

FY2017 Consolidated Financial Results<IFRS>
(April 1, 2016 - March 31, 2017)

TOYOTA INDUSTRIES CORPORATION

Stock exchange listings: Tokyo and Nagoya (Code number: 6201) (URL: <https://www.toyota-industries.com/>)

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(Amounts less than one million yen are omitted)

1. Financial Highlights for FY2017 (April 1, 2016 - March 31, 2017)

(1) Consolidated Financial Results

(% : changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Profit before income taxes		Profit		Profit attributable to owners of the parent		Comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2017	1,675,148	(1.3)	127,345	(7.1)	181,986	(4.9)	137,565	(31.2)	131,398	(32.4)	202,743	—
FY2016	1,696,856	—	137,026	—	191,386	—	199,956	—	194,270	—	(253,021)	—

	Earnings per share—basic	Earnings per share—diluted	Return on equity attributable to owners of the parent	Profit before tax to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
FY2017	420.78	—	6.1	4.1	7.6
FY2016	618.34	618.33	8.7	4.2	8.1

(Note) Equity in net profit of affiliates: FY2017 — 974 million yen, FY2016 — 632 million yen

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Percentage of equity attributable to owners of the parent	Equity attributable to owners of the parent per share
	Million yen	Million yen	Million yen	%	Yen
FY2017	4,558,212	2,316,467	2,240,293	49.1	7,215.37
FY2016	4,317,282	2,169,313	2,098,658	48.6	6,678.80

(3) Consolidated Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of year
	Million yen	Million yen	Million yen	Million yen
FY2017	239,094	(86,925)	789	243,685
FY2016	248,049	(532,238)	124,495	92,399

2. Cash Dividends

	Annual cash dividends per share					Total amount of annual cash dividends	Dividend payout ratio	Dividend on equity attributable to owners of the parent
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2016	—	60.00	—	60.00	120.00	37,703	19.4	1.7
FY2017	—	60.00	—	65.00	125.00	38,937	29.7	1.8
FY2018 (Forecast)	—	65.00	—	65.00	130.00		31.0	

3. Forecasts of Consolidated Financial Results for FY2018 (April 1, 2017 - March 31, 2018)

(% : changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Earnings per share—basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2018 Second Quarter (accum.)	900,000	—	72,000	—	100,000	—	72,000	—	231.89
FY2018	1,850,000	10.4	135,000	6.0	188,000	3.3	130,000	(1.1)	418.69

Notes

- (1) The company adopts International Financial Reporting Standards (IFRS) beginning with the consolidated financial statements in the securities report for the fiscal year ended March 31, 2017.
- (2) The consolidated financial results and the supplementary information are voluntary disclosures that provides selected financial data based on IFRS for the fiscal year ended March 31, 2017.
- (3) The Company previously disclosed the consolidated financial results based on Japanese GAAP for the fiscal year ended March 31, 2017 on April 28, 2017.
- (4) The consolidated financial results contain projections of performance and other projections that were made based on information currently available and certain assumptions judged to be reasonable. There is a possibility that diverse factors may cause actual performance, etc. to differ materially from the projections.

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1. Consolidated Financial Reports

(1) Consolidated Statement of Financial Position

(Millions of yen)

	Transition date (April 1, 2015)	FY2016 (As of March 31, 2016)	FY2017 (As of March 31, 2017)
Assets			
Current assets			
Cash and cash equivalents	248,706	92,399	243,685
Trade receivables and other receivables	475,415	624,240	646,542
Other financial assets	92,189	273,410	174,301
Inventories	192,947	195,982	194,427
Income tax receivables	8,640	7,170	21,106
Other current assets	37,926	38,958	42,356
Total current assets	1,055,825	1,232,161	1,322,420
Non-current assets			
Property, plant and equipment	740,171	815,399	833,329
Goodwill and intangible assets	203,042	189,207	185,813
Trade receivables and other receivables	999	1,005	149
Investments accounted for by the equity method	14,332	13,593	8,673
Other financial assets	2,677,218	2,028,284	2,161,509
Net defined benefit assets	22,283	11,651	18,129
Deferred tax assets	31,812	22,599	23,800
Other non-current assets	3,729	3,379	4,386
Total non-current assets	3,693,589	3,085,121	3,235,791
Total assets	4,749,415	4,317,282	4,558,212

