

Regulation on the Terminology, Forms, and Preparation Methods of Interim Consolidated Financial Statements

(Ministry of Finance Order No. 24 of March 30, 1999)

Pursuant to the provisions of Article 193 of the Securities and Exchange Act (Act No. 25 of 1948), the Regulation on the Terminology, Forms, and Preparation Methods of Interim Consolidated Financial Statements is hereby established as follows.

Chapter I General Provisions (Articles 1 Through 19)

Chapter II Interim Consolidated Balance Sheets

Section 1 General Provisions (Articles 20 Through 22)

Section 2 Assets (Articles 23 Through 35)

Section 3 Liabilities (Articles 36 Through 43-2)

Section 4 Net Assets (Articles 44 Through 46)

Section 5 Miscellaneous Provisions (Articles 47 Through 50)

Chapter III Interim Consolidated Profit and Loss Statements

Section 1 General Provisions (Articles 51 and 52)

Section 2 Net Sales and Cost of Sales (Articles 53 Through 55)

Section 3 Selling Expenses and General and Administrative Expenses
(Articles 56 and 57)

Section 4 Non-Operating Revenues and Non-Operating Expenses (Articles 58
Through 60)

Section 5 Extraordinary Profit and Extraordinary Loss (Articles 61 Through
63)

Section 6 Interim Net Income or Interim Net Loss (Articles 64 Through 65-2)

Section 7 Miscellaneous Provisions (Articles 66 Through 70)

Chapter III-2 Interim Consolidated Statements of Comprehensive Income

Section 1 General Provisions (Articles 70-2 Through 70-4)

Section 2 Other Comprehensive Income (Article 70-5)

Section 3 Interim Comprehensive Income (Article 70-6)

Chapter IV Interim Consolidated Statements of Changes in Net Assets

Section 1 General Provisions (Articles 71 and 72)

Section 2 Shareholders' Equity (Article 73)

Section 3 Accumulated Other Comprehensive Income (Articles 74 and 75)

Section 4 Share Options (Article 76)

Section 5 Non-Controlling Interests (Article 77)

Section 6 Particulars to Be Set Down in Notes (Articles 78 Through 81)

Section 7 Miscellaneous Provisions (Article 82)
Chapter V Interim Consolidated Cash Flow Statements
Section 1 General Provisions (Articles 83 and 84)
Section 2 Methods to Make Entries in an Interim Consolidated Cash Flow Statements (Articles 85 and 86)
Chapter VI Special Provisions for Business Accounting Standards
Section 1 Designated International Accounting Standards (Articles 87 and 87-2)
Section 2 Japan's Modified International Standards (Articles 88 and 88-2)
Chapter VII Miscellaneous Provisions (Article 89)
Supplementary Provisions

Chapter I General Provisions

(General Principles for Application of This Regulation)

Article 1 (1) From among the finance and accounting documents to be submitted pursuant to the provisions of Article 5, Article 7, paragraph (1), Article 9, paragraph (1), Article 10, paragraph (1), Article 24-4-7, paragraph (1) or (2) or Article 24-5, paragraph (1) of the Financial Instruments and Exchange Act (Act No. 25 of 1948; hereinafter referred to as the "Act") (including as applied mutatis mutandis pursuant to Article 24-4-7, paragraph (4) and Article 24-5, paragraph (5) of the Act and as 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 Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of 1963; hereinafter referred to as the "Regulation on Financial Statements") (hereinafter referred to as a "designated corporation")), the terminology, forms, and preparation methods of interim consolidated financial statements (meaning interim consolidated balance sheets, interim consolidated profit and loss statements, interim consolidated statements of comprehensive income, interim consolidated statements of changes in net assets, interim consolidated cash flow statements, and consolidated supplementary schedules or, if those are prepared following the designated international accounting standards (meaning any designated international accounting standards as specified in Article 93 of the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976; hereinafter referred to as the "Regulation on Consolidated Financial Statements"); the same applies hereinafter) pursuant to the provisions of Article 87, or if those are prepared following the Japan's modified international standards (meaning the Japan's modified international standards prescribed in

Article 94 of the Regulation on Consolidated Financial Statements; the same applies hereinafter) pursuant to the provisions of Article 88, which are equivalent to interim consolidated balance sheets, interim consolidated profit and loss statements, interim consolidated statements of comprehensive income, interim consolidated statements of changes in net assets and interim consolidated cash flow statements which need to be prepared following the designated international accounting standards or the Japan's modified international standards; the same applies hereinafter) are governed by the provisions of this Regulation, except for those to which the provisions of Article 2 of the Regulation on Terminology, Forms, and Preparation Methods of Interim Financial Statements (Ministry of Finance Order No. 38 of 1977 apply; hereinafter referred to as the "Regulation on Interim Financial Statements"), and any particulars that are not provided for under this Regulation are to follow the business accounting standards generally accepted as fair and appropriate.

- (2) Business accounting standards published by the Business Accounting Council specified in Article 24, paragraph (1) of the Cabinet Order for Organization of the Financial Services Agency (Cabinet Order No. 392 of 1998) are to comply with 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 Regulation on Consolidated Financial Statements are to comply with the business accounting standards generally accepted as fair and appropriate as provided in paragraph (1).

(Special Provisions for Application of This Regulation)

Article 1-2 The terminology, forms, and preparation methods of interim consolidated financial statements submitted by an issuer (meaning the issuer prescribed in Article 2, paragraph (5) of the Act; the same applies in the following Article) of the securities set forth in paragraph (1), item (v) or (ix) of that Article, which is a stock company satisfying all of the following requirements (hereinafter referred to as a "specified company complying with designated international accounting standards") may be governed by the provisions of Chapter VI, Section 1:

- (i) that the stock company satisfies either of the following requirements:
 - (a) that in the securities registration statements (limited to cases in which the consolidated financial statements (meaning documents as specified in Article 1, paragraph (1) of the Regulation on Consolidated Financial Statements; the same applies hereinafter) for the consolidated fiscal year immediately preceding the consolidated fiscal year pertaining to the

current interim consolidated accounting period (meaning the period as specified in Article 3, paragraph (2)) (hereinafter referred to as the "previous consolidated fiscal year") are included; the same applies in item (i), (a) of the following Article) to be submitted under the provisions of Article 5, paragraph (1) of the Act or in annual securities reports (limited to the cases in which the consolidated financial statements for the previous consolidated fiscal year are included; the same applies in item (i), (a) of the following Article) to be submitted under the provisions of Article 24, paragraph (1) or (3) of the Act, it gives a statement that it makes special efforts to ensure the appropriateness of consolidated financial statements; and

(b) that in the securities registration statement to be submitted pursuant to the provisions of Article 5, paragraph (1) of the Act or in semiannual securities report to be submitted pursuant to the provisions of Article 24-5, paragraph (1) of the Act, it gives a statement that it makes special efforts to ensure the appropriateness of interim consolidated financial statements; and

(ii) that it has officers or employees who have sufficient knowledge of any designated international accounting standards and has established a system under which interim consolidated financial statements may be prepared in an appropriate manner following the designated international accounting standards.

Article 1-3 The terminology, forms, and preparation methods of interim consolidated financial statements submitted by an issuer of the securities set forth in Article 2, paragraph (1), item (v) or (ix) of the Act, which is a stock company satisfying all of the following requirements (hereinafter referred to as a "specified company complying with the Japan's modified international standards") may be governed by the provisions of Chapter VI, Section 2:

(i) that the stock company satisfies either of the following requirements:

(a) that in the securities registration statement submitted pursuant to the provisions of Article 5, paragraph (1) of the Act or in annual securities reports submitted by it under the provisions of Article 24, paragraph (1) or (3) of the Act, the stock company gives a statement that it makes special efforts to ensure the appropriateness of consolidated financial statements; and

(b) that in the securities registration statement to be submitted pursuant to the provisions of Article 5, paragraph (1) of the Act or in semiannual securities reports to be submitted under the provisions of Article 24-5, paragraph (1) of the Act, the stock company gives a statement that it makes special efforts to ensure the appropriateness of interim consolidated

- financial statements; and
- (ii) that the stock company has officers or employees who have sufficient knowledge of the Japan's modified international standards and has established a system under which interim consolidated financial statements may be prepared in a proper manner following the Japan's modified international standards.

(Definitions)

Article 2 In this Regulation, the meanings of the terms listed in the following items are as provided for in the respective items:

- (i) a company submitting interim consolidated financial statements: a company or designated corporation which is required to submit interim consolidated financial statements pursuant to the provisions of the Act;
- (ii) a subsidiary company: a party that is regarded as a subsidiary company of a company submitting interim consolidated financial statements, pursuant to the provisions of Article 8, paragraphs (3), (4), and (7) of the Regulation on Financial Statements;
- (iii) a consolidated subsidiary company: a subsidiary company included in the scope of consolidation;
- (iv) consolidated companies: a company submitting interim consolidated financial statements and its consolidated subsidiary companies;
- (v) a non-consolidated subsidiary company: a subsidiary company excluded from the scope of consolidation;
- (vi) an affiliated company: a party that is regarded as an affiliated company of a company submitting interim consolidated financial statements, pursuant to the provisions of Article 8, paragraphs (5) and (6) of the Regulation on Financial Statements;
- (vii) an equity method: a method whereby an investor company corrects its amount of money invested in each business year according to the changes in the amounts of the investee company's net assets, profit and loss attributable to the investor company;
- (viii) Deleted;
- (ix) non-controlling interests: the non-controlling interests of a consolidated subsidiary company's capital which is not attributed to the equity of the company submitting interim consolidated financial statements;
- (x) a cash flow: any increase or decrease in the funds specified in the following item;
- (xi) the funds: the total amount of cash (including any current deposits, ordinary deposits, and other deposits which the depositor is able to withdraw before a certain period elapses; the same applies in Articles 84 and 86) and cash equivalents (meaning short-term investments which can be easily

