



Consolidated Financial Results for the Nine Months Ended December 31, 2020 (IFRS)

February 1, 2021

Company name: **KYOCERA CORPORATION** Stock Listing: Tokyo Stock Exchange
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 Scheduled date of quarterly report filing: February 10, 2021
 Scheduled date for commencement of dividend payments: –
 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 Nine Months Ended December 31, 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	%
Nine months ended										
December 31, 2020	1,100,534	(8.1)	42,983	(54.7)	87,216	(38.4)	63,931	(36.9)	48,798	(84.0)
December 31, 2019	1,196,885	(1.4)	94,860	56.6	141,629	36.1	101,265	27.5	304,451	381.1

	Earnings per share attributable to owners of the parent - Basic		Earnings per share attributable to owners of the parent - Diluted	
	Yen		Yen	
Nine months ended				
December 31, 2020	176.39		176.39	
December 31, 2019	279.58		279.51	

(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
	Million yen	Million yen	Million yen	%
As of				
December 31, 2020	3,229,081	2,451,426	2,427,540	75.2
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	—	60.00	—		
Year ending					
March 31, 2021 (forecast)				60.00	120.00

(Note) Revision of previously announced dividend targets during this reporting period: None

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 nine months ended December 31, 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 December 31, 2020 377,618,580 shares

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

(ii) Number of treasury stock:

As of December 31, 2020 15,177,338 shares

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

(iii) Average number of shares outstanding:

For the nine months ended December 31, 2020 362,438,683 shares

For the nine months ended December 31, 2019 362,206,966 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 February 1, 2021.

4. English translation

This is an English translation of the Japanese original of “Consolidated Financial Results for the Nine Months Ended December 31, 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 nine months ended December 31, 2020 (“the nine months”), sales revenue and profit decreased in both the Components Business and the Equipment & Systems Business compared with the nine months ended December 31, 2019 (“the previous nine months”), despite the gradually weakening impact of economic deterioration caused by the spread of COVID-19 infections.

In the Components Business, while sales of components for 5G capable smartphone handsets and fine ceramic parts for semiconductor processing equipment increased, sales in the automotive-related market and the industrial machinery market fell below the level recorded in the previous nine months. In the Equipment & Systems Business, sales decreased mainly due to a decline in demand for equipment, such as printers and MFPs, and consumables. As a result, sales revenue in the nine months decreased by 96,351 million yen, or 8.1%, to 1,100,534 million yen, compared with the previous nine months.

Profit decreased compared with the previous nine months due to lower sales revenue and the recording of an impairment loss in the amount of 11,518 million yen in the smart energy business*1. Operating profit decreased by 51,877 million yen, or 54.7%, to 42,983 million yen, profit before income taxes decreased by 54,413 million yen, or 38.4%, to 87,216 million yen, and profit attributable to owners of the parent decreased by 37,334 million yen, or 36.9%, to 63,931 million yen, compared with the previous nine months.

Average exchange rates for the nine months were 106 yen to the U.S. dollar, marking appreciation of 3 yen, or 2.8%, and 122 yen to the Euro, marking depreciation of 1 yen or 0.8%, compared with the previous nine months. As a result, sales revenue and profit before income taxes for the nine months after translation into yen were pushed down by approximately 10 billion yen and 1 billion yen, respectively, compared with the previous nine months.

Consolidated Financial Results

(Yen in millions)

	For the nine months ended December 31, 2019		For the nine months ended December 31, 2020		Change	
	Amount	%*2	Amount	%*2	Amount	%
Sales revenue	1,196,885	100.0	1,100,534	100.0	(96,351)	(8.1)
Operating profit	94,860	7.9	42,983	3.9	(51,877)	(54.7)
Profit before income taxes	141,629	11.8	87,216	7.9	(54,413)	(38.4)
Profit attributable to owners of the parent	101,265	8.5	63,931	5.8	(37,334)	(36.9)
Average US\$ exchange rate (yen)	109	—	106	—	—	—
Average Euro exchange rate (yen)	121	—	122	—	—	—

Capital expenditures	83,027	6.9	89,123	8.1	6,096	7.3
Depreciation charge of property, plant and equipment	45,313	3.8	54,011	4.9	8,698	19.2
Research and development expenses	58,908	4.9	54,242	4.9	(4,666)	(7.9)

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

*2: % represents the percentage to sales revenue.

b. Consolidated Financial Results by Reporting Segment

1) Industrial & Automotive Components Group

Sales revenue for the nine months increased by 4,748 million yen, or 1.9%, to 258,502 million yen compared with 253,754 million yen recorded in the previous nine months. Although sales of products such as displays for the automotive-related markets decreased, increased sales of fine ceramic parts for semiconductor processing equipment and contributions from M&A activities were more than enough to offset such decrease.

