



Consolidated Financial Results for the Three Months Ended June 30, 2020 (IFRS)

July 30, 2020

Company name: **KYOCERA CORPORATION** Stock Listing: Tokyo Stock Exchange
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 Scheduled date of quarterly report filing: August 7, 2020
 Scheduled date for commencement of dividend payment: –
 Supplementary documents of the quarterly financial results: Yes
 Holding quarterly financial results meeting: Yes (conference call for institutional investors and analysts)

(Amounts less than one million yen are rounded)

1. Consolidated Financial Results for the Three Months Ended June 30, 2020

(1) Consolidated operating results (% of change from the same period of the previous year)

	Sales revenue		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Comprehensive income for the period	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2020	317,094	(17.6)	7,574	(66.5)	30,411	(33.1)	22,380	(30.1)	36,107	(63.2)
June 30, 2019	384,937	(0.7)	22,629	(39.0)	45,486	(18.0)	32,037	(24.2)	98,061	(22.9)

	Earnings per share attributable to owners of the parent - Basic		Earnings per share attributable to owners of the parent - Diluted	
	Yen		Yen	
Three months ended June 30, 2020	61.75		61.75	
June 30, 2019	88.56		88.51	

(2) Consolidated 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
As of	Million yen	Million yen	Million yen	%
June 30, 2020	3,265,449	2,461,447	2,438,705	74.7
March 31, 2020	3,250,175	2,454,242	2,432,134	74.8

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	—	80.00	—	80.00	160.00
Year ending March 31, 2021	—				
Year ending March 31, 2021 (forecast)		—	—	—	120.00

(Note) Revision of previously announced dividend targets during this reporting period: None
 Dividends per share for the year ending March 31, 2021 are forecasted to be 120.00 yen on an annual basis.

3. Consolidated Financial Forecasts for the Year Ending March 31, 2021 (% of change from the previous year)

	Sales revenue		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Earnings per share attributable to owners of the parent - Basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year Ending March 31, 2021	1,500,000	(6.2)	75,000	(25.1)	120,000	(19.4)	88,000	(18.3)	242.80

(Note) Revision of previously announced financial forecast during this reporting period: None
 “Earnings per share attributable to owners of the parent - Basic” is calculated using the average number of shares outstanding for the three months ended June 30, 2020.

Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries that caused a change in the scope of consolidation): None

(2) Changes in accounting policies and accounting estimates

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

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

(iii) Changes in accounting estimates: None

(3) Number of shares issued (common stock)

(i) Number of shares issued (including treasury stock):

As of June 30, 2020 377,618,580 shares

As of March 31, 2020 377,618,580 shares

(ii) Number of treasury stock:

As of June 30, 2020 15,186,408 shares

As of March 31, 2020 15,186,354 shares

(iii) Average number of shares outstanding:

For the three months ended June 30, 2020 362,432,148 shares

For the three months ended June 30, 2019 361,752,983 shares

Instruction for Forecasts and Other Notes

1. Cautionary statements with respect to forward-looking statements

Certain of the statements made in this document are forward-looking statements, which are based on our current assumptions and beliefs in light of the information currently available to us. These forward-looking statements involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors include, but are not limited to the following:

- (1) General conditions in the Japanese or global economy;
- (2) Unexpected changes in economic, political and legal conditions in countries where we operate or export;
- (3) The effect of foreign exchange fluctuations on our results of operations;
- (4) Intense competitive pressures to which our products are subject;
- (5) Fluctuations in the price and ability of suppliers to provide the required quantity of raw materials for use in our production activities;
- (6) Manufacturing delays or defects resulting from outsourcing or internal manufacturing processes;
- (7) The possibility that future initiatives and in-process research and development may not produce the desired results;
- (8) Companies or assets acquired by us not produce the returns or benefits, or bring in business opportunities;
- (9) Inability to secure skilled employees;
- (10) Damages on our information security systems from cyberattacks, etc. and significant costs in order to recover and maintain the systems;
- (11) Insufficient protection of our trade secrets and intellectual property rights including patents;
- (12) Expenses associated with licenses we require to continue to manufacture and sell products;
- (13) Unintentional conflict with laws and regulations or newly enacted laws and regulations;
- (14) Environmental liability and compliance obligations by tightening of environmental laws and regulations;
- (15) Inability to respond to global climate change problems or delay in such response, which may lead to increased costs and negatively impact our corporate brands;
- (16) Our market or supply chains being affected by plague, infectious diseases, terrorism, wars or similar events;
- (17) Earthquakes and other natural disasters affecting our headquarters and major facilities as well as our suppliers and customers;
- (18) Credit risk on trade receivables;
- (19) Fluctuations in the value of financial instruments held by us;
- (20) Impairment losses on property, plant and equipment, goodwill and intangible assets;
- (21) Uncertainty over income tax and deferred tax assets; and
- (22) Changes in accounting standards.

