

# Quarterly Report

(English summary with full translation of consolidated financial information)

(The Second Quarter of 68th Business Term)

From July 1, 2021 to September 30, 2021

**KYOCERA CORPORATION**

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This is an English translation of the Quarterly Report filed with the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors' NETWORK (“EDINET”) pursuant to the Financial Instruments and Exchange Act of Japan.

In this document, the terms “we,” “us,” “our,” “Kyocera Group” and “Kyocera” refer to Kyocera Corporation and consolidated subsidiaries or, as the context may require, Kyocera Corporation on a non-consolidated basis and the “Company” refers to Kyocera Corporation on a non-consolidated basis.

The term “fiscal 2022” refers to the year ending March 31, 2022, with other fiscal years referred to in a corresponding manner.

**Part I. Information on Kyocera**

**I. Overview of Kyocera**

**1. Selected Financial Data**

(Yen in millions unless otherwise stated)

	For the six months ended September 30,		For the year ended March 31, 2021
	2020	2021	
Sales revenue	696,037	876,337	1,526,897
Profit before income taxes	48,249	99,351	117,559
Profit attributable to owners of the parent	34,360	73,219	90,214
Comprehensive income attributable to owners of the parent	(86,642)	147,295	210,784
Equity attributable to owners of the parent	2,316,191	2,709,782	2,591,415
Total assets	3,078,759	3,656,905	3,493,470
Earnings per share attributable to owners of the parent - Basic (Yen)	94.80	202.01	248.91
Earnings per share attributable to owners of the parent - Diluted (Yen)	—	—	—
Ratio of equity attributable to owners of the parent to total assets (%)	75.2	74.1	74.2
Cash flows from operating activities	86,259	115,764	220,821
Cash flows from investing activities	(69,208)	(27,400)	(183,792)
Cash flows from financing activities	(45,964)	(42,670)	(80,968)
Cash and cash equivalents at the end of the period	387,826	431,756	386,727

	For the three months ended September 30,	
	2020	2021
Sales revenue	378,943	455,625
Profit attributable to owners of the parent	11,980	32,459
Earnings per share attributable to owners of the parent - Basic (Yen)	33.05	89.56

- (Notes) 1. Kyocera prepared its condensed quarterly consolidated financial statements and consolidated financial statements in accordance with International Financial Reporting Standards (hereinafter, “IFRS”), and the figures are presented in Japanese yen and amounts less than one million yen are rounded.
2. Earnings per share attributable to owners of the parent - Diluted are not described in the above table, as there is no potential share.
3. As Kyocera prepares the condensed quarterly consolidated financial statements, the selected non-consolidated financial data is not set forth in this document.

## ***2. Description of Business***

There were no significant changes in the business and operations of Kyocera and its associates during the six months ended September 30, 2021 (hereinafter, “the first half”). There were no changes in the organizations of major subsidiaries and associates. AVX Corporation changed its name to KYOCERA AVX Components Corporation on October 1, 2021.

Kyocera has changed the classification of its reporting segments from the year ending March 31, 2022. For detailed information, please refer to Note “5. Segment Information” under “IV. Condensed Quarterly Consolidated Financial Statements and Other Information 1. Condensed Quarterly Consolidated Financial Statements.”

## II. Business Overview

### 1. Risk Factors

There were no new risk factors recognized for the first half. There were no significant changes in risk factors stated in the Annual Report for the year ended March 31, 2021 pursuant to the Financial Instruments and Exchange Act of Japan.

### 2. Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows

The future matter written in this document is determined at the date of submission of this Quarterly Report.

#### (1) Summary of Operating Results

(Yen in millions)

	For the six months ended September 30,				Change	
	2020		2021			
	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	—	—	—

\* % represents the percentage to sales revenue.

During 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 expenditure, 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 for the first half 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.

## Results by Reporting Segment

### Sales Revenue by Reporting Segment

(Yen in millions)

	For the six months ended September 30,				Change	
	2020		2021			
	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,				Change	
	2020		2021			
	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. For detailed information, please refer to Note “5. Segment Information” under “IV. Condensed Quarterly Consolidated Financial Statements and Other Information 1. Condensed Quarterly Consolidated Financial Statements.”

The analysis of Reporting Segment is as follows:

***a. 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.

***b. 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.

***c. 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.



## (2) Summary of Cash Flows

(Yen in millions)

	For the six months ended September 30,		Change
	2020	2021	
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

The balance of cash and cash equivalents at September 30, 2021 increased by 45,029 million yen, or 11.6%, to 431,756 million yen from 386,727 million yen at March 31, 2021.

### *a. Cash Flows from Operating Activities*

Net cash provided by operating activities for the first half increased by 29,505 million yen, or 34.2%, 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.

### *b. Cash Flows from Investing Activities*

Net cash used in investing activities for the first half decreased by 41,808 million yen, or 60.4%, 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.

### *c. Cash Flows from Financing Activities*

Net cash used in financing activities for the first half decreased by 3,294 million yen, or 7.2%, 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.

## (3) Liquidity and Capital Resources

Kyocera's primary source of fund is cash generated by operations. As of September 30, 2021, its cash and cash equivalents were 431,756 million yen and the balance of borrowings was 96,440 million yen. The borrowings for Kyocera are mainly denominated in yen, and certain overseas subsidiaries have borrowings denominated in U.S. dollars, Euros or other currencies.

Kyocera's cash requirements for the year ending March 31, 2022 are funds for capital expenditures, R&D activities, dividend payments and repurchases of its own shares in addition to working capital of operating activities and Kyocera believes cash on hand will be sufficient to fund these cash requirements.

In case the significant amount of cash is temporarily required, Kyocera has other financing options, such as additional borrowings from financial institutions as well as issuance of corporate bonds and stocks. However, Kyocera does not currently intend to use any other external financing sources that might affect its credit agency ratings.

There was no material impact on the liquidity for the first half. However, future deterioration in market demand, or a significant fall on product prices may adversely affect Kyocera's liquidity.

#### **(4) Significant Accounting Estimates and Judgments Involving Estimations**

Although the impact of COVID-19 on the economy still remains a concern, Kyocera's estimates and judgement as of the year ended March 31, 2021 are based on the assumption that the global economy is expected to recover compared with the year ended March 31, 2021 as a result of the implementation of various infection prevention and economic stimulus measures adopted by countries around the world.

