Notes to reconciliation of equity as of the date of transition to IFRS (1 April 2012)

The major components of the reconciliation of equity as of the date of transition to IFRS are as follows:

A Property, plant and equipment

(Presentation)

Under Japanese GAAP, “Buildings and structures, net”, “Machinery, equipment and vehicles, net”, “Tools, furniture and fixtures, net”, “Land”, and “Construction in progress” were presented separately, whereas they have been presented together as “Property, plant and equipment” under IFRS.

Under Japanese GAAP, assets held for sale were included in “Property, plant and equipment, net”, whereas they are presented separately as “Assets held for sale” in accordance with IFRS.

(Recognition and measurement)

The amount of “Property, plant and equipment” has decreased as a result of revisions to the depreciation method and useful lives and using the fair value as deemed cost for certain items of property, plant and equipment upon the adoption of IFRS.

The carrying amount of the property, plant and equipment to which the deemed cost was applied at the date of transition was ¥56,052 million under Japanese GAAP and the fair value was ¥55,152 million.

B Other intangible assets

(Presentation)

“Patents” presented separately under Japanese GAAP have been included in “Other intangible assets” under IFRS.

(Recognition and measurement)

Under Japanese GAAP, costs associated with the in-licensing of products and technologies incurred before filing an application for approval from regulatory authorities were recognised as research and development expenses, but under IFRS, those costs that satisfy certain criteria are capitalised as intangible assets and amortised over their estimated useful lives on a straight-line basis. Also, the Group revised the useful lives of certain marketing rights upon adoption of IFRS. As a result of those factors, “Other intangible assets” has increased by ¥147,078 million.

C Investments in associates and joint ventures

(Presentation)

Investments in associates and joint ventures included in “Other” comprising investments and other assets under Japanese GAAP have been presented separately as “Investments in associates and joint ventures” under IFRS.

D Deferred tax assets

(Presentation)

Deferred tax assets presented separately as current and non-current under Japanese GAAP have been presented as non-current assets under IFRS.

(Recognition and measurement)

Under Japanese GAAP, the tax effects associated with the elimination of unrealised gain or loss is calculated using the effective tax rate of the seller, while under IFRS, it is calculated using the effective tax rate of the purchaser.

In addition, deferred tax assets are recognised on the temporary differences resulting from the reconciliations to IFRS.

E Other financial assets (non-current)

(Presentation)

“Investment securities” presented separately under Japanese GAAP have been included in “Other financial assets” (non-current) under IFRS.

Security deposits and other investments included in “Other” comprising investments and other assets under Japanese GAAP have been included in “Other financial assets” (non-current) under IFRS.

(Recognition and measurement)

Under Japanese GAAP, unquoted equity shares were stated at cost calculated mainly by using the moving average method. However, under IFRS, unquoted equity shares are measured at fair value. As a result, there has been an increase of ¥10,403 million in “Other financial assets” (non-current).

F Other non-current assets

(Presentation)

Security deposits and other investments included in “Other” comprising investments and other assets under Japanese GAAP have been included in “Other financial assets” (non-current) under IFRS.

Investments in associates and joint ventures included in “Other” comprising investments and other assets under Japanese GAAP have been presented separately as “Investments in associates and joint ventures” under IFRS.