- converted into cash, with low risk of value fluctuations; the same applies in Articles 84 and 86);
- (xii) derivatives transactions: transactions as specified in Article 8, paragraph (14) of the Regulation on Financial Statements;
 - (xiii) trading securities: securities as specified in Article 8, paragraph (20) of the Regulation on Financial Statements;
 - (xiv) bonds held to maturity: bonds as specified in Article 8, paragraph (21) of the Regulation on Financial Statements;
 - (xv) other securities: securities as specified in Article 8, paragraph (22) of the Regulation on Financial Statements;
 - (xvi) treasury shares: the shares specified in Article 2, item (xix) of the Regulation on Consolidated Financial Statements; in this case, the term "consolidated financial statements" in that item is deemed to be replaced with "interim consolidated financial statements";
 - (xvii) shares in the company: shares of consolidated companies specified in the provisions of Article 2, item (xx) of the Regulation on Consolidated Financial Statements;
 - (xviii) share options in the company: shares in the company as specified in Article 2, item (xxi) of the Regulation on Consolidated Financial Statements;
 - (xix) stock options: stock options as specified in Article 2, item (xxii) of the Regulation on Consolidated Financial Statements;
 - (xx) a business combination: a business combination as specified in Article 8, paragraph (27) of the Regulation on Financial Statements;
 - (xxi) an acquiring enterprise: an enterprise as specified in Article 8, paragraph (28) of the Regulation on Financial Statements;
 - (xxii) an acquired enterprise: an enterprise as specified in Article 8, paragraph (29) of the Regulation on Financial Statements;
 - (xxiii) a combiner: an enterprise as specified in Article 8, paragraph (31) of the Regulation on Financial Statements;
 - (xxiv) a combinee: an enterprise as specified in Article 8, paragraph (32) of the Regulation on Financial Statements;
 - (xxv) a combined enterprise: an enterprise as specified in Article 8, paragraph (33) of the Regulation on Financial Statements;
 - (xxvi) constituent enterprises: enterprises as specified in Article 8, paragraph (34) of the Regulation on Financial Statements;
 - (xxvii) common control transaction, etc.: a common control transaction, etc. as specified in Article 8, paragraph (37) of the Regulation on Financial Statements;
 - (xxviii) business divestiture: business divestiture as specified in Article 8, paragraph (38) of the Regulation on Financial Statements;
 - (xxix) divesting enterprise: an enterprise as specified in Article 8, paragraph

- (39) of the Regulation on Financial Statements;
- (xxx) divested enterprise: an enterprise as specified in Article 8, paragraph (40) of the Regulation on Financial Statements;
- (xxxix) financial instruments: financial instruments as specified in Article 8, paragraph (41) of the Regulation on Financial Statements; and
- (xxxii) asset retirement obligations: asset retirement obligations as specified in Article 8, paragraph (42) of the Regulation on Financial Statements;
- (xxxiii) accounting policies: the accounting principles and procedures adopted for the preparation of interim consolidated financial statements;
- (xxxiv) presentation method: the presentation method of indication adopted for the preparation of interim consolidated financial statements;
- (xxxv) accounting estimates: amounts of assets, liabilities, revenues, expenses, etc. that are reasonably calculated based on the information available at the time when the interim consolidated financial statements were prepared if those amounts are uncertain;
- (xxxvi) a change in accounting policy: a change in an accounting policy that is generally accepted as fair and appropriate to another accounting policy that is generally accepted as fair and appropriate;
- (xxxvii) a change in presentation: a presentation method that is generally accepted as fair and appropriate is changed to another presentation method that is generally accepted as fair and appropriate;
- (xxxviii) a change in an accounting estimate: a change in an accounting estimate that had been made for the preparation of consolidated financial statements for the previous consolidated fiscal year or any prior consolidated fiscal year or interim consolidated financial statements for the previous interim consolidated accounting period or any prior interim consolidated accounting period, based on new information that has become available;
- (xxxix) error: an error caused by not using, or misusing the information when preparing the interim consolidated financial statements or consolidated financial statements, regardless of whether or not it was done with the intent to cause the error;
- (xl) retrospective application: the implementation of accounting processes by assuming that new accounting policies are retroactively applied to consolidated financial statements for the previous consolidated fiscal year or any prior consolidated fiscal year and interim consolidated financial statements for the previous interim consolidated accounting period or any prior interim consolidated accounting period;
- (xli) reclassification of interim consolidated financial statements: the presentation of interim consolidated financial statements is changed assuming that a new presentation method is retroactively applied to the consolidated financial statements for the previous consolidated fiscal year or

any prior consolidated fiscal year and interim consolidated financial statements for the previous interim consolidated accounting period or any prior interim consolidated accounting period; and

(xlii) restatement: the errors in the consolidated financial statements or interim consolidated financial statements, for the previous consolidated fiscal year or any prior business year or interim consolidated financial statements for the previous interim consolidated accounting period or any prior interim consolidated accounting period, are rectified in the consolidated financial statements or interim consolidated financial statements.

(Interim Consolidated Closing Date and Interim Consolidated Accounting Period)

Article 3 (1) A company submitting interim consolidated financial statements is to set the last day of its interim accounting period as its interim consolidated closing date, and prepare interim consolidated financial statements based on the relevant date.

(2) In the case referred to in the preceding paragraph, the period for which interim consolidated financial statements are prepared (hereinafter referred to as the "interim consolidated accounting period") is the period from the day following the interim consolidated closing date immediately before the relevant interim consolidated closing date to the relevant interim consolidated closing date.

(General Principles for Preparing Interim Consolidated Financial Statements)

Article 4 The terminology, forms, and preparation methods of interim consolidated financial statements to be submitted pursuant to the provisions of the Act must comply with the following standards:

- (i) the interim consolidated financial statements provide useful information concerning the financial position, operating results and cash flow situation of the business group (meaning the company submitting the interim consolidated financial statements and its subsidiary companies; the same applies hereinafter);
- (ii) the interim consolidated financial statements are prepared based on the interim financial statements of consolidated companies that have been prepared following the business accounting standards generally accepted as fair and appropriate;
- (iii) the interim consolidated financial statements clearly present the accounting information necessary for the interested parties of the company submitting interim consolidated financial statements so that they will not make erroneous assumptions of the financial position, operating results and cash flow situation of the business group; and

(iv) the accounting principles and procedures adopted for preparing the consolidated financial statements for the previous consolidated fiscal year are applied continuously in the relevant interim consolidated accounting period, except when a change has been made on justifiable grounds.

(Preparation of Comparative Information)

Article 4-2 Interim consolidated financial statements for the current interim consolidated accounting period must be prepared, as a component of the interim consolidated financial statements that include comparative information (meaning the particulars set forth in the following items as those corresponding to the particulars included in the interim consolidated financial statements for the respective categories of interim consolidated financial statements set forth in those items):

- (i) the interim consolidated balance sheet: particulars pertaining to the previous consolidated fiscal year;
- (ii) the interim consolidated profit and loss statement and the interim consolidated statement of comprehensive income: particulars pertaining to the previous interim consolidated accounting period;
- (iii) the interim consolidated statement of changes in net assets: particulars pertaining to the previous interim consolidated accounting period; and
- (iv) the interim consolidated cash flow statement: particulars pertaining to the previous interim consolidated accounting period.

(Scope of Consolidation)

Article 5 (1) A company submitting interim consolidated financial statements must include all of its subsidiary companies in the scope of consolidation; provided, however, that the company is not to include its subsidiary company that falls under either of the following categories in the scope of consolidation:

- (i) its subsidiary company which is found to have a temporary control over the body that makes decisions on the financial and operational or business policies (meaning a shareholders meeting or any other bodies equivalent thereto); and
 - (ii) its subsidiary company that is found to be likely to cause the interested parties of the company submitting the interim consolidated financial statements to make erroneous assumptions, if it is included in the scope of consolidation.
- (2) If any subsidiary company which needs to be included in the scope of consolidation pursuant to the provisions of the preceding paragraph is immaterial in terms of its assets, net sales (including revenues from services; the same applies hereinafter), profit or loss, retained earnings and cash flows and any other items, to the extent that even if it is excluded from the scope of

consolidation, making reasonable assumptions of the financial position, operating results and cash flow situation of the business group would not be prevented, the subsidiary company may be excluded from the scope of consolidation.

(3) If there is any material particular concerning the financial position, operating results or cash flow situation of a company, etc. (meaning a company, designated corporation, 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 have an impact on assumptions of the financial position, operating results and cash flow situation of the business group, the details thereof must be set down in the notes in the interim 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 interim consolidated financial statements on its own account, a company, etc. that has been given an order for the commencement of rehabilitation proceedings under the Civil Rehabilitation Act (Act No. 225 of 1999), a stock company that has been given an order for the commencement of corporate reorganization proceedings under the Corporate Reorganization Act (Act No. 154 of 2002), a company, etc. that has been given an order for the commencement of bankruptcy proceedings under the Bankruptcy Act (Act No. 75 of 2004), or any other company, etc. equivalent thereto, which does not fall under a subsidiary company due to the fact that a company, etc. obviously has no effective parent-subsidiary relationship with the company submitting the interim consolidated financial statements.

(Valuation of Assets and Liabilities of Consolidated Subsidiary Companies)

Article 6 When preparing interim consolidated financial statements, assets and liabilities of consolidated subsidiary companies must be valued, investments made by the company submitting the interim consolidated financial statements in consolidated subsidiary companies must be offset against the corresponding equity of the consolidated subsidiary companies, and any other items between the consolidated companies that need to be eliminated must be eliminated.

(Application of Equity Method)

Article 7 (1) Investments in any non-consolidated subsidiary company or affiliated company must be recorded on an interim consolidated balance sheet by entering the 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 that is found to temporarily have an impact on decisions on operational or business policy decisions ; or
 - (ii) a non-consolidated subsidiary company or affiliated company that is found to be likely to cause the interested parties of the company submitting the interim consolidated financial statements to make extremely erroneous assumptions, if the equity method is applied to it.
- (2) If any non-consolidated subsidiary company or affiliated company to which the equity method is to apply pursuant to the provisions of the preceding paragraph does not, in terms of its profit or loss and retained earnings and any other items, have a material influence on the interim consolidated financial statements even if the company is excluded from those to which the equity method is to apply, the company may be excluded from those to which the equity method is to apply.

