Securities Code 6971

THE NEW VALUE FRONTIER

KYOCERA

Internet Disclosure Items for Notice of the 68th Ordinary General Meeting of Shareholders

(April 1, 2021 to March 31, 2022)

KYOCERA Corporation

Pursuant to the provisions of laws and regulations as well as the Articles of Incorporation of the Company, the above are available to shareholders on the Company's website (https://global.kyocera.com/ir/s_info/meeting.html).

Please note that this is an English translation of the Japanese original of the Internet Disclosure Items for the Notice of the 68th Ordinary General Meeting of Shareholders of KYOCERA Corporation disclosed in Japan. The translation is prepared solely for the reference and convenience of foreign shareholders.

In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

[Business Report]

Current Conditions of Kyocera Corporation and its Consolidated Subsidiaries.

Four-Year Financial Summary

(Yen in millions except per share amount)

	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Sales revenue	1,623,710	1,599,053	1,526,897	1,838,938
Profit before income taxes	140,610	148,826	117,559	198,947
Profit attributable to owners of the parent	103,210	107,721	90,214	148,414
Earnings per share attributable to owners of the parent - Basic (Yen)	284.94	297.36	248.91	411.15
Total assets	2,968,475	3,250,175	3,493,470	3,917,265
Equity attributable to owners of the parent	2,265,919	2,432,134	2,591,415	2,871,554
Equity per share attributable to owners of the parent (Yen)	6,263.71	6,710.59	7,149.91	8,000.97

Notes:

1. The consolidated financial statements are prepared in accordance with IFRS.
2. Earnings per share attributable to owners of the parent - Basic is calculated using the average number of shares in issue excluding treasury stock during each respective fiscal year and Equity per share attributable to owners of the parent is calculated using the number of shares in issue excluding treasury stock at the end of each respective fiscal year.
3. Sales revenue for fiscal 2020 was a slight decrease from fiscal 2019, due to a prolonged inventory adjustment and the slowdown of the global economy resulted from the spread of COVID-19 despite an increase in sales revenue reflecting a contribution from M&A activity. On the other hand, despite the impact of an increase in depreciation charge, profit attributable to owners of the parent increased from fiscal 2019 due mainly to the absence of a one-time charge recorded in fiscal 2019 resulting from structural reforms in the solar energy business and the organic materials business.
4. Sales revenue in the Components Business for fiscal 2021 increased slightly compared with fiscal 2020 due to the contribution of M&A activities and increased demand in the semiconductor and 5G-related markets, which more than offset the significant adverse impact of a slump in the automotive-related market during the three months ended June 30, 2020. On the other hand, sales revenue in the Equipment & Systems Business as a whole decreased. As a result, sales revenue decreased compared with fiscal 2020. Profit attributable to owners of the parent decreased as compared with fiscal 2020 due to the decrease in sales revenue and also an increase in depreciation charges as well as the recording of an impairment loss in the smart energy business.
5. Sales revenue for fiscal 2022 increased in all reporting segments, as compared with fiscal 2021, due to the improved business environment as well as an increase in demand for components, mainly in the 5G and semiconductor-related markets. Profit attributable to owners of the parent increased compared to fiscal 2021, due to the increase in sales revenue and efforts to improve productivity and reduce costs in each business, as well as the absence of the impact of an impairment loss in the smart energy business recorded in fiscal 2021.

Principal Business Sites (as of March 31, 2022)

Japan:

Kyocera Corporation Headquarters: 6 Takeda Tobadono-cho, Fushimi-ku, Kyoto, Japan

Hokkaido Kitami Plant
Yamagata Higashine Plant
Fukushima Koriyama Plant
Tokyo Ome Plant
Kawasaki Plant
Kanagawa Hadano Plant
Toyama Nyuzen Plant
Nagano Okaya Plant
Shiga Gamo Plant
Shiga Yohkaichi Plant
Shiga Yasu Plant
Kyoto Ayabe Plant
Kagoshima Sendai Plant
Kagoshima Kokubu Plant
Kagoshima Hayato Plant
Tokyo Office
Yokohama Office
Yokohama Nakayama Office
Minatomirai Research Center (Kanagawa)
Keihanna Research Center (Kyoto)
Monozukuri R&D Laboratory (Kagoshima)

Kyocera Industrial Tools Corporation (Hiroshima)
Kyocera Document Solutions Inc. (Osaka)
Kyocera Document Solutions Japan Inc. (Osaka)
Kyocera Communication Systems Co., Ltd. (Kyoto)
Kyocera Realty Development Co., Ltd. (Tokyo)
Hotel Kyocera Co., Ltd. (Kagoshima)
Hotel Princess Kyoto Co., Ltd. (Kyoto)

Overseas:

Kyocera (China) Sales & Trading Corporation (China)
Dongguan Shilong Kyocera Co., Ltd. (China)
Kyocera Document Technology (Dongguan) Co., Ltd. (China)
Kyocera Korea Co., Ltd. (Korea)
Kyocera Vietnam Co., Ltd. (Vietnam)
Kyocera Document Technology Vietnam Co., Ltd. (Vietnam)
Kyocera Asia Pacific Pte. Ltd. (Singapore)
Kyocera (Thailand) Co., Ltd. (Thailand)
Kyocera International, Inc. (U.S.A.)
Kyocera AVX Components Corporation (U.S.A.)
Kyocera Senco Industrial Tools, Inc. (U.S.A.)
Kyocera Industrial Tools, Inc. (U.S.A.)
Kyocera Document Solutions America, Inc. (U.S.A.)
Kyocera Europe GmbH (Germany)
Kyocera Document Solutions Deutschland GmbH (Germany)
TA Triumph-Adler GmbH (Germany)
Kyocera Unimerco A/S (Denmark)
Kyocera Document Solutions Europe B.V. (Netherlands)

Employees (as of March 31, 2022)

i) Consolidated

Reporting Segment	Number of Employees	Change from the End of Fiscal 2021	
Core Components Business	17,001	Increase of	1,323
Electronic Components Business	19,419	Increase of	880
Solutions Business	41,969	Increase of	2,245
Others	1,104	Decrease of	149
Headquarters	3,508	Increase of	212
Total	83,001	Increase of	4,511

ii) Non-consolidated

Number of Employees		20,560
Change from the End of Fiscal 2021	Increase of	695
Average Age		40.5
Average Years of Service		16.4

(Note 1) The number of employees represents the total number of regular employees who work full-time.

(Note 2) Kyocera has changed the classification of its reporting segments from the year ended March 31, 2022. Segment information for the change from the end of fiscal 2021 has been reclassified in line with the change to reporting segment classifications.

Principal Sources of Borrowings (as of March 31, 2022)

Sources of borrowings	Balance (Yen in millions)
The Bank of Kyoto, Ltd.	45,000
MUFG Bank, Ltd.	15,000

System and Policy

Kyocera Corporation has adopted through its Board of Directors Meeting the "Kyocera Group Basic Policy for Corporate Governance and Internal Control" as follows:

Kyocera Group
Basic Policy for Corporate Governance and Internal Control

The Kyocera Group has made "Respect the Divine and Love People" its corporate motto and "to provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind" as its management rationale.

The Kyocera Group always strives to maintain equity and fairness and faces all situations with courage and conscience, as well as intends to realize transparent systems for corporate governance and internal control.

Under such corporate motto and management rationale, the Board of Directors is implementing a basic policy for corporate governance and internal control as described below.

This statement of basic policy sets forth such basic policy in accordance with Article 362, paragraph (5) and paragraph (4), item (vi) of the Companies Act, and Article 100, paragraphs (1) and (3) of the Regulation for Enforcement of the Companies Act, which require the establishment of a system to ensure that the conduct of business by the Directors will be in compliance with all applicable laws and regulations and the Articles of Incorporation and to ensure the proper conduct of business by Kyocera Corporation (the "Company") and the Kyocera Group as a whole.

I. Corporate Governance

1. Basic Policy for Corporate Governance

The Board of Directors of the Company defines the corporate governance of Kyocera Group to mean "structures to ensure that Directors conducting the business manage the corporations in a fair and correct manner."

The purpose of corporate governance is to maintain soundness and transparency of management and to achieve fair and efficient corporate management through which the management rationale of the Kyocera Group can be realized.

The Board of Directors shall permeate the "Kyocera Philosophy," which is the basis of the management policy of the Kyocera Group, in all Directors and employees working in the Kyocera Group, and establish a sound corporate culture. The Board of Directors shall establish proper corporate governance through the exercise of the Kyocera Philosophy (Note).

Note: The "Kyocera Philosophy" is a corporate philosophy and life philosophy created through integration of the thoughts of the founder of the Company regarding management and life. The "Kyocera Philosophy" incorporates a wide range of matters relating to basic thoughts on management and methods of undertaking day-to-day work, based on the core criterion of "what is the right thing to do as a human being."

2. System for Corporate Governance

The Board of Directors of the Company determines, pursuant to the basic policy described in 1 above, the below-outlined system for corporate governance of the Company, which is the core company within the Kyocera Group, to ensure that the conduct of business by the Directors is in compliance with all applicable laws and regulations and the Articles of Incorporation. The Board of Directors will constantly seek the ideal system for corporate governance and always evolve and develop its existing corporate governance system.

