



Consolidated Financial Results for the Six Months Ended September 30, 2021 (IFRS)

November 1, 2021

Company name: **KYOCERA CORPORATION**

Stock Listing: Tokyo Stock Exchange

Code number: 6971 URL: <https://global.kyocera.com/>

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Scheduled date of quarterly report filing: November 12, 2021

Scheduled date for commencement of dividend payments: December 3, 2021

Supplementary documents of the quarterly financial results: Yes

Holding quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded)

1. Consolidated Financial Results for the Six Months Ended September 30, 2021

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

	Sales revenue		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Comprehensive income for the period	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended										
September 30, 2021	876,337	25.9	75,679	214.5	99,351	105.9	73,219	113.1	149,051	—
September 30, 2020	696,037	(12.9)	24,065	(60.1)	48,249	(43.4)	34,360	(42.4)	(85,221)	—

	Earnings per share attributable to owners of the parent - Basic		Earnings per share attributable to owners of the parent - Diluted	
	Yen		Yen	
Six months ended				
September 30, 2021	202.01		—	
September 30, 2020	94.80		—	

(2) Consolidated financial position

	Total assets		Total equity		Equity attributable to owners of the parent		Ratio of equity attributable to owners of the parent to total assets	
	Million yen		Million yen		Million yen		%	
As of								
September 30, 2021	3,656,905		2,735,251		2,709,782		74.1	
March 31, 2021	3,493,470		2,616,110		2,591,415		74.2	

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen				
Year ended					
March 31, 2021	—	60.00	—	80.00	140.00
Year ending					
March 31, 2022	—	90.00			
Year ending					
March 31, 2022 (forecast)			—	90.00	180.00

(Note) Revision of previously announced dividend targets during this reporting period: Yes

Please refer to “(4) Shareholder Return” on page 8 for the detail of dividends information for the year ending March 31, 2022.

3. Consolidated Financial Forecasts for the Year Ending March 31, 2022 (% of change from the previous year)

	Sales revenue		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Earnings per share attributable to owners of the parent - Basic	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	
Year Ending										
March 31, 2022	1,750,000	14.6	146,000	106.7	190,000	61.6	139,000	54.1	383.51	

(Note) Revision of previously announced financial forecast during this reporting period: Yes

“Earnings per share attributable to owners of the parent - Basic” is calculated using the average number of shares outstanding for the six months ended September 30, 2021.

Notes

(1) Changes in significant subsidiaries during the period

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

(2) Changes in accounting policies and accounting estimates

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

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

(iii) Changes in accounting estimates: None

(3) Number of shares issued (common stock)

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

As of September 30, 2021 377,618,580 shares

As of March 31, 2021 377,618,580 shares

(ii) Number of treasury stock:

As of September 30, 2021 15,167,147 shares

As of March 31, 2021 15,178,204 shares

(iii) Average number of shares outstanding:

For the six months ended September 30, 2021 362,445,887 shares

For the six months ended September 30, 2020 362,437,255 shares

Instruction for Forecasts and Other Notes

1. Cautionary statements with respect to forward-looking statements

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

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

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

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

3. Method of obtaining supplementary materials on the financial results

The supplementary documents will be posted on the corporate website on November 1, 2021.

4. English translation

This is an English translation of the Japanese original of “Consolidated Financial Results for the Six Months Ended September 30, 2021.” The translation is prepared for the reference and convenience solely for those who do not use Japanese. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

(Attachment)

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1. Qualitative Information related to Consolidated Financial Results

(1) Explanation of Consolidated Financial Results

a. Consolidated Financial Results

During the six months ended September 30, 2021 (“the first half”), demand increased mainly in the 5G and semiconductor-related markets, as compared with the six months ended September 30, 2020 (“the previous first half”), which was significantly affected by the COVID-19 pandemic. In addition to our efforts to increase orders in these markets, we made efforts to increase production and improve productivity through our strategic capital expenditures, which we have been implementing since the year ended March 31, 2019. As a result, sales and profit both increased significantly in all reporting segments.