(The Use of Tax Effect Accounting)

Article 8 With regard to consolidated companies' corporate tax and any other taxes that are imposed on the amounts of profits as the tax base (hereinafter referred to as "corporate tax, etc."), interim consolidated financial statements must be prepared by using tax effect accounting (meaning an accounting process which, if the amounts of assets and liabilities recorded on the interim consolidated balance sheet and the amounts of assets and liabilities determined by calculating the taxable income is different, reasonably matches the amount of interim net income before the corporate tax, etc. is deducted with the amount of corporate tax, etc. through appropriate inter-period allocation of the amount of corporate tax, etc. pertaining to the differences; the same applies hereinafter).

(Subsidiary Company with Different Interim Closing Date)

Article 9 Any consolidated subsidiary company whose last day of the interim accounting period differs from the interim consolidated closing date must, on the interim consolidated closing date, settle its accounts necessary for preparing interim financial statements that serve as the basis for preparation of interim consolidated financial statements; provided, however, that this does not apply if the difference between the last day of the interim accounting period of the consolidated subsidiary company and the interim consolidated closing date is not more than three months, and interim consolidated financial statements are prepared based on the interim financial statements for the interim accounting period.

(Notes Concerning Scope of Consolidation)

Article 10 (1) Particulars concerning the scope of consolidation and other

material particulars that serve as the basis for preparing interim consolidated financial statements must be categorized into the following particulars and set down in the notes:

- (i) particulars concerning the scope of consolidation;
 - (ii) particulars concerning the application of the equity method;
 - (iii) particulars concerning the interim closing date, etc. of consolidated subsidiary companies; and
 - (iv) particulars concerning accounting policies.
- (2) With regard to the particulars concerning the scope of consolidation set forth in item (i) of the preceding paragraph, the following particulars are to be entered:
- (i) the number of consolidated subsidiary companies and the names of major consolidated subsidiary companies;
 - (ii) if it has non-consolidated subsidiary companies, the names of its major non-consolidated subsidiary companies and the reason that the non-consolidated subsidiary companies were excluded from the scope of consolidation;
 - (iii) if the relevant other company, etc. is not regarded as its subsidiary company even though it holds a majority of the voting rights in another company, etc. on its own account, the name of the relevant other company, etc. and the reason for not regarding it as its subsidiary company; and
 - (iv) if it has any special purpose company to be disclosed (meaning a special purpose company to be disclosed as specified in Article 8-9, item (ii) of the Regulation on Financial Statements; hereinafter the same applies in this item), an outline of the special purpose company to be disclosed, an outline and the transaction amounts of transactions with the special purpose company to be disclosed, and any other material particulars.
- (3) With regard to the particulars concerning the application of the equity method set forth in paragraph (1), item (ii), the following particulars are to be entered:
- (i) the number of non-consolidated subsidiary companies or affiliated companies to which the equity method is applied and the names of major companies among them;
 - (ii) if it has non-consolidated subsidiary companies or affiliated companies to which the equity method is not applied, the names of major companies among them;
 - (iii) if it has any non-consolidated subsidiary company or affiliated company to which the equity method is not applied, the reason that the equity method is not applied to it;
 - (iv) if the relevant other company, etc. is not regarded as its affiliated company even though it holds not less than 20 percent and not more than 50 percent of the voting rights in another company, etc. on its own account, the name of

- the relevant other company, etc. and the reason for not regarding it as its affiliated company; and
- (v) if there are any particulars that are found particularly necessary to be entered with regard to the procedures for application of the equity method, the details thereof.
- (4) With regard to the particulars concerning the interim closing date, etc. of the consolidated subsidiary companies set forth in paragraph (1), item (iii), if it has any consolidated subsidiary company whose interim closing date differs from the interim consolidated closing date, the details thereof and whether or not the consolidated subsidiary company has settled its accounts for preparing interim financial statements that serve as the basis for preparation of interim consolidated financial statements are to be entered.
- (5) With regard to the particulars concerning accounting policies set forth in paragraph (1), item (iv), the particulars that serve as the basis for preparation of interim consolidated financial statements and that help investors and other users to understand the interim consolidated financial statements are to be entered.

(Notes Concerning Changes in the Scope of Consolidation or Scope of Equity Method to Be Applied)

Article 11 Among the material particulars that serve as the basis for the preparation of interim consolidated financial statements, if the scope of consolidation or the scope of the equity method to be applied has been changed, a statement to that effect and the reason for the change must be set down in the notes.

(Notes Concerning Changes in Accounting Policies Occasioned by Revision of Accounting Standards)

Article 11-2 The provisions of Article 5 (excluding the proviso to paragraph (1), the proviso to paragraph (2), and the proviso to paragraph (3)) of the Regulation on Interim Financial Statements apply mutatis mutandis to the case where changes are made in accounting policies occasioned by the revision, etc. of accounting standards, etc. (meaning the revision, etc. of accounting standards, etc. (meaning the accounting standards, etc. prescribed in the main clause of paragraph (1) of that Article; the same applies in the following Article) prescribed in the main clause of that paragraph; the same applies in the following Article). In this case, the terms "interim financial statements", "business year", "interim accounting period", and "financial statements" in Article 5 of the Regulation on Interim Financial Statements are deemed to be replaced with "interim consolidated financial statements", "consolidated fiscal year", "interim consolidated accounting period", and "consolidated financial

statements" respectively.

(Notes Concerning Changes in Accounting Policies Based on Justifiable Grounds Other than Revision of Accounting Standards)

Article 11-3 The provisions of Article 5-2 (excluding the proviso to paragraph (1) and the proviso to paragraph (2)) of the Regulation on Interim Financial Statements apply mutatis mutandis to the case where changes are made in accounting policies based on justifiable grounds other than the revision, etc. of accounting standards, etc. In this case, the terms "interim financial statements", "business year", and "interim accounting period" in that Article are deemed to be replaced with "interim consolidated financial statements", "consolidated fiscal year", and "interim consolidated accounting period" respectively.

(Notes Concerning Changes in Presentation Methods)

Article 11-4 The provisions of Article 5-2-2 (excluding paragraph (4)) of the Regulation on Interim Financial Statements apply mutatis mutandis to the case where a change is made in presentation method. In this case, the terms "interim financial statements", "business year", and "interim accounting period" in that Article are deemed to be replaced with "interim consolidated financial statements", "consolidated fiscal year", and "interim consolidated accounting period" respectively.

(Notes Concerning Changes in Accounting Estimates)

Article 11-5 The provisions of Article 5-2-3 of the Regulation on Interim Financial Statements apply mutatis mutandis to the case where a change in accounting estimate occurred. In this case, the term "interim financial statements" in that Article is deemed to be replaced with "interim consolidated financial statements".

(Notes to Be Set Down If It Is Difficult to Distinguish Changes in Accounting Policies from Changes in Accounting Estimates)

Article 11-6 The provisions of Article 5-2-4 of the Regulation on Interim Financial Statements apply mutatis mutandis to the case where it is difficult to distinguish a change in accounting policies from a change in accounting estimate. In this case, the term "interim financial statements" in that Article is deemed to be replaced with "interim consolidated financial statements".

(Notes Concerning Restatement)

Article 11-7 The provisions of Article 5-2-5 of the Regulation on Interim Financial Statements apply mutatis mutandis to the restatement of the

interim financial statements. In this case, the terms "interim financial statements", "business year", and "interim accounting period" in that Article are deemed to be replaced with "interim consolidated financial statements", "consolidated fiscal year", and "interim consolidated accounting period" respectively.

(Notes Concerning Material Post-Balance Sheet Events)

Article 12 If any event that has a material impact on the financial position, operating results and cash flow situation of consolidated companies, and non-consolidated subsidiary companies and affiliated companies to which the equity method is applied, in and after the consolidated fiscal year pertaining to the interim consolidated accounting period for the relevant interim consolidated financial statements (excluding the relevant interim consolidated accounting period) occurs after the interim consolidated closing date (hereinafter referred to as "material post-balance sheet events"), the event must be set down in the notes; provided, however, that, with regard to any subsidiary company or affiliated company whose last day of its interim accounting period differs from the interim consolidated closing date, the event that occurs after the interim closing date of the subsidiary company or affiliated company must be set down in the notes.

(Notes Concerning Additional Information)

Article 13 In addition to the notes particularly specified in this Regulation, if there are any particulars that are found to be necessary for interested parties of the company submitting interim consolidated financial statements to make adequate assumptions of the financial position, operating results and cash flow situation of the business group, the particulars must be set down in the notes.

(Notes Concerning Segment Information)

Article 14 (1) With regard to information on a certain unit of an enterprise (hereinafter referred to as a "reporting segment") (hereinafter referred to as "segment information"), the following particulars must be set down in the notes as specified in Form No. 1:

- (i) the outline of any reporting segment;
- (ii) the amount of the net sales, profit or loss, assets, liabilities and other items of each reporting segment and the methods to calculate those amounts; and
- (iii) the differences between the sum of the amounts of the relevant items set forth in the preceding item and the amounts recorded on the interim consolidated balance sheet or the amounts recorded on the interim consolidated profit and loss statements for each account title corresponding to the relevant items and the description of the major differences.

- (2) With regard to information related to a reporting segment (referred to as "related information" in Form No. 2), the following particulars must be set down in the notes as specified in that form:
- (i) information concerning each product and service;
 - (ii) information concerning each region; and
 - (iii) information of each major customer.
- (3) If the following items are recorded on the interim consolidated balance sheet or the interim consolidated profit and loss statements, the outline of each reporting segment must be set down in the notes as specified in Form No. 3:
- (i) the impairment loss on fixed assets;
 - (ii) the amortization amount of goodwill and the unamortized balance; or
 - (iii) the gain on negative goodwill.
- (4) Notwithstanding the provisions of the preceding three paragraphs, notes may be omitted for particulars that are not material.

