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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under IFRS)



June 25, 2025

Company name: ISUZU MOTORS LIMITED
 Listing: Tokyo Stock Exchange
 Securities code: 7202
 URL: <https://www.isuzu.co.jp/world/company/investor/>
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 Scheduled date for general meeting of shareholders: June 26, 2025
 Expected starting date for distribution of cash dividends: June 27, 2025

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for FY2025 (April 1, 2024 through March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2025	3,235,648	(5.0)	229,461	(18.5)	244,964	(17.6)	180,920	(15.9)	140,062	(17.1)
FY2024	3,404,633	–	281,641	–	297,297	–	215,042	–	168,996	–

	Total comprehensive income		Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	Millions of yen	%	Yen	Yen	%	%	%
FY2025	183,233	(43.2)	190.78	190.75	10.2	7.5	7.1
FY2024	322,713	–	220.22	219.95	12.9	9.4	8.3

Reference: Share of profit (loss) of investments accounted for using equity method
 FY2025 9,169 million yen, FY2024 2,291 million yen

(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	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
FY2025	3,303,310	1,537,659	1,372,863	41.6	1,928.17
FY2024	3,261,538	1,535,735	1,381,942	42.4	1,845.84

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2025	254,059	(202,345)	(90,602)	358,711
FY2024	308,738	(140,051)	(164,485)	389,227

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2024	–	43.00	–	49.00	92.00	70,219	41.8	5.4
FY2025	–	46.00	–	46.00	92.00	66,953	48.2	4.9
FY2026 (Forecast)	–	46.00	–	46.00	92.00		50.4	

3. Consolidated earnings forecasts for FY2026 (April 1, 2025 through March 31, 2026)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY2026	3,300,000	2.0	210,000	(8.5)	220,000	(10.2)	130,000	(7.2)	182.58

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (IC Engineering Corp.)

Excluded: 7 companies (IJTT Co., Ltd., UD Financial Services Co., Ltd., TOKAI CORPORATION, IJTT (Thailand) Co., Ltd., PT. Jidosha Buhin Indonesia, P.T. Asian Isuzu Casting Center, Isuzu Diesel Services of America, Inc.)

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

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

FY2025	713,526,569 shares
FY2024	777,442,069 shares

(ii) Number of treasury shares at the end of the period

FY2025	1,522,493 shares
FY2024	28,760,765 shares

(iii) Average number of shares outstanding during the period

FY2025	734,156,978 shares
FY2024	767,393,388 shares

Note: “(ii) Number of treasury shares at the end of the period” includes shares owned by the Company and by the fund whose beneficiaries are directors of the Company. “(iii) Average number of shares outstanding during the period” does not include shares owned by the Company and by the fund whose beneficiaries are directors of the Company.

* This Financial Results report is exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

- The Group has voluntarily adopted the International Financial Reporting Standards (IFRS Accounting Standards) in place of the previously applied Japanese Generally Accepted Accounting Principles (Japanese GAAP), starting with its consolidated financial statements in the Annual Securities Report for the fiscal year ended March 31, 2025. This Financial Results report and its attachments voluntarily disclose key financial information based on IFRS Accounting Standards from the items provided in the Annual Securities Report. The Group released its Financial Results report for the fiscal year ended March 31, 2025, based on Japanese GAAP, on May 14, 2025.
- The financial forecast and other descriptions of the future presented in this document are based on currently available information and assumptions which are deemed reasonable at present, and are not intended to be a promise by the Company that they will be achieved. Consequently, the actual financial performance may vary significantly from the forecast due to various factors.

List of Contents of Attachments

Index

- 1. Consolidated Financial Statements and Major Notes 2
 - (1) Consolidated Statement of Financial Position..... 2
 - (2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income.. 4
 - (3) Consolidated Statement of Changes in Equity 6
 - (4) Consolidated Statement of Cash Flows 10
 - (5) Notes to Consolidated Financial Statements 12
 - Notes on premise of going concern 12
 - Segment information, etc..... 12
 - Per share information 12
 - Significant events after reporting period 12
 - First-time adoption 14
- 2. Supplementary Information 26
 - (1) Revenue Condition 26
 - Consolidated revenue results 26

1. Consolidated Financial Statements and Major Notes

(1) Consolidated Statement of Financial Position

	(Millions of yen)		
	As of April 1, 2023 (transition date)	As of March 31, 2024	As of March 31, 2025
Assets			
Current assets			
Cash and cash equivalents	358,231	367,315	358,711
Trade and other receivables	597,142	636,482	660,512
Other financial assets	28,039	22,362	29,910
Inventories	620,857	662,659	681,798
Income taxes receivable	5,804	6,327	7,978
Other current assets	70,277	65,184	73,124
Subtotal	1,680,352	1,760,332	1,812,036
Assets held for sale	–	92,951	3,306
Total current assets	1,680,352	1,853,283	1,815,343
Non-current assets			
Property, plant and equipment	808,267	785,354	838,723
Goodwill	15,213	15,213	15,213
Intangible assets	103,094	111,979	133,401
Right-of-use assets	111,410	109,572	108,696
Investments accounted for using equity method	101,342	99,591	132,763
Other financial assets	169,595	229,989	196,013
Retirement benefit asset	2,583	9,015	12,876
Deferred tax assets	38,992	42,915	45,987
Other non-current assets	4,604	4,623	4,291
Total non-current assets	1,355,106	1,408,254	1,487,966
Total assets	3,035,459	3,261,538	3,303,310

	(Millions of yen)		
	As of April 1, 2023 (transition date)	As of March 31, 2024	As of March 31, 2025
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	701,652	682,160	684,051
Bonds and borrowings	118,119	192,777	262,484
Lease liabilities	21,866	25,180	24,437
Other financial liabilities	7,573	8,678	9,266
Income taxes payable	31,489	31,611	22,302
Provisions	30,025	39,579	44,179
Other current liabilities	82,477	86,536	89,204
Subtotal	993,204	1,066,525	1,135,926
Liabilities directly associated with assets held for sale	–	81,734	–
Total current liabilities	993,204	1,148,259	1,135,926
Non-current liabilities			
Bonds and borrowings	365,211	318,995	381,829
Lease liabilities	93,303	90,174	90,094
Other financial liabilities	1,258	1,199	1,195
Retirement benefit liability	96,369	88,668	86,750
Provisions	43,389	50,410	51,020
Deferred tax liabilities	1,788	20,567	10,647
Other non-current liabilities	6,529	7,527	8,188
Total non-current liabilities	607,850	577,543	629,724
Total liabilities	1,601,054	1,725,803	1,765,651
Equity			
Share capital	40,644	40,644	40,644
Capital surplus	42,775	44,383	42,160
Treasury shares	(3,234)	(53,133)	(2,364)
Retained earnings	1,103,085	1,213,034	1,162,408
Other components of equity	48,831	135,382	128,215
Accumulated other comprehensive income associated with assets held for sale	–	1,630	1,797
Total equity attributable to owners of parent	1,232,102	1,381,942	1,372,863
Non-controlling interests	202,301	153,792	164,796
Total equity	1,434,404	1,535,735	1,537,659
Total liabilities and equity	3,035,459	3,261,538	3,303,310