Due to such risks, uncertainties and other factors, our actual results, performance, achievements or financial condition may be substantially different from any future results, performance, achievements or financial condition expressed or implied by these forward-looking statements. We undertake no obligation to publicly update any forward-looking statements included in this document.

2. This consolidated financial report is not subject to quarterly review procedures by certified public accountants or auditing firms.

3. Method of obtaining supplementary materials on the financial results

The supplementary documents will be posted on the corporate website on July 30, 2020.

4. English translation

This is an English translation of the Japanese original of “Consolidated Financial Results for the Three Months Ended June 30, 2020.” The translation is prepared for the reference and convenience solely for those who do not use Japanese. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

(Attachment)

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1. Qualitative Information related to Consolidated Financial Results

(1) Explanation of Consolidated Financial Results

a. Consolidated Financial Results

During the three months ended June 30, 2020 (“the first quarter”), both sales revenue and profits were below those for the three months ended June 30, 2019 (“the previous first quarter”), due mainly to stagnation in major markets as a result of global economic deterioration caused by the spread of the COVID-19 epidemic.

In the Components Business, sales revenue of the Electronic Devices Group decreased due mainly to a sales decline at AVX Corporation (“AVX”), a U.S. subsidiary, as production activities stagnated particularly in the automotive-related market. In the Equipment & Systems Business, sales revenue of the Document Solutions Group decreased due to lower demand for equipment and consumables as a result of restrictions on office attendance. As a result, sales revenue decreased by 67,843 million yen, or 17.6%, to 317,094 million yen, compared with the previous first quarter.

Profit declined compared with the previous first quarter due mainly to lower sales revenue in most of the business groups. Operating profit decreased by 15,055 million yen, or 66.5%, to 7,574 million yen, profit before income taxes decreased by 15,075 million yen, or 33.1%, to 30,411 million yen, and profit attributable to owners of the parent decreased by 9,657 million yen, or 30.1%, to 22,380 million yen, compared with the previous first quarter.

Average exchange rates for the first quarter were 108 yen to the U.S. dollar, marking appreciation of 2 yen, or 1.8%, and 118 yen to the Euro, marking appreciation of 5 yen, or 4.1%, compared with the previous first quarter. As a result, sales revenue and profit before income taxes after translation into yen for the first quarter were pushed down by approximately 6 billion yen and approximately 1.5 billion yen, respectively, compared with the previous first quarter.

Consolidated Financial Results

(Yen in millions)

	For the three months ended June 30, 2019		For the three months ended June 30, 2020		Change	
	Amount	%*	Amount	%*	Amount	%
Sales revenue	384,937	100.0	317,094	100.0	(67,843)	(17.6)
Operating profit	22,629	5.9	7,574	2.4	(15,055)	(66.5)
Profit before income taxes	45,486	11.8	30,411	9.6	(15,075)	(33.1)
Profit attributable to owners of the parent	32,037	8.3	22,380	7.1	(9,657)	(30.1)
Average US\$ exchange rate (yen)	110	—	108	—	—	—
Average Euro exchange rate (yen)	123	—	118	—	—	—

Capital expenditures	25,821	6.7	26,458	8.3	637	2.5
Depreciation charge of property, plant and equipment	14,317	3.7	17,065	5.4	2,748	19.2
Research and development expenses	18,866	4.9	17,355	5.5	(1,511)	(8.0)

* % represents the percentage to sales revenue.

b. Consolidated Financial Results by Reporting Segment

1) Industrial & Automotive Components Group

Sales revenue for the first quarter increased by 1,266 million yen, or 1.6%, to 80,596 million yen compared with 79,330 million yen in the previous first quarter. Sales increased due to contributions from M&A activities in the year ended March 31, 2020, which more than offset the decrease in sales of products for the automotive-related market, such as cutting tools and automotive cameras.

