

Interim Consolidated Financial Statements (Unaudited)

For the Six Months Ended September 30, 2022

<Under Japanese GAAP>

NTT FINANCE CORPORATION

This document has been translated and reclassified from a part of the Japanese quarterly securities report for reference purposes only. In the event of any discrepancy between this document and the Japanese original securities report, the original shall prevail. The Company assumes no responsibility for this document or for direct, indirect or any other forms of damages arising from the document.

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Interim Consolidated Balance Sheets
September 30, 2022 as compared with March 31, 2022—Unaudited

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)	LIABILITIES AND NET ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	September 30, 2022	March 31, 2022	September 30, 2022		September 30, 2022	March 31, 2022	September 30, 2022
CURRENT ASSETS:				CURRENT LIABILITIES:			
Cash and cash equivalents	¥ 428,432	¥ 364,567	\$ 2,958,580	Short-term bank loans	¥ 441,819	¥ 299,688	\$ 3,051,025
Trade accounts receivable:				Current portion of long-term borrowings	104,232	144,043	719,790
Loans	8,105,514	8,107,979	55,973,441	Current portion of bonds	282,293	179,188	1,949,403
Other loans	-	929	-	Commercial papers	735,461	404,726	5,078,805
Credit cards	60,175	58,990	415,549	Accounts payable - other	426,014	412,714	2,941,888
Billing	91,985	85,644	635,214	Accrued income taxes	2,658	205	18,357
Allowance for doubtful receivables	(16,978)	(15,748)	(117,246)	Deposits received	1,430,653	2,316,897	9,879,523
Investments in venture businesses	6,846	6,245	47,279	Deposits received from shareholders, directors or employees	49	85	340
Other	45,663	45,759	315,332	Asset retirement obligations	10	137	72
				Other	10,892	12,050	75,221
Total current assets	8,721,638	8,654,368	60,228,153	Total current liabilities	3,434,086	3,769,736	23,714,429
PROPERTY AND EQUIPMENT, NET:	5,602	6,205	38,691				
INTANGIBLE ASSETS—Assets held for own use	8,582	10,536	59,264	LONG-TERM LIABILITIES:			
INVESTMENTS AND OTHER ASSETS:				Bonds	2,903,184	2,816,633	20,048,234
Investment securities	16,171	19,037	111,675	Long-term borrowings	2,330,553	2,025,584	16,093,870
Other	19,867	19,374	137,199	Provision for loss on system use agreements	2,056	2,380	14,197
Allowance for doubtful receivables	(412)	(406)	(2,850)	Defined benefit liability	22,334	21,819	154,234
				Asset retirement obligations	1,323	1,333	9,137
Total investments and other assets	35,626	38,005	246,024	Other	326	999	2,251
DEFERRED ASSETS				Total long-term liabilities	5,259,778	4,868,750	36,321,926
Deferred charges	7,303	7,177	50,435	Total liabilities	8,693,864	8,638,487	60,036,355
Total deferred assets	7,303	7,177	50,435	NET ASSETS:			
				Shareholders' equity (Note 5):			
				Common stock—authorized, 80,000 shares; issued, 51,960 shares as of September 30 and March 31, 2022	16,770	16,770	115,813
				Capital surplus	15,950	15,950	110,147
				Retained earnings	45,588	39,877	314,819
				Treasury stock; 595 shares as of September 30 and March 31, 2022	(1,126)	(1,126)	(7,782)
				Total shareholders' equity	77,183	71,472	532,998
				Accumulated other comprehensive income/(loss):			
				Unrealized gain/(loss) on available-for-sale securities	2,467	2,762	17,040
				Foreign currency translation adjustments	2,772	989	19,149
				Remeasurements of defined benefit plans	2,465	2,582	17,026
				Total accumulated other comprehensive income/(loss)	7,706	6,334	53,215
				Total net assets	84,889	77,806	586,213
TOTAL ASSETS	¥ 8,778,754	¥ 8,716,293	\$ 60,622,569	TOTAL LIABILITIES AND NET ASSETS	¥ 8,778,754	¥ 8,716,293	\$ 60,622,569

See notes to interim consolidated financial statements.

