

Consolidated Financial Summary for the First Six Months Ended September 30, 2024

[IFRS]

November 8, 2024

Company Name : SUZUKI MOTOR CORPORATION Listings : Tokyo Stock Exchange
 Securities code : 7269 URL : https://www.globalsuzuki.com
 Representative : Toshihiro Suzuki, President
 Inquiries : Ryo Kawamura, Managing Officer, Executive General Manager, Finance
 TEL + 81-53-440-2032

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 Start of Payment of Cash Dividends : November 29, 2024
 Preparation of Supplemental Explanation Materials : Yes
 Holding of Presentation Meeting on Financial Results : Yes

(Amounts less than one million yen are rounded down)

1. Consolidated Operating Results for FY2024 first six months (April 1 – September 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 six months	2,855,000	11.7	334,949	40.7	376,459	30.7	270,776	34.7	217,451	43.9	105,505	(75.6)
FY2023 first six months	2,556,078	-	238,133	-	288,114	-	201,084	-	151,106	-	432,434	-

	Earnings per share attributable to owners of parent, Basic	Earnings per share attributable to owners of parent, Diluted
	Yen	Yen
FY2024 first six months	112.72	112.71
FY2023 first six months	77.93	77.93

[Note] A four-for-one common stock split was conducted on April 1, 2024. Earnings per share attributable to owners of parent, Basic and 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 second quarter	5,715,495	3,421,436	2,777,410	48.6
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	—	20.00			
FY2024 (Forecast)			—	20.00	40.00

[Notes] *1. Revision of the latest forecasts of cash dividends announced: Yes

*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, but if it was conducted at the beginning of FY2023, the dividend amount for second quarter would be 13.75 yen, that for year-end would be 16.75 yen and that for annual would be 30.50 yen. For FY2024 and 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	550,000	11.4	620,000	4.8	350,000	10.4	181.42

[Note] Revisions of the latest forecasts for consolidated operating results announced: Yes

*** 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 Q2	1,964,586,400	FY2023	1,964,586,400
FY2024 Q2	35,310,160	FY2023	35,433,595
FY2024 Q2	1,929,187,316	FY2023 Q2	1,938,941,682

2) Number of treasury shares at the end of period

3) Average number of outstanding shares during period
(First six months)

[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.

*** The consolidated financial summary for the first six months ended September 30, 2024 is exempt from review by a certified public accountant or audit firm.**

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

(Adoption of International Financial Reporting Standards (hereinafter, "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.

(Financial Results Supplementary Explanatory Materials)

Financial Results Supplementary Explanatory Materials are available on our website (<https://www.globalsuzuki.com>) on November 8, 2024.

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1. Summary of Management Results, etc. for the Six Months Ended September 30, 2024

(1) Explanation regarding management results

Regarding the management results for the six months ended September 30, 2024, revenue increased by ¥298.9 billion (11.7%) year-on-year (YoY) to ¥2,855.0 billion. Operating profit increased by ¥96.8 billion (40.7%) YoY to ¥334.9 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 ¥88.3 billion (30.7%) YoY to ¥376.5 billion. Profit attributable to owners of parent increased by ¥66.3 billion (43.9%) YoY to ¥217.5 billion.

Operating results by Segment are as outlined below:

1) Automobile Business

Revenue increased by ¥283.6 billion (12.3%) YoY to ¥2,594.5 billion. Operating profit increased by ¥87.4 billion (42.4%) YoY to ¥293.4 billion.

2) Motorcycle Business

Revenue increased by ¥19.6 billion (11.0%) YoY to ¥198.3 billion. Operating profit increased by ¥6.9 billion (43.6%) YoY to ¥22.7 billion.

3) Marine Business

Revenue decreased by ¥4.4 billion (7.2%) YoY to ¥56.6 billion. Operating profit increased by ¥2.3 billion (15.8%) YoY to ¥17.0 billion.

4) Other Business

Revenue increased by ¥0.1 billion (1.1%) YoY to ¥5.5 billion. Operating profit increased by ¥0.2 billion (15.1%) YoY to ¥1.8 billion.