(Notes Concerning Lease Transactions)

Article 15 The provisions of Article 8-6 (excluding paragraph (4)) of the Regulation on Financial Statements apply mutatis mutandis to lease transactions. In this case, the term "company submitting the financial statements" in paragraphs (1) and (3) of that Article is deemed to be replaced with "consolidated companies", the term "at the end of the current business year" in paragraph (1), item (i), (a) and item (ii) and paragraph (2) of that Article is deemed to be replaced with "at the end of the current interim consolidated accounting period", the phrases "within five years from the balance sheet date" and "after five years from the balance sheet date" in paragraph (1), item (ii), (b) of that Article are deemed to be replaced with "on the day within five years from the day following the interim consolidated closing date" and "after five years from the day following the interim consolidated closing date" respectively, the phrase "within one year" in paragraph (2) of that Article is deemed to be replaced with "on the day within one year from the day following the interim consolidated closing date", and the term "balance sheet" in paragraph (3) of that Article is deemed to be replaced with "interim consolidated balance sheet".

(Notes Concerning Financial Instruments)

Article 15-2 The provisions of Article 15-5-2, paragraphs (1) (excluding item (i)) and (2) of the Regulation on Consolidated Financial Statements apply mutatis mutandis to financial instruments. In this case, the terms "consolidated closing date", "of the consolidated balance sheet", and "amounts recorded on the consolidated balance sheet" in paragraph (1), item (ii) of that Article are deemed to be replaced with "interim consolidated closing date", "of the interim

consolidated balance sheet", and "amounts recorded on the interim consolidated balance sheet" respectively, the terms "consolidated balance sheet" and "consolidated closing date" in item (iii) of that paragraph are deemed to be replaced with "interim consolidated balance sheet" and "interim consolidated closing date", respectively, and the term "amounts recorded on the consolidated balance sheet" in paragraph (2) of that Article is deemed to be replaced with "amounts recorded on the interim consolidated balance sheet".

(Notes Concerning Securities)

Article 16 The provisions of Article 15-6, paragraphs (1) (excluding items (i), (iv) and (v)) of the Regulation on Consolidated Financial Statements apply mutatis mutandis to securities. In this case, the terms "consolidated closing date" and "amount recorded on the consolidated balance sheet" in paragraph (1), items (ii) and (iii) of that Article are deemed to be replaced with "interim consolidated closing date" and "amount recorded on the interim consolidated balance sheet" respectively.

(Notes Concerning Derivatives Transactions)

Article 17 (1) In addition to the particulars prescribed in Article 15-2, with regard to derivatives transactions (limited to those to which hedge accounting (meaning the accounting process prescribed in Article 8, paragraph (69) of the Regulation on Financial Statements; the same applies in the following paragraph and paragraph (4) is not used), the contract amount as of the interim consolidated closing date or the principal equivalent amount specified in the contract, the market price and valuation gain or loss as of the interim consolidated closing date must be set down in the notes, for each type of subject matter of the transaction (meaning currencies, money rates, shares, bonds, commodities and any other subject matter of the transaction; the same applies in the following paragraph); provided, however, that notes may be omitted for particulars that are not material.

(2) Notwithstanding the provisions of the preceding paragraph, with regard to derivatives transactions to which hedge accounting is used, the contract amount as of the interim consolidated closing date or the principal equivalent amount specified in the contract, and the market price as of the interim consolidated closing date may be set down in the notes, for each type of subject matter of the transaction.

(3) The particulars prescribed in paragraph (1) that need to be entered must be categorized according to the type of transaction (meaning futures transactions, options transactions, forward transactions, swap transactions and any other derivatives transactions; the same applies in the following paragraph), market transaction (meaning the market transactions specified in Article 8, paragraph

(10), item (iii) of the Regulation on Financial Statements) or off-market transaction, particulars pertaining to a purchase contract or a sales contract, the period from the interim consolidated closing date to the settlement date for the trade or the length of period until the contract ends, and other particulars.

(4) The particulars prescribed in paragraph (2) that need to be entered must be categorized according to the methods including hedge accounting, the type of transaction, the hedged items (meaning the hedged items specified in Article 8, paragraph (69) of the Regulation on Financial Statements), and other particulars.

(Notes Concerning Granting or Issuance of Stock Options, Share Options in the Company or Shares in the Company)

Article 17-2 The provisions of Article 8-14, paragraph (1) of the Regulation on Financial Statements apply mutatis mutandis to the cases where stock options or share options in the company have been granted or the shares in the company have been issued. In this case, the term "business year" in item (i) of that paragraph is deemed to be replaced with "interim consolidated accounting period".

(Notes Concerning Stock Options)

Article 17-3 The provisions of Article 5-9 (excluding paragraph (4)) of the Regulation on Consolidated Financial Statements apply mutatis mutandis to the cases where stock options have been granted. In this case, the terms "interim accounting period" and "company submitting interim financial statements" in paragraph (1) of that Article are deemed to be replaced with "interim consolidated accounting period" and "company submitting interim consolidated financial statements".

(Notes Concerning Acquisition Through Business Combination)

Article 17-4 The provisions of Article 15-12 of the Regulation on Consolidated Financial Statements apply mutatis mutandis to the case where an acquisition of another enterprise or a business segment of another enterprise has been done through business combination. In this case, the term "consolidated fiscal year" in that Article is deemed to be replaced with "interim consolidated accounting period", the term "consolidated financial statements" in paragraph (1), item (ii) of that Article is deemed to be replaced with "interim consolidated financial statements", and the term "consolidated profit and loss statements" in item (xii) of that paragraph and paragraph (3), item (i) is deemed to be replaced with "interim consolidated profit and loss statements".

Article 17-5 Deleted

(Notes Concerning Common Control Transactions)

Article 17-6 The provisions of Article 15-14 of the Regulation on Consolidated Financial Statements apply mutatis mutandis to a common control transaction, etc. In this case, the term "consolidated fiscal year" in that Article is deemed to be replaced with "interim consolidated accounting period".

(Notes Concerning Formation of Jointly Controlled Enterprises)

Article 17-7 The provisions of Article 8-22 (excluding paragraph (3)) of the Regulation on Financial Statements apply mutatis mutandis to formation of jointly controlled enterprises. In this case, the term "business year" in that Article is deemed to be replaced with "interim consolidated accounting period".

(Notes Concerning Divesting Enterprise in Business Divestitures)

Article 17-8 The provisions of Article 15-16 of the Regulation on Consolidated Financial Statements apply mutatis mutandis to a material business divestiture. In this case, the term "consolidated fiscal year" in paragraphs (1) and (3) of that Article is deemed to be replaced with "interim consolidated accounting period" and the term "consolidated profit and loss statements" in paragraph (1), item (iv) of that Article is deemed to be replaced with "interim consolidated profit and loss statements".

(Notes Concerning Divested Enterprise in Business Divestitures)

Article 17-9 The provisions of Article 8-24, paragraph (1) of the Regulation on Financial Statements apply mutatis mutandis to a business divestiture that does not fall under a business combination.

(Notes Concerning Acquisition of a Subsidiary Company Through Business Combination)

Article 17-10 The provisions of Article 15-18 of the Regulation on Consolidated Financial Statements apply mutatis mutandis to an acquisition of a subsidiary company through a business combination. In this case, the term "consolidated fiscal year" in that Article is deemed to be replaced with "interim consolidated accounting period", the term "company submitting consolidated financial statements" in paragraph (1) of that Article is deemed to be replaced with "company submitting interim consolidated financial statements" and the term "consolidated profit and loss statements" in item (iv) of that paragraph is deemed to be replaced with "interim consolidated profit and loss statements".

(Notes Concerning Material Post-Balance Sheet Events Related to Business Combinations)

Article 17-11 The provisions of Article 8-25 (excluding paragraph (3)) of the Regulation on Financial Statements apply mutatis mutandis to a material post-balance sheet event related to a business combination and a business combination wherein an agreement on major conditions has been reached prior to the interim consolidated closing date, but has not been done by that date. In this case, the term "balance sheet date" in that Article is deemed to be replaced with "interim consolidated closing date".

(Notes Concerning Material Post-Balance Sheet Events Related to Business Divestitures)

Article 17-12 The provisions of Article 8-26, paragraph (1) of the Regulation on Financial Statements apply mutatis mutandis to a material post-balance sheet event related to a business divestiture and a business divestiture wherein an agreement major conditions has been reached prior to the interim consolidated closing date, but has not been done by that date. In this case, the term "balance sheet date" in that paragraph is deemed to be replaced with "interim consolidated closing date".

(Notes Concerning Post-Balance Sheet Events Related to Business Combinations Done by Subsidiary Companies)

Article 17-13 The provisions of Article 15-21 of the Regulation on Consolidated Financial Statements apply mutatis mutandis to a post-balance sheet event related to a business combination done by a subsidiary company, wherein an agreement on major conditions has been reached, but has not been done before the interim consolidated closing date. In this case, the term "consolidated closing date" in that Article is deemed to be replaced with "interim consolidated closing date".

(Notes Concerning the Going Concern Assumption)

Article 17-14 The provisions of Article 5-18 of the Regulation on Interim Financial Statements apply mutatis mutandis to a company submitting interim consolidated financial statements. In this case, the term "interim balance sheet date" in that Article is deemed to be replaced with "interim consolidated closing date" and the term "interim financial statements" in item (iv) of that Article is deemed to be replaced with "interim consolidated financial statements".

(Notes Concerning Asset Retirement Obligations)

Article 17-15 The provisions of Article 8-28, paragraph (1) (excluding item (i), (a) and (b)) of the Regulation on Financial Statements apply mutatis mutandis to asset retirement obligations. In this case, the terms "balance sheet" and "the

relevant business year" in that paragraph are deemed to be replaced with "interim consolidated balance sheet" and "the current Interim consolidated accounting period" respectively.

(Notes Concerning Real Properties for Rent)

Article 17-16 (1) The provisions of Article 15-24 of the Regulation on Consolidated Financial Statements (excluding items (i) and (iv)) apply mutatis mutandis to real properties for rent, etc. (meaning a real property for rent, etc. as specified in that Article; the same applies in the following paragraph). In this case, the phrase "amount recorded on the consolidated balance sheet" and the term "consolidated fiscal year" in item (ii) of that Article are deemed to be replaced with "amount recorded on the interim consolidated balance sheet" and "interim consolidated accounting period" respectively, and the term "consolidated closing date" in item (iii) of that Article is deemed to be replaced with "interim consolidated closing date".