(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income
Consolidated statement of profit or loss

	(Millions of yen)	
	FY2024	FY2025
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Revenue	3,404,633	3,235,648
Cost of sales	2,709,113	2,573,346
Gross profit	695,520	662,302
Selling, general and administrative expenses	398,051	430,265
Other income	8,858	6,257
Other expenses	24,685	8,832
Operating profit	281,641	229,461
Finance income	20,871	18,836
Finance costs	7,507	12,503
Share of profit of investments accounted for using equity method	2,291	9,169
Profit before tax	297,297	244,964
Income tax expense	82,254	64,043
Profit	215,042	180,920
Profit attributable to		
Owners of parent	168,996	140,062
Non-controlling interests	46,046	40,858
Profit	215,042	180,920
Earnings per share		
Basic earnings per share (yen)	220.22	190.78
Diluted earnings per share (yen)	219.95	190.75

Consolidated statement of comprehensive income

	(Millions of yen)	
	FY2024	FY2025
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	215,042	180,920
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets measured at fair value through other comprehensive income	42,694	(24,191)
Remeasurements of defined benefit plans	6,496	3,629
Share of other comprehensive income of investments accounted for using equity method	136	(226)
Total	49,327	(20,789)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	58,608	22,879
Cash flow hedges	(265)	223
Total	58,342	23,102
Other comprehensive income, net of tax	107,670	2,313
Comprehensive income	322,713	183,233
Comprehensive income attributable to		
Owners of parent	264,696	138,528
Non-controlling interests	58,016	44,705
Comprehensive income	322,713	183,233

(3) Consolidated Statement of Changes in Equity

FY2024 (Fiscal year ended March 31, 2024)

	(Millions of yen)					
	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Exchange differences on translation of foreign operations	Cash flow hedges
Balance as of April 1, 2023	40,644	42,775	(3,234)	1,103,085	–	204
Profit	–	–	–	168,996	–	–
Other comprehensive income	–	–	–	–	47,170	(265)
Total comprehensive income	–	–	–	168,996	47,170	(265)
Purchase of treasury shares	–	–	(50,013)	–	–	–
Disposal of treasury shares	–	4	115	–	–	–
Dividends of surplus	–	–	–	(66,671)	–	–
Share-based payment transactions	–	624	–	–	–	–
Loss of control of subsidiaries	–	–	–	–	–	–
Changes in ownership interest in subsidiaries	–	978	–	–	37	–
Transactions with non-controlling interests	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	7,624	–	–
Reclassification of accumulated other comprehensive income associated with assets held for sale	–	–	–	–	(1,058)	–
Balance as of March 31, 2024	40,644	44,383	(53,133)	1,213,034	46,150	(60)

	Equity attributable to owners of parent						
	Other components of equity			Accumulated other comprehensive income associated with assets held for sale	Total	Non-controlling interests	Total equity
	Net change in fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total				
Balance as of April 1, 2023	48,627	–	48,831	–	1,232,102	202,301	1,434,404
Profit	–	–	–	–	168,996	46,046	215,042
Other comprehensive income	42,414	6,380	95,699	–	95,699	11,970	107,670
Total comprehensive income	42,414	6,380	95,699	–	264,696	58,016	322,713
Purchase of treasury shares	–	–	–	–	(50,013)	–	(50,013)
Disposal of treasury shares	–	–	–	–	119	–	119
Dividends of surplus	–	–	–	–	(66,671)	(52,866)	(119,538)
Share-based payment transactions	–	–	–	–	624	–	624
Loss of control of subsidiaries	–	–	–	–	–	(1,747)	(1,747)
Changes in ownership interest in subsidiaries	68	–	105	–	1,084	(5,613)	(4,528)
Transactions with non-controlling interests	–	–	–	–	–	(46,298)	(46,298)
Transfer from other components of equity to retained earnings	(1,243)	(6,380)	(7,624)	–	–	–	–
Reclassification of accumulated other comprehensive income associated with assets held for sale	(572)	–	(1,630)	1,630	–	–	–
Balance as of March 31, 2024	89,293	–	135,382	1,630	1,381,942	153,792	1,535,735

FY2025 (Fiscal year ended March 31, 2025)

(Millions of yen)

	Equity attributable to owners of parent					
	Equity attributable to owners of parent				Other components of equity	
	Share capital	Capital surplus	Treasury shares	Retained earnings	Exchange differences on translation of foreign operations	Cash flow hedges
Balance as of April 1, 2024	40,644	44,383	(53,133)	1,213,034	46,150	(60)
Profit	-	-	-	140,062	-	-
Other comprehensive income	-	-	-	-	19,002	223
Total comprehensive income	-	-	-	140,062	19,002	223
Purchase of treasury shares	-	-	(75,605)	-	-	-
Disposal of treasury shares	-	48	1,388	-	-	-
Cancellation of treasury shares	-	(124,986)	124,986	-	-	-
Dividends of surplus	-	-	-	(70,754)	-	-
Transfer from retained earnings to capital surplus	-	124,986	-	(124,986)	-	-
Share-based payment transactions	-	(1,212)	-	-	-	-
Loss of control of subsidiaries	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	(1,058)	-	-	(413)	-
Transfer from other components of equity to retained earnings	-	-	-	5,052	-	-
Reclassification of accumulated other comprehensive income associated with assets held for sale	-	-	-	-	1,058	-
Balance as of March 31, 2025	40,644	42,160	(2,364)	1,162,408	65,797	162

	Equity attributable to owners of parent						
	Other components of equity			Accumulated other comprehen- sive income associated with assets held for sale	Total	Non- controlling interests	Total equity
	Net change in fair value of financial assets measured at fair value through other comprehen- sive income	Remeasure- ments of defined benefit plans	Total				
Balance as of April 1, 2024	89,293	–	135,382	1,630	1,381,942	153,792	1,535,735
Profit	–	–	–	–	140,062	40,858	180,920
Other comprehensive income	(24,514)	3,755	(1,534)	–	(1,534)	3,847	2,313
Total comprehensive income	(24,514)	3,755	(1,534)	–	138,528	44,705	183,233
Purchase of treasury shares	–	–	–	–	(75,605)	–	(75,605)
Disposal of treasury shares	–	–	–	–	1,437	–	1,437
Cancellation of treasury shares	–	–	–	–	–	–	–
Dividends of surplus	–	–	–	–	(70,754)	(38,452)	(109,207)
Transfer from retained earnings to capital surplus	–	–	–	–	–	–	–
Share-based payment transactions	–	–	–	–	(1,212)	–	(1,212)
Loss of control of subsidiaries	–	–	–	–	–	(3,021)	(3,021)
Changes in ownership interest in subsidiaries	–	–	(413)	–	(1,471)	7,771	6,300
Transfer from other components of equity to retained earnings	(1,297)	(3,755)	(5,052)	–	–	–	–
Reclassification of accumulated other comprehensive income associated with assets held for sale	(1,225)	–	(167)	167	–	–	–
Balance as of March 31, 2025	62,255	–	128,215	1,797	1,372,863	164,796	1,537,659