Business profit, on the other hand, decreased by 3,132 million yen, or 65.3%, to 1,666 million yen compared with 4,798 million yen in the previous first quarter as a result of a decrease in sales in automotive-related market and an increase in costs particularly in depreciation charge.

2) Semiconductor Components Group

Sales revenue for the first quarter decreased by 1,849 million yen, or 3.2%, to 56,124 million yen compared with 57,973 million yen in the previous first quarter. This was due mainly to a decrease in demand for organic multi-layer substrates for automotive use, while demand for ceramic packages for use in 5G capable smartphones and communications infrastructure remained solid.

Business profit, on the other hand, increased by 541 million yen, or 10.6%, to 5,623 million yen compared with 5,082 million yen for the previous first quarter as a result of an increase in sales revenue in the ceramic package business and cost reductions.

3) Electronic Devices Group

Sales revenue for the first quarter decreased by 21,763 million yen, or 26.2%, to 61,440 million yen compared with 83,203 million yen for the previous first quarter. Sales at AVX decreased due to sluggish conditions in major markets, including the automotive-related market.

Business profit decreased by 11,011 million yen, or 82.1%, to 2,407 million yen compared with 13,418 million yen in the previous first quarter due mainly to a decrease in sales revenue.

4) Communications Group

Sales revenue for the first quarter decreased by 15,044 million yen, or 23.2%, to 49,737 million yen compared with 64,781 million yen in the previous first quarter due to lower sales of mobile phones and by the engineering business.

Business profit decreased by 315 million yen, or 15.7%, to 1,697 million yen compared with 2,012 million yen in the previous first quarter due to the impact of lower sales revenue. Business profit margin, however, remained at the same level as in the previous first quarter as a result of cost reduction efforts.

5) Document Solutions Group

Sales revenue for the first quarter decreased by 27,072 million yen, or 31.1%, to 60,058 million yen compared with 87,130 million yen in the previous first quarter. Although demand for document solution services increased, demand for equipment and consumables declined significantly due to restrictions on office attendance.

Business profit decreased by 7,157 million yen, or 79.8%, to 1,809 million yen compared with 8,966 million yen in the previous first quarter as a result of lower sales revenue.

6) Life & Environment Group

Sales revenue for the first quarter decreased by 4,504 million yen, or 26.7%, to 12,362 million yen compared with 16,866 million yen in the previous first quarter due mainly to lower sales of solar power generation systems in the smart energy business*.

Business loss increased by 1,279 million yen to 3,834 million yen compared with 2,555 million yen as a result of lower sales revenue.

*On April 1, 2020, the “solar energy business” was renamed to the “smart energy business.”

Sales Revenue by Reporting Segment

(Yen in millions)

	For the three months ended June 30, 2019		For the three months ended June 30, 2020		Change	
	Amount	%*	Amount	%*	Amount	%
Industrial & Automotive Components Group	79,330	20.6	80,596	25.4	1,266	1.6
Semiconductor Components Group	57,973	15.1	56,124	17.7	(1,849)	(3.2)
Electronic Devices Group	83,203	21.6	61,440	19.4	(21,763)	(26.2)
Total Components Business	220,506	57.3	198,160	62.5	(22,346)	(10.1)
Communications Group	64,781	16.8	49,737	15.7	(15,044)	(23.2)
Document Solutions Group	87,130	22.6	60,058	18.9	(27,072)	(31.1)
Life & Environment Group	16,866	4.4	12,362	3.9	(4,504)	(26.7)
Total Equipment & Systems Business	168,777	43.8	122,157	38.5	(46,620)	(27.6)
Others	4,110	1.1	3,757	1.2	(353)	(8.6)
Adjustments and eliminations	(8,456)	(2.2)	(6,980)	(2.2)	1,476	—
Sales revenue	384,937	100.0	317,094	100.0	(67,843)	(17.6)

* % represents the component ratio.