(Millions of yen)

	Transition date (April 1, 2015)	FY2016 (As of March 31, 2016)	FY2017 (As of March 31, 2017)
Liabilities and Equity			
Liabilities			
Current liabilities			
Trade payables and other payables	354,643	355,882	387,333
Corporate bonds and loans	146,789	190,844	311,663
Other financial liabilities	138,667	75,440	71,807
Accrued income taxes	15,225	48,051	11,163
Provisions	5,653	9,336	7,397
Other current liabilities	19,072	20,186	21,237
Total current liabilities	680,051	699,741	810,603
Non-current liabilities			
Corporate bonds and loans	625,382	711,424	665,890
Other financial liabilities	121,632	106,248	79,375
Net defined benefit liabilities	88,062	88,942	92,552
Provisions	6,245	6,888	6,479
Deferred tax liabilities	756,584	517,854	567,803
Other non-current liabilities	14,927	16,868	19,039
Total non-current liabilities	1,612,834	1,448,227	1,431,140
Total liabilities	2,292,886	2,147,969	2,241,744
Equity			
Share of equity attributable to owners of the parent			
Capital stock	80,462	80,462	80,462
Capital surplus	105,592	105,517	105,417
Retained earnings	705,521	855,317	954,503
Treasury stock	(41,509)	(41,266)	(59,272)
Other components of shareholders' equity	1,541,262	1,098,627	1,159,181
Total share of equity attributable to owners of the parent	2,391,330	2,098,658	2,240,293
Non-controlling interests	65,198	70,655	76,174
Total equity	2,456,528	2,169,313	2,316,467
Total liabilities and equity	4,749,415	4,317,282	4,558,212

(2) Consolidated Statement of Profit or Loss / Consolidated Statement of Comprehensive Income

Consolidated Statement of Profit or Loss

(Millions of yen)

	FY2016 (April 1, 2015 - March 31, 2016)	FY2017 (April 1, 2016 - March 31, 2017)
Net sales	1,696,856	1,675,148
Cost of sales	(1,291,859)	(1,278,378)
Gross profit	404,997	396,769
Selling, general and administrative expenses	(266,894)	(268,354)
Other profit	10,879	11,411
Other expenses	(11,956)	(12,480)
Operating profit	137,026	127,345
Financial income	67,264	63,734
Financial expenses	(13,536)	(10,067)
Share of profit (loss) of investments accounted for by the equity method	632	974
Profit before income taxes	191,386	181,986
Income taxes	(52,865)	(44,420)
Profit from continuing operations	138,521	137,565
Profit from discontinued operations	61,435	—
Profit	199,956	137,565
Profit attributable to:		
Owners of the parent	194,270	131,398
Non-controlling interests	5,685	6,167
Earnings per share		
Basic:		
Continuing operations	422.80	420.78
Discontinued operations	195.54	—
Earnings per share— basic (yen)	618.34	420.78
Diluted:		
Continuing operations	422.79	—
Discontinued operations	195.54	—
Earnings per share— diluted (yen)	618.33	—

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2016 (April 1, 2015 - March 31, 2016)	FY2017 (April 1, 2016 - March 31, 2017)
Profit	199,956	137,565
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Profit (loss) from FVTOCI financial assets	(409,198)	77,802
Remeasurements of defined benefit plans	(7,022)	4,862
Other comprehensive income of affiliates accounted for by the equity method	(18)	21
Total items not to be reclassified into profit or loss	(416,239)	82,686
Items that can be reclassified into profit or loss		
Foreign currency translation adjustment	(35,492)	(18,913)
Cash flow hedges	(556)	1,242
Other comprehensive income of affiliates accounted for by the equity method	(689)	162
Total items that can be reclassified into profit or loss	(36,737)	(17,509)
Total other comprehensive income	(452,977)	65,177
Comprehensive income	(253,021)	202,743
Total comprehensive income attributable to:		
Owners of the parent		
Continuing operations	(316,549)	197,355
Discontinued operations	61,475	—
Total owners of the parent	(255,074)	197,355
Non-controlling interests	2,053	5,387

(3) Consolidated Statement of Changes in Equity

(Millions of yen)