At present, Kyocera has not recognized any events that would have significant impacts on its estimates and judgments as of the year ended March 31, 2021 although the future impacts by the COVID-19 are still uncertain. Therefore, there have been no material changes in significant accounting estimates and judgments described in the Annual Report for the year ended March 31, 2021.

#### **(5) Major Management Challenges**

There were no new management challenges to be addressed with priority during the first half. There were no significant changes from the content in the Annual Report for the year ended March 31, 2021.

#### **(6) Research and Development Activities**

Research and development expenses for the first half increased by 5,233 million yen, or 14.9%, to 40,359 million yen from 35,126 million yen for the previous first half. There were no significant changes in the status of research and development activities from the Quarterly Report for the first quarter ended June 30, 2021.

#### **(7) Summary of Production, Orders Received and Sales**

Orders Received by Reporting Segment

(Yen in millions)

	For the six months ended September 30,				Change
	2020		2021		
	Amount	%*	Amount	%*	%
Core Components Business	201,110	28.1	264,307	29.0	31.4
Industrial & Automotive Components Unit	60,917	8.5	88,346	9.7	45.0
Semiconductor Components Unit	128,724	18.0	162,971	17.9	26.6
Others	11,469	1.6	12,990	1.4	13.3
Electronic Components Business	129,075	18.1	182,501	20.0	41.4
Solutions Business	391,058	54.7	470,259	51.5	20.3
Industrial Tools Unit	91,274	12.8	123,314	13.5	35.1
Document Solutions Unit	137,816	19.3	174,902	19.1	26.9
Communications Unit	122,612	17.1	118,405	13.0	(3.4)
Others	39,356	5.5	53,638	5.9	36.3
Others	4,872	0.7	8,005	0.9	64.3
Adjustments and eliminations	(11,208)	(1.6)	(12,544)	(1.4)	—
Orders Received	714,907	100.0	912,528	100.0	27.6

\* % represents the component ratio.

- (Notes) 1. Kyocera flexibly produces in accordance with growing demands, customer's request and market changes. Therefore, results of production are similar to results of sales. Summary of production and sales is correlated to the description on "(1) Summary of Operating Results Results by Reporting Segment."
2. Kyocera has changed the classification of its reporting segments from the year ending March 31, 2022. Orders received for the six months ended September 30, 2020 have been reclassified in line with the change to reporting segment classifications. For detailed information, please refer to Note "5. Segment Information" under "IV. Condensed Quarterly Consolidated Financial Statements and Other Information 1. Condensed Quarterly Consolidated Financial Statements."

### ***3. Material Agreements***

There were no material agreements which were approved for conclusion or concluded during the three months ended September 30, 2021.

### III. Corporate Information

#### 1. Information on Kyocera's Shares and Others

##### (1) Total Number of Shares and Others

###### a. Total Number of Shares

Class	Total number of shares authorized to be issued (shares)
Common stock	600,000,000
Total	600,000,000

###### b. Shares Issued

Class	Number of shares issued as of September 30, 2021 (shares)	Number of shares issued as of the filing date (shares) (November 12, 2021)	Stock exchange on which Kyocera is listed or authorized financial instruments firm's association where Kyocera is registered	Description
Common stock	377,618,580	377,618,580	Tokyo Stock Exchange (the first section)	This is Kyocera's standard stock. There is no restriction on contents of the right of the stock. The number of shares per one unit of shares is 100 shares.
Total	377,618,580	377,618,580	—	—

##### (2) Information on the Stock Acquisition Rights and Others

###### a. Details of Stock Option Plans

Not Applicable.

###### b. Other Information about Stock Acquisition Rights

Not Applicable.

##### (3) Information on Moving Strike Convertible Bonds

Not Applicable.

##### (4) Changes in the Total Number of Shares Issued, the Amount of Common Stock and Others

Date	Change in the total number of shares issued (shares)	Balance of the total number of shares issued (shares)	Changes in common stock (Yen in millions)	Balance of common stock (Yen in millions)	Changes in additional paid-in capital (Yen in millions)	Balance of additional paid-in capital (Yen in millions)
From July 1, 2021 to September 30, 2021	—	377,618,580	—	115,703	—	192,555

**(5) Major Shareholders**

As of September 30, 2021

Name	Address	Number of shares held (thousands of shares)	Ownership percentage to the total number of shares issued (Excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	77,302	21.33
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12, Harumi, Chuo-ku, Tokyo	26,730	7.37
The Bank of Kyoto, Ltd.	700, Yakushimae-cho, Karasuma-dori, Matsubara-Agaru, Shimogyo-ku, Kyoto	14,436	3.98
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited)	ONE LINCOLN STREET, BOSTON MA USA 02111 (3-11-1, Nihonbashi, Chuo-ku, Tokyo)	12,619	3.48
Kazuo Inamori	Fushimi-ku, Kyoto	10,212	2.82
Inamori Foundation	620 Suiginoya-cho, Shimogyo-ku, Kyoto	9,360	2.58
KI Enterprise Co., Ltd.	88, Kankoboko-cho, Shijodori-Muromachi-Higashiiru, Shimogyo-ku, Kyoto	7,099	1.96
Stock Purchase Plan for Kyocera Group Employees	6, Takeda Tobadono-cho, Fushimi-ku, Kyoto	6,559	1.81
Custody Bank of Japan, Ltd. (Stock Investment Trust Account)	1-8-12, Harumi, Chuo-ku, Tokyo	5,821	1.61
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (SHINAGAWA INTERCITY Bldg. A 2-15-1, Konan, Minato-ku, Tokyo)	5,516	1.52
Total	—	175,656	48.46

(Note) According to the amended report filed with EDINET system on July 8, 2021, Mitsubishi UFJ Financial Group, Inc. and its related partners held shares as of June 8, 2020, as shown in the following table. Despite this report, they are not included in the above list of major shareholders because Kyocera is not able to confirm the number of shares beneficially owned by them from Kyocera's shareholders records as of September 30, 2021.

