

Consolidated Financial Summary for the First Three Months Ended June 30, 2024

[IFRS]

August 6, 2024

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Start of Payment of Cash Dividends :-
 Preparation of Quarterly Supplemental Explanation Materials : Yes
 Holding of Presentation Meeting on Quarterly Financial Results : Yes

(Amounts less than one million yen are rounded down)

1. Consolidated Operating Results for FY2024 first three months (April 1 – June 30, 2024)

(1) Consolidated Management Results

(Percentage indicates change from the same period of the previous fiscal year)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Comprehensive income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2024 first three months	1,457,649	21.0	157,557	60.8	189,529	51.0	141,974	55.4	114,233	57.9	287,462	2.9
FY2023 first three months	1,204,355	-	97,979	-	125,549	-	91,333	-	72,366	-	279,269	-

	Earnings per share attributable to owners of parent, Basic	Earnings per share attributable to owners of parent, Diluted
	Yen	Yen
FY2024 first three months	59.21	59.21
FY2023 first three months	37.24	37.24

[Note] A four-for-one common stock split was conducted on April 1, 2024. Earnings per share attributable to owners of parent, basic and earnings per share attributable to owners of parent, diluted are calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of Yen	Millions of Yen	Millions of Yen	%
FY2024 first quarter	5,946,749	3,633,529	2,900,714	48.8
FY2023	5,757,656	3,384,427	2,719,773	47.2

2. Cash Dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2023	—	55.00	—	67.00	122.00
FY2024	—				
FY2024 (Forecast)		18.00	—	18.00	36.00

[Notes] *1. Revision of the latest forecasts of cash dividends announced: None

*2. A four-for-one common stock split was conducted on April 1, 2024. For FY2023, the actual dividend amount before the stock split is shown. For FY2024(Forecast), the dividend amount after stock split is shown.

3. Forecasts for Consolidated Operating Results of FY2024 (April 1, 2024 – March 31, 2025)

(Percentage indicates change from the previous fiscal year)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Earnings per share attributable to owners of parent, Basic
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full year	5,600,000	4.5	480,000	-2.8	550,000	-7.0	310,000	-2.2	160.69

[Note] Revisions of the latest forecasts for consolidated operating results announced: None

*Notes

(1) Significant changes in the scope of consolidation during the period : None

(2) Changes in accounting principles and changes in accounting estimates

1) Changes in accounting principles required by IFRS : None

2) Changes in accounting principles other than 1) : None

3) Changes in accounting estimates : None

(3) Number of outstanding shares (common stock)

(Shares)

1) Number of outstanding shares at the end of period
(including treasury shares)

FY2024 Q1	1,964,586,400	FY2023	1,964,586,400
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2) Number of treasury shares at the end of period

FY2024 Q1	35,435,138	FY2023	35,433,595
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3) Average number of outstanding shares during
period(First three months)

FY2024 Q1	1,929,151,909	FY2023 Q1	1,943,089,306
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[Note] A four-for-one common stock split was conducted on April 1, 2024. Number of outstanding shares at the end of period, number of treasury shares at the end of period and average number of outstanding shares during period are calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

*** Review of the Japanese language originals of the attached quarterly consolidated financial statements by certified public accountants or audit firm : None**

*** Explanation regarding the appropriate use of forecasts for operating results, other information**

(Adoption of International Financial Reporting Standards (IFRS))

The Group has adopted IFRS effective from the first quarter of FY2024. The figures in the consolidated financial statements for the same period of the previous fiscal year and the previous consolidated fiscal year are also presented in accordance with IFRS.

(Cautions For Forward-looking Statement)

The forward-looking statements are based on currently available information and assumptions, contain risks and uncertainty, and do not constitute guarantees of future achievement. Please note that the future results may greatly vary by the changes of various factors.

Those factors, which may influence the future results, include economic conditions and the trend of demand in major markets and the fluctuations of foreign exchange rates.

(Quarterly Financial Results Supplementary Explanatory Materials)

Financial Results Supplementary Explanatory Materials will be available on our website (<https://www.globalsuzuki.com>) on August 6, 2024.

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1. Summary of Management Results, etc. for the Three Months Ended June 30, 2024

(1) Explanation regarding management results for the three months ended June 30, 2024

Regarding the management results for the three months ended June 30, 2024, revenue increased by ¥253.3 billion (21.0%) year-on-year (YoY) to ¥1,457.6 billion. Operating profit increased by ¥59.6 billion (60.8%) YoY to ¥157.6 billion. This was mainly attributable to the effect of foreign exchange rates and an improvement in sales mix/price, contributing to an increase in profit, despite increases in R&D expenses, labor costs associated with human capital policy, and marketing costs associated with the increase in sales volume. Profit before tax increased by ¥64.0 billion (51.0%) YoY to ¥189.5 billion. Profit attributable to owners of parent increased by ¥41.9 billion (57.9%) YoY to ¥114.2 billion.

Operating results by Segment are as outlined below:

1) Automobile Business

Revenue increased by ¥237.4 billion (21.9%) YoY to ¥1,320.0 billion. Operating profit increased by ¥54.5 billion (66.4%) YoY to ¥136.4 billion.

2) Motorcycle Business

Revenue increased by ¥18.8 billion (21.9%) YoY to ¥104.8 billion. Operating profit increased by ¥6.1 billion (102.0%) YoY to ¥12.1 billion.

3) Marine Business

Revenue decreased by ¥3.1 billion (9.4%) YoY to ¥30.2 billion. Operating profit decreased by ¥1.2 billion (12.9%) YoY to ¥8.1 billion.

4) Other Business

Revenue increased by ¥0.2 billion (9.8%) YoY to ¥2.8 billion. Operating profit increased by ¥0.2 billion (27.5%) YoY to ¥0.9 billion.