(4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	FY2024 Fiscal year ended March 31, 2024	FY2025 Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before tax	297,297	244,964
Depreciation and amortization	149,366	151,201
Impairment losses	4,661	620
Loss on business of subsidiaries	4,145	-
Loss on measurement to fair value less costs to sell of disposal groups held for sale	6,244	-
Finance income	(16,090)	(18,100)
Finance costs	4,935	5,752
Share of loss (profit) of investments accounted for using equity method	(2,291)	(9,169)
Loss (gain) on sale and retirement of fixed assets	(972)	3,200
Loss (gain) on sale of shares of subsidiaries and investments in capital of subsidiaries	2,098	-
Decrease (increase) in inventories	(24,654)	(15,319)
Decrease (increase) in trade and other receivables	(23,146)	(11,351)
Increase (decrease) in trade and other payables	(42,560)	(34,237)
Increase (decrease) in provisions and retirement benefits	12,141	2,235
Other	24,670	15,574
Subtotal	395,845	335,370
Income taxes paid	(87,107)	(81,311)
Net cash provided by (used in) operating activities	308,738	254,059
Cash flows from investing activities		
Purchase of other investments	(6,610)	(4,798)
Proceeds from sale of other investments	4,661	2,807
Payments for acquisition of subsidiaries	-	(469)
Expenditure from loss of control of subsidiaries	(1,758)	(10,977)
Payments for long-term loans receivable	(307)	(485)
Collection of long-term loans receivable	409	304
Purchase of property, plant and equipment	(144,453)	(158,816)
Proceeds from sale of property, plant and equipment	9,779	9,239
Purchase of intangible assets	(31,602)	(54,711)
Net decrease (increase) in time deposits	4,794	(9,416)
Interest received	9,953	11,856
Dividends received	13,936	12,881
Other	1,146	240
Net cash provided by (used in) investing activities	(140,051)	(202,345)

	(Millions of yen)	
	FY2024 Fiscal year ended March 31, 2024	FY2025 Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	64,500	(3,603)
Net increase (decrease) in commercial papers	–	50,000
Proceeds from long-term borrowings	92,474	193,577
Repayments of long-term borrowings	(115,916)	(138,099)
Proceeds from issuance of bonds	–	29,857
Repayments of lease liabilities	(26,825)	(32,359)
Refunds to non-controlling interests	(3,375)	–
Purchase of treasury shares	(50,012)	(75,604)
Dividends paid	(66,625)	(70,725)
Dividends paid to non-controlling interests	(52,866)	(38,452)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(980)	–
Interest paid	(4,857)	(5,190)
Net cash provided by (used in) financing activities	(164,485)	(90,602)
Effect of exchange rate changes on cash and cash equivalents	26,794	8,372
Net increase (decrease) in cash and cash equivalents	30,995	(30,515)
Cash and cash equivalents at beginning of period	358,231	389,227
Cash and cash equivalents at end of period	389,227	358,711

(5) Notes to Consolidated Financial Statements

Notes on premise of going concern

Not applicable.

Segment information, etc.

The Group is composed of a single business segment, primarily engaged in the manufacture and sale of vehicles, vehicle components, and industrial engines. Therefore, this information has been omitted.

Per share information

The basis for calculation of basic and diluted earnings per share is as follows:

	FY2024 Fiscal year ended March 31, 2024	FY2025 Fiscal year ended March 31, 2025
Profit attributable to owners of parent (millions of yen)	168,996	140,062
Reconciliation of profit (millions of yen)	–	–
Profit used to calculate diluted earnings per share (millions of yen)	168,996	140,062
Average number of ordinary shares outstanding during the period (shares)	767,393,388	734,156,978
Increase in the number of ordinary shares:		
Share-based remuneration plan (shares)	954,688	101,238
Average number of diluted ordinary shares outstanding during the period (shares)	768,348,076	734,258,216
Basic earnings per share (yen)	220.22	190.78
Diluted earnings per share (yen)	219.95	190.75

Note: In calculating basic and diluted earnings per share, the shares of the Company owned by the fund whose beneficiaries are directors of the Company are treated as treasury shares, and thus deducted from the average number of ordinary shares outstanding during the period.

Significant events after reporting period

Repurchase and cancellation of own shares

The Company resolved at a meeting of its Board of Directors held on May 29, 2025 to repurchase its own shares in accordance with Article 156 of the Companies Act (the “Act”) applicable pursuant to Article 165, paragraph (3) of the Act and to cancel the repurchased shares in accordance with Article 178 of the Act.

(1) Reason for repurchase and cancellation

The basic policy of the Company is to implement shareholder returns based on profits earned in each fiscal year and to purchase treasury shares flexibly, comprehensively taking into account a balance between securing funds for growth investments and enhancing internal reserves for the purpose of maintaining financial soundness. The Company aims to repurchase 50,000 million yen (maximum repurchase amount) of its own shares for the purpose of further improving capital efficiency with awareness of appropriate capital levels, while also considering the impact on the supply and demand of shares in relation to the sale of the Company’s ordinary shares (the “Secondary Offering”), which was resolved at the Board of Directors meeting held on May 29, 2025. All shares repurchased will be

cancelled. For details of the Secondary Offering, please refer to “Notice Regarding Secondary Offering of Shares” disclosed on May 29, 2025.

(2) Details of the repurchase

- | | |
|--|---|
| 1) Class of shares to be repurchased | Ordinary shares |
| 2) Total number of shares to be repurchased | Up to 35.0 million shares
(Represents approximately 4.9% of the total number of issued shares (excluding treasury shares)) |
| 3) Total purchase price for repurchase of shares | Up to 50,000 million yen |
| 4) Period of repurchase | From Wednesday, June 18, 2025 to Tuesday, March 31, 2026 |
| 5) Method of repurchase | Market purchases on Tokyo Stock Exchange, Inc. (Note 2) |
| 6) Any other matters necessary for the repurchase of own shares will be approved at the discretion of Naohiro Yamaguchi, Director of the Board, and Managing Executive Officer, EVP, Corporate Planning & Finance Division of the Company. | |

- Notes: 1. Due to market trends and other factors, part or all of the shares may not be repurchased.
2. After consideration of market trends and other factors, the Company may repurchase the shares through the Off-Auction Own Share Repurchase Trading (ToSTNeT-3) system of Tokyo Stock Exchange, Inc. on and after Wednesday, July 16, 2025. If all or part of the ordinary shares of the Company (up to 4,391,800 shares) lent by Mizuho Bank, Ltd., the Share Lender of the Secondary Offering, are returned to Mizuho Bank, Ltd., Mizuho Bank, Ltd. has indicated that it intends to tender all or part of the returned shares for above mentioned repurchase through ToSTNeT-3.

