

Questions	Comments
Question 1–Appropriate reflection of disclosure requirements in IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures	
Do you agree that the Proposed IFRS Sustainability Disclosure Taxonomy appropriately reflect the disclosure requirements in: (a) IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information; and (b) IFRS S2 Climate-related Disclosures? Why or why not? If not, please specify what changes you suggest and why.	[Broadly agree] Based on what the consultation documents describe, we understand that the Proposed IFRS Sustainability Disclosure Taxonomy reflects the disclosure requirements in IFRS S1 and IFRS S2. However, as IFRS S1 and IFRS S2 contain a large number of disclosure items, it is necessary to verify, through actual practice, whether all the relevant items are covered by the taxonomy elements, and whether narrative information is accurately and fully represented by tagging.
Question 2–Usability of the IFRS Sustainability Disclosure Taxonomy	
Do you agree that the Proposed IFRS Sustainability Disclosure Taxonomy will facilitate: (a) users of general purpose financial reports to consume sustainability-related financial information digitally; (b) regulators to require the digital reporting of sustainability-related financial information; and (c) preparers to implement digital reporting of sustainability-related financial information, enabling tagging without undue cost? Why or why not? If not, please specify what changes you suggest and why.	[Broadly agree] While we generally agree with the views, we have some concerns as follows:  The Proposed IFRS Sustainability Disclosure Taxonomy aims at machine-readable tagging for efficient comparison and analysis on a global basis and in a chronological order. If the digital reporting and tagging, described above, are realized, it will improve users' convenience and is highly likely to promote the consumption of sustainability-related financial information in a digital format by (a) users of general purpose financial reports and (b) regulators. On the other hand, there is concern that the ability to extract data digitally/automatically will lead to the use, comparison, and analysis of fragmented information that is disconnected from the original context, resulting in inadequate understanding or an impression that differs from the original intent.  From the perspective of (c) preparers, tagging will pose a certain burden. While the proposal aims to reduce such burden by limiting the number of elements for tagging

	<p>sustainability-related financial information to a certain level, until the taxonomy is put into practice, it is impossible to affirm whether digital reporting can be realized without incurring excessive costs, and there is concern that the burden could become excessive.</p>
<p>Question 3–Other comments on the general features of the Proposed IFRS Sustainability Disclosure Taxonomy</p>	
<p>Do you have any other comments on:</p> <p>(a) the general features of the Proposed IFRS Sustainability Disclosure Taxonomy (paragraphs 1-41)?</p> <p>(i) In particular, do you agree with the specific proposed categorical elements and their properties? (See Appendix F–General features of the Proposed IFRS Sustainability Disclosure Taxonomy–List of categorical elements).</p> <p>(ii) Why or why not? If not, please suggest changes to the elements or their properties.</p> <p>(b) specific IFRS Sustainability Disclosure Taxonomy elements or the groups of elements to which they relate (see the Proposed IFRS Sustainability Disclosure Taxonomy files or its visual representation in IFRS Taxonomy Illustrated)?</p>	<p>(a)</p> <p>The Proposed IFRS Sustainability Disclosure Taxonomy will make the comparison on a global basis and chronological analysis easier, and improve users' convenience by enabling cross-referencing between general-purpose financial statements and other sustainability-related financial disclosures. However, from the standpoint of preparers, there is concern over the additional burden.</p> <p>For example, while the Proposed IFRS Sustainability Disclosure Taxonomy reflects the equivalent elements of the SASB Taxonomy for industry-based disclosures, to make disclosures in line with the industry-based topics, certain difficulties are expected in the jurisdictions that have not implemented the SASB classification structure. Regarding items for digital reporting of industry-based disclosures in such jurisdictions, provision of guidance material, etc. will reduce the burden on preparers.</p> <p>(i)(ii) [Broadly agree]</p> <p>While basically tagging narrative information on the first-level subparagraphs of IFRS S1 and IFRS S2, it would be more convenient for users to set up categorical elements at lower levels, strictly limiting them to items that are truly necessary. This also takes into account the burden on preparers. However, it is necessary to verify, through actual practice, whether narrative information is accurately and fully represented by tagging.</p>