(2) Explanation regarding financial positions for the three months ended June 30, 2024

With respect to the financial positions for the three months ended June 30, 2024, total assets were ¥5,946.7 billion (increased by ¥189.1 billion from the end of the previous consolidated fiscal year). Total liabilities were ¥2,313.2 billion (decreased by ¥60.0 billion from the end of the previous consolidated fiscal year).

As for the borrowings, the Company intends to maintain the current borrowing level for the time being due to the unstable global situation.

(3) Explanation regarding future forecasts such as forecasts for consolidated operating results

The forecasts for consolidated operating results remain unchanged from the full-year forecasts for consolidated operating results announced in the “Consolidated Financial Summary for FY2023 (April 1, 2023 – March 31, 2024)” dated May 13, 2024.

2. Condensed Quarterly Consolidated Financial Statements and Significant Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	(Millions of yen) FY2024 first quarter (As of June 30, 2024)
Assets			
Current assets			
Cash and cash equivalents	868,911	840,020	875,221
Trade and other receivables	513,217	583,384	592,321
Inventories	472,720	573,828	593,508
Income taxes receivable	4,920	7,421	9,337
Other financial assets	139,676	219,611	181,108
Other current assets	150,041	167,254	164,442
Total current assets	2,149,488	2,391,521	2,415,939
Non-current assets			
Property, plant and equipment	1,323,704	1,545,693	1,629,286
Right-of-use assets	52,183	60,437	60,223
Intangible assets	140,537	147,700	144,615
Investments accounted for using equity method	86,007	108,404	117,464
Other financial assets	1,010,861	1,387,845	1,460,836
Deferred tax assets	59,163	75,436	75,062
Other non-current assets	39,566	40,618	43,320
Total non-current assets	2,712,025	3,366,135	3,530,809
Total assets	4,861,513	5,757,656	5,946,749

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 first quarter (As of June 30, 2024)
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	384,612	444,225	418,762
Bonds and borrowings	347,050	456,780	238,243
Income taxes payable	44,242	67,117	47,023
Other financial liabilities	63,177	79,067	73,870
Provisions	208,282	190,053	193,307
Other current liabilities	477,554	544,761	531,134
Total current liabilities	1,524,919	1,782,006	1,502,343
Non-current liabilities			
Bonds and borrowings	416,787	329,117	534,239
Other financial liabilities	51,028	55,638	54,665
Retirement benefit liability	51,465	45,348	46,581
Provisions	18,518	20,502	21,180
Deferred tax liabilities	9,327	77,208	84,062
Other non-current liabilities	45,934	63,408	70,148
Total non-current liabilities	593,061	591,222	810,877
Total liabilities	2,117,980	2,373,229	2,313,220
Equity			
Equity attributable to owners of parent			
Share capital	138,370	138,370	138,370
Capital surplus	138,180	67,988	64,956
Retained earnings	1,971,121	2,241,744	2,323,201
Treasury shares	(19,396)	(39,300)	(39,303)
Other components of equity	65,911	310,971	413,489
Total equity attributable to owners of parent	2,294,186	2,719,773	2,900,714
Non-controlling interests	449,346	664,654	732,815
Total equity	2,743,533	3,384,427	3,633,529
Total liabilities and equity	4,861,513	5,757,656	5,946,749

**(2) Condensed Quarterly Consolidated Statement of Profit or Loss and
Condensed Quarterly Consolidated Statement of Comprehensive Income
(First three months ended June 30, 2024)
[Condensed Quarterly Consolidated Statement of Profit or Loss]**

(Millions of yen)

	FY2023 first three months (April 1 - June 30, 2023)	FY2024 first three months (April 1 - June 30, 2024)
Revenue	1,204,355	1,457,649
Cost of sales	(909,523)	(1,058,567)
Gross profit	294,831	399,082
Selling, general and administrative expenses	(198,046)	(244,225)
Other income	4,331	5,810
Other expenses	(3,136)	(3,110)
Operating profit	97,979	157,557
Finance income	28,122	31,620
Finance costs	(4,096)	(3,695)
Share of profit (loss) of investments accounted for using equity method	3,544	4,047
Profit before tax	125,549	189,529
Income tax expense	(34,215)	(47,555)
Profit	91,333	141,974
Profit attributable to		
Owners of parent	72,366	114,233
Non-controlling interests	18,967	27,740
Profit	91,333	141,974
Earnings per share attributable to owners of parent		
Basic and Diluted (Yen)	37.24	59.21

[Condensed Quarterly Consolidated Statement of Comprehensive Income]

(Millions of yen)

	FY2023 first three months (April 1 - June 30, 2023)	FY2024 first three months (April 1- June 30, 2024)
Profit	91,333	141,974
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(1,237)	(658)
Financial assets measured at fair value through other comprehensive income	24,390	6,702
Share of other comprehensive income of investments accounted for using equity method	(6)	0
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	162,034	136,307
Cash flow hedges	50	(109)
Share of other comprehensive income of investments accounted for using equity method	2,704	3,246
Total other comprehensive income	187,935	145,487
Comprehensive income	279,269	287,462
Comprehensive income attributable to		
Owners of parent	220,254	216,294
Non-controlling interests	59,015	71,167
Comprehensive income	279,269	287,462

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

FY2023 first three months (April 1 - June 30, 2023)

(Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
As of April 1, 2023	138,370	138,180	1,971,121	(19,396)	65,911	2,294,186	449,346	2,743,533
Comprehensive income								
Profit			72,366			72,366	18,967	91,333
Other comprehensive income					147,887	147,887	40,047	187,935
Total comprehensive income	—	—	72,366	—	147,887	220,254	59,015	279,269
Transfer to retained earnings			(853)		853	—		—
Transactions with owners								
Dividends of surplus			(24,305)			(24,305)	(184)	(24,490)
Purchase of treasury shares				(5,107)		(5,107)		(5,107)
Purchase of shares of consolidated subsidiaries						—		—
Other						—	206	206
Total transactions with owners	—	—	(24,305)	(5,107)	—	(29,412)	22	(29,390)
As of June 30, 2023	138,370	138,180	2,018,328	(24,503)	214,652	2,485,027	508,384	2,993,412

