

2. SUMMARY INFORMATION (NOTES)

(1) Adoption of Special Accounting Treatment Used in Preparation of the Consolidated Quarterly Financial Statements

Calculation of tax expenses

The effective tax rate on income before income taxes for the consolidated fiscal year after the application of tax effect accounting is reasonably estimated, and that estimated rate is applied to net income for the quarterly period to calculate estimated tax expenses.

(2) Changes in Accounting Policy, Changes in Accounting Estimates, or Restatement Due to Correction Changes in Accounting Policy

Application of accounting standards, etc. related to retirement benefits

From the first quarter of the current fiscal year under review, the Group applied the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012) with regard to provisions set forth in the text of paragraph 35 of the Accounting Standard for Retirement Benefits and paragraph 67 of the Guideline on Accounting Standard for Retirement Benefits. As a result, the Group revised its calculation method for retirement benefit obligation and service cost and switched from a straight-line basis to a benefit formula basis for attribution of expected retirement benefit payments. Along with this, the method of determining discount rates was changed.

At the application of the Accounting Standard for Retirement Benefits, the Group recognized the effect of this change to the calculation method for retirement benefit obligation and service cost in retained earnings at the beginning of the first half of the current fiscal year in accordance with transitional provisions set forth in paragraph 37 of the Accounting Standard for Retirement Benefits.

As a result, net defined benefit liability increased by ¥10,957 million and retained earnings decreased by ¥7,052 million at the beginning of the first half. In addition, operating income, ordinary income and income before income taxes and minority interests for the first half each increased by ¥152 million.