

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

(Ordinance of the Ministry of Finance 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 Ordinance on the Terminology, Forms, and Preparation Methods of Interim Consolidated Financial Statements is hereby enacted as follows.

Chapter I General Provisions (Articles 1 to 19)

Chapter II Interim Consolidated Balance Sheets

Section 1 General Provisions (Articles 20 to 22)

Section 2 Assets (Articles 23 to 35)

Section 3 Liabilities (Articles 36 to 43)

Section 4 Net Assets (Articles 44 to 46)

Section 5 Miscellaneous Provisions (Articles 47 to 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 to 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
to 60)

Section 5 Extraordinary Profit and Extraordinary Losses (Articles 61 to 63)

Section 6 Interim Net Profit and Interim Net Loss (Articles 64 and 65)

Section 7 Miscellaneous Provisions (Articles 66 to 70)

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 Valuation and Translation Adjustments (Articles 74 and 75)

Section 4 Share Options (Article 76)

Section 5 Minority Shareholders' Equity (Article 77)

Section 6 Matters to Be Stated in the Notes (Articles 78 to 81)

Section 7 Miscellaneous Provisions (Article 82)

Chapter V Interim Consolidated Cash Flow Statements

Section 1 General Provisions (Articles 83 and 84)

Section 2 Method of Entry in an Interim Consolidated Cash Flow Statement
(Articles 85 and 86)

Chapter VI Special Provisions for Business Accounting Standards (Articles 87 and 88)

Supplementary Provisions

Chapter I General Provisions

(General Principles for Application)

Article 1 (1) From among finance and accounting documents to be submitted pursuant to the provisions of Article 5, Article 7, Article 9, paragraph (1), Article 10, paragraph (1), Article 24-4-7, paragraph (1) or (2) 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 the cases where any of these provisions are applied mutatis mutandis pursuant to Article 24-4-7, paragraph (4) and Article 24-5, paragraph (5) of the Act and cases where these provisions are applied mutatis mutandis, pursuant to Article 27 of the Act, to a juridical person which has been designated by the Commissioner of the Financial Services Agency pursuant to the provisions of Article 1, paragraph (1) of the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc. (Ordinance of the Ministry of Finance No. 59 of 1963; hereinafter referred to as the "Ordinance on Financial Statements, etc.") (such corporation is hereinafter referred to as a "Designated Corporation")), the terminology, forms, and preparation methods of Interim Consolidated Financial Statements (meaning interim consolidated balance sheets, interim consolidated profit and loss statements, interim statement of comprehensive profit, interim consolidated statements of changes in net assets, interim consolidated cash flow statements, and consolidated supplementary schedules or, if they are prepared pursuant to Designated International Accounting Standards (meaning Designated International Accounting Standards as provided in Article 93 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976; hereinafter referred to as the "Ordinance on Consolidated Financial Statements")); the same applies hereinafter) pursuant to the provisions of Article 87, equivalents to interim consolidated balance sheets, interim consolidated profit and loss statements, interim statement of comprehensive profit, interim consolidated statements of changes in net assets and interim consolidated cash flow statements of which preparation is required pursuant to Designated International Accounting Standards; the same applies hereinafter) are governed by the provisions of this Ordinance, except for those subject to application of the provisions of Article 2 of the Ordinance on Terminology, Forms, and Preparation Methods of Interim Financial Statements, etc. (Ordinance of the Ministry of Finance No. 38 of

1977; hereinafter referred to as the "Ordinance on Interim Financial Statements, etc."), and any matters that are not provided for under this Ordinance are in compliance with business accounting standards generally accepted as fair and appropriate.

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

(Special Provisions for Application)

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

- (i) that it should satisfy the requirements set forth in Article 1-2, item (i) of the Ordinance on Consolidated Financial Statements; or
- (ii) that it should be a company that prepared Consolidated Financial Statements (meaning documents as provided in Article 1, paragraph (1) of the Ordinance on Consolidated Financial Statements; the same applies hereinafter) or Quarterly Consolidated Financial Statements (meaning documents as provided in Article 1, paragraph (1) of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Ordinance No. 64 of 2007; hereinafter referred to as the "Ordinance on Quarterly Consolidated Financial Statements")) pertaining to the Consolidated Fiscal Year (meaning a period as provided in Article 3, paragraph (2); hereinafter the same applies in this item) immediately prior to the current Interim Consolidated Accounting Period or the Quarterly Consolidated Accounting Period (meaning a period as provided in Article 2, item (iii) of the Ordinance on Quarterly Consolidated Financial Statements) immediately prior to the current Interim Consolidated Accounting Period, whichever is the period of which the last day is the closest to the interim consolidated closing date, in accordance with Designated International Accounting Standards and should satisfy the requirements set forth in Article 1-2, item (i), sub-items (b) and (c) of the

Ordinance on Consolidated Financial Statements.

(Definitions)

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

- (i) Company Submitting Interim Consolidated Financial Statements: a company or Designated Corporation which is to submit Interim Consolidated Financial Statements pursuant to the provisions of the Act;
- (ii) Subsidiary Company: an entity 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 Ordinance on Financial Statements, etc.;
- (iii) 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) Non-consolidated Subsidiary Company: a Subsidiary Company excluded from the scope of consolidation;
- (vi) Affiliated Company: an entity 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 Ordinance on Financial Statements, etc.;
- (vii) Equity Method: a method whereby an investor company corrects its investment amount each business year according to the changes in the portions of the investee company's net assets, profit and loss which belong to said investor company;
- (viii) Deleted;
- (ix) Minority Shareholders' Equity: the portion of a Consolidated Subsidiary Company's capital which is not equity of the Company Submitting Interim Consolidated Financial Statements;
- (x) Cash Flow: any increase or decrease in the Funds defined in the following item;
- (xi) Funds: the total amount of cash (including any current deposits, ordinary deposits, and other deposits which the depositor is able to withdraw without waiting for a certain period to elapse; the same applies in Articles 84 and 86) and Cash Equivalents (meaning short-term investments which can be easily converted into cash and which have a low risk of fluctuating in value; the same applies in Articles 84 and 86);
- (xii) Derivative Transactions: transactions as provided in Article 8, paragraph (14) of the Ordinance on Financial Statements, etc.;
- (xiii) Trading Securities: securities as provided in Article 8, paragraph (20) of