FY2024 first three months (April 1 - June 30, 2024)

(Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
As of April 1, 2024	138,370	67,988	2,241,744	(39,300)	310,971	2,719,773	664,654	3,384,427
Comprehensive income								
Profit			114,233			114,233	27,740	141,974
Other comprehensive income					102,060	102,060	43,427	145,487
Total comprehensive income	—	—	114,233	—	102,060	216,294	71,167	287,462
Transfer to retained earnings			(457)		457	—		—
Transactions with owners								
Dividends of surplus			(32,319)			(32,319)	(17)	(32,336)
Purchase of treasury shares				(2)		(2)		(2)
Purchase of shares of consolidated subsidiaries		(3,031)				(3,031)	(3,095)	(6,126)
Other						—	105	105
Total transactions with owners	—	(3,031)	(32,319)	(2)	—	(35,353)	(3,006)	(38,360)
As of June 30, 2024	138,370	64,956	2,323,201	(39,303)	413,489	2,900,714	732,815	3,633,529

(4) Condensed Quarterly Consolidated Statement of Cash Flows

	FY2023 first three months (April 1 - June 30, 2023)	FY2024 first three months (April 1 - June 30, 2024)
Cash flows from operating activities		
Profit before tax	125,549	189,529
Depreciation and amortization	55,211	61,927
Finance income and finance costs	(34,053)	(31,844)
Share of loss (profit) of investments accounted for using equity method	(3,544)	(4,047)
Decrease (increase) in inventories	2,593	9,766
Decrease (increase) in trade and other receivables	(4,233)	8,398
Increase (decrease) in trade and other payables	(60,352)	(46,466)
Increase (decrease) in liabilities related to provisions and employee benefits	(5,532)	5,923
Other	(33,258)	(39,896)
Subtotal	42,380	153,291
Dividends received	2,545	3,131
Interest received	3,511	5,092
Interest paid	(1,321)	(3,217)
Income taxes paid	(27,973)	(59,793)
Net cash provided by (used in) operating activities	19,142	98,504
Cash flows from investing activities		
Net decrease (increase) in time deposits	(1,423)	(1,625)
Purchase of property, plant and equipment	(66,843)	(87,915)
Proceeds from sale of property, plant and equipment	770	1,658
Purchase of intangible assets and expenditure on internally generated intangible assets	(4,282)	(5,005)
Proceeds from sale of intangible assets	2	31
Payments for loans receivable	(52)	(63)
Collection of loans receivable	79	30
Purchase of other financial assets	(115,034)	(234,260)
Proceeds from sale or collection of other financial assets	143,538	304,847
Net cash provided by (used in) investing activities	(43,244)	(22,302)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(22,284)	(14,676)
Proceeds from long-term borrowings	138,282	246,500
Repayments of long-term borrowings	(121,395)	(250,657)
Repayments of lease liabilities	(2,317)	(3,585)
Purchase of treasury shares	(5,087)	(0)
Dividends paid to owners of parent	(24,308)	(32,323)
Dividends paid to non-controlling interests	(228)	(28)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(6,067)
Net cash provided by (used in) financing activities	(37,338)	(60,839)
Effect of exchange rate changes on cash and cash equivalents	29,787	19,838
Net increase (decrease) in cash and cash equivalents	(31,653)	35,200
Cash and cash equivalents at beginning of period	868,911	840,020
Cash and cash equivalents at end of period	837,257	875,221

(5) Notes to Condensed Quarterly Consolidated Financial Statements

(Assumption for Going Concern)

None

(Segment Information)

1. Outline of Reportable Segments

The reportable segments of the Company are the components of the Company business for which discrete financial information is available, and whose operating results are regularly reviewed by our decision-making body such as Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance. The Company has four reportable segments of “Automobile business”, “Motorcycle business”, “Marine business” and “Other business” based on the form of management organization and nature of products and services.

Main products and services of each segment are as follows:

Segment	Main products and services
Automobile business	Mini vehicles, Sub-compact vehicles, Standard-sized vehicles
Motorcycle business	Motorcycles, All terrain vehicles
Marine business	Outboard motors
Other business	Motorized wheelchairs, Solar power generation, Real estate

2. Information about Reportable Segment

Information by reportable segment for the Group is as follows.

FY2023 first three months (April 1, 2023 – June 30, 2023)

(Millions of yen)

	Reportable Segments				Total	Adjustment	Total
	Automobile business	Motorcycle business	Marine business	Other business			
Revenue							
Revenue from external customers	1,082,623	85,933	33,292	2,505	1,204,355	—	1,204,355
Total	1,082,623	85,933	33,292	2,505	1,204,355	—	1,204,355
Operating profit	81,982	5,988	9,277	730	97,979	—	97,979
Finance income							28,122
Finance costs							(4,096)
Share of profit (loss) of investments accounted for using equity method							3,544
Profit before tax							125,549

FY2024 first three months (April 1, 2024 – June 30, 2024)

(Millions of yen)

	Reportable Segments				Total	Adjustment	Total
	Automobile business	Motorcycle business	Marine business	Other business			
Revenue							
Revenue from external customers	1,319,981	104,761	30,154	2,751	1,457,649	—	1,457,649
Total	1,319,981	104,761	30,154	2,751	1,457,649	—	1,457,649
Operating profit	136,445	12,099	8,081	931	157,557	—	157,557
Finance income							31,620
Finance costs							(3,695)
Share of profit (loss) of investments accounted for using equity method							4,047
Profit before tax							189,529

(First-time Adoption of IFRS)

The Group has adopted IFRS, with the transition date being April 1, 2023.