Despite an increase in sales revenue, business profit decreased by 2,944 million yen, or 23.7%, to 9,500 million yen compared with 12,444 million yen recorded in the previous nine months due to the impact of decreased sales of products for the automotive-related markets and an increase in costs such as depreciation charges.

2) Semiconductor Components Group

Sales revenue for the nine months increased by 6,215 million yen, or 3.3%, to 193,305 million yen compared with 187,090 million yen recorded in the previous nine months. While demand for organic multilayer substrates for automotive use declined, demand for ceramic packages for 5G capable smartphones remained strong.

Despite an increase in sales revenue, business profit decreased by 3,507 million yen, or 15.2%, to 19,491 million yen compared with 22,998 million yen recorded in the previous nine months due to a decrease in sales in the organic materials business and an increase in costs such as depreciation charges.

3) Electronic Devices Group

Sales revenue for the nine months decreased by 27,108 million yen, or 10.9 %, to 221,672 million yen compared with 248,780 million yen recorded in the previous nine months. This decrease was due mainly to lower sales at AVX Corporation, particularly in the industrial machinery and the automotive-related markets.

Business profit decreased by 19,788 million yen, or 54.3%, to 16,686 million yen compared with 36,474 million yen recorded in the previous nine months primarily due to the decrease in sales revenue.

4) Communications Group

Sales revenue for the nine months decreased by 33,202 million yen, or 16.8%, to 164,926 million yen compared with 198,128 million yen recorded in the previous nine months due to a decrease in the number of mobile phone handsets sold and a decrease in sales in the engineering business.

Business profit for the nine months was 6,906 million yen, almost flat as compared with 7,066 million yen recorded in the previous nine months. Business profit margin was improved as a result of our efforts to reduce costs.

5) Document Solutions Group

Sales revenue for the nine months decreased by 41,443 million yen, or 15.5%, to 226,081 million yen compared with 267,524 million yen recorded in the previous nine months. Despite a recovery in demand after the three months ended June 30, 2020 (“the first quarter”), demand through the duration of the nine months did not reach the level of the previous nine months, particularly reflected in lower sales of equipment and consumables.

Business profit decreased by 9,147 million yen, or 33.3%, to 18,351 million yen compared with 27,498 million yen recorded in the previous nine months primarily due to the decrease in sales revenue.

6) Life & Environment Group

Sales revenue for the nine months decreased by 8,397 million yen, or 15.5%, to 45,823 million yen compared with 54,220 million yen recorded in the previous nine months due mainly to a lower sales of solar power generation systems in the smart energy business.

Business loss increased by 13,457 million yen to 20,874 million yen compared with 7,417 million yen recorded in the previous nine months due to lower sales revenue and the recording of an impairment loss in the amount of 11,518 million yen relating to machinery, equipment and goodwill as well as intangible assets in the smart energy business.

Sales Revenue by Reporting Segment

(Yen in millions)

	For the nine months ended December 31, 2019		For the nine months ended December 31, 2020		Change	
	Amount	%*	Amount	%*	Amount	%
Industrial & Automotive Components Group	253,754	21.2	258,502	23.5	4,748	1.9
Semiconductor Components Group	187,090	15.6	193,305	17.6	6,215	3.3
Electronic Devices Group	248,780	20.8	221,672	20.1	(27,108)	(10.9)
Total Components Business	689,624	57.6	673,479	61.2	(16,145)	(2.3)
Communications Group	198,128	16.6	164,926	15.0	(33,202)	(16.8)
Document Solutions Group	267,524	22.3	226,081	20.5	(41,443)	(15.5)
Life & Environment Group	54,220	4.5	45,823	4.2	(8,397)	(15.5)
Total Equipment & Systems Business	519,872	43.4	436,830	39.7	(83,042)	(16.0)
Others	12,510	1.1	12,746	1.2	236	1.9
Adjustments and eliminations	(25,121)	(2.1)	(22,521)	(2.1)	2,600	—
Sales revenue	1,196,885	100.0	1,100,534	100.0	(96,351)	(8.1)

* % represents the component ratio.

