

Quarterly Report

(English summary with full translation of consolidated financial information)

(The Third Quarter of 70th Business Term)

From October 1, 2023 to December 31, 2023

KYOCERA CORPORATION

Table of Contents

	Page
[Cover]	
Part I. Information on Kyocera.....	1
I. Overview of Kyocera.....	1
1. Selected Financial Data.....	1
2. Description of Business.....	1
II. Business Overview.....	2
1. Risk Factors.....	2
2. Management’s Discussion and Analysis of Financial Position, Operating Results and Cash Flows...	2
3. Material Agreements.....	7
III. Corporate Information.....	8
1. Information on Kyocera’s Shares and Others.....	8
2. Changes in Directors and Audit & Supervisory Board Members.....	10
IV. Condensed Quarterly Consolidated Financial Statements and Other Information.....	11
1. Condensed Quarterly Consolidated Financial Statements.....	11
(1) Condensed Quarterly Consolidated Statement of Financial Position.....	11
(2) Condensed Quarterly Consolidated Statement of Profit or Loss.....	13
(3) Condensed Quarterly Consolidated Statement of Comprehensive Income.....	15
(4) Condensed Quarterly Consolidated Statement of Changes in Equity.....	17
(5) Condensed Quarterly Consolidated Statement of Cash Flows.....	18
2. Others.....	36
Part II. Corporate Information on Guarantors and Others.....	36

[Cover]

[Document Filed]	Quarterly Report (“Shihanki Hokokusho”)
[Applicable Law]	Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Filed with]	Director, Kanto Local Finance Bureau
[Filing Date]	February 14, 2024
[Fiscal Period]	The Third Quarter of 70th Business Term (from October 1, 2023 to December 31, 2023)
[Company Name]	Kyocera Kabushiki Kaisha
[Company Name in English]	KYOCERA CORPORATION
[Title and Name of Representative]	Hideo Tanimoto, Director and President
[Address of Head Office]	6, Takeda Tobadono-cho, Fushimi-ku, Kyoto
[Phone Number]	+81-75-604-3500
[Contact Person]	Hiroaki Chida, Executive Officer and Senior General Manager of Corporate Management Control Group
[Contact Address]	6, Takeda Tobadono-cho, Fushimi-ku, Kyoto
[Phone Number]	+81-75-604-3500
[Contact Person]	Hiroaki Chida, Executive Officer and Senior General Manager of Corporate Management Control Group
[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

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 2024” refers to the year ending March 31, 2024, 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 nine months ended December 31,		For the year ended March 31, 2023
	2022	2023	
Sales revenue	1,526,497	1,492,672	2,025,332
Profit before income taxes	162,756	125,638	176,192
Profit attributable to owners of the parent	118,783	90,366	127,988
Comprehensive income attributable to owners of the parent	165,931	241,910	223,978
Equity attributable to owners of the parent	2,969,108	3,144,306	3,023,777
Total assets	3,991,890	4,326,812	4,093,928
Earnings per share attributable to owners of the parent - Basic (Yen)	82.74	63.94	89.15
Earnings per share attributable to owners of the parent - Diluted (Yen)	—	—	—
Ratio of equity attributable to owners of the parent to total assets (%)	74.4	72.7	73.9
Cash flows from operating activities	101,336	183,806	179,212
Cash flows from investing activities	(121,178)	(115,196)	(168,833)
Cash flows from financing activities	(59,702)	(72,262)	(61,257)
Cash and cash equivalents at the end of the period	335,109	381,172	373,500

	For the three months ended December 31,	
	2022	2023
Sales revenue	514,325	507,382
Profit attributable to owners of the parent	43,197	33,879
Earnings per share attributable to owners of the parent - Basic (Yen)	30.09	24.05

- (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 is 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.
4. Kyocera Corporation implemented the stock split at the ratio of 4 for 1 of all common stocks, with the effective date of January 1, 2024. Earnings per share attributable to owners of the parent - Basic is calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

2. Description of Business

There were no significant changes in the business and operations of Kyocera and its associates during the nine months ended December 31, 2023 (hereinafter, “the nine months”). There were no changes in the organizations of major subsidiaries and associates.