(2) Among the particulars set forth in Article 15-24, items (ii) and (iii) of the Regulation on Consolidated Financial Statements as applied mutatis mutandis pursuant to the preceding paragraph, if substantial fluctuations are not recognized in the amount of real properties for rent, etc. recorded on the interim consolidated balance sheet and the market price thereof as of the interim consolidated closing date compared to those of the last day of the previous consolidated fiscal year, notes may be omitted for the particulars set forth in those items by making a statement to that effect.

(Notes Concerning Inventory Assets)

Article 17-17 The provisions of Article 15-27 of the Regulation on Consolidated Financial Statements apply mutatis mutandis to inventory assets held for the purpose of earning profits from fluctuations in market prices.

(Notes Concerning Revenue Recognition)

Article 17-18 (1) The provisions of Article 8-32 (excluding paragraphs (4) and (5)) of the Regulation on Financial Statements apply mutatis mutandis to revenues from contracts with customers. In this case, the term "financial statements" in paragraph (1) of that Article is deemed to be replaced with "interim consolidated financial statements", and the terms "at the end of the current business year" and "after the following business year" in item (iii) of that paragraph are deemed to be replaced with "at the end of the current interim consolidated accounting period" and "after the last day of the current interim consolidated accounting period", respectively.

(2) If significant changes are not recognized in the relationship between the fulfilment of performance obligations based on the contracts with customers

and cash flows arising from those contracts, and the amount of the revenues from contracts with customers that exist at the end of the preceding consolidated accounting period and when it is expected to be recognized after the current consolidated accounting period (including information that serves as the basis for understanding revenues from contracts with customers related to these), the particulars prescribed in Article 8-32, paragraph (1), items (ii) and (iii) of the Regulation on Financial Statements as applied mutatis mutandis pursuant to the preceding paragraph may be omitted.

(Methods to Include Things Noted)

Article 18 (1) The things noted under Article 10 must be included immediately after the interim consolidated cash flow statements.

(2) The things noted under Articles 11 through 11-7 must be included immediately after the notes under Article 10.

(3) The things noted under this Regulation (excluding Articles 10 through 11-7) must be included immediately after the notes under Articles 10 through 11-7; provided, however, that this does not apply in the following cases:

(i) if particulars related to those that are entered pursuant to the provisions of Articles 10 through 11-7 are included along with the things noted; or

(ii) if particulars that are found appropriate to be included as footnotes (meaning the notes included at the end of the table or account statement in the interim consolidated financial statements in which the particulars pertaining to those notes are entered) are included as footnotes.

(4) Notwithstanding the provisions of the preceding paragraph, the things noted under Article 17-14 must be included immediately after the interim consolidated cash flow statements. In this case, notwithstanding the provisions of paragraph (1), the notes under Article 10 must be included immediately after the notes under Article 17-14.

(5) If the notes related to a specific account title are included pursuant to the provisions of this Regulation, the association between the account title and the notes must be clearly stated by using a method to append a symbol to the account title or another method similar thereto.

(Units Used to Present Amounts)

Article 19 The amounts in the account titles and any other particulars contained in interim consolidated financial statements are to be presented in units of millions of yen or thousands of yen.

Chapter II Interim Consolidated Balance Sheets
Section 1 General Provisions

(Methods to Make Entries in Interim Consolidated Balance Sheets)

Article 20 (1) The methods to make entries in an interim consolidated balance sheet are governed by the provisions of this Chapter.

(2) Entries in an interim consolidated balance sheet are to be made using Form No. 4.

(Classification of Assets, Liabilities and Net Assets to Be Presented)

Article 21 Assets, liabilities and net assets must be entered in the assets section, liabilities section, and net assets section according to their respective categories.

(Arrangement of Account Titles)

Article 22 The account titles of assets and liabilities are to be arranged in order of liquidity.

Section 2 Assets

(Classification of Assets)

Article 23 Assets to be included must be classified into current assets, fixed assets and deferred assets, and the assets categorized as fixed assets must be further classified into tangible fixed assets, intangible fixed assets, investments, and any other assets.

(Scope of Each Asset)

Article 24 The provisions of Articles 15 through 16-2, 22, 27, 31 through 31-4, and 36 of the Regulation on Financial Statements apply mutatis mutandis to the scope 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 through 16-2 of the Regulation on Financial Statements is deemed to be replaced with "on the day within one year from the day following the interim consolidated closing date", the term "the company submitting financial statements" in Article 22, item (viii) and Article 27, item (xii) of the Regulation on Financial Statements is deemed to be replaced with "a consolidated company", and the term "prepaid pension cost" in Article 31, item (iv) of the Regulation on Financial Statements is deemed to be replaced with "net defined benefit asset".

(Categories of Current Assets to Be Presented)

Article 25 (1) Assets categorized as current assets must be recorded using the account title having a name that indicates the relevant assets, in accordance with the following categories of items; provided, however, that the amount of

the relevant current assets categorized as those items whose amount is not more than one percent of the total amount of assets, which are found appropriate to be collectively presented with the assets categorized as other items, may be recorded collectively using the account title having an appropriate name:

- (i) cash and deposits;
 - (ii) negotiable instruments receivable, accounts receivable, and contract assets;
 - (iii) lease receivables and lease investment assets (limited to those that have arisen from ordinary transactions, and excluding bankruptcy or reorganization claims, etc. (meaning the bankruptcy or reorganization claims, etc. specified in Article 8-10, paragraph (1), item (ix) of the Regulation on Financial Statements) that are obviously not collectable within one year);
 - (iv) securities;
 - (v) inventory assets (meaning the assets set forth in Article 15, items (v) through (x) of the Regulation on Financial Statements); and
 - (vi) others.
- (2) If it is found appropriate to present assets categorized as the accounting items referred to in the items of the preceding paragraph, which are found appropriate to be presented separately, the provisions of that paragraph do not preclude the assets to be presented separately using the account title having a name that indicates the relevant assets.
- (3) Among the assets referred to in paragraph (1), item (vi), any assets whose amount exceeds five percent of the total amount of the assets must be recorded separately using the account title having a name that indicates the relevant assets.

(Allowances for Current Assets to Be Presented)

Article 26 The provisions of Article 20 (excluding paragraph (3)) of the Regulation on Financial Statements apply *mutatis mutandis* to allowances for assets that are categorized as current assets.

(Categories of Tangible Fixed Assets to Be Presented)

Article 27 (1) Assets categorized as tangible fixed assets are to be recorded collectively using the account title having a name that indicates tangible fixed assets; provided, however, that this does not preclude the assets categorized as tangible fixed assets to be classified as an item that is found to be appropriate, and recorded using the account title having a name that indicates the relevant assets.

- (2) Notwithstanding the provisions of the preceding paragraph, if assets categorized as tangible fixed assets include any assets whose amount exceeds five percent of the total amount of the assets, the relevant assets must be

separated from other tangible fixed assets and recorded using the account title having a name that indicates each of the assets.

(Amounts of Accumulated Depreciation to Be Presented)

Article 28 The provisions of Articles 25 and 26, paragraph (1) of the Regulation on Financial Statements apply mutatis mutandis to the amount of accumulated depreciation on buildings, structures, and any other tangible fixed assets.

(Amount of Accumulated Impairment Loss to Be Presented)

Article 28-2 The provisions of Article 26-2 (excluding paragraph (5)) of the Regulation on Financial Statements apply mutatis mutandis to the amount of accumulated impairment loss on tangible fixed assets.

(Categories of Intangible Fixed Assets to Be Presented)

Article 29 (1) Assets categorized as intangible fixed assets must be recorded using the account title having a name that indicates the relevant assets, in accordance with the following categories of items; provided, however, that the assets categorized as the accounting items set forth in item (i) whose amount is not more than one percent of the total amount of the assets may be recorded collectively with the assets categorized as accounting items set forth in item (ii):

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

(2) Among the assets referred to in item (ii) of the preceding paragraph, any assets whose amount exceeds five percent of the total amount of the assets must be recorded separately using the account title having a name that indicates the relevant assets.

(3) A difference resulting from the investments made by consolidated companies that exceeds the amount of corresponding equity of consolidated subsidiary companies is presented as goodwill that includes the difference.

(Amounts of Accumulated Amortization for Intangible Fixed Assets to Be Presented)

Article 30 The provisions of Article 30 of the Regulation on Financial Statements apply mutatis mutandis to the amounts of accumulated amortization and the amount of accumulated impairment loss on intangible fixed assets.

(Categories of Investments and Other Assets to Be Presented)

Article 31 (1) Assets categorized as investments and other assets are to be recorded collectively using the account title having a name that indicates investments and other assets; provided, however, that this does not preclude

assets categorized as investments and other assets to be classified as an accounting item that is found to be appropriate, and recorded using the account title having a name that indicates the relevant assets.

(2) The provisions of Article 27, paragraph (2) apply mutatis mutandis to investments and other assets.

(Allowances for Investments and Other Assets to Be Presented)

Article 32 The provisions of Article 20 (excluding paragraph (3)) of the Regulation on Financial Statements as applied mutatis mutandis pursuant to Article 34 of that Regulation apply mutatis mutandis to allowances for assets categorized as investments and other assets.

(Categories of Deferred Assets to Be Presented)

Article 33 (1) Assets categorized as deferred assets are to be recorded collectively using the account title having a name that indicates deferred assets; provided, however, that this does not preclude assets categorized as deferred assets to be classified as an accounting item that is found to be appropriate, and recorded using the account title having a name that indicates the relevant assets.

(2) The provisions of Article 27, paragraph (2) apply mutatis mutandis to deferred assets.

(Amounts of Accumulated Amortization for Deferred Assets to Be Presented)

Article 34 The provisions of Article 38 of the Regulation on Financial Statements apply mutatis mutandis to the amounts of accumulated amortization for deferred assets.

(Notes Concerning Collateral Assets)

Article 35 The provisions of Article 43 of the Regulation on Financial Statements apply mutatis mutandis to assets that have been used as collateral.