Sales revenue increased by 180,300 million yen, or 25.9%, to 876,337 million yen, compared with the previous first half, marking a record high for a first half period. Operating profit increased by 51,614 million yen, or 214.5%, to 75,679 million yen, profit before income taxes increased by 51,102 million yen, or 105.9%, to 99,351 million yen, and profit attributable to owners of the parent increased by 38,859 million yen, or 113.1%, to 73,219 million yen, compared with the previous first half.

The average exchange rates for the first half were 110 yen to the U.S. dollar and 131 yen to the Euro, marking depreciation of 3 yen or 2.8% and 10 yen or 8.3%, respectively, compared with the previous first half. As a result, sales revenue and profit before income taxes after translation into yen for the first half were pushed up by approximately 26 billion yen and approximately 9 billion yen, respectively, compared with the previous first half.

Consolidated Financial Results

(Yen in millions)

	For the six months ended September 30, 2020		For the six months ended September 30, 2021		Change	
	Amount	%*	Amount	%*	Amount	%
Sales revenue	696,037	100.0	876,337	100.0	180,300	25.9
Operating profit	24,065	3.5	75,679	8.6	51,614	214.5
Profit before income taxes	48,249	6.9	99,351	11.3	51,102	105.9
Profit attributable to owners of the parent	34,360	4.9	73,219	8.4	38,859	113.1
Average US\$ exchange rate (Yen)	107	—	110	—	—	—
Average Euro exchange rate (Yen)	121	—	131	—	—	—

Capital expenditures	57,067	8.2	67,367	7.7	10,300	18.0
Depreciation charge of property, plant and equipment	35,031	5.0	42,061	4.8	7,030	20.1
Research and development expenses	35,126	5.0	40,359	4.6	5,233	14.9

* % represents the percentage to sales revenue.

b. Consolidated Financial Results by Reporting Segment

1) Core Components Business

Sales revenue for the first half increased by 50,666 million yen, or 25.8%, to 246,984 million yen compared with 196,318 million yen for the previous first half. Business profit increased by 17,214 million yen, or 158.7%, from 10,844 million yen to 28,058 million yen, and the business profit ratio improved from 5.5% to 11.4%, compared with the previous first half.

In the Industrial & Automotive Components Unit, both sales and profit for the first half increased due mainly to increased demand for fine ceramic components for use in semiconductor processing equipment and also to increased demand for automotive cameras. The business profit ratio also improved significantly.

In the Semiconductor Components Unit, both sales and profit increased due to increased demand for ceramic packages and organic packages and boards for the 5G and automotive-related markets.

2) Electronic Components Business

Sales revenue for the first half increased by 38,320 million yen, or 30.7%, to 163,300 million yen compared with 124,980 million yen for the previous first half. Business profit increased by 17,568 million yen, or 206.1%, from 8,523 million yen to 26,091 million yen, and the business profit ratio improved significantly from 6.8% to 16.0%, compared with the previous first half.

In addition to a recovery in demand from the automotive-related market and the industrial market, increased demand for high-value-added products such as small sized and high capacitance capacitors and crystal devices for the 5G and semiconductor-related markets resulted in a significant increase in both sales and profit.

3) Solutions Business

Sales revenue for the first half increased by 89,324 million yen, or 23.6%, to 467,520 million yen compared with 378,196 million yen for the previous first half. Business profit increased by 27,267 million yen, or 311.7%, from 8,747 million yen to 36,014 million yen, and the business profit ratio improved from 2.3% to 7.7%, compared with the previous first half.

In addition to increased sales for the automotive-related market and the construction and housing markets in the Industrial Tools Unit, demand for printers and MFPs recovered in the Document Solutions Unit, mainly in Europe and the United States, after having been significantly affected by the COVID-19 pandemic during the previous first half.