The most recent consolidated financial statements prepared in accordance with generally accepted accounting principles in Japan (hereinafter, "Japanese GAAP") are those for the fiscal year ended March 31, 2024.

(1) Exemptions under IFRS 1

In principle, under IFRS, a company adopting IFRS for the first time (hereinafter, "first-time adopter") is required to apply the standards under IFRS retrospectively. However, for some of the standards required under IFRS, IFRS 1 *First-Time Adoption of International Financial Reporting Standards* (hereinafter, "IFRS 1") specifies standards for which the exemption is applied mandatorily and those for which the exemption is applied voluntarily.

The effect of the adoption of these provisions is adjusted in retained earnings or other components of equity at the transition date to IFRS. The exemptions that the Group applies in connection with the transition from Japanese GAAP to IFRS are as follows:

- Business combinations

A first-time adopter may elect not to apply IFRS 3 *Business Combinations* (hereinafter, "IFRS 3") retrospectively to past business combinations (business combinations that occurred before the transition date). The Group has elected to apply the exemption and not to apply IFRS 3 retrospectively to business combinations that took place before the transition date. As a result, the amount of goodwill arising from the business combinations prior to the transition date is based on the carrying amount as of the transition date in accordance with Japanese GAAP.

- Deemed cost

IFRS 1 permits the use of fair value of property, plant and equipment, investment property, and intangible assets as of the transition date as deemed cost as of that date. The Group has elected to apply the exemption for certain items of property, plant and equipment.

- Exchange differences on translation of foreign operations

IFRS 1 permits a first-time adopter to elect to deem the cumulative translation differences on foreign operations as of the transition date to be zero. The Group has elected to deem the cumulative translation differences on foreign operations to be zero as of the transition date.

- Leases

IFRS 1 permits a first-time adopter to assess whether a contract contains a lease as of the transition date. The Group applies this exemption and determines whether a contract contains a lease based on the facts and circumstances existing as of the transition date.

- Designation of financial instruments recognized prior to transition date

IFRS 1 permits classification in IFRS 9 *Financial Instruments* (hereinafter, "IFRS 9") to be based on facts and circumstances as of the transition date, rather than those existing at the time of initial recognition. In addition, it permits first-time adopter to designate equity instruments as financial assets measured at fair value through other comprehensive income based on facts and circumstances existing as of the transition date.

The Group determines the classification under IFRS 9 based on the facts and circumstances existing as of the transition date, and designates some equity instruments as financial assets measured at fair value through other comprehensive income.

(2) Mandatory exceptions of IFRS 1

IFRS 1 prohibits retrospective application of IFRS for “estimates,” “derecognition of financial assets and financial liabilities,” “hedge accounting,” “non-controlling interests,” “classification and measurement of financial assets” and others. The Group has prospectively applied IFRS from the transition date for these items.

(3) Reconciliations

The reconciliation required to be disclosed at the first-time adoption of IFRS is as follows.

The “Reclassification” column in the reconciliation tables below presents items that do not affect retained earnings and comprehensive income and the “Difference in recognition and measurement” column presents items that affect retained earnings and comprehensive income.

1. Reconciliation of Equity as of the Transition Date (April 1, 2023)

(Millions of yen)

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Cash and deposits	958,452	(76,306)	(13,234)	868,911	1), 8)	Cash and cash equivalents
Notes receivable-trade	772	515,284	(2,838)	513,217	2), 3)	Trade and other receivables
Accounts receivable-trade	490,513	(490,513)	—			
Allowance for doubtful accounts	(7,377)	7,377	—		3)	
Merchandise and finished goods	313,896	171,418	(12,595)	472,720	9)	Inventories
Work in process	61,290	(61,290)	—			
Raw materials and supplies	110,127	(110,127)	—		9)	
		4,920	—	4,920		Income taxes receivable
Securities	45,397	95,062	(782)	139,676	1), 3), 4)	Other financial assets
Other	215,443	(60,612)	(4,789)	150,041	2), 4)	Other current assets
Total current assets	2,188,517	(4,787)	(34,241)	2,149,488		Total current assets
Property, plant and equipment	1,134,516	(11,004)	200,192	1,323,704	9), 10)	Property, plant and equipment
		11,004	41,179	52,183	11)	Right-of-use assets
Intangible assets	3,839	—	136,698	140,537	12)	Intangible assets
		71,272	14,735	86,007	5), 8)	Investments accounted for using equity method
Investment securities	1,045,337	(42,263)	7,788	1,010,861	4), 5), 8)	Other financial assets
Long-term loans receivable	1,352	(1,352)	—		4)	
Deferred tax assets	132,605	—	(73,442)	59,163	13)	Deferred tax assets
Retirement benefit asset	7,570	(7,570)	—			
Other	64,357	(15,680)	(9,110)	39,566	14)	Other non-current assets
Allowance for doubtful accounts	(314)	314	—			
Allowance for investment loss	(68)	68	—			
Total non-current assets	2,389,195	4,787	318,041	2,712,025		Total non-current assets
Total assets	4,577,713	—	283,800	4,861,513		Total assets

