
**FINANCIAL RESULTS FOR
THE NINE MONTHS ENDED DECEMBER 2023**

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FINANCIAL HIGHLIGHTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2023
(Based on IFRS) (Consolidated)

1. Consolidated operating results for the nine months ended December 31, 2023

Note:
Figures less than one million yen are rounded.
%: change from the same period of the previous year

(1) Revenues and income

	Revenues		Profit before tax		Profit for the period		Profit for the period attributable to owners of the Parent		Comprehensive income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the nine months ended December 31, 2023	14,705,582	(9.7)	1,005,217	(25.2)	781,619	(23.8)	696,614	(27.1)	1,392,212	(6.9)
December 31, 2022	16,284,544	31.6	1,344,273	48.3	1,025,180	44.4	955,759	48.2	1,495,567	81.1

	Profit for the period attributable to owners of the Parent per share (basic)		Profit for the period attributable to owners of the Parent per share (diluted)	
	Yen		Yen	
For the nine months ended December 31, 2023	165.43		164.70	
December 31, 2022	217.66		216.73	

Note 1: "Profit for the period attributable to owners of the Parent per share (basic)" and "Profit for the period attributable to owners of the Parent per share (diluted)" are calculated based on "Profit for the period attributable to owners of the Parent."

Note 2: On January 1, 2024, the Company conducted a three-for-one stock split of its common shares. The calculation of basic earnings per share and diluted earnings per share is done under the assumption that the stock split occurred at the start of the previous fiscal year.

(2) Financial position

	Total assets	Total equity	Equity attributable to owners of the Parent	Ratio of equity attributable to owners of the Parent to total assets
	Millions of Yen	Millions of Yen	Millions of Yen	%
As of December 31, 2023	23,226,990	9,816,479	8,727,054	37.6
March 31, 2023	22,147,501	9,119,036	8,065,640	36.4

2. Dividends

	Cash dividend per share (Yen)				
(Record date)	1Q end	2Q end	3Q end	4Q end	Annual
Fiscal Year ended March 31, 2023	—	77.00	—	103.00	180.00
Fiscal Year ending March 31, 2024	—	105.00	—		
Fiscal Year ending March 31, 2024 (Forecast)				35.00	—

Note 1: Change from the latest released dividend forecasts: No

Note 2: As the stock split is scheduled to take effect on January 1, 2024, the interim dividend for the fiscal year ending March 2024 (105.00 Yen) has been made based on the number of shares before the stock split and the year-end dividend for the fiscal year ending March 2024 (35.00 Yen) will be made based on the number of shares after the stock split. If the stock split is not considered, the annual dividend for the fiscal year ending March 2024 (Forecast) will be 210.00 yen.

3. Consolidated forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

Note:
%: change from the previous year.

	Profit attributable to owners of the Parent		Profit attributable to owners of the Parent per share
	Millions of Yen	%	Yen
For the year ending March 31, 2024	950,000	(19.5)	227.00

Note 1: Change from the latest released earnings forecasts: No

Note 2: On January 1, 2024, the Company conducted a three-for-one stock split of its common shares. Basic earnings per share were adjusted to account for this stock split in the consolidated earnings forecast for the fiscal year ending March 31, 2024.

4. Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries causing changes in scope of consolidation): None

New companies: —

Excluded companies: —

(2) Changes in accounting policies and accounting estimates

-1- Changes in accounting policies required by IFRS: Yes

-2- Changes in accounting policies other than -1-: None

-3- Changes in accounting estimates: None

Please refer to page 13, "3. Changes in Accounting Policies and Accounting Estimates."

(3) Number of shares issued (Common stock)

-1- Number of shares issued at quarterly-end (including treasury stock)

(December 31, 2023) 4,312,481,853 (March 31, 2023) 4,374,907,053

-2- Number of treasury stock at quarterly-end

(December 31, 2023) 181,756,923 (March 31, 2023) 88,529,424

-3- Average number of shares during each of the nine months ended December 31, 2023 and 2022

(December 31, 2023) 4,210,898,174 (December 31, 2022) 4,391,154,989

On January 1, 2024, the Company conducted a three-for-one stock split of its common shares. The number of shares outstanding at the end of the period, the number of shares of treasury stock at the end of the period, and the average number of shares during the period have been calculated as if the stock split had occurred at the start of the previous fiscal year.