Name	Address	Number of shares held (thousands of shares)	Ownership percentage to the total number of shares issued (%)
MUFG Bank, Ltd.	2-7-1 Marunouchi, Chiyoda-ku, Tokyo	5,077	1.34
Mitsubishi UFJ Trust and Banking Corporation	1-4-5, Marunouchi, Chiyoda-ku, Tokyo	6,841	1.81
Mitsubishi UFJ Kokusai Asset Management Co., Ltd.	1-12-1, Yurakucho, Chiyoda-ku, Tokyo	6,871	1.82
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	1-9-2, Otemachi, Chiyoda-ku, Tokyo	937	0.25
Total	—	19,725	5.22

**(6) Information on Voting Rights****a. Shares Issued**

As of September 30, 2021

Classification	Number of shares (shares)	Number of voting rights	Description
Shares without voting rights	—	—	—
Shares with restricted voting rights (treasury stock)	—	—	—
Shares with restricted voting rights (others)	—	—	—
Shares with full voting rights (treasury stock)	(Number of treasury stock) Common stock 15,167,100	—	This is Kyocera's standard stock. There is no restriction on contents of the right of the stock. The number of shares per one unit of shares is 100 shares.
Shares with full voting rights (others)	Common stock 362,138,200	3,621,382	Same as above
Shares less than one unit	Common stock 313,280	—	—
Number of shares issued	377,618,580	—	—
Total number of voting rights	—	3,621,382	—

(Note) The "Shares with full voting rights (others)" column includes 1,100 shares registered in the name of JASDEC and the "Number of voting rights" column includes 11 voting rights for those shares.

**b. Treasury Stock and Others**

As of September 30, 2021

Name of shareholder	Address	Number of shares held under own name (shares)	Number of shares held under the name of others (shares)	Total shares held (shares)	Ownership percentage to the total number of shares issued (%)
Kyocera Corporation	6, Takeda Tobadono-cho, Fushimi-ku, Kyoto	15,167,100	—	15,167,100	4.02
Total	—	15,167,100	—	15,167,100	4.02

**2. Changes in Directors and Audit & Supervisory Board Members**

Not Applicable.

**IV. Condensed Quarterly Consolidated Financial Statements and Other Information**

**1. Condensed Quarterly Consolidated Financial Statements**

**(1) Condensed Quarterly Consolidated Statement of Financial Position**

(Yen in millions)

	Note	As of	
		March 31, 2021	September 30, 2021
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		386,727	431,756
Short-term investments	10	79,852	39,532
Trade and other receivables	8	339,621	335,142
Other financial assets	10	17,504	17,725
Inventories		345,354	393,267
Other current assets		30,706	30,535
Total current assets		1,199,764	1,247,957
<b>Non-current assets</b>			
Equity and debt instruments	10	1,264,453	1,362,638
Investments accounted for using the equity method		16,975	16,190
Other financial assets	10	43,101	41,795
Property, plant and equipment		439,109	468,302
Right-of-use assets		38,639	37,872
Goodwill	6	256,532	257,267
Intangible assets		151,295	146,744
Deferred tax assets		36,624	35,950
Other non-current assets		46,978	42,190
Total non-current assets		2,293,706	2,408,948
<b>Total assets</b>		<b>3,493,470</b>	<b>3,656,905</b>

The accompanying notes are an integral part of these statements.

(Yen in millions)

	Note	As of	
		March 31, 2021	September 30, 2021
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Borrowings	10	40,020	39,412
Trade and other payables		183,145	207,557
Lease liabilities		15,863	15,468
Other financial liabilities	10	7,669	3,300
Income tax payables		15,584	22,865
Accrued expenses	8,10	120,165	122,370
Provisions		6,403	5,941
Other current liabilities	8	34,004	33,399
Total current liabilities		422,853	450,312
<b>Non-current liabilities</b>			
Borrowings	10	57,888	57,028
Lease liabilities		34,051	33,544
Retirement benefit liabilities		23,624	23,443
Deferred tax liabilities		309,951	339,410
Provisions		8,432	8,396
Other non-current liabilities		20,561	9,521
Total non-current liabilities		454,507	471,342
<b>Total liabilities</b>		877,360	921,654
<b>Equity</b>			
Common stock		115,703	115,703
Capital surplus		122,745	122,764
Retained earnings		1,750,259	1,794,486
Other components of equity		671,951	746,024
Treasury stock		(69,243)	(69,195)
Total equity attributable to owners of the parent		2,591,415	2,709,782
Non-controlling interests		24,695	25,469
<b>Total equity</b>		2,616,110	2,735,251
<b>Total liabilities and equity</b>		3,493,470	3,656,905

The accompanying notes are an integral part of these statements.



**(2) Condensed Quarterly Consolidated Statement of Profit or Loss**

For the six months ended September 30, 2020 and 2021

(Yen in millions)

	Note	For the six months ended September 30,	
		2020	2021
<b>Sales revenue</b>	5, 8	696,037	876,337
Cost of sales		515,336	626,188
<b>Gross profit</b>		180,701	250,149
Selling, general and administrative expenses		156,636	174,470
<b>Operating profit</b>		24,065	75,679
Finance income	10	23,092	23,127
Finance expenses		923	1,330
Foreign exchange gains (losses)		93	1,210
Share of net profit (loss) of investments accounted for using the equity method		516	(186)
Other, net		1,406	851
<b>Profit before income taxes</b>	5	48,249	99,351
Income taxes		12,611	24,422
<b>Profit for the period</b>		35,638	74,929
<b>Profit attributable to:</b>			
Owners of the parent		34,360	73,219
Non-controlling interests		1,278	1,710
<b>Profit for the period</b>		35,638	74,929
<b>Per share information:</b>	9		
<b>Earnings per share attributable to owners of the parent</b>			
Basic and diluted (Yen)		94.80	202.01

The accompanying notes are an integral part of these statements.