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Accounts payable-trade	362,913	28,375	(6,676)	384,612	2)	Trade and other payables
Electronically recorded obligations-operating	20,242	(20,242)	—			
Short-term borrowings	173,730	173,319	—	347,050	6)	Bonds and borrowings
Current portion of long-term borrowings	173,319	(173,319)	—		6)	
Income taxes payable	44,242	—	—	44,242		Income taxes payable
		55,242	7,934	63,177	4), 11)	Other financial liabilities
Provision for product warranties	208,282	—	—	208,282		Provisions
Provision for bonuses for directors	131	(131)	—		7)	
Accrued expenses	232,026	(232,026)	—		7)	
Other	272,547	168,782	36,224	477,554	2), 4), 7), 15)	Other current liabilities
Total current liabilities	1,487,436	—	37,482	1,524,919		Total current liabilities
Long-term borrowings	416,787	—	—	416,787		Bonds and borrowings
		26,448	24,579	51,028	4), 11)	Other financial liabilities
Retirement benefit liability	66,531	—	(15,066)	51,465	14)	Retirement benefit liability
Provision for disaster	265	18,252	—	18,518	7)	Provisions
Provision for product liabilities	3,888	(3,888)	—			
Provision for recycling expenses	14,322	(14,322)	—			
Deferred tax liabilities	7,170	—	2,157	9,327	13)	Deferred tax liabilities
Provision for retirement benefits for directors	16	(16)	—			
Other	72,673	(26,473)	(265)	45,934	4), 7)	Other non-current liabilities
Total non-current liabilities	581,656	—	11,404	593,061		Total non-current liabilities
Total liabilities	2,069,092	—	48,887	2,117,980		Total liabilities
Share capital	138,370	—	—	138,370		Share capital
Capital surplus	138,180	—	—	138,180		Capital surplus
Retained earnings	1,813,209	—	157,911	1,971,121	17)	Retained earnings
Treasury shares	(19,396)	—	—	(19,396)		Treasury shares
Share acquisition rights	41	(41)	—			
Total accumulated other comprehensive income	7,653	41	58,215	65,911	14), 16)	Other components of equity
Non-controlling interests	430,561	—	18,785	449,346		Non-controlling interests
Total net asset	2,508,620	—	234,912	2,743,533		Total equity
Total liabilities and net assets	4,577,713	—	283,800	4,861,513		Total liabilities and equity

2. Reconciliation of Equity as of June 30, 2023

(Millions of yen)

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Cash and deposits	904,927	(54,986)	(12,684)	837,257	1), 8)	Cash and cash equivalents
Notes and accounts receivable-trade	510,257	31,509	(2,838)	538,927	2), 3)	Trade and other receivables
Allowance for doubtful accounts	(7,681)	7,681	—		3)	
Merchandise and finished goods	349,000	169,042	(12,660)	505,382	9)	Inventories
Work in process	55,947	(55,947)	—			
Raw materials and supplies	113,094	(113,094)	—		9)	
		5,606	—	5,606		Income taxes receivable
Securities	30,000	71,640	1,265	102,905	1), 3), 4)	Other financial assets
Other	245,176	(66,945)	(11,833)	166,397	2), 4)	Other current assets
Total current assets	2,200,723	(5,494)	(38,752)	2,156,476		Total current assets
Property, plant and equipment	1,202,080	(12,749)	207,155	1,396,486	9), 10)	Property, plant and equipment
		12,749	42,207	54,957	11)	Right-of-use assets
Intangible assets	5,239	—	132,120	137,359	12)	Intangible assets
		78,433	16,247	94,681	5), 8)	Investments accounted for using equity method
Investment securities	1,191,620	(47,218)	3,101	1,147,503	4), 5), 8)	Other financial assets
		120,089	(52,872)	67,217	13)	Deferred tax assets
Other	198,146	(146,190)	(9,865)	42,089	4), 14)	Other non-current assets
Allowance for doubtful accounts	(313)	313	—			
Allowance for investment loss	(68)	68	—			
Total non-current assets	2,596,705	5,494	338,094	2,940,295		Total non-current assets
Total assets	4,797,429	—	299,342	5,096,771		Total assets

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Accounts payable-trade	338,023	23,942	(6,459)	355,506	2)	Trade and other payables
Electronically recorded obligations-operating	18,839	(18,839)	—			
Short-term borrowings	457,392	—	—	457,392		Bonds and borrowings
Income taxes payable	48,047	—	(24)	48,023		Income taxes payable
		63,309	8,054	71,363	4), 11)	Other financial liabilities
Provision for product warranties	201,961	—	—	201,961		Provisions
Other	495,632	(68,412)	32,554	459,775	2), 4), 15)	Other current liabilities
Total current liabilities	1,559,897	—	34,125	1,594,023		Total current liabilities
Long-term borrowings	306,655	—	(346)	306,308		Bonds and borrowings
		29,048	23,012	52,060	4), 11)	Other financial liabilities
Retirement benefit liability	68,772	—	(16,581)	52,191	14)	Retirement benefit liability
Other provisions	18,464	273	—	18,738	7)	Provisions
		7,585	20,495	28,080	13)	Deferred tax liabilities
Other	87,380	(36,907)	1,483	51,956	4), 7)	Other non-current liabilities
Total non-current liabilities	481,272	—	28,062	509,335		Total non-current liabilities
Total liabilities	2,041,170	—	62,188	2,103,358		Total liabilities
Share capital	138,370	—	—	138,370		Share capital
Capital surplus	138,180	—	—	138,180		Capital surplus
Retained earnings	1,855,962	—	162,366	2,018,328	17)	Retained earnings
Treasury shares	(24,503)	—	—	(24,503)		Treasury shares
Share acquisition rights	41	(41)	—			
Total accumulated other comprehensive income	159,806	41	54,804	214,652	14), 16)	Other components of equity
Non-controlling interests	488,401	—	19,983	508,384		Non-controlling interests
Total net assets	2,756,258	—	237,153	2,993,412		Total equity
Total liabilities and net assets	4,797,429	—	299,342	5,096,771		Total liabilities and equity

3. Reconciliations of equity as of March 31, 2024

(Millions of yen)