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Interim Consolidated Statements of Income

Six-Month Periods Ended September 30, 2022 and 2021—Unaudited

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2022	2021	2022
REVENUE	¥ 106,112	¥ 93,589	\$ 732,768
COST OF SALES	54,699	46,508	377,735
Gross profit/(loss)	51,412	47,081	355,033
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	43,462	40,905	300,133
Operating income/(loss)	7,950	6,175	54,900
OTHER INCOME:			
Interest income	0	0	0
Dividend income	19	21	132
Foreign exchange gain	2,771	134	19,135
Gain on bad debts recovered	-	282	-
Share of profit of equity-accounted investees	1,191	760	8,231
Other	12	5	87
Total other income	3,994	1,204	27,586
OTHER EXPENSES:			
Interest expense	7	11	53
Loss on retirement of assets held for own use	102	91	710
Other	0	1	2
Total other expenses	111	105	766
EXTRAORDINARY LOSSES:			
Restructuring expenses	-	156	-
Total extraordinary losses	-	156	-
PROFIT/(LOSS) BEFORE INCOME TAXES	11,833	7,118	81,720
INCOME TAXES	3,288	2,215	22,711
PROFIT/(LOSS)	8,545	4,902	59,008
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF PARENT	¥ 8,545	¥ 4,902	\$ 59,008

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Interim Consolidated Statements of Income

Six-Month Periods Ended September 30, 2022 and 2021—Unaudited

	Yen		U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2022	2021	2022
PER SHARE OF COMMON STOCK:			
Weighted average number of shares outstanding	51,365	51,365	
Basic earnings per share	¥ 166,360.06	¥ 95,449.86	\$ 1,148.82

See notes to interim consolidated financial statements.

NTT FINANCE CORPORATION and Consolidated Subsidiaries

**Interim Consolidated Statements of Comprehensive Income
Six-Month Periods Ended September 30, 2022 and 2021—Unaudited**

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2022	2021	2022
PROFIT/(LOSS)	¥ 8,545	¥ 4,902	\$ 59,008
OTHER COMPREHENSIVE INCOME/(LOSS):			
Unrealized gain/(loss) on available-for-sale securities	(195)	1,826	(1,348)
Foreign currency translation adjustments	1,323	50	9,142
Remeasurements of defined benefit plans	(116)	16	(804)
Share of other comprehensive income/(loss) of affiliates accounted for using equity method	360	212	2,486
Total other comprehensive income/(loss)	1,372	2,106	9,475
COMPREHENSIVE INCOME/(LOSS)	¥ 9,917	¥ 7,008	\$ 68,484
Comprehensive income/(loss) attributable to:			
Owners of parent	¥ 9,917	¥ 7,008	\$ 68,484
Non-controlling interests	-	-	-

See notes to interim consolidated financial statements.

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Interim Consolidated Statements of Cash Flows