- the Ordinance on Financial Statements, etc.;
- (xiv) Bonds Held to Maturity: bonds as provided in Article 8, paragraph (21) of the Ordinance on Financial Statements, etc.;
- (xv) Other Securities: securities as provided in Article 8, paragraph (22) of the Ordinance on Financial Statements, etc.;
- (xvi) Treasury Shares: the shares defined in Article 2, item (xix) of the Ordinance on Consolidated Financial Statements; in this case, the term "Consolidated Financial Statements" in that item is deemed to be replaced with "Interim Consolidated Financial Statements";
- (xvii) Company's Own Shares: shares of Consolidated Companies under the provisions of Article 2, item (xx) of the Ordinance on Consolidated Financial Statements;
- (xviii) Options on a Company's Own Shares: options on a company's own shares as provided in Article 2, item (xxi) of the Ordinance on Consolidated Financial Statements;
- (xix) Stock Options: stock options as provided in Article 2, item (xxii) of the Ordinance on Consolidated Financial Statements;
- (xx) Business Combination: business combination as provided in Article 8, paragraph (27) of the Ordinance on Financial Statements, etc.;
- (xxi) Acquiring Enterprise: an enterprise as provided in Article 8, paragraph (28) of the Ordinance on Financial Statements, etc.;
- (xxii) Acquired Enterprise: an enterprise as provided in Article 8, paragraph (29) of the Ordinance on Financial Statements, etc.;
- (xxiii) Combiner: an enterprise as provided in Article 8, paragraph (31) of the Ordinance on Financial Statements, etc.;
- (xxiv) Combinee: an enterprise as provided in Article 8, paragraph (32) of the Ordinance on Financial Statements, etc.;
- (xxv) Combined Enterprise: an enterprise as provided in Article 8, paragraph (33) of the Ordinance on Financial Statements, etc.;
- (xxvi) Constituent Enterprises: enterprises as provided in Article 8, paragraph (34) of the Ordinance on Financial Statements, etc.;
- (xxvii) Common Control Transaction, etc.: a common control transaction, etc. as provided in Article 8, paragraph (37) of the Ordinance on Financial Statements, etc.;
- (xxviii) Business Divestiture: business divestiture as provided in Article 8, paragraph (38) of the Ordinance on Financial Statements, etc.;
- (xxix) Divesting Enterprise: an enterprise as provided in Article 8, paragraph (39) of the Ordinance on Financial Statements, etc.;
- (xxx) Divested Enterprise: an enterprise as provided in Article 8, paragraph (40) of the Ordinance on Financial Statements, etc.;
- (xxxi) Financial Instruments: financial instruments as provided in Article 8,

paragraph (41) of the Ordinance on Financial Statements, etc.; and (xxxii) Asset Retirement Obligations: asset retirement obligations as provided in Article 8, paragraph (42) of the Ordinance on Financial Statements, etc.

(Interim Consolidated Closing Date and Interim Consolidated Accounting Period)

Article 3 (1) A Company Submitting Interim Consolidated Financial Statements is to specify the last day of its interim accounting period as its interim consolidated closing date, and prepare Interim Consolidated Financial Statements based on said date.

(2) In the case set forth 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 that preceded the relevant interim consolidated closing date until the relevant interim consolidated closing date.

(General Principles for the Preparation of 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 present true information concerning the financial position, operating results and conditions of Cash Flow 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 interim financial statements of Consolidated Companies that have been prepared in accordance with business accounting standards generally accepted as fair and appropriate;
- (iii) the Interim Consolidated Financial Statements clearly present the accounting information necessary for preventing persons interested in the Company Submitting Interim Consolidated Financial Statements from making an erroneous determination on the financial position, operating results and Cash Flow conditions of the Business Group; and
- (iv) the accounting principles and procedures adopted for preparing the Consolidated Financial Statements for the consolidated fiscal year immediately prior to the relevant Interim Consolidated Accounting Period are applied continuously in the relevant Interim Consolidated Accounting Period, except where these are modified on justifiable grounds.

(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 it does not include a Subsidiary Company that falls under either of the following categories in the scope of consolidation:

- (i) a Subsidiary Company over whose administrative organ that makes decisions on the Subsidiary Company's financial and operational or business policies (meaning a shareholders meeting or any body equivalent thereto) the Company Submitting the Interim Consolidated Financial Statements is found to only have temporary control; and
- (ii) a Subsidiary Company whose inclusion in the scope of consolidation is found likely to lead to an extremely erroneous conclusion about the Company Submitting the Interim Consolidated Financial Statements by its interested parties.

(2) Where any Subsidiary Company which should be included in the scope of consolidation pursuant to the provisions of the preceding paragraph lacks materiality in terms of its assets, net sales (including revenues from service operations; the same applies hereinafter), profit or loss, retained earnings and Cash Flows and any other items, to the extent that its exclusion from the scope of consolidation would not hinder reasonable determination on the financial position, operating results and Cash Flow conditions of the Business Group, said Subsidiary Company may be excluded from the scope of consolidation.

(3) If there is any material matter concerning the financial position, operating results or Cash Flow conditions 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 exert influence on determination on the financial position, operating results and Cash Flow conditions of the Business Group, the details thereof must be stated 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 received an order for the commencement of rehabilitation proceedings under the provisions of the Civil Rehabilitation Act (Act No. 225 of 1999), a stock company that has received an order for the commencement of corporate reorganization proceedings under the provisions of the Corporate Reorganization Act (Act No. 154 of 2002), a Company, etc. that has received an order for the commencement of bankruptcy proceedings under the provisions of the Bankruptcy Act (Act No. 75 of 2004), or any other

Company, etc. equivalent thereto, which at the same time is not categorized as a Subsidiary Company due to its being found to have no effective parent-sub subsidiary relationship with the Company Submitting the Interim Consolidated Financial Statements.

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

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

(Application of the Equity Method)

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

- (i) an Affiliated Company on whose financial and operational or business policy decisions the Company Submitting the Interim Consolidated Financial Statements is found to only exert a temporary influence; or
- (ii) a Non-consolidated Subsidiary Company or Affiliated Company for which application of the Equity Method is found likely to lead interested parties to an extremely erroneous conclusion about the Company Submitting the Interim Consolidated Financial Statements.

(2) Where any Non-consolidated Subsidiary Company or Affiliated Company to which the Equity Method should be applied pursuant to the provisions of the preceding paragraph does not, in terms of its profit or loss and retained earnings and any other items, exert a material influence on Interim Consolidated Financial Statements even if said company is excluded from the target of application of the Equity Method, said company may be excluded from the target of application of the Equity Method.

(Application of Tax Effect Accounting)

Article 8 With regard to Consolidated Companies' corporation tax and any other taxes that are imposed on amounts related to profits as the tax base (hereinafter referred to as "Corporation Tax, etc."), Interim Consolidated Financial Statements must be prepared by applying Tax Effect Accounting

(meaning an accounting method which, if there are differences between the amounts of assets and liabilities reported on the interim consolidated balance sheet and the amounts of assets and liabilities derived as a result of calculating the taxable income, reasonably matches the amount of interim net profit before deducing the Corporation Tax, etc. with the applicable amount of Corporation Tax, etc. through appropriate inter-period allocation of the amount of Corporation Tax, etc. pertaining to such differences; the same applies hereinafter).

(Subsidiary Company with a Different Interim Closing Date)

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

(Entry of the Scope of Consolidation, etc.)