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Cash and deposits	952,839	(99,202)	(13,616)	840,020	1), 8)	Cash and cash equivalents
Notes receivable-trade	949	582,435	—	583,384	2), 3)	Trade and other receivables
Accounts receivable-trade	565,011	(565,011)	—			
Allowance for doubtful accounts	(7,192)	7,192	—		3)	
Merchandise and finished goods	437,006	154,755	(17,934)	573,828	9)	Inventories
Work in process	52,109	(52,109)	—			
Raw materials and supplies	102,646	(102,646)	—		9)	
		7,421	—	7,421		Income taxes receivable
Securities	101,592	114,719	3,299	219,611	1), 3), 4)	Other financial assets
Other	232,675	(56,028)	(9,392)	167,254	2), 4)	Other current assets
Total current assets	2,437,638	(8,472)	(37,644)	2,391,521		Total current assets
Property, plant and equipment	1,329,840	(13,680)	229,532	1,545,693	9), 10)	Property, plant and equipment
		13,860	46,576	60,437	11)	Right-of-use assets
Intangible assets	7,804	(197)	140,093	147,700	12)	Intangible assets
		91,044	17,360	108,404	5), 8)	Investments accounted for using equity method
Investment securities	1,402,059	(19,406)	5,192	1,387,845	4), 5), 8)	Other financial assets
Long-term loans receivable	1,364	(1,364)	—		4)	
Deferred tax assets	85,444	(14)	(9,992)	75,436	13)	Deferred tax assets
Retirement benefit asset	19,241	(19,241)	—			
Other	102,579	(42,869)	(19,092)	40,618	14)	Other non-current assets
Allowance for doubtful accounts	(354)	354	—			
Total non-current assets	2,947,980	8,485	409,669	3,366,135		Total non-current assets
Total assets	5,385,618	12	372,024	5,757,656		Total assets

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Accounts payable-trade	419,898	34,432	(10,105)	444,225	2)	Trade and other payables
Electronically recorded obligations-operating	22,659	(22,659)	—			
Short-term borrowings	166,543	290,237	—	456,780	6)	Bonds and borrowings
Current portion of long-term borrowings	290,237	(290,237)	—		6)	
Income taxes payable	67,120	—	(2)	67,117		Income taxes payable
		68,029	11,037	79,067	4), 11)	Other financial liabilities
Provision for product warranties	190,053	—	—	190,053		Provisions
Provision for bonuses for directors	94	(94)	—		7)	
Accrued expenses	263,194	(263,194)	—		7)	
Other	321,244	183,451	40,065	544,761	2), 4), 7), 15)	Other current liabilities
Total current liabilities	1,741,046	(34)	40,995	1,782,006		Total current liabilities
Long-term borrowings	329,401	—	(283)	329,117		Bonds and borrowings
		29,185	26,453	55,638	4), 11)	Other financial liabilities
Retirement benefit liability	59,894	—	(14,546)	45,348	14)	Retirement benefit liability
Provision for product liabilities	4,533	15,968	—	20,502	7)	Provisions
Provision for recycling expenses	15,594	(15,594)	—			
Deferred tax liabilities	4,114	—	73,093	77,208	13)	Deferred tax liabilities
Provision for retirement benefits for directors	16	(16)	—			
Other	92,619	(29,494)	283	63,408	4), 7)	Other non-current liabilities
Total non-current liabilities	506,174	47	85,000	591,222		Total non-current liabilities
Total liabilities	2,247,220	12	125,995	2,373,229		Total liabilities
Share capital	138,370	—	—	138,370		Share capital
Capital surplus	69,084	—	(1,096)	67,988		Capital surplus
Retained earnings	2,030,090	—	211,653	2,241,744	17)	Retained earnings
Treasury shares	(39,300)	—	—	(39,300)		Treasury shares
Share acquisition rights	41	(41)	—			
Total accumulated other comprehensive income	292,768	41	18,161	310,971	14), 16)	Other components of equity
Non-controlling interests	647,342	—	17,311	664,654		Non-controlling interests
Total net assets	3,138,397	—	246,029	3,384,427		Total equity
Total liabilities and net assets	5,385,618	12	372,024	5,757,656		Total liabilities and equity

4. Reconciliation of Comprehensive Income for FY2023 First Three Months (April 1 - June 30, 2023)

(Millions of yen)

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Net sales	1,208,896	—	(4,541)	1,204,355	18)	Revenue
Cost of sales	908,498	—	1,024	909,523	19), 22)	Cost of sales
Gross profit	300,397	—	(5,566)	294,831		Gross profit
Selling, general and administrative expenses	200,594	—	(2,548)	198,046	18), 19), 22)	Selling, general and administrative expenses
		4,429	(97)	4,331	19), 20)	Other income
		3,109	26	3,136	19), 20)	Other expenses
Operating profit	99,802	1,319	(3,142)	97,979		Operating profit
Non-operating income	14,529	(14,529)	—		20)	
Non-operating expenses	6,335	(6,335)	—		20)	
Extraordinary income	815	(815)	—		20)	
Extraordinary losses	460	(460)	—		20)	
		7,622	20,499	28,122	20), 21)	Finance income
		3,685	411	4,096	20), 21)	Finance costs
		3,292	251	3,544	20)	Share of profit (loss) of investments accounted for using equity method
Profit before income taxes	108,351	—	17,197	125,549		Profit before tax
Income taxes	31,055	—	3,159	34,215	23)	Income tax expense
Profit	77,296	—	14,037	91,333		Profit
Profit attributable to owners of parent	67,058	—	5,307	72,366		Profit attributable to Owners of parent
Profit attributable to non-controlling interests	10,237	—	8,730	18,967		Non-controlling interests