For the three months ended September 30, 2020 and 2021

(Yen in millions)

	Note	For the three months ended September 30,	
		2020	2021
<b>Sales revenue</b>	5, 8	378,943	455,625
Cost of sales		281,844	324,686
<b>Gross profit</b>		97,099	130,939
Selling, general and administrative expenses		80,608	87,636
<b>Operating profit</b>		16,491	43,303
Finance income		899	1,069
Finance expenses		544	667
Foreign exchange gains (losses)		(16)	946
Share of net profit (loss) of investments accounted for using the equity method		167	(190)
Other, net		841	414
<b>Profit before income taxes</b>	5	17,838	44,875
Income taxes		5,060	11,391
<b>Profit for the period</b>		12,778	33,484
<b>Profit attributable to:</b>			
Owners of the parent		11,980	32,459
Non-controlling interests		798	1,025
<b>Profit for the period</b>		12,778	33,484
<b>Per share information:</b>	9		
<b>Earnings per share attributable to owners of the parent</b>			
Basic and diluted (Yen)		33.05	89.56

The accompanying notes are an integral part of these statements.

**(3) Condensed Quarterly Consolidated Statement of Comprehensive Income**

For the six months ended September 30, 2020 and 2021

(Yen in millions)

	Note	For the six months ended September 30,	
		2020	2021
<b>Profit for the period</b>		35,638	74,929
<b>Other comprehensive income, net of taxation</b>			
Items that will not be reclassified to profit or loss:			
Financial assets measured at fair value through other comprehensive income		(116,277)	69,239
Re-measurement of defined benefit plans		—	—
Total items that will not be reclassified to profit or loss		(116,277)	69,239
Items that may be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedge		28	(3)
Exchange differences on translating foreign operations		(4,611)	4,951
Share of other comprehensive income of investments accounted for using the equity method		1	(65)
Total items that may be reclassified subsequently to profit or loss		(4,582)	4,883
<b>Total other comprehensive income</b>		(120,859)	74,122
<b>Comprehensive income for the period</b>		(85,221)	149,051

<b>Comprehensive income attributable to:</b>			
Owners of the parent		(86,642)	147,295
Non-controlling interests		1,421	1,756
<b>Comprehensive income for the period</b>		(85,221)	149,051

The accompanying notes are an integral part of these statements.

For the three months ended September 30, 2020 and 2021

(Yen in millions)

	Note	For the three months ended September 30,	
		2020	2021
<b>Profit for the period</b>		12,778	33,484
<b>Other comprehensive income, net of taxation</b>			
Items that will not be reclassified to profit or loss:			
Financial assets measured at fair value through other comprehensive income		(131,069)	58,262
Re-measurement of defined benefit plans		—	—
Total items that will not be reclassified to profit or loss		(131,069)	58,262
Items that may be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedge		(113)	(26)
Exchange differences on translating foreign operations		(2,926)	1,916
Share of other comprehensive income of investments accounted for using the equity method		2	(2)
Total items that may be reclassified subsequently to profit or loss		(3,037)	1,888
<b>Total other comprehensive income</b>		(134,106)	60,150
<b>Comprehensive income for the period</b>		(121,328)	93,634
<b>Comprehensive income attributable to:</b>			
Owners of the parent		(122,216)	92,605
Non-controlling interests		888	1,029
<b>Comprehensive income for the period</b>		(121,328)	93,634

The accompanying notes are an integral part of these statements.

**(4) Condensed Quarterly Consolidated Statement of Changes in Equity**

For the six months ended September 30, 2020

(Yen in millions)

	Note	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		
<b>Balance as of April 1, 2020</b>		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	7			(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)
<b>Balance as of September 30, 2020</b>		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)

	Note	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		
<b>Balance as of April 1, 2021</b>		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	7			(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)
<b>Balance as of September 30, 2021</b>		115,703	122,764	1,794,486	746,024	(69,195)	2,709,782	25,469	2,735,251

The accompanying notes are an integral part of these statements.

(5) Condensed Quarterly Consolidated Statement of Cash Flows

(Yen in millions)

	Note	For the six months ended September 30,	
		2020	2021
<b>Cash flows from operating activities:</b>			
Profit for the period		35,638	74,929
Depreciation and amortization		52,205	61,330
Finance expenses (income)		(22,169)	(21,797)
Share of net profit of investments accounted for using the equity method		(516)	186
Impairment loss		—	170
(Gains) losses from sales or disposal of property, plant and equipment		(141)	(1,483)
Income taxes		12,611	24,422
(Increase) decrease in trade and other receivables		24,792	(1,795)
(Increase) decrease in inventories		(4,755)	(46,483)
(Increase) decrease in other assets		489	11,334
Increase (decrease) in trade and other payables		(20,145)	15,952
Increase (decrease) in accrued expenses		(3,561)	(2,824)
Increase (decrease) in provisions		(7,407)	(635)
Increase (decrease) in other liabilities		(5,263)	(15,649)
Other, net		2,790	2,979
Subtotal		64,568	100,636
Interests and dividends received		23,977	23,476
Interests paid		(955)	(1,168)
Income taxes refund (paid)		(1,331)	(7,180)
Net cash provided by operating activities		86,259	115,764
<b>Cash flows from investing activities:</b>			
Payments for purchases of property, plant and equipment		(53,545)	(63,727)
Payments for purchases of intangible assets		(4,834)	(6,878)
Proceeds from sales of property, plant and equipment		713	2,318
Acquisitions of business, net of cash acquired	6	(19,739)	(146)
Acquisition of time deposits and certificate of deposits		(48,699)	(56,384)
Withdrawal of time deposits and certificate of deposits		51,923	76,066
Payments for purchases of securities		(5,555)	(1,643)
Proceeds from sales and maturities of securities		10,525	22,734
Other, net		3	260
Net cash used in investing activities		(69,208)	(27,400)
<b>Cash flows from financing activities:</b>			
Increase (decrease) in short-term borrowings		(3,382)	(135)
Proceeds from long-term borrowings		2,942	5,855
Repayments of long-term borrowings		(3,928)	(7,186)
Repayments of lease liabilities		(10,777)	(10,513)
Dividends paid		(30,233)	(30,684)
Other, net		(586)	(7)
Net cash used in financing activities		(45,964)	(42,670)
<b>Effect of exchange rate changes on cash and cash equivalents</b>		(2,881)	(665)
<b>Increase (decrease) in cash and cash equivalents</b>		(31,794)	45,029
<b>Cash and cash equivalents at the beginning of the year</b>		419,620	386,727
<b>Cash and cash equivalents at the end of the period</b>		387,826	431,756

The accompanying notes are an integral part of these statements.

