



## Consolidated Financial Results for the Year Ended March 31, 2021 (IFRS)

April 27, 2021

Company name: **KYOCERA CORPORATION** Stock Listing: Tokyo Stock Exchange  
 Code number: 6971 URL: <https://global.kyocera.com/>  
 Representative: Hideo Tanimoto, Director and President  
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 Scheduled date of Ordinary General Meeting of Shareholders: June 25, 2021  
 Scheduled date of Annual report filing: June 25, 2021  
 Scheduled date for commencement of dividend payment: June 28, 2021  
 Supplementary documents of the financial results: Yes  
 Holding financial results meeting: Yes (financial results meeting for institutional investors and analysts)

(Amounts less than one million yen are rounded)

### 1. Consolidated Financial Results for the Year Ended March 31, 2021

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

	Sales revenue		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Comprehensive income for the year	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended										
March 31, 2021	1,526,897	(4.5)	70,644	(29.5)	117,559	(21.0)	90,214	(16.3)	214,809	(18.8)
March 31, 2020	1,599,053	(1.5)	100,193	5.7	148,826	5.8	107,721	4.4	264,596	675.5

  

	Earnings per share attributable to owners of the parent - Basic	Earnings per share attributable to owners of the parent - Diluted	Ratio of profit to equity attributable to owners of the parent	Ratio of profit before income taxes to total assets	Ratio of operating profit to sales revenue
	Yen	Yen	%	%	%
Year ended					
March 31, 2021	248.91	—	3.6	3.5	4.6
March 31, 2020	297.36	—	4.6	4.8	6.3

(Reference) Share of net profit (loss) of investments accounted for using the equity method:

For the year ended March 31, 2021 261 million yen For the year ended March 31, 2020 124 million yen

(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	Equity per share attributable to owners of the parent
As of	Million yen	Million yen	Million yen	%	Yen
March 31, 2021	3,493,470	2,616,110	2,591,415	74.2	7,149.91
March 31, 2020	3,250,175	2,454,242	2,432,134	74.8	6,710.59

(3) Consolidated cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
Year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2021	220,821	(183,792)	(80,968)	386,727
March 31, 2020	214,630	(145,551)	(157,126)	419,620

### 2. Cash Dividends

	Annual dividends per share					Annual dividends (Total)	Dividend payout ratio (Consolidated)	Dividends on equity attributable to owners of the parent
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
Year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2020	—	80.00	—	80.00	160.00	57,989	53.8	2.5
March 31, 2021	—	60.00	—	80.00	140.00	50,742	56.2	2.0
Year ending	—	—	—	—	160.00		51.3	
March 31, 2022 (forecast)								

(Note) Dividends per share for the year ending March 31, 2022 are forecasted to be 160.00 yen on an annual basis.

### 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	1,730,000	13.3	117,000	65.6	160,000	36.1	113,000	25.3	311.78

(Note) "Earnings per share attributable to owners of the parent - Basic" is calculated using the average number of shares outstanding for the year ended March 31, 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 March 31, 2021 377,618,580 shares
  - As of March 31, 2020 377,618,580 shares
- (ii) Number of treasury stock:
  - As of March 31, 2021 15,178,204 shares
  - As of March 31, 2020 15,186,354 shares
- (iii) Average number of shares outstanding:
  - Year ended March 31, 2021 362,439,184 shares
  - Year ended March 31, 2020 362,263,336 shares

## (Reference) Outline of Non-Consolidated Results for Kyocera Corporation

Non-consolidated Financial Results for the Year Ended March 31, 2021

### (1) Non-consolidated operating results

(% of change from the previous year)

Year ended	Net sales		Profit from operations		Recurring profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	708,177	(3.0)	11,830	—	103,245	5.0	93,269	5.4
March 31, 2020	730,388	(0.8)	(698)	—	98,356	(18.0)	88,466	60.5

Year ended	Net income per share -Basic		Net income per share -Diluted	
	Yen		Yen	
March 31, 2021	257.34		—	
March 31, 2020	244.20		—	

### (2) Non-consolidated financial condition

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2021	2,685,137	2,124,257	79.1	5,860.98
March 31, 2020	2,520,096	2,015,786	80.0	5,561.83

(Reference) Owned capital As of March 31, 2021: 2,124,257 million yen, As of March 31, 2020: 2,015,786 million yen

### \*Explanation for appropriate use of forecast and other notes

#### 1. Cautionary statements with respect to forward-looking statements

With regard to forecasts set forth above, please refer to the accompanying “Cautionary statements with respect to forward-looking statements” on page 8.

#### 2. This consolidated financial results report is not subject to audit by certified public accountants or audit firms.

#### 3. Method of obtaining supplementary materials on the financial results

The supplementary documents will be posted on the website of Kyocera Corporation on April 27, 2021.

#### 4. English translation

This is an English translation of the Japanese original of “Consolidated Financial Results for the Year Ended March 31, 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. Overview of Operating Results and Other Information

## (1) Overview of Operating Results

### a. Consolidated Financial Results

During the year ended March 31, 2021 (“fiscal 2021”), sales revenue and profit decreased compared with the year ended March 31, 2020 (“fiscal 2020”) due to the impact of the economic downturn caused by the spread of COVID-19.