Article 10 (1) Matters on the scope of consolidation and other material matters that serve as the basis for preparing Interim Consolidated Financial Statements must be entered immediately after the interim consolidated cash flow statement, by classifying them into the following matters:

- (i) matters on the scope of consolidation;
- (ii) matters on application of the Equity Method;
- (iii) matters on the interim closing date, etc. of Consolidated Subsidiary Companies;
- (iv) matters on accounting standards; and

(2) With regard to the matters on the scope of consolidation set forth in item (i) of the preceding paragraph, the following matters are to be entered:

- (i) the number of Consolidated Subsidiary Companies and the names of major Consolidated Subsidiary Companies;
- (ii) if there are any Non-consolidated Subsidiary Companies, the names of major Non-consolidated Subsidiary Companies and the reason for excluding them from the scope of consolidation;
- (iii) if, in spite of the fact that the Company Submitting the Interim Consolidated Financial Statements holds a majority of the voting rights in another Company, etc. on its own account, said other Company, etc. is not

- regarded as a Subsidiary Company, the name of said other Company, etc. and the reason for not regarding it as a Subsidiary Company; and
- (iv) if there is any Special Purpose Company Subject to Disclosure (meaning a special purpose company subject to disclosure as defined in Article 8-9, item (ii) of the Ordinance on Financial Statements, etc.; hereinafter the same applies in this item), an outline of the Special Purpose Company Subject to Disclosure, an outline and the transaction amounts of transactions with the Special Purpose Company Subject to Disclosure, and any other material matters.
- (3) With regard to the matters on the application of the Equity Method set forth in paragraph (1), item (ii), the following matters 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 there are any Non-consolidated Subsidiary Companies or Affiliated Companies to which the Equity Method is not applied, the names of major Companies among them;
- (iii) if there are any Non-consolidated Subsidiary Companies or Affiliated Companies to which the Equity Method is not applied, the reason for not applying the Equity Method;
- (iv) if, in spite of the fact that the Company Submitting the Interim Consolidated Financial Statements holds not less than 20 percent but not more than 50 percent of the voting rights in another Company, etc. on its own account, said other Company, etc. is not regarded as an Affiliated Company, the name of said other Company, etc. and the reason for not regarding it as an Affiliated Company; and
- (v) if there are any matters 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 matters on the interim closing date, etc. of the Consolidated Subsidiary Companies set forth in paragraph (1), item (iii), if there is any Consolidated Subsidiary Company whose interim closing date differs from the interim consolidated closing date, the details thereof and whether or not said Consolidated Subsidiary Company has carried out a settlement of 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 matters on accounting standards set forth in paragraph (1), item (iv), the following matters are to be stated:
- (i) the valuation standards and the valuation method for material assets;
- (ii) the depreciation/amortization method for material depreciable/amortizable

- assets;
- (iii) the standards for recognition of material allowances;
- (iv) the standards for recognition of material revenues and expenses;
- (v) the standards for translating material assets or liabilities that are in a foreign currency into Japanese currency, adopted for preparing interim financial statements of Consolidated Companies that served as the basis for preparation of Interim Consolidated Financial Statements;
- (vi) any material method of Hedge Accounting (meaning the hedge accounting defined in Article 8-2, item (viii) of the Ordinance on Financial Statements, etc.; the same applies in Article 17);
- (vii) the scope of Funds reported on the interim consolidated cash flow statement; and
- (viii) other material matters for preparing Interim Consolidated Financial Statements.

(Entry of Changes in Material Matters That Serve as the Basis for the Preparation of Interim Consolidated Financial Statements)

Article 11 (1) If any material matters that serve as the basis for the preparation of Interim Consolidated Financial Statements have been changed, the following matters must be entered immediately after the entries under the preceding Article:

- (i) if the scope of consolidation or the scope of application of the Equity Method has been changed, a statement to that effect, and the reason for the change;
 - (ii) if any accounting principles or procedures have been changed, a statement to that effect, the reason for the change, and details of the influence of said change on the Interim Consolidated Financial Statements;
 - (iii) if any presentation formats have been changed, the details of such change; and
 - (iv) if the scope of Funds in the interim consolidated cash flow statement has been changed, a statement to that effect, the reason for the change, and details of the influence of said change on the interim consolidated cash flow statement.
- (2) If the accounting principles or procedures had been changed upon preparing the interim financial statements for the consolidated fiscal year immediately prior to the relevant Interim Consolidated Accounting Period, and there is any difference between the accounting principles and procedures adopted for preparing the Interim Consolidated Financial Statements for the Interim Consolidated Accounting Period immediately prior to the relevant Interim Consolidated Accounting Period and those adopted for preparing the Interim Consolidated Financial Statements for the relevant Interim Consolidated Accounting Period, an entry to that effect and the details of such change must

be set down in the notes.

(Notes on Material Post-Balance Sheet Events)

Article 12 If any events that exert a material influence on the financial position , operating results and Cash Flow conditions of Consolidated Companies, as well as Non-consolidated Subsidiary Companies and Affiliated Companies to which the Equity Method is applied, in and/or after the consolidated fiscal year containing the Interim Consolidated Accounting Period pertaining to the relevant Interim Consolidated Financial Statements (excluding said Interim Consolidated Accounting Period) occur after the interim consolidated closing date (such events are hereinafter referred to as "Material Post-Balance Sheet Events"), said events must be stated in the notes; provided, however, that, with regard to any Subsidiary Company or Affiliated Company the last day of whose interim accounting period differs from the interim consolidated closing date, such events that occur after the interim closing date of said Subsidiary Company or Affiliated Company must be stated in the notes.

(Notes on Additional Information)

Article 13 In addition to the notes particularly specified under this Ordinance, if there are any matters that are found to be necessary for persons interested in the Company Submitting Interim Consolidated Financial Statements to make adequate judgments on the financial position, operating results and Cash Flow conditions of the Business Group, said matters must be stated in the notes.

(Notes on Segment Information)

Article 14 (1) With regard to information on a certain unit of an Enterprise (hereinafter referred to as a "Reporting Segment") (such information will hereinafter be referred to as "Segment Information"), the following matters must be set down in the notes in accordance with Form No. 1:

- (i) the outline of any Reporting Segment;
- (ii) the amounts of the net sales, profit or loss, assets, liabilities and other items for each Reporting Segment and the methods of calculation of those amounts; and
- (iii) the differences between the total amounts of the amounts of each item set forth in the preceding item and the amounts reported on the interim consolidated balance sheet or the amounts reported on the interim consolidated profit and loss statement for each accounting title equivalent to said item and the main contents of said differences.

(2) With regard to information related to a Reporting Segment (referred to as "Related Information" in Form No. 2), the following matters must be set down in the notes in accordance with that form:

- (i) information for each product and service;
 - (ii) information for each region; and
 - (iii) information for each major customer.
- (3) If the following items are reported in the interim consolidated balance sheet or the interim consolidated profit and loss statement, the outline for each Reporting Segment must be set down in the notes in accordance with Form No. 3:
- (i) the impairment loss on fixed assets;
 - (ii) the amortization amount of goodwill and the unamortized balance; or
 - (iii) the gain from negative goodwill.
- (4) Notwithstanding the provisions of the preceding three paragraphs, notes may be omitted for matters having little materiality.

(Notes on Lease Transactions)

Article 15 The provisions of Article 8-6 of the Ordinance on Financial Statements, etc. 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 "as of the end of the current business year" in paragraph (1), item (i), sub-item (a) and item (ii) and paragraph (2) of that Article is deemed to be replaced with "as of the end of the current Interim Consolidated Accounting Period," the phrases "up to five years from the balance sheet date" and "after five years from the balance sheet date" in paragraph (1), item (ii), sub-item (b) of that Article are deemed to be replaced with "up to the day on which five years have elapsed from the day following the interim consolidated closing date" and "after the day on which five years have elapsed 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 a day that comes 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 on Financial Instruments)

Article 15-2 The provisions of Article 15-5-2, paragraphs (1) (excluding item (i)) and (2) of the Ordinance on Consolidated Financial Statements apply mutatis mutandis to Financial Instruments. In this case, the phrases "consolidated closing date," "of the consolidated balance sheet," and "amounts reported 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 reported on the interim consolidated balance sheet" respectively.