Disclosure Regarding Quarterly Review Procedures

This earnings release is not subject to independent Auditor's review procedures.

Forward-looking Statements

Earnings forecasts and other forward-looking statements in this release are based on data currently available to management and certain assumptions that management believes are reasonable. The achievement of said forecasts cannot be promised. Actual results may therefore differ materially from these statements for various reasons. For cautionary notes concerning assumptions for earnings forecasts, please refer to "1. (4) Forecasts for the Year Ending March 2024" on page 6.

Contents

1. Qualitative Information	2
(1) Results of Operations	2
(2) Financial Position	3
(3) Cash Flows	4
(4) Forecasts for the Year Ending March 2024	6
2. Condensed Consolidated Financial Statements	7
(1) Condensed Consolidated Statement of Financial Position	7
(2) Condensed Consolidated Statement of Income	9
(3) Condensed Consolidated Statement of Comprehensive Income	10
(4) Condensed Consolidated Statement of Changes in Equity	11
(5) Condensed Consolidated Statement of Cash Flows	12
3. Changes in Accounting Policies and Accounting Estimates	13
4. Notes Concerning Going Concern Assumption	14

*Presentation materials and IR meetings on financial results:

Presentation materials on financial results can be found on our web site. Mitsubishi Corporation will hold an IR meeting on financial results for analysts and institutional investors on February 6, 2024. Contents of the meeting (English and Japanese) will be posted on our web site immediately after the meeting.

1. Qualitative Information

(1) Results of Operations

(Billions of Yen)	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Change	Remarks
Revenues	16,284.5	14,705.6	(1,579.0)	Decreased market prices
Gross profit	1,916.2	1,779.6	(136.5)	Decreased market prices in the Australian metallurgical coal business
Selling, general and administrative expenses	(1,171.1)	(1,223.6)	(52.5)	Increased personnel costs and the depreciation of the Japanese yen in relation to foreign currency translation
Gains (losses) on investments	153.6	68.2	(85.3)	Gain on sale of investments in a real estate management company in the previous fiscal year
Gains (losses) on disposal and sale of property, plant and equipment and others	3.6	22.0	+18.4	Gain on sale of investment property
Impairment losses on property, plant and equipment, intangible assets, goodwill and others	(5.4)	(45.0)	(39.6)	Impairment losses on assets in the Overseas food business
Other income (expenses) -net	0.9	15.2	+14.3	Effect of unrealized profit (loss) on derivatives
Finance income	129.7	184.9	+55.2	Increased U.S. dollar interest rates
Finance costs	(76.5)	(141.3)	(64.8)	Increased U.S. dollar interest rates
Share of profit (loss) of investments accounted for using the equity method	393.4	345.2	(48.2)	Lower natural gas and crude oil prices
Profit (loss) before tax	1,344.3	1,005.2	(339.1)	—
Income taxes	(319.1)	(223.6)	+95.5	—
Profit (loss) for the period	1,025.2	781.6	(243.6)	—
Profit (loss) for the period attributable to Owners of the Parent	955.8	696.6	(259.1)	—

* May not match with the total of items due to rounding off. The same shall apply hereafter.

(2) Financial Position

(Billions of Yen)	March 31, 2023	December 31, 2023	Change	Remarks
Total assets	22,147.5	23,227.0	+1,079.5	
Current assets	9,109.3	9,553.4	+444.1	Increase in cash and cash equivalents from financing activities, operating activities and dividend income
Non-current assets	13,038.2	13,673.6	+635.4	Increase in investments accounted for using the equity method and property, plant and equipment due to the depreciation of the Japanese yen
Total liabilities	13,028.5	13,410.5	+382.0	
Current liabilities	6,694.7	7,148.0	+453.3	Increase in accounts payable and accrued liabilities due to seasonal factors
Non-current liabilities	6,333.8	6,262.5	(71.3)	—
Total equity	9,119.0	9,816.5	+697.4	
Equity attributable to owners of the Parent	8,065.6	8,727.1	+661.4	Increase in exchange differences on translating foreign operations due to the depreciation of the Japanese yen
Non-controlling interests	1,053.4	1,089.4	+36.0	—
Net interest-bearing liabilities (excluding lease liabilities)	3,237.6	3,405.6	+168.0	—