## ***Notes to Condensed Quarterly Consolidated Financial Statements***

### ***1. Reporting Entity***

Kyocera Corporation is a corporation domiciled in Japan, whose shares are listed on the Tokyo Stock Exchange. The registered address of headquarter and principal business offices are available on the Kyocera Corporation's website (<https://global.kyocera.com/>).

Condensed quarterly consolidated financial statements as of and for the six months ended September 30, 2021 consist of Kyocera Corporation and its consolidated subsidiaries and shares of associates of Kyocera.

Kyocera globally operates various kinds of businesses, which include productions and distributions of material components, electronic devices and equipment as well as provisions of systems and services, in the markets primarily related to information and communications, automotive-related, environment and energy and medical and healthcare. The details are described in Note "5. Segment Information."

### ***2. Basis of Preparation***

#### ***(1) Compliance with IFRS***

The condensed quarterly consolidated financial statements of Kyocera have been prepared in accordance with International Accounting Standard (hereinafter, "IAS") 34 "Interim Financial Reporting" pursuant to the provision of Article 93 of Regulations for Consolidated Financial Statements, as Kyocera meets the criteria of a "Designated IFRS Specified Company" defined under Article 1-2 of the regulations.

Condensed quarterly consolidated financial statements do not include all the information that required in the annual consolidated financial statements, therefore, condensed quarterly consolidated financial statements should be used with the consolidated financial statements for the year ended March 31, 2021.

#### ***(2) Basis of Measurement***

These condensed quarterly consolidated financial statements have been prepared under the historical cost basis, except for certain items, such as financial instruments that are measured at fair value.

#### ***(3) Functional Currency and Presentation Currency***

These condensed quarterly consolidated financial statements are presented in Japanese yen, which is the functional currency of Kyocera, and are rounded to the nearest million yen.

### ***3. Significant Accounting Policies***

Significant accounting policies applied in the condensed quarterly consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended March 31, 2021.

For the six months ended September 30, 2021, income tax expenses are accrued using the tax rate calculated based on the estimated average annual effective income tax rate.

#### **4. Significant Accounting Estimates and Judgments Involving Estimations**

In preparing condensed quarterly consolidated financial statements, the management is required to make estimates, judgments 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.

Although the impact of COVID-19 on the economy still remains a concern, Kyocera's estimates and judgements as of the year ended March 31, 2021 are based on the assumption that the global economy is expected to recover compared with the year ended March 31, 2021 as a result of the implementation of various infection prevention and economic stimulus measures adopted by countries around the world.

At present, Kyocera has not recognized any events that would have significant impacts on its estimates and judgments as of the year ended March 31, 2021 although the future impacts by the COVID-19 are still uncertain. Therefore, the estimates and judgements that have material impact in condensed quarterly consolidated financial statements are the same as the consolidated financial statements for the year ended March 31, 2021.

#### **5. Segment Information**

##### **(1) Overview of Reporting Segment**

Kyocera reorganized its organization in April 2021, with the aim of further pursue synergies between businesses and strengthen growth potential. Accordingly, the reporting segment classification has been changed from the year ending March 31, 2022. Specifically, Kyocera changed previous "Industrial & Automotive Components Group," "Semiconductor Components Group," "Electronic Devices Group," "Communications Group," "Document Solutions Group" and "Life & Environment Group" to "Core Components Business," "Electronic Components Business," and "Solutions Business." Business results for the six months and three months ended September 30, 2020 have been reclassified in line with the change to reporting segment classifications.

Kyocera's reporting segments are components of business activities for which discrete financial information is available, and such information is regularly reviewed by management in order to make decisions regarding the allocation of resources and assess its performance.

Kyocera's reporting segments are the same as the operating segments.

Main businesses and subsidiaries of each reporting segment are as follows.

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

(Note) On October 1, 2021, AVX Corporation changed its name to KYOCERA AVX Components Corporation.

##### **(2) Information on Reporting Segment**

The accounting policies of the reporting segments are the same as those described in the Note "3. Significant Accounting Policies."

Intersegment sales and transfers are made with reference to prevailing market prices. Business profit (loss) for each reporting segment represents sales revenue, less related costs and operating expenses, excluding corporate gains, share of net profit (loss) of investments accounted for using the equity method and income taxes.



For the six months ended September 30, 2020

(Yen in millions)

	Reporting Segment			Others * 1	Total	Adjustment * 2	Consolidated
	Core Components Business	Electronic Components Business	Solutions Business				
Sales revenue							
External customers	196,028	124,618	368,859	6,532	696,037	—	696,037
Intersegment sales and transfers	290	362	9,337	1,405	11,394	(11,394)	—
Total	196,318	124,980	378,196	7,937	707,431	(11,394)	696,037
Business profit (loss)	10,844	8,523	8,747	(1,276)	26,838	—	26,838
Corporate gains and others * 3	—	—	—	—	—	—	20,895
Share of net profit (loss) of investments accounted for using the equity method	—	—	—	—	—	—	516
Profit before income taxes	—	—	—	—	—	—	48,249
Other items							
Depreciation and amortization charge	13,602	11,437	22,805	1,814	49,658	2,547	52,205
Capital expenditures (for property, plant and equipment)	16,074	22,167	14,489	1,246	53,976	3,091	57,067

(Notes) 1. The “Others” is an operating segment that is not included in the reporting segment.

2. Adjustment represents as follows:

- (1) The adjustment of intersegment sales and transfers are elimination of intersegment transactions.
- (2) The adjustment of depreciation and amortization charge represents the depreciation and amortization charge for corporate, which do not belong to each segment.
- (3) The adjustment of capital expenditures (for property, plant and equipment) includes capital expenditures for corporate, which do not belong to each segment.

3. Corporate gains and others include income and expenses which do not belong to any segments and mainly consists of finance income and expenses.