(Notes on Securities)

Article 16 The provisions of Article 15-6, paragraphs (1) (excluding items (i), (iv) and (v)), (3) and (4) of the Ordinance on Consolidated Financial Statements apply mutatis mutandis to securities. In this case, the terms "consolidated closing date" and "amount reported 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 reported on the interim consolidated balance sheet" respectively, the terms "current Consolidated Fiscal Year," "consolidated closing date," "amount reported on the consolidated balance sheet," "Consolidated Financial Statements," and "on the Consolidated Financial Statements" in paragraph (3) of that Article are deemed to be replaced with "current Interim Consolidated Accounting Period," "interim consolidated closing date," "amount reported on the interim consolidated balance sheet," "Interim Consolidated Financial Statements," and "on the Interim Consolidated Financial Statements" respectively, and the term "current Consolidated Fiscal Year" in paragraph (4) of that Article is deemed to be replaced with "current Interim Consolidated Accounting Period."

(Notes on Derivative Transactions)

Article 17 (1) In addition to the matters specified in Article 15-2, with regard to Derivative Transactions (limited to those to which Hedge Accounting is not applied), 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, and the calculation method for the market price must be stated in the notes, by type of the Subject Matter of Transactions (meaning currencies, money rates, shares, bonds, commodities and any other subject matter of transactions; the same applies in the following paragraph); provided, however, that notes may be omitted for matters of little materiality.

(2) Notwithstanding the provisions of the preceding paragraph, with regard to Derivative Transactions to which Hedge Accounting is applied, the contract amount as of the interim consolidated closing date or the principal equivalent amount specified in the contract, the market price as of the interim consolidated closing date, and the calculation method for the market price may be entered in the notes, by type of Subject Matter of the Transactions.

(3) The matters specified in paragraph (1) are entered by categorizing them by type of Transaction (meaning futures transactions, options transactions, forward transactions, swap transactions and any other Derivative Transactions; the same applies in the following paragraph), by Market Transaction (meaning the market transactions defined in Article 8, paragraph

(10), item (iii) of the Ordinance on Financial Statements, etc.) or off-Market Transaction, by the relationship to a purchase contract or to a sale contract, by the period from the interim consolidated closing date to the settlement date of the transaction or to the time of termination of the contract, and other matters.

(4) The matters specified in paragraph (2) must be entered by categorizing them by the method of Hedge Accounting, by the type of Transaction, by the Hedged Items (meaning the hedged items defined in Article 8-2, item (viii) of the Ordinance on Financial Statements, etc.), and other matters.

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

Article 17-2 The provisions of Article 8-14, paragraph (1) of the Ordinance on Financial Statements, etc. apply mutatis mutandis to cases where Stock Options or Options on the Company's Own Shares have been granted or the Company's Own Shares 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 on Stock Options)

Article 17-3 The provisions of Article 5-9 (excluding paragraph (4)) of the Ordinance on Consolidated Financial Statements, etc. apply mutatis mutandis to 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 on Business Combination through Acquisition)

Article 17-4 The provisions of Article 15-12 of the Ordinance on Consolidated Financial Statements apply mutatis mutandis to the case where a Business Combination through acquisition of another Enterprise or a business segment of another Enterprise has been carried out. In this case, the term "Consolidated Fiscal Year" in paragraphs (1) (excluding item (x)), (2) and (3) of 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," the phrase "in or after the Consolidated Fiscal Year following the Consolidated Fiscal Year" in item (x) of that paragraph is deemed to be replaced with "after the last day of the Interim Consolidated Accounting Period," and the term "consolidated profit and loss statement" in item (xi) of that paragraph and paragraph (3), item (i) is deemed to be replaced with

"interim consolidated profit and loss statement."

Article 17-5 deleted

(Notes on Common Control Transactions, etc.)

Article 17-6 The provisions of Article 8-20 (excluding paragraph (3)) of the Ordinance on Financial Statements, etc. apply mutatis mutandis to a Common Control Transaction, etc. In this case, the term "business year" in that Article is deemed to be replaced with "Interim Consolidated Accounting Period."

(Notes on Formation of Jointly Controlled Enterprises)

Article 17-7 The provisions of Article 8-22 (excluding paragraph (3)) of the Ordinance on Financial Statements, etc. 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 by Divesting Enterprise in Business Divestitures)

Article 17-8 The provisions of Article 15-16 of the Ordinance 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 statement" in paragraph (1), item (iv) of that Article is deemed to be replaced with "interim consolidated profit and loss statement."

(Notes by Divested Enterprise in Business Divestitures)

Article 17-9 The provisions of Article 8-24, paragraph (1) of the Ordinance on Financial Statements, etc. apply mutatis mutandis to a Business Divestiture that is not categorized as a Business Combination.

(Notes on the Business Combination of a Subsidiary Company)

Article 17-10 The provisions of Article 15-18 of the Ordinance on Consolidated Financial Statements apply mutatis mutandis to a Business Combination of a Subsidiary Company. 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 statement" in item (iv) of that paragraph is deemed to be replaced with "interim consolidated profit and loss statement."

(Notes on Material Post-Balance Sheet Events, etc. Related to Business Combinations)

Article 17-11 The provisions of Article 8-25 (excluding paragraph (3)) of the Ordinance on Financial Statements, etc. apply mutatis mutandis to a Material Post-Balance Sheet Event related to a Business Combination and a Business Combination wherein an agreement has been reached on major conditions by the interim consolidated closing date and which has not been completed 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 on Material Post-Balance Sheet Events, etc. Related to Business Divestitures)

Article 17-12 The provisions of Article 8-26, paragraph (1) of the Ordinance on Financial Statements, etc. apply mutatis mutandis to a Material Post-Balance Sheet Event related to a Business Divestiture and a Business Divestiture wherein an agreement has been reached on major conditions by the interim consolidated closing date and which has not been completed 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 on Significant Post-Balance Sheet Events, etc. Related to the Business Combination of a Subsidiary Company)

Article 17-13 The provisions of Article 15-21 of the Ordinance on Consolidated Financial Statements apply mutatis mutandis to a Significant Post-Balance Sheet Event related to a Business Combination of a Subsidiary Company and a Business Combination carried out by a Subsidiary Company wherein an agreement has been reached on major conditions and which has not been completed by 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 on the Going Concern Assumption)

Article 17-14 The provisions of Article 5-18 of the Ordinance on Interim Financial Statements, etc. 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 on Asset Retirement Obligations)

Article 17-15 The provisions of Article 8-28 (excluding item (i), sub-items (a) and (b)) of the Ordinance on Financial Statements, etc. apply mutatis mutandis to Asset Retirement Obligations. In this case, the terms "balance sheet" and "the relevant business year" in that Article are deemed to be replaced with "interim consolidated balance sheet" and "the current Interim Consolidated Accounting Period" respectively.