Sales revenue in the Components Business increased slightly compared with fiscal 2020 due to the contribution of M&A activities and increased demand in the semiconductor and 5G-related markets, which more than offset the significant adverse impact of a slump in the automotive-related market during the three months ended June 30, 2020 (“the first quarter”). On the other hand, sales revenue in the Equipment & Systems Business decreased. As a result, sales revenue decreased by 72,156 million yen, or 4.5%, to 1,526,897 million yen, compared with fiscal 2020.

Profits decreased as compared with fiscal 2020 due to the decrease in sales revenue and also an increase in depreciation charges as well as the recording of a one-time loss in the smart energy business\*1. Operating profit decreased by 29,549 million yen, or 29.5%, to 70,644 million yen, profit before income taxes decreased by 31,267 million yen, or 21.0%, to 117,559 million yen, and profit attributable to owners of the parent decreased by 17,507 million yen, or 16.3%, to 90,214 million yen.

The average exchange rates for fiscal 2021 were 106 yen to the U.S. dollar, marking appreciation of 3 yen or 2.8%, and 124 yen to the euro, marking depreciation of 3 yen or 2.5%, compared with fiscal 2020. As a result, sales revenue after translation into yen for fiscal 2021 was pushed down by approximately 9 billion yen compared with fiscal 2020.

### Consolidated Financial Results

(Yen in millions)

	For the year ended March 31, 2020		For the year ended March 31, 2021		Change	
	Amount	%*2	Amount	%*2	Amount	%
Sales revenue	1,599,053	100.0	1,526,897	100.0	(72,156)	(4.5)
Operating profit	100,193	6.3	70,644	4.6	(29,549)	(29.5)
Profit before income taxes	148,826	9.3	117,559	7.7	(31,267)	(21.0)
Profit attributable to owners of the parent	107,721	6.7	90,214	5.9	(17,507)	(16.3)
Average US\$ exchange rate (yen)	109	—	106	—	—	—
Average Euro exchange rate (yen)	121	—	124	—	—	—

Capital expenditures	106,003	6.6	117,106	7.7	11,103	10.5
Depreciation charge of property, plant and equipment	62,413	3.9	73,811	4.8	11,398	18.3
Research and development expenses	79,241	5.0	75,457	4.9	(3,784)	(4.8)

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

\*2: % represents the percentage to sales revenue.

## b. Consolidated Financial Results by Reporting Segment

### 1) Industrial & Automotive Components Group

Sales revenue for fiscal 2021 increased by 17,951 million yen, or 5.3%, to 359,044 million yen compared with 341,093 million yen for fiscal 2020. In addition to contributions from M&A activities, sales of fine ceramic parts for semiconductor processing equipment increased.

Business profit increased by 2,329 million yen, or 14.7%, to 18,142 million yen compared with 15,813 million yen in fiscal 2020 due to increased sales revenue and decreased manufacturing cost, which more than offset the impact of an increase in depreciation charges, etc.

### 2) Semiconductor Components Group

Sales revenue for fiscal 2021 increased by 16,367 million yen, or 6.6%, to 263,595 million yen compared with 247,228 million yen for fiscal 2020. Sales increased mainly due to strong demand for ceramic packages for 5G capable smartphones.

On the other hand, business profit decreased by 2,251 million yen, or 7.4%, to 28,260 million yen compared with 30,511 million yen in fiscal 2020 due to an increase in depreciation charges, etc.

### 3) Electronic Devices Group

Sales revenue for fiscal 2021 decreased by 18,943 million yen, or 5.8%, to 305,170 million yen compared with 324,113 million yen for fiscal 2020, due to a decrease in sales at AVX Corporation and sales of printing devices, particularly for the industrial market.

Business profit decreased by 6,476 million yen, or 20.4%, to 25,268 million yen compared with 31,744 million yen in fiscal 2020 mainly due to the decrease in sales revenue and an increase in depreciation charges.

### 4) Communications Group

Sales revenue for fiscal 2021 decreased by 38,079 million yen, or 14.1%, to 232,739 million yen compared with 270,818 million yen for fiscal 2020 due to a decrease in the number of mobile phone handsets sold and a decrease in sales in the engineering business.

On the other hand, business profit for fiscal 2021 increased by 3,338 million yen, or 29.6%, to 14,597 million yen compared with 11,259 million yen in fiscal 2020 as a result of our efforts to reduce costs.

### 5) Document Solutions Group

Sales revenue for fiscal 2021 decreased by 43,689 million yen, or 12.1%, to 316,226 million yen compared with 359,915 million yen for fiscal 2020. Despite a recovery in demand after hitting bottom in the first quarter, demand for fiscal 2021 as a whole did not reach the level of fiscal 2020. In particular, sales of equipment and consumables decreased.

Business profit decreased by 5,730 million yen, or 16.6%, to 28,759 million yen compared with 34,489 million yen in fiscal 2020 due to the decrease in sales revenue.

### 6) Life & Environment Group

Sales revenue for fiscal 2021 decreased by 9,849 million yen, or 13.4%, to 63,898 million yen compared with 73,747 million yen for fiscal 2020 due mainly to lower sales of solar power generation systems in the smart energy business.

Business loss increased by 12,987 million yen, to 23,952 million yen compared with 10,965 million yen in fiscal 2020, due to lower sales revenue and the recording of an impairment loss in the amount of 11,518 million yen relating to machinery, equipment and goodwill as well as intangible assets in the smart energy business.

