) Reserves, etc. as set forth in the preceding paragraph must be set down under an account title with a name that is indicative of the purpose of establishment of said Reserves, etc.

(Classification of the Assets and Liabilities of a Separately Indicated Business)

Article 61 If the main business of a Business Group is a business set forth in the appended list of the Ordinance on Financial Statements, etc. (hereinafter referred to as a "Separately Indicated Business"), and if it is found to be inappropriate that it enter its assets and liabilities by classification under the provisions of Articles 33 and 47, notwithstanding these provisions, said assets and liabilities may be entered by an equivalent classification to that specified by Laws, Regulations, or Rules (meaning laws, regulations, or rules as provided in Article 2 of the Ordinance on Financial Statements, etc.; the same applies hereinafter) that are applicable to the financial statements of the company(ies) engaged in said Separately Indicated Business.

(Entry of the Net Assets of Designated Corporations)

Article 62 If a Designated Corporation prepares a quarterly consolidated balance sheet, and it is found to be inappropriate that it state its net assets pursuant to this Ordinance, said net assets may be entered in an equivalent manner as under the provisions of Laws, Regulations, or Rules applicable to its financial statements. In this case, the governing Laws, Regulations, or Rules must be entered in the notes.

(Entry of Account Titles for the Assets and Liabilities of a Separately Indicated Business)

Article 63 (1) If the business conducted by any Consolidated Company includes a Separately Indicated Business, and if it is found to be inappropriate that it enter the account titles for assets and liabilities of said Separately Indicated Business according to the categorization of the items as provided in Article 35, paragraph (1), Article 37, Article 40, paragraph (1), Article 42, Article 49, paragraph (1) and Article 50, paragraph (1), notwithstanding these provisions, said account titles may be entered in an equivalent manner as under the provisions of Laws, Regulations, or Rules applicable to the financial statements of the company engaged in said Separately Indicated Business.

- (2) In the cases set forth in the preceding paragraph, the standards for setting

down the account titles of assets and liabilities collectively or separately are equivalent to those provided under this Ordinance.

Chapter III Quarterly Consolidated Profit and Loss Statements

Section 1 General Provisions

(Method of Entry in a Quarterly Consolidated Profit and Loss Statement)

Article 64 (1) The method of entry in a quarterly consolidated profit and loss statement is in accordance with the provisions of this Chapter.

(2) A quarterly consolidated profit and loss statement is to be presented in accordance with Form No. 3 and Form No. 4.

(Classification of Revenues and Expenses)

Article 65 Revenues and expenses must be entered by classifying them into account titles with names that are indicative of the following items:

- (i) net sales;
- (ii) cost of sales (including service costs; the same applies hereinafter);
- (iii) selling expenses and general and administrative expenses;
- (iv) non-operating revenues;
- (v) non-operating expenses;
- (vi) extraordinary profit; and
- (vii) extraordinary losses.

Section 2 Net Sales and the Cost of Sales

(Presentation of Net Sales)

Article 66 Net sales must be set down under an account title with a name that is indicative of net sales.

(Presentation of the Cost of Sales)

Article 67 The cost of sales must be set down under an account title with a name that is indicative of the cost of sales.

(Presentation of the Gross Profit or Loss on Sales)

Article 68 The amount of difference between net sales and the cost of sales must be presented as the gross profit on sales or the gross loss on sales.

Section 3 Selling Expenses and General and Administrative Expenses

(Presentation of Selling Expenses and General and Administrative Expenses)

Article 69 (1) Selling expenses and general and administrative expenses must be

classified into expense items that are found to be appropriate, and be set down under account titles with names that are indicative of said expenses; provided, however, that this does not preclude said expenses from being set down under the account title of selling expenses, the account title of general and administrative expenses, or the account title of selling expenses and general and administrative expenses collectively, and from major expense items and amounts thereof being entered in the notes.

(2) The major expense items as provided in the proviso to the preceding paragraph are the provision of allowances (excluding such expense items whose amount is small) and any other expense items whose amount exceeds 20 percent of the combined total of selling expenses and general and administrative expenses or those whose amount is not more than 20 percent of the combined total of selling expenses and general and administrative expenses but which it is found appropriate to present separately.