(3) Cancellation of own shares

- | | |
|--|--|
| 1) Class of shares to be cancelled | Ordinary shares |
| 2) Total number of shares to be cancelled | All shares to be repurchased based on (2) Details of the repurchase described above. |
| 3) Planned date of cancellation | TBD |
| 4) Any other matters necessary for the cancellation of own shares will be approved at the discretion of Naohiro Yamaguchi, Director of the Board, and Managing Executive Officer, EVP, Corporate Planning & Finance Division of the Company. | |

First-time adoption

The Group has disclosed its consolidated financial statements prepared in accordance with IFRS Accounting Standards starting from the fiscal year ended March 31, 2025. The most recent consolidated financial statements prepared in accordance with Japanese GAAP were those for the fiscal year ended March 31, 2024, and the transition date to IFRS Accounting Standards was April 1, 2023.

(1) Exemptions under IFRS 1

IFRS 1 “First-time Adoption of International Financial Reporting Standards” (hereinafter, “IFRS 1”) generally requires entities applying IFRS Accounting Standards for the first time (hereinafter, “first-time adopter”) to retrospectively apply those standards.

However, IFRS 1 also specifies mandatory exceptions and optional exemptions from retrospective application of certain standards required under IFRS Accounting Standards.

The effects of applying these exemptions are adjusted in retained earnings or other components of equity as of the transition date. The main exemptions applied by the Group in its transition from Japanese GAAP to IFRS Accounting Standards are as follows.

○ Business combinations

IFRS 1 permits a first-time adopter to elect not to apply IFRS 3 “Business Combinations” (hereinafter, “IFRS 3”) retroactively to business combinations that occurred prior to the transition date.

The Group has elected to apply this exemption and has not retrospectively applied IFRS 3 to business combinations that occurred prior to the transition date.

As a result, goodwill arising from business combinations that occurred prior to the transition date has been carried at its carrying amount under Japanese GAAP as of the transition date.

Regardless of the presence or absence of indicators of impairment, the Group performed impairment testing on goodwill as of the transition date.

○ Deemed cost

IFRS 1 permits a first-time adopter to use the revalued amount of property, plant and equipment under previous GAAP as the deemed cost at the revaluation date, provided that the revaluation of property, plant and equipment under previous GAAP at or before the transition date was broadly comparable to fair value at the revaluation date.

The Group has elected to use the fair value at the revaluation date under previous GAAP as the deemed cost at the revaluation date for certain items of property, plant and equipment revalued prior to the transition date.

○ Exchange differences on translation of foreign operations

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

The Group has elected to deem the cumulative amount of exchange differences on translation of foreign operations to be zero as of the transition date.

○ Leases

IFRS 1 permits a first-time adopter to assess whether an arrangement existing at the transition date contains a lease based on the facts and circumstances existing at that date.

It also permits measuring lease liabilities at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at the transition date. IFRS 1 permits a

first-time adopter to measure right-of-use assets on a lease-by-lease basis at either: its carrying amount as if IFRS 16 “Leases” had been applied since the commencement date of the lease, using the lessee’s incremental borrowing rate as of the transition date as discounted rate, or an amount equal to the lease liability.

In addition, as a practical expedient, for leases ending within 12 months of the transition date and leases for which the underlying asset is of low value, a right-of-use asset and a lease liability are not recognized, and lease payments may be recognized as expenses over the lease term either by the straight-line method or on another systematic basis.

The Group has applied these exemptions and the practical expedient in recognizing and measuring leases.

○ Borrowing costs

IFRS 1 permits a first-time adopter to begin capitalizing borrowing costs on qualifying assets from the transition date.

The Group has capitalized borrowing costs on qualifying assets incurred on or after the transition date.

○ Designation of previously recognized financial instruments

IFRS 1 permits the designation of equity instruments held at the transition date as financial assets measured at fair value through other comprehensive income, based on the facts and circumstances existing at that date.

The Group determined the designation of financial instruments under IFRS 9 based on the facts and circumstances existing at the transition date, and designated certain equity instruments as financial assets measured at fair value through other comprehensive income.

(2) Mandatory exceptions under IFRS 1

IFRS 1 prohibits retrospective application of IFRS Accounting Standards for certain areas, including “estimates,” “derecognition of financial assets and financial liabilities,” “hedge accounting,” “non-controlling interests,” and “classification and measurement of financial instruments.”

The Group has applied the relevant requirements prospectively from the transition date.

(3) Reconciliations

The reconciliations required to be disclosed under IFRS 1 are presented below. In the reconciliations below, items classified as “Reclassification” refer to those that do not affect retained earnings or comprehensive income, while items classified as “Differences in recognition and measurement” refer to those that do affect retained earnings and comprehensive income.

Under IFRS Accounting Standards, the Company, its subsidiaries, and entities accounted for using equity method are generally not permitted to have different closing dates, except when impracticable. Accordingly, the Group has adjusted its closing dates to align them.

Reconciliations of equity as of April 1, 2023 (transition date)

(Millions of yen)

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS Accounting Standards	Note	Line items under IFRS Accounting Standards
Assets						Assets
Current assets						Current assets
Cash and deposits	383,587	(19,204)	(6,151)	358,231	(a)	Cash and cash equivalents
Notes and accounts receivable, and contract assets	398,630	188,916	9,594	597,142	(b),(i)	Trade and other receivables
Lease receivables and investments in leases	199,841	(199,841)	–	–		
	–	24,952	3,087	28,039	(a),(b)	Other financial assets
Merchandise and finished goods	392,278	221,177	7,401	620,857		Inventories
Work in process	51,294	(51,294)	–	–		
Raw materials and supplies	169,882	(169,882)	–	–		
	–	5,804	–	5,804		Income taxes receivable
Other	109,108	(39,664)	833	70,277		Other current assets
Allowance for doubtful accounts	(2,366)	2,366	–	–	(b)	
Total current assets	1,702,258	(36,670)	14,764	1,680,352		Total current assets
Non-current assets						Non-current assets
Property, plant and equipment	935,664	969	(128,365)	808,267	(d),(k)	Property, plant and equipment
	–	26,227	85,183	111,410	(d),(m)	Right-of-use assets
Intangible assets						
Goodwill	18,010	–	(2,796)	15,213		Goodwill
Other	56,667	9,804	36,622	103,094	(l)	Intangible assets
Investments and other assets						
Investment securities	218,844	(122,513)	5,011	101,342	(e)	Investments accounted for using equity method
	–	160,491	9,103	169,595	(b),(o)	Other financial assets
Long-term loans receivable	1,060	(1,060)	–	–		
Retirement benefit asset	3,161	–	(578)	2,583		Retirement benefit asset
Deferred tax assets	61,956	112	(23,076)	38,992	(p)	Deferred tax assets
Other	50,264	(38,988)	(6,671)	4,604		Other non-current assets
Allowance for doubtful accounts	(1,111)	1,111	–	–	(b)	
Total non-current assets	1,344,518	36,154	(25,566)	1,355,106		Total non-current assets
Total assets	3,046,777	(515)	(10,801)	3,035,459		Total assets