Sales Revenue by Reporting Segment

(Yen in millions)

	For the six months ended September 30, 2020		For the six months ended September 30, 2021		Change	
	Amount	%*	Amount	%*	Amount	%
Core Components Business	196,318	28.2	246,984	28.2	50,666	25.8
Industrial & Automotive Components Unit	62,399	9.0	83,378	9.5	20,979	33.6
Semiconductor Components Unit	122,509	17.6	150,739	17.2	28,230	23.0
Others	11,410	1.6	12,867	1.5	1,457	12.8
Electronic Components Business	124,980	18.0	163,300	18.6	38,320	30.7
Solutions Business	378,196	54.3	467,520	53.3	89,324	23.6
Industrial Tools Unit	90,770	13.0	121,434	13.9	30,664	33.8
Document Solutions Unit	138,140	19.9	175,248	20.0	37,108	26.9
Communications Unit	107,462	15.4	120,538	13.7	13,076	12.2
Others	41,824	6.0	50,300	5.7	8,476	20.3
Others	7,937	1.1	12,912	1.5	4,975	62.7
Adjustments and eliminations	(11,394)	(1.6)	(14,379)	(1.6)	(2,985)	—
Sales revenue	696,037	100.0	876,337	100.0	180,300	25.9

* % represents the component ratio.

Business Profit (Loss) by Reporting Segment

(Yen in millions)

	For the six months ended September 30, 2020		For the six months ended September 30, 2021		Change	
	Amount	%*	Amount	%*	Amount	%
Core Components Business	10,844	5.5	28,058	11.4	17,214	158.7
Industrial & Automotive Components Unit	107	0.2	9,595	11.5	9,488	—
Semiconductor Components Unit	12,103	9.9	19,543	13.0	7,440	61.5
Others	(1,366)	—	(1,080)	—	286	—
Electronic Components Business	8,523	6.8	26,091	16.0	17,568	206.1
Solutions Business	8,747	2.3	36,014	7.7	27,267	311.7
Industrial Tools Unit	6,110	6.7	14,688	12.1	8,578	140.4
Document Solutions Unit	6,050	4.4	15,753	9.0	9,703	160.4
Communications Unit	3,910	3.6	7,531	6.2	3,621	92.6
Others	(7,323)	—	(1,958)	—	5,365	—
Others	(1,276)	—	(7,181)	—	(5,905)	—
Total business profit	26,838	3.9	82,982	9.5	56,144	209.2
Corporate gains and others	21,411	—	16,369	—	(5,042)	(23.5)
Profit before income taxes	48,249	6.9	99,351	11.3	51,102	105.9

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

(Note) Kyocera has changed the classification of its reporting segments from the year ending March 31, 2022. Business results for the six months ended September 30, 2020 have been reclassified in line with the change to reporting segment classifications.

(2) Explanation of Consolidated Financial Position

Consolidated Cash Flows

Cash and cash equivalents at September 30, 2021 increased by 45,029 million yen to 431,756 million yen from 386,727 million yen at March 31, 2021.

1) Cash flows from operating activities

Net cash provided by operating activities for the first half increased by 29,505 million yen to 115,764 million yen from 86,259 million yen for the previous first half. This was due mainly to an increase in profit for the period.

2) Cash flows from investing activities

Net cash used in investing activities for the first half decreased by 41,808 million yen to 27,400 million yen from 69,208 million yen for the previous first half. This was due mainly to an increase in withdrawal of time deposits and a decrease in payments for acquisitions of business.

3) Cash flows from financing activities

Net cash used in financing activities for the first half decreased by 3,294 million yen to 42,670 million yen from 45,964 million yen for the previous first half. This was due mainly to an increase in proceeds from borrowings.