(Presentation of the Amount of Operating Profits and Losses)

Article 70 The amount obtained by adjusting the gross profit on sales or the gross loss on sales by adding or subtracting the total amount of selling expenses and general and administrative expenses must be entered as the amount of operating profit or the amount of operating losses.

Section 4 Non-operating Revenues and Non-operating Expenses

(Presentation of Non-operating Revenues)

Article 71 Revenues categorized as non-operating revenues must be set down under account titles with names that are indicative of said revenues, by categorization as interest income (including interest on securities), dividends income, gain on sales of securities, investment return under the Equity Method, and others; provided, however, that any revenues whose amounts are not more than 20 percent of the total amount of non-operating revenues and that it is found appropriate to present collectively may be set down under an account title with a name that is indicative of all of said revenues.

(Presentation of Non-operating Expenses)

Article 72 Expenses categorized as non-operating expenses must be set down under account titles with names that are indicative of said expenses, by categorization as interest expenses (including interest on corporate bonds), loss on sales of securities, investment losses under the Equity Method, and others; provided, however, that any expenses whose amounts are not more than 20 percent of the total amount of non-operating expenses and that it is found appropriate to present collectively may be set down under an account title with

a name that is indicative of all of said expenses.

(Presentation of the Amount of Ordinary Profits and Losses)

Article 73 The amount obtained by adjusting the amount of operating profit or the amount of operating losses by adding or subtracting the total amount of non-operating revenues or the total amount of non-operating expenses must be entered as the amount of ordinary profit or the amount of ordinary losses.

Section 5 Extraordinary Profit and Extraordinary Losses

(Presentation of Extraordinary Profit)

Article 74 Profits categorized as extraordinary profit must be set down under account titles having names that indicate said profits, in accordance with the categorization of gain on prior period adjustment, gain on sales of fixed assets, gain from negative goodwill and others; provided, however, that any profits of which the amounts are not more than 20 percent of the total amount of extraordinary profit, which are found appropriate to be presented collectively, may be set down under an account title having a name that collectively indicates said profits.

(Presentation of Extraordinary Losses)

Article 75 Losses categorized as extraordinary losses must be set down under account titles with names that are indicative of said losses, by categorization as losses on a prior period adjustment, losses on sales of fixed assets, impairment losses, losses from a disaster, and others; provided, however, that any losses whose amounts are not more than 20 percent of the total amount of extraordinary losses and that it is found appropriate to present collectively may be set down under an account title with a name that is indicative of all of said losses.

(Presentation of Quarterly Net Profits or Quarterly Net Losses Before Taxes)

Article 76 The amount obtained by adjusting the amount of ordinary profit or the amount of ordinary losses by adding or subtracting the total amount of extraordinary profit or the total amount of extraordinary losses must be presented as the amount of quarterly net profit before taxes or the amount of quarterly net losses before taxes.

Section 6 Quarterly Net Profit or Quarterly Net Losses

(Quarterly Net Profit or Quarterly Net Losses)

Article 77 (1) The amounts of the following items must be entered under account

titles with names that are indicative of the contents thereof, immediately after the amount of quarterly net profit before taxes or the amount of quarterly net loss before taxes:

- (i) the corporation tax, inhabitants tax, and enterprise tax (meaning the enterprise tax imposed on amounts related to profits as the tax base; the same applies in the following item) pertaining to the current Quarterly Consolidated Accounting Period;
 - (ii) the Deferred Corporation Tax, etc. (meaning adjustments on the corporation tax, inhabitants tax, and enterprise tax set forth in the preceding item, which are reported through the application of Tax Effect Accounting); and
- (2) The items set forth in the items of the preceding paragraph may be entered collectively; provided, however, that a statement to that effect must be set down in the notes in such a case.
 - (3) The amount obtained by adjusting the amount of quarterly net profit before taxes or the amount of quarterly net loss before taxes by adding or subtracting the amounts of the items set forth in the respective items of paragraph (1) must be stated as the amount of quarterly net profit before minority shareholder profit or loss adjustment or the amount of quarterly net loss before minority shareholder profit or loss adjustment.
 - (4) The amount that represents Minority Shareholders' Equity in the amount of quarterly net profit before taxes or the amount of quarterly net loss before taxes must be stated, under an account title having a name that indicates the contents thereof, next to the amount of quarterly net profit before minority shareholder profit or loss adjustment or the amount of quarterly net loss before minority shareholder profit or loss adjustment.
 - (5) The amount obtained by adjusting the quarterly net profit before minority shareholder profit or loss adjustment or the amount of quarterly net loss before minority shareholder profit or loss adjustment by adding or subtracting the amount that represents Minority Shareholders' Equity in the amount of quarterly net profit before taxes or the amount of quarterly net loss before taxes must be stated as the amount of quarterly net profit or the amount of quarterly net loss.
 - (6) If there are taxes paid or taxes refunded due to a correction of or determination, etc. on Corporation Tax, etc., these are to be entered under an account title with a name that is indicative of the contents thereof, immediately after the item set forth in paragraph (1), item (i); provided, however, that such amounts may be presented by including them in the amount of the item set forth in paragraph (1), item (i) if such amounts have little materiality.

(Notes on the Per-Share Amount of Quarterly Net Profits or Losses)

- Article 78 (1) The per-share amount of quarterly net profit or per-share amount of quarterly net losses for the current Quarterly Consolidated Accounting Period and the Consolidated Year to Date as of the end of said Quarterly Consolidated Accounting Period, and the basis for calculation of said amount must be entered in the notes.
- (2) The Diluted Per-Share Amount of Quarterly Net Profit (meaning the per-share amount of quarterly net profit calculated as if rights to acquire common shares, rights to request conversion into common shares, or securities or contracts bearing rights equivalent thereto (hereinafter referred to as "Potential Shares") were exercised; hereinafter the same applies in this Article) for the current Quarterly Consolidated Accounting Period and the Consolidated Year to Date as of the end of said Quarterly Accounting Period, and the basis for calculation of said amount must be entered immediately after the entry set forth in the preceding paragraph; provided, however, that if no Potential Shares exist, or if the Diluted Per-Share Amount of Quarterly Net Profit is not less than the per-share amount of quarterly net profit or such amount constitutes the per-share amount of quarterly net losses, a statement to that effect is entered, and the Diluted Per-Share Amount of Quarterly Net Profit need not be entered.
- (3) If any reverse stock split or stock split has been carried out during the current Quarterly Consolidated Accounting Period, the following matters must be stated in the notes; provided, however, that if no Potential Shares existed, or if the Diluted Per Share Amount of Quarterly Net Profit was not less than the per share amount of quarterly net profit or such amount constituted the per share amount of quarterly net loss during the corresponding Quarterly Consolidated Accounting Period in the Previous Consolidated Fiscal Year, a statement to that effect is made, and the Diluted Per Share Amount of Quarterly Net Profit pertaining to the corresponding Quarterly Consolidated Accounting Period in the Previous Consolidated Fiscal Year and the Consolidated Year to Date as of the end thereof is not required to be stated:
- (i) the fact that a reverse stock split or a stock split has been carried out; and
 - (ii) what the per-share amount of quarterly net profit or the per-share amount of quarterly net losses, and the Diluted Per-Share Amount of Quarterly Net Profit pertaining to the corresponding Quarterly Consolidated Accounting Period and Consolidated Year to Date in the Previous Consolidated Fiscal Year would be, had the reverse stock split or the stock split been carried out on the day of commencement of the Previous Consolidated Fiscal Year.
- (4) If any reverse stock split or stock split has been carried out after the quarterly consolidated closing date, the following matters must be stated in the notes as Material Post-Balance Sheet Events; provided, however, that if no

Potential Shares existed, or if the Diluted Per Share Amount of Quarterly Net Profit was not less than the per share amount of quarterly net profit or such amount constituted the per share amount of quarterly net loss in the current Quarterly Consolidated Accounting Period, a statement to that effect is made, and the Diluted Per Share Amount of Quarterly Net Profit pertaining to the current Quarterly Consolidated Accounting Period and the Consolidated Year to Date as of the end of said Quarterly Consolidated Accounting Period is not required to be stated:

- (i) the fact that a reverse stock split or a stock split has been carried out;
- (ii) what the per-share amount of quarterly net profit or the per-share amount of quarterly net loss, and the Diluted Per-Share Amount of Quarterly Net Profit pertaining to the corresponding Quarterly Consolidated Accounting Period and Consolidated Year to Date in the Previous Consolidated Fiscal Year would be, had the reverse stock split or the stock split been carried out on the day of commencement of the Previous Consolidated Fiscal Year; and
- (iii) what the per-share amount of quarterly net profit or the per-share amount of quarterly net loss, and the Diluted Per-Share Amount of Quarterly Net Profit pertaining to the current Quarterly Consolidated Accounting Period and the Consolidated Year to Date as of the end of said Quarterly Consolidated Accounting Period would be, had the reverse stock split or the stock split been carried out on the day of commencement of the current consolidated fiscal year.

Section 7 Miscellaneous Provisions

(Presentation of the Investment Return, etc. under the Equity Method)

Article 79 If investment return and investment loss under the Equity Method arise, the amount obtained by offsetting one against the other may be presented.

(Addition to or Reversal of Reserves, etc. under Special Laws)

Article 80 If there has been an addition to or reversal of Reserves, etc., the amount of the addition or reversal must be set down as an extraordinary loss or extraordinary profit under an account title with a name that is indicative of that the amount results from said addition or reversal.

(Notes on Substantial Seasonal Fluctuations in Net Sales or Operating Expenses)

Article 81 If there are substantial seasonal fluctuations in net sale or Operating Expenses (meaning the combined total of the cost of sales, selling expenses, and general and administrative expenses) due to the nature of the business,

the context of such fluctuations must be stated in the notes.

(Classification of the Revenues and Expenses of a Separately Indicated Business)

Article 82 If the main business of a Business Group is a Separately Indicated Business, and if it is found inappropriate to enter its revenues and expenses by classifying them into the items as provided in Article 65, notwithstanding the provisions of that Article, said revenues and expenses may be entered in an equivalent manner as under the provisions of Laws, Regulations, or Rules applicable to the financial statements of the company(ies) engaged in said Separately Indicated Business.

(Entry of Account Titles for the Revenues and Expenses of a Separately Indicated Business)

Article 83 (1) If the business engaged in by any Consolidated Company includes a Separately Indicated Business, and it is found inappropriate to enter the account titles for the revenues and expenses of said Separately Indicated Business according to the provisions of Article 66, Article 67, Article 69, Article 71, and Article 72, notwithstanding these provisions, said account titles may be entered in an equivalent manner as under the provisions of Laws, Regulations, or Rules applicable to the financial statements of the company engaged in said Separately Indicated Business.

(2) In the cases set forth in the preceding paragraph, the standards for setting down the account titles of revenues and expenses collectively or separately are equivalent to those provided under this Ordinance.

Chapter IV Quarterly Consolidated Cash Flow Statements
Section 1 General Provisions

(Method of Entry in a Quarterly Consolidated Cash Flow Statement)

Article 84 (1) The method of entry in a quarterly consolidated cash flow statement is in accordance with the provisions of this Chapter.

(2) Entries in a quarterly consolidated cash flow statement are to be made in accordance with Form No. 5 or Form No. 6.

(Categorization for Presenting a Quarterly Consolidated Cash Flow Statement)

Article 85 In a quarterly consolidated Cash Flow statement, cash flow conditions must be entered for the following categories:

- (i) Cash Flow from operating activities;
- (ii) Cash Flow from investment activities;
- (iii) Cash Flow from financing activities;

- (iv) translation adjustments on cash and Cash Equivalents;
- (v) increases or decreases in cash and Cash Equivalents;
- (vi) the beginning balances of cash and Cash Equivalents; and
- (vii) the balances of cash and Cash Equivalents at the end of the quarter.