(Millions of yen)

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS Accounting Standards	Note	Line items under IFRS Accounting Standards
Liabilities						Liabilities and equity
Liabilities						Liabilities
Current liabilities						Current liabilities
Notes and accounts payable	496,833	200,487	4,331	701,652	(f)	Trade and other payables
Electronically recorded obligations - operating	66,856	(66,856)	–	–		
Lease obligations	7,610	(278)	14,534	21,866	(m)	Lease liabilities
Income taxes payable	–	7,819	(245)	7,573		Other financial liabilities
Accrued expenses	31,257	(53)	284	31,489		Income taxes payable
Short-term borrowings	115,873	(115,873)	–	–	(f)	
Provision for bonuses	117,880	278	(39)	118,119		Bonds and borrowings
Provision for bonuses for directors	–	29,522	502	30,025	(f)	Provisions
Provision for product warranties	26,824	(26,824)	–	–	(g)	
Deposits received	289	(289)	–	–		
Other	5,439	(5,439)	–	–		
Other	94,905	(26,398)	13,970	82,477	(g),(n)	Other current liabilities
Total current liabilities	968,832	(8,966)	33,338	993,204		Total current liabilities
Non-current liabilities						Non-current liabilities
Bonds payable	80,000	285,563	(352)	365,211		Bonds and borrowings
Long-term borrowings	285,044	(285,044)	–	–		
Lease obligations	22,609	(520)	71,213	93,303	(m)	Lease liabilities
Deferred tax liabilities	–	1,257	1	1,258		Other financial liabilities
Deferred tax liabilities for land revaluation	4,000	–	(2,211)	1,788	(p)	Deferred tax liabilities
Provision for maintenance costs	42,135	–	(42,135)	–	(k)	
Provision for share-based remuneration for directors	5,184	(5,184)	–	–		
Net defined benefit liability	887	(887)	–	–		
Provision for product warranties	94,423	(1,744)	3,689	96,369		Retirement benefit liability
Long-term deposits received	–	42,556	832	43,389		Provisions
Other	5,119	(5,119)	–	–		
Other	2,539	(2,539)	–	–		
Other	25,767	(19,888)	650	6,529	(n)	Other non-current liabilities
Total non-current liabilities	567,712	8,450	31,687	607,850		Total non-current liabilities
Total liabilities	1,536,544	(515)	65,025	1,601,054		Total liabilities
Net assets						Equity
Share capital	40,644	–	–	40,644		Share capital
Capital surplus	42,048	–	726	42,775		Capital surplus
Retained earnings	1,021,771	–	81,313	1,103,085	(q),(t)	Retained earnings
Treasury shares	(3,234)	–	–	(3,234)		Treasury shares
Valuation difference on available-for-sale securities	42,530	164,745	(158,444)	48,831	(k),(o),(q),(r)	Other components of equity
Deferred gains or losses on hedges	204	(204)	–	–		
Revaluation reserve for land	83,952	(83,952)	–	–		
Foreign currency translation adjustment	79,190	(79,190)	–	–		
Remeasurements of defined benefit plans	1,398	(1,398)	–	–		
Non-controlling interests	201,725	–	576	202,301		Total equity attributable to owners of parent
Total net assets	1,510,232	–	(75,827)	1,434,404		Non-controlling interests
Total liabilities and net assets	3,046,777	(515)	(10,801)	3,035,459		Total equity
						Total liabilities and equity

Reconciliations of equity as of March 31, 2024

(Millions of yen)

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS Accounting Standards	Note	Line items under IFRS Accounting Standards
Assets						Assets
Current assets						Current assets
Cash and deposits	400,786	(37,508)	4,037	367,315	(a)	Cash and cash equivalents
Notes and accounts receivable, and contract assets	420,702	200,229	15,551	636,482	(b),(i)	Trade and other receivables
Lease receivables and investments in leases	223,370	(223,370)	–	–		
	–	23,657	(1,294)	22,362	(a),(b)	Other financial assets
Merchandise and finished goods	445,692	212,855	4,111	662,659		Inventories
Work in process	72,096	(72,096)	–	–		
Raw materials and supplies	153,970	(153,970)	–	–		
	–	6,327	–	6,327		Income taxes receivable
Other	103,920	(40,140)	1,403	65,184		Other current assets
Allowance for doubtful accounts	(2,970)	2,970	–	–	(b)	
	–	122,841	(29,889)	92,951	(c),(j)	Assets held for sale
Total current assets	1,817,568	41,795	(6,080)	1,853,283		Total current assets
Non-current assets						Non-current assets
Property, plant and equipment	975,694	(61,967)	(128,372)	785,354	(d),(k)	Property, plant and equipment
	–	25,847	83,724	109,572	(d),(m)	Right-of-use assets
Intangible assets						
Goodwill	15,836	–	(623)	15,213		Goodwill
Other	73,748	(53)	38,285	111,979	(l)	Intangible assets
Investments and other assets						
Investment securities	283,581	(190,783)	6,793	99,591	(e)	Investments accounted for using equity method
	–	228,939	1,050	229,989	(b),(o)	Other financial assets
Long-term loans receivable	1,028	(1,028)	–	–		
Retirement benefit asset	3,785	–	5,230	9,015		Retirement benefit asset
Deferred tax assets	44,271	(24)	(1,332)	42,915	(p)	Deferred tax assets
Other	49,309	(44,964)	278	4,623		Other non-current assets
Allowance for doubtful accounts	(1,823)	1,823	–	–	(b)	
Total non-current assets	1,445,432	(42,211)	5,033	1,408,254		Total non-current assets
Total assets	3,263,001	(415)	(1,047)	3,261,538		Total assets

(Millions of yen)