Business Profit (Loss) by Reporting Segment

(Yen in millions)

	For the nine months ended December 31, 2019		For the nine months ended December 31, 2020		Change	
	Amount	%*	Amount	%*	Amount	%
Industrial & Automotive Components Group	12,444	4.9	9,500	3.7	(2,944)	(23.7)
Semiconductor Components Group	22,998	12.3	19,491	10.1	(3,507)	(15.2)
Electronic Devices Group	36,474	14.7	16,686	7.5	(19,788)	(54.3)
Total Components Business	71,916	10.4	45,677	6.8	(26,239)	(36.5)
Communications Group	7,066	3.6	6,906	4.2	(160)	(2.3)
Document Solutions Group	27,498	10.3	18,351	8.1	(9,147)	(33.3)
Life & Environment Group	(7,417)	—	(20,874)	—	(13,457)	—
Total Equipment & Systems Business	27,147	5.2	4,383	1.0	(22,764)	(83.9)
Others	(3,133)	—	(1,700)	—	1,433	—
Total business profit	95,930	8.0	48,360	4.4	(47,570)	(49.6)
Corporate gains and share of net profit of investments accounted for using the equity method	46,297	—	40,201	—	(6,096)	(13.2)
Adjustments and eliminations	(598)	—	(1,345)	—	(747)	—
Profit before income taxes	141,629	11.8	87,216	7.9	(54,413)	(38.4)

* % 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, “For the nine months ended December 31, 2019” in the above tables are presented in the reporting segment after the merger.

(2) Explanation of Consolidated Financial Position

Consolidated Cash Flows

The balance of cash and cash equivalents at December 31, 2020 decreased by 54,354 million yen to 365,266 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 nine months increased by 4,038 million yen to 153,306 million yen from 149,268 million yen for the previous nine months. This was due mainly to that inventories, which increased for the previous nine months, decreased for the nine months although profit for the period decreased.

2) Cash flows from investing activities

Net cash used in investing activities for the nine months increased by 1,074 million yen to 133,145 million yen from 132,071 million yen for the previous nine months. This was due mainly to increases in capital expenditures and purchases of securities as well as decreases in sales of real estate and maturity redemption of bonds, despite decreases in payments for M&A.

3) Cash flows from financing activities

Net cash used in financing activities for the nine months decreased by 28,749 million yen to 72,557 million yen from 101,306 million yen for the previous nine months. This was due mainly to decreases in repayments of borrowings.

Consolidated Cash Flows

(Yen in millions)

	For the nine months ended December 31, 2019	For the nine months ended December 31, 2020	Change
Cash flows from operating activities	149,268	153,306	4,038
Cash flows from investing activities	(132,071)	(133,145)	(1,074)
Cash flows from financing activities	(101,306)	(72,557)	28,749
Effect of exchange rate changes on cash and cash equivalents	(245)	(1,958)	(1,713)
Increase (decrease) in cash and cash equivalents	(84,354)	(54,354)	30,000
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	428,460	365,266	(63,194)

(3) Explanation Regarding Future Projection Including Consolidated Financial Forecasts

The forecast for the fiscal year ending March 31, 2021 (“fiscal 2021”) has not been changed from the forecast announced in April 2020.

Sales revenue and profits for the nine months decreased compared with those recorded in the previous nine months; however, recovery of our business performance has progressed after bottoming out in the first quarter. For the three months ending March 31, 2021 (“the fourth quarter”), although the COVID-19 pandemic still remains a concern, demand in the Components Business is expected to be sustained for 5G-related markets and the semiconductor markets. Sales in the Equipment & Systems Business are also expected to increase due to the launching of new products.

We aim to achieve our consolidated financial forecast for fiscal 2021 by continuing our efforts to comprehensively reduce costs and further improve productivity.

In the meantime, based on the nine months results and future projections, we have revised forecasts for average exchange rate, capital expenditures and research and development expenses as well as forecasts by reporting segment.