(Notes on Rental, etc. Real Properties)

Article 17-16 (1) The provisions of Article 15-24 of the Ordinance on Consolidated Financial Statements (excluding items (i) and (iv)) apply mutatis mutandis to Rental, etc. Real Properties (meaning a Rental, etc. Real Property as provided in that Article; the same applies in the following paragraph). In this case, the phrase "reported in the consolidated balance sheet" and the term "Consolidated Fiscal Year" in item (ii) of that Article are deemed to be replaced with "reported in 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) If, from among the matters set forth in Article 15-24, items (ii) and (iii) of the Ordinance on Consolidated Financial Statements as applied mutatis mutandis pursuant to the preceding paragraph, no substantial fluctuation is found in the amount of Rental, etc. Real Properties reported on the interim consolidated balance sheet and the market price thereof as of the interim consolidated closing date in comparison to the last day of the previous Consolidated Fiscal Year, notes may be omitted for the matters set forth in those items by making a statement to that effect.

(Method of Notation)

Article 18 (1) The notes to be stated pursuant to the provisions of this Ordinance must be entered immediately after the entries under the provisions of Articles 10 and 11; provided, however, that this does not apply in the following cases:

(i) if matters related to those that were entered pursuant to the provisions of Article 10 were entered together with them; or

(ii) if notes that it is found appropriate to enter as Footnotes (meaning entering notes at the end of the table or account statement contained in the Interim Consolidated Financial Statements in which the matters pertaining to said notes are entered) are entered as Footnotes.

(2) Notwithstanding the provisions of the preceding paragraph, the notes under the provisions of Article 17-14 must be entered immediately after the interim consolidated cash flow statement. In this case, notwithstanding the provisions

of Article 10, paragraph (1), the matters to be entered under the provisions of that Article must be entered immediately after the notes under the provisions of Article 17-14.

- (3) Where notes related to a specific account title are entered pursuant to the provisions of this Ordinance, the association between said account title and said notes must be made clear by appending a symbol to said account title or by other similar method.

(Units for Presenting Amounts)

Article 19 The amounts in the account titles and any other matters 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

(Method of Entry in an Interim Consolidated Balance Sheet)

Article 20 (1) The method of entry in an interim consolidated balance sheet is in accordance with the provisions of this Chapter.

- (2) Entry in an interim consolidated balance sheet is to be in accordance with Form No. 4.

(Classification into Assets, Liabilities and Net Assets)

Article 21 Assets, liabilities and net assets must be entered by respectively classifying them into an assets section, a liabilities section, and a net assets section.

(Arrangement of Account Titles)

Article 22 The account titles of assets and liabilities are to be arranged by using the method of current arrangement.

Section 2 Assets

(Classification of Assets)

Article 23 Assets must be entered by classifying them into current assets, fixed assets and deferred assets, and assets categorized as fixed assets must be further classified into tangible fixed assets, intangible fixed assets, investments, and any other assets.

(Scope of Each Class of Assets)

Article 24 The provisions of Articles 15 to 16-3 inclusive, 22, 27, 31 to 31-5

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

(Separate Presentation of Current Assets)

- Article 25 (1) Assets categorized as current assets must be set down under account titles with names that are indicative of said assets, in accordance with the categorization of the following items; provided, however, that assets categorized under any of said items whose amount is not more than one percent of the total amount of assets and which it is found appropriate to present collectively with assets categorized under another item, may be set down collectively under an account title with an appropriate name:
- (i) cash and deposits;
 - (ii) negotiable instruments receivable and accounts receivable;
 - (iii) lease receivables and lease investment assets (limited to those that have arisen based on ordinary transactions, and excluding Claims in Bankruptcy, Reorganization, etc. (meaning the claims in bankruptcy, reorganization, etc. defined in Article 8-10, paragraph (1), item (ix) of the Ordinance on Financial Statements, etc.) that are clearly not collectible within one year);
 - (iv) securities;
 - (v) Inventory Assets (meaning the assets set forth in Article 15, items (v) to (x) inclusive of the Ordinance on Financial Statements, etc.); and
 - (vi) others.
- (2) Where it is found appropriate to present assets categorized under any of the entries set forth in the items of the preceding paragraph separately, the provisions of that paragraph does not preclude said assets from being set down separately under an account title with a name that is indicative of said assets.
- (3) Among the assets set forth in paragraph (1), item (vi), any asset of which the amount exceeds five percent of the total amount of assets must be set down separately under an account title with a name that is indicative of said assets.

(Indication of Allowances Related to Current Assets)

Article 26 The provisions of Article 20 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to allowances related to assets that are categorized as current assets.

(Separate Presentation of Tangible Fixed Assets)

Article 27 (1) Assets categorized as tangible fixed assets are to be set down collectively under an account title with a name that is indicative of tangible fixed assets; provided, however, that this does not preclude assets categorized as tangible fixed assets from being classified into an entry that is found to be appropriate, and setting them down under an account title with a name that is indicative of said assets.

(2) Notwithstanding the provisions of the preceding paragraph, if assets categorized as tangible fixed assets include any asset whose amount exceeds five percent of the total amount of assets, said asset must be separated from other tangible fixed assets and must be set down under an account title with a name that is indicative of each such asset.

(Indication of the Amounts of Accumulated Depreciation)

Article 28 The provisions of Articles 25 and 26 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to the amounts of accumulated depreciation for buildings, structures, and any other tangible fixed assets.

(Indication of the Amounts of Accumulated Impairment Losses)

Article 28-2 The provisions of Article 26-2 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to the amounts of accumulated impairment losses for tangible fixed assets.

(Separate Presentation of Intangible Fixed Assets)

Article 29 (1) Assets categorized as intangible fixed assets must be set down under account titles with names that are indicative of said assets, in accordance with the following categorization of items; provided, however, that assets categorized under the item set forth in item (i) whose amount is not more than one percent of the total amount of assets may be set down collectively with assets categorized under item (ii):

(i) goodwill; and

(ii) others.

(2) Among the assets set forth in item (ii) of the preceding paragraph, any asset of which the amount exceeds five percent of the total amount of assets must be set down separately under an account title with a name that is indicative of said assets.

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

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

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

(Separate Presentation of Investments and Other Assets)

Article 31 (1) Assets categorized as investments and other assets are to be collectively set down under an account title with a name that is indicative of investments and other assets; provided, however, that this does not preclude investments and other assets from being classified under an item that is found to be appropriate, and setting it down under an account title with a name that is indicative of said assets.

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

(Recording of Allowances Related to Investments and Other Assets)

Article 32 The provisions of Article 20 of the Ordinance on Financial Statements, etc. as applied mutatis mutandis pursuant to Article 34 of that Ordinance apply mutatis mutandis to allowances related to assets categorized as investments and other assets.

(Separate Presentation of Deferred Assets)

Article 33 (1) Assets categorized as deferred assets are to be collectively set down under an account title with a name that is indicative of deferred assets; provided, however, that this does not preclude one from classifying assets categorized as deferred assets into an item that is found to be appropriate, and setting it down under an account title with a name that is indicative of said assets.

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

(Recording of Amounts of Accumulated Amortization for Deferred Assets)

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

(Notes on Collateral Assets)

Article 35 The provisions of Article 43 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to assets that have been provided as collateral.