(1) Organs of Corporate Governance

The Board of Directors shall establish a corporate structure in which the Audit & Supervisory Board Members and the Audit & Supervisory Board will serve as organs of corporate governance pursuant to the provisions of the Articles of Incorporation, as approved by the General Meeting of Shareholders of the Company. Directors of the Company shall strictly observe the following to ensure the effective audit by the Audit & Supervisory Board Members and the Audit & Supervisory Board:

(i) Matters relating to employees to facilitate the tasks of Audit & Supervisory Board Members (including matters relating to the independence of such employees from the Directors and matters to ensure effectiveness of instructions from the Audit & Supervisory Board Members to such employees)

Representative Directors shall allocate certain employees upon the request of the Audit & Supervisory Board Members through prior discussion with the Audit & Supervisory Board Members to assist in their tasks and the Audit & Supervisory Board. Such employees while still subject to the work rules of the Company, shall be under each of the Audit & Supervisory Board Members' instruction and supervision relating to their tasks. Representative Directors shall not set a limit unfairly to such instruction and supervision. The personnel matters such as transfer, treatment (including evaluation) and disciplinary action relating to such employees shall be made through prior discussion with the Audit & Supervisory Board Members.

(ii) System for reporting to the Audit & Supervisory Board Members by Directors and employees and other related parties (including the system to ensure that the reporting party shall not be treated adversely due to such report)

In the event that any Director becomes aware of any matter that breaches or may breach any law or regulation or the Articles of Incorporation, or in the event that any Director becomes aware of any matter that may cause substantial damage to the Kyocera Group, he or she shall immediately report thereon to the Audit & Supervisory Board. In addition, in the event that any of the Audit & Supervisory Board Members or the Audit & Supervisory Board requests a report from any Director pursuant to the Regulations of the Audit & Supervisory Board, such Director shall comply with such request.

Representative Directors shall cause the internal audit department to report regularly the status of the internal audit to the Audit & Supervisory Board Members. In addition, upon request from the Audit & Supervisory Board Members, Representative Directors shall cause any specified department(s) to report the status of their conduct of business directly to the Audit & Supervisory Board Members. Representative Directors shall also maintain a "Kyocera whistleblower system (to the Audit & Supervisory Board)," established by the Audit & Supervisory Board, under which all related parties including Directors, employees, suppliers and customers of the Kyocera Group may submit complaints directly to the Audit & Supervisory Board.

Representative Directors shall not treat adversely the party who submitted the report to the Audit & Supervisory Board, such as transfer or disciplinary action, because of such report.

(iii) Matters relating to the policy for handling of costs and claims which may incur in the course of the execution of the tasks of the Audit & Supervisory Board Members

Representative Directors shall accept request from Audit & Supervisory Board Members for reimbursement of costs in accordance with the Regulations of the Audit & Supervisory Board and shall make payment thereof accordingly.

(iv) Other systems to ensure the effective audit by the Audit & Supervisory Board Members

In the event that Representative Directors are requested by any of the Audit & Supervisory Board Members to effectuate any of the following matters, as necessary to establish a system to ensure the effective audit by the Audit & Supervisory Board Members, Representative Directors shall comply with such requests:

a. Attendance at important meetings;
b. Inspection of minutes of important meetings, important internally approved documents and important agreements, etc.; and
c. Meetings with Representative Directors to exchange opinions regarding management of the Company in general.

(2) Kyocera Philosophy Education

Representative Directors of the Company shall undertake “Kyocera Philosophy Education” from time to time in order to permeate the “Kyocera Philosophy” into the Directors (including themselves) and employees of the Kyocera Group.

II. Internal Controls

1. Basic Policy for Internal Controls

The Board of Directors of the Company defines the internal controls of the Kyocera Group to mean "systems to be established within the corporate organization to achieve management rationale, in order for the Directors undertaking management of the Company to effectuate management policy and master plans in a fair manner." The Board of Directors of the Company will establish internal controls through practice of the "Kyocera Philosophy."

2. System for Internal Controls

Under the policy as described in 1 above, the Board of Directors shall cause Representative Directors to establish the systems described below. In addition, the Board of Directors shall constantly evolve and develop such systems, seeking an ideal system of internal controls.

(1) Management and maintenance of information relating to conduct of business by Directors

Representative Directors shall establish the "Kyocera Disclosure Committee" as a system for making timely and appropriate disclosure of information and for properly maintaining information relating to the conduct of business by the Directors in accordance with applicable laws and regulations and the internal rules of the Company.

(2) Internal rules and systems relating to management of risk of loss of the Kyocera Group, and systems to ensure that conduct of business by all employees of the Kyocera Group and Directors of the Company's subsidiaries is in compliance with applicable laws and regulations and the Articles of Incorporation

Representative Directors shall create a risk management department in order to establish a risk management system for the Kyocera Group. Representative Directors shall also establish systems to undertake necessary actions from time to time.

Representative Directors shall establish "Employee Consultation Corners" as an internal complaint reporting system within the Kyocera Group, so that employees who become aware of any matter that breaches or may breach laws or regulations or the Articles of Incorporation or other internal rules can report thereon. The employee consultation corners will take appropriate action in respect of reports received thereby, which shall be treated in accordance with the Law for Protection of Reporters in the Public Interest. Besides, Representative Directors shall establish the system to take actions as necessary.

(3) Systems to ensure efficient conduct of business by Directors

Representative Directors shall clearly delegate authority and related responsibility by establishing an Executive Officer system to achieve efficient and effective conduct of business. Representative Directors shall cause the Executive Officers to report the status of their conduct of business to the Board of Directors, etc. and, accordingly, a system shall be maintained under which Representative Directors can verify whether business is conducted efficiently.

(4) Other system to ensure appropriate conduct of business at the Kyocera Group

In addition to the matters described in (1) through (3) above, as a system to ensure the appropriate conduct of business at the Kyocera Group and for efficient operation of the Kyocera Group, Representative Directors shall establish the Kyocera Group Management Committee. Such Committee shall discuss important matters relating to the Kyocera Group and receive reports relating thereto. Representative Directors shall also establish departments to support appropriate and efficient execution of business of each of the companies in the Kyocera Group, and an internal audit department in order to conduct audits regularly to evaluate the appropriateness of the conduct of business at the Kyocera Group.

The current status of the preparedness of systems relating to Corporate Governance and Internal Control is as follows:

(i) The “Kyocera Code of Conduct” was established in June 2000.

(ii) The “Risk Management Division” was established in September 2000 in order to create a thorough system to ensure compliance with laws and regulations and internal rules.

(iii) The “Kyocera Management Committee,” which was renamed the “Kyocera Group Management Committee” in August 2002, was established in January 2001.

(iv) The “Kyocera Disclosure Committee” was established in April 2003.

(v) The “Employee Consultation Corners” was established in April 2003 as a function of the whistleblower reporting system.

(vi) The Executive Officer System was introduced in June 2003 to improve management efficiency.

(vii) The “Global Audit Division,” which was reorganized by the merger of “Risk Management Division” and renamed the “Corporate Global Audit Division” later in April 2010, was established in May 2005 to undertake internal audits, and it regularly conducts audits of Kyocera’s businesses, and reports the results of such audits to the Directors and Audit & Supervisory Board Members of Kyocera Corporation.

(viii) The “Kyocera Group Philosophy Committee” was established in May 2013.

(ix) The functions of risk management were transferred from the Corporate Global Audit Division to the Corporate General Affairs Group (currently Corporate General Affairs Human Resources Group). The “Risk Management Department” was established within the Group in January 2014 in order to restructure the risk management system.

(x) The “Kyocera Group Basic Policy for Risk Management” was established in June 2016.

(xi) The “Global Compliance Division” was established in October 2018.

(xii) The “Nomination and Remuneration Committee,” a majority of whose members are Outside Directors, was established in December 2018.

(xiii) The Risk Management Department was integrated into the Global Compliance Division in April 2020, and risk management functions were transferred to the Global Compliance Division.

(xiv) Third-party consultation service (law firm) was added to the “Employee Consultation Corners” in December 2021.

(Outline of Operational Status of Corporate Governance and Internal Controls)

Corporate Governance and Internal Controls of the Company operate appropriately as mentioned below.