Consolidated Cash Flows

(Yen in millions)

	For the six months ended September 30, 2020	For the six months ended September 30, 2021	Change
Cash flows from operating activities	86,259	115,764	29,505
Cash flows from investing activities	(69,208)	(27,400)	41,808
Cash flows from financing activities	(45,964)	(42,670)	3,294
Effect of exchange rate changes on cash and cash equivalents	(2,881)	(665)	2,216
Increase (decrease) in cash and cash equivalents	(31,794)	45,029	76,823
Cash and cash equivalents at the beginning of the year	419,620	386,727	(32,893)
Cash and cash equivalents at the end of the period	387,826	431,756	43,930

(3) Explanation Regarding Future Projection Including Consolidated Financial Forecasts

Financial results in the first half exceeded our expectations at the beginning of the year ending March 31, 2022 (“fiscal 2022”), especially in the components business. Demand is expected to remain at a high level for the three months ending December 31, 2021 (“the third quarter”) and onward, especially for components for the 5G and semiconductor-related markets; however, there is concern over a shortage of components such as semiconductors, which may affect various markets. Despite such uncertainty, we have revised our consolidated financial forecasts and forecasts by reporting segment which were announced in April 2021 as described in the following tables based on our progress through the first half and the above demand forecast.

We have also revised forecasts of average exchange rates for the third quarter and the three months ending March 31, 2022 from our forecasts in April, from 105 yen to 110 yen against the U.S. dollar and from 125 yen to 130 yen against the Euro. As a result, full-year forecasts of average exchange rates for fiscal 2022 are 110 yen to the U.S. dollar and 130 yen to the Euro.

We aim to achieve our consolidated financial forecasts by acquiring orders and increasing sales, and pursuing further improvements in productivity.

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

Forecasts of Consolidated Financial Results

(Yen in millions)

	Results for the year ended March 31, 2021		Forecasts for the year ending March 31, 2022 announced on				Change %*2
			April 27, 2021 (Previous)		November 1, 2021 (Revised)		
	Amount	%*1	Amount	%*1	Amount	%*1	
Sales revenue	1,526,897	100.0	1,730,000	100.0	1,750,000	100.0	14.6
Operating profit	70,644	4.6	117,000	6.8	146,000	8.3	106.7
Profit before income taxes	117,559	7.7	160,000	9.2	190,000	10.9	61.6
Profit attributable to owners of the parent	90,214	5.9	113,000	6.5	139,000	7.9	54.1
Average US\$ exchange rate (Yen)	106	—	105	—	110	—	—
Average Euro exchange rate (Yen)	124	—	125	—	130	—	—

Capital expenditures	117,106	7.7	170,000	9.8	170,000	9.7	45.2
Depreciation charge of property, plant and equipment	73,811	4.8	100,000	5.8	100,000	5.7	35.5
Research and development expenses	75,457	4.9	90,000	5.2	90,000	5.1	19.3

*1: % represents the percentage to sales revenue.

*2: % represents the percentage change from the previous year.

Sales Revenue by Reporting Segment

(Yen in millions)

	Results for the year ended March 31, 2021		Forecasts for the year ending March 31, 2022 announced on				Change %*2
			April 27, 2021 (Previous)		November 1, 2021 (Revised)		
	Amount	%*1	Amount	%*1	Amount	%*1	
Core Components Business	424,669	27.8	455,000	26.3	481,000	27.5	13.3
Industrial & Automotive Components Unit	135,884	8.9	145,000	8.4	163,000	9.3	20.0
Semiconductor Components Unit	263,595	17.3	280,000	16.2	290,000	16.6	10.0
Others	25,190	1.6	30,000	1.7	28,000	1.6	11.2
Electronic Components Business	273,002	17.9	320,000	18.5	320,000	18.3	17.2
Solutions Business	835,213	54.7	957,000	55.3	950,000	54.3	13.7
Industrial Tools Unit	193,066	12.6	209,000	12.1	225,000	12.9	16.5
Document Solutions Unit	316,226	20.7	370,000	21.4	360,000	20.6	13.8
Communications Unit	232,739	15.2	270,000	15.6	265,000	15.1	13.9
Others	93,182	6.2	108,000	6.2	100,000	5.7	7.3
Others	18,169	1.2	28,000	1.6	29,000	1.6	59.6
Adjustments and eliminations	(24,156)	(1.6)	(30,000)	(1.7)	(30,000)	(1.7)	—
Sales revenue	1,526,897	100.0	1,730,000	100.0	1,750,000	100.0	14.6

*1: % represents the component ratio.