## Sales Revenue by Reporting Segment

(Yen in millions)

	For the year ended March 31, 2020		For the year ended March 31, 2021		Change	
	Amount	%*	Amount	%*	Amount	%
Industrial & Automotive Components Group	341,093	21.3	359,044	23.5	17,951	5.3
Semiconductor Components Group	247,228	15.5	263,595	17.3	16,367	6.6
Electronic Devices Group	324,113	20.3	305,170	20.0	(18,943)	(5.8)
Total Components Business	912,434	57.1	927,809	60.8	15,375	1.7
Communications Group	270,818	17.0	232,739	15.2	(38,079)	(14.1)
Document Solutions Group	359,915	22.5	316,226	20.7	(43,689)	(12.1)
Life & Environment Group	73,747	4.6	63,898	4.2	(9,849)	(13.4)
Total Equipment & Systems Business	704,480	44.1	612,863	40.1	(91,617)	(13.0)
Others	16,737	1.0	18,169	1.2	1,432	8.6
Adjustments and eliminations	(34,598)	(2.2)	(31,944)	(2.1)	2,654	—
Sales revenue	1,599,053	100.0	1,526,897	100.0	(72,156)	(4.5)

\* % represents the component ratio.

## Business Profit (Loss) by Reporting Segment

(Yen in millions)

	For the year ended March 31, 2020		For the year ended March 31, 2021		Change	
	Amount	%*	Amount	%*	Amount	%
Industrial & Automotive Components Group	15,813	4.6	18,142	5.1	2,329	14.7
Semiconductor Components Group	30,511	12.3	28,260	10.7	(2,251)	(7.4)
Electronic Devices Group	31,744	9.8	25,268	8.3	(6,476)	(20.4)
Total Components Business	78,068	8.6	71,670	7.7	(6,398)	(8.2)
Communications Group	11,259	4.2	14,597	6.3	3,338	29.6
Document Solutions Group	34,489	9.6	28,759	9.1	(5,730)	(16.6)
Life & Environment Group	(10,965)	—	(23,952)	—	(12,987)	—
Total Equipment & Systems Business	34,783	4.9	19,404	3.2	(15,379)	(44.2)
Others	(4,484)	—	(3,102)	—	1,382	—
Total business profit	108,367	6.8	87,972	5.8	(20,395)	(18.8)
Corporate gains and share of net profit of investments accounted for using the equity method	41,977	—	31,703	—	(10,274)	(24.5)
Adjustments and eliminations	(1,518)	—	(2,116)	—	(598)	—
Profit before income taxes	148,826	9.3	117,559	7.7	(31,267)	(21.0)

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

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

[Initiatives to Strengthen Management Foundation]

1) Reorganization of Management Structure

In April 2021, Kyocera Corporation and its consolidated subsidiaries (“Kyocera”) has reorganized its sixteen main business sectors and subsidiaries, integrating them into three business segments, namely, the “Core Components Business,” “Electronic Components Business” and “Solutions Business,” and also integrated its administrative divisions into “Headquarters,” in order to revitalize the organization to accelerate growth. At the same time, by delegating substantial authority of top management to newly appointed executive officers in charge of each segment, we will implement a quicker and more dynamic management decision system. Under this new management structure, we will strive to further pursue synergies, efficiently utilize management resources, develop new products and create new businesses.

Overview of business segment from April 2021.

Business segment Officers in charge	Main businesses and subsidiaries
Core Components Business Hiroshi Fure Director, Managing Executive Officer	Fine Ceramic Components, Automotive Components, Ceramic Packages, Organic Packages and Boards, Optical Components, Medical Devices, Jewelry & Applied Ceramic Related Products
Electronic Components Business John Sarvis Director, Managing Executive Officer (Deputy) Koichi Kano Director, Managing Executive Officer	Electronic Components, AVX Corporation
Solutions Business Norihiko Ina Director, Managing Executive Officer	Industrial Tools, Liquid Crystal Displays, Printing Devices, Information Equipment (KYOCERA Document Solutions Inc.), Telecommunications Equipment, Information Systems and Telecommunication Services (KYOCERA Communication Systems Co., Ltd.), Smart Energy Business

2) Revision of the Composition of the Board of Directors (to be proposed at the Ordinary General Meeting of Shareholders in June 2021)

The number of Directors constituting the Board of Directors will be changed from the current fifteen to nine with the aim of expediting decision-making and strengthening our management supervisory system.

[Candidates for the Board of Directors]

Goro Yamaguchi Chairman of the Board and Representative Director

Hideo Tanimoto President and Representative Director

Hiroshi Fure Director, Managing Executive Officer, Executive General Manager of Core Components Business

Norihiko Ina Director, Managing Executive Officer, Executive General Manager of Solutions Business

Koichi Kano Director, Managing Executive Officer, Deputy Executive General Manager of Electronic Components Business

Shoichi Aoki Director, Managing Executive Officer, Executive General Manager of Headquarters

Atsushi Aoyama Outside Director (Professor of Graduate School of Technology Management, Ritsumeikan University)

Akiko Koyano Outside Director (Attorney-at-law, Partner Attorney-at-law of Koyano LPC)

Eiji Kakiuchi \* Outside Director (Representative Director, Chairman, Member of the Board of SCREEN Holdings Co., Ltd.)

\*New appointment

[Consolidated Financial Forecasts for the Year Ending March 31, 2022]

For the year ending March 31, 2022 (“fiscal 2022”), although the impact of Covid-19 on the economy still remains a concern, the global economy is expected to recover as compared with fiscal 2021 as a result of the implementation of various infection prevention and economic stimulus measures adopted by countries around the world .