II. Business Overview

1. Risk Factors

There were no new risk factors recognized for the nine months. There were no significant changes in risk factors stated in the Annual Report for the year ended March 31, 2023 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 nine months ended December 31,				Change	
	2022		2023			
	Amount	%*	Amount	%*	Amount	%
Sales revenue	1,526,497	100.0	1,492,672	100.0	(33,825)	(2.2)
Operating profit	113,884	7.5	79,844	5.3	(34,040)	(29.9)
Profit before income taxes	162,756	10.7	125,638	8.4	(37,118)	(22.8)
Profit attributable to owners of the parent	118,783	7.8	90,366	6.1	(28,417)	(23.9)
Average US\$ exchange rate (Yen)	137	—	143	—	—	—
Average Euro exchange rate (Yen)	141	—	155	—	—	—

* % represents the percentage to sales revenue.

During the nine months, global economic growth remained slow due to growing uncertainty worldwide regarding the geopolitical situation as well as monetary tightening in Europe and the United States, etc. In addition, market condition remained sluggish in semiconductor-related markets as well as information and communications-related markets, which are our principal markets.

Sales revenue for the nine months decreased by 33,825 million yen, or 2.2%, to 1,492,672 million yen, as compared with the nine months ended December 31, 2022 (“the previous nine months”), due mainly to a decrease in demand for our principal products in the Core Components Business and the Electronic Components Business as a result of sluggish condition in our principal markets, which more than offset an increase in sales in the Solutions Business. Profit decreased due mainly to lower utilization ratio of production facilities caused by a decrease in orders while Kyocera continues to invest in anticipation of demand growth, as well as an increase in labor costs and research and development expenses. Operating profit decreased by 34,040 million yen, or 29.9%, to 79,844 million yen, profit before income taxes decreased by 37,118 million yen, or 22.8%, to 125,638 million yen, and profit attributable to owners of the parent decreased by 28,417 million yen, or 23.9%, to 90,366 million yen respectively, as compared with the previous nine months.

Results by Reporting Segment

Sales Revenue by Reporting Segment

(Yen in millions)

	For the nine months ended December 31,				Change	
	2022		2023		Amount	%
	Amount	%*	Amount	%*		
Core Components Business	453,238	29.7	432,152	29.0	(21,086)	(4.7)
Industrial & Automotive Components Unit	147,163	9.6	167,216	11.2	20,053	13.6
Semiconductor Components Unit	284,764	18.7	242,676	16.3	(42,088)	(14.8)
Others	21,311	1.4	22,260	1.5	949	4.5
Electronic Components Business	290,538	19.1	262,628	17.6	(27,910)	(9.6)
Solutions Business	792,643	51.9	810,476	54.3	17,833	2.2
Industrial Tools Unit	238,368	15.6	235,406	15.8	(2,962)	(1.2)
Document Solutions Unit	318,476	20.9	325,934	21.8	7,458	2.3
Communications Unit	147,155	9.6	161,656	10.8	14,501	9.9
Others	88,644	5.8	87,480	5.9	(1,164)	(1.3)
Others	17,091	1.1	14,176	0.9	(2,915)	(17.1)
Adjustments and eliminations	(27,013)	(1.8)	(26,760)	(1.8)	253	—
Sales revenue	1,526,497	100.0	1,492,672	100.0	(33,825)	(2.2)

* % represents the component ratio.

Business Profit (Loss) by Reporting Segment

(Yen in millions)

	For the nine months ended December 31,				Change	
	2022		2023		Amount	%
	Amount	%*	Amount	%*		
Core Components Business	71,148	15.7	45,466	10.5	(25,682)	(36.1)
Industrial & Automotive Components Unit	17,685	12.0	18,873	11.3	1,188	6.7
Semiconductor Components Unit	56,296	19.8	26,388	10.9	(29,908)	(53.1)
Others	(2,833)	—	205	0.9	3,038	—
Electronic Components Business	39,572	13.6	13,033	5.0	(26,539)	(67.1)
Solutions Business	36,480	4.6	46,817	5.8	10,337	28.3
Industrial Tools Unit	20,097	8.4	12,742	5.4	(7,355)	(36.6)
Document Solutions Unit	21,981	6.9	28,653	8.8	6,672	30.4
Communications Unit	(5,553)	—	2,356	1.5	7,909	—
Others	(45)	—	3,066	3.5	3,111	—
Others	(20,016)	—	(32,067)	—	(12,051)	—
Total business profit	127,184	8.3	73,249	4.9	(53,935)	(42.4)
Corporate gains and others	35,572	—	52,389	—	16,817	47.3
Profit before income taxes	162,756	10.7	125,638	8.4	(37,118)	(22.8)