(2) Explanation regarding financial positions

With respect to the financial positions at the end of the current semi-annual consolidated fiscal year, total assets were ¥5,715.5 billion (decreased by ¥4.2 billion from the end of the previous consolidated fiscal year).

Total liabilities were ¥2,294.1 billion (decreased by ¥79.2 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.

Total equity was ¥3,421.4 billion (increased by ¥37.0 billion from the end of the previous consolidated fiscal year).

(3) Explanation regarding cash flows

The balance of cash and cash equivalents at the end of the current semi-annual consolidated fiscal year was ¥930.4 billion (increased by ¥90.4 billion from the end of the previous consolidated fiscal year).

1) Cash flows from operating activities

Net cash provided by operating activities for the six months ended September 30, 2024 was ¥335.4 billion (¥224.5 billion was provided for the same period of the previous fiscal year). This was mainly due to profit before tax of ¥376.5 billion.

2) Cash flows from investing activities

Net cash used in investing activities for the six months ended September 30, 2024 was ¥132.8 billion (¥247.6 billion was used for the same period of the previous fiscal year). This was mainly due to purchase of property, plant and equipment of ¥173.1 billion.

3) Cash flows from financing activities

Net cash used in financing activities for the six months ended September 30, 2024 was ¥100.8 billion (¥68.5 billion was used for the same period of the previous fiscal year). This was mainly due to dividends paid to owners of parent of ¥32.3 billion and dividends paid to non-controlling interests of ¥30.2 billion.

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

The forecasts for consolidated operating results announced in the “Consolidated Financial Summary for FY2023 (April 1, 2023 – March 31, 2024)” dated May 13, 2024 have been revised as follows. This reflects our business results for FY2024 first six months and changes in the business environment against the beginning of the FY2024.

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

	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
Previous Forecast (A)	5,600,000	480,000	550,000	310,000	160.69
Revised Forecast (B)	5,600,000	550,000	620,000	350,000	181.42
Change (B-A)	0	70,000	70,000	40,000	20.73
Change (%)	0.0	14.6	12.7	12.9	12.9
Previous results	5,357,523	493,834	591,713	317,017	163.88

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

2. Condensed Semi-Annual Consolidated Financial Statements and Significant Notes

(1) Condensed Semi-Annual Consolidated Statement of Financial Position

(Millions of Yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 second quarter (As of September 30, 2024)
Assets			
Current assets			
Cash and cash equivalents	868,911	840,020	930,376
Trade and other receivables	517,825	588,333	549,864
Inventories	472,720	573,828	583,820
Income taxes receivable	4,920	7,421	9,908
Other financial assets	139,676	219,611	212,316
Other current assets	145,433	162,305	158,666
Total current assets	2,149,488	2,391,521	2,444,952
Non-current assets			
Property, plant and equipment	1,323,704	1,545,693	1,564,525
Right-of-use assets	52,183	60,437	55,917
Intangible assets	140,537	147,700	158,645
Investments accounted for using equity method	86,007	108,404	107,446
Other financial assets	1,010,861	1,387,845	1,275,808
Deferred tax assets	59,163	75,436	69,522
Other non-current assets	39,566	40,618	38,676
Total non-current assets	2,712,025	3,366,135	3,270,543
Total assets	4,861,513	5,757,656	5,715,495

(Millions of Yen)

	Transition date (As of April 1, 2023)	FY2023 (As of March 31, 2024)	FY2024 second quarter (As of September 30, 2024)
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	384,612	444,225	426,862
Bonds and borrowings	347,050	456,780	247,591
Income taxes payable	44,242	67,117	67,328
Other financial liabilities	63,177	79,067	68,634
Provisions	208,282	190,053	185,211
Other current liabilities	477,554	544,761	525,797
Total current liabilities	1,524,919	1,782,006	1,521,426
Non-current liabilities			
Bonds and borrowings	416,787	329,117	509,547
Other financial liabilities	51,028	55,638	53,065
Retirement benefit liability	51,465	45,348	46,289
Provisions	18,518	20,502	21,357
Deferred tax liabilities	9,327	77,208	79,677
Other non-current liabilities	45,934	63,408	62,694
Total non-current liabilities	593,061	591,222	772,632
Total liabilities	2,117,980	2,373,229	2,294,059
Equity			
Equity attributable to owners of parent			
Share capital	138,370	138,370	138,370
Capital surplus	138,180	67,988	65,049
Retained earnings	1,971,121	2,241,744	2,426,528
Treasury shares	(19,396)	(39,300)	(39,164)
Other components of equity	65,911	310,971	186,626
Total equity attributable to owners of parent	2,294,186	2,719,773	2,777,410
Non-controlling interests	449,346	664,654	644,026
Total equity	2,743,533	3,384,427	3,421,436
Total liabilities and equity	4,861,513	5,757,656	5,715,495