Section 2 Method of Entry in a Quarterly Consolidated Cash Flow Statement

(Presentation of Cash Flows from Operating Activities)

Article 86 The provisions of Articles 84 to 89 of the Ordinance on Consolidated Financial Statements apply mutatis mutandis to the method of entry in a quarterly consolidated cash flow statement. In this case, the terms "the amount of net profit for the period before taxes or the amount of net loss for the period before taxes" in Article 84, item (ii) of the Ordinance on Consolidated Financial Statements are deemed to be replaced with "the amount of quarterly net profit before taxes or the amount of quarterly net losses before taxes," and the term "consolidated profit and loss statement" in sub-items (a) and (c) of that item is deemed to be replaced with "quarterly consolidated profit and loss statement."

(Matters to Be Stated in the Notes in a Quarterly Consolidated Cash Flow Statement)

Article 87 The relationship between the balances of cash and Cash Equivalents at the end of the quarter and the amounts for the account titles set down in the quarterly consolidated balance sheet must be stated in the notes in a quarterly consolidated cash flow statement.

Chapter V Notes on Shareholders' Equity, etc.

(Notes on Issued Shares)

Article 88 With regard to the classes and the total number of issued shares, the total number of issued shares at the end of the current Quarterly Consolidated Accounting Period must be stated in the notes by class of issued shares.

(Notes on Treasury Shares)

Article 89 With regard to the classes and the total number of Treasury Shares, the total number of Treasury Shares at the end of the current Quarterly Consolidated Accounting Period must be stated in the notes by class of Treasury Shares.

(Notes on Share Options, etc.)

Article 90 (1) With regard to share options, the following matters must be stated in the notes:

- (i) the class(es) of shares subject to the share options;
- (ii) the number of shares subject to share options; and
- (iii) the balance of share options at the end of the Quarterly Consolidated Accounting Period.

(2) If share options have been granted as Stock Options or Options on the Company's Own Shares, the matters set forth in items (i) and (ii) of the preceding paragraph need not be entered.

(3) The number of shares set forth in paragraph (1), item (ii) must be entered by stating the number of shares subject to the share options as of the last day of the current Quarterly Consolidated Accounting Period, by class of shares subject to the share options; provided, however, that the notes may be omitted if the number of shares that would increase if the share options were to be exercised constitutes an immaterial proportion of the total number of issued shares (when holding Treasury Shares, the number of shares after deducting the number of said Treasury Shares) as of the last day of the current Quarterly Consolidated Accounting Period.

(4) The provisions of the preceding three paragraphs apply mutatis mutandis to own share options.

(Notes on Dividends)

Article 91 With regard to the dividends during the Consolidated Year to Date as of the end of the current Quarterly Consolidated Accounting Period, the following matters must be stated in the notes:

- (i) if the dividend property is money, the total amount of dividends, the amount of dividends per-share, the reference date, and the effective date by class of shares;
- (ii) if the dividend property is property other than money, the type and the book value of the dividend property, the amount of dividends per-share, the reference date, and the effective date by class of shares; and
- (iii) with regard to a dividend whose reference date is contained in the period from the day of commencement of the current consolidated fiscal year to the end of the current Quarterly Consolidated Accounting Period and for which the effective date will be after the last day of the current Quarterly Consolidated Accounting Period, the matters equivalent to those set forth in the preceding two items.

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

Article 92 If there was a substantial change in the amount of shareholders' equity as compared to the end of the Previous Consolidated Fiscal Year, the

major cause of the change must be stated in the notes.

Chapter VI Special Provisions for Business Accounting Standards

(Special Provisions for Accounting Standards)

Article 93 The terminology, forms, and preparation methods of Quarterly Consolidated Financial Statements that a Specified Company submits may be in compliance with Designated International Accounting Standards.

(Notes on Special Provisions for Accounting Standards)

Article 94 The following matters must be stated in the notes to Quarterly Consolidated Financial Statements prepared in accordance with Designated International Accounting Standards:

- (i) a statement to the effect that Quarterly Consolidated Financial Statements are prepared pursuant to Designated International Accounting Standards; and
- (ii) a statement to the effect that the company is categorized as a Specified Company and the reason therefor.