Section 3 Liabilities

(Classification of Liabilities)

Article 36 Liabilities must be entered by classifying them into current liabilities and fixed liabilities.

(Scope of Each Class of Liabilities)

Article 37 The provisions of Articles 47 to 48-4 inclusive and 51 to 51-5 inclusive of the Ordinance on Financial Statements, etc. apply mutatis mutandis to the scopes of current liabilities and fixed liabilities. In this case, the term "Within One Year" in Articles 47 and 48-2 to 48-4 inclusive of the Ordinance on Financial Statements, etc. is deemed to be replaced with "on a day within one year from the day following the interim consolidated closing date."

(Separate Presentation of Current Liabilities)

Article 38 (1) Liabilities categorized as current liabilities must be set down under account titles with names that are indicative of said liabilities, in accordance with the following categorization of items; provided, however, that liabilities categorized under an item other than that set forth in item (v) whose amount is not more than one percent of the combined total of liabilities and net assets and which it is found appropriate to present collectively with liabilities categorized under another item, may be set down collectively under an account title with an appropriate name:

(i) negotiable instruments payable and accounts payable;

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

(iii) lease obligations;

(iv) accrued Corporation Tax, etc.;

(v) allowances;

(vi) Asset Retirement Obligations; and

(vii) others.

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

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

(4) Among the liabilities categorized under the item set forth in paragraph (1),

item (vii), any liability whose amount exceeds five percent of the combined total of liabilities and net assets must be set down under an account title with a name that is indicative of said liability.

(Separate Presentation of Fixed Liabilities)

Article 39 (1) Liabilities categorized as fixed liabilities must be set down under account titles with names that are indicative of said liabilities, in accordance with the following categorization of items; provided, however, that a liability categorized under an item other than that set forth in item (iv) whose amount is not more than one percent of the combined total of liabilities and net assets and which it is found appropriate to present collectively with liabilities categorized under another item, may be set down collectively under an account title with an appropriate name:

- (i) corporate bonds;
 - (ii) long-term borrowings (including finance negotiable instruments; the same applies hereinafter)
 - (iii) lease obligations;
 - (iv) allowances;
 - (v) Asset Retirement Obligations;
 - (vi) negative goodwill; and
 - (vii) others.
- (2) The provisions of paragraph (2) of the preceding Article apply mutatis mutandis to the cases set forth in the preceding paragraph.
- (3) The provisions of paragraph (3) of the preceding Article apply mutatis mutandis to the allowances set forth in paragraph (1), item (iv).
- (4) The provisions of paragraph (4) of the preceding Article apply mutatis mutandis to liabilities categorized under the item set forth in paragraph (1), item (vi).
- (5) A difference that results from investments by Consolidated Companies falling short of the amount of corresponding equity of Consolidated Subsidiary Companies is presented by including it into negative goodwill.

(Notes on Contingent Liabilities)

Article 40 If there are contingent liabilities (meaning guarantees of debts (including acts that have the same effect as a debt guarantee), obligations to compensate resulting from contentious cases, and other liabilities that have not actually arisen but may be borne by the business in the future) pertaining to any Consolidated Company, the contents and amounts thereof must be stated in the notes; provided, however, that notes may be omitted for matters having little materiality.

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

Article 41 The provisions of Article 58-2 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to negotiable instruments that have been discounted or that have been transferred by endorsement for the purpose repaying debts.

(Notes on Specified Accounts Pertaining to a Business Combination)

Article 42 The provisions of Article 56 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to specified accounts pertaining to a Business Combination.

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

Article 43 The provisions of Article 54-4 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to the presentation of Inventory Assets and reserves for loss on construction contracts.

Section 4 Net Assets

(Classification of Net Assets)

Article 44 Net assets must be entered by classifying them into shareholders' equity, valuation and translation adjustments, share options, and Minority Shareholders' Equity.

(Classification of and Separate Presentation of Shareholders' Equity)

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

(2) The provisions of Article 62, Article 63, paragraph (2), and Article 65, paragraph (2) of the Ordinance on Financial Statements, etc. 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 Ordinance on Consolidated Financial Statements apply mutatis mutandis to Treasury Shares and a deposit for subscriptions to Treasury Shares.

(Classification of and Separate Presentation of Valuation and Translation Adjustments)

Article 45-2 The provisions of Article 43-2 of the Ordinance on Consolidated Financial Statements apply mutatis mutandis to valuation and translation

adjustments.

(Presentation of Share Options)

Article 45-3 The provisions of Article 43-3 of the Ordinance 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."

(Presentation of Minority Shareholders' Equity)

Article 45-4 Minority Shareholders' Equity must be set down under the account title of Minority Shareholders' Equity.

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

Article 46 The per-share amount of net assets must be stated in the notes.

Section 5 Miscellaneous Provisions

(Reserves, etc. under Special Laws)

Article 47 (1) Reserves or allowances that must be reported under the name of reserves or allowances pursuant to the provisions of laws and regulations and that are inappropriate to be reported in the assets section or the liabilities section (hereinafter referred to as "Reserves, etc.") must be entered under a separate categorization that has been added immediately after fixed liabilities, notwithstanding the provisions of Articles 22 and 36.

(2) Reserves, etc. must be set down under an account title with a name that is indicative of the purpose of establishment of said Reserves, etc., and the provisions of law or regulations that provide for the reporting thereof must be stated in the notes.

(3) With regard to Reserves, etc., the distinction of whether or not they are recognized as reserves used within one year must be stated in the notes; provided, however, that this does not apply when it is difficult to make such distinction.

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

Article 48 If the main business of a Business Group is a business set forth in the appended list of the Ordinance on Financial Statements, etc. (hereinafter referred to as a "Separately Indicated Business"), and it is found to be inappropriate that it enter its assets and liabilities by classification under the provisions of Articles 23 and 36, notwithstanding these provisions, said assets and liabilities may be entered by an equivalent classification to that specified by Laws, Regulations or Rules (meaning the laws, regulations, or Rules as

provided in Article 2 of the Ordinance on Financial Statements, etc.; the same applies hereinafter) applicable to the financial statements of the companies engaged in said Separately Indicated Business.

(Entry of the Net Assets of Designated Corporations)

Article 49 If a Designated Corporation prepares an interim consolidated balance sheet, and it is found inappropriate to state its net assets pursuant to this Ordinance, said Designated Corporation may state its net assets in an equivalent manner as under the provisions of a Law, Regulations, or Rules applicable to its financial statements. In this case, the governing Law, Regulations, or Rules must be stated in the notes.

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

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

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

Chapter III Interim Consolidated Profit and Loss Statements

Section 1 General Provisions

(Method of Entry in an Interim Consolidated Profit and Loss Statement)

Article 51 (1) The method of entry in an interim consolidated profit and loss statement is in accordance with the provisions of this Chapter.

(2) Entry in an interim consolidated profit and loss statement is to be in accordance with Form No. 5.

(Classification of Revenues and Expenses)

Article 52 Revenues and expenses must be entered by classifying them into account titles with names that are indicative of the following items:

(i) net sales;

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

Section 2 Net Sales and the Cost of Sales

(Presentation of Net Sales)

Article 53 Net sales must be set down under an account title with a name that is indicative of net sales.