Business Profit (Loss) by Reporting Segment

(Yen in millions)

	For the three months ended June 30, 2019		For the three months ended June 30, 2020		Change	
	Amount	%*	Amount	%*	Amount	%
Industrial & Automotive Components Group	4,798	6.0	1,666	2.1	(3,132)	(65.3)
Semiconductor Components Group	5,082	8.8	5,623	10.0	541	10.6
Electronic Devices Group	13,418	16.1	2,407	3.9	(11,011)	(82.1)
Total Components Business	23,298	10.6	9,696	4.9	(13,602)	(58.4)
Communications Group	2,012	3.1	1,697	3.4	(315)	(15.7)
Document Solutions Group	8,966	10.3	1,809	3.0	(7,157)	(79.8)
Life & Environment Group	(2,555)	—	(3,834)	—	(1,279)	—
Total Equipment & Systems Business	8,423	5.0	(328)	—	(8,751)	—
Others	(910)	—	(633)	—	277	—
Total business profit	30,811	8.0	8,735	2.8	(22,076)	(71.6)
Corporate gains and share of net profit of investments accounted for using the equity method	14,938	—	22,197	—	7,259	48.6
Adjustments and eliminations	(263)	—	(521)	—	(258)	—
Profit before income taxes	45,486	11.8	30,411	9.6	(15,075)	(33.1)

* % represents the percentage to sales revenue of each corresponding segment.

(Note) On April 1, 2020, a domestic subsidiary Kyocera Communication Systems Co., Ltd., which is included in “Communications Group,” absorbed and merged with a domestic subsidiary Kyocera Solar Corporation, which was included in “Life & Environment Group.” As a result, “For the three months ended June 30, 2019” in the above tables are presented in the reporting segment after the merger.

(2) Explanation of Consolidated Financial Position

Consolidated Cash Flows

Cash and cash equivalents at June 30, 2020 decreased by 37,382 million yen to 382,238 million yen from 419,620 million yen at March 31, 2020.

1) Cash flows from operating activities

Net cash provided by operating activities for the first quarter decreased by 17,672 million yen to 37,099 million yen from 54,771 million yen for the previous first quarter. This was due mainly to a decrease in profit for the period.

2) Cash flows from investing activities

Net cash used in investing activities for the first quarter decreased by 40,349 million yen to 37,473 million yen from 77,822 million yen for the previous first quarter. This was due mainly to a decrease in payments for acquisitions of business.

3) Cash flows from financing activities

Net cash used in financing activities for the first quarter decreased by 31,512 million yen to 35,135 million yen from 66,647 million yen for the previous first quarter. This was due mainly to a decrease in repayments of borrowings.

Consolidated Cash Flows

(Yen in millions)

	For the three months ended June 30, 2019	For the three months ended June 30, 2020	Change
Cash flows from operating activities	54,771	37,099	(17,672)
Cash flows from investing activities	(77,822)	(37,473)	40,349
Cash flows from financing activities	(66,647)	(35,135)	31,512
Effect of exchange rate changes on cash and cash equivalents	(4,544)	(1,873)	2,671
Increase (decrease) in cash and cash equivalents	(94,242)	(37,382)	56,860
Cash and cash equivalents at the beginning of the year	512,814	419,620	(93,194)
Cash and cash equivalents at the end of the period	418,572	382,238	(36,334)

(3) Explanation Regarding Future Projection Including Consolidated Financial Forecasts

Performance in the first quarter overall was within our projections made at the beginning of the year ending March 31, 2021 (“fiscal 2021”), despite unfavorable results reflecting the impact of the spread of the COVID-19 epidemic. We prepared our consolidated financial forecast for fiscal 2021 based on the assumption that major markets will gradually recover commencing from the three months ending September 30, 2020, and there is no change in this assumption at present, with the result that no revision has been made to our consolidated financial forecast for fiscal 2021. While the impact of the spread of the COVID-19 epidemic and the resurgence of trade friction between the United States and China remain a concern, demand in the automotive-related market seems to have bottomed out and demand for 5G-related products is expected to increase. We aim to achieve our consolidated financial forecast for fiscal 2021 by continuing efforts to thoroughly reduce costs and further improve productivity.