(3) Cash Flows

Cash and cash equivalents at December 31, 2023 was ¥1,833.0 billion, an increase of ¥276.0 billion from March 31, 2023. The breakdown of cash flows were as follows:

(Billions of Yen)	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Change	Remarks
Cash flows from operating activities	1,425.0	1,005.1	(419.9)	<u>Breakdown</u> Cash flows from operating transactions and dividend income, despite the payment of income taxes <u>Year-over-year changes</u> Decrease in cash flows from operating transactions and increase in requirements for working capital, etc.
Cash flows from investing activities	(140.3)	(62.4)	+77.9	<u>Breakdown</u> Payments for property, plant and equipment and investments in affiliated companies, despite cash flows from sale of investments in affiliated companies and collection of loans <u>Year-over-year changes</u> Increase due to collection of loans and sale of investment property, despite the sale of investment in a real estate management company in the previous fiscal year
Free cash flows	1,284.7	942.7	(342.0)	—
Cash flows from financing activities	(1,324.3)	(706.1)	+618.2	<u>Breakdown</u> Acquisition of treasury stock and payments of dividends <u>Year-over-year changes</u> Cash flows from short-term debt financing due to increased demand for working capital, etc., despite increase in acquisition of treasury stock
Effect of exchange rate changes on cash and cash equivalents	18.1	39.5	+21.4	—
Net increase (decrease) in cash and cash equivalents	(21.5)	276.0	+297.5	—
Underlying operating cash flows (after repayments of lease liabilities)	1,012.3	904.9	(107.4)	<u>Breakdown</u> Cash flows from profit for the period and dividend income, despite the payment of lease liabilities <u>Year-over-year changes</u> Decrease in profit for the period
Adjusted free cash flows	872.0	842.5	(29.5)	—

In addition to the aforementioned operating cash flows for financial accounting purpose, in order to

present the source of funds for future investments and shareholder returns appropriately, the Company defined “Underlying operating cash flows (after repayments of lease liabilities)”, which is operating cash flows excluding changes in working capital whilst including repayments of lease liabilities which are necessary in the ordinary course of business activities, and “Adjusted free cash flows”, which is the sum of “Underlying operating cash flows (after repayments of lease liabilities)” and investing cash flows.

Main items (Segments) included in investing cash flows were as follows:

New/Sustaining Investments	Sales and Collection
<ul style="list-style-type: none"> - European integrated energy business (Power Solution) - Australian metallurgical coal business (Mineral Resources) - Overseas power business (Power Solution) - Vietnamese real estate business (Urban Development) - Convenience store business (Consumer Industry) - North American real estate business (Urban Development) - LNG-related business (Natural Gas) - Salmon farming business (Food Industry) - North American shale gas business (Natural Gas) 	<ul style="list-style-type: none"> - European automobile finance business (Automotive & Mobility) - Domestic investment property business (Urban Development) - Investment in an affiliated company (Food Industry) - Copper business (Mineral Resources) - North American shale gas business (Natural Gas)

The dividends were paid in compliance with the shareholder returns policy of progressive dividends in line with sustained profit growth. The acquisition of treasury stock was carried out in order to optimize total payout ratio, as well as the Company's capital structure. Regarding financing through debt, the policy is to maintain debts at an appropriate level in light of liquidity and financial soundness.

(4) Forecasts for the Year Ending March 2024

There has been no change to the forecasts for the year ending March 2024 announced on November 2, 2023.

Note:

Earnings forecast and other forward-looking statements in this release are based on data currently available to management and certain assumptions that management believes are reasonable. Therefore, they do not constitute a guarantee that they will be achieved. Actual results may differ materially from these statements for various reasons.

2. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position March 31, 2023 and December 31, 2023

ASSETS	Millions of Yen	
	March 31, 2023	December 31, 2023
Current assets		
Cash and cash equivalents	1,556,999	1,833,030
Time deposits	95,291	16,427
Short-term investments	42,127	47,337
Trade and other receivables	4,127,275	4,258,168
Other financial assets	392,644	300,914
Inventories	1,771,382	1,724,189
Biological assets	109,953	120,751
Advance payments to suppliers	139,140	165,923
Assets classified as held for sale	243,663	405,774
Other current assets	630,829	680,866
Total current assets	9,109,303	9,553,379
Non-current assets		
Investments accounted for using the equity method	3,921,494	4,331,156
Other investments	1,816,851	1,841,144
Trade and other receivables	1,013,428	1,071,678
Other financial assets	160,892	122,264
Property, plant and equipment	2,992,042	3,132,683
Investment property	81,986	76,662
Intangible assets and goodwill	1,207,402	1,258,241
Right-of-use assets	1,590,283	1,585,769
Deferred tax assets	39,082	39,044
Other non-current assets	214,738	214,970
Total non-current assets	13,038,198	13,673,611
Total	22,147,501	23,226,990

LIABILITIES AND EQUITY	Millions of Yen	
	March 31, 2023	December 31, 2023
Current liabilities		
Bonds and borrowings	1,395,890	1,827,223
Trade and other payables	3,369,018	3,623,489
Lease liabilities	264,083	267,054
Other financial liabilities	354,066	255,342
Advances from customers	296,463	304,039
Income tax payables	185,432	61,281
Provisions	84,618	61,271
Liabilities directly associated with assets classified as held for sale	25,812	137,194
Other current liabilities	719,297	611,135
Total current liabilities	6,694,679	7,148,028
Non-current liabilities		
Bonds and borrowings	3,493,991	3,427,862
Trade and other payables	59,235	64,048
Lease liabilities	1,403,606	1,394,881
Other financial liabilities	177,380	121,279
Retirement benefit obligation	118,470	122,684
Provisions	342,808	323,056
Deferred tax liabilities	679,144	746,721
Other non-current liabilities	59,152	61,952
Total non-current liabilities	6,333,786	6,262,483
Total liabilities	13,028,465	13,410,511
Equity		
Common stock	204,447	204,447
Additional paid-in capital	225,858	227,883
Treasury stock	(124,083)	(362,520)
Other components of equity		
Other investments designated as FVTOCI	405,431	448,165
Cash flow hedges	53,044	109,159
Exchange differences on translating foreign operations	1,257,065	1,733,079
Total other components of equity	1,715,540	2,290,403
Retained earnings	6,043,878	6,366,841
Equity attributable to owners of the Parent	8,065,640	8,727,054
Non-controlling interests	1,053,396	1,089,425
Total equity	9,119,036	9,816,479
Total	22,147,501	23,226,990

(2) Condensed Consolidated Statement of Income
for the nine months ended December 31, 2022 and 2023

	Millions of Yen	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Revenues	16,284,544	14,705,582
Cost of revenues	(14,368,355)	(12,925,940)
Gross profit	1,916,189	1,779,642
Selling, general and administrative expenses	(1,171,143)	(1,223,596)
Gains (losses) on investments	153,571	68,230
Gains (losses) on disposal and sale of property, plant and equipment and others	3,554	21,996
Impairment losses on property, plant and equipment, intangible assets, goodwill and others	(5,404)	(45,012)
Other income (expense)-net	945	15,248
Finance income	129,675	184,858
Finance costs	(76,503)	(141,313)
Share of profit (loss) of investments accounted for using the equity method	393,389	345,164
Profit (loss) before tax	1,344,273	1,005,217
Income taxes	(319,093)	(223,598)
Profit (loss) for the period	1,025,180	781,619
Profit (loss) for the period attributable to:		
Owners of the Parent	955,759	696,614
Non-controlling interests	69,421	85,005
	1,025,180	781,619
Profit (loss) for the period attributable to Owners of the Parent per share (in Yen)		
Basic	217.66	165.43
Diluted	216.73	164.70

Note: On January 1, 2024, the Company conducted a three-for-one stock split of its common shares. The calculation of Profit (loss) for the period attributable to Owners of the Parent per share (in Yen) is done under the assumption that the stock split occurred at the start of the previous fiscal year.