**(2) Condensed Semi-Annual Consolidated Statement of Income and
Condensed Semi-Annual Consolidated Statement of Comprehensive Income**

[Condensed Semi-Annual Consolidated Statement of Income]

(Millions of Yen)

	FY2023 first six months (April 1 - September 30, 2023)	FY2024 first six months (April 1 - September 30, 2024)
Revenue	2,556,078	2,855,000
Cost of sales	(1,896,324)	(2,057,683)
Gross profit	659,754	797,317
Selling, general and administrative expenses	(422,375)	(467,114)
Other income	6,673	8,938
Other expenses	(5,918)	(4,191)
Operating profit	238,133	334,949
Finance income	51,581	60,339
Finance costs	(8,002)	(24,667)
Share of profit (loss) of investments accounted for using equity method	6,402	5,839
Profit before tax	288,114	376,459
Income tax expense	(87,030)	(105,683)
Profit	201,084	270,776
Profit attributable to		
Owners of parent	151,106	217,451
Non-controlling interests	49,977	53,324
Profit	201,084	270,776
Earnings per share attributable to owners of parent		
Basic (Yen)	77.93	112.72
Diluted (Yen)	77.93	112.71

[Condensed Semi-Annual Consolidated Statement of Comprehensive Income]

(Millions of Yen)

	FY2023 first six months (April 1 - September 30, 2023)	FY2024 first six months (April 1 - September 30, 2024)
Profit	201,084	270,776
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(1,237)	(638)
Financial assets measured at fair value through other comprehensive income	40,108	(23,865)
Share of other comprehensive income of investments accounted for using equity method	(23)	0
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	188,402	(138,740)
Cash flow hedges	21	120
Share of other comprehensive income of investments accounted for using equity method	4,077	(2,146)
Total other comprehensive income	231,350	(165,270)
Comprehensive income	432,434	105,505
Comprehensive income attributable to		
Owners of parent	329,300	92,758
Non-controlling interests	103,134	12,746
Comprehensive income	432,434	105,505

(3) Condensed Semi-Annual Consolidated Statement of Changes in Equity

FY2023 first six months (April 1 - September 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			151,106			151,106	49,977	201,084
Other comprehensive income					178,193	178,193	53,156	231,350
Total comprehensive income	—	—	151,106	—	178,193	329,300	103,134	432,434
Transfer to retained earnings			(893)		893	—		—
Transactions with owners								
Dividends of surplus			(24,305)			(24,305)	(20,536)	(44,842)
Purchase of treasury shares				(20,024)		(20,024)		(20,024)
Disposal of treasury shares		42		125		168		168
Purchase of shares of consolidated subsidiaries						—		—
Other						—	204	204
Total transactions with owners	—	42	(24,305)	(19,898)	—	(44,161)	(20,332)	(64,494)
As of September 30, 2023	138,370	138,222	2,097,028	(39,294)	244,998	2,579,325	532,148	3,111,473

FY2024 first six months (April 1 - September 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			217,451			217,451	53,324	270,776
Other comprehensive income					(124,692)	(124,692)	(40,577)	(165,270)
Total comprehensive income	—	—	217,451	—	(124,692)	92,758	12,746	105,505
Transfer to retained earnings			(348)		348	—		—
Transactions with owners								
Dividends of surplus			(32,319)			(32,319)	(30,360)	(62,680)
Purchase of treasury shares				(4)		(4)		(4)
Disposal of treasury shares		105		141		246		246
Purchase of shares of consolidated subsidiaries		(3,043)				(3,043)	(3,113)	(6,157)
Other						—	98	98
Total transactions with owners	—	(2,938)	(32,319)	136	—	(35,121)	(33,375)	(68,496)
As of September 30, 2024	138,370	65,049	2,426,528	(39,164)	186,626	2,777,410	644,026	3,421,436