- Meetings of Audit & Supervisory Board were held 9 times in fiscal 2022. The audit was conducted premeditatedly based on Audit policy and plan resolved in July 2021. In addition, Audit & Supervisory Board Members talk regularly with Representative Directors about whole management. The independence of employees who support accomplishing Audit & Supervisory Board Members' duties is maintained according to basic policy. The annual plan of expenses of Audit & Supervisory Board Members is capitalized according to the audit plan based on the Regulations of the Audit & Supervisory Board.
- The Corporate Global Audit Division, charged with the internal audit, reported audit result 14 times to Audit & Supervisory Board Members in fiscal 2022. A report to Audit & Supervisory Board Members was carried out appropriately because information needed by Audit & Supervisory Board Members is offered according to a request of the report about business execution from Audit & Supervisory Board Members.
- Through the "Kyocera whistleblower system (to the Audit & Supervisory Board)," the personal information of the reporter is handled as a confidential matter and disadvantageous treatment to persons who made the report is not considered.
- The "Kyocera Disclosure Committee," held 4 times in fiscal 2022, disclosed information timely and appropriately and evaluation results are reported by the chairperson of this committee to Representative Directors. Information relating to the exercise of Director's office, for example minutes of meetings of the Board of Directors, minutes of meetings of the Kyocera Group Management committee and internally approved documents, are preserved appropriately in compliance with applicable laws and regulations and the internal rules.
- Meetings of the Board of Directors, held 12 times in fiscal 2022, comprise 9 Directors, including 3 Outside Directors. The board of Directors made decision regarding important matters at the Kyocera Group and oversaw business execution. In addition, business is more effectively and appropriately executed because of Executive Officer System.
- Meetings of the "Kyocera Group Management Committee," held 23 times in fiscal 2022, evaluated important matters at the Kyocera Group or received reports. In addition, the indirect department supported each affiliated company to work appropriately and effectively.
- Meetings of the "Kyocera Group Philosophy Committee" were held 2 times in fiscal 2022. This committee established the policy of Philosophy Education and work on Philosophy inculcation activity focused on the work floor in Japan and work on Philosophy education depending on each local situation and business condition overseas.
- The Global Compliance Division implements a report system in which serious matters concerning risk that occurred in the Kyocera Group are reported to Representative Directors. In addition, this division sought to collect and share information on compliance through liaison conferences with Kyocera Group companies and relevant departments. Continuing from the previous year, this division designed December 2021 as the "Risk Compliance Month" to provide all employees with risk management and compliance education.
- In Kyocera Corporation and each Kyocera Group Company, the Employee Consultation Corners was established to deal properly with matters reported.
- The Corporate Global Audit Division practiced the Business Operation Audit, Compliance Audit and Internal Control Audit of the Kyocera Group. In addition, the division reported the audit results and issues of each Kyocera Group company and shared the audit policy for fiscal 2022 to improve the level of the internal control in the Kyocera Group and to strengthen the cooperation of the internal audit activities of each company.
- Meetings of the "Nomination and Remuneration Committee" were held 2 times in fiscal 2022. The Committee discussed and reported on the nomination of Directors and Executive Officers, and the remuneration of Directors, in response to inquiries from the Board of Directors.

[Consolidated Financial Statements]

Consolidated Statement of Changes in Equity (April 1, 2021 to March 31, 2022)

(Yen in millions)

	Total equity attributable to owners of the parent							
	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total	Non-controlling interests	Total equity
Balance as of April 1, 2021	115,703	122,745	1,750,259	671,951	(69,243)	2,591,415	24,695	2,616,110
Profit for the year			148,414			148,414	3,622	152,036
Other comprehensive income				217,391		217,391	1,177	218,568
Total comprehensive income for the year	—	—	148,414	217,391	—	365,805	4,799	370,604
Cash dividends			(61,616)			(61,616)	(2,756)	(64,372)
Purchase of treasury stock					(24,111)	(24,111)		(24,111)
Reissuance of treasury stock		27			55	82		82
Transfer to retained earnings			9,045	(9,045)		—		—
Others		(21)				(21)	(19)	(40)
Balance as of March 31, 2022	115,703	122,751	1,846,102	880,297	(93,299)	2,871,554	26,719	2,898,273

Notes to Consolidated Financial Statements

1. Basis of Preparation of Consolidated Financial Statements

(1) Standards for preparation of consolidated financial statements

The consolidated financial statements are prepared in accordance with the designated International Financial Reporting Standards (hereinafter, "IFRS") pursuant to the provisions of paragraph 1 of Article 120 of the Ordinance on Accounting of Companies of Japan. Certain disclosure and footnotes required under IFRS are omitted pursuant to the provisions of paragraph 1 of Article 120.

(2) Scope of consolidation

Number of consolidated subsidiaries: 289
Major consolidated subsidiaries: Kyocera Document Solutions Inc., Kyocera AVX Components Corporation and Kyocera International, Inc.

(3) Scope of application of the equity method

Number of associates accounted for using the equity method: 9
Major associate accounted for using the equity method: Kagoshima Mega Solar Power Corporation

(4) Changes in scope of consolidation

Consolidated subsidiaries: Number of increase: 6
Number of decrease: 11

(5) Changes in scope of application of the equity method

Associate accounted for using the equity method: Number of decrease: 4

(6) Matters related to accounting policies

a. Business combination

Business combinations are accounted for using the acquisition method and acquisition-related costs are expensed as incurred. Each identifiable asset acquired, liability and contingent liability assumed in a business combination is measured at fair value at its acquisition date.
The excess of the consideration transferred, the amount of non-controlling interests in the acquiree and the fair value of the equity interest in the acquiree previously held by the acquirer over the fair value of identifiable net assets acquired at the acquisition date is recognized as goodwill. If the total is less than the fair value of the identifiable net assets, the difference is recognized in profit or loss. Consideration transferred is calculated as the total of the fair value of the assets transferred, liabilities assumed and equity interest issued, and includes fair value of assets or liabilities arising from the contingent consideration arrangement.
Kyocera recognizes non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

b. Valuation standard and method of inventories

Inventories are measured at the lower of cost and net realizable value.
For finished goods and merchandise and work in process, cost is determined mainly using the weighted average method. For raw materials and supplies, cost is determined mainly using the first-in, first-out method.
Net realizable value is the estimated selling price in the ordinary course of business less any estimated costs of completion and estimated costs necessary to make the sale.

c. Depreciation method for property, plant and equipment

Property, plant and equipment are measured by using the cost model and are stated at cost less accumulated depreciation and accumulated impairment losses. The cost includes expenses directly attributable to the acquisition of the assets, and the costs of dismantling, removing and restoring. Property, plant and equipment are depreciated using the straight-line method over their useful lives.
The residual values, the useful lives and the depreciation methods of the assets are reviewed at the end of each reporting period and any changes are applied prospectively as a change in accounting estimate. Subsequent costs, major renewals and betterments are capitalized as property, plant and equipment and depreciated based on their useful lives. All other repairs and maintenance are recognized as expenses during the period in which they are incurred.

d. Goodwill and intangible assets

(Goodwill)
Goodwill acquired in the business combination is stated at the amount of cost less accumulated impairment losses.

Goodwill is not amortized, and is tested for impairment when there is an indication of impairment in cash generating unit to which goodwill has been allocated by expectation of benefits from business combination, and annually, regardless of any indication of impairment.

(Intangible assets)
Intangible assets are measured by using the cost model and intangible assets with finite useful lives are stated at cost less accumulated amortization and accumulated impairment losses. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.
Expenditures in development activities are recognized as an expense in period in which it is incurred, unless all of the following requirements can be demonstrated.

(a) Technical feasibility of completing the intangible asset so that it will be available for use or sale
(b) Intention to complete the intangible asset and use or sell it
(c) Ability to use or sell the intangible asset
(d) How the intangible asset will generate probable future economic benefits
(e) Availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
(f) Ability to measure reliably the expenditure attributable to the intangible asset during its development

Intangible assets with finite useful lives are amortized using the straight-line method over their useful lives.

The useful lives and amortization method for intangible assets with finite useful lives are reviewed at the end of each reporting period and any changes are applied prospectively as a change in accounting estimates.
Intangible assets with finite useful lives are tested for impairment when there is an indication that may be impaired.
Intangible assets with indefinite useful life and intangible assets that are not yet available for use are not amortized, and are tested for impairment annually and at the time when there is an indication that may be impaired, or situation is changed.

e. Lease

(Lease as a lessee)
At the commencement date, Kyocera recognizes a right-of-use asset and a lease liability. Kyocera measures the right-of-use asset in the amount of the initial measurement of the lease liability adjusting any lease payments made at or before the commencement date and other costs. After the commencement date, Kyocera measures the right-of-use asset applying a cost model, and less any accumulated depreciation and any accumulated impairment losses. The right-of-use asset is depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of right-of-use asset or the end of the lease term. At the commencement date, Kyocera measures the lease liability at the present value of the lease payments that are not paid at that date using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, lessee’s incremental borrowing rate is used. After the commencement date, Kyocera measured the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.
Kyocera elects not to recognize the right-of-use asset and the lease liability for the short-term leases that has a lease term of 12 months or less and leases for which the underlying asset is of low value. Lease payments associated with those leases are recognized as an expense on straight-line basis over the lease term.

(Lease as a lessor)
Leases are classified as either operating leases or finance leases. If the lease transfers substantially all the risks and rewards of the ownership of the underlying asset, it is classified as a finance lease; otherwise, it is classified as an operating lease. The classification of a lease as either a finance lease or operating lease is made based on actual content of the transaction, not on the form of the lease agreement.

(a) Finance leases
At the commencement of the lease, assets held under finance leases are recorded as receivables in an amount equal to the net uncollected investment in the lease.