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

The analysis of Reporting Segment is as follows:

a. Core Components Business

Sales revenue for the nine months decreased by 21,086 million yen, or 4.7%, to 432,152 million yen, as compared with the previous nine months. Business profit decreased by 25,682 million yen, or 36.1%, to 45,466 million yen, as compared with the previous nine months. The business profit ratio for the nine months declined to 10.5%. Sales revenue decreased due mainly to soft market condition for ceramic packages in smartphone markets and for organic packages and boards in information and communication infrastructure-related markets. Business profit decreased due to the decline in the sales of these products, as well as an increase in depreciation charge of property, plant and equipment, etc.

b. Electronic Components Business

Sales revenue for the nine months decreased by 27,910 million yen, or 9.6%, to 262,628 million yen, as compared with the previous nine months. Business profit decreased by 26,539 million yen, or 67.1%, to 13,033 million yen, as compared with the previous nine months. The business profit ratio for the nine months declined to 5.0%. Sales revenue decreased due mainly to inventory adjustments and decreased demand for components such as capacitors and crystal devices for information and communication markets. Business profit decreased due to higher cost of sales ratio associated with a lower utilization ratio as well as increases in raw material costs, etc.

c. Solutions Business

Sales revenue for the nine months increased by 17,833 million yen, or 2.2%, to 810,476 million yen, as compared with the previous nine months. Business profit increased by 10,337 million yen, or 28.3%, to 46,817 million yen, as compared with the previous nine months. The business profit ratio for the nine months improved to 5.8%. Sales revenue for the segment as a whole increased principally because of increases in sales by the Document Solutions Unit due to the impact of a weaker yen, etc., and sales by the information systems and telecommunication services business in the Communications Unit, which more than offset a decrease in sales by the cutting tools business, which was affected by inventory adjustments, within the Industrial Tools Unit. Business profit increased due to the increased sales and improved profitability in the Communications Unit as a result of the progress of structural reforms initiated in the year ended March 31, 2023.

(2) Summary of Cash Flows

(Yen in millions)

	For the nine months ended December 31,		Change
	2022	2023	
Cash flows from operating activities	101,336	183,806	82,470
Cash flows from investing activities	(121,178)	(115,196)	5,982
Cash flows from financing activities	(59,702)	(72,262)	(12,560)
Effect of exchange rate changes on cash and cash equivalents	524	11,324	10,800
Increase (decrease) in cash and cash equivalents	(79,020)	7,672	86,692
Cash and cash equivalents at the beginning of the year	414,129	373,500	(40,629)
Cash and cash equivalents at the end of the period	335,109	381,172	46,063

The balance of cash and cash equivalents at December 31, 2023 increased by 7,672 million yen, or 2.1%, to 381,172 million yen from 373,500 million yen at March 31, 2023.

a. Cash Flows from Operating Activities

Net cash provided by operating activities for the nine months increased by 82,470 million yen, or 81.4%, to 183,806 million yen from 101,336 million yen for the previous nine months. This was due mainly to reduction in inventory growth as well as the absence of a transfer of retirement benefit liabilities of TA Triumph-Adler GmbH, a consolidated subsidiary of Kyocera Document Solutions Inc., to a third party in cash and other consideration which was carried out in the previous nine months despite a decrease in profit for the period.

b. Cash Flows from Investing Activities

Net cash used in investing activities for the nine months decreased by 5,982 million yen, or 4.9%, to 115,196 million yen from 121,178 million yen for the previous nine months. This was due mainly to a decrease in capital expenditures despite a decrease in withdrawal of time deposits.

c. Cash Flows from Financing Activities

Net cash used in financing activities for the nine months increased by 12,560 million yen, or 21.0%, to 72,262 million yen from 59,702 million yen for the previous nine months. This was due mainly to an increase in payments for purchase of treasury stock despite an increase in proceeds from borrowings.