(Presentation of the Cost of Sales)

Article 54 The cost of sales must be set down under an account title with a name that is indicative of the cost of sales.

(Presentation of the Gross Profits or Losses on Sales)

Article 55 The amount of difference between 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

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

(2) The major expense items as provided in the proviso to the preceding paragraph are the provisions of allowances (excluding such expense items of which the amount is small) and any other expense items whose amount exceeds ten percent of the combined total of selling expenses and general and administrative expenses.

(Presentation of the Amount of Operating Profit and Losses)

Article 57 The amount obtained by adjusting the gross profit on sales or the gross loss on sales by adding or subtracting the total amount of selling

expenses and general and administrative expenses must be entered as the amount of operating profit or the amount of operating losses.

Section 4 Non-operating Revenues and Non-operating Expenses

(Presentation of Non-operating Revenues)

Article 58 Revenues categorized as non-operating revenues must be set down under account titles with names that are indicative of said revenues, by categorization as interest income (including interest on securities), dividends income, gain on sales of securities, investment return under the Equity Method, and others; provided, however, that any revenues whose amounts are not more than ten percent of the total amount of non-operating revenues and that it is found appropriate to present collectively may be set down under an account title with a name that is indicative of all of said revenues.

(Presentation of Non-operating Expenses)

Article 59 Expenses categorized as non-operating expenses must be set down under account titles with names that are indicative of said expenses, by categorization as interest expenses (including interest on corporate bonds), losses on sales of securities, investment losses under the Equity Method, and others; provided, however, that any expenses whose amounts are not more than ten percent of the total amount of non-operating expenses and that it is found appropriate to present collectively, may be set down under an account title with a name that is indicative of all of said expenses.

(Presentation of the Amount of Ordinary Profit and Losses)

Article 60 The amount obtained by adjusting the amount of operating profit or the amount of operating losses by adding or subtracting the total amount of non-operating revenues or the total amount of non-operating expenses must be entered as the amount of ordinary profit or the amount of ordinary losses.

Section 5 Extraordinary Profit and Extraordinary Losses

(Presentation of Extraordinary Profit)

Article 61 Profits categorized as extraordinary profit must be set down under account titles having names that indicate said profits, in accordance with the categorization of gain on prior period adjustment, gain on sales of fixed assets, gain from negative goodwill and others; provided, however, that any profits of which the amounts are not more than ten percent of the total amount of extraordinary profit, which are found appropriate to be presented collectively, may be set down under an account title having a name that collectively

indicates said profits.

(Presentation of Extraordinary Loss)

Article 62 Losses categorized as extraordinary loss must be set down under account titles with names that are indicative of said losses, by categorization as losses on a prior period adjustment, losses on sales of fixed assets, impairment losses, losses from a disaster, and others; provided, however, that any losses whose amounts are not more than ten percent of the total amount of extraordinary loss that it is found appropriate to present collectively may be set down under an account title with a name that is indicative of all of said losses.

(Notes on Impairment Losses)

Article 62-2 The provisions of Article 95-3-2 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to assets or Asset Groups (meaning the asset groups defined in that Article) for which impairment losses have been recognized.

(Notes on Gains on Reversal of Specified Accounts Pertaining to a Business Combination)

Article 62-3 The provisions of Article 95-3-3 of the Ordinance on Financial Statements, etc. apply mutatis mutandis pursuant to gains on reversal of specified accounts pertaining to a Business Combination.

(Presentation of Interim Net Profit or Interim Net Losses Before Taxes)

Article 63 The amount obtained by adjusting the amount of ordinary profit or the amount of ordinary losses by adding or subtracting the total amount of extraordinary profit or the total amount of extraordinary losses must be presented as the amount of interim net profit before taxes or the amount of interim net losses before taxes.

Section 6 Interim Net Profit or Interim Net Losses

(Interim Net Profit or Interim Net Losses)

Article 64 (1) The amounts of the items set forth in the following items must be entered under account titles with names that are indicative of the contents thereof, immediately after the amount of interim net profit before taxes or the amount of interim net loss before taxes:

- (i) the corporation tax, inhabitants tax, and enterprise tax (meaning the enterprise tax imposed on amounts related to profits as the tax base; the same applies in the following item) for the current Interim Consolidated

Accounting Period;

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

(Notes on the Per-Share Amount of Interim Net Profit or Losses)

- Article 65 (1) The per-share amount of interim net profit or per-share amount of interim net losses, and the basis for calculation of said amounts must be stated in the notes.
- (2) The provisions of Article 95-5-2, paragraph (2) of the Ordinance on Financial Statements, etc. apply mutatis mutandis to the diluted per-share amount of

interim net profit. In this case, the terms "Amount of Net Profit for the Period" and "Amount of Net Losses for the Period" in that paragraph are deemed to be replaced with "amount of interim net profit" and "amount of interim net losses" respectively.

- (3) The provisions of Article 52-2, paragraph (3) of the Ordinance on Interim Financial Statements, etc. apply mutatis mutandis to cases where any reverse stock split or stock split has been carried out during the period from the day following the last day of the previous Interim Consolidated Accounting Period to the end of the previous consolidated fiscal year. In this case, the term "previous interim accounting period" in the proviso to that paragraph and item (i) of that paragraph is deemed to be replaced with "previous Interim Consolidated Accounting Period," and the term "previous business year" in item (ii) of that paragraph is deemed to be replaced with "previous consolidated fiscal year."
- (4) The provisions of Article 52-2, paragraph (4) of the Ordinance on Interim Financial Statements, etc. apply mutatis mutandis to cases where any reverse stock split or stock split has been carried out during the current Interim Consolidated Accounting Period. In this case, the term "previous business year" in the proviso to that paragraph and item (iii) of that paragraph is deemed to be replaced with "previous consolidated fiscal year."
- (5) The provisions of Article 52-2, paragraph (5) of the Ordinance on Interim Financial Statements, etc. apply mutatis mutandis to cases where any reverse stock split or stock split has been carried out after the current interim consolidated balance sheet date. In this case, the term "current interim accounting period" in the proviso to that paragraph and item (iv) of that paragraph is deemed to be replaced with "current Interim Consolidated Accounting Period."

Section 7 Miscellaneous Provisions

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

Article 66 If investment return and investment loss under the Equity Method arise, the amount obtained by offsetting one against the other may be presented.

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

Article 67 If there has been an addition to or reversal of Reserves, etc., the amount of the addition or reversal must be set down as an extraordinary loss or extraordinary profit under an account title with a name that is indicative of the fact that the amount results from said addition or reversal.

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

Article 68 If there are substantial seasonal fluctuations in net sales or Operating Expenses (meaning the combined total of the cost of sales, selling expenses, and general and administrative expenses) due to the nature of the business, the context of such fluctuations must be stated in the notes.

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

Article 69 If the main business of a Business Group is a Separately Indicated Business, and it is found inappropriate to enter its revenues and expenses by classifying them into the items as provided in Article 52, notwithstanding the provisions of that Article, said revenues and expenses may be entered in an equivalent manner as under the provisions of Laws, Regulations, or Rules applicable to the financial statements of the companies engaged in said Separately Indicated Business.