Section 3 Liabilities

(Classification of Liabilities)

Article 36 Liabilities to be entered must be classified as current liabilities and fixed liabilities.

(Scope of Each Liability Type)

Article 37 The provisions of Articles 47 to 48-3 and 51 to 51-4 of the Regulation on Financial Statements apply mutatis mutandis to the scope of current liabilities and fixed liabilities. In this case, the term "within one year" in Articles 47, 48-2, and 48-3 of the Regulation on Financial Statements is

deemed to be replaced with "on the day within one year from the day following the interim consolidated closing date".

Article 37-2 The provisions of Article 36-2 of the Regulation on Consolidated Financial Statements apply mutatis mutandis to the scope of fixed liabilities.

(Categories of Current Liabilities to Be Presented)

Article 38 (1) Liabilities categorized as current liabilities must be recorded using the account title having a name that indicates the liabilities, in accordance with the following categories of accounting items; provided, however, that liabilities categorized as an accounting item other than that set forth in item (v) whose amount is not more than one percent of the sum of liabilities and net assets, which are found appropriate to be presented collectively with liabilities categorized as another accounting item, may be recorded collectively using the account title having an appropriate name:

- (i) negotiable instruments payable and accounts payable;
- (ii) short-term borrowings (including finance negotiable instruments and overdrafts);
- (iii) lease obligations;
- (iv) accrued corporate tax, etc.;
- (v) allowances;
- (vi) asset retirement obligations; and
- (vii) others.

(2) If liabilities categorized as any of the accounting items referred to in the items of the preceding paragraph, which are found to be appropriate to be presented separately, the provisions of that paragraph does not preclude the liabilities to be recorded separately using the account title having a name that indicates the relevant liabilities.

(3) If the allowances referred to in paragraph (1), item (v) include any allowances whose amount exceeds one percent of the sum of liabilities and net assets, the allowances must be recorded separately using the account title having a name that indicates the purpose for setting up the relevant allowances.

(4) Among the liabilities categorized as the accounting item set forth in paragraph (1), item (vii), any liabilities whose amount exceeds five percent of the sum of liabilities and net assets must be recorded separately using the account title having a name that indicates the relevant liabilities.

(Categories of Fixed Liabilities to Be Presented)

Article 39 (1) Liabilities categorized as fixed liabilities must be recorded using the account title having a name that indicates the liabilities, in accordance with the following categories of accounting items; provided, however, that a

liability categorized as an item other than that set forth in items (iv) and (v) whose amount is not more than one percent of the sum of liabilities and net assets, which is found to be appropriate to be presented collectively with liabilities categorized as another accounting item, may be recorded collectively using the account title having an appropriate name:

- (i) corporate bonds;
 - (ii) long-term borrowings (including finance negotiable instruments; the same applies hereinafter);
 - (iii) lease obligations;
 - (iv) allowances;
 - (v) net defined benefit liability;
 - (vi) asset retirement obligations;
 - (vii) negative goodwill; and
 - (viii) others.
- (2) The provisions of paragraph (2) of the preceding Article apply mutatis mutandis to the cases referred to in the preceding paragraph.
- (3) The provisions of paragraph (3) of the preceding Article apply mutatis mutandis to the allowances referred to in paragraph (1), item (iv).
- (4) The provisions of paragraph (4) of the preceding Article apply mutatis mutandis to liabilities categorized as the accounting item set forth in paragraph (1), item (vii).
- (5) A difference resulting from investments made by consolidated companies, which is less than the amount of corresponding equity of consolidated subsidiary companies, is presented as negative goodwill that includes the difference.

(Notes Concerning Contingent Liabilities)

Article 40 If there are any contingent liabilities (meaning guarantees of debts (including those that have the same effect as a debt guarantee), obligations to compensate in relation to contentious cases, and other liabilities that have not actually arisen but may probably be paid by the business in the future) pertaining to any consolidated company, the details and amount thereof must be set down in the notes; provided, however, that notes may be omitted for particulars that are not material.

Article 41 Deleted.

(Notes Concerning Specified Accounts for Business Combination)

Article 42 The provisions of Article 56, paragraph (1) of the Regulation on Financial Statements apply mutatis mutandis to specified accounts for a business combination.

(Inventory Assets and Reserves for Losses on Construction Contracts to Be Presented)

Article 43 The provisions of Article 54-4 (excluding paragraph (4)) of the Regulation on Financial Statements apply mutatis mutandis to the inventory assets and reserves for losses on construction contracts to be presented.

(Categories of Liabilities of a Special Purpose Company to Be Presented)

Article 43-2 The provisions of Article 41-2 of the Regulation on Consolidated Financial Statements apply mutatis mutandis to non-recourse debts (meaning non-recourse debts as specified in Article 41-2, paragraph (1) of the Regulation on Consolidated Financial Statements) held by a special purpose company (meaning a special purpose company as specified in Article 8, paragraph (7) of the Regulation on Financial Statements) included in the scope of consolidation and the assets corresponding to the non-recourse debts.

Section 4 Net Assets

(Classification of Net Assets)

Article 44 Net assets to be entered must be classified into shareholders' equity, accumulated other comprehensive income, share options, and non-controlling interests.

(Classification of Shareholders' Equity and Categories Thereof to Be Presented)

Article 45 (1) Shareholders' equity must be classified into stated capital, capital surplus, and retained earnings, and must be set down using the account titles for stated capital, capital surplus, and retained earnings respectively.

(2) The provisions of Article 62, Article 63, paragraph (2), and Article 65, paragraph (2) of the Regulation on Financial Statements apply mutatis mutandis to a deposit for subscriptions to shares and to any reserves specified by law that are equivalent to capital reserves or retained earnings reserves.

(3) The provisions of Article 43, paragraphs (3) and (4) of the Regulation on Consolidated Financial Statements apply mutatis mutandis to treasury shares and a deposit for subscriptions to treasury shares.

(Classification of Accumulated Other Comprehensive Income and Categories Thereof to Be Presented)

Article 45-2 The provisions of Article 43-2 of the Regulation on Consolidated Financial Statements apply mutatis mutandis to accumulated other comprehensive income.

(Share Options to Be Presented)

Article 45-3 The provisions of Article 43-3 of the Regulation on Consolidated Financial Statements apply mutatis mutandis to share options. In this case, the term "consolidated financial statements" in paragraph (2) of that Article is deemed to be replaced with "interim consolidated financial statements".

(Non-Controlling Interests to Be Presented)

Article 45-4 Non-Controlling Interests must be recorded using the account title for non-controlling interests.

(Notes Concerning Earnings per Share of Net Assets)

Article 46 (1) The per-share amount of net assets must be set down in the notes. (2) The provisions of Article 36-3, paragraph (2) of the Regulation on Interim Financial Statements apply mutatis mutandis to the case where any consolidation of shares or share split has been done during the current interim consolidated accounting period or after the interim consolidated balance sheet date. In this case, the term "previous business year" in item (ii) of that paragraph is deemed to be replaced with "previous consolidated fiscal year".

Section 5 Miscellaneous Provisions

(Reserves Under the Special Laws)

Article 47 (1) Reserves or allowances that need to be recorded using the name for reserves or allowances pursuant to the provisions of laws and regulations, which are not appropriate to be recorded in the assets section or liabilities section (hereinafter referred to as "reserves, etc.") must be entered separately by adding another category immediately after the fixed liabilities, notwithstanding the provisions of Articles 22 and 36.

(2) reserves, etc. must be recorded using the account title having a name that indicates the purpose for setting aside the reserves, etc., and the provisions of law or regulations that provide for the recording thereof must be set down in the notes.

(3) Whether or not the reserves, etc., are recognized as reserves to be used within one year must be set down in the notes; provided, however, that this does not apply to the reserves, etc. if it is difficult to determine it.

(Classification of Assets and Liabilities of Businesses Listed Separately)

Article 48 If the main business of a business group is a business set forth in the appended list of the Regulation on Financial Statements (hereinafter referred to as a "business listed separately"), and it is found to be inappropriate to enter its assets and liabilities according to the classification under Articles 23 and 36,

notwithstanding these provisions, the assets and liabilities may be entered according to the classification as specified by laws and regulations or rules (meaning the laws and regulations, or rules as provided for in Article 2 of the Regulation on Financial Statements; the same applies hereinafter) applicable to the financial statements of the companies engaged in the business listed separately.

(Entries of Net Assets of Designated Corporations)

Article 49 If a designated corporation prepares an interim consolidated balance sheet, and it is found inappropriate to enter its net assets pursuant to this Regulation, the designated corporation may enter its net assets in an equivalent manner as specified in the provisions of laws and regulations, or rules applicable to its financial statements. In this case, the governing laws and regulations, or rules must be included in the notes.

(Entries of Account Titles for Assets and Liabilities of Businesses Listed Separately)

Article 50 (1) If the business conducted by any consolidated company includes a business listed separately, and it is found to be inappropriate to enter the account titles for assets and liabilities of the business listed separately according to the categories of the accounting items as specified in Article 25, paragraph (1), Article 27, paragraph (1), Article 29, paragraph (1), Article 31, paragraph (1), Article 38, paragraph (1), and Article 39, paragraph (1), notwithstanding these provisions, those account titles may be entered in an equivalent manner as specified in the provisions of laws and regulations, or rules applicable to the financial statements of the company engaged in the business listed separately.

(2) In the cases referred to in the preceding paragraph, the standards for recording the account titles for assets and liabilities collectively or separately are as specified in the provisions of this Regulation.

Chapter III Interim Consolidated Profit and Loss Statements

Section 1 General Provisions

(Methods to Make Entries in an Interim Consolidated Profit and Loss Statement)

Article 51 (1) The methods to make entries in an interim consolidated profit and loss statements are governed by the provisions of this Chapter.

(2) Entries in an interim consolidated profit and loss statements are to be made using Form No. 5.

(Classification of Revenues and Expenses)

Article 52 Revenues and expenses must be classified into account titles having a name that indicates the following accounting items and entered:

- (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 loss.

Section 2 Net Sales and Cost of Sales

(Method to Present Net Sales)

Article 53 Net sales must be recorded using the account title having a name that indicates the net sales.