(4) Condensed Semi-Annual Consolidated Statement of Cash Flows

(Millions of Yen)

	FY2023 first six months (April 1 - September 30, 2023)	FY2024 first six months (April 1 - September 30, 2024)
Cash flows from operating activities		
Profit before tax	288,114	376,459
Depreciation and amortization	112,515	121,431
Finance income and finance costs	(53,107)	(47,113)
Share of loss (profit) of investments accounted for using equity method	(6,402)	(5,839)
Decrease (increase) in inventories	(27,484)	(37,215)
Decrease (increase) in trade and other receivables	(13,684)	29,424
Increase (decrease) in trade and other payables	10,500	7,823
Increase (decrease) in liabilities related to provisions and employee benefits	(17,519)	(4,752)
Other	(26,021)	(31,720)
Subtotal	266,911	408,498
Dividends received	2,844	3,821
Interest received	11,428	11,924
Interest paid	(3,743)	(6,872)
Income taxes paid	(52,983)	(81,984)
Net cash provided by (used in) operating activities	224,457	335,387
Cash flows from investing activities		
Net decrease (increase) in time deposits	(37,699)	(36,433)
Purchase of property, plant and equipment	(146,654)	(173,144)
Proceeds from sale of property, plant and equipment	932	3,728
Purchase of intangible assets and expenditure on internally generated intangible assets	(16,628)	(26,710)
Proceeds from sale of intangible assets	7	23
Payments for loans receivable	(111)	(119)
Collection of loans receivable	176	174
Purchase of other financial assets	(492,342)	(512,830)
Proceeds from sale or collection of other financial assets	444,766	612,521
Net cash provided by (used in) investing activities	(247,553)	(132,789)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(20,053)	(27,009)
Proceeds from long-term borrowings	160,355	269,000
Repayments of long-term borrowings	(139,024)	(266,809)
Repayments of lease liabilities	(4,910)	(7,381)
Purchase of treasury shares	(20,002)	(0)
Dividends paid to owners of parent	(24,300)	(32,314)
Dividends paid to non-controlling interests	(20,556)	(30,162)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(6,097)
Net cash provided by (used in) financing activities	(68,492)	(100,776)
Effect of exchange rate changes on cash and cash equivalents	31,814	(11,465)
Net increase (decrease) in cash and cash equivalents	(59,773)	90,355
Cash and cash equivalents at beginning of period	868,911	840,020
Cash and cash equivalents at end of period	809,137	930,376

(5) Notes to Condensed Semi-Annual Consolidated Financial Statements (Assumption for Going Concern)

None

(Segment Information)

1. Outline of Reportable Segments

The reportable segments of the Group are the components of the Group 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 Group 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 six months (April 1, 2023 – September 30, 2023)

(Millions of Yen)

	Reportable Segments				Total	Adjustment	Total
	Automobile business	Motorcycle business	Marine business	Other business			
Revenue							
Revenue from external customers	2,310,901	178,676	61,011	5,488	2,556,078	—	2,556,078
Total	2,310,901	178,676	61,011	5,488	2,556,078	—	2,556,078
Operating profit	206,033	15,798	14,702	1,598	238,133	—	238,133
Finance income							51,851
Finance costs							(8,002)
Share of profit (loss) of investments accounted for using equity method							6,402
Profit before tax							288,114

FY2024 first six months (April 1, 2024 – September 30, 2024)

(Millions of Yen)

	Reportable Segments				Total	Adjustment	Total
	Automobile business	Motorcycle business	Marine business	Other business			
Revenue							
Revenue from external customers	2,594,512	198,307	56,633	5,547	2,855,000	—	2,855,000
Total	2,594,512	198,307	56,633	5,547	2,855,000	—	2,855,000
Operating profit	293,398	22,682	17,028	1,839	334,949	—	334,949
Finance income							60,339
Finance costs							(24,667)
Share of profit (loss) of investments accounted for using equity method							5,839
Profit before tax							376,459