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

Article 70 (1) If the business engaged in by any Consolidated Company includes a Separately Indicated Business, and it is found inappropriate to enter the account titles for revenues and expenses of said Separately Indicated Business according to the provisions of Article 53, Article 54, Article 56, Article 58, and Article 59, notwithstanding these provisions, said account titles may be entered in an equivalent manner as under the provisions of Laws, Regulations, or Rules applicable to the financial statements of the company engaged in said Separately Indicated Business.

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

Chapter IV Interim Consolidated Statements of Changes in Net Assets

Section 1 General Provisions

(Method of Entry in an Interim Consolidated Statement of Changes in Net Assets)

Article 71 (1) The method of entry in an interim consolidated statement of changes in net assets is in accordance with the provisions of this Chapter.

(2) An interim consolidated statement of changes in shareholders' equity is to be entered in accordance with Form No. 6.

(Separate Presentation in Interim Consolidated Statements of Changes in Net

Assets)

Article 72 (1) In an interim consolidated statement of changes in net assets, entries must be classified into shareholders' equity, valuation and translation adjustments, share options, and Minority Shareholders' Equity.

(2) In an interim consolidated statement of changes in net assets, items must be categorized appropriately, and must be set down under account titles with names that are indicative of said items. Said items and account titles must be consistent with the items and account titles in the net asset section of the consolidated balance sheet at the end of the previous Consolidated Fiscal Year and the interim consolidated balance sheet at the end of the current Interim Consolidated Accounting Period.

Section 2 Shareholders' Equity

Article 73 (1) Shareholders' equity must be entered by categorizing it into the balance at the end of the previous consolidated fiscal year, the amount of changes during the current Interim Consolidated Accounting Period, and the balance at the end of the current Interim Consolidated Accounting Period.

(2) The amount of changes during the current Interim Consolidated Accounting Period for the account titles entered under shareholders' equity must be entered for each cause of such changes.

(3) Dividends of surplus must be presented as a cause of changes in capital surpluses or retained earnings.

(4) The amount of interim net profit or the amount of interim net loss must be presented as a cause of changes in retained earnings.

Section 3 Valuation and Translation Adjustments

Article 74 (1) Valuation and translation adjustments must be entered by categorizing them into the balance at the end of the previous consolidated fiscal year, the amount of changes during the current Interim Consolidated Accounting Period, and the balance at the end of the current Interim Consolidated Accounting Period.

(2) With regard to the account titles stated under valuation and translation adjustments, the amount of changes during the current Interim Consolidated Accounting Period is to be entered collectively; provided, however, that this does not preclude such amounts from being entered or stated in the notes for each major cause of the changes.

Article 75 The provisions of Article 104 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to valuation and translation

adjustments. In this case, the terms "Article 100, paragraph (2)," "the end of the previous business year," "the amount of changes 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)," "the end of the previous consolidated fiscal year," "the amount of changes during the current Interim Consolidated Accounting Period," and "the end of the current Interim Consolidated Accounting Period" respectively.

Section 4 Share Options

Article 76 (1) Share options must be entered by categorizing them into the balance at the end of the previous consolidated fiscal year, the amount of changes during the current Interim Consolidated Accounting Period, and the balance at the end of the current Interim Consolidated Accounting Period.

(2) The amount of changes during the current Interim Consolidated Accounting Period for share options is to be entered collectively; provided, however, that this does not preclude such amount from being entered or stated in the notes for each major cause of the changes.

Section 5 Minority Shareholders' Equity

Article 77 (1) Minority Shareholders' Equity must be entered by categorizing it into the balance at the end of the previous consolidated fiscal year, the amount of changes during the current Interim Consolidated Accounting Period, and the balance at the end of the current Interim Consolidated Accounting Period.

(2) The amount of changes during the current Interim Consolidated Accounting Period for Minority Shareholders' Equity is to be entered collectively; provided, however, that this does not preclude such amount from being entered or stated in the notes for each major cause of the changes.

Section 6 Matters to Be Stated in the Notes

(Notes on Issued Shares)

Article 78 The provisions of Article 106, paragraph (1) of the Ordinance on Financial Statements, etc. apply mutatis mutandis to issued shares. In this case, the terms "the end of the previous business year," "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 "the end of the previous consolidated fiscal year," "the end of the current Interim Consolidated Accounting Period" and "during the current Interim Consolidated Accounting Period" respectively.

(Notes on Treasury Shares)

Article 79 The provisions of Article 107 of the Ordinance on Financial Statements, etc. apply mutatis mutandis to Treasury Shares. In this case, the terms "the end of the previous business year," "the end of the current business year" and "during the current business year" in item (i) of that Article are deemed to be replaced with "the end of the previous consolidated fiscal year," "the end of the current Interim Consolidated Accounting Period" and "during the current Interim Consolidated Accounting Period" respectively.

(Notes on Share Options, etc.)

Article 80 The provisions of Article 79 of the Ordinance on Consolidated Financial Statements apply mutatis mutandis to share options and treasury share options. In this case, the term "the end of the Consolidated Fiscal Year" in paragraph (1), item (iii) and paragraph (4) of that Article is deemed to be replaced with "the end of the Interim Consolidated Accounting Period," the terms "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 "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 on Dividends)

Article 81 The provisions of Article 109, paragraph (1) of the Ordinance on Financial Statements, etc. apply mutatis mutandis to dividends. In this case, the terms "the current business year" and "be contained in the following business year" in item (iii) of that paragraph are deemed to be replaced with "the current Interim Consolidated Accounting Period" and "be 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 state matters pursuant to this Ordinance, said Designated Corporation may state matters in an equivalent manner as under the provisions of a Law, Regulations, or Rules applicable to its financial statements.

Chapter V Interim Consolidated Cash Flow Statement

Section 1 General Provisions

(Method of Entry in an Interim Consolidated Cash Flow Statement)

Article 83 (1) The method of entry in an interim consolidated cash flow statement is in accordance with the provisions of this Chapter.

(2) An interim consolidated cash flow statement is to be entered in accordance with Form No. 7 or Form No. 8.

(Categorization for Presenting an Interim Consolidated Cash Flow Statement)

Article 84 In an interim consolidated cash flow statement, Cash Flow conditions must be stated for the following categories:

- (i) Cash Flow from operating activities;
- (ii) Cash Flow from investment activities;
- (iii) Cash Flow from financing activities;
- (iv) translation adjustments on cash and Cash Equivalents;
- (v) increase or decrease in cash and Cash Equivalents;
- (vi) the beginning balances of cash and Cash Equivalents; and
- (vii) the balances of cash and Cash Equivalents at the end of the interim period.

Section 2 Method of Entry in an Interim Consolidated Cash Flow Statement

(Presentation of Cash Flows from Operating Activities)

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

(Matters to Be Stated in the Notes in an Interim Consolidated Cash Flow Statement)

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

Chapter VI Special Provisions for Business Accounting Standards

(Special Provisions for Accounting Standards)

Article 87 The terminology, forms, and preparation methods of Interim Consolidated Financial Statements that a Specified Company submits may be in compliance with Designated International Accounting Standards.

(Notes on Special Provisions for Accounting Standards)

Article 88 The following matters must be stated in the notes to Interim Consolidated Financial Statements prepared in accordance with Designated International Accounting Standards:

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