(3) Liquidity and Capital Resources

Kyocera's primary source of fund is cash generated by operations. In addition, Kyocera conducts borrowings from financial institutions aiming at investment for further growth. Part of shares of KDDI Corporation held by Kyocera are pledged as collateral for some of borrowings in order to lower financing costs. For detailed information, please refer to Note "7. Borrowings" under "IV. Condensed Quarterly Consolidated Financial Statements and Other Information 1. Condensed Quarterly Consolidated Financial Statements."

As of December 31, 2023, our cash and cash equivalents were 381,172 million yen and the balance of borrowings was 209,581 million yen. The borrowings of Kyocera are mainly denominated in yen.

Kyocera's cash requirements for fiscal 2024 are funds for capital expenditures, R&D activities, dividend payments to shareholders and purchase of treasury stock, in addition to working capital of operating activities.

Kyocera plans to meet these cash demands with cash on hand acquired through operating activities and borrowings from financial institutions. However, Kyocera does not currently intend to use any other external financing sources that might affect our credit agency ratings. Kyocera has established good relationships with major financial institutions and recognizes that there will be no problem with respect to future business financing.

In the event of a large demand for funds for investment to expand existing businesses and create new businesses, Kyocera has several means to finance such as issuance of corporate bonds and stocks, in addition to borrowings from financial institutions.

There was no material impact on the liquidity of funds for the nine months. However, if demand trends in Kyocera's major markets deteriorate or if product prices decline significantly beyond our expectations, Kyocera's liquidity may be adversely affected.

(4) Significant Accounting Estimates and Judgments Involving Estimations

Kyocera's significant accounting estimates and judgments by management in the condensed quarterly consolidated financial statements are as described in Note "4. Significant Accounting Estimates and Judgments Involving Estimations" under "IV. Condensed Quarterly Consolidated Financial Statements and Other Information 1. Condensed Quarterly Consolidated Financial Statements."

(5) Major Management Challenges

There were no new management challenges to be addressed with priority during the nine months. There were no significant changes from the content in the Annual Report for the year ended March 31, 2023.

(6) Research and Development Activities

Research and development expenses for the nine months increased by 7,951 million yen, or 11.4%, to 77,481 million yen from 69,530 million yen for the previous nine months.

There were no significant changes in the status of research and development activities from the Annual Report for the year ended March 31, 2023.

(7) Summary of Production, Orders Received and Sales

Orders Received by Reporting Segment

(Yen in millions)

	For the nine months ended December 31,				Change
	2022		2023		
	Amount	%*	Amount	%*	%
Core Components Business	446,532	29.4	421,237	28.5	(5.7)
Industrial & Automotive Components Unit	153,082	10.1	171,337	11.6	11.9
Semiconductor Components Unit	272,100	17.9	227,448	15.4	(16.4)
Others	21,350	1.4	22,452	1.5	5.2
Electronic Components Business	289,074	19.0	261,032	17.6	(9.7)
Solutions Business	794,692	52.2	807,255	54.6	1.6
Industrial Tools Unit	239,435	15.7	236,930	16.0	(1.0)
Document Solutions Unit	317,891	20.9	324,683	21.9	2.1
Communications Unit	149,021	9.8	164,935	11.2	10.7
Others	88,345	5.8	80,707	5.5	(8.6)
Others	14,247	0.9	14,311	1.0	0.4
Adjustments and eliminations	(23,030)	(1.5)	(24,567)	(1.7)	—
Orders Received	1,521,515	100.0	1,479,268	100.0	(2.8)

* % represents the component ratio.

(Note) 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 "Results by Reporting Segment" in "(1) Summary of Operating Results."

(8) Major Equipment and Facilities

Plans for New Additions

Kyocera decreased its total capital expenditures plan for fiscal 2024 by 115,000 million yen, or 41.8%, to 160,000 million yen from 275,000 million yen described in the Annual Report for fiscal 2023, considering business situations.

3. Material Agreements

There were no material agreements which were approved for conclusion or concluded during the three months ended December 31, 2023.