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Profit	77,296	—	14,037	91,333		Profit
Other comprehensive income						Other comprehensive income
Remeasurements of defined benefit plans, net of tax	(443)	—	(794)	(1,237)		Items that will not be reclassified to profit or loss Remeasurements of defined benefit plans
Valuation difference on available-for-sale securities	45,511	—	(21,121)	24,390	21)	Financial assets measured at fair value through other comprehensive income
		(6)	—	(6)		Share of other comprehensive income of investments accounted for using equity method
Foreign currency translation adjustment	153,176	—	8,857	162,034		Items that may be reclassified to profit or loss Exchange differences on translation of foreign operations
Deferred gains or losses on hedges	50	—	0	50		Cash flow hedges
Share of other comprehensive income of entities accounted for using equity method	1,437	6	1,260	2,704		Share of other comprehensive income of investments accounted for using equity method
Total other comprehensive income	199,732	—	(11,797)	187,935		Total other comprehensive income
Comprehensive income	277,028	—	2,240	279,269		Comprehensive income
Comprehensive income attributable to:						Comprehensive income attributable to
Owners of parent	219,211	—	1,042	220,254		Owners of parent
Non-controlling interests	57,817	—	1,197	59,015		Non-controlling interests

5. Reconciliation of Comprehensive Income for FY2023 (April 1, 2023 - March 31, 2024)

(Millions of yen)

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Net sales	5,374,255	—	(16,732)	5,357,523	18)	Revenue
Cost of sales	3,959,818	—	(13,035)	3,946,782	19), 22)	Cost of sales
Gross profit	1,414,437	—	(3,696)	1,410,740		Gross profit
Selling, general and administrative expenses	948,874	—	(32,697)	916,177	18), 19), 22)	Selling, general and administrative expenses
		15,930	3,304	19,234	19), 20)	Other income
		18,698	1,265	19,963	19), 20)	Other expenses
Operating profit	465,563	(2,768)	31,039	493,834		Operating profit
Non-operating income	58,111	(58,111)	—		20)	
Non-operating expenses	35,149	(35,149)	—		20)	
Extraordinary income	3,486	(3,486)	—		20)	
Extraordinary losses	2,734	(2,734)	—		20)	
		33,437	71,702	105,140	20), 21)	Finance income
		19,186	830	20,016	20), 21)	Finance costs
		12,229	525	12,755	20)	Share of profit (loss) of investments accounted for using equity method
Profit before income taxes	489,276	—	102,437	591,713		Profit before tax
Income taxes	145,049	—	27,355	172,404	23)	Income tax expense
Profit	344,227	—	75,082	419,309		Profit
Profit attributable to owners of parent	267,717	—	49,299	317,017		Profit attributable to Owners of parent
Profit attributable to non-controlling interests	76,509	—	25,782	102,291		Non-controlling interests

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Profit	344,227	—	75,082	419,309		Profit
Other comprehensive income						Other comprehensive Income
Remeasurements of defined benefit plans, net of tax	15,322	—	(12,159)	3,163		Items that will not be reclassified to profit or loss
Valuation difference on available-for-sale securities	146,800	—	(65,847)	80,952	21)	Remeasurements of defined benefit plans
		24	—	24		Financial assets measured at fair value through other comprehensive income
Foreign currency translation adjustment	212,801	—	17,515	230,317		Share of other comprehensive income of investments accounted for using equity method
Deferred gains or losses on hedges	(15)	—	0	(14)		Items that may be reclassified to profit or loss
Share of other comprehensive income of entities accounted for using equity method	2,926	(24)	2,047	4,948		Exchange differences on translation of foreign operations
Total other comprehensive income	377,835	—	(58,443)	319,391		Cash flow hedges
Comprehensive income	722,062	—	16,638	738,701		Share of other comprehensive income of investments accounted for using equity method
Comprehensive income attributable to:						Total other comprehensive income
Owners of parent	552,832	—	13,687	566,519		Comprehensive income
Non-controlling interests	169,230	—	2,951	172,181		attributable to
						Owners of parent
						Non-controlling interests

6. Notes on reconciliation of equity

(1) Reclassification

1) Cash and cash equivalents

Time deposits with maturities of over three months, which were included in "Cash and deposits" under Japanese GAAP, are reclassified as "Other financial assets" in current assets under IFRS. Short-term investment (with a maturity of three months or less), which were included in "Securities" under Japanese-GAAP, are reclassified as "Cash and cash equivalents" under IFRS.

2) Reclassification of accounts receivable - other and accounts payable - other

Accounts receivable - other, which was included in "Other" in current assets under Japanese GAAP, is reclassified as "Trade and other receivables" under IFRS. Accounts payable - other, which was included in "Other" in current liabilities under Japanese GAAP, is reclassified as "Trade and other payables" under IFRS.

3) Reclassification of allowance for doubtful accounts

"Allowance for doubtful accounts," which was separately presented in current assets under Japanese GAAP, is reclassified to be presented on a net basis by directly deducting the item from "Trade and other receivables" and "Other financial assets" in current assets under IFRS.

4) Reclassification of other financial assets and other financial liabilities

Short-term loans receivable, which was included in "Other" in current assets under Japanese GAAP, is reclassified as "Other financial assets" in current assets under IFRS. "Investment securities" and "Long-term loans receivable", which were separately presented under Japanese GAAP, are reclassified as "Other financial assets" in non-current assets under IFRS. Lease liabilities, which were included in "Other" in current and non-current liabilities under Japanese GAAP, are reclassified under IFRS as "Other financial liabilities" in current and non-current liabilities, respectively.

5) Reclassification of investments accounted for using equity method

"Investments accounted for using equity method," which was included in "Investment securities" under Japanese GAAP, is separately presented under IFRS.

6) Reclassification of bonds and borrowings

"Short-term borrowings" and "Current portion of long-term borrowings," which were separately presented in current liabilities under Japanese GAAP, are reclassified as "Bonds and borrowings" under IFRS.

7) Reclassification of other liabilities

"Accrued expenses" and "Provision for bonuses for directors," which were separately presented in current liabilities under Japanese GAAP, are reclassified as "Other current liabilities" under IFRS. Asset retirement obligations, which was included in "Other" in non-current liabilities under Japanese GAAP, is reclassified as "Provisions" under IFRS.