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS Accounting Standards	Note	Line items under IFRS Accounting Standards
Liabilities						Liabilities and equity
Current liabilities						Liabilities
Notes and accounts payable	476,578	195,914	9,667	682,160	(f)	Current liabilities
Electronically recorded obligations - operating	75,542	(75,542)	–	–		Trade and other payables
Lease obligations	8,977	(932)	17,135	25,180	(m)	Lease liabilities
Income taxes payable	–	8,705	(27)	8,678		Other financial liabilities
Accrued expenses	32,533	(417)	(505)	31,611		Income taxes payable
Short-term borrowings	140,704	(140,704)	–	–	(f)	
Provision for bonuses	204,590	(11,841)	28	192,777		Bonds and borrowings
Provision for bonuses for directors	–	38,121	1,457	39,579	(f)	Provisions
Provision for product warranties	30,248	(30,248)	–	–	(g)	
Deposits received	316	(316)	–	–		
Other	6,618	(6,618)	–	–		
Other	6,313	(6,313)	–	–		
Other	100,719	(29,960)	15,777	86,536	(g),(n)	Other current liabilities
	–	59,081	22,653	81,734	(c),(s)	Liabilities directly associated with assets held for sale
Total current liabilities	1,083,144	(1,071)	66,187	1,148,259		Total current liabilities
Non-current liabilities						Non-current liabilities
Bonds payable	80,000	239,199	(204)	318,995		Bonds and borrowings
Long-term borrowings	239,266	(239,266)	–	–		
Lease obligations	23,987	(1,644)	67,831	90,174	(m)	Lease liabilities
Deferred tax liabilities	–	1,198	0	1,199		Other financial liabilities
Deferred tax liabilities for land revaluation	1,408	(265)	19,424	20,567	(p)	Deferred tax liabilities
Provision for maintenance costs	42,135	–	(42,135)	–	(k)	
Provision for share-based remuneration for directors	3,184	(3,184)	–	–		
Net defined benefit liability	1,517	(1,517)	–	–		
Provision for product warranties	86,292	(7,251)	9,627	88,668		Retirement benefit liability
Long-term deposits received	–	49,175	1,235	50,410		Provisions
Other	7,898	(7,898)	–	–		
Other	2,502	(2,502)	–	–		
Other	32,632	(25,384)	279	7,527	(n)	Other non-current liabilities
Total non-current liabilities	520,827	656	56,059	577,543		Total non-current liabilities
Total liabilities	1,603,972	(415)	122,246	1,725,803		Total liabilities
Net assets						Equity
Share capital	40,644	–	–	40,644		Share capital
Capital surplus	43,304	–	1,078	44,383		Capital surplus
Retained earnings	1,132,211	–	80,822	1,213,034	(q),(t)	Retained earnings
Treasury shares	(53,133)	–	–	(53,133)		Treasury shares
Valuation difference on available-for-sale securities	82,646	213,391	(160,654)	135,382	(k),(o),(q),(r)	Other components of equity
Deferred gains or losses on hedges	(60)	60	–	–		
Revaluation reserve for land	83,952	(83,952)	–	–		
Foreign currency translation adjustment	123,830	(123,830)	–	–		
Remeasurements of defined benefit plans	7,299	(7,299)	–	–		
	–	1,630	–	1,630		Accumulated other comprehensive income associated with assets held for sale
Non-controlling interests	198,333	–	(44,540)	153,792	(s)	Total equity attributable to owners of parent
Total net assets	1,659,029	–	(123,293)	1,535,735		Non-controlling interests
Total liabilities and net assets	3,263,001	(415)	(1,047)	3,261,538		Total equity
						Total liabilities and equity

Notes on reconciliations of equity

(1) Reclassification

The main reclassifications are as follows:

(a) Reclassification of cash and deposits

Time deposits with deposit terms of more than three months, which were included in “Cash and deposits” under Japanese GAAP, have been reclassified to “Other financial assets (current)” under IFRS Accounting Standards.

(b) Reclassification of allowance for doubtful accounts

“Allowance for doubtful accounts (current),” which was presented separately under Japanese GAAP, has been reclassified under IFRS Accounting Standards to be presented on a net basis by directly deducting it from “Trade and other receivables” and “Other financial assets (current).” Similarly, “Allowance for doubtful accounts (non-current)” has been reclassified to be presented on a net basis by directly deducting it from “Other financial assets (non-current).”

(c) Assets held for sale and liabilities directly associated with assets held for sale

Under IFRS Accounting Standards, non-current assets or disposal groups held for sale are reclassified as “Assets held for sale” and “Liabilities directly associated with assets held for sale.”

(d) Right-of-use assets

Leased assets, which were included in “Property, plant and equipment” under Japanese GAAP, have been reclassified as “Right-of-use assets” under IFRS Accounting Standards.

(e) Investments accounted for using equity method

“Investments accounted for using equity method,” which was included in “Investment securities” under Japanese GAAP, has been presented separately under IFRS Accounting Standards.

(f) Trade and other payables and provisions

Under Japanese GAAP, “Accrued expenses” was presented separately. However, under IFRS Accounting Standards, accrued expenses excluding obligations related to field measures (recalls, etc.) are primarily reclassified into “Trade and other payables.” Obligations related to field measures (recalls, etc.) have been reclassified to “Provisions” under IFRS Accounting Standards.

(g) Other current liabilities

“Provision for bonuses,” which was presented separately under Japanese GAAP, has been reclassified into “Other current liabilities” under IFRS Accounting Standards.

(2) Adjustments to recognition and measurement

The main adjustments to recognition and measurement are as follows:

(h) Unification of closing dates

Certain subsidiaries with a closing date of December 31 on the transition date were consolidated using their financial statements as of December 31 under Japanese GAAP. However, under IFRS Accounting Standards, these subsidiaries are now subject to a provisional closing as of March 31, the Group’s consolidated closing date, before consolidation.

(i) Adjustments to trade and other receivables

Under Japanese GAAP, in a finance lease involving a manufacturer or dealer lessor, a receivable was recognized when lease payments became due. Under IFRS Accounting Standards, a receivable is recognized at the commencement date of the lease.