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

(Note) Based on the resolution of the Board of Directors held on September 29, 2023, the Articles of Incorporation were changed effective on January 1, 2024 due to the stock split. As a result, the total number of shares authorized to be issued has increased by 1,800,000,000 shares to 2,400,000,000 shares.

b. Shares Issued

Class	Number of shares issued as of December 31, 2023 (shares)	Number of shares issued as of the filing date (shares) (February 14, 2024)	Stock exchange on which Kyocera is listed or authorized financial instruments firm's association where Kyocera is registered	Description
Common stock	377,618,580	1,510,474,320	Tokyo Stock Exchange Prime market	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	1,510,474,320	—	—

(Note) Based on the resolution of the Board of Directors held on September 29, 2023, the Company implemented a 4 for 1 common stock split, effective on January 1, 2024. The number of shares issued increased by 1,132,855,740 shares to 1,510,474,320 shares.

(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 October 1, 2023 to December 31, 2023	—	377,618,580	—	115,703	—	192,555

(Note) Based on the resolution of the Board of Directors held on September 29, 2023, the Company implemented a 4 for 1 common stock split, effective on January 1, 2024. The number of shares issued increased by 1,132,855,740 shares to 1,510,474,320 shares.

(5) Major Shareholders

Not Applicable.

(6) Information on Voting Rights

a. Shares Issued

As of December 31, 2023

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 25,457,400	—	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 351,845,000	3,518,450	Same as above
Shares less than one unit	Common stock 316,180	—	—
Number of shares issued	377,618,580	—	—
Total number of voting rights	—	3,518,450	—

(Notes) 1. 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.

2. Based on the resolution of the Board of Directors held on September 29, 2023, the Company implemented a 4 for 1 common stock split, effective on January 1, 2024. The number of shares issued increased by 1,132,855,740 shares to 1,510,474,320 shares.

b. Treasury Stock and Others

As of December 31, 2023

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	25,457,400	—	25,457,400	6.74
Total	—	25,457,400	—	25,457,400	6.74

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, 2023	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents		373,500	381,172
Trade and other receivables	10	380,972	371,451
Other financial assets	12	23,402	30,109
Inventories		539,441	554,686
Other current assets		39,997	46,431
Total current assets		1,357,312	1,383,849
Non-current assets			
Equity and debt instruments	7, 12	1,508,258	1,650,254
Investments accounted for using the equity method		16,752	16,351
Other financial assets	12	42,567	45,305
Property, plant and equipment		587,478	622,164
Right-of-use assets		62,620	76,998
Goodwill		271,156	277,800
Intangible assets		147,782	148,455
Deferred tax assets		39,759	44,060
Other non-current assets		60,244	61,576
Total non-current assets		2,736,616	2,942,963
Total assets		4,093,928	4,326,812

The accompanying notes are an integral part of these statements.

(Yen in millions)

	Note	As of	
		March 31, 2023	December 31, 2023
Liabilities and Equity			
Liabilities			
Current liabilities			
Borrowings	7, 12	29,060	9,634
Trade and other payables	10	203,864	196,655
Lease liabilities		20,351	25,347
Other financial liabilities	12	4,741	2,358
Income tax payables		17,224	20,118
Accrued expenses	10	135,836	120,702
Provisions		8,014	6,389
Other current liabilities	10	41,984	45,932
Total current liabilities		461,074	427,135
Non-current liabilities			
Borrowings	7, 12	107,726	199,947
Lease liabilities		52,664	63,386
Retirement benefit liabilities		8,621	9,056
Deferred tax liabilities		393,961	436,287
Provisions		10,239	10,574
Other non-current liabilities		10,808	9,764
Total non-current liabilities		584,019	729,014
Total liabilities		1,045,093	1,156,149
Equity			
Common stock		115,703	115,703
Capital surplus		119,144	118,754
Retained earnings		1,912,372	1,931,736
Other components of equity		969,801	1,121,251
Treasury stock	8	(93,243)	(143,138)
Total equity attributable to owners of the parent		3,023,777	3,144,306
Non-controlling interests		25,058	26,357
Total equity		3,048,835	3,170,663
Total liabilities and equity		4,093,928	4,326,812

The accompanying notes are an integral part of these statements.