(b) Operating leases
Kyocera recognizes lease payments from operating leases as profit on a straight-line basis over the lease term.

In cases where Kyocera is an intermediate lessor, the head lease and the sublease are accounted separately. The classification of a sublease is determined upon referring to the right-of-use asset that arise from the head lease.

f. Impairment of non-financial assets

At the end of each fiscal year, Kyocera reviews each non-financial asset, excluding inventories and deferred tax assets, to assess whether there is an indication that it may be impaired. If any such indication exists, the recoverable amount of the asset is estimated and tested for impairment. Regardless of whether or not there are indications of impairment, goodwill and intangible assets with indefinite useful lives are tested for impairment annually. The impairment loss is recognized when the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount.

The recoverable amount of an asset or cash generating unit is the higher of fair value less costs to sell, or value in use. In calculating the value in use, the estimated future cash flows based on business plan approved by the management are discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.

Kyocera assesses whether there is any indication that an impairment loss recognized in prior years for an asset excluding goodwill may no longer exist or may have decreased, such as any changes in assumptions used for the determination of the recoverable amount. If any such indication exists, the recoverable amount of the asset or cash generating unit is estimated, and if the recoverable amount exceeds the carrying amount of the asset or cash generating unit, impairment losses are reversed up to the lower of the estimated recoverable amount or the carrying amount (net of depreciation) that would have been determined if no impairment losses had been recognized in prior years.

g. Valuation standard and method of financial instruments

Financial assets and financial liabilities are recognized when Kyocera becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are measured at fair value at the time of initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and issuance of financial liabilities other than financial assets and liabilities measured at fair value through profit or loss are added to the fair value of the financial assets or deducted from the fair value of financial liabilities at the time of initial recognition. Transaction costs that are directly attributable to the acquisition or issuance of the financial assets or liabilities measured at fair value through profit or loss are recognized in profit or loss.

(Non-derivative financial assets)

Non-derivative financial assets are classified as financial assets measured at amortized cost, debt financial assets measured at fair value through other comprehensive income, equity financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss. The classification depends on the nature and purpose of the financial assets and is determined upon initial recognition.

Financial assets, such as stocks and bonds, purchased and sold in a regular way are recognized and derecognized on a contract date. Purchases and sales made in regular way refer to acquiring or disposing financial assets under a contract that requires the delivery of assets within a timeframe established by regulation or convention in the marketplace. All other financial assets are initially recognized on the trade date.

(a) Financial assets measured at amortized cost

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

- The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost using the effective interest method, less any impairment. Interest income based on the effective interest rate is recognized in profit or loss.

(b) Debt financial assets measured at fair value through other comprehensive income

Financial assets are classified as debt financial assets at fair value through other comprehensive income if both of the following conditions are met:

- The financial assets are held within a business model for which the objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, debt financial assets at fair value through other comprehensive income are measured at fair value, and gains or losses arising from changes in fair value are recognized in other comprehensive income. Any cumulative amounts recognized in other comprehensive income are reclassified to profit or loss upon derecognition. Foreign exchange gains and losses arising on debt financial assets at fair value through other comprehensive income and interest income calculated using the effective interest method relating to debt financial assets at fair value through other comprehensive income are recognized in profit or loss.

(c) Equity financial assets at fair value through other comprehensive income

At initial recognition, Kyocera has made an irrevocable election for equity financial assets that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income and classifies such investments as equity financial assets at fair value through other comprehensive income. Subsequent to initial recognition, equity financial assets at fair value through other comprehensive income are measured at fair value, and gains or losses arising from changes in fair value are recognized in other comprehensive income.

When these financial assets are derecognized, cumulative gains and losses recognized in other comprehensive income are directly transferred to retained earnings. Dividends received on equity financial assets at fair value through other comprehensive income are recognized in profit or loss.

(d) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss, if they are classified as neither financial assets at amortized cost, debt financial assets at fair value through other comprehensive income, nor equity financial assets at fair value through other comprehensive income.

Neither financial assets are designated as measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value and gains or losses arising from changes in fair value, dividend income and interest income are recognized in profit or loss.

(e) Derecognition

Financial assets are derecognized when, and only when the contractual rights to receive the cash flows from the financial assets expired or have been transferred and has transferred substantially all the risks and rewards of ownership.

(f) Impairment

Kyocera assesses the expected credit losses associated with its financial assets measured at amortized cost, debt financial assets measured at fair value through other comprehensive income and loss allowance is recognized at each reporting date.

Kyocera measures the loss allowance for financial instruments at an amount equal to the full lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition, after considering all reasonable and supportable information that is available including forward-looking information. Otherwise, when credit risk has not increased significantly since initial recognition, Kyocera measures the loss allowance at an amount equal to 12-month expected credit losses.

However, with respect to trade receivables and lease receivables, notwithstanding the aforementioned, loss allowance is always measured at an amount equal to full lifetime expected credit losses. The amount of expected credit losses or reversal that is required to adjust the loss allowance is recognized in profit or loss.

(Non-derivative financial liabilities)

Non-derivative financial liabilities are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost at initial recognition.

Non-derivative financial liabilities are classified as financial liabilities at fair value through profit or loss when the entire hybrid contract, including more than one embedded derivative, is designated as a financial liability at fair value through profit or loss. Subsequent to initial recognition, liabilities at fair value through profit or loss are measured at fair value and gains or losses arising from changes in fair value and interest costs are recognized in profit or loss.

Any changes in fair value of these financial liabilities that are attributable to a change in own credit risk of the liabilities are included in other components of equity.

Financial liabilities measured at amortized cost are measured using the effective interest method, subsequent to initial recognition.

Kyocera derecognizes financial liabilities when Kyocera's obligations are met, or debt is discharged or cancelled or expires.

(Derivatives and hedge accounting)

(a) Derivatives

Kyocera utilizes derivatives consisting of exchange contracts to reduce foreign currency risk. Derivatives are initially recognized at fair value on the date a derivative contract is entered into, and they are subsequently re-measured to their fair value at the end of each reporting period.

Changes in the fair value of derivatives are recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument. Derivative financial assets not designated as hedging instruments are classified as financial assets at fair value through profit or loss, and derivative financial liabilities not designated as hedging instruments are classified as financial liabilities at fair value through profit or loss.

(b) Hedge accounting

Kyocera designates certain derivative transactions as hedging instruments and accounts for them as cash flow hedges.

At inception of the hedging relationship, Kyocera documents the economic relationship between hedging instruments and hedged items, risk management objectives, strategy for undertaking the hedge, methods for assessing whether a hedging relationship meets the hedge effectiveness requirements and methods for measuring hedge effectiveness and hedge ineffectiveness. A hedge is determined to be effective when all of the following criteria are met:

- There is an economic relationship between the hedged item and hedging instrument
- The effect of credit risk does not dominate the value changes that result from that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

This process includes linking all derivatives designated as cash flow hedges to specific assets and liabilities on the financial position or forecasted transactions. Kyocera's associate utilizes interest rate swaps mainly with applying hedge accounting to convert a variable-rate debt into fixed rate for the purpose of fixing cash flows for funds procured at variable interest rates.

Kyocera discontinue hedge accounting prospectively only when the hedging relationship ceases to meet the qualifying criteria after taking into account any adjustment to the hedge ratio of hedging relationship.

Cash flow hedge is accounted for as follows:

At the inception of the hedge and on an ongoing basis, Kyocera evaluates whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the relevant hedged item during the underlying period. Of changes in fair value of hedging instruments, the effective portion is recognized in other comprehensive income, while the ineffective portion is recognized in profit or loss. The amounts of hedging instruments recorded in other comprehensive income are reclassified to profit or loss when the hedged transactions affect profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a liability, the gains and losses previously deferred in equity are transferred from equity and included directly in the initial cost or other carrying amount of the asset or liability.

When it is determined that a hedge is not effective or that it has ceased to be effective, Kyocera discontinues hedge accounting prospectively. Unrealized gains or losses arising from the discontinuance of hedge accounting are deferred as other comprehensive income. When a forecasted transaction is no longer expected to occur, any related income included in accumulated other comprehensive income is reclassified immediately to profit or loss.

h. Income taxes

Income taxes are composed of current and deferred taxes, and recognized in profit or loss, except for taxes related to business combinations and items that are recognized in other comprehensive income or directly in equity.