	Share of equity attributable to owners of the parent					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of shareholders' equity	
					Profit (loss) from FVTOCI financial assets	Remeasurements of defined benefit plans
Balance at April 1, 2015	80,462	105,592	705,521	(41,509)	1,541,869	—
Profit	—	—	194,270	—	—	—
Other comprehensive income	—	—	—	—	(409,158)	(6,830)
Total comprehensive income	—	—	194,270	—	(409,158)	(6,830)
Repurchase of treasury stock	—	—	—	(20)	—	—
Disposal of treasury stock	—	(30)	—	263	—	—
Dividends	—	—	(37,699)	—	—	—
Changes in ownership interest of subsidiaries	—	(44)	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(6,774)	—	(56)	6,830
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	(75)	(44,474)	242	(56)	6,830
Balance at March 31, 2016	80,462	105,517	855,317	(41,266)	1,132,655	—
Profit	—	—	131,398	—	—	—
Other comprehensive income	—	—	—	—	77,521	4,811
Total comprehensive income	—	—	131,398	—	77,521	4,811
Repurchase of treasury stock	—	(36)	—	(18,011)	—	—
Disposal of treasury stock	—	(0)	—	5	—	—
Dividends	—	—	(37,609)	—	—	—
Changes in ownership interest of subsidiaries	—	(62)	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	5,395	—	(584)	(4,811)
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	(99)	(32,213)	(18,005)	(584)	(4,811)
Balance at March 31, 2017	80,462	105,417	954,503	(59,272)	1,209,592	—

(Millions of yen)

	Share of equity attributable to owners of the parent					Non-controlling interests	Total equity
	Other components of shareholders' equity				Total		
	Foreign currency translation adjustment	Cash flow hedges	Subscription rights to shares	Total			
Balance at April 1, 2015	—	(679)	72	1,541,262	2,391,330	65,198	2,456,528
Profit	—	—	—	—	194,270	5,685	199,956
Other comprehensive income	(32,799)	(556)	—	(449,344)	(449,344)	(3,632)	(452,977)
Total comprehensive income	(32,799)	(556)	—	(449,344)	(255,074)	2,053	(253,021)
Repurchase of treasury stock	—	—	—	—	(20)	—	(20)
Disposal of treasury stock	—	—	—	—	232	—	232
Dividends	—	—	—	—	(37,699)	(1,670)	(39,369)
Changes in ownership interest of subsidiaries	—	—	—	—	(44)	117	72
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	5,059	5,059
Reclassified into retained earnings	—	—	—	6,774	—	—	—
Other increases (decreases)	—	—	(65)	(65)	(65)	(103)	(168)
Total transactions with owners	—	—	(65)	6,709	(37,597)	3,403	(34,193)
Balance at March 31, 2016	(32,799)	(1,235)	6	1,098,627	2,098,658	70,655	2,169,313
Profit	—	—	—	—	131,398	6,167	137,565
Other comprehensive income	(17,618)	1,242	—	65,957	65,957	(779)	65,177
Total comprehensive income	(17,618)	1,242	—	65,957	197,355	5,387	202,743
Repurchase of treasury stock	—	—	—	—	(18,048)	—	(18,048)
Disposal of treasury stock	—	—	—	—	5	—	5
Dividends	—	—	—	—	(37,609)	(2,290)	(39,899)
Changes in ownership interest of subsidiaries	—	—	—	—	(62)	30	(31)
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	30	30
Reclassified into retained earnings	—	—	—	(5,395)	—	—	—
Other increases (decreases)	—	—	(6)	(6)	(6)	2,360	2,354
Total transactions with owners	—	—	(6)	(5,402)	(55,721)	131	(55,589)
Balance at March 31, 2017	(50,417)	6	—	1,159,181	2,240,293	76,174	2,316,467