We aim to expand the Core Components Business and the Electronic Components Business by enhancing production systems and increasing production capacity of components mainly for 5G, semiconductors and ADAS-related products, for which demand will continue to increase in association with the progress of digitalization. In the Solutions Business, we will also actively develop new products and new businesses mainly in the document solutions unit. In addition, to further improve the productivity of Kyocera Group as a whole, we will promote the introduction of automated production lines utilizing artificial intelligence (AI) and robots.

Under the new management structure, we will strengthen our management foundation and steadily implement our initiatives with the aim of achieving record-high sales and improving profitability.

As for anticipated exchange rates, we expect the exchange rates for fiscal 2022 to be 105 yen to the U.S. dollar and 125 yen to the euro.

Forecasts of Consolidated Financial Results

(Yen in millions)

	Results for the year ended March 31, 2021		Forecasts for the year ending March 31, 2022		Change	
	Amount	%*	Amount	%*	Amount	%
Sales revenue	1,526,897	100.0	1,730,000	100.0	203,103	13.3
Operating profit	70,644	4.6	117,000	6.8	46,356	65.6
Profit before income taxes	117,559	7.7	160,000	9.2	42,441	36.1
Profit attributable to owners of the parent	90,214	5.9	113,000	6.5	22,786	25.3
Average US\$ exchange rate (yen)	106	—	105	—	—	—
Average Euro exchange rate (yen)	124	—	125	—	—	—
Capital expenditures	117,106	7.7	170,000	9.8	52,894	45.2
Depreciation charge of property, plant and equipment	73,811	4.8	100,000	5.8	26,189	35.5
Research and development expenses	75,457	4.9	90,000	5.2	14,543	19.3

\* % represents the percentage to sales revenue.

Business results for fiscal 2021 have been reclassified in line with the change to reporting segment classifications as described in “[Initiatives to Strengthen Management Foundation] 1) Reorganization of Management Structure” on page 5.

### Sales Revenue by Reporting Segment

(Yen in millions)

	Results for the year ended March 31, 2021		Forecasts for the year ending March 31, 2022		Change	
	Amount	%*	Amount	%*	Amount	%
Core Components Business	424,669	27.8	455,000	26.3	30,331	7.1
Industrial & Automotive Components Unit	135,884	8.9	145,000	8.4	9,116	6.7
Semiconductor Components Unit	263,595	17.3	280,000	16.2	16,405	6.2
Others	25,190	1.6	30,000	1.7	4,810	19.1
Electronic Components Business	273,002	17.9	320,000	18.5	46,998	17.2
Solutions Business	835,213	54.7	957,000	55.3	121,787	14.6
Industrial Tools Unit	193,066	12.6	209,000	12.1	15,934	8.3
Document Solutions Unit	316,226	20.7	370,000	21.4	53,774	17.0
Communications Unit	232,739	15.2	270,000	15.6	37,261	16.0
Others	93,182	6.2	108,000	6.2	14,818	15.9
Others	18,169	1.2	28,000	1.6	9,831	54.1
Adjustments and eliminations	(24,156)	(1.6)	(30,000)	(1.7)	(5,844)	—
Sales revenue	1,526,897	100.0	1,730,000	100.0	203,103	13.3

\* % represents the component ratio.

### 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		Change	
	Amount	%*	Amount	%*	Amount	%
Core Components Business	30,549	7.2	41,000	9.0	10,451	34.2
Industrial & Automotive Components Unit	4,241	3.1	12,000	8.3	7,759	183.0
Semiconductor Components Unit	28,260	10.7	29,000	10.4	740	2.6
Others	(1,952)	—	0	0.0	1,952	—
Electronic Components Business	23,000	8.4	40,000	12.5	17,000	73.9
Solutions Business	37,506	4.5	74,000	7.7	36,494	97.3
Industrial Tools Unit	15,721	8.1	22,000	10.5	6,279	39.9
Document Solutions Unit	28,759	9.1	42,000	11.4	13,241	46.0
Communications Unit	14,597	6.3	12,000	4.4	(2,597)	(17.8)
Others	(21,571)	—	(2,000)	—	19,571	—
Others	(3,102)	—	(15,000)	—	(11,898)	—
Total business profit	87,953	5.8	140,000	8.1	52,047	59.2
Corporate gains and others	29,606	—	20,000	—	(9,606)	(32.4)
Profit before income taxes	117,559	7.7	160,000	9.2	42,441	36.1

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

Note: 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) Overview of Financial Position

### <Consolidated Cash Flows>

Cash and cash equivalents at March 31, 2021 decreased by 32,893 million yen to 386,727 million yen from 419,620 million yen at March 31, 2020.

#### 1) Cash flows from operating activities

Net cash provided by operating activities for fiscal 2021 increased by 6,191 million yen to 220,821 million yen from 214,630 million yen for fiscal 2020. This was due mainly to increase in depreciation and impairment losses, which exceeded a decrease in profit for the year.

#### 2) Cash flows from investing activities

Net cash used in investing activities for fiscal 2021 increased by 38,241 million yen to 183,792 million yen from 145,551 million yen for fiscal 2020. This was due mainly to increases in capital expenditures and purchases of securities as well as decreases in sales of real estate and withdrawal of time deposits, despite decreases in payments for M&A.