Current taxes are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are recognized on temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts used for taxation purposes, unused net operating loss carryforward and unused tax credit carryforward. Deferred tax assets and liabilities are not recognized for temporary differences from initial recognition of assets and liabilities that do not arise from business combinations and that do not impact accounting profit or taxable income. Deferred tax liabilities are also not recognized for taxable temporary

differences arising from the initial recognition of goodwill.
Deferred tax liabilities are not recognized for taxable temporary differences associated with investments in subsidiaries and associates when Kyocera is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences associated with investments in subsidiaries and associates when it is probable that the temporary difference will reverse in the foreseeable future and when there will be sufficient taxable profits against which the temporary differences can be utilized.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when they are reversed, based on tax laws that have been enacted or substantively enacted by the end of the reporting period.
Deferred tax assets and liabilities are offset if Kyocera has a legally enforceable right to set off current tax assets against current tax liabilities, and income taxes are levied by the same taxation authority on the same taxable entity.
Deferred tax liabilities are basically recognized for all taxable temporary differences, deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused net operating loss carryforward and unused tax credit carryforward can be utilized. Deferred tax assets are reassessed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realized.
Kyocera records the effect of unrecognized tax benefits based on the premise of being subject to income tax examination by tax authorities, when it is probable that tax benefits associated with tax positions will not be sustained. Benefits related to tax positions are measured at the amount that is expected to be probable of occurrence upon settlement with tax authorities.

i. Employee benefit

(Post-employment benefits)
Kyocera primarily adopts defined benefit plans.
In the defined benefit plans, net defined benefit liability or asset is calculated by the present value of the defined benefit obligation less the fair value of plan assets. The ceiling of the amount recorded as assets based on this calculation is the present value of any future economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The defined benefit obligation is determined using the projected unit credit method, and its present value is determined by applying a discount rate based on the yield curve of high quality corporate bonds over the approximate period of the benefit payments.
Service cost and net interest on the net defined benefit liability or asset are recognized as profit or loss.
Past service cost is immediately recognized in profit or loss.
Re-measurements of net defined benefit liability or asset including actuarial gains and losses are recognized in other comprehensive income when they incurred, and transferred to retained earnings immediately from other components of equity.

(Short-term employee benefits)
Short-term employee benefits such as wages, salaries and social security contributions are recognized as an expense when the service is rendered.
Bonus are recognized as a liability in the amount estimated to be paid under these plans, when Kyocera has legal or constructive obligations to pay them and reliable estimates of the obligation can be made.
Unused annual leave, which employees have earned but have not yet used, are recognized as accrued liabilities.

j. Basis of accounting for provision

Provisions are recognized when Kyocera has present legal or constructive obligations as a result of past events, it is probable that outflow of resources embodying economic benefits will be required to settle the obligations, and reliable estimates can be made of the amount of obligations.

k. Basis of revenue recognition

Kyocera recognizes revenue in accordance with IFRS 15 “Revenue from contracts with customers” (hereinafter, “IFRS 15”), excluding interest and dividend income and such other income from financial instruments recognized in accordance with IFRS 9 “Financial instruments” and excluding lease arrangement recognized in accordance with IFRS 16 “Leases” by applying the following steps:

Step 1: Identify the contracts with customers
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Kyocera’s main revenue sources are sales in markets such as information and communications and automotive-

related. Kyocera's operations consist of the following reporting segments: "Core Components Business," "Electronic Components Business" and "Solutions Business."
Kyocera's business unit, main businesses and subsidiaries are as follows:

Reporting Segment and Business Unit		Main Businesses and Subsidiaries
Core Components Business		
	Industrial & Automotive Components Unit	Fine Ceramic Components, Automotive Components, Optical Components
	Semiconductor Components Unit	Ceramic Packages, Organic Packages and Boards
	Others	Medical Devices, Jewelry & Applied Ceramic Related Products
Electronic Components Business		Electronic Components, Kyocera AVX Components Corporation
Solutions Business		
	Industrial Tools Unit	Industrial Tools
	Document Solutions Unit	Information Equipment (Kyocera Document Solutions Inc.)
	Communications Unit	Telecommunications Equipment, Information Systems and Telecommunication Services (Kyocera Communication Systems Co., Ltd.)
	Others	Displays, Printing Devices, Smart Energy Business

Sales to customers in Kyocera are based on the specific terms and conditions contained in basic contracts with customers and firm customer orders which detail the price, quantity and timing of the transfer of ownership (such as risk of loss and title) of the products.

(Sale of products)
Kyocera mainly recognize revenue of products at the time of receipt of the products by the customer or shipping date because the customer obtains control over the products upon receipt or shipment, the performance obligation is judged to have been satisfied.
Sale of printers and multifunctional products in the "Document Solutions Unit" for which sales are made to end users together with installation services. The revenue recognition in these cases occur at the completion of installation and customer acceptance because the performance obligation is judged to have been satisfied, as Kyocera have no further obligations under the contracts.

(Sales of services)
In the "Document Solutions Unit," revenues from maintenance contracts in which the customer typically pays a variable amount based on usage and a stated fixed fee or a stated base fee plus a variable amount are recognized. Revenue from the maintenance contract is recognized over a certain period of time as the relevant performance obligation is satisfied since Kyocera judges the performance obligation of the maintenance contract as making the machine always available for the customers. For the maintenance contract in which the customer pays a stated fixed fee, revenue is recognized ratably over the contract period.

For all sales in the above segments, product returns are only accepted if the products are determined to be defective. There are no price protections, stock rotation or returns provisions, except for certain programs in the "Electronic Components Business" as noted below.

(Sales incentives)
In the "Electronic Components Business," sales to independent electronic component distributors may be subject to various sale programs below for which a provision for incentive programs is recorded as a reduction of revenue at the time of sale. Revenue is measured at the consideration promised in a contract with a customer, less sales incentives.

(a) Distributor stock rotation program
Stock rotation is a program whereby on a semiannual basis, distributors are allowed to return, for credit, qualified

inventory equal to a certain percentage of the previous six months net sales, for credit. An estimated right of return liability for stock rotation is recorded at the time of sale based on a percentage of distributor sales using historical trends, current pricing and volume information, other market specific information and input from sales, marketing and other key management personnel. An asset is recorded for the estimated value of returned product. These procedures require the exercise of significant judgments. Kyocera believes that these procedures enable Kyocera to make reliable estimates of future returns under the stock rotation program. Kyocera's actual results have historically approximated its estimates. When the products are returned and verified, the distributor is given credit against their accounts receivables.

(b) Distributor ship-from-stock and debit program
Ship-from-Stock and Debit (ship and debit) is a program designed to assist distributor customers in meeting competitive prices in the marketplace on sales to their end customers. Ship and debit programs require a request from the distributor for a pricing adjustment for a specific part for a sale to the distributor's end customers from the distributor's stock. Ship and debit authorizations may cover current and future distributor activity for a specific part for sale to their customers. In accordance with IFRS 15, at the time Kyocera records sales to the distributors, Kyocera estimates the variable consideration of the estimated future distributor activity related to such sales since it is probable that such sales to distributors will result in ship and debit activity. Kyocera records an estimated variable consideration based on sales during the period, credits issued to distributors, distributor inventory levels, historical trends, market conditions, pricing trends noted in direct sales activity with original equipment manufacturers and other customers, and input from sales, marketing and other key management personnel. These procedures require the exercise of significant judgments. Kyocera believes that these procedures enable Kyocera to make reliable estimates of the future variable consideration under the ship and debit program. Kyocera's actual results have historically approximated its estimates.

(Sales rebates)
In the case of sales to distributors in the "Industrial Tools Unit" and "Document Solutions Unit," Kyocera provides cash rebates when predetermined sales targets are achieved during a certain period. Provisions for sales rebates are recorded as a reduction of revenue at the time of revenue recognition based on the best estimate of forecasted sales to each distributor.

(Sales returns)
Kyocera records an estimated right of return liability for returns at the time of sale based on historical return experience. Revenue is measured at the consideration promised in a contract with a customer, less right of return liability.

(Products warranty)
In the "Document Solutions Unit," Kyocera provides a standard one-year manufacturer's warranty on its products. For sales directly to end users, Kyocera offers extended warranty plans that may be purchased and that are renewable in one-year incremental periods at the end of the warranty term. Service revenues are recognized over the term of the related service maintenance contracts.
In the case of revenue relating to hybrid transactions in which Kyocera provides multiple goods or services, for example, selling products and warranties, Kyocera identifies performance obligations in the contract and if it is necessary to allocate the consideration under the contract to separate performance obligations, Kyocera usually allocates the transaction price based on the estimated standalone sale price through the approach of adding a margin to the expected cost.

2. Notes to Revenue Recognition

(1) Revenue breakdown

Sales revenue of each reporting segment is as follows:

(Yen in millions)

Core Components Business	527,933
Industrial & Automotive Components Unit	172,908
Semiconductor Components Unit	327,746
Others	27,279
Electronic Components Business	339,102
Solutions Business	983,689
Industrial Tools Unit	251,062
Document Solutions Unit	366,691
Communications Unit	262,306
Others	103,630
Others	17,817
Adjustment and eliminations	(29,603)
Total	1,838,938

(2) Underlying information for understanding revenue

The details are described in "(6) Matters related to accounting policies" "k. Basis of revenue recognition" of "1. Basis of Preparation of Consolidated Financial Statements."

3. Notes on Accounting Estimates

In preparing the consolidated financial statements under IFRS, the management is required to make judgments, estimates and assumptions that affect the application of accounting policies and carrying amounts of assets, liabilities, revenue and expenses. By the nature of the estimates or assumptions, however, actual results in the future may differ from those estimates and assumptions.

The estimates and underlying assumptions are continuously reviewed. Revision to accounting estimates are recognized in the period in which the estimates are revised as well as in the future periods.