Six-Month Periods Ended September 30, 2022 and 2021—Unaudited

	Millions of Yen		Thousands of
	Six-Month Period Ended		U.S. Dollars
	September 30		(Note 1)
	2022	2021	Six-Month Period Ended September 30 2022
OPERATING ACTIVITIES:			
Profit before income taxes	¥ 11,833	¥ 7,118	\$ 81,720
Adjustments to reconcile profit before income taxes to net cash provided by/(used in) operating activities:			
Depreciation of assets held for own use	3,433	2,255	23,707
(Gain)/loss on retirement of assets held for own use	101	85	701
(Increase)/decrease in defined benefit asset	(107)	(81)	(741)
Increase/(decrease) in defined benefit liability	443	2,005	3,063
Increase/(decrease) in allowance for doubtful receivables	1,236	(1,882)	8,540
Increase/(decrease) in provision for loss on system use agreements	(324)	-	(2,237)
Interest and dividend income	(19)	(21)	(132)
Financing costs and interest expense	13,207	8,871	91,203
Foreign exchange (gain)/loss	76,422	7,731	527,740
Share of (profit)/loss of equity-accounted investees	(1,191)	(760)	(8,231)
Bond issuance costs	896	690	6,191
(Increase)/decrease in lease receivables and investments in leases	182	(2,739)	1,262
(Increase)/decrease in trade accounts receivable - loans	43,018	(334,323)	297,066
(Increase)/decrease in trade accounts receivable - other loans	929	18	6,416
(Increase)/decrease in trade accounts receivable - credit cards	(1,185)	2,146	(8,183)
(Increase)/decrease in trade accounts receivable - billing	(6,340)	(2,336)	(43,786)
(Increase)/decrease in investments in venture businesses	(747)	(634)	(5,164)
Increase/(decrease) in trade notes and accounts payable	-	(45)	-
Increase/(decrease) in accounts payable - other	15,327	(2,593)	105,848
Increase/(decrease) in deposits received - billing	(4,095)	(13,854)	(28,280)
Other—net	(765)	(7,911)	(5,288)
Subtotal	152,255	(336,262)	1,051,414
Interest and dividend income received	1,734	369	11,977
Interest expense paid	(15,049)	(4,028)	(103,929)
Income taxes refund/(paid)	(3,114)	(3,661)	(21,505)
Net cash provided by/(used in) operating activities	¥ 135,825	¥ (343,581)	\$ 937,957

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Interim Consolidated Statements of Cash Flows

Six-Month Periods Ended September 30, 2022 and 2021—Unaudited

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2022	2021	2022
Net cash provided by/(used in) operating activities	¥ 135,825	¥ (343,581)	\$ 937,957
INVESTING ACTIVITIES:			
Proceeds from liquidation of affiliates	2,190	-	15,126
Payments for purchases of assets held for own use	(1,041)	(2,921)	(7,190)
Other—net	(160)	(311)	(1,105)
Net cash provided by/(used in) investing activities	989	(3,233)	6,830
FINANCING ACTIVITIES:			
Increase/(decrease) in short-term bank loans	99,599	(1,472,405)	687,792
Increase/(decrease) in commercial papers	319,348	435,523	2,205,294
Increase in long-term borrowings	250,000	982,695	1,726,400
Repayments of long-term borrowings	(44,653)	(10,634)	(308,360)
Proceeds from issuance of bonds	206,712	149,941	1,427,471
Redemption of bonds	(20,000)	(88,467)	(138,112)
Cash dividends paid	(2,814)	(8,048)	(19,437)
Increase/(decrease) in deposits received	(883,128)	394,996	(6,098,532)
Other—net	(2)	(10)	(13)
Net cash provided by/(used in) financing activities	(74,938)	383,590	(517,498)
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	1,988	(5)	13,732
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	63,864	36,770	441,021
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	364,567	408,851	2,517,558
INCREASE IN CASH AND CASH EQUIVALENTS FROM ABSORPTION TYPE COMPANY SPLIT	-	136	-
CASH AND CASH EQUIVALENTS, END OF PERIOD	¥ 428,432	¥ 445,758	\$ 2,958,580

See notes to interim consolidated financial statements.

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Notes to Interim Consolidated Financial Statements—Unaudited

1. BASIS OF PRESENTATION OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NTT FINANCE CORPORATION (the “Company”) maintains its books of account in accordance with the provisions set forth in the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards. The accompanying interim consolidated financial statements have been compiled from the interim consolidated financial statements that were filed with the Director of the Kanto Local Finance Bureau as required by the Financial Instruments and Exchange Act of Japan. In preparing the accompanying interim consolidated financial statements, certain reclassifications and rearrangements have been made to the interim consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan.