- (j) Adjustments related to assets held for sale
- Under IFRS Accounting Standards, disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.
- (k) Adjustments to carrying amounts of property, plant and equipment
- The cost model has been adopted for the valuation of non-current assets at the transition date. As a result, the land revaluation performed under Japanese GAAP has been reversed, and the land is measured at acquisition cost. Additionally, for certain items of property, plant and equipment, the Group has applied the exemption for first-time adoption under IFRS Accounting Standards, measuring them at deemed cost.
- (l) Capitalized development costs
- Under Japanese GAAP, all research and development costs were expensed as incurred. However, under IFRS Accounting Standards, those costs that meet specific criteria are capitalized as “Intangible assets.”
- (m) Adjustments to carrying amounts of right-of-use assets and lease liabilities
- Under Japanese GAAP, leases by lessees were classified as either finance leases or operating leases. Operating leases were accounted for in a manner similar to ordinary rental transactions. Under IFRS Accounting Standards, there is no distinction between finance leases and operating leases for lessees. Therefore, in principle, lessees recognize “Right-of-use assets” and “Lease liabilities” for all lease transactions.
- (n) Unused paid leave and other long-term employee benefits
- Under Japanese GAAP, accounting treatment was not required for unused paid leave and other long-term employee benefits. However, under IFRS Accounting Standards, these are recognized as either “Other current liabilities” or “Other non-current liabilities.”
- (o) Fair value measurement of unlisted equity securities
- Under Japanese GAAP, unlisted equity securities, etc. were recorded based on acquisition cost, and impairment losses were recognized as necessary in response to a deterioration in the issuer’s financial condition. However, under IFRS Accounting Standards, such securities are measured at fair value, and the resulting differences are recognized in “Other comprehensive income.”
- (p) Deferred tax assets and deferred tax liabilities
- Upon the adoption of IFRS Accounting Standards, the recoverability of all deferred tax assets has been reassessed. In addition, “Deferred tax assets” or “Deferred tax liabilities” have been recognized for temporary differences arising from adjustments made in transitioning from Japanese GAAP to IFRS Accounting Standards.
- (q) Reclassification of cumulative translation differences related to foreign operations
- Upon the first-time adoption of IFRS Accounting Standards, the Group elected to apply the exemption provided in IFRS 1, reclassifying all cumulative translation differences related to foreign operations at the transition date to “Retained earnings”.
- (r) Retirement benefits
- Under Japanese GAAP, actuarial gains and losses on retirement benefits were recognized in other comprehensive income when incurred. The amounts allocated using either the straight-line method over a fixed number of years within the employees’ average remaining service period, or the declining-balance method were recognized in profit or loss from the following fiscal year. Under IFRS Accounting Standards, remeasurements of defined benefit plans are recognized in full in other comprehensive income when incurred and are immediately reclassified to retained earnings.
- Under Japanese GAAP, past service costs were recognized in other comprehensive income when incurred, and the amounts allocated using the straight-line method over a fixed number of years within the employees’ average remaining service period were recognized in profit or loss

starting from the fiscal year in which they arose. Under IFRS Accounting Standards, past service costs are recognized in profit or loss when incurred.

(s) Obligation to purchase fractional shares resulting from a share consolidation

As a result of the share consolidation of former IJTT Co., Ltd., a consolidated subsidiary of the Company, in March 2024, if a shareholder holding fractional shares resulting from the consolidation makes a request in accordance with applicable laws and regulations, the Group is obligated to purchase such fractional shares. Accordingly, under IFRS Accounting Standards, the Group derecognizes the non-controlling interests corresponding to the fractional shares and recognizes a financial liability at the present value of the amount to be paid to fulfill the obligation. As the assets and liabilities related to former IJTT Co., Ltd. and its subsidiaries have been classified as disposal groups held for sale, the financial liability is presented under “Liabilities directly associated with assets held for sale.”

(t) Adjustments to retained earnings (net of tax effect)

(Millions of yen)

	As of April 1, 2023 (transition date)	As of March 31, 2024
(j) Adjustments related to assets held for sale	–	(6,244)
(k) Adjustments to carrying amounts of property, plant and equipment	(5,999)	(5,988)
(l) Capitalized development costs	22,146	23,461
(n) Unused paid leave and other long-term employee benefits	(10,091)	(10,033)
(q) Reclassification of cumulative translation differences related to foreign operations	79,190	79,190
(r) Retirement benefits	1,398	7,299
Other	(5,330)	(6,862)
Total	81,313	80,822

Reconciliation of profit or loss and comprehensive income for FY2024 (Fiscal year ended March 31, 2024)

Items in the consolidated statement of profit or loss

(Millions of yen)

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS Accounting Standards	Note	Line items under IFRS Accounting Standards
Net sales	3,386,676	85	17,871	3,404,633	(b)	Revenue
Cost of sales	2,706,443	(13,833)	16,503	2,709,113	(b)	Cost of sales
Gross profit	680,233	13,918	1,368	695,520		Gross profit
Selling, general and administrative expenses	387,147	13,652	(2,748)	398,051	(c)	Selling, general and administrative expenses
	–	8,304	554	8,858	(a)	Other income
	–	18,035	6,650	24,685	(a),(d)	Other expenses
Operating profit	293,085	(9,465)	(1,978)	281,641		Operating profit
Non-operating income	31,789	(31,789)	–	–	(a)	
Non-operating expenses	11,835	(11,835)	–	–	(a)	
Ordinary profit	313,039	(29,419)	(1,978)	–		
Extraordinary income	5,526	(5,526)	–	–	(a)	
Extraordinary losses	12,974	(12,974)	–	–	(a)	
	–	26,422	(5,551)	20,871	(a),(e)	Finance income
	–	7,077	429	7,507	(a),(e)	Finance costs
	–	2,657	(365)	2,291	(a)	Share of profit of investments accounted for using equity method
Profit before income taxes	305,591	30	(8,324)	297,297		Profit before tax
Total Income taxes	84,235	30	(2,011)	82,254		Income tax expense
Profit	221,356	–	(6,313)	215,042		Profit
Profit attributable to owners of parent	176,442	–	(7,445)	168,996		Profit attributable to owners of parent
Profit attributable to non-controlling interests	44,913	–	1,132	46,046		Profit attributable to non-controlling interests

Items in the consolidated statement of comprehensive income

(Millions of yen)

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS Accounting Standards	Note	Line items under IFRS Accounting Standards
Profit	221,356	–	(6,313)	215,042		Profit
Other comprehensive income						Other comprehensive income
						Items that will not be reclassified to profit or loss
						Net change in fair value of financial assets measured at fair value through other comprehensive income
Valuation difference on available-for-sale securities	40,429	–	2,265	42,694	(e)	
Remeasurements of defined benefit plans, net of tax	5,977	–	518	6,496	(f)	
	–	153	(17)	136		Share of other comprehensive income of investments accounted for using equity method
						Items that may be reclassified to profit or loss
Foreign currency translation adjustment	52,350	3,091	3,166	58,608	(g)	Exchange differences on translation of foreign operations
Deferred gains or losses on hedges	(265)	–	–	(265)		Cash flow hedges
Share of other comprehensive income of entities accounted for using equity method	3,245	(3,245)	–	–		
Total other comprehensive income	101,737	–	5,933	107,670		Other comprehensive income, net of tax
Comprehensive income	323,093	–	(380)	322,713		Comprehensive income
Comprehensive income attributable to owners of the parent	266,834	–	(2,137)	264,696		Comprehensive income attributable to owners of parent
Comprehensive income attributable to non-controlling interests	56,259	–	1,757	58,016		Comprehensive income attributable to non-controlling interests

Notes on reconciliation of profit or loss and comprehensive income

(1) Reclassification

(a) Adjustments to line items

Among items that were presented under “Non-operating income,” “Non-operating expenses,” “Extraordinary income,” and “Extraordinary losses” under Japanese GAAP, finance-related gains and losses are classified as “Finance income” and “Finance costs” under IFRS Accounting Standards. Other items are classified based on their function and presented under headings such as “Other income,” “Other expenses,” and “Share of profit of investments accounted for using equity method.”