*2: % represents the percentage change from the previous year.

Business Profit (Loss) by Reporting Segment

(Yen in millions)

	Results for the year ended March 31, 2021		Forecasts for the year ending March 31, 2022 announced on				Change %*2
			April 27, 2021 (Previous)		November 1, 2021 (Revised)		
	Amount	%*1	Amount	%*1	Amount	%*1	
Core Components Business	30,549	7.2	41,000	9.0	55,000	11.4	80.0
Industrial & Automotive Components Unit	4,241	3.1	12,000	8.3	20,000	12.3	371.6
Semiconductor Components Unit	28,260	10.7	29,000	10.4	35,000	12.1	23.8
Others	(1,952)	—	0	0.0	0	0.0	—
Electronic Components Business	23,000	8.4	40,000	12.5	48,500	15.2	110.9
Solutions Business	37,506	4.5	74,000	7.7	73,000	7.7	94.6
Industrial Tools Unit	15,721	8.1	22,000	10.5	28,000	12.4	78.1
Document Solutions Unit	28,759	9.1	42,000	11.4	33,000	9.2	14.7
Communications Unit	14,597	6.3	12,000	4.4	17,000	6.4	16.5
Others	(21,571)	—	(2,000)	—	(5,000)	—	—
Others	(3,102)	—	(15,000)	—	(13,000)	—	—
Total business profit	87,953	5.8	140,000	8.1	163,500	9.3	85.9
Corporate gains and others	29,606	—	20,000	—	26,500	—	(10.5)
Profit before income taxes	117,559	7.7	160,000	9.2	190,000	10.9	61.6

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

*2: % represents the percentage change from the previous year.

(Note) Kyocera has changed the classification of its reporting segments from the year ending March 31, 2022. Business results for the year ended March 31, 2021 have been reclassified in line with the change to reporting segment classifications.

(4) Shareholder Return

Kyocera Corporation believes that the best way to increase corporate value and meet shareholders' expectations is to improve future consolidated performance on an ongoing basis.

Kyocera Corporation therefore has adopted a principal guideline that dividend amounts shall fall within a range based on profit attributable to owners of the parent on a consolidated basis, and has set its dividend policy to maintain a payout ratio of around 50% of profit attributable to owners of the parent. In addition, Kyocera Corporation determines dividend amounts based on a comprehensive assessment, taking into account various factors including the amount of capital expenditures necessary for medium-to-long-term corporate growth.

Kyocera Corporation also has adopted policies to ensure a sound financial basis, and, for such purpose it sets aside other general reserves in preparation for the creation of new businesses, cultivation of new markets, development of new technologies and acquisition, as necessary, of outside management resources to achieve sustainable corporate growth.

In addition to the above-mentioned basic policy, within a certain range based on cash flow, Kyocera Corporation will implement acquisitions of its own shares when appropriate, as a powerful mechanism for enhancing shareholder returns.

Considering the policy above, Kyocera Corporation has adopted following two resolutions at a meeting of its Board of Directors held on November 1, 2021.

(i) Distribution of Interim Dividends and Revision of Annual Dividend Forecast for fiscal 2022

Kyocera Corporation has adopted a resolution that its interim dividend for fiscal 2022 will be 90 yen per share. In addition, Kyocera Corporation forecasts its year-end dividend for fiscal 2022 in the amount of 90 yen per share. Therefore, its annual dividend forecast will be 180 yen per share, an increase of 20 yen per share from its annual dividend forecast of 160 yen per share announced in April 2021, as well as an increase of 40 yen per share from its annual dividend for the year ended March 31, 2021. For further information, please refer to the notice below.

(Reference; Disclosed on November 1, 2021)

“Notice Relating to Revision of Consolidated Financial Forecasts, Distribution of Interim Dividend and Revision of Annual Dividend Forecast for the Year Ending March 31, 2022 (“fiscal 2022”)”

(ii) Repurchase of Own Shares

Kyocera Corporation has resolved to undertake a repurchase of its own shares, up to 4,000,000 shares, intended to enhance its shareholder returns and to facilitate flexible capital strategies in the future. For further information, please refer to the notice below.