The accounting standard for quarterly financial statements requires companies to prepare a set of interim consolidated financial statements for each quarter comprised of the consolidated balance sheet as of the current quarter-end and the consolidated statements of income, comprehensive income and cash flows for the year-to-date period. Consolidated statements of changes in net assets are not required.

Effective April 1, 2011, under the revised accounting standard for quarterly financial statements, the year-to-date consolidated statements of cash flows for the first quarter and the third quarter are not required but may be prepared at the company’s option. In addition, the consolidated statements of income and comprehensive income for the current quarter are not required but may be prepared at the company’s option.

The consolidated statements of changes in net assets are not presented herein.

The accompanying interim consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. As permitted by the regulations under the Financial Instruments and Exchange Act of Japan, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying interim consolidated financial statements in yen do not necessarily agree with the sums of the individual amounts.

The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan, as a matter of arithmetic computation only, and has been made at the rate of ¥144.81 to \$1.00, the approximate rate of exchange at September 30, 2022, and then the translated amounts have been rounded down to the nearest thousand. As a result, the totals shown in the accompanying interim consolidated financial statements in U.S. dollar do not necessarily agree with the sums of the individual amounts. Such translation should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at that or any other rate.

2. SIGNIFICANT ACCOUNTING POLICIES

Substantially the same accounting policies have been followed in these interim consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended March 31, 2022.

From the first quarter of the year ending March 31, 2023, V Lease Ltd. was excluded from the scope of applying the equity method of accounting due to the liquidation.

3. LOANS AND OTHERS

Non-performing loans based on the classification provided in Article 9 of the “Cabinet Office Order on Account Management of Specified Finance Companies” (Order of the Prime Minister’s Office and the Ministry of Finance No. 32, May 19, 1991) as of September 30 and March 31, 2022 are as follows. The amounts below are based on the non-consolidated financial statements of the Company:

	Millions of Yen		Thousands of
	September 30, 2022	March 31, 2022	U.S. Dollars September 30, 2022
Bankrupt or de facto bankrupt loans (Note a)	¥ 7	¥ 10	\$ 51
Doubtful loans (Note b)	627	563	4,335
Delinquent loans contractually past due three months or more (Note c)	-	-	-
Restructured loans (Note d)	55	55	386
Normal loans (Note e)	7,980,213	8,073,865	55,108,167

- Notes:
- Bankrupt or de facto bankrupt loans are claims to borrowers who have fallen into bankruptcy due to reasons such as commencement of bankruptcy proceedings, commencement of rehabilitation proceedings, or petition for commencement of rehabilitation proceedings, and other similar claims.
 - Doubtful loans are claims to borrowers who have not yet become bankrupt but whose financial position and business performance have deteriorated and it is highly probable that the loan principal cannot be collected and interest cannot be received in accordance with the contract, excluding “bankrupt or de facto bankrupt loans.”
 - Delinquent loans contractually past due three months or more are loans for which the payment of principal and/or interest was contractually past due three months or more, excluding “bankrupt or de facto bankrupt loans” and “doubtful loans.”
 - Restructured loans are loans for which the terms are restructured, such as a reduction of the original interest rate, forbearance of interest and/or principal payments, an extension of the maturity date or debt forgiveness in order to support borrowers in their financial recovery or restructuring, excluding “bankrupt or de facto bankrupt loans,” “doubtful loans” and “delinquent loans contractually past due three months or more.”
 - Normal loans are claims to borrowers who have no financial or business performance problems, excluding “bankrupt or de facto bankrupt loans,” “doubtful loans,” “delinquent loans contractually past due three months or more” and “restructured loans.”

Change in presentation

In line with the “Cabinet Office Order to Amend the Ordinance for Enforcement of the Banking Act” (Cabinet Office Order No. 3, January 24, 2020), which came into force on March 31, 2022, non-performing loans are presented using new classification.