For the six months ended September 30, 2021

(Yen in millions)

	Reporting Segment			Others * 1	Total	Adjustment * 2	Consolidated
	Core Components Business	Electronic Components Business	Solutions Business				
Sales revenue							
External customers	246,690	162,938	457,272	9,437	876,337	—	876,337
Intersegment sales and transfers	294	362	10,248	3,475	14,379	(14,379)	—
Total	246,984	163,300	467,520	12,912	890,716	(14,379)	876,337
Business profit (loss)	28,058	26,091	36,014	(7,181)	82,982	—	82,982
Corporate gains and others * 3	—	—	—	—	—	—	16,555
Share of net profit (loss) of investments accounted for using the equity method	—	—	—	—	—	—	(186)
Profit before income taxes	—	—	—	—	—	—	99,351
Other items							
Depreciation and amortization charge	17,065	12,865	23,985	2,777	56,692	4,638	61,330
Capital expenditures (for property, plant and equipment)	33,144	15,137	12,465	1,201	61,947	5,420	67,367

(Notes) 1. The “Others” is an operating segment that is not included in the reporting segment.

2. Adjustment represents as follows:

- (1) The adjustment of intersegment sales and transfers are elimination of intersegment transactions.
- (2) The adjustment of depreciation and amortization charge represents the depreciation and amortization charge for corporate, which do not belong to each segment.
- (3) The adjustment of capital expenditures (for property, plant and equipment) includes capital expenditures for corporate, which do not belong to each segment.

3. Corporate gains and others include income and expenses which do not belong to any segments and mainly consists of finance income and expenses.

For the three months ended September 30, 2020

(Yen in millions)

	Reporting Segment			Others * 1	Total	Adjustment * 2	Consolidated
	Core Components Business	Electronic Components Business	Solutions Business				
Sales revenue							
External customers	105,279	70,432	199,826	3,406	378,943	—	378,943
Intersegment sales and transfers	118	150	4,959	774	6,001	(6,001)	—
Total	105,397	70,582	204,785	4,180	384,944	(6,001)	378,943
Business profit (loss)	6,293	6,346	6,111	(643)	18,107	—	18,107
Corporate gains and others * 3	—	—	—	—	—	—	(436)
Share of net profit (loss) of investments accounted for using the equity method	—	—	—	—	—	—	167
Profit before income taxes	—	—	—	—	—	—	17,838
Other items							
Depreciation and amortization charge	7,077	5,942	11,482	935	25,436	1,244	26,680
Capital expenditures (for property, plant and equipment)	9,431	11,970	6,798	849	29,048	1,561	30,609

(Notes) 1. The “Others” is an operating segment that is not included in the reporting segment.

2. Adjustment represents as follows:

- (1) The adjustment of intersegment sales and transfers are elimination of intersegment transactions.
- (2) The adjustment of depreciation and amortization charge represents the depreciation and amortization charge for corporate, which do not belong to each segment.
- (3) The adjustment of capital expenditures (for property, plant and equipment) includes capital expenditures for corporate, which do not belong to each segment.

3. Corporate gains and others include income and expenses which do not belong to any segments and mainly consists of finance income and expenses.

For the three months ended September 30, 2021

(Yen in millions)

	Reporting Segment			Others * 1	Total	Adjustment * 2	Consolidated
	Core Components Business	Electronic Components Business	Solutions Business				
Sales revenue							
External customers	130,280	86,348	234,256	4,741	455,625	—	455,625
Intersegment sales and transfers	128	173	5,247	2,127	7,675	(7,675)	—
Total	130,408	86,521	239,503	6,868	463,300	(7,675)	455,625
Business profit (loss)	17,052	14,635	20,690	(3,708)	48,669	—	48,669
Corporate gains and others * 3	—	—	—	—	—	—	(3,604)
Share of net profit (loss) of investments accounted for using the equity method	—	—	—	—	—	—	(190)
Profit before income taxes	—	—	—	—	—	—	44,875
Other items							
Depreciation and amortization charge	8,860	6,501	11,778	1,391	28,530	2,353	30,883
Capital expenditures (for property, plant and equipment)	16,373	7,505	7,134	776	31,788	1,380	33,168

(Notes) 1. The “Others” is an operating segment that is not included in the reporting segment.

2. Adjustment represents as follows:

- (1) The adjustment of intersegment sales and transfers are elimination of intersegment transactions.
- (2) The adjustment of depreciation and amortization charge represents the depreciation and amortization charge for corporate, which do not belong to each segment.
- (3) The adjustment of capital expenditures (for property, plant and equipment) includes capital expenditures for corporate, which do not belong to each segment.

3. Corporate gains and others include income and expenses which do not belong to any segments and mainly consists of finance income and expenses.

### **(3) Information by Geographic Segments**

The breakdown of sales revenue to external customers by destination for the six months ended September 30, 2020 and 2021 is as follows:

Sales Revenue to External Customers (Yen in millions)

	For the six months ended September 30,	
	2020	2021
Japan	256,450	294,972
Asia	179,572	233,063
Europe	118,655	161,484
The United States of America	121,762	157,948
Other Areas	19,598	28,870
Total	696,037	876,337

There are no individually material countries with respect to revenue to external customers in Asia, Europe and Other Areas for the six months ended September 30, 2020 and 2021.

The breakdown of sales revenue to external customers by destination for the three months ended September 30, 2020 and 2021 is as follows:

Sales Revenue to External Customers (Yen in millions)

	For the three months ended September 30,	
	2020	2021
Japan	133,643	151,797
Asia	99,957	126,480
Europe	68,193	81,469
The United States of America	65,572	80,833
Other Areas	11,578	15,046
Total	378,943	455,625

There are no individually material countries with respect to revenue to external customers in Asia, Europe and Other Areas for the three months ended September 30, 2020 and 2021.

### **6. Business Combination**

For the business combination that Kyocera Corporation acquired Soraa Laser Diode, Inc. and made it wholly owned subsidiary on January 8, 2021, the allocation of purchase price was provisionally calculated due to the allocation in progress for the year ended March 31, 2021. Kyocera performed the additional adjustment of purchase price based on the facts came to light for the six months ended September 30, 2021. Accordingly, the purchase price and goodwill decreased by 57 million yen.

The allocation of purchase price is provisionally calculated based on information available at this time, and the amounts are subject to change following an additional information relating to facts and circumstances that existed at the date of acquisition. Fair value estimates are based on a complex series of judgments about future events and uncertainties and rely heavily on estimates and assumptions. The judgments used to determine the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as expected useful lives, can materially impact Kyocera's financial position, operating results and cash flows.

Kyocera has performed other business combination during the six months ended September 30, 2021. This business combination does not have a material impact on Kyocera's financial position, operating results and cash flows.