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY2016 (April 1, 2015 - March 31, 2016)	FY2017 (April 1, 2016 - March 31, 2017)
Cash flows from operating activities:		
Profit before income taxes	191,386	181,986
Profit before income taxes from discontinued operations	93,025	—
Depreciation and amortization	143,836	148,957
Impairment losses	2,034	2,136
Interest and dividends income	(66,367)	(62,862)
Interest expenses	10,588	8,111
Share of profit (loss) of investments accounted for by the equity method	(632)	(974)
Inventories	(7,602)	(3,010)
Increase (decrease) in trade receivables and other receivables	(25,448)	(16,249)
Increase (decrease) in trade payables and other payables	9,189	28,589
Others	(112,404)	(16,772)
Subtotal	237,607	269,912
Interest and dividends income received	66,364	63,186
Interest expenses paid	(10,401)	(8,374)
Income taxes paid	(45,521)	(85,630)
Net cash provided by operating activities	248,049	239,094
Cash flows from investing activities:		
Payments for purchases of property, plant and equipment	(150,598)	(164,225)
Proceeds from sales of property, plant and equipment	10,044	10,167
Payments for purchases of investment securities	(716)	(30,612)
Proceeds from sales of investment securities	375	7,591
Payments for acquisition of subsidiaries' stock resulting in change in scope of consolidation	(9,717)	(2,855)
Proceeds from sales of subsidiaries' stock resulting in change in scope of consolidation	140,097	—
Payments for loans made	(570)	(607)
Proceeds from collection of loans	914	958
Payments for bank deposits	(358,634)	(373,122)
Proceeds from withdrawals of bank deposits	120,735	480,742
Payments for transfer of business	(277,643)	(3,269)
Others	(6,523)	(11,691)
Net cash used in investing activities	(532,238)	(86,925)

(Millions of yen)

	FY2016 (April 1, 2015 - March 31, 2016)	FY2017 (April 1, 2016 - March 31, 2017)
Cash flows from financing activities:		
Payments for acquisition of subsidiaries' stock not resulting in change in scope of consolidation	(155)	(131)
Proceeds from sales of subsidiaries' stock not resulting in change in scope of consolidation	524	463
Net Increase (decrease) in short-term loans (within three months)	23,839	16,384
Proceeds from short-term loans payable	127,110	36,921
Repayments of short-term loans payable	(68,105)	(114,087)
Proceeds from long-term loans payable	153,980	63,242
Repayments of long-term loans payable	(38,574)	(36,084)
Proceeds from issuance of corporate bonds	25,481	80,068
Repayments of corporate bonds	(46,965)	(20,000)
Payments for repurchase of treasury stock	(20)	(18,048)
Cash dividends paid	(37,699)	(37,609)
Cash dividends paid to non-controlling interests	(1,670)	(2,290)
Proceeds from payments by non-controlling interests	102	2,245
Others	(13,352)	29,714
Net cash provided by (used in) financing activities	124,495	789
Translation adjustments of cash and cash equivalents	3,386	(1,672)
Net increase (decrease) in cash and cash equivalents	(156,307)	151,286
Cash and cash equivalents at beginning of period	248,706	92,399
Cash and cash equivalents at end of period	92,399	243,685

(5) Note on Consolidated Financial Statements

(Segment Information)

Transition date (April 1, 2015)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Elimination (Note 2)	Consolidated
Segment assets	576,013	1,041,977	64,060	357,894	2,039,946	2,709,469	4,749,415

(Notes) 1. "Others" represents businesses not included in the above reporting segments.

2. Breakdown of elimination

"Elimination" for "Segment assets" includes corporate assets. Corporate assets mainly consist of the Company's cash and deposits as well as investment securities.

FY2016 (April 1, 2015- March 31, 2016)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Elimination (Note 2)	Consolidated (Note 3)
Sales							
Outside customer sales	556,505	1,019,438	65,684	55,228	1,696,856	—	1,696,856
Inter-segment transactions	25,162	2,450	224	23,750	51,588	(51,588)	—
Total	581,668	1,021,889	65,908	78,979	1,748,445	(51,588)	1,696,856
Segment profit	32,778	91,719	6,561	5,306	136,365	660	137,026
Segment assets	566,700	1,291,610	49,768	238,279	2,146,358	2,170,924	4,317,282
Financial income							67,264
Financial expenses							(13,536)
Share of profit (loss) of investments accounted for by the equity method							632
Profit before income taxes							191,386

(Notes) 1. "Others" represents businesses not included in the above reporting segments.

2. Breakdown of elimination

660 million yen included in "Elimination" for "Segment profit" is inter-segment transactions.

"Elimination" for "Segment assets" includes corporate assets.

Corporate assets mainly consist of the Company's cash and deposits as well as marketable securities and investment securities.

3. "Segment profit" reconciles to operating profit disclosed in the consolidated statements of profit or loss.