Please refer to “1. Cautionary statements with respect to forward-looking statements” in “Instruction for Forecasts and Other Notes” for information of future prospective.

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	%*1	Amount	%*1	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	—	*2 123	—	—	—

Capital expenditures	106,003	6.6	*2 110,000	7.3	3,997	3.8
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	*2 75,000	5.0	(4,241)	(5.4)

*1 % represents the percentage to sales revenue.

*2 Revised from the previous forecast made in April 2020. The previous forecasts were 115 yen for average Euro exchange rate, 100,000 million yen for capital expenditures and 80,000 million yen for research and development expenses.

Forecasts of Sales Revenue by Reporting Segment

(Yen in millions)

	Results for the year ended March 31, 2020		Forecasts for the year ending March 31, 2021 announced on				Change
			October 29, 2020 (Previous)		February 1, 2021 (Revised)		
	Amount	%*	Amount	%*	Amount	%*	%
Industrial & Automotive Components Group	341,093	21.3	330,000	22.0	350,000	23.3	2.6
Semiconductor Components Group	247,228	15.5	245,000	16.3	255,000	17.0	3.1
Electronic Devices Group	324,113	20.3	316,000	21.1	300,000	20.0	(7.4)
Total Components Business	912,434	57.1	891,000	59.4	905,000	60.3	(0.8)
Communications Group	270,818	17.0	241,000	16.1	234,000	15.6	(13.6)
Document Solutions Group	359,915	22.5	313,000	20.8	316,000	21.0	(12.2)
Life & Environment Group	73,747	4.6	67,000	4.5	64,000	4.3	(13.2)
Total Equipment & Systems Business	704,480	44.1	621,000	41.4	614,000	40.9	(12.8)
Others	16,737	1.0	19,000	1.3	16,000	1.1	(4.4)
Adjustments and eliminations	(34,598)	(2.2)	(31,000)	(2.1)	(35,000)	(2.3)	—
Sales revenue	1,599,053	100.0	1,500,000	100.0	1,500,000	100.0	(6.2)

* % represents the component ratio.

Forecasts of 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 announced on				Change
			October 29, 2020 (Previous)		February 1, 2021 (Revised)		
	Amount	%*	Amount	%*	Amount	%*	%
Industrial & Automotive Components Group	15,813	4.6	13,000	3.9	17,000	4.9	7.5
Semiconductor Components Group	30,511	12.3	30,000	12.2	28,000	11.0	(8.2)
Electronic Devices Group	31,744	9.8	30,000	9.5	28,000	9.3	(11.8)
Total Components Business	78,068	8.6	73,000	8.2	73,000	8.1	(6.5)
Communications Group	11,259	4.2	11,000	4.6	12,000	5.1	6.6
Document Solutions Group	34,489	9.6	20,000	6.4	30,000	9.5	(13.0)
Life & Environment Group	(10,965)	—	(14,000)	—	(24,000)	—	—
Total Equipment & Systems Business	34,783	4.9	17,000	2.7	18,000	2.9	(48.3)
Others	(4,484)	—	(4,000)	—	(5,000)	—	—
Total business profit	108,367	6.8	86,000	5.7	86,000	5.7	(20.6)
Corporate and others	40,459	—	34,000	—	34,000	—	(16.0)
Profit before income taxes	148,826	9.3	120,000	8.0	120,000	8.0	(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. Reorganization of Business Structure to Strengthen Management Foundation

To further enhance growth capabilities, Kyocera, effective as of April 1, 2021, will reorganize its current 16 main businesses and subsidiaries, integrating them into three newly established business segments, namely, “Core Components Business,” “Electronic Components Business” and “Solutions Business.” Administrative divisions will also be reorganized and integrated into “Headquarters.”

From the year ending March 31, 2022, under the new organizational structure, Kyocera will further pursue synergies, efficiently utilize management resources, and promote the development of new products and businesses.