## 7. Dividends

### (1) Dividends Paid

For the six months ended September 30, 2020

	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
The resolution of the Ordinary General Meeting of Shareholders held on June 25, 2020	Common stock	28,995	80	March 31, 2020	June 26, 2020	Retained earnings

For the six months ended September 30, 2021

	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
The resolution of the Ordinary General Meeting of Shareholders held on June 25, 2021	Common stock	28,995	80	March 31, 2021	June 28, 2021	Retained earnings

### (2) Dividends for which the Record Date Fall in the Six Months Ended September 30, 2020 and 2021 with an Effective Date in the Subsequent Period

For the six months ended September 30, 2020

	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
The resolution of the Board of Directors Meeting held on October 29, 2020	Common stock	21,746	60	September 30, 2020	December 4, 2020	Retained earnings

For the six months ended September 30, 2021

	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
The resolution of the Board of Directors Meeting held on November 1, 2021	Common stock	32,621	90	September 30, 2021	December 3, 2021	Retained earnings

## 8. Sales Revenue

### (1) Breakdown of Revenue

The main businesses of Kyocera are “Industrial & Automotive Components Unit,” “Semiconductor Components Unit,” “Electronic Components Business,” “Industrial Tools Unit,” “Document Solutions Unit” and “Communications Unit.” Revenues are broken down by these businesses. The relationship between the revenue breakdown and the reporting segment is as follows:

The classification of revenue breakdown was the same as that of the reporting segment until the year ended March 31, 2021. As Kyocera changed the classification of its reporting segment from the year ending March 31, 2022, the classification of revenue breakdown has been changed. Due to this change, breakdown of revenue for the six months ended September 30, 2020 and the three months ended September 30, 2020 have been reclassified in line with this change.

#### For the six months ended September 30, 2020

(Yen in millions)

	Reporting Segment								Others	Total
	Core Components Business			Electronic Components Business	Solutions Business					
	Industrial & Automotive Components Unit	Semi-conductor Components Unit	Others		Industrial Tools Unit	Document Solutions Unit	Communications Unit	Others		
Sales revenue										
Revenue recognized from contracts with customers	62,176	122,483	11,369	124,618	90,741	130,381	97,717	42,316	6,532	688,333
Revenue recognized from other sources*	—	—	—	—	14	7,534	156	—	—	7,704
Total	62,176	122,483	11,369	124,618	90,755	137,915	97,873	42,316	6,532	696,037

(Note) Revenue recognized from other sources includes revenues from leases in accordance with IFRS 16 “Leases.”

#### For the six months ended September 30, 2021

(Yen in millions)

	Reporting Segment								Others	Total
	Core Components Business			Electronic Components Business	Solutions Business					
	Industrial & Automotive Components Unit	Semi-conductor Components Unit	Others		Industrial Tools Unit	Document Solutions Unit	Communications Unit	Others		
Sales revenue										
Revenue recognized from contracts with customers	83,162	150,718	12,810	162,938	121,381	167,574	109,968	50,705	9,437	868,693
Revenue recognized from other sources*	—	—	—	—	23	7,521	71	29	—	7,644
Total	83,162	150,718	12,810	162,938	121,404	175,095	110,039	50,734	9,437	876,337

(Note) Revenue recognized from other sources includes revenues from leases in accordance with IFRS 16 “Leases.”

For the three months ended September 30, 2020

(Yen in millions)

	Reporting Segment								Others	Total
	Core Components Business			Electronic Components Business	Solutions Business					
	Industrial & Automotive Components Unit	Semi-conductor Components Unit	Others		Industrial Tools Unit	Document Solutions Unit	Communications Unit	Others		
Sales revenue										
Revenue recognized from contracts with customers	32,696	66,378	6,205	70,432	46,499	74,832	52,659	22,695	3,406	375,802
Revenue recognized from other sources*	—	—	—	—	7	3,134	—	—	—	3,141
Total	32,696	66,378	6,205	70,432	46,506	77,966	52,659	22,695	3,406	378,943

(Note) Revenue recognized from other sources includes revenues from leases in accordance with IFRS 16 “Leases.”

For the three months ended September 30, 2021

(Yen in millions)

	Reporting Segment								Others	Total
	Core Components Business			Electronic Components Business	Solutions Business					
	Industrial & Automotive Components Unit	Semi-conductor Components Unit	Others		Industrial Tools Unit	Document Solutions Unit	Communications Unit	Others		
Sales revenue										
Revenue recognized from contracts with customers	42,755	81,005	6,520	86,348	59,526	85,648	59,889	25,679	4,741	452,111
Revenue recognized from other sources*	—	—	—	—	12	3,477	—	25	—	3,514
Total	42,755	81,005	6,520	86,348	59,538	89,125	59,889	25,704	4,741	455,625

(Note) Revenue recognized from other sources includes revenues from leases in accordance with IFRS 16 “Leases.”

**(2) Contract Balance**

The following table shows the components of receivables from contracts with customers, contract assets and contract liabilities.

On the condensed quarterly consolidated statement of financial position, contract assets are included in “Trade and other receivables,” and contract liabilities are included in “Accrued expenses” and “Other current liabilities,” respectively.

(Yen in millions)

	As of	
	March 31, 2021	September 30, 2021
Receivables from contracts with customers	297,407	304,882
Contract assets	4,636	4,727
Contract liabilities	30,136	30,751



## 9. Earnings Per Share

Earnings per share attributable to owners of the parent are as follows:

	For the six months ended September 30,	
	2020	2021
Profit attributable to owners of the parent (Yen in millions)	34,360	73,219
Weighted average number of ordinary shares (Thousands of shares)	362,437	362,446
Earnings per share attributable to owners of the parent - Basic (Yen)	94.80	202.01

(Note) Earnings per share attributable to owners of the parent - Diluted is not stated, as there is no potential share.

	For the three months ended September 30,	
	2020	2021
Profit attributable to owners of the parent (Yen in millions)	11,980	32,459
Weighted average number of ordinary shares (Thousands of shares)	362,442	362,452
Earnings per share attributable to owners of the parent - Basic (Yen)	33.05	89.56

(Note) Earnings per share attributable to owners of the parent - Diluted is not stated, as there is no potential share.