FY2017 (April 1, 2016- March 31, 2017)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Elimination (Note 2)	Consolidated (Note 3)	
Sales								
Outside customer sales	562,672	988,148	66,288	58,039	1,675,148	—	1,675,148	
Inter-segment transactions	23,816	1,142	210	23,408	48,578	(48,578)	—	
Total	586,489	989,290	66,498	81,448	1,723,727	(48,578)	1,675,148	
Segment profit	24,964	89,475	6,868	6,051	127,359	(14)	127,345	
Segment assets	540,453	1,352,270	46,978	286,030	2,225,732	2,332,479	4,558,212	
Financial income								63,734
Financial expenses								(10,067)
Share of profit (loss) of investments accounted for by the equity method								974
Profit before income taxes								181,986

(Notes) 1. "Others" represents businesses not included in the above reporting segments.

2. Breakdown of eliminations

(14) million yen included in "Elimination" for "Segment profit" is inter-segment transactions.

"Elimination" for "Segment assets" includes corporate assets.

Corporate assets mainly consist of the Company's cash and deposits as well as marketable securities and investment securities.

3. "Segment profit" reconciles to operating profit disclosed in the consolidated statements of profit or loss.

(Earnings per Share)

(1) Basis of calculation for basic earnings per share

(i) Profit attributable to owners of the parent

(Millions of yen)

	FY2016 (April 1, 2015 - March 31, 2016)	FY2017 (April 1, 2016 - March 31, 2017)
Continuing operations	132,835	131,398
Discontinued operations	61,435	—
Total profit attributable to owners of the parent	194,270	131,398

(ii) Weighted-average shares of common stock

(Thousands)

	FY2016 (April 1, 2015 - March 31, 2016)	FY2017 (April 1, 2016 - March 31, 2017)
Weighted-average shares	314,180	312,272

(2) Basis of calculation for diluted earnings per share

(i) Profit attributable to owners of the parent after dilution

(Millions of yen)

	FY2016 (April 1, 2015 - March 31, 2016)	FY2017 (April 1, 2016 - March 31, 2017)
Continuing operations	132,835	131,398
Discontinued operations	61,435	—
Total profit attributable to owners of the parent	194,270	131,398
Adjustments to profit used for calculation of diluted earnings per share	—	—
Profit used for computation of diluted earnings per share	194,270	131,398

(ii) Weighted-average shares of common stock after dilution

(Thousands)

Weighted-average shares	314,180	312,272
Effect of dilutive potential shares of common stock	5	—
Weighted-average shares of common stock after dilution	314,186	312,272

2. Disclosure on Transition to IFRS

The Group has disclosed consolidated financial statements based on IFRS since the securities report for the fiscal year ended March 31, 2017. The transition date to IFRS is April 1, 2015.

The following is the adjustment tables required to be disclosed for the first adoption of IFRS.

Adjustments to equity as of the transition date (April 1, 2015)

(Millions of yen)

Japanese GAAP		Reclassification	Recognized and measured difference	IFRS	
Line item	Amount	Amount	Amount	Amount	Line item
(Assets)					Assets
Current assets					Current assets
Cash and deposits	247,273	1,433	—	248,706	Cash and cash equivalents
Investments in securities	34,085	(34,085)	—	—	
Cash deposits for cash collection and deposit services	58,250	(58,250)	—	—	
	—	475,967	(552)	475,415	Trade receivables and other receivables
	—	91,472	716	92,189	Other financial assets
Trade notes and accounts receivable	265,504	(265,504)	—	—	
Lease investment assets	191,583	(191,583)	—	—	
Inventories	194,837	—	(1,889)	192,947	Inventories
Deferred tax assets	24,234	(24,234)	—	—	
	—	8,640	—	8,640	Income tax receivables
	—	35,793	2,132	37,926	Other current assets
Others	68,603	(68,603)	—	—	
Allowance for doubtful accounts	(3,756)	3,756	—	—	
Total current assets	1,080,615	(25,197)	406	1,055,825	Total current assets
Fixed assets					Non-current assets
Property, plant and equipment	707,532	(431)	33,069	740,171	Property, plant and equipment
Intangible assets	192,702	—	10,340	203,042	Goodwill and intangible assets
	—	243	755	999	Trade receivables and other receivables
	—	14,311	20	14,332	Investments accounted for by the equity method
	—	2,606,520	70,698	2,677,218	Other financial assets
Investment securities	2,593,522	(2,593,522)	—	—	
Net defined benefit assets	28,289	—	(6,005)	22,283	Net defined benefit assets
Deferred tax assets	18,228	15,829	(2,245)	31,812	Deferred tax assets
Lease investment assets	243	(243)	—	—	
Others	30,622	(30,622)	—	—	
Allowance for doubtful accounts	(860)	860	—	—	
	—	3,425	303	3,729	Other non-current assets
Total fixed assets	3,570,280	16,372	106,936	3,693,589	Total non-current assets
Total assets	4,650,896	(8,824)	107,343	4,749,415	Total assets