(2) Adjustments to recognition and measurement

(b) Adjustments to net sales and cost of sales

For lease income for finance leases in which the entity acts as a manufacturer or dealer lessor, under Japanese GAAP, “Net sales” and “Cost of sales” were recognized when lease payments were received. However, under IFRS Accounting Standards, “Revenue” and “Cost of sales” are recognized at the commencement date of the lease.

Under Japanese GAAP, all research and development costs were expensed as incurred. However, under IFRS Accounting Standards, those costs that meet specific criteria are capitalized as “Intangible assets.”

(c) Adjustments to selling, general and administrative expenses

Under Japanese GAAP, goodwill was amortized. However, under IFRS Accounting Standards, it is not amortized.

(d) Adjustments related to other expenses

For disposal groups held for sale, under IFRS Accounting Standards, these are measured at the lower of carrying amount and fair value less costs to sell. Losses recognized due to measurement at fair value are recorded accordingly.

(e) Adjustments related to finance income and finance costs

Under Japanese GAAP, gains and losses on the sale and impairment losses of equity instruments were recognized in profit or loss. However, under IFRS Accounting Standards, for equity instruments designated to be measured at fair value through other comprehensive income, changes in fair value are recognized in other comprehensive income and reclassified to retained earnings upon derecognition or when the fair value declines significantly.

(f) Retirement benefits

Under Japanese GAAP, actuarial gains and losses on retirement benefits were recognized in other comprehensive income when incurred. The amounts allocated using either the straight-line method over a fixed number of years within the employees’ average remaining service period, or the declining-balance method were recognized in profit or loss from the following fiscal year. Under IFRS Accounting Standards, remeasurements of defined benefit plans are recognized in full in other comprehensive income when incurred and are immediately reclassified to retained earnings.

Under Japanese GAAP, past service costs were recognized in other comprehensive income when incurred, and the amounts allocated using the straight-line method over a fixed number of years within the employees’ average remaining service period were recognized in profit or loss starting from the fiscal year in which they arose. Under IFRS Accounting Standards, past service costs are recognized in profit or loss when incurred.

(g) Adjustments related to exchange differences on translation of foreign operations

The amount of exchange differences on translation of foreign operations has changed as a result of various adjustments made in the transition from Japanese GAAP to IFRS Accounting Standards.

Reconciliation of cash flows for FY2024 (Fiscal year ended March 31, 2024)

○ Reclassification of capitalized expenditures related to research and development

Under Japanese GAAP, research and development costs were classified and presented as “Cash flows from operating activities.” However, under IFRS Accounting Standards, capitalized expenditures related to research and development are classified and presented as “Cash flows from investing activities.”

○ Reclassification related to operating leases

Under Japanese GAAP, lease payments for operating lease transactions were classified and presented as “Cash flows from operating activities.” However, under IFRS Accounting Standards, lease liabilities are recognized, and the repayments of those liabilities are classified and presented as “Cash flows from financing activities.”

○ Reclassification related to interest income and dividends income, and interest expenses

Under Japanese GAAP, interest received and dividend received, as well as interest paid were classified as “Cash flows from operating activities.” However, under IFRS Accounting Standards, from the perspective of reflecting the substance of the transactions more appropriately, interest received and dividend received are classified and presented as “Cash flows from investing activities,” while interest paid are classified and presented as “Cash flows from financing activities.”

2. Supplementary Information

(1) Revenue Condition

Consolidated revenue results

	FY2024 (Fiscal year ended March 31, 2024)		FY2025 (Fiscal year ended March 31, 2025)		Change	
	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
Japan	33,931	389,900	39,301	475,890	5,370	85,989
North America	5,289	50,578	2,965	36,297	(2,324)	(14,280)
Asia	25,694	162,069	19,958	117,663	(5,736)	(44,406)
others	27,998	205,718	30,343	232,678	2,345	26,960
Overseas	58,981	418,366	53,266	386,640	(5,715)	(31,726)
HD/MD CV	92,912	808,266	92,567	862,530	(345)	54,263
Japan	29,001	133,830	38,166	184,561	9,165	50,730
North America	38,299	264,915	24,013	189,225	(14,286)	(75,690)
Asia	70,089	109,434	54,160	110,263	(15,929)	828
others	76,058	217,333	85,377	258,527	9,319	41,194
Overseas	184,446	591,684	163,550	558,016	(20,896)	(33,667)
LD CV	213,447	725,514	201,716	742,577	(11,731)	17,063
North America	-	-	-	-	-	-
Asia	157,829	381,368	64,845	206,315	(92,984)	(175,052)
others	201,703	613,891	164,105	533,782	(37,598)	(80,109)
Overseas	359,532	995,260	228,950	740,098	(130,582)	(255,161)
LCV	359,532	995,260	228,950	740,098	(130,582)	(255,161)
Japan	62,932	523,730	77,467	660,451	14,535	136,720
North America	43,588	315,493	26,978	225,523	(16,610)	(89,970)
Asia	253,612	652,873	138,963	434,242	(114,649)	(218,630)
others	305,759	1,036,943	279,825	1,024,988	(25,934)	(11,954)
Overseas	602,959	2,005,310	445,766	1,684,754	(157,193)	(320,555)
Total vehicles	665,891	2,529,040	523,233	2,345,206	(142,658)	(183,834)

	FY2024 (Fiscal year ended March 31, 2024)		FY2025 (Fiscal year ended March 31, 2025)		Change	
	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
Japan	–	64,823	–	52,944	–	(11,878)
North America	–	12,304	–	8,131	–	(4,172)
Asia	–	31,444	–	41,501	–	10,057
others	–	4,337	–	2,830	–	(1,507)
Overseas	–	48,086	–	52,464	–	4,378
Industrial Engines	–	112,909	–	105,408	–	(7,500)
Japan	–	541,966	–	561,987	–	20,021
North America	–	45,325	–	45,560	–	235
Asia	–	86,159	–	79,112	–	(7,047)
others	–	89,232	–	98,373	–	9,141
Overseas	–	220,717	–	223,046	–	2,328
Other	–	762,683	–	785,033	–	22,350
Japan	–	1,130,519	–	1,275,383	–	144,863
North America	–	373,123	–	279,215	–	(93,907)
Asia	–	770,477	–	554,856	–	(215,620)
others	–	1,130,513	–	1,126,193	–	(4,320)
Overseas	–	2,274,114	–	1,960,265	–	(313,848)
Revenue amount	–	3,404,633	–	3,235,648	–	(168,984)

- Notes:
1. CV and LCV stand for commercial vehicles (trucks and buses) and pickup trucks and variant models, respectively.
 2. Overseas revenue and unit represent the revenue and unit raised by the Company and its consolidated subsidiaries in countries and regions other than Japan.
 3. The classification of countries and regions is determined by the degree of geographical proximity.
 4. Major countries and regions in each category:
 - (1) North America: USA
 - (2) Asia: Thailand, China, Indonesia and the Philippines
 - (3) Other regions: Australia, Saudi Arabia, Mexico, UAE and Colombia