## 10. Financial Instruments

### (1) Fair Values 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 and fair value of financial instruments measured at amortized cost are as follows:

(Yen in millions)

	As of			
	March 31, 2021		September 30, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:				
Short-term investments	79,807	79,784	39,475	39,447
Long-term instruments in debt securities	3,119	3,070	1,010	995
Other financial assets	60,070	60,070	58,343	58,343
Total	142,996	142,924	98,828	98,785
Liabilities:				
Borrowings	97,908	97,870	96,440	96,406
Total	97,908	97,870	96,440	96,406

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)

	As of March 31, 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Short-term investments	—	—	45	45
Equity and debt instruments				
Financial assets measured at fair value through other comprehensive income	1,217,184	—	40,859	1,258,043
Financial assets measured at fair value through profit or loss	—	—	3,291	3,291
Other financial assets	—	535	—	535
<b>Total</b>	<b>1,217,184</b>	<b>535</b>	<b>44,195</b>	<b>1,261,914</b>
<b>Liabilities:</b>				
Other financial liabilities	—	7,669	—	7,669
Contingent consideration	—	—	2,581	2,581
<b>Total</b>	<b>—</b>	<b>7,669</b>	<b>2,581</b>	<b>10,250</b>

(Yen in millions)

	As of September 30, 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Short-term investments	—	—	57	57
Equity and debt instruments				
Financial assets measured at fair value through other comprehensive income	1,317,362	—	39,729	1,357,091
Financial assets measured at fair value through profit or loss	—	—	4,537	4,537
Other financial assets	—	1,177	—	1,177
<b>Total</b>	<b>1,317,362</b>	<b>1,177</b>	<b>44,323</b>	<b>1,362,862</b>
<b>Liabilities:</b>				
Other financial liabilities	—	3,300	—	3,300
Contingent consideration	—	—	2,582	2,582
<b>Total</b>	<b>—</b>	<b>3,300</b>	<b>2,582</b>	<b>5,882</b>

Transfers between levels are recognized on the day when the event or change in circumstances that caused the transfer occurred. Kyocera did not recognize any transfers between levels as of March 31, 2021 and September 30, 2021.

**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 condensed quarterly 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 condensed quarterly consolidated statement of financial position.

There were no significant changes in financial instruments classified Level 3 for the six months ended September 30, 2020 and 2021.

**d. Evaluation Process**

The fair value of unlisted stocks classified as level 3 is evaluated and the results of the evaluation are examined by external evaluation experts or appropriate persons in charge of evaluation in accordance with the evaluation policy and procedures approved by the management of Corporate Management Control Group. The evaluation results are reviewed and approved by person in charge of management of Corporate Management Control Group.

**e. Quantitative Information Related to Assets Classified as Level 3**

Information related to evaluation technique and significant unobservable inputs of assets measured at fair value on a recurring basis classified as level 3 is as follows:

As of March 31, 2021

Classification	Valuation Technique	Unobservable Inputs	Range
Financial assets measured at fair value through other comprehensive income	Discounted cash flow method	Discount rate	2.6% to 4.3%

As of September 30, 2021

Classification	Valuation Technique	Unobservable Inputs	Range
Financial assets measured at fair value through other comprehensive income	Discounted cash flow method	Discount rate	3.4% to 4.3%

The decline (increase) in the discount rate will increase (decrease) the fair value. For financial instruments classified as Level 3, significant changes in fair value are not expected when unobservable inputs are changed to reasonably possible alternative assumptions.

**(2) Equity Financial Assets Measured at Fair Value through Other Comprehensive Income**

The principal issuer of the equity financial assets measured at fair value through other comprehensive income and its fair values are as follows:

(Yen in millions)

	As of	
	March 31, 2021	September 30, 2021
KDDI Corporation	1,137,651	1,236,839

Stocks held mainly for enhancing and maintaining business relationships with the issuers are classified as financial assets measured at fair value through other comprehensive income.

Kyocera received dividends from KDDI Corporation and recognized as “Finance income” in the condensed quarterly consolidated statement of profit or loss for the six months ended September 30, 2020 and 2021. The amounts of dividends are as follows:

(Yen in millions)

	For the six months ended September 30,	
	2020	2021
Dividends from KDDI Corporation	20,106	20,106

**11. Commitments**

Contractual commitments for acquisition of property, plant and equipment are as follows:

(Yen in millions)

	As of	
	March 31, 2021	September 30, 2021
Acquisition of property, plant and equipment	78,931	79,059

**12. Contingency**

There were no significant changes in the contents stated in the Annual Report for the year ended March 31, 2021 pursuant to the Financial Instruments and Exchange Act of Japan during the six months ended September 30, 2021.

### **13. Subsequent Events**

Kyocera Corporation has resolved at the meeting of its Board of Directors held on November 1, 2021 to undertake a repurchase of its own shares pursuant to Article 156 of the Companies Act of Japan, as applied to Paragraph 3 of Article 165 of the Companies Act of Japan. The repurchase of own shares is intended to be as part of its shareholder return initiatives and to facilitate flexible capital strategies in the future.

#### **(1) Details of the Resolution of the Board of Directors Relating to the Repurchase**

Type of shares to be repurchased	Common stock
Total number of shares to be repurchased	Up to 4,000,000 shares (1.10% of the total number of shares issued excluding treasury shares)
Total amount of repurchase price	Up to 27,156 million yen
Date of repurchase	November 2, 2021
Method of repurchase	Through Off-Auction Own Share Repurchase Trading System of the Tokyo Stock Exchange (ToSTNeT-3) (Repurchase for 6,789 yen of closing price (including the final special quote) on November 1, 2021)

#### **(2) Results of the Repurchase**

Type of shares repurchased	Common stock
Total number of shares repurchased	3,549,300 shares
Total amount of repurchase price	24,096,197,700 yen
Date of repurchase	November 2, 2021

### **14. Approval of Condensed Quarterly Consolidated Financial Statements**

The condensed quarterly consolidated financial statements have been approved by Hideo Tanimoto, President and Representative Director, and Shoichi Aoki, Director and Managing Executive Officer, on November 12, 2021.

**2. Others**

***Interim Dividend***

For detailed information about interim dividend, please refer to Note “7. Dividends.”

***Part II. Corporate Information on Guarantors and Others***

Not Applicable.