(3) Condensed Consolidated Statement of Comprehensive Income
for the nine months ended December 31, 2022 and 2023

	Millions of Yen	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit (loss) for the period	1,025,180	781,619
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss for the period:		
Gains (losses) on other investments designated as FVTOCI	(128,018)	60,996
Remeasurement of defined benefit pension plans	57	(1,032)
Share of other comprehensive income (loss) of investments accounted for using the equity method	(13,057)	(6,010)
Total	(141,018)	53,954
Items that may be reclassified to profit or loss for the period:		
Cash flow hedges	45,184	35,534
Exchange differences on translating foreign operations	316,150	408,193
Share of other comprehensive income (loss) of investments accounted for using the equity method	250,071	112,912
Total	611,405	556,639
Total other comprehensive income (loss)	470,387	610,593
Total comprehensive income (loss)	1,495,567	1,392,212
Comprehensive income (loss) attributable to:		
Owners of the Parent	1,405,719	1,291,378
Non-controlling interests	89,848	100,834
	1,495,567	1,392,212

(4) Condensed Consolidated Statement of Changes in Equity
for the nine months ended December 31, 2022 and 2023

	Millions of Yen	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Common stock:		
Balance at the beginning of the period	204,447	204,447
Balance at the end of the period	204,447	204,447
Additional paid-in capital:		
Balance at the beginning of the period	226,483	225,858
Compensation costs related to share-based payment	1,601	2,444
Sales of treasury stock upon exercise of share-based payment	(1,064)	(895)
Equity transactions with non-controlling interests and others	(7)	476
Balance at the end of the period	227,013	227,883
Treasury stock:		
Balance at the beginning of the period	(25,544)	(124,083)
Sales of treasury stock upon exercise of share-based payment	2,698	4,226
Purchases and sales-net	(116,737)	(340,019)
Cancellation	44,461	97,356
Balance at the end of the period	(95,122)	(362,520)
Other components of equity:		
Balance at the beginning of the period	1,270,412	1,715,540
Other comprehensive income (loss) attributable to owners of the Parent	449,960	594,764
Transfer to retained earnings	(23,522)	(19,901)
Balance at the end of the period	1,696,850	2,290,403
Retained earnings:		
Balance at the beginning of the period	5,204,434	6,043,878
Cumulative effects of change in accounting policy	(22,384)	—
Adjusted balance at the beginning of the period	5,182,050	6,043,878
Profit (loss) for the period attributable to owners of the Parent	955,759	696,614
Cash dividends paid to owners of the Parent	(228,829)	(293,433)
Sales of treasury stock upon exercise of share-based payment	(1,234)	(2,763)
Cancellation of treasury stock	(44,461)	(97,356)
Transfer from other components of equity	23,522	19,901
Balance at the end of the period	5,886,807	6,366,841
Equity attributable to owners of the Parent	7,919,995	8,727,054
Non-controlling interests:		
Balance at the beginning of the period	976,940	1,053,396
Cash dividends paid to non-controlling interests	(53,722)	(83,666)
Equity transactions with non-controlling interests and others	1,934	18,861
Profit (loss) for the period attributable to non-controlling interests	69,421	85,005
Other comprehensive income (loss) attributable to non-controlling interests	20,427	15,829
Balance at the end of the period	1,015,000	1,089,425
Total equity	8,934,995	9,816,479
Comprehensive income (loss) attributable to:		
Owners of the Parent	1,405,719	1,291,378
Non-controlling interests	89,848	100,834
Total comprehensive income (loss)	1,495,567	1,392,212

(5) Condensed Consolidated Statement of Cash Flows
for the nine months ended December 31, 2022 and 2023