<Change of Business Segment>

(Current)		(From April 1, 2021)	
Business Segment	Major Businesses and Subsidiaries	Business Segment	Major Businesses and Subsidiaries
Industrial & Automotive Components Group	Fine Ceramic Components	Core Components Business	Fine Ceramic Components
	Automotive Components		Automotive Components
	Liquid Crystal Displays		Ceramic Packages
	Industrial Tools		Organic Multilayer Substrates and Boards
	Optical Components		Optical Components
Semiconductor Components Group	Ceramic Packages		Medical Devices
	Organic Multilayer Substrates and Boards		Jewelry and Applied Ceramic Related Products
Electronic Devices Group	Electronic Components	Electronic Components Business	Electronic Components
	AVX Corporation		AVX Corporation
	Printing Devices	Solutions Business	Industrial Tools
Communications Group	Telecommunications Equipment		Liquid Crystal Displays
	Information Systems and Telecommunication Services (KCCS *1)		Printing Devices
Document Solutions Group	Information Equipment (KDC *2)		Information Equipment (KDC *2)
Life & Environment Group	Smart Energy Business		Telecommunications Equipment
	Medical Devices	Information Systems and Telecommunication Services (KCCS *1)	
	Jewelry and Applied Ceramic Related Products	Smart Energy Business	

*1 Kyocera Communication Systems Co., Ltd.

*2 Kyocera Document Solutions Inc.

3. 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 December 31, 2020		Change
	Amount	%*	Amount	%*	
Assets					
Current assets					
Cash and cash equivalents	419,620		365,266		(54,354)
Short-term investments	62,999		95,668		32,669
Trade and other receivables	336,294		314,301		(21,993)
Other financial assets	11,035		13,945		2,910
Inventories	344,304		341,720		(2,584)
Other current assets	28,455		28,238		(217)
Total current assets	1,202,707	37.0	1,159,138	35.9	(43,569)
Non-current assets					
Equity and debt instruments	1,196,634		1,157,110		(39,524)
Investments accounted for using the equity method	17,422		18,162		740
Other financial assets	27,179		35,836		8,657
Property, plant and equipment	383,271		415,335		32,064
Right-of-use assets	34,921		34,340		(581)
Goodwill	212,207		226,545		14,338
Intangible assets	118,533		122,262		3,729
Deferred tax assets	40,434		39,798		(636)
Other non-current assets	16,867		20,555		3,688
Total non-current assets	2,047,468	63.0	2,069,943	64.1	22,475
Total assets	3,250,175	100.0	3,229,081	100.0	(21,094)

* % represents the component ratio.

(Yen in millions)

	As of March 31, 2020		As of December 31, 2020		Change
	Amount	%*	Amount	%*	
Liabilities and Equity					
Liabilities					
Current liabilities					
Borrowings	35,025		37,863		2,838
Trade and other payables	173,300		167,534		(5,766)
Lease liabilities	15,477		15,098		(379)
Other financial liabilities	1,544		2,585		1,041
Income tax payables	11,396		11,430		34
Accrued expenses	114,983		99,337		(15,646)
Provisions	14,411		4,504		(9,907)
Other current liabilities	31,373		37,765		6,392
Total current liabilities	397,509	12.2	376,116	11.7	(21,393)
Non-current liabilities					
Borrowings	44,970		50,494		5,524
Lease liabilities	31,847		30,425		(1,422)
Retirement benefit liabilities	28,406		27,383		(1,023)
Deferred tax liabilities	271,317		264,881		(6,436)
Provisions	8,760		9,089		329
Other non-current liabilities	13,124		19,267		6,143
Total non-current liabilities	398,424	12.3	401,539	12.4	3,115
Total liabilities	795,933	24.5	777,655	24.1	(18,278)
Equity					
Common stock	115,703		115,703		—
Capital surplus	123,539		123,178		(361)
Retained earnings	1,686,672		1,700,560		13,888
Other components of equity	575,495		557,335		(18,160)
Treasury stock	(69,275)		(69,236)		39
Total equity attributable to owners of the parent	2,432,134	74.8	2,427,540	75.2	(4,594)
Non-controlling interests	22,108	0.7	23,886	0.7	1,778
Total equity	2,454,242	75.5	2,451,426	75.9	(2,816)
Total liabilities and equity	3,250,175	100.0	3,229,081	100.0	(21,094)