(Millions of yen)

Japanese GAAP		Reclassification	Recognized and measured difference	IFRS	
Line item	Amount	Amount	Amount	Amount	Line item
(Liabilities)					Liabilities and equity
Current liabilities					Liabilities
Trade notes and accounts payable	205,816	(205,816)	—	—	Current liabilities
	—	330,569	24,074	354,643	Trade payables and other payables
Corporate bonds and loans	146,789	—	—	146,789	Corporate bonds and loans
	—	135,740	2,926	138,667	Other financial liabilities
Lease obligations	45,665	(45,665)	—	—	
Accounts payable— other	29,245	(29,245)	—	—	
Accrued income taxes	13,686	1,538	—	15,225	Accrued income taxes
Deferred tax liabilities	636	(636)	—	—	
Allowance for bonuses to directors	626	(626)	—	—	
Others	210,721	(210,721)	—	—	
	—	5,653	—	5,653	Provisions
	—	19,072	—	19,072	Other current liabilities
Total current liabilities	653,187	(136)	27,000	680,051	Total current liabilities
Long-term liabilities					Non-current liabilities
Corporate bonds and loans	607,152	—	18,229	625,382	Corporate bonds and loans
Lease obligations	117,185	(117,185)	—	—	
	—	117,234	4,397	121,632	Other financial liabilities
Net defined benefit liabilities	86,766	—	1,295	88,062	Net defined benefit liabilities
	—	6,245	—	6,245	Provisions
Deferred tax liabilities	737,268	(7,768)	27,084	756,584	Deferred tax liabilities
Others	23,404	(23,404)	—	—	
	—	16,190	(1,262)	14,927	Other non-current liabilities
Total long-term liabilities	1,571,779	(8,688)	49,743	1,612,834	Total non-current liabilities
Total liabilities	2,224,967	(8,824)	76,744	2,292,886	Total liabilities
(Net assets)					Equity
Capital stock	80,462	—	—	80,462	Capital stock
Capital surplus	105,592	—	—	105,592	Capital surplus
Retained earnings	644,165	—	61,356	705,521	Retained earnings
Treasury stock	(41,509)	—	—	(41,509)	Treasury stock
Accumulated other comprehensive income	1,567,509	72	(26,319)	1,541,262	Other components of equity
Subscription rights to shares	72	(72)	—	—	
Non-controlling interests	69,636	—	(4,438)	65,198	Non-controlling interests
Total net assets	2,425,929	—	30,598	2,456,528	Total equity
Total liabilities and net assets	4,650,896	(8,824)	107,343	4,749,415	Total liabilities and equity

Adjustments to equity for FY2016 (April 1, 2015- March 31, 2016)

(Millions of yen)