#### 3) Cash flows from financing activities

Net cash used in financing activities for fiscal 2021 decreased by 76,158 million yen to 80,968 million yen from 157,126 million yen for fiscal 2020. This was due mainly to the absence of the purchases of non-controlling interests for making AVX Corporation a wholly-owned subsidiary in fiscal 2020, despite decreases in proceeds from borrowings.

### Consolidated Cash Flows

(Yen in millions)

	For the year ended March 31, 2020	For the year ended March 31, 2021	Change
Cash flows from operating activities	214,630	220,821	6,191
Cash flows from investing activities	(145,551)	(183,792)	(38,241)
Cash flows from financing activities	(157,126)	(80,968)	76,158
Effect of exchange rate changes on cash and cash equivalents	(5,147)	11,046	16,193
Increase (decrease) in cash and cash equivalents	(93,194)	(32,893)	60,301
Cash and cash equivalents at the beginning of the year	512,814	419,620	(93,194)
Cash and cash equivalents at the end of the year	419,620	386,727	(32,893)

## **2. Basic Profit Distribution Policy and Dividends for Fiscal 2021 and for Fiscal 2022**

### **(1) Basic Profit Distribution Policy**

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.

### **(2) Dividends for Fiscal 2021**

For fiscal 2021, the amount of the year-end dividend will be 80 yen per share, an increase of 20 yen compared with the most recent forecast, reflecting our performance for fiscal 2021 and complying with the above-mentioned basic policy. As a result, the annual dividend will be 140 yen per share when aggregated with the interim dividend, which was in the amount of 60 yen per share, and the consolidated dividend payout ratio will be 56.2%. This amount will represent a decrease of 20 yen per share as compared with the amount of the annual dividend for fiscal 2020, which was 160 yen per share.

### **(3) Dividends for Fiscal 2022**

Kyocera Corporation will determine the amount of its annual dividend for fiscal 2022 in accordance with the above-mentioned basic policy. Based on its forecast of performance for fiscal 2022, Kyocera Corporation currently expects the annual dividend for fiscal 2022 to be 160 yen per share and the consolidated dividend payout ratio will be 51.3%. This amount will represent an increase of 20 yen per share as compared with the amount of the annual dividend for fiscal 2021, which will be 140 yen per share.

## **3. Management Policy, Management Strategy and Issues to be Addressed, etc.**

### **(1) Basic Management Policies**

Kyocera aims to achieve continuous sales growth and high profitability through the practice of "Kyocera Philosophy," which is a corporate philosophy that is based on a concept included in Kyocera's decision making "what is right as a human being" and its own management system "Amoeba Management System" to pursuit management rationale "To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind."

### **(2) Target Management Index**

In order to realize high-growth and profitable company, Kyocera aims to achieve sustained double-digit growth in sales revenue and profit before income taxes.

### **(3) Medium and Long-term Management Strategy**

Kyocera aims to become a high-growth and profitable company by maximizing its comprehensive strengths through the utilization of the Group's various management resources and by strengthening alliances with external resources. In particular, we are working to expand existing businesses and create new businesses mainly in the "Information and Communication," "Automotive-related," "Environment and Energy" and "Medical and Healthcare" markets, while also making efforts to double productivity to improve profitability.

Furthermore, as described in “[Initiatives to Strengthen Management Foundation] 1) Reorganization of Management Structure” on page 5, in order to revitalize the organization to accelerate growth, sixteen main business sectors and subsidiaries were consolidated into three business segments, namely, the “Core Components Business,” “Electronic Components Business” and “Solutions Business” from April 2021, and the administrative divisions were consolidated into “Headquarters.” With newly appointed executive officers in charge of each segment, who have been delegated substantial authority from our top management, we will implement a quicker and more dynamic management decision system.

#### **(4) Major Management Challenges**

##### **a. Expand existing businesses and create new businesses**

In the “Information and Communication” and “Automotive-related” markets, robust demand for 5G, semiconductors and ADAS-related products is expected to continue. We continue to actively make capital investment to seize this business opportunity and expand existing businesses. In particular, to enhance our production capacity for ceramic packages, capacitors and crystal devices etc., we will install mass production systems and automation of production lines, as well as construct new buildings at production sites in Japan and overseas.

In order to achieve medium- to long-term growth, we will strive to create new businesses, which will contribute to the solution of social issues, by strengthening cooperation within and outside the group. We are entering the AI collaborative robot system business utilizing our unique AI technology, etc. We have also begun development of application for gallium nitride devices, a key material that will contribute to the achievement of a low-carbon emission society. In addition, we are developing energy businesses which place solar power generation systems at their center, as well as regenerative medicine businesses taking advantage of our accumulated know-how in the artificial joint business. In the future, we will promote the trial introduction and demonstration of these new businesses to achieve contributions to profit as soon as possible.

##### **b. Double Productivity**

We are working to double productivity by developing production technologies that make full use of AI, robots and IoT. Specifically, at our manufacturing site for clay-type lithium-ion energy storage system, we are constructing smart factories that incorporate data links among our manufacturing processes through IoT devices and make production lines autonomous through AI control. In the future, we will expand these automation technologies and systems to each business in order to improve the productivity of the Group as a whole.

In addition, we will make further use of remote work, which has accelerated due to the COVID-19 pandemic, to further improve operational efficiency in our sales and administrative divisions.

#### **(5) Promotion of ESG Management**

Kyocera strives to address environmental issues, ensure diversity, and strengthen corporate governance, for sustainable corporate management.