* % 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 nine months ended December 31, 2019		For the nine months ended December 31, 2020		Change	
	Amount	%*	Amount	%*	Amount	%
Sales revenue	1,196,885	100.0	1,100,534	100.0	(96,351)	(8.1)
Cost of sales	858,297	71.7	808,576	73.5	(49,721)	(5.8)
Gross profit	338,588	28.3	291,958	26.5	(46,630)	(13.8)
Selling, general and administrative expenses	243,728	20.4	248,975	22.6	5,247	2.2
Operating profit	94,860	7.9	42,983	3.9	(51,877)	(54.7)
Finance income	46,590	3.9	44,706	4.1	(1,884)	(4.0)
Finance expenses	1,135	0.1	1,355	0.1	220	19.4
Foreign exchange gains (losses)	(882)	(0.1)	(1,025)	(0.1)	(143)	—
Share of net profit (loss) of investments accounted for using the equity method	363	0.0	123	0.0	(240)	(66.1)
Other, net	1,833	0.2	1,784	0.1	(49)	(2.7)
Profit before income taxes	141,629	11.8	87,216	7.9	(54,413)	(38.4)
Income taxes	34,263	2.8	21,286	1.9	(12,977)	(37.9)
Profit for the period	107,366	9.0	65,930	6.0	(41,436)	(38.6)

Profit attributable to:						
Owners of the parent	101,265	8.5	63,931	5.8	(37,334)	(36.9)
Non-controlling interests	6,101	0.5	1,999	0.2	(4,102)	(67.2)
Profit for the period	107,366	9.0	65,930	6.0	(41,436)	(38.6)

Per share information:			
Earnings per share attributable to owners of the parent			
Basic	279.58 yen	176.39 yen	
Diluted	279.51 yen	176.39 yen	

* % represents the percentage to sales revenue.

b. Condensed Quarterly Consolidated Statement of Comprehensive Income

(Yen in millions)

	For the nine months ended December 31, 2019	For the nine months ended December 31, 2020	Change
	Amount	Amount	
Profit for the period	107,366	65,930	(41,436)
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	206,405	(12,427)	(218,832)
Re-measurement of defined benefit plans	—	—	—
Total items that will not be reclassified to profit or loss	206,405	(12,427)	(218,832)
Items that may be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedge	(11)	160	171
Exchange differences on translating foreign operations	(9,321)	(4,844)	4,477
Share of other comprehensive income of investments accounted for using the equity method	12	(21)	(33)
Total items that may be reclassified subsequently to profit or loss	(9,320)	(4,705)	4,615
Total other comprehensive income	197,085	(17,132)	(214,217)
Comprehensive income for the period	304,451	48,798	(255,653)
Comprehensive income attributable to:			
Owners of the parent	299,420	46,469	(252,951)
Non-controlling interests	5,031	2,329	(2,702)
Comprehensive income for the period	304,451	48,798	(255,653)

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

For the nine months ended December 31, 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			101,265			101,265	6,101	107,366
Other comprehensive income				198,155		198,155	(1,070)	197,085
Total comprehensive income for the period	—	—	101,265	198,155	—	299,420	5,031	304,451
Cash dividends			(57,935)			(57,935)	(2,705)	(60,640)
Purchase of treasury stock					(19)	(19)		(19)
Reissuance of treasury stock		1,700			3,112	4,812		4,812
Transactions with non-controlling interests and other		(185)		0		(185)	1,580	1,395
Transfer to retained earnings			(1,159)	1,159		—		—
Balance as of December 31, 2019	115,703	166,740	1,680,880	617,957	(69,268)	2,512,012	100,247	2,612,259

For the nine months ended December 31, 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			63,931			63,931	1,999	65,930
Other comprehensive income				(17,462)		(17,462)	330	(17,132)
Total comprehensive income for the period	—	—	63,931	(17,462)	—	46,469	2,329	48,798
Cash dividends			(50,741)			(50,741)	(843)	(51,584)
Purchase of treasury stock					(11)	(11)		(11)
Reissuance of treasury stock		17			50	67		67
Transactions with non-controlling interests and other		(378)				(378)	292	(86)
Transfer to retained earnings			698	(698)		—		—
Balance as of December 31, 2020	115,703	123,178	1,700,560	557,335	(69,236)	2,427,540	23,886	2,451,426

(4) Notes to Condensed Quarterly Consolidated Financial Statements

Notes to Going Concern Assumption

Not Applicable