4. SECURITIES, INVESTMENT SECURITIES AND INVESTMENTS IN VENTURE BUSINESSES

The amounts of securities, investment securities and investments in venture businesses including carrying amounts on the accompanying interim consolidated balance sheet do not change significantly compared to those as of March 31, 2022.

5. EQUITY

Dividends

The following dividends are paid during the six-month periods ended September 30, 2022 and 2021:

(1) Dividends paid in cash

Six-Month Period Ended September 30, 2022								
Resolution	Class of Shares	Total Dividends (Millions of Yen)	Total Dividends (Thousands of U.S. Dollars)	Dividends per Share (Yen)	Dividends per Share (U.S. Dollars)	Record Date	Effective Date	Source of Dividends
Annual shareholders' meeting held on June 17, 2022	Common stock	¥ 2,814	\$ 19,437	¥54,798.00	\$ 378.41	March 31, 2022	June 20, 2022	Retained earnings

Six-Month Period Ended September 30, 2021								
Resolution	Class of Shares	Total Dividends (Millions of Yen)	Dividends per Share (Yen)	Record Date	Effective Date	Source of Dividends		
Annual shareholders' meeting held on June 18, 2021	Common stock	¥ 8,048	¥156,698.00	March 31, 2021	June 21, 2021	Retained earnings		

(2) Dividends paid other than in cash

Six-Month Period Ended September 30, 2022									
Resolution	Class of Shares	Class of Dividend Property	Carrying Amount of Dividend Property (Millions of Yen)	Carrying Amount of Dividend Property (Thousands of U.S. Dollars)	Dividends per Share (Yen)	Dividends per Share (U.S. Dollars)	Record Date	Effective Date	Source of Dividends
Annual shareholders' meeting held on June 17, 2022	Common stock	Available-for-sale securities	¥ 19	\$ 132	¥ -	\$ -	June 17, 2022	June 30, 2022	Retained earnings

6. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The amounts of financial instruments including carrying amounts on the accompanying interim consolidated balance sheets as of September 30, 2022 do not change significantly compared to those as of March 31, 2022.

7. DERIVATIVES

The amounts of derivatives including contract amounts as of September 30, 2022 do not change significantly compared to those as of March 31, 2022.

8. COMMITMENTS AND CONTINGENCIES

Contingent liabilities as of September 30, 2022 are as follows:

	<u>Millions of Yen</u>	<u>Thousands of U.S. Dollars</u>
Guarantees in the ordinary course of business	¥ 54,473	\$ 376,169

9. REVENUE RECOGNITION

The information on disaggregated revenue from contracts with customers is presented in Note 10 on segment information.

10. SEGMENT INFORMATION

Information about revenue and profit by reportable segment

The following tables represent information about revenue and profit by reportable segment for the six-month periods ended September 30, 2022 and 2021.

	Millions of Yen					
	Six-Month Period Ended September 30, 2022					
	Reportable Segment			Total	Other (Note)	Total
Billing	Credit Card	Accounting and Finance				
Revenue:						
Revenue from contracts with customers	¥ 19,202	¥ 276	¥ 5,144	¥ 24,623	¥ 1,120	¥ 25,744
Other revenue	58,916	2,480	18,971	80,368	-	80,368
Revenue from external customers	78,119	2,756	24,115	104,991	1,120	106,112
Intersegment revenue or transfers	-	24,526	11	24,537	-	24,537
Total	¥ 78,119	¥ 27,282	¥ 24,126	¥ 129,528	¥ 1,120	¥ 130,649
Segment profit	¥ 3,723	¥ 2,022	¥ 4,509	¥ 10,255	¥ 11	¥ 10,266