(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 voluntary 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 a 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	519,892	(2,838)	517,825	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	(65,220)	(4,789)	145,433	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

(Millions of Yen)

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 assets	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 September 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	947,879	(124,900)	(13,841)	809,137	1), 8)	Cash and cash equivalents
Notes and accounts receivable-trade	533,780	24,685	(2,838)	555,626	2), 3)	Trade and other receivables
Allowance for doubtful accounts	(7,649)	7,649	—		3)	
Merchandise and finished goods	395,102	162,242	(16,263)	541,081	9)	Inventories
Work in process	55,271	(55,271)	—			
Raw materials and supplies	106,971	(106,971)	—		9)	
		6,238	—	6,238		Income taxes receivable
Securities	53,367	148,605	2,058	204,032	1), 3), 4)	Other financial assets
Other	230,334	(67,825)	(12,105)	150,403	2), 4)	Other current assets
Total current assets	2,315,057	(5,547)	(42,990)	2,266,519		Total current assets
Property, plant and equipment	1,235,912	(12,719)	216,967	1,440,160	9), 10)	Property, plant and equipment
		12,719	46,382	59,102	11)	Right-of-use assets
Intangible assets	6,015	—	136,330	142,346	12)	Intangible assets
		76,689	16,451	96,140	5), 8)	Investments accounted for using equity method
Investment securities	1,263,185	(46,940)	6,693	1,222,938	4), 5), 8)	Other financial assets
		115,003	(44,959)	70,043	13)	Deferred tax assets
Other	209,645	(143,178)	(10,272)	56,192	4), 14)	Other non-current assets
Allowance for doubtful accounts	(315)	315	—			
Allowance for investment loss	(661)	661	—			
Total non-current assets	2,713,782	5,547	367,594	3,086,923		Total non-current assets
Total assets	5,028,839	—	324,603	5,353,443		Total assets

(Millions of Yen)

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Accounts payable-trade	412,014	27,718	(5,570)	434,162	2)	Trade and other payables
Electronically recorded obligations-operating	21,180	(21,180)	—			
Short-term borrowings	451,683	—	—	451,683		Bonds and borrowings
Income taxes payable	72,769	—	(43)	72,725		Income taxes payable
		57,710	9,341	67,051	4), 11)	Other financial liabilities
Provision for product warranties	188,307	—	—	188,307		Provisions
Other	518,502	(64,249)	32,891	487,145	2), 4), 15)	Other current liabilities
Total current liabilities	1,664,457	—	36,618	1,701,075		Total current liabilities
Long-term borrowings	315,537	—	(347)	315,189		Bonds and borrowings
		28,427	26,044	54,471	4), 11)	Other financial liabilities
Retirement benefit liability	69,690	—	(17,149)	52,540	14)	Retirement benefit liability
Other provisions	19,502	304	—	19,805	7)	Provisions
		7,911	31,783	39,694	13)	Deferred tax liabilities
Other	91,982	(36,640)	3,850	59,191	4), 7)	Other non-current liabilities
Total non-current liabilities	496,713	—	44,180	540,893		Total non-current liabilities
Total liabilities	2,161,170	—	80,799	2,241,969		Total liabilities
Share capital	138,370	—	—	138,370		Share capital
Capital surplus	138,222	—	—	138,222		Capital surplus
Retained earnings	1,918,252	—	178,776	2,097,028	17)	Retained earnings
Treasury shares	(39,294)	—	—	(39,294)		Treasury shares
Share acquisition rights	41	(41)	—			
Total accumulated other comprehensive income	202,560	41	42,397	244,998	14), 16)	Other components of equity
Non-controlling interests	509,516	—	22,631	532,148		Non-controlling interests
Total net assets	2,867,669	—	243,804	3,111,473		Total equity
Total liabilities and net assets	5,028,839	—	324,603	5,353,443		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	587,384	—	588,333	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	(60,977)	(9,392)	162,305	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 Six Months (April 1 - September 30, 2023)

(Millions of Yen)