Please refer to “Cautionary statements with respect to forward-looking statements” in “Instruction for Forecasts and Other Notes.”

Forecasts of Consolidated Financial Results

(Yen in millions)

	Results for the year ended March 31, 2020		Forecasts for the year ending March 31, 2021		Change	
	Amount	%*	Amount	%*	Amount	%
Sales revenue	1,599,053	100.0	1,500,000	100.0	(99,053)	(6.2)
Operating profit	100,193	6.3	75,000	5.0	(25,193)	(25.1)
Profit before income taxes	148,826	9.3	120,000	8.0	(28,826)	(19.4)
Profit attributable to owners of the parent	107,721	6.7	88,000	5.9	(19,721)	(18.3)
Average US\$ exchange rate (yen)	109	—	105	—	—	—
Average Euro exchange rate (yen)	121	—	115	—	—	—

Capital expenditures	106,003	6.6	100,000	6.7	(6,003)	(5.7)
Depreciation charge of property, plant and equipment	62,413	3.9	75,000	5.0	12,587	20.2
Research and development expenses	79,241	5.0	80,000	5.3	759	1.0

* % represents the percentage to sales revenue.

Sales Revenue by Reporting Segment

(Yen in millions)

	Results for the year ended March 31, 2020		Forecasts for the year ending March 31, 2021		Change	
	Amount	%*	Amount	%*	Amount	%
Industrial & Automotive Components Group	341,093	21.3	300,000	20.0	(41,093)	(12.0)
Semiconductor Components Group	247,228	15.5	239,000	15.9	(8,228)	(3.3)
Electronic Devices Group	324,113	20.3	328,000	21.9	3,887	1.2
Total Components Business	912,434	57.1	867,000	57.8	(45,434)	(5.0)
Communications Group	270,818	17.0	259,000	17.3	(11,818)	(4.4)
Document Solutions Group	359,915	22.5	320,000	21.3	(39,915)	(11.1)
Life & Environment Group	73,747	4.6	67,000	4.5	(6,747)	(9.1)
Total Equipment & Systems Business	704,480	44.1	646,000	43.1	(58,480)	(8.3)
Others	16,737	1.0	22,000	1.5	5,263	31.4
Adjustments and eliminations	(34,598)	(2.2)	(35,000)	(2.4)	(402)	—
Sales revenue	1,599,053	100.0	1,500,000	100.0	(99,053)	(6.2)

* % represents the component ratio.

Business Profit (Loss) by Reporting Segment

(Yen in millions)

	Results for the year ended March 31, 2020		Forecasts for the year ending March 31, 2021		Change	
	Amount	%*	Amount	%*	Amount	%
Industrial & Automotive Components Group	15,813	4.6	13,000	4.3	(2,813)	(17.8)
Semiconductor Components Group	30,511	12.3	30,000	12.6	(511)	(1.7)
Electronic Devices Group	31,744	9.8	34,000	10.4	2,256	7.1
Total Components Business	78,068	8.6	77,000	8.9	(1,068)	(1.4)
Communications Group	11,259	4.2	9,000	3.5	(2,259)	(20.1)
Document Solutions Group	34,489	9.6	30,000	9.4	(4,489)	(13.0)
Life & Environment Group	(10,965)	—	(14,000)	—	(3,035)	—
Total Equipment & Systems Business	34,783	4.9	25,000	3.9	(9,783)	(28.1)
Others	(4,484)	—	(6,000)	—	(1,516)	—
Total business profit	108,367	6.8	96,000	6.4	(12,367)	(11.4)
Corporate and others	40,459	—	24,000	—	(16,459)	(40.7)
Profit before income taxes	148,826	9.3	120,000	8.0	(28,826)	(19.4)

* % represents the percentage to sales revenue of each corresponding segment.