With respect to environmental issues, we are working to reduce greenhouse gas emissions through the use of renewable energy, including the installation of solar power generation systems at our own sites. We are also setting long-term environmental targets and enhancing information disclosure based on TCFD (Task Force on Climate-related Financial Disclosures) recommendations.

We are also working to create a work environment and systems in which diverse human resources can play an active role in order to realize our management rationale “To provide opportunities for the material and intellectual growth of all our employees.” In addition to the arrangement of flexible work systems, we are introducing various systems to encourage new ideas and challenges.

With regard to corporate governance, we are working to further clarify the role of the Board of Directors in management supervision and execution and also to improve its effectiveness. At the Ordinary General Meeting of Shareholders to be held in June 2021, Kyocera will propose to increase the ratio of outside directors to one-third of all Directors. Kyocera will also propose to nominate a corporate executive as a new outside director. With this new board structure, we aim to establish an enhanced level of corporate governance.

#### **4. Basic Rationale for Selection of Accounting Standards**

Kyocera has adopted International Financial Reporting Standards (“IFRS”) to its consolidated financial statements from the year ended March 31, 2019 in order to further enhance its management control on a global basis.

## 5. Consolidated Financial Statements and Primary Notes

### (1) Consolidated Statement of Financial Position

(Yen in millions)

	As of March 31, 2020		As of March 31, 2021		Change
	Amount	%*	Amount	%*	
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	419,620		386,727		(32,893)
Short-term investments	62,999		79,852		16,853
Trade and other receivables	336,294		339,621		3,327
Other financial assets	11,035		17,504		6,469
Inventories	344,304		345,354		1,050
Other current assets	28,455		30,706		2,251
Total current assets	1,202,707	37.0	1,199,764	34.3	(2,943)
<b>Non-current assets</b>					
Equity and debt instruments	1,196,634		1,264,453		67,819
Investments accounted for using the equity method	17,422		16,975		(447)
Other financial assets	27,179		43,101		15,922
Property, plant and equipment	383,271		439,109		55,838
Right-of-use assets	34,921		38,639		3,718
Goodwill	212,207		256,532		44,325
Intangible assets	118,533		151,295		32,762
Deferred tax assets	40,434		36,624		(3,810)
Other non-current assets	16,867		46,978		30,111
Total non-current assets	2,047,468	63.0	2,293,706	65.7	246,238
<b>Total assets</b>	<b>3,250,175</b>	<b>100.0</b>	<b>3,493,470</b>	<b>100.0</b>	<b>243,295</b>

\* % represents the component ratio.

(Yen in millions)

	As of March 31, 2020		As of March 31, 2021		Change
	Amount	%*	Amount	%*	
<b>Liabilities and Equity</b>					
<b>Liabilities</b>					
<b>Current liabilities</b>					
Borrowings	35,025		40,020		4,995
Trade and other payables	173,300		183,145		9,845
Lease liabilities	15,477		15,863		386
Other financial liabilities	1,544		7,669		6,125
Income tax payables	11,396		15,584		4,188
Accrued expenses	114,983		120,165		5,182
Provisions	14,411		6,403		(8,008)
Other current liabilities	31,373		34,004		2,631
Total current liabilities	397,509	12.2	422,853	12.1	25,344
<b>Non-current liabilities</b>					
Borrowings	44,970		57,888		12,918
Lease liabilities	31,847		34,051		2,204
Retirement benefit liabilities	28,406		23,624		(4,782)
Deferred tax liabilities	271,317		309,951		38,634
Provisions	8,760		8,432		(328)
Other non-current liabilities	13,124		20,561		7,437
Total non-current liabilities	398,424	12.3	454,507	13.0	56,083
<b>Total liabilities</b>	795,933	24.5	877,360	25.1	81,427
<b>Equity</b>					
Common stock	115,703		115,703		—
Capital surplus	123,539		122,745		(794)
Retained earnings	1,686,672		1,750,259		63,587
Other components of equity	575,495		671,951		96,456
Treasury stock	(69,275)		(69,243)		32
Total equity attributable to owners of the parent	2,432,134	74.8	2,591,415	74.2	159,281
Non-controlling interests	22,108	0.7	24,695	0.7	2,587
<b>Total equity</b>	2,454,242	75.5	2,616,110	74.9	161,868
<b>Total liabilities and equity</b>	3,250,175	100.0	3,493,470	100.0	243,295

\* % represents the component ratio.

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

### a. Consolidated Statement of Profit or Loss

(Yen in millions except per share amounts)

	For the year ended March 31, 2020		For the year ended March 31, 2021		Change	
	Amount	%*	Amount	%*	Amount	%
<b>Sales revenue</b>	1,599,053	100.0	1,526,897	100.0	(72,156)	(4.5)
Cost of sales	1,157,879	72.4	1,119,950	73.3	(37,929)	(3.3)
<b>Gross profit</b>	441,174	27.6	406,947	26.7	(34,227)	(7.8)
Selling, general and administrative expenses	340,981	21.3	336,303	22.1	(4,678)	(1.4)
<b>Operating profit</b>	100,193	6.3	70,644	4.6	(29,549)	(29.5)
Finance income	48,154	3.0	45,650	3.0	(2,504)	(5.2)
Finance expenses	1,553	0.1	2,194	0.1	641	41.3
Foreign exchange gains (losses)	(481)	(0.0)	375	0.0	856	—
Share of net profit (loss) of investments accounted for using the equity method	124	0.0	261	0.0	137	110.5
Other, net	2,389	0.1	2,823	0.2	434	18.2
<b>Profit before income taxes</b>	148,826	9.3	117,559	7.7	(31,267)	(21.0)
Income taxes	36,980	2.3	24,209	1.6	(12,771)	(34.5)
<b>Profit for the year</b>	111,846	7.0	93,350	6.1	(18,496)	(16.5)