	Millions of Yen	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Operating activities:		
Profit (loss) for the period	1,025,180	781,619
Adjustments to reconcile profit (loss) for the period to net cash provided by (used in) operating activities:		
Depreciation and amortization	428,234	443,463
(Gains) losses on investments	(153,571)	(68,230)
(Gains) losses on property, plant and equipment, intangible assets, goodwill and others	1,850	23,016
Finance (income) -net of finance costs	(53,172)	(43,545)
Share of (profit) loss of investments accounted for using the equity method	(393,389)	(345,164)
Income taxes	319,093	223,598
Changes in trade receivables	(68,766)	(66,799)
Changes in inventories	(73,197)	(64,518)
Changes in trade payables	250,654	113,120
Changes in margin deposits of derivative transactions and others	35,387	(149,725)
Other-net	34,940	204,216
Dividends received	367,676	384,500
Interest received	83,967	138,396
Interest paid	(87,945)	(157,119)
Income taxes paid	(291,901)	(411,755)
Net cash provided by (used in) operating activities	1,425,040	1,005,073
Investing activities:		
Payments for property, plant and equipment and others	(334,903)	(391,588)
Proceeds from disposal of property, plant and equipment and others	14,427	19,842
Payments for investment property	(1,007)	(770)
Proceeds from disposal of investment property	36	63,043
Purchases of investments accounted for using the equity method	(125,522)	(182,725)
Proceeds from disposal of investments accounted for using the equity method	231,515	248,645
Acquisitions of businesses-net of cash acquired	(23,916)	(10,870)
Proceeds from disposal of businesses-net of cash divested	142,523	16,794
Purchases of other investments	(28,370)	(14,863)
Proceeds from disposal of other investments	84,276	56,892
Increase in loans receivable	(141,074)	(105,720)
Collection of loans receivable	30,745	153,546
Net (increase) decrease in time deposits	10,949	85,401
Net cash provided by (used in) investing activities	(140,321)	(62,373)
Financing activities:		
Net increase (decrease) in short-term debts	(237,367)	467,688
Proceeds from long-term debts	173,804	293,313
Repayments of long-term debts	(639,162)	(531,573)
Repayments of lease liabilities	(227,327)	(224,913)
Dividends paid to owners of the Parent	(228,829)	(293,433)
Dividends paid to non-controlling interests	(53,722)	(83,666)
Payments for acquisition of subsidiary's interests from the non-controlling interests	(14,502)	(11,006)
Proceeds from disposal of subsidiary's interests to the non-controlling interests	19,886	17,470
Net (increase) decrease in treasury stock	(117,104)	(340,020)
Net cash provided by (used in) financing activities	(1,324,323)	(706,140)
Effect of exchange rate changes on cash and cash equivalents	18,118	39,471
Net increase (decrease) in cash and cash equivalents	(21,486)	276,031
Cash and cash equivalents at the beginning of the period	1,555,570	1,556,999
Cash and cash equivalents at the end of the period	1,534,084	1,833,030

3. Changes in Accounting Policies and Accounting Estimates

The significant accounting policies applied to the condensed consolidated financial statements for the nine months ended December 2023 are identical to those for the previous fiscal year, except for the following:

New standards and interpretations applied

Standards and interpretations	Outline
IAS 12 Income Taxes (Amended)	Deferred Tax related to Assets and Liabilities arising from a single Transaction

IAS 12 Income Taxes (Amended)

The Company has applied IAS 12 (Amended) from the first three months of the fiscal year ending March 2024. As a result, the beginning balance of “Investments accounted for using the equity method” and “Retained earnings” in the consolidated statement of financial position, and “Retained earnings” in the consolidated statement of changes in equity for the year ended March 2023, decreased by ¥5,381 million, respectively.

In the consolidated statement of changes in equity for the year ended March 2023, “Cumulative effects of change in accounting policy” in “Retained earnings” decreased by ¥22,384 million. This includes a decrease of ¥5,381 million due to the application of IAS 12 (Amended) as above, as well as a decrease of ¥17,003 million due to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” (Amended) applied from the previous fiscal year.

In accordance with the application of IAS 12 (Amended), the accounting treatment at the time of initial recognition of transactions that result in recognizing equivalent amounts of taxable and deductible temporary differences is clarified, and “Deferred tax liabilities” and “Deferred tax assets” are recognized in the consolidated statement of financial position for such taxable and deductible temporary differences, respectively. In certain businesses under investments accounted for using the equity method, the Company recognized deferred tax liabilities without recognizing deferred tax assets due to lack of recoverability. As a result, the Company made the retrospective adjustment to “Investments accounted for using the equity method” and “Retained earnings” as described above.

Except standards and interpretations outlined above, the adoption of new standards and interpretations had no significant impact on the condensed consolidated financial statements for the nine months ended December 2023.

4. Notes Concerning Going Concern Assumption

None