Japanese GAAP		Reclassification	Recognized and measured difference	IFRS	
Line item	Amount	Amount	Amount	Amount	Line item
(Assets)					Assets
Current assets					Current assets
Cash and deposits	352,302	(259,903)	—	92,399	Cash and cash equivalents
Investments in securities	10,871	(10,871)	—	—	
	—	625,276	(1,035)	624,240	Trade receivables and other receivables
	—	272,366	1,044	273,410	Other financial assets
Trade notes and accounts receivable	280,807	(280,807)	—	—	
Lease investment assets	235,598	(235,598)	—	—	
Inventories	197,202	—	(1,219)	195,982	Inventories
Deferred tax assets	25,185	(25,185)	—	—	
	—	7,170	—	7,170	Income tax receivables
	—	36,722	2,235	38,958	Other current assets
Others	159,054	(159,054)	—	—	
Allowance for doubtful accounts	(3,796)	3,796	—	—	
Total current assets	1,257,226	(26,088)	1,023	1,232,161	Total current assets
Fixed assets					Non-current assets
Property, plant and equipment	781,251	(415)	34,562	815,399	Property, plant and equipment
Intangible assets	170,214	—	18,992	189,207	Goodwill and intangible assets
	—	141	863	1,005	Trade receivables and other receivables
	—	13,572	21	13,593	Investments accounted for by the equity method
	—	1,952,493	75,790	2,028,284	Other financial assets
Investment securities	1,945,123	(1,945,123)	—	—	
Net defined benefit assets	8,215	—	3,435	11,651	Net defined benefit assets
Deferred tax assets	14,109	10,604	(2,115)	22,599	Deferred tax assets
Lease investment assets	141	(141)	—	—	
Long-term loans receivable	4,163	(4,163)	—	—	
Others	20,154	(20,154)	—	—	
Allowance for doubtful accounts	(1,403)	1,403	—	—	
	—	2,895	483	3,379	Other non-current assets
Total fixed assets	2,941,970	11,114	132,035	3,085,121	Total non-current assets
Total assets	4,199,196	(14,973)	133,059	4,317,282	Total assets

(Millions of yen)

Japanese GAAP		Reclassification	Recognized and measured difference	IFRS	
Line item	Amount	Amount	Amount	Amount	Line item
(Liabilities)					Liabilities and equity
Current liabilities					Liabilities
Trade notes and accounts payable	214,162	(214,162)	—	—	Current liabilities
	—	332,876	23,005	355,882	Trade payables and other payables
Corporate bonds and loans	190,844	—	—	190,844	Corporate bonds and loans
	—	72,538	2,902	75,440	Other financial liabilities
Lease obligations	41,411	(41,411)	—	—	
Accounts payable— other	25,754	(25,754)	—	—	
Accrued income taxes	47,473	577	—	48,051	Accrued income taxes
Deferred tax liabilities	149	(149)	—	—	
Allowance for bonuses to directors	644	(644)	—	—	
Others	153,195	(153,195)	—	—	
	—	9,336	—	9,336	Provisions
	—	20,186	—	20,186	Other current liabilities
Total current liabilities	673,636	196	25,908	699,741	Total current liabilities
Long-term liabilities					Non-current liabilities
Corporate bonds and loans	700,149	—	11,275	711,424	Corporate bonds and loans
Lease obligations	98,771	(98,771)	—	—	
	—	98,777	7,470	106,248	Other financial liabilities
Net defined benefit liabilities	90,920	—	(1,978)	88,942	Net defined benefit liabilities
	—	6,888	—	6,888	Provisions
Deferred tax liabilities	500,077	(14,430)	32,207	517,854	Deferred tax liabilities
Others	21,692	(21,692)	—	—	
	—	14,058	2,810	16,868	Other non-current liabilities
Total long-term liabilities	1,411,611	(15,169)	51,785	1,448,227	Total non-current liabilities
Total liabilities	2,085,248	(14,973)	77,694	2,147,969	Total liabilities
(Net assets)					Equity
Capital stock	80,462	—	—	80,462	Capital stock
Capital surplus	105,562	—	(44)	105,517	Capital surplus
Retained earnings	789,502	—	65,815	855,317	Retained earnings
Treasury stock	(41,266)	—	—	(41,266)	Treasury stock
Accumulated other comprehensive income	1,102,547	6	(3,926)	1,098,627	Other components of equity
Subscription rights to shares	6	(6)	—	—	
Non-controlling interests	77,133	—	(6,478)	70,655	Non-controlling interests
Total net assets	2,113,948	—	55,365	2,169,313	Total equity
Total liabilities and net assets	4,199,196	(14,973)	133,059	4,317,282	Total liabilities and equity

Adjustments to profit attributable to owners of the parent and comprehensive income in FY2016 (April 1, 2015- March 31, 2016)

(Millions of yen)