(Reference; Disclosed on November 1, 2021)

“Notice Relating to Repurchase of Own Shares through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3)”

2. Condensed Quarterly Consolidated Financial Statements and Primary Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Yen in millions)

	As of March 31, 2021		As of September 30, 2021		Change
	Amount	%*	Amount	%*	
Assets					
Current assets					
Cash and cash equivalents	386,727		431,756		45,029
Short-term investments	79,852		39,532		(40,320)
Trade and other receivables	339,621		335,142		(4,479)
Other financial assets	17,504		17,725		221
Inventories	345,354		393,267		47,913
Other current assets	30,706		30,535		(171)
Total current assets	1,199,764	34.3	1,247,957	34.1	48,193
Non-current assets					
Equity and debt instruments	1,264,453		1,362,638		98,185
Investments accounted for using the equity method	16,975		16,190		(785)
Other financial assets	43,101		41,795		(1,306)
Property, plant and equipment	439,109		468,302		29,193
Right-of-use assets	38,639		37,872		(767)
Goodwill	256,532		257,267		735
Intangible assets	151,295		146,744		(4,551)
Deferred tax assets	36,624		35,950		(674)
Other non-current assets	46,978		42,190		(4,788)
Total non-current assets	2,293,706	65.7	2,408,948	65.9	115,242
Total assets	3,493,470	100.0	3,656,905	100.0	163,435

* % represents the component ratio.

(Yen in millions)

	As of March 31, 2021		As of September 30, 2021		Change
	Amount	%*	Amount	%*	
Liabilities and Equity					
Liabilities					
Current liabilities					
Borrowings	40,020		39,412		(608)
Trade and other payables	183,145		207,557		24,412
Lease liabilities	15,863		15,468		(395)
Other financial liabilities	7,669		3,300		(4,369)
Income tax payables	15,584		22,865		7,281
Accrued expenses	120,165		122,370		2,205
Provisions	6,403		5,941		(462)
Other current liabilities	34,004		33,399		(605)
Total current liabilities	422,853	12.1	450,312	12.3	27,459
Non-current liabilities					
Borrowings	57,888		57,028		(860)
Lease liabilities	34,051		33,544		(507)
Retirement benefit liabilities	23,624		23,443		(181)
Deferred tax liabilities	309,951		339,410		29,459
Provisions	8,432		8,396		(36)
Other non-current liabilities	20,561		9,521		(11,040)
Total non-current liabilities	454,507	13.0	471,342	12.9	16,835
Total liabilities	877,360	25.1	921,654	25.2	44,294
Equity					
Common stock	115,703		115,703		—
Capital surplus	122,745		122,764		19
Retained earnings	1,750,259		1,794,486		44,227
Other components of equity	671,951		746,024		74,073
Treasury stock	(69,243)		(69,195)		48
Total equity attributable to owners of the parent	2,591,415	74.2	2,709,782	74.1	118,367
Non-controlling interests	24,695	0.7	25,469	0.7	774
Total equity	2,616,110	74.9	2,735,251	74.8	119,141
Total liabilities and equity	3,493,470	100.0	3,656,905	100.0	163,435

* % represents the component ratio.

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

a. Condensed Quarterly Consolidated Statement of Profit or Loss

(Yen in millions except per share amounts)