<b>Profit attributable to:</b>						
Owners of the parent	107,721	6.7	90,214	5.9	(17,507)	(16.3)
Non-controlling interests	4,125	0.3	3,136	0.2	(989)	(24.0)
<b>Profit for the year</b>	111,846	7.0	93,350	6.1	(18,496)	(16.5)

<b>Per share information:</b>			
<b>Earnings per share attributable to owners of the parent</b>			
Basic	297.36 yen	248.91 yen	
Diluted	—	—	

\* % represents the percentage to sales revenue.

b. Consolidated Statement of Comprehensive Income

(Yen in millions)

	For the year ended March 31, 2020	For the year ended March 31, 2021	Change
	Amount	Amount	
<b>Profit for the year</b>	111,846	93,350	(18,496)
<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	177,776	66,730	(111,046)
Re-measurement of defined benefit plans	(675)	21,146	21,821
Total items that will not be reclassified to profit or loss	177,101	87,876	(89,225)
Items that may be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedge	(154)	144	298
Exchange differences on translating foreign operations	(24,222)	33,331	57,553
Share of other comprehensive income of investments accounted for using the equity method	25	108	83
Total items that may be reclassified subsequently to profit or loss	(24,351)	33,583	57,934
<b>Total other comprehensive income</b>	152,750	121,459	(31,291)
<b>Comprehensive income for the year</b>	264,596	214,809	(49,787)

<b>Comprehensive income attributable to:</b>			
Owners of the parent	262,750	210,784	(51,966)
Non-controlling interests	1,846	4,025	2,179
<b>Comprehensive income for the year</b>	264,596	214,809	(49,787)

### (3) Consolidated Statement of Changes in Equity

For the year ended March 31, 2020

(Yen in millions)

	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common Stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total		
<b>Balance as of April 1, 2019</b>	115,703	165,225	1,638,709	418,643	(72,361)	2,265,919	96,341	2,362,260
Profit for the year			107,721			107,721	4,125	111,846
Other comprehensive income				155,029		155,029	(2,279)	152,750
Total comprehensive income for the year	–	–	107,721	155,029	–	262,750	1,846	264,596
Cash dividends			(57,935)			(57,935)	(4,111)	(62,046)
Purchase of treasury stock					(26)	(26)		(26)
Reissuance of treasury stock		1,700			3,112	4,812		4,812
Transactions with non-controlling interests and other		(43,386)		0		(43,386)	(71,968)	(115,354)
Transfer to retained earnings			(1,823)	1,823		–		–
<b>Balance as of March 31, 2020</b>	115,703	123,539	1,686,672	575,495	(69,275)	2,432,134	22,108	2,454,242

For the year ended March 31, 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		
<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 year			90,214			90,214	3,136	93,350
Other comprehensive income				120,570		120,570	889	121,459
Total comprehensive income for the year	–	–	90,214	120,570	–	210,784	4,025	214,809
Cash dividends			(50,741)			(50,741)	(1,757)	(52,498)
Purchase of treasury stock					(17)	(17)		(17)
Reissuance of treasury stock		17			49	66		66
Transactions with non-controlling interests and other		(811)				(811)	319	(492)
Transfer to retained earnings			24,114	(24,114)		–		–
<b>Balance as of March 31, 2021</b>	115,703	122,745	1,750,259	671,951	(69,243)	2,591,415	24,695	2,616,110

**(4) Consolidated Statement of Cash Flows**

(Yen in millions)

	For the year ended March 31, 2020	For the year ended March 31, 2021
<b>Cash flows from operating activities:</b>		
Profit for the year	111,846	93,350
Depreciation and amortization	92,748	109,058
Finance expenses (income)	(46,601)	(43,456)
Share of net profit of investments accounted for using the equity method	(124)	(261)
Impairment loss	297	11,666
(Gains) losses from sales or disposal of property, plant and equipment	(6,938)	149
Income taxes	36,980	24,209
(Increase) decrease in trade and other receivables	7,170	(6,968)
(Increase) decrease in inventories	4,772	10,156
(Increase) decrease in other assets	8,811	8,593
Increase (decrease) in trade and other payables	(6,869)	(11,753)
Increase (decrease) in accrued expenses	(8,573)	(2,748)
Increase (decrease) in provisions	3,409	(9,258)
Increase (decrease) in other liabilities	(9,690)	3,765
Other, net	(3,702)	(1,845)
Subtotal	183,536	184,657
Interests and dividends received	48,978	49,314
Interests paid	(1,430)	(1,944)
Income taxes refund (paid)	(16,454)	(11,206)
Net cash provided by operating activities	214,630	220,821
<b>Cash flows from investing activities:</b>		
Payments for purchases of property, plant and equipment	(107,135)	(122,838)
Payments for purchases of intangible assets	(13,599)	(9,288)
Proceeds from sales of property, plant and equipment	11,537	952
Acquisitions of business, net of cash acquired	(83,522)	(59,877)
Acquisition of time deposits and certificate of deposits	(194,493)	(114,616)
Withdrawal of time deposits and certificate of deposits	218,218	105,719
Payments for purchases of securities	(3,920)	(13,960)
Proceeds from sales and maturities of securities	35,339	31,478
Other, net	(7,976)	(1,362)
Net cash used in investing activities	(145,551)	(183,792)
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings	28,947	(4,406)
Proceeds from long-term borrowings	45,059	7,273
Repayments of long-term borrowings	(41,055)	(9,489)
Repayments of lease liabilities	(17,610)	(20,992)
Dividends paid	(62,017)	(52,351)
Reissuance of treasury stock	4,745	1
Purchase of non-controlling interests	(115,984)	(1,036)
Other, net	789	32
Net cash used in financing activities	(157,126)	(80,968)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(5,147)	11,046
<b>Increase (decrease) in cash and cash equivalents</b>	(93,194)	(32,893)
<b>Cash and cash equivalents at the beginning of the year</b>	512,814	419,620
<b>Cash and cash equivalents at the end of the year</b>	419,620	386,727