(2) Reconciliation of difference in recognition and measurement

8) Adjustment to the scope of consolidation

Taking into account the effective control of the company in terms of power over investee, some company which is consolidated as subsidiaries under Japanese GAAP are accounted for under the equity method as jointly controlled companies under IFRS.

9) Reclassification of inventories

Office supplies and promotional materials, which were recorded in "Merchandise and finished goods" and "Raw materials and supplies" under Japanese GAAP, are reclassified as retained earnings because they do not meet the definition of assets under IFRS. Meanwhile, spare parts, stand-by equipment, and servicing equipment, which were also recorded in "Raw materials and supplies" under Japanese GAAP, are reclassified as "Property, plant and equipment" under IFRS due to revision of categorization.

10) Adjustments to the recorded amount of property, plant and equipment

Property, plant and equipment (excluding lease assets), which were depreciated primarily using the declining-balance method under Japanese GAAP, are depreciated using the straight-line method under IFRS. In addition, the useful lives have been revised in line with the adoption of IFRS.

11) Adjustments to the recorded amounts of right-of-use assets and lease liabilities

Under Japanese GAAP, lease transactions as a lessee were classified into finance leases and operating leases, and operating leases were accounted for in a manner similar to ordinary rental transactions. Under IFRS, lease transactions as a lessee are not classified but recorded as "Right-of-use assets." Lease liabilities associated with the capitalization of such lease transactions are recorded in "Other financial liabilities".

12) Adjustments to the recorded amount of intangible assets

R&D expenses were expensed as incurred under Japanese GAAP. Under IFRS, amounts that satisfy requirements for capitalization are recognized in assets.

13) Adjustment to deferred tax assets and liabilities

Mainly due to temporary differences arising from the adjustment from Japanese GAAP to IFRS, deferred tax assets and liabilities have been adjusted.

14) Adjustments to retirement benefit asset and retirement benefit liability

Due to differences in actuarial assumptions, such as the discount rate, between Japanese GAAP and IFRS, retirement benefit obligations have been recalculated in accordance with IFRS. Under Japanese GAAP, actuarial gains and losses were recognized in other comprehensive income as incurred, and expensed on a straight-line basis over a certain number of years within the average remaining service period of employees, starting in the following fiscal year of the incurrence. Under IFRS, actuarial gains and losses are recognized in other comprehensive income as incurred and immediately transferred to retained earnings.

In addition, if defined benefit plans are overfunded, the net amount of defined benefit assets are limited to the asset ceiling. The adjustments are recognized in other comprehensive income and immediately transferred to retained earnings.

15) Unused paid absences

Unused paid absences were not recognized under Japanese GAAP. Under IFRS, liabilities are recognized as "other current liability" when employees perform work that gives rise to entitlement to future paid leave.

16) Reclassification of cumulative exchange differences on translation of foreign operations

Upon the first-time adoption of IFRS, the Group elected to apply exemptions provided under IFRS 1 and transferred all cumulative exchange differences on translation of foreign operations as of the transition date to retained earnings.

17) Adjustments to retained earnings (after tax effects)

The main items in the reconciliation of difference in recognition and measurement in retained earnings are as follows:

(Millions of yen)

	Transition date (As of April 1, 2023)	FY2023 first quarter (As of June 30, 2023)	FY2023 (As of March 31, 2024)
Adjustments to the recorded amount of property, plant and equipment	132,062	131,580	142,911
Adjustments to the recorded amount of intangible assets	94,649	92,301	98,116
Adjustments to accrued paid absences	(14,435)	(14,510)	(15,007)
Adjustments related to accounting for retirement benefits	(24,694)	(25,061)	(19,421)
Fair value measurement of debt instruments	55,062	66,152	91,774
Reclassification of cumulative exchange difference on translation of foreign operations	(79,461)	(79,461)	(79,461)
Other	(5,271)	(8,634)	(7,258)
Total	157,911	162,366	211,653

7. Notes on reconciliation of profit or loss and comprehensive income

18) Reconciliation relating to revenues

Under Japanese GAAP, transport costs related to shipments made after a customer obtains control of the product were presented as a gross amount in "Net sales" and "Selling, general and administrative expenses." Under IFRS, such costs are presented in a net amount in "Revenue."

19) Change in method of depreciation

Property, plant and equipment (excluding lease assets), which were depreciated primarily using the declining-balance method under Japanese GAAP, are depreciated using the straight-line method under IFRS.

20) Reclassification to line items

Of items presented as "Non-operating income," "Non-operating expenses," "Extraordinary income" and "Extraordinary losses" under Japanese GAAP, finance-related profits or losses are recorded as "Finance income" and "Finance costs," and other items are presented as "Other income," "Other expenses" and "Share of profit (loss) of investments accounted for using equity method" under IFRS.

21) Debt financial instrument

Under Japanese GAAP, changes in fair value of certain debt instruments included in investment securities were recognized in other comprehensive income. Under IFRS, the changes in fair value are recognized as "finance income" and "finance expense."

22) Unused paid absences

Unused paid absences, which were not accounted for under Japanese GAAP, are recognized as personnel expenses under IFRS.

23) Income tax expense

"Income taxes - current" and "Income taxes - deferred," which were separately presented under Japanese GAAP, are presented in total as "Income tax expense" under IFRS. Upon the adoption of IFRS, recoverability of all deferred tax assets has been reassessed.

8. Reconciliation of cash flows

Of the R&D expenses which were classified as "Cash flows from operating activities" under Japanese GAAP, expenditures related to development activities that satisfy the requirements for capitalization under IFRS are classified as "Cash flows from investing activities" under IFRS.

Lease payments paid under operating lease transactions as a lessee, which were classified in "Cash flows from operating activities" under Japanese GAAP, are classified in "Cash flows from financing activities" as "Repayments of lease liabilities" under IFRS.