Significant judgements and estimates that affect the amounts recognized in Kyocera's consolidated financial statements are as follows:

Given the limited impact on our financial position and results of operations of uncertainties such as deterioration of economic conditions caused by the spread of COVID-19, Kyocera has made accounting estimates for the year ended March 31, 2022 on the assumption that the impact will not be material to the consolidated financial statements as a whole. However, in the event that the spread of COVID-19 causes a deterioration in economic conditions or other effects beyond our estimates, it may affect Kyocera's significant accounting estimates and judgement in year ending March 31, 2023.

(1) Evaluation of inventories

Kyocera estimates the amount of write-downs to ensure that inventories are properly valued. Inventories aged over certain holding periods are considered to be slow-moving or obsolete, for which write-downs are accrued as well as valuation losses required to adjust recorded cost to its net realizable value. Kyocera also records inventory write-downs based on its projections of future demand, market conditions and related management's judgment even though the age of corresponding inventory is shorter than certain holding periods. If the market conditions or demand for the products are less favorable than Kyocera's projections, additional write-downs may be required.

The breakdown of the inventories as of March 31, 2022 is as follows:

(Yen in millions)

Finished goods and merchandise	198,604
Work in process	105,629
Raw materials and supplies	148,273

(2) Useful lives of property, plant and equipment and intangible assets
Property, plant and equipment are depreciated using the straight-line method over their useful lives or estimated payback periods in accordance with the actual conditions of each business. Amortizable intangible assets are amortized using the straight-line method over their useful lives in which the asset's future economic benefits are expected to be consumed.
In the future, changes in useful lives as a result of obsolescence and changes in usage of facilities due to technological innovation and changes in the business environment may have significant impact on the consolidated financial position and operating results from the following year ending March 31, 2023.
The breakdown is described in "(1) The breakdown of property, plant and equipment" and "(3) The breakdown of goodwill and intangible assets" of "4. Notes to Consolidated Statement of Financial Position."

(3) Impairment of property, plant & equipment, goodwill and intangible assets
Kyocera reviews its property, plant and equipment and intangible assets with definite useful lives for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Goodwill and intangible assets with indefinite useful lives, rather than being amortized, are tested for impairment at least annually, and also following any events and changes in circumstances that might lead to impairment. The impairment loss is recognized when the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount.
The recoverable amount of an asset or cash generating unit is the higher of fair value less costs to sell, or value in use. In calculating the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.
As the value in use is calculated based on various assumptions, an impairment loss may be recognized in the event of an unpredictable change in the business environment that would reduce the value in use.
The breakdown is described in "(1) The breakdown of property, plant and equipment" and "(3) The breakdown of goodwill and intangible assets" of "4. Notes to Consolidated Statement of Financial Position."

(4) Impairment of financial assets measured at amortized cost
Kyocera recognizes an allowance for credit losses for trade receivables and other financial assets measured at amortized cost by estimating expected credit losses in consideration of the possibility of collection and significant increases in credit risk. However actual losses may be greater or less than expected credit losses.
The breakdown is described in "(4) Allowances for doubtful accounts related to assets" of "4. Notes to Consolidated Statement of Financial Position."

(5) Fair value of financial instruments
When Kyocera evaluates the fair value of certain financial instruments, it uses valuation techniques that use inputs that are not observable in the market. These unobservable inputs could be affected by the result of fluctuations in uncertain future economic conditions, and if a revision becomes necessary, it could have a significant impact on the consolidated financial position and operating results.
The breakdown is described in "(2) Fair value of financial instruments" of "6. Notes to Financial Instruments."

(6) Income taxes
Kyocera recognizes only deferred tax assets that are likely to be available for future taxable profit. The valuation of deferred tax assets principally depends on the estimation of future taxable profit and feasible tax planning strategies. If future taxable profit is lower than expected due to future market conditions or poor operating results, significant adjustments to deferred tax assets may be required.
Kyocera records liabilities for uncertain tax positions based on the premise of being subject to income tax examination by tax authorities, when it is probable that uncertain tax positions will not be sustained.
Actual results, such as settlements with tax authorities, may differ from Kyocera's recognition.

The deferred tax assets and deferred tax liabilities as of March 31, 2022 are as follows:

(Yen in millions)

Deferred tax assets	36,483
Deferred tax liabilities	384,513

(7) Defined benefit plans

In the defined benefit plans, net defined benefit liability or asset is calculated by the present value of the defined benefit obligation less the fair value of plan assets.

The present value of the defined benefit obligations is calculated based on actuarial assumptions. These actuarial assumptions require estimates and judgments on variables, such as the discount rates, the rate of increase in compensation levels and other assumptions.

Kyocera determines the discount rate by referencing the yield on high quality corporate bonds and others. The rate of increase in compensation levels is determined based mainly on results and forecasts of operations, inflation and others.

Kyocera annually reviews the assumptions underlying its actuarial calculations, making adjustments based on current market conditions, if necessary.

If Kyocera is required to decrease its assumptions of the discount rate because of a stagnation of Japanese and global economies, defined benefit obligations and the related service costs and others will be increased.

The amounts recognized in the consolidated statement of financial position for defined benefit plans as of March 31, 2022 are as follows:

(Yen in millions)

Other non-current assets	44,811
Retirement benefit liabilities	23,129

(8) Provisions and contingencies

Kyocera is subject to various lawsuits and claims which arise in the ordinary course of business. Kyocera consults with legal counsel and assesses the likelihood of adverse outcomes of these contingencies. Kyocera records liabilities for these contingencies when the likelihood of an adverse outcome is probable and the amount can be reasonably estimated. In making these estimates, Kyocera considers the progress of the lawsuits, the situations of other companies that are subject to similar lawsuits and other relevant factors. The amounts of liabilities accrued are based on estimates and may be significantly affected by further developments or the resolution of these contingencies in the future.

(Provisions)

The breakdown of the provision as of March 31, 2022 is as follows:

(Yen in millions)

Provision for product warranties	3,408
Provision for litigation losses	1,075
Provision for environmental losses	4,651
Provision for asset retirement obligations	4,450
Other provisions	3,057

(Contingencies)

The breakdown is described in “(6) Assets pledged as collateral” of “4. Notes to Consolidated Statement of Financial Position.”

(9) Revenue recognition

As described in “(6) Matters related to accounting policies” “k. Basis of revenue recognition” of “1. Basis of Preparation of Consolidated Financial Statements.”

4. Notes to Consolidated Statement of Financial Position

(1) The breakdown of property, plant and equipment

(Yen in millions)

Land	52,120
Buildings and structures	469,778
Machinery and equipment	1,103,331
Construction in progress	58,384
Accumulated depreciation and accumulated impairment losses	(1,171,438)

(2) The breakdown of right-of-use assets

(Yen in millions)

Right-of-use assets	72,908
Accumulated depreciation and accumulated impairment losses	(32,205)

(3) The breakdown of goodwill and intangible assets

(Yen in millions)

Goodwill	312,828
Customer relationships	103,970
Non-patent technology	43,209
Software	55,568
Trademark rights	22,636
Others	45,538
Accumulated depreciation and accumulated impairment losses	(170,885)

(4) Allowances for doubtful accounts related to assets

(Yen in millions)

Current assets	2,978
Non-current assets	1,788

(5) Other components of equity

(Yen in millions)

Financial assets measured at fair value through other comprehensive income	807,993
Net changes in fair value of cash flow hedge	(18)
Exchange differences on translating foreign operations	72,322

(6) Assets pledged as collateral

(Yen in millions)

Property, plant and equipment	1,639
Investments accounted for using the equity method	2,294

(Note 1) "Property, plant and equipment" is pledged as collateral for "Other current liabilities" in the total amount of 1,593 million yen.
(Note 2) "Investments accounted for using the equity method" is pledged as collateral for the loan for business fund of associate accounted for using the equity method in the total amount of 11,192 million yen.

5. Notes to Consolidated Statement of Changes in Equity

(1) Total number of shares issued

(Shares in thousands)

Class of shares	As of March 31, 2021	Increase	Decrease	As of March 31, 2022
Common stock	377,619	—	—	377,619

(2) Treasury stock

(Shares in thousands)

Class of shares	As of March 31, 2021	Increase	Decrease	As of March 31, 2022
Common stock	15,178	3,552	(12)	18,718

(3) Appropriation of surplus

a. Dividends paid

Resolution	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
The Ordinary General Meeting of Shareholders held on June 25, 2021	Common stock	28,995	80	March 31, 2021	June 28, 2021
The Board of Directors Meeting held on November 1, 2021	Common stock	32,621	90	September 30, 2021	December 3, 2021

b. Dividends for which the record date fall in the year ended March 31, 2022 with an effective date in the year ending March 31, 2023

Scheduled Resolution	Class of shares	Source of dividends	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
The Ordinary General Meeting of Shareholders to be held on June 28, 2022	Common stock	Retained earnings	32,301	90	March 31, 2022	June 29, 2022

6. Notes to Financial Instruments

(1) Note to financial instruments

Kyocera refrains from making any speculative transactions and always maintains a high level of capital liquidity to ensure the utmost stability in its fund management. Operating receivables such as notes receivable and accounts receivable are exposed to customer credit risk. Kyocera seeks to reduce this risk in accordance with its credit management policies. Kyocera is exposed to market risk, including rate of exchange, interest rates and equity prices. In order to hedge against these risks, Kyocera uses derivative financial instruments. Kyocera does not hold or issue derivative financial instruments for trading purposes. Kyocera mainly enters into foreign currency forward contracts and interest rate swaps. Kyocera regularly assesses these market risks based on policies and procedures established to protect against the adverse effects of these risks and other potential exposures, primarily by reference to the market value of financial instruments.