(Methods to Present Cost of Sales)

Article 54 The cost of sales must be recorded using the account title having a name that indicates the cost of sales.

(Gross Profits or Losses on Sales to Be Presented)

Article 55 The difference between the net sales and the cost of sales must be entered as the gross profit on sales or the gross loss on sales.

Section 3 Selling Expenses and General and Administrative Expenses

(Method to Present Selling Expenses and General and Administrative Expenses)

Article 56 (1) Selling expenses and general and administrative expenses must be classified into expense items that are found to be appropriate, and recorded using the account title having a name that indicates the relevant expenses; provided, however, that this does not preclude the expenses to be recorded using the account title for selling expenses, the account title for general and administrative expenses, or the account title for selling expenses and general and administrative expenses collectively, and the major expense items and amounts thereof to be set down in the notes.

(2) The major expense items as specified in the proviso to the preceding paragraph include the retirement benefit expenses and provision of allowance (excluding the expense items whose amount is small) and any other expense items whose amount exceeds ten percent of the sum of selling expenses and

general and administrative expenses.

(Amount of Operating Profit and Loss to Be Presented)

Article 57 The amount obtained by adding or subtracting the total amount of selling expenses and general and administrative expenses to or from the gross profit on sales or the gross loss on sales must be entered as the amount of operating income or the amount of operating loss.

Section 4 Non-Operating Revenues and Non-Operating Expenses

(Method to Present Non-Operating Revenues)

Article 58 Revenues categorized as non-operating revenues must be recorded using the account title having a name that indicates the revenues, according to the categories including 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 revenue whose amount is not more than ten percent of the total amount of non-operating revenues, which is found appropriate to be presented collectively may be recorded using the account title having a name that indicates the relevant revenues collectively.

(Method to Present Non-Operating Expenses)

Article 59 Expenses categorized as non-operating expenses must be recorded using the account title having a name that indicates the relevant expenses, according to the categories of interest expenses (including interest on corporate bonds), losses on sales of securities, investment losses under the equity method, and others; provided, however, that any expenses whose amount is not more than ten percent of the total amount of non-operating expenses, which is found appropriate to be presented collectively, may be recorded using the account title having a name that indicates the expenses collectively.

(Amount of Ordinary Income and Loss to Be Presented)

Article 60 The amount obtained by adding or subtracting the total amount of non-operating revenues or the total amount of non-operating expenses to or from the amount of operating income or the amount of operating loss must be entered as the amount of ordinary income or the amount of ordinary loss.

Section 5 Extraordinary Profit and Extraordinary Loss

(Method to Present Extraordinary Profit)

Article 61 Profits categorized as extraordinary profit must be recorded using the

account title having a name that indicate the profits, according to the categories of gain on sales of fixed assets, gain on negative goodwill and others; provided, however, that any profits whose amount is not more than ten percent of the total amount of extraordinary profit, which are found appropriate to be presented collectively, may be recorded using the account title having a name that indicates the profits collectively.

(Method to Present Extraordinary Loss)

Article 62 Losses categorized as extraordinary loss must be recorded using the account title having a name that indicates the losses, according to the categories of loss on sales of fixed assets, impairment loss, disaster loss, and others; provided, however, that any loss whose amount is not more than ten percent of the total amount of extraordinary loss, which is found appropriate to be presented collectively may be recorded using the account title having a name that indicates the losses collectively.

(Notes Concerning Impairment Loss)

Article 62-2 The provisions of Article 95-3-2, paragraph (1) of the Regulation on Financial Statements apply mutatis mutandis to assets or asset groups (meaning the asset groups defined in that Article) for which impairment loss have been recognized.

(Notes Concerning Gains on Reversal of Specified Accounts for Business Combination)

Article 62-3 The provisions of Article 95-3-3, paragraph (1) of the Regulation on Financial Statements apply mutatis mutandis pursuant to gains on reversal of specified accounts for a business combination.

(Interim Net Income or Net Loss Before Tax to Be Presented)

Article 63 The amount obtained by adding or subtracting the total amount of extraordinary profit or total amount of extraordinary loss to or from the amount of ordinary income or amount of ordinary loss must be entered as the amount of interim net income before tax or the amount of interim net loss before tax.

Section 6 Interim Net Income or Interim Net Loss

(Interim Net Income or Interim Net Loss)

Article 64 (1) The amount of the items set forth in the following items must be entered using the account title having a name that indicates the description thereof, immediately after the amount of interim net income before tax or the

amount of interim net loss before tax:

- (i) the corporate tax, inhabitants tax, and enterprise tax (meaning the enterprise tax imposed on the amount of profits as the tax base; the same applies in the following item) for the current interim consolidated accounting period;
 - (ii) the deferred corporate tax, etc. (meaning adjustments on the corporate tax, inhabitants tax, and enterprise tax set forth in the preceding item, which are recorded using the tax effect accounting); and
 - (iii) the amount of interim net income before tax or the amount of interim net loss before tax, which is part of minority shareholders' equity.
- (2) The accounting items set forth in items (i) and (ii) of the preceding paragraph may be entered collectively; provided, however, that in this case, a statement to that effect must be set down in the notes.
 - (3) The amount obtained by adding or subtracting the amount of the accounting items set forth in the respective items of paragraph (1) to or from the amount of interim net income before tax or the amount of interim net loss before tax must be entered as the amount of interim net income or the amount of interim net loss.
 - (4) The amount of the interim net income or the interim net loss, whichever is attributed to non-controlling interests must be entered using the account title having a name that indicates the description thereof, immediately after the amount of interim net income or the amount of interim net loss.
 - (5) The amount obtained by adding or subtracting the amount that is attributed to non-controlling interests of either the interim net income or the interim net loss, to or from the amount of interim net income or amount of interim net loss must be entered as the amount of interim net income attributable to owners of the parent company or the amount of interim net loss attributable to owners of the parent company.
 - (6) If there are taxes to be paid or refund of tax due to correction or determination, etc. of corporate tax, etc., the amounts are to be entered using the account title having a name that indicates the description thereof, immediately after the item set forth in paragraph (1), item (i); provided, however, that those amounts may be presented as the amount of the item set forth in paragraph (1), item (i) that include the taxes to be paid or refund of tax if those amounts are immaterial.

(Notes Concerning Earnings per Share of Interim Net Income or Net Loss)

Article 65 (1) The earnings per share of interim net income or earnings per share of interim net loss, and the basis for calculation thereof must be set down in the notes.

(2) The provisions of Article 52-2, paragraph (2) of the Regulation on Interim

Financial Statements apply mutatis mutandis to the cases where any consolidation of shares or share split has been done during the current interim consolidated accounting period or after the interim consolidated balance sheet date. In this case, the terms "interim accounting period", "interim balance sheet date", and "business year" in that paragraph are deemed to be replaced with "interim consolidated accounting period", "interim consolidated balance sheet date", and "consolidated fiscal year" respectively.

(Notes Concerning Diluted Earnings per Share of Interim Net Income)

Article 65-2 The provisions of Article 53 of the Regulation on Interim Financial Statements apply mutatis mutandis to the note concerning a diluted earnings per share of interim net income. In this case, the term "business year" in paragraph (2) of that Article is deemed to be replaced with "consolidated fiscal year".

Section 7 Miscellaneous Provisions

(Investment Return to be Presented Under the Equity Method)

Article 66 If investment return and investment loss under the equity method occur, the amount obtained by offsetting one against the other may be presented.

(Provision or Reversal of Reserves Under the Special Laws)

Article 67 If a provision or reversal of reserves, etc. is set aside, the amount of the provision or reversal must be recorded as an extraordinary loss or extraordinary profit using the account title having a name that indicates the relevant provision or reversal.

(Notes Concerning Significant Seasonal Fluctuations in Net Sales or Operating Expenses)

Article 68 If there are significant seasonal fluctuations in net sales or operating expenses (meaning the sum of the cost of sales, selling expenses, and general and administrative expenses) due to the nature of the business, the situation must be set down in the notes.

(Classification of Revenues and Expenses of Businesses Listed Separately)

Article 69 If the main business of a business group is a business listed separately, and it is found inappropriate to enter its revenues and expenses according to the classification as specified in Article 52, notwithstanding the provisions of that Article, the revenues and expenses may be entered in an equivalent manner as specified in the provisions of laws and regulations, or

rules applicable to the financial statements of the companies engaged in the business listed separately.

(Entries of Account Titles for Revenues and Expenses of Business Listed Separately)

Article 70 (1) If the business engaged in by any consolidated company includes a business listed separately, and it is found inappropriate to enter the account titles for revenues and expenses of the business listed separately as specified in the provisions of Article 53, Article 54, Article 56, Article 58, and Article 59, notwithstanding these provisions, the account titles may be entered in an equivalent manner as specified in the provisions of laws and regulations, or rules applicable to the financial statements of the company engaged in the business listed separately.

(2) In the cases referred to in the preceding paragraph, the standards for recording the account titles for revenues and expenses collectively or separately are as specified in the provisions of this Regulation.

Chapter III-2 Interim Consolidated Statements of Comprehensive Income Section 1 General Provisions

(Methods to Make Entries in Interim Consolidated Statements of Comprehensive Income)

Article 70-2 (1) The methods to make entries in interim consolidated statements of comprehensive income are governed by the provisions of this Chapter.

(2) Entries in interim consolidated statements of comprehensive income are to be made using Form No. 5-2.

(Interim Consolidated Profit and Loss and Comprehensive Income Statements)

Article 70-3 If interim consolidated profit and loss and comprehensive income statements (meaning an interim consolidated profit and loss statement at the end of which entries under the provisions of this Chapter are made) are prepared, an interim consolidated statement of comprehensive income does not need to be presented.

(Categories of Interim Consolidated Statements of Comprehensive Income to Be Presented)

Article 70-4 An interim consolidated statement of comprehensive income must be categorized into interim net income or interim net loss, other comprehensive income, and interim comprehensive income to be presented.

Section 2 Other Comprehensive Income

(Categories of Other Comprehensive Income to Be Presented)

Article 70-5 The provisions of Article 69-5 of the Regulation on Consolidated Financial Statements apply mutatis mutandis to other comprehensive income.