	<p>(b)</p> <p>In a sustainability disclosure report, the content covered by a single taxonomy element may appear in multiple places. As a result, the same element may be tagged in multiple places. We hope that the taxonomy will be well designed to ensure that users can adequately understand and consume the information disclosed digitally, even in such cases. If the aforementioned tagging is not carried out appropriately, there is concern that the contents of sustainability disclosure reports will not be accurately reflected in digital reporting.</p>
<p>Question 4–Reflecting the relationship between IFRS S1 and IFRS S2</p>	
<p>Do you agree with the ISSB's proposal to create a single set of elements to reflect the corresponding disclosure requirements relating to the core content in IFRS S1 and IFRS S2 (paragraphs 42-55)?</p> <p>Why or why not? If not, please specify what changes you suggest and why.</p>	<p>[Broadly agree]</p> <p>We broadly agree with the ISSB's proposal, as tagging information related to the core content in IFRS S1 and IFRS S2 using common elements will be likely to reduce the burden on preparers.</p>
<p>Question 5–Granularity of narrative disclosures</p>	
<p>a) Do you agree with the ISSB's proposal that, as a principle, distinct taxonomy elements should be created for narrative information that is expected to be both separately understandable to users of general purpose financial reports and readily identifiable for tagging (paragraph 65)? Why or why not? If not, what principle would be more appropriate?</p> <p>(b) Do you agree that creating elements that represent the first-level subparagraphs of IFRS S1 and IFRS S2 (for example, paragraph 30(a) or 30(c) of IFRS S1 (see paragraph 67)) would generally be consistent with this principle?</p>	<p>(a) [Broadly agree]</p> <p>We broadly agree with the ISSB's proposal.</p> <p>In principle, distinct taxonomy for tagging narrative information is supported by the expected benefits, such as improved convenience for users of general purpose financial reports and increased use by regulators. On the other hand, from preparers' standpoint, the prerequisite is that tagging can be easily implemented without incurring excessive costs.</p> <p>(b) [Broadly agree]</p> <p>The elements that represent the first-level subparagraphs of IFRS S1 and IFRS S2 strike</p>

<p>Why or why not? If not:</p> <p>(i) should taxonomy elements generally represent narrative data sets that are more detailed or less detailed than the first-level subparagraphs. Why?</p> <p>(ii) should the elements suggested in response to (i) be provided in addition to the proposed elements (creating a hierarchical structure) or as an alternative to the proposed elements? Why?</p> <p>(c) In which, if any, cases do you think elements representing another level of disclosure requirement instead of the first-level subparagraphs in IFRS S1 and IFRS S2 would be more appropriate? Why?</p>	<p>a reasonable balance between users' convenience and preparers' burden. However, from the standpoint of preparers, we are not certain at this point whether, when preparing disclosures, they can actually be easily used for tagging and without excessive burden. We hope that these elements will be tested through actual practice and reviewed periodically.</p>
<p>Question 6–Facilitating digital reporting of sustainability-related financial disclosures globally</p>	
<p>(a) Are there any aspects of the proposals related to the Proposed IFRS Sustainability Disclosure Taxonomy that should be changed to enhance the IFRS Sustainability Disclosure Taxonomy's ability to facilitate digital reporting of sustainability-related financial disclosures globally? If so, please specify what changes you suggest and why.</p> <p>(b) What implementation guidance and supporting materials and other resources, if any, would be useful to those using the IFRS Sustainability Disclosure Taxonomy, what issues do you think they should focus on and why?</p>	<p>(b)</p> <p>If cross-referencing between general purpose financial reports and other sustainability-related financial disclosures is made easier, the burden on preparers will be reduced and digital reporting will be facilitated. Consequently, convenience for users of general purpose financial reports and regulators will be increased. As Paragraph 83 explains, in order to improve interoperability, we hope that the ISSB will enhance broad coordination with other organizations (such as the GRI) and jurisdictional initiatives toward the development of relevant materials. In addition, while the Proposed IFRS Sustainability Disclosure Taxonomy reflects the equivalent elements of the SASB Taxonomy for industry-based disclosures, to make disclosures in line with the industry-based topics, certain difficulties are expected in jurisdictions that have not implemented the SASB classification structure. Regarding the items for digital reporting of industry-based disclosures in such jurisdictions, provision of guidance material, etc. will reduce the burden on preparers.</p>



Question 7–Other comments	
Do you have any other comments or suggestions on the Proposed IFRS Sustainability Disclosure Taxonomy?	As a general comment, it is necessary for the IFRS Sustainability Disclosure Taxonomy to have sufficient elements to adequately represent sustainability-related financial information. On the other hand, from the standpoint of preparers, there are concerns that a large number of elements may increase complexity, resulting in incorrect disclosures and/or an excessive burden when preparing disclosures. We hope that the taxonomy will be highly convenient for users, regulators, and preparers, while striking a balance between the number of necessary elements and complexity.