(Note) On April 1, 2020, a domestic subsidiary Kyocera Communication Systems Co., Ltd., which is included in “Communications Group,” absorbed and merged with a domestic subsidiary Kyocera Solar Corporation, which was included in “Life & Environment Group.” As a result, “Results for the year ended March 31, 2020” in the above tables are presented in the reporting segment after the merger.

2. Condensed Quarterly Consolidated Financial Statements and Primary Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Yen in millions)

	As of March 31, 2020		As of June 30, 2020		Change
	Amount	%*	Amount	%*	
Assets					
Current assets					
Cash and cash equivalents	419,620		382,238		(37,382)
Short-term investments	62,999		56,529		(6,470)
Trade and other receivables	336,294		285,962		(50,332)
Other financial assets	11,035		12,860		1,825
Inventories	344,304		375,365		31,061
Other current assets	28,455		33,217		4,762
Total current assets	1,202,707	37.0	1,146,171	35.1	(56,536)
Non-current assets					
Equity and debt instruments	1,196,634		1,217,917		21,283
Investments accounted for using the equity method	17,422		17,485		63
Other financial assets	27,179		34,627		7,448
Property, plant and equipment	383,271		396,306		13,035
Right-of-use assets	34,921		35,141		220
Goodwill	212,207		230,552		18,345
Intangible assets	118,533		126,141		7,608
Deferred tax assets	40,434		40,429		(5)
Other non-current assets	16,867		20,680		3,813
Total non-current assets	2,047,468	63.0	2,119,278	64.9	71,810
Total assets	3,250,175	100.0	3,265,449	100.0	15,274

* % represents the component ratio.

(Yen in millions)

	As of March 31, 2020		As of June 30, 2020		Change
	Amount	%*	Amount	%*	
Liabilities and Equity					
Liabilities					
Current liabilities					
Borrowings	35,025		41,293		6,268
Trade and other payables	173,300		166,948		(6,352)
Lease liabilities	15,477		15,902		425
Other financial liabilities	1,544		1,566		22
Income tax payables	11,396		8,820		(2,576)
Accrued expenses	114,983		103,727		(11,256)
Provisions	14,411		6,486		(7,925)
Other current liabilities	31,373		39,909		8,536
Total current liabilities	397,509	12.2	384,651	11.8	(12,858)
Non-current liabilities					
Borrowings	44,970		50,645		5,675
Lease liabilities	31,847		31,440		(407)
Retirement benefit liabilities	28,406		28,961		555
Deferred tax liabilities	271,317		279,520		8,203
Provisions	8,760		8,768		8
Other non-current liabilities	13,124		20,017		6,893
Total non-current liabilities	398,424	12.3	419,351	12.8	20,927
Total liabilities	795,933	24.5	804,002	24.6	8,069
Equity					
Common stock	115,703		115,703		–
Capital surplus	123,539		123,532		(7)
Retained earnings	1,686,672		1,680,057		(6,615)
Other components of equity	575,495		588,689		13,194
Treasury stock	(69,275)		(69,276)		(1)
Total equity attributable to owners of the parent	2,432,134	74.8	2,438,705	74.7	6,571
Non-controlling interests	22,108	0.7	22,742	0.7	634
Total equity	2,454,242	75.5	2,461,447	75.4	7,205
Total liabilities and equity	3,250,175	100.0	3,265,449	100.0	15,274

* % represents the component ratio.

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Comprehensive Income

a. Condensed Quarterly Consolidated Statement of Profit or Loss

(Yen in millions except per share amounts)