Thousands of U.S. Dollars						
Six-Month Period Ended September 30, 2022						
Reportable Segment						
	Billing	Credit Card	Accounting and Finance	Total	Other (Note)	Total
Revenue:						
Revenue from contracts with customers	\$ 132,606	\$ 1,910	\$ 35,522	\$ 170,039	\$ 7,739	\$ 177,779
Other revenue	406,854	17,126	131,008	554,989	-	554,989
Revenue from external customers	539,460	19,037	166,530	725,029	7,739	732,768
Intersegment revenue or transfers	-	169,367	77	169,444	-	169,444
Total	\$ 539,460	\$ 188,405	\$ 166,607	\$ 894,474	\$ 7,739	\$ 902,213
Segment profit	\$ 25,714	\$ 13,967	\$ 31,138	\$ 70,820	\$ 76	\$ 70,896

Note: “Other” mainly includes revenue and profit arising from services based on the “Outsourcing agreement for common operations” and “System service agreement” concluded between the Company and NTT TC Leasing Co., Ltd. other than reportable segments.

Millions of Yen						
Six-Month Period Ended September 30, 2021						
Reportable Segment						
	Billing	Credit Card	Accounting and Finance	Total	Other (Note)	Total
Revenue:						
Revenue from contracts with customers	¥ 18,735	¥ 488	¥ 2,616	¥ 21,839	¥ 1,120	¥ 22,961
Other revenue	56,591	2,076	11,960	70,627	-	70,627
Revenue from external customers	75,327	2,564	14,577	92,469	1,120	93,589
Intersegment revenue or transfers	-	22,822	2	22,825	-	22,825
Total	¥ 75,327	¥ 25,387	¥ 14,579	¥ 115,294	¥ 1,120	¥ 116,414
Segment profit	¥ 4,697	¥ 1,773	¥ 1,821	¥ 8,292	¥ 11	¥ 8,303

Note: “Other” mainly includes revenue and profit arising from services based on the “Outsourcing agreement for common operations” and “System service agreement” concluded between the Company and NTT TC Leasing Co., Ltd. other than reportable segments.

Differences between total amounts for reportable segments and amounts in the interim consolidated statements of income and main details of these differences

	Millions of Yen		Thousands of U.S. Dollars
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2022	2021	2022
Segment profit:			
Reportable segments total	¥ 10,255	¥ 8,292	\$ 70,820
Profit in “Other”	11	11	76
Corporate expenses (Note)	(2,316)	(2,127)	(15,996)
Operating income in the interim consolidated statements of income	¥ 7,950	¥ 6,175	\$ 54,900

Note: Corporate expenses mainly represent general and administrative expenses not attributable to reportable segments.

Information regarding changes in reportable segments

The Company received the accounting business of NTT BUSINESS ASSOCIE Corporation during the second quarter of the year ended March 31, 2022. Accordingly, the previous “Finance business” segment was renamed “Accounting and finance business,” effective July 1, 2021.

Significant loss on impairment of long-lived assets by reportable segment

For the six-month periods ended September 30, 2022 and 2021, there is no applicable information to disclose.

Significant change in the amount of goodwill by reportable segment

For the six-month periods ended September 30, 2022 and 2021, there is no applicable information to disclose.

Significant gain on bargain purchase by reportable segment

For the six-month periods ended September 30, 2022 and 2021, there is no applicable information to disclose.

11. SUBSEQUENT EVENTS

There are no significant subsequent events to disclose.

12. SUPPLEMENTAL INFORMATION

Application of the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System

The Company and some of its domestic consolidated subsidiaries have transitioned from the consolidated taxation system to the group tax sharing system from the first quarter of the year ending March 31, 2023. Along with this transition, corporate and local taxes and tax effect accounting are accounted for and disclosed in accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Issues Task Force (PITF) No. 42, August 12, 2021; the “Practical Solution No. 42”). In addition, based on Paragraph 32 (1) of the Practical Solution No. 42, the Company deems that there is no effect of changes in accounting policies due to the application of the Practical Solution No. 42.

* * * * *