Kyocera holds equity and debt instruments. The majority of these investments consist of KDDI stock, which had a fair value of 1,342,059 million yen as of March 31, 2022.

(2) Fair value of financial instruments

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of inputs that may be used to measure fair value are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Observable inputs other than those included in Level 1. For example, quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.

Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

a. Financial instruments measured at amortized cost

Carrying amount, fair value and change of financial instruments measured at amortized cost are as follows:

(Yen in millions)

	Carrying amount	Fair value	Change
Assets:			
Short-term investments	25,412	25,393	(19)
Debt instruments	12	12	—
Other financial assets	58,544	58,544	—
Total	83,968	83,949	(19)
Liabilities:			
Borrowings	96,545	96,507	(38)
Total	96,545	96,507	(38)

Carrying amounts of Cash and cash equivalents, Trade and other receivables and Trade and other payables approximate fair values because of the short maturity of these instruments.

Short-term borrowings are stated at their carrying amount since they are settled in the short term and their fair value is nearly equal to their carrying amount.

Long-term borrowings with variable interest rates are stated at their carrying amount because they reflect market interest rates in a short period of time and their fair values are deemed to be close to their carrying amount.

Long-term borrowings with fixed interest rates are stated at the present value of future cash flows discounted at the interest rate that would be applied to a similar contract were newly executed.

b. Financial instruments measured at fair value

The levels of the fair value hierarchy of financial instruments measured at fair value are as follows:

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets:				
Short-term investments	—	—	48	48
Equity and debt instruments				
Financial assets measured at fair value through other comprehensive income	1,415,515	—	48,175	1,463,690
Financial assets measured at fair value through profit or loss	—	—	5,431	5,431
Other financial assets	—	1,619	—	1,619
Total	1,415,515	1,619	53,654	1,470,788
Liabilities:				
Other financial liabilities	—	16,552	—	16,552
Contingent consideration	—	—	2,108	2,108
Total	—	16,552	2,108	18,660

Transfers between levels are recognized on the day when the event or change in circumstances that caused the transfer occurred. There were no significant transfers between the Levels for the year ended March 31, 2022.

c. Measurement method of fair value of financial assets and financial liabilities

The valuation techniques to measure fair value of financial instruments and input information are as follows:
The fair value of Level 1 investments is quoted price in an active market with sufficient volume and frequency of transactions.

The fair value of Level 2 other financial assets and other financial liabilities are derivatives, and their fair values are measured by discounting the value calculated using forward exchange rates current on the date of consolidated financial statements to the present value.

Equity securities classified Level 3 are mainly unlisted stocks, and their fair values are measured by valuation technique such as discounted cash flows method. Contingent consideration recognized in a business combination is calculated based on expected payment by taking into account future business performances. Contingent consideration is included in “Accrued expenses” in the consolidated statement of financial position.

7. Note to per Share Information

(1)	Equity per share attributable to owners of the parent (yen)	8,000.97
(2)	Basic earnings per share attributable to owners of the parent (yen)	411.15

(Note) Diluted earnings per share attributable to owners of the parent for the year ended March 31, 2022 is not described, as there is no potential share.

8. Note to Significant Subsequent Event

On April 27, 2022, TA Triumph-Adler GmbH, a consolidated subsidiary of Kyocera Document Solutions Inc., entered into an agreement with a third party for a pension buyout of a defined benefit pension plan established for certain employees in Germany for future risk transfer and other purposes.
On April 28, 2022, under the terms of the agreement, the company’s defined benefit pension plan obligations have delivered to the third party in the amount of 14,152 million yen in cash and other consideration. This transaction will have no material impact on the Kyocera’s operating results.

9. Other Notes

Not Applicable.

[Financial Statements]

Statement of Changes in Net Assets (April 1, 2021 to March 31, 2022)

(Yen in millions)

	Shareholders' equity							
		Capital surplus			Retained earnings			
						Other retained earnings		
	Common stock	Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserves	Reserve for special depreciation	Reserve for promoting open innovation	General reserve
Balance as of April 1, 2021	115,703	192,555	1,718	194,273	17,207	76	25	965,137
Cumulative effect of a change in accounting policy	—	—	—	—	—	—	—	—
Balance as of April 1, 2021 reflecting change in accounting policy	115,703	192,555	1,718	194,273	17,207	76	25	965,137
Changes in net assets								
Reversal of reserve for special depreciation						(55)		
Reserve for promoting open innovation							25	
Reversal of promoting open innovation							(25)	
Provision of general reserve								35,000
Dividends								
Net income								
Purchase of treasury stock								
Reissuance of treasury stock			27	27				
Net change in items other than shareholders' equity								
Total changes in net assets	—	—	27	27	—	(55)	(0)	35,000
Balance as of March 31, 2022	115,703	192,555	1,745	194,300	17,207	21	25	1,000,137

	Shareholders' equity				Valuation and translation adjustment		
	Retained earnings						
	Other retained earnings						
	Unappropriated retained earnings	Total retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustment	Total net assets
Balance as of April 1, 2021	95,074	1,077,519	(69,243)	1,318,252	806,005	806,005	2,124,257
Cumulative effect of a change in accounting policy	(497)	(497)	—	(497)	—	—	(497)
Balance as of April 1, 2021 reflecting change in accounting policy	94,577	1,077,022	(69,243)	1,317,755	806,005	806,005	2,123,760
Changes in net assets							
Reversal of reserve for special depreciation	55	—		—			—
Reserve for promoting open innovation	(25)	—		—			—
Reversal of promoting open innovation	25	—		—			—
Provision of general reserve	(35,000)	—		—			—
Dividends	(61,616)	(61,616)		(61,616)			(61,616)
Net income	132,442	132,442		132,442			132,442
Purchase of treasury stock			(24,111)	(24,111)			(24,111)
Reissuance of treasury stock			55	82			82
Net change in items other than shareholders' equity					139,395	139,395	139,395
Total changes in net assets	35,882	70,827	(24,056)	46,798	139,395	139,395	186,193
Balance as of March 31, 2022	130,459	1,147,849	(93,299)	1,364,553	945,400	945,400	2,309,953

Notes to Financial Statements

1. **Summary of Significant Accounting Policies**

(1) Standards and methods of valuation of assets

a. Held-to-maturity securities
Amortized cost method (straight-line method)

b. Investments in subsidiaries and affiliates
Cost determined by the moving average method

c. Other securities
(i) Securities with quoted market price:
Based on market price as of the balance sheet date (unrealized gains and losses on such securities are reported in net assets, and the cost of securities sold is determined by the moving average method)

(ii) Securities without quoted market price:
Cost determined by the moving average method

d. Derivative financial instruments:
Mark-to-market method

e. Inventories:
Valuation standards are based on the cost method. (method of devaluation of book value based on decline in profitability)
Finished goods and work in process are valued at retail method.
Merchandise, raw materials and supplies are valued using the first-in, first-out method or the recent purchase method.

(2) Depreciation of non-current assets

a. Tangible fixed assets (except for leased assets)
Straight-line method. The principal useful lives are as follows:

Buildings and structures	2 years – 33 years
Machinery and equipment, and tools, furniture and fixtures	2 years – 10 years

b. Intangible assets (except for leased assets)
Straight-line method. Software for internal use is amortized over the estimated useful life (two years).

c. Leased assets
Straight-line method over the lease term

(3) Accounting for allowances and accruals

a. Allowances for doubtful accounts
In order to prepare for losses due to bad debt, an allowance for doubtful accounts is provided based on the historical bad debt ratio for general receivables and on an individual assessment of collectability for specific receivables such as doubtful accounts receivables.

b. Accrued bonuses
In order to prepare for the payment of bonuses to employees, the amount expected to be paid is recorded.

c. Accrued bonuses for directors
In order to prepare for the payment of bonuses to directors, the amount expected to be paid is recorded.

d. Product warranty reserves
In order to prepare for after sales service expenses expected to be incurred during the warranty period, an estimated amount is provided for certain products that have already been sold, based on past actual expenditures and other factors.

e. Accrued pension and severance costs
In order to prepare for payment of retirement benefits to employees, an amount is recorded based on the expected retirement benefit obligation and plan assets as of the balance sheet date.
Unrecognized prior year service cost is amortized over the estimated average remaining service period of employees using the straight-line method.
Actuarial gains or losses are amortized over the estimated average remaining service period of employees using the straight-line method from the following year in which they are incurred.
At the balance sheet date, the estimated amount of pension assets exceeded the estimated amount of expected retirement benefit obligation, therefore, the amount was included in "Other" under "Investments and other assets" as prepaid pension and severance expenses.