**(5) Basis of Preparation of Consolidated Financial Statements**

a. Summary of significant accounting policies

Kyocera's consolidated financial statements are prepared in accordance with IFRS.

b. Scope of consolidation:

Number of consolidated subsidiaries	294	Kyocera Document Solutions Inc. AVX Corporation Kyocera International, Inc. and others
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Number of associates accounted for using the equity method	13	
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c. Changes in scope of consolidation:

Consolidated subsidiaries:

Number of increase	26	
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Number of decrease	15	
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Associate accounted for using the equity method:

Number of decrease	1	
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**(6) Segment Information**

## a. Reporting segments:

(Yen in millions)

	For the year ended March 31, 2020	For the year ended March 31, 2021	Change	
	Amount	Amount	Amount	%
<b>Capital expenditures</b>				
Industrial & Automotive Components Group	22,969	14,676	(8,293)	(36.1)
Semiconductor Components Group	11,958	24,066	12,108	101.3
Electronic Devices Group	29,558	47,796	18,238	61.7
Communications Group	6,224	5,159	(1,065)	(17.1)
Document Solutions Group	8,866	8,959	93	1.0
Life & Environment Group	5,684	7,774	2,090	36.8
Other	3,198	2,023	(1,175)	(36.7)
Corporate	17,546	6,653	(10,893)	(62.1)
<b>Total</b>	<b>106,003</b>	<b>117,106</b>	<b>11,103</b>	<b>10.5</b>
<b>Depreciation and amortization</b>				
Industrial & Automotive Components Group	24,128	29,234	5,106	21.2
Semiconductor Components Group	9,818	13,382	3,564	36.3
Electronic Devices Group	23,622	26,690	3,068	13.0
Communications Group	8,419	8,493	74	0.9
Document Solutions Group	14,640	17,156	2,516	17.2
Life & Environment Group	4,690	4,721	31	0.7
Other	3,528	4,235	707	20.0
Corporate	3,903	5,147	1,244	31.9
<b>Total</b>	<b>92,748</b>	<b>109,058</b>	<b>16,310</b>	<b>17.6</b>
<b>Research and development expenses</b>				
Industrial & Automotive Components Group	14,367	12,424	(1,943)	(13.5)
Semiconductor Components Group	4,486	4,799	313	7.0
Electronic Devices Group	16,445	19,180	2,735	16.6
Communications Group	6,550	7,185	635	9.7
Document Solutions Group	21,615	18,166	(3,449)	(16.0)
Life & Environment Group	9,049	8,112	(937)	(10.4)
Other	6,729	5,591	(1,138)	(16.9)
<b>Total</b>	<b>79,241</b>	<b>75,457</b>	<b>(3,784)</b>	<b>(4.8)</b>

(Note 1) With regard to Reporting segment information of Sales revenue and Profit before income taxes, please refer to “b.

Consolidated Financial Results by Reporting Segment” under “1. Overview of Operating Results and Other Information” on page 4.

(Note 2) On April 1, 2020, a domestic subsidiary, Kyocera Communication Systems Co., Ltd., which is included in “Communications Group,” absorbed and merged with a domestic subsidiary Kyocera Solar Corporation, which was included in “Life & Environment Group.” As a result, “For the year ended March 31, 2020” in the above tables are presented in the reporting segment after the merger.

b. Geographic segments

(Yen in millions)

	For the year ended March 31, 2020		For the year ended March 31, 2021		Change	
	Amount	%*	Amount	%*	Amount	%
Sales revenue by geographic area						
Japan	598,113	37.4	550,161	36.0	(47,952)	(8.0)
Asia	358,946	22.4	390,659	25.6	31,713	8.8
Europe	306,326	19.2	282,422	18.5	(23,904)	(7.8)
United States of America	276,002	17.3	256,056	16.8	(19,946)	(7.2)
Others	59,666	3.7	47,599	3.1	(12,067)	(20.2)
Total	1,599,053	100.0	1,526,897	100.0	(72,156)	(4.5)

\* % represents the component ratio.

**(7) Earnings per Share**

With regard to earnings per share, please refer to the cover page “Consolidated Financial Results for the Year Ended March 31, 2021” and “(2) Consolidated Statements of Profit or Loss and Comprehensive Income” under “5. Consolidated Financial Statements and Primary Notes” on page 14.

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

**(8) Material Subsequent Event**

Not Applicable.

**(9) Notes to Going Concern Assumption**

Not Applicable.