Japanese GAAP		Reclassification	Recognized and measured difference	IFRS	
Line item	Amount	Amount	Amount	Amount	Line item
Net sales	2,243,220	(45,048)	(501,314)	1,696,856	Net sales
Cost of sales	(1,812,293)	30,756	489,677	(1,291,859)	Cost of sales
Gross profit	430,926	(14,292)	(11,637)	404,997	Gross profit
Selling, general and administrative expenses	(296,214)	5,536	23,783	(266,894)	Selling, general and administrative expenses
	—	11,595	(715)	10,879	Other profit
	—	(12,707)	750	(11,956)	Other expenses
Operating profit	134,712	(9,868)	12,182	137,026	Operating profit
Non-operating profit	78,095	(78,095)	—	—	
Non-operating expenses	(27,408)	27,408	—	—	
Extraordinary profit	89,819	(89,819)	—	—	
	—	67,131	133	67,264	Financial income
	—	(13,122)	(414)	(13,536)	Financial expenses
	—	638	(6)	632	Share of profit (loss) of investments accounted for by the equity method
Profit before income taxes	275,218	(95,726)	11,895	191,386	Profit before income taxes
Total income taxes	(83,445)	31,502	(922)	(52,865)	Income tax expenses
	—	64,224	(2,789)	61,435	Profit (loss) from discontinued operations
Profit	191,772	—	8,183	199,956	Profit
Profit attributable to owners of the parent	183,036	—	11,233	194,270	Profit attributable to owners of the parent
Profit attributable to non-controlling interests	8,735	—	(3,049)	5,685	Profit attributable to non-controlling interests

(Millions of yen)

Japanese GAAP		Reclassification	Recognized and measured difference	IFRS	
Line item	Amount	Amount	Amount	Amount	Line item
Profit attributable to owners of the parent	191,772	—	8,183	199,956	Profit attributable to owners of the parent
Other comprehensive income					Other comprehensive income
					Items not to be reclassified into profit or loss
Valuation difference on available-for-sale securities	(417,966)	—	8,767	(409,198)	Profit (loss) from FVTOCI financial assets
Defined benefit plan adjustments	(14,872)	—	7,849	(7,022)	Remeasurements of defined benefit plans
	—	(18)	—	(18)	Share of other comprehensive income of affiliates accounted for by the equity method
				(416,239)	Total items not to be reclassified into profit or loss
					Items that can be reclassified into profit or loss
Foreign currency translation adjustment	(35,659)	—	166	(35,492)	Foreign currency translation adjustment
Deferred gains or losses on hedges	379	—	(935)	(556)	Cash flow hedges
	—	(689)	—	(689)	Share of other comprehensive income of affiliates accounted for by the equity method
				(36,737)	Total items that can be reclassified into profit or loss
Share of other comprehensive income of affiliated companies accounted for using equity method	(707)	707	—	—	
Total other comprehensive income	(468,826)	—	15,848	(452,977)	Total other comprehensive income
Comprehensive income	(277,053)	—	24,032	(253,021)	Comprehensive income
Profit attributable to owners of the parent	(281,925)	—	26,851	(255,074)	Owners of the parent
				(316,549)	Continuing operations
				61,475	Discontinued operations
Profit attributable to non-controlling interests	4,871	—	(2,818)	2,053	Non-controlling interests

Adjustments to consolidated cash flows

Under Japanese GAAP, cash flows from short-term loans payable were presented as a net increase or decrease; on the other hand, under IFRS, short-term loans payable with a term of over three months are provided as either "Proceeds from short-term loans payable (over three months)" or "Repayments of short-term loans payable (over three months)," and presented as a total amount.

3. Differences between the IFRS and Japanese GAAP (FY2017)

Matters regarding differences between primary line items of the consolidated financial statements created in conformity with IFRS and equivalent line items of the consolidated financial statements created in conformity with the Japanese GAAP

FY2017 (April 1, 2016–March 31, 2017)

(Supply-for-a-fee transactions)

Regarding supply-for-a-fee transactions, net sales and cost of sales are recorded at the time of repurchase under Japanese GAAP; under IFRS, on the other hand, only net amounts of machining cost equivalents are recognized as revenue. As a result, net sales decreased 561,920 million yen and cost of sales decreased 561,920 million yen.

(Goodwill)

Goodwill, if material, is amortized principally over less than 20 years on a straight-line basis under Japanese GAAP; under IFRS, on the other hand, it has not been amortized since the transition date, while an impairment test is conducted for every period. As a result, selling, general and administrative expenses decreased 7,577 million yen.