(4) Basis for recording revenues and expenses
Basis for recording revenues
Kyocera Corporation's main revenue sources are sales in markets such as information and communications, and automotive-related.

Kyocera Corporation recognizes revenue from contracts with customers, excluding interest and dividend income, by applying the following steps:

Step 1: Identify the contracts with customers
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Domestic shipment sales are recognized as revenue at the time of shipment because the period from the time of shipment to the time when control of the product in the shipment is transferred to the customer is the normal period of time for such sales.
Export sales are recognized as revenue at the time of transfer of the risk-bearing responsibility for the transportation of goods.
Consignment inventory sales are recognized as revenue upon transfer of ownership as defined by contract.

2. Notes to Changes in Accounting Policy

(1) Application of "Accounting Standard for Revenue Recognition," etc.
Kyocera Corporation has applied "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan Statement No. 29, revised on March 31, 2020) and "Implementation Guidance on Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan Guidance No. 30, revised on March 26, 2021) from the beginning of the year ended March 31, 2022. Kyocera Corporation recognizes revenue at the amount expected to be received in exchange for the promised goods or services when control of the promised goods or services is transferred to the customer.
In accordance with the transitional treatment prescribed in the proviso of Paragraph 84 of "Accounting Standard for Revenue Recognition," Kyocera Corporation has added or subtracted the cumulative effect of retrospective application of the new accounting policy to all prior periods to unappropriated retained earnings as of the beginning of the year ended March 31, 2022. In addition, "Advance received" is presented as "Contract liabilities" from the year ended March 31, 2022.
As a result, 515 million yen of "Advance received" was reclassified to "Contract liabilities" at the beginning of the year ended March 31, 2022, and the beginning balance of unappropriated retained earnings in the Statement of Changes in Net Assets decreased by 497 million yen, compared with the balance as if the previous accounting standard had been applied.
In addition, 764 million yen of net sales, 314 million yen of profit from operations, recurring profit and income before income taxes decreased respectively in the year ended March 31, 2022.

(2) Application of "Accounting Standard for Fair Value Measurement," etc.
Kyocera Corporation has applied the "Accounting Standard for Fair Value Measurement" (Accounting Standards Board of Japan Statement No. 30, released on July 4, 2019) and "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Accounting Standards Board of Japan Guidance No. 31, released on July 4, 2019) from the year ended March 31, 2022. There is no impact on the financial statements as a result of this change.

3. Notes to Significant Accounting Estimates

The accounting estimates made in the preparation of the financial statements for the year ended March 31, 2022 that may have a significant impact on the financial statements for the year ending March 31, 2023 are as follows.
The accounting estimates for the impact of the spread of COVID-19 are based on the assumption that the impact on the Kyocera Corporations' results will be limited.

(1) Impairment of fixed assets

a. Amount recorded in the financial statements for the year ended March 31, 2022
In principle, Kyocera Corporation groups assets based on its business.
In the year ended March 31, 2022, Kyocera Corporation conducted an assessment to determine whether an impairment loss should be recognized as there were indications of impairment due to the fact that several of its businesses had continuously negative earnings from operating activities, and concluded that an impairment loss was not required to be recognized.
Apart from the above judgement, impairment loss on fixed assets of 1,576 million yen was recorded under "Non-recurring loss" in the statement of income for the year ended March 31, 2022 as an impairment loss on fixed assets to be disposed of.

b. Key assumptions used to calculate the amounts reported in the financial statements
For businesses for which there is an indication of impairment, Kyocera Corporation determines whether an impairment loss should be recognized by comparing the carrying amount of the business with the total undiscounted future cash flows from the business.
Estimated undiscounted future cash flows are calculated based on future cash flows expected to result from the continued use and post-use disposal of the grouping assets. The estimated period of future cash flows is based on the economic remaining useful life of the major assets. The undiscounted future cash flows are based on business plans approved by management. Growth rates applied to estimate future cash flow projections beyond the period covered by the business plan are calculated taking into account future uncertainties. In addition, the future cash flows generated by the disposal of the asset at the end of its economic remaining useful life are the net selling price at a future point in time.
Therefore, the determination of impairment loss recognition is based on key assumptions such as future cash flows and growth rates.

c. Effect on financial statements for the following fiscal year
These key assumptions have been determined based on management's best estimates and judgement. However, they may be affected by uncertain future economic variables, and if assumptions need to be revised, this could have a material impact on the financial statements for the following fiscal years and beyond.

(2) Impairment of securities without quoted market price

a. Amount recorded in the financial statements for the year ended March 31, 2022
Securities without quoted market price are assessed for impairment by calculating their actual value. In the event of a significant decline in real value due to deterioration in the financial position of the issuing company, Kyocera Corporation records an impairment loss unless the probability of recovery is supported by sufficient evidence.
The amounts reported on the balance sheet as of March 31, 2022 are as follows.

(Yen in millions)

Account	Amount
Long-term investments in debt and equity securities	36,408
Investments in equity securities of subsidiaries and affiliates	502,208
Investments in capital of subsidiaries and affiliates other than equity securities	84,811

Loss on impairment of investments in capital of subsidiaries and affiliates of 1,718 million yen was recorded under "Non-recurring loss" in the statement of income for the year ended March 31, 2022.

b. Key assumptions used to calculate the amounts reported in the financial statements
The real value of securities without quoted market price is calculated by multiplying the net asset value per share calculated based on the net assets of the issuing company by the number of shares held. In addition, if the real value is 50% or more below book value, Kyocera Corporation obtains future business plans as necessary, and examines their reasonable feasibility and recoverability within five years. Accordingly, the assessment of the need for impairment of securities without quoted market price is made based on key assumptions such as future business plans.

c. Effect on financial statements for the following fiscal year
These key assumptions have been determined based on management's best estimates and judgement. However, they may be affected by uncertain future economic variables, and if assumptions need to be revised, this could have a material impact on the financial statements for the following fiscal years and beyond.

4. Notes to Balance Sheets

(1) Assets pledged as collateral and secured liabilities

a. Assets pledged as collateral
Investments in subsidiaries and affiliates 2,125 million yen

b. Secured liabilities
Loan from financial institutions to Kagoshima Mega Solar Power Corporation 11,192 million yen
*All investor of Kagoshima Mega Solar Power Corporation pledge their investments as collateral for this loan.

(2) Accumulated depreciation of tangible fixed assets 689,452 million yen

(3) Guarantee obligations
Keep-well letters and guidance for management:

Keep–well letter requested party	Amount covered (Yen in millions)	Subject of keep-well letter
Kyoto Purple Sanga Co., Ltd.	400	Guidance for repayment of loans from financial institutions

(4) Receivables from subsidiaries and affiliates, and payables to subsidiaries and affiliates

(Yen in millions)

Current receivables	127,747
Long-term receivables	26,656
Current payables	56,558
Long-term payables	25

5. Notes to Statement of Income

(1) Transactions with subsidiaries and affiliates

(Yen in millions)

Net sales	360,764
Purchases	69,557
Selling, general and administrative expenses	18,497
Non-operational transactions	53,354

(2) Liquidation of subsidies and affiliates
As the liquidation of Shanghai Kyocera Electronics Co., Ltd., which was Kyocera Corporation's subsidiary, was completed, a gain on liquidation of subsidiaries and affiliates of 9,127 million yen was recorded under "Non-recurring gain" in the statement of income for the year ended March 31, 2022.

6. Notes to Statement of Changes in Net Assets

Number and class of treasury stock as of March 31, 2022
Common stock 18,717,679 shares

7. Notes to Revenue Recognition
Basis for understanding for revenues is described in "(4) Basis for recording revenues and expenses" in "1. Significant Accounting Policies."

8. Notes to Tax Effect Accounting

The main components of the deferred tax assets and deferred tax liabilities
Deferred tax assets

(Yen in millions)

Depreciation and amortization	24,795
Loss on impairment of investments in subsidiaries and affiliates	7,210
Accrued bonuses	7,190
Other payables and accrued expenses	4,969
Write-down of inventories	4,089
Temporary and prepaid payment	4,017
Deferred assets	1,695
Adjustment to book value of investments in subsidiaries	1,540
Others	4,939
Subtotal deferred tax assets	60,444
Valuation allowances for the total of deductible temporary difference	(7,911)
Total deferred tax assets	52,533

Deferred tax liabilities

(Yen in millions)

Net unrealized gain on other securities	(405,172)
Prepaid pension and severance expenses	(4,672)
Gain on revaluation of land	(865)
Others	(86)
Total deferred tax liabilities	(410,795)

Net deferred tax liabilities	(358,262)

9. Notes to Fixed Assets Used under Leases

In addition to the tangible fixed assets on the balance sheet, there are manufacturing equipment or computers used under lease contracts.

10. Notes to per Share Information

(1) Net assets per share 6,436.19 yen
(2) Earnings per share 366.91 yen