	For the six months ended September 30, 2020		For the six months ended September 30, 2021		Change	
	Amount	%*	Amount	%*	Amount	%
Sales revenue	696,037	100.0	876,337	100.0	180,300	25.9
Cost of sales	515,336	74.0	626,188	71.5	110,852	21.5
Gross profit	180,701	26.0	250,149	28.5	69,448	38.4
Selling, general and administrative expenses	156,636	22.5	174,470	19.9	17,834	11.4
Operating profit	24,065	3.5	75,679	8.6	51,614	214.5
Finance income	23,092	3.3	23,127	2.6	35	0.2
Finance expenses	923	0.2	1,330	0.1	407	44.1
Foreign exchange gains (losses)	93	0.0	1,210	0.1	1,117	—
Share of net profit (loss) of investments accounted for using the equity method	516	0.1	(186)	(0.0)	(702)	—
Other, net	1,406	0.2	851	0.1	(555)	(39.5)
Profit before income taxes	48,249	6.9	99,351	11.3	51,102	105.9
Income taxes	12,611	1.8	24,422	2.7	11,811	93.7
Profit for the period	35,638	5.1	74,929	8.6	39,291	110.3

Profit attributable to:						
Owners of the parent	34,360	4.9	73,219	8.4	38,859	113.1
Non-controlling interests	1,278	0.2	1,710	0.2	432	33.8
Profit for the period	35,638	5.1	74,929	8.6	39,291	110.3

Per share information:			
Earnings per share attributable to owners of the parent			
Basic and diluted (Yen)	94.80	202.01	

* % represents the percentage to sales revenue.

b. Condensed Quarterly Consolidated Statement of Comprehensive Income

(Yen in millions)

	For the six months ended September 30, 2020	For the six months ended September 30, 2021	Change
	Amount	Amount	
Profit for the period	35,638	74,929	39,291
Other comprehensive income, net of taxation			
Items that will not be reclassified to profit or loss:			
Financial assets measured at fair value through other comprehensive income	(116,277)	69,239	185,516
Re-measurement of defined benefit plans	—	—	—
Total items that will not be reclassified to profit or loss	(116,277)	69,239	185,516
Items that may be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedge	28	(3)	(31)
Exchange differences on translating foreign operations	(4,611)	4,951	9,562
Share of other comprehensive income of investments accounted for using the equity method	1	(65)	(66)
Total items that may be reclassified subsequently to profit or loss	(4,582)	4,883	9,465
Total other comprehensive income	(120,859)	74,122	194,981
Comprehensive income for the period	(85,221)	149,051	234,272
Comprehensive income attributable to:			
Owners of the parent	(86,642)	147,295	233,937
Non-controlling interests	1,421	1,756	335
Comprehensive income for the period	(85,221)	149,051	234,272

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

For the six months ended September 30, 2020

(Yen in millions)

	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common Stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total		
Balance as of April 1, 2020	115,703	123,539	1,686,672	575,495	(69,275)	2,432,134	22,108	2,454,242
Profit for the period			34,360			34,360	1,278	35,638
Other comprehensive income				(121,002)		(121,002)	143	(120,859)
Total comprehensive income for the period	—	—	34,360	(121,002)	—	(86,642)	1,421	(85,221)
Cash dividends			(28,995)			(28,995)	(462)	(29,457)
Purchase of treasury stock					(7)	(7)		(7)
Reissuance of treasury stock		17			50	67		67
Transfer to retained earnings						—		—
Others		(366)				(366)	262	(104)
Balance as of September 30, 2020	115,703	123,190	1,692,037	454,493	(69,232)	2,316,191	23,329	2,339,520

For the six months ended September 30, 2021

(Yen in millions)

	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common Stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total		
Balance as of April 1, 2021	115,703	122,745	1,750,259	671,951	(69,243)	2,591,415	24,695	2,616,110
Profit for the period			73,219			73,219	1,710	74,929
Other comprehensive income				74,076		74,076	46	74,122
Total comprehensive income for the period	—	—	73,219	74,076	—	147,295	1,756	149,051
Cash dividends			(28,995)			(28,995)	(982)	(29,977)
Purchase of treasury stock					(7)	(7)		(7)
Reissuance of treasury stock		27			55	82		82
Transfer to retained earnings			3	(3)		—		—
Others		(8)				(8)		(8)
Balance as of September 30, 2021	115,703	122,764	1,794,486	746,024	(69,195)	2,709,782	25,469	2,735,251

(4) Notes to Condensed Quarterly Consolidated Financial Statements

a. Notes to Going Concern Assumption

Not Applicable