Section 3 Interim Comprehensive Income

(Interim Comprehensive Income)

Article 70-6 (1) The amount obtained by adding or subtracting the amounts of the items of other comprehensive income to or from the amount of interim net income or amount of interim net loss, must be entered as the amount of interim comprehensive income.

(2) The amount of interim comprehensive income as specified in the preceding paragraph must be categorized into the amount pertaining to shareholders of the company submitting interim consolidated financial statements and the amount pertaining to non-controlling shareholders, and their respective amounts must be entered at the end of the interim consolidated statement of comprehensive income.

Chapter IV Interim Consolidated Statements of Changes in Net Assets

Section 1 General Provisions

(Method to Make Entries in Interim Consolidated Statement of Changes in Net Assets)

Article 71 (1) The method to make entries in an interim consolidated statement of changes in net assets are governed by the provisions of this Chapter.

(2) Entries in an interim consolidated statement of changes in shareholders' equity are to be made using Form No. 6.

(Categories of Interim Consolidated Statements of Changes in Net Assets to Be Presented)

Article 72 (1) An interim consolidated statement of changes in net assets must be entered according to the categories of shareholders' equity, other comprehensive income, share options, and non-controlling interests.

(2) In an interim consolidated statement of changes in net assets, items must be categorized appropriately, and recorded using the account title having a name that indicates the relevant items. Those items and account titles must be consistent with the items and account titles in the net asset section of the consolidated balance sheet prepared at the end of the previous consolidated fiscal year and the interim consolidated balance sheet prepared at the end of the current interim consolidated accounting period.

Section 2 Shareholders' Equity

Article 73 (1) Shareholders' equity must be entered according to the categories of the remaining balance at the beginning of the current consolidated fiscal year, the change in the amount during the current interim consolidated accounting period, and the remaining balance at the end of the current interim consolidated accounting period.

(2) The change in the amount during the current interim consolidated accounting period to be entered for the account title for shareholders' equity must be entered for each reason for the change.

(3) Dividends of surplus must be presented as a reason for change in capital surpluses or retained earnings.

(4) The amount of interim net income attributable to owners of the parent company or the amount of interim net loss attributable to owners of the parent company must be presented as a reason for the change in retained earnings.

Section 3 Accumulated Other Comprehensive Income

Article 74 (1) Accumulated other comprehensive income must be entered according to the categories of the remaining balance at the beginning of the current consolidated fiscal year, the change in the amount during the current interim consolidated accounting period, and the remaining balance at the end of the current interim consolidated accounting period.

(2) With regard to the account titles entered for accumulated other comprehensive income, the change in the amount during the current interim consolidated accounting period is to be entered collectively; provided, however, that this does not preclude the amounts to be entered or set down in the notes for each reason for the major change.

Article 75 The provisions of Article 104 of the Regulation on Financial Statements apply mutatis mutandis to accumulated other comprehensive income. In this case, the terms "Article 100, paragraph (2)", "at the beginning of the current business year", "the change in the amount during the current business year", and "the end of the current business year" in that Article are deemed to be replaced with "Article 72, paragraph (2)", "at the beginning of the current consolidated fiscal year", "the change in the amount during the current interim consolidated accounting period", and "at the end of the current interim consolidated accounting period" respectively.

Section 4 Share Options

Article 76 (1) Share options must be entered according to the categories of the remaining balance at the beginning of the current consolidated fiscal year, the change in the amount during the current interim consolidated accounting period, and the remaining balance at the end of the current interim consolidated accounting period.

(2) The change in the amount of share options during the current interim consolidated accounting period is to be entered collectively; provided, however, that this does not preclude the change in the amount to be entered or set down in the notes for each reason for the major change.

Section 5 Non-Controlling Interests

Article 77 (1) Non-Controlling Interests must be entered according to the categories of the remaining balance at the beginning of the current consolidated fiscal year, the change in the amount during the current interim consolidated accounting period, and the remaining balance at the end of the current interim consolidated accounting period.

(2) The change in the amount of non-controlling interests during the current interim consolidated accounting period is to be entered collectively; provided, however, that this does not preclude the change in the amount to be entered or set down in the notes for each reason for the major change.

Section 6 Particulars to Be Set Down in Notes

(Notes Concerning Issued Shares)

Article 78 The provisions of Article 106, paragraph (1) of the Regulation on Financial Statements apply mutatis mutandis to the issued shares. In this case, the terms "at the beginning of the current business year", "at the end of the current business year" and "during the current business year" in item (i) of that paragraph are deemed to be replaced with "at the beginning of the current consolidated fiscal year", "at the end of the current interim consolidated accounting period" and "during the current interim consolidated accounting period" respectively.

(Notes Concerning Treasury Shares)

Article 79 The provisions of Article 107, paragraph (1) of the Regulation on Financial Statements apply mutatis mutandis to treasury shares. In this case, the terms "at the beginning of the current business year", "at the end of the current business year" and "during the current business year" in item (i) of that paragraph are deemed to be replaced with "at the beginning of the current

consolidated fiscal year", "at the end of the current interim consolidated accounting period" and "during the current interim consolidated accounting period" respectively.

(Notes Concerning Share Options)

Article 80 The provisions of Article 79 of the Regulation on Consolidated Financial Statements apply mutatis mutandis to share options and treasury share options. In this case, the term "at the end of the consolidated fiscal year" in paragraph (1), item (iii) and paragraph (4) of that Article is deemed to be replaced with "at the end of the interim consolidated accounting period", the terms "at the end of the current consolidated fiscal year" and "during the current consolidated fiscal year" in paragraph (3) of that Article are deemed to be replaced with "at the end of the current interim consolidated accounting period" and "during the current interim consolidated accounting period", and the term "consolidated financial statements" in paragraph (4) and paragraph (5), item (i) of that Article is deemed to be replaced with "interim consolidated financial statements".

(Notes Concerning Dividends)

Article 81 The provisions of Article 109, paragraph (1) of the Regulation on Financial Statements apply mutatis mutandis to dividends. In this case, the terms "the current business year" and "in the following business year" in item (iii) of that paragraph are deemed to be replaced with "the current interim consolidated accounting period" and "after the last day of the current interim consolidated accounting period" respectively.

Section 7 Miscellaneous Provisions

Article 82 If a designated corporation prepares an interim consolidated statement of changes in net assets, and it is found inappropriate to enter particulars pursuant to this Regulation, the designated corporation may enter particulars in an equivalent manner as specified in the provisions of laws and regulations, or rules applicable to its financial statements.

Chapter V Interim Consolidated Cash Flow Statement

Section 1 General Provisions

(Methods to make Entries in Interim Consolidated Cash Flow Statements)

Article 83 (1) The methods to make entries in an interim consolidated cash flow statement are governed by the provisions of this Chapter.

(2) Entries in an interim consolidated cash flow statement are to be made using

either Form No. 7 or Form No. 8.

(Categories to Be Presented in Interim Consolidated Cash Flow Statements)

Article 84 In an interim consolidated cash flow statement, cash flow situation must be entered by setting up the categories set forth in the following items:

- (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) increase or decrease in cash and cash equivalents;
- (vi) the remaining balances of cash and cash equivalents at the beginning of the interim period; and
- (vii) the remaining balances of cash and cash equivalents at the end of the interim period.

Section 2 Methods to Make Entries in Interim Consolidated Cash Flow Statements

(Method to Present Cash Flows from Operating Activities)

Article 85 The provisions of Articles 84 to 89 of the Regulation on Consolidated Financial Statements apply mutatis mutandis to the methods to make entries in an interim consolidated cash flow statement. In this case, the terms "amount of net income before tax for the period or the amount of net loss before tax for the period" and "consolidated profit and loss statement" in Article 84, item (ii) of the Regulation on Consolidated Financial Statements are deemed to be replaced with "amount of interim net income before tax or the amount of interim net loss before tax" and "interim consolidated profit and loss statement" respectively.

(Particulars to Be Set Down in Notes in Interim Consolidated Cash Flow Statements)

Article 86 The relationship between the remaining balance of cash and cash equivalents at the end of the interim period and the amounts for the account titles recorded in the interim consolidated balance sheet must be set down in the notes in an interim consolidated cash flow statement.

Chapter VI Special Provisions for Business Accounting Standards

Section 1 Designated International Accounting Standards

(Special Provisions for Designated International Accounting Standards)

Article 87 The terminology, forms, and preparation methods of interim

consolidated financial statements submitted by a specified company complying with designated international accounting standards may follow the designated international accounting standards.

(Notes Concerning Designated International Accounting Standards)

Article 87-2 The following particulars must be set down in the notes in interim consolidated financial statements prepared in accordance with the designated international accounting standards:

- (i) if the designated international accounting standards are the same as the international accounting standards (meaning the international accounting standards as provided in Article 93 of the Regulation on Consolidated Financial Statements; the same applies in this item and the following item), a statement that interim consolidated financial statements are prepared following the international accounting standards; and
- (ii) if the designated international accounting standards are different from the international accounting standards, a statement that the interim consolidated financial statements are prepared following the designated international accounting standards; and
- (iii) a statement that the company falls under a specified company complying with the designated international accounting standards and the reason therefor.

Section 2 Japan's Modified International Standards

(Special Provisions for Japan's Modified International Standards)

Article 88 The terminology, forms, and preparation methods of interim consolidated financial statements submitted by a specified company complying with the Japan's modified international standards may follow the Japan's modified international standards.

(Notes Concerning Japan's Modified International Standards)

Article 88-2 The following particulars must be set down in the notes in the interim consolidated financial statements prepared following the Japan's modified international standards:

- (i) a statement that the interim consolidated financial statements are prepared following the Japan's modified international standards; and
- (ii) a statement that the company falls under a specified company complying with the Japan's modified international standards and the reason therefor.

Chapter VII Miscellaneous Provisions

Article 89 The provisions of Articles 95 to 98 of the Regulation on Consolidated Financial Statements apply *mutatis mutandis* to the terms, forms, and methods used for preparation of interim consolidated financial statements.