	For the three months ended June 30, 2019		For the three months ended June 30, 2020		Change	
	Amount	%*	Amount	%*	Amount	%
Sales revenue	384,937	100.0	317,094	100.0	(67,843)	(17.6)
Cost of sales	274,914	71.4	233,492	73.6	(41,422)	(15.1)
Gross profit	110,023	28.6	83,602	26.4	(26,421)	(24.0)
Selling, general and administrative expenses	87,394	22.7	76,028	24.0	(11,366)	(13.0)
Operating profit	22,629	5.9	7,574	2.4	(15,055)	(66.5)
Finance income	23,064	6.0	22,193	7.0	(871)	(3.8)
Finance expenses	344	0.1	379	0.1	35	10.2
Foreign exchange gains (losses)	(112)	(0.0)	109	0.0	221	—
Share of net profit (loss) of investments accounted for using the equity method	267	0.0	349	0.1	82	30.7
Other, net	(18)	(0.0)	565	0.2	583	—
Profit before income taxes	45,486	11.8	30,411	9.6	(15,075)	(33.1)
Income taxes	11,147	2.9	7,551	2.4	(3,596)	(32.3)
Profit for the period	34,339	8.9	22,860	7.2	(11,479)	(33.4)

Profit attributable to:						
Owners of the parent	32,037	8.3	22,380	7.1	(9,657)	(30.1)
Non-controlling interests	2,302	0.6	480	0.1	(1,822)	(79.1)
Profit for the period	34,339	8.9	22,860	7.2	(11,479)	(33.4)

Per share information:			
Earnings per share attributable to owners of the parent			
Basic	88.56 yen	61.75 yen	
Diluted	88.51 yen	61.75 yen	

* % represents the percentage to sales revenue.

b. Condensed Quarterly Consolidated Statement of Comprehensive Income

(Yen in millions)

	For the three months ended	For the three months ended	Change
	June 30, 2019	June 30, 2020	
	Amount	Amount	
Profit for the period	34,339	22,860	(11,479)
Other comprehensive income, net of taxation			
Items that will not be reclassified to profit or loss:			
Financial assets measured at fair value through other comprehensive income	82,501	14,792	(67,709)
Re-measurement of defined benefit plans	—	—	—
Total items that will not be reclassified to profit or loss	82,501	14,792	(67,709)
Items that may be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedge	(21)	141	162
Exchange differences on translating foreign operations	(18,722)	(1,685)	17,037
Share of other comprehensive income of investments accounted for using the equity method	(36)	(1)	35
Total items that may be reclassified subsequently to profit or loss	(18,779)	(1,545)	17,234
Total other comprehensive income	63,722	13,247	(50,475)
Comprehensive income for the period	98,061	36,107	(61,954)

Comprehensive income attributable to:			
Owners of the parent	97,936	35,574	(62,362)
Non-controlling interests	125	533	408
Comprehensive income for the period	98,061	36,107	(61,954)

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

For the three months ended June 30, 2019

(Yen in millions)

	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common Stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total		
Balance as of April 1, 2019	115,703	165,225	1,638,709	418,643	(72,361)	2,265,919	96,341	2,362,260
Profit for the period			32,037			32,037	2,302	34,339
Other comprehensive income				65,899		65,899	(2,177)	63,722
Total comprehensive income for the period	—	—	32,037	65,899	—	97,936	125	98,061
Cash dividends			(28,940)			(28,940)	(1,190)	(30,130)
Purchase of treasury stock					(6)	(6)		(6)
Reissuance of treasury stock		—			—	—		—
Transactions with non-controlling interests and other		(273)		23		(250)	327	77
Balance as of June 30, 2019	115,703	164,952	1,641,806	484,565	(72,367)	2,334,659	95,603	2,430,262

For the three months ended June 30, 2020

(Yen in millions)

	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common Stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total		
Balance as of April 1, 2020	115,703	123,539	1,686,672	575,495	(69,275)	2,432,134	22,108	2,454,242
Profit for the period			22,380			22,380	480	22,860
Other comprehensive income				13,194		13,194	53	13,247
Total comprehensive income for the period	—	—	22,380	13,194	—	35,574	533	36,107
Cash dividends			(28,995)			(28,995)	(396)	(29,391)
Purchase of treasury stock					(1)	(1)		(1)
Reissuance of treasury stock		0			0	0		0
Transactions with non-controlling interests and other		(7)		—		(7)	497	490
Balance as of June 30, 2020	115,703	123,532	1,680,057	588,689	(69,276)	2,438,705	22,742	2,461,447

(4) Notes to Condensed Quarterly Consolidated Financial Statements

a. Notes to Going Concern Assumption

Not Applicable