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Net sales	2,564,400	—	(8,321)	2,556,078	18)	Revenue
Cost of sales	1,898,568	—	(2,243)	1,896,324	19), 22)	Cost of sales
Gross profit	665,832	—	(6,077)	659,754		Gross profit
Selling, general and administrative expenses	436,370	—	(13,994)	422,375	18), 19), 22)	Selling, general and administrative expenses
		6,864	(190)	6,673	19), 20)	Other income
		9,088	(3,169)	5,918	19), 20)	Other expenses
Operating profit	229,461	(2,224)	10,896	238,133		Operating profit
Non-operating income	27,066	(27,066)	—		20)	
Non-operating expenses	15,570	(15,570)	—		20)	
Extraordinary income	1,096	(1,096)	—		20)	
Extraordinary losses	1,084	(1,084)	—		20)	
		14,715	36,866	51,581	20), 21)	Finance income
		7,565	437	8,002	20), 21)	Finance costs
		6,583	(180)	6,402	20)	Share of profit (loss) of investments accounted for using equity method
Profit before income taxes	240,969	—	47,144	288,114		Profit before tax
Income taxes	77,030	—	9,999	87,030	23)	Income tax expense
Profit	163,939	—	37,144	201,084		Profit
Profit attributable to owners of parent	129,348	—	21,758	151,106		Profit attributable to Owners of parent
Profit attributable to non-controlling interests	34,591	—	15,386	49,977		Non-controlling interests

(Millions of Yen)

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	Presentation under IFRS
Profit	163,939	—	37,144	201,084		Profit
Other comprehensive income						Other comprehensive income
Remeasurements of defined benefit plans, net of tax	164	—	(1,402)	(1,237)		Items that will not be reclassified to profit or loss Remeasurements of defined benefit plans
Valuation difference on available-for-sale securities	74,357	—	(34,249)	40,108	21)	Financial assets measured at fair value through other comprehensive income
		(23)	—	(23)		Share of other comprehensive income of investments accounted for using equity method
Foreign currency translation adjustment	182,733	—	5,669	188,402		Items that may be reclassified to profit or loss Exchange differences on translation of foreign operations
Deferred gains or losses on hedges	20	—	0	21		Cash flow hedges
Share of other comprehensive income of entities accounted for using equity method	2,326	23	1,727	4,077		Share of other comprehensive income of investments accounted for using equity method
Total other comprehensive income	259,603	—	(28,253)	231,350		Total other comprehensive income
Comprehensive income	423,543	—	8,891	432,434		Comprehensive income
Comprehensive income attributable to:						Comprehensive income attributable to
Owners of parent	324,254	—	5,045	329,300		Owners of parent
Non-controlling interests	99,288	—	3,845	103,134		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

(Millions of Yen)

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" in current liabilities under IFRS.

7) Reclassification of other liabilities

"Provision for bonuses for directors" and "Accrued expenses," 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" in non-current liabilities under IFRS.

(2) Difference in recognition and measurement

8) Adjustment to the scope of consolidation

Taking into account the company's effective control in terms of its power over investee, some companies which were 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 as "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 as "Raw materials and supplies" under Japanese GAAP, are reclassified as "Property, plant and equipment" under IFRS due to revision of categorization.

10) Adjustment 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) Adjustment 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 as "Other financial liabilities".
- 12) Adjustment 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) Adjustment 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 accounted for under Japanese GAAP. Under IFRS, liabilities are recognized as "other current liabilities" 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) Adjustment 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 second quarter (As of September 30, 2023)	FY2023 (As of March 31, 2024)
Adjustments to the recorded amount of property, plant and equipment	132,062	135,589	142,911
Adjustments to the recorded amount of intangible assets	94,649	95,380	98,116
Adjustments to accrued paid absences	(14,435)	(14,502)	(15,007)
Adjustments related to accounting for retirement benefits	(24,694)	(24,237)	(19,421)
Fair value measurement of debt instruments	55,062	72,948	91,774
Reclassification of cumulative exchange difference on translation of foreign operations	(79,461)	(79,461)	(79,461)
Other	(5,271)	(6,940)	(7,258)
Total	157,911	178,776	211,653

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

18) Reconciliation relating to revenue

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 costs.”

22) Unused paid absences

Unused paid absences, which were not accounted for under Japanese GAAP, are recognized as personnel expenses and recorded as “Cost of sales” and “Selling, general and administrative 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.