(2) Condensed Quarterly Consolidated Statement of Profit or Loss

For the nine months ended December 31, 2022 and 2023

(Yen in millions)

	Note	For the nine months ended December 31,	
		2022	2023
Sales revenue	5, 10	1,526,497	1,492,672
Cost of sales		1,086,375	1,072,546
Gross profit		440,122	420,126
Selling, general and administrative expenses	12	326,238	340,282
Operating profit		113,884	79,844
Finance income	12	50,451	57,713
Finance expenses	12	2,604	3,573
Foreign exchange gains (losses)		(1,662)	(9,872)
Share of net profit (loss) of investments accounted for using the equity method		135	(50)
Other, net		2,552	1,576
Profit before income taxes	5	162,756	125,638
Income taxes		41,902	32,827
Profit for the period		120,854	92,811
Profit attributable to:			
Owners of the parent		118,783	90,366
Non-controlling interests		2,071	2,445
Profit for the period		120,854	92,811
Per share information:	11		
Earnings per share attributable to owners of the parent			
Basic and diluted (Yen)		82.74	63.94

The accompanying notes are an integral part of these statements.

For the three months ended December 31, 2022 and 2023

(Yen in millions)

	Note	For the three months ended December 31,	
		2022	2023
Sales revenue	5, 10	514,325	507,382
Cost of sales		365,057	366,875
Gross profit		149,268	140,507
Selling, general and administrative expenses	12	111,872	114,665
Operating profit		37,396	25,842
Finance income	12	24,141	27,306
Finance expenses	12	920	1,151
Foreign exchange gains (losses)		(3,615)	(4,239)
Share of net profit (loss) of investments accounted for using the equity method		(185)	(298)
Other, net		1,628	311
Profit before income taxes	5	58,445	47,771
Income taxes		14,816	12,993
Profit for the period		43,629	34,778
Profit attributable to:			
Owners of the parent		43,197	33,879
Non-controlling interests		432	899
Profit for the period		43,629	34,778
Per share information:	11		
Earnings per share attributable to owners of the parent			
Basic and diluted (Yen)		30.09	24.05

The accompanying notes are an integral part of these statements.

(3) Condensed Quarterly Consolidated Statement of Comprehensive Income

For the nine months ended December 31, 2022 and 2023

(Yen in millions)

	Note	For the nine months ended December 31,	
		2022	2023
Profit for the period		120,854	92,811
Other comprehensive income, net of taxation			
Items that will not be reclassified to profit or loss:			
Financial assets measured at fair value through other comprehensive income	12	(4,871)	98,706
Re-measurement of defined benefit plans		(37)	140
Total items that will not be reclassified to profit or loss		(4,908)	98,846
Items that may be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedge		(21)	(22)
Exchange differences on translating foreign operations		52,173	52,895
Share of other comprehensive income of investments accounted for using the equity method		(86)	93
Total items that may be reclassified subsequently to profit or loss		52,066	52,966
Total other comprehensive income		47,158	151,812
Comprehensive income for the period		168,012	244,623
Comprehensive income attributable to:			
Owners of the parent		165,931	241,910
Non-controlling interests		2,081	2,713
Comprehensive income for the period		168,012	244,623

The accompanying notes are an integral part of these statements.

For the three months ended December 31, 2022 and 2023

(Yen in millions)

	Note	For the three months ended December 31,	
		2022	2023
Profit for the period		43,629	34,778
Other comprehensive income, net of taxation			
Items that will not be reclassified to profit or loss:			
Financial assets measured at fair value through other comprehensive income	12	(62,427)	(22,336)
Re-measurement of defined benefit plans		—	(2)
Total items that will not be reclassified to profit or loss		(62,427)	(22,338)
Items that may be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedge		35	64
Exchange differences on translating foreign operations		(55,742)	(36,054)
Share of other comprehensive income of investments accounted for using the equity method		(2)	(61)
Total items that may be reclassified subsequently to profit or loss		(55,709)	(36,051)
Total other comprehensive income		(118,136)	(58,389)
Comprehensive income for the period		(74,507)	(23,611)
Comprehensive income attributable to:			
Owners of the parent		(74,275)	(24,235)
Non-controlling interests		(232)	624
Comprehensive income for the period		(74,507)	(23,611)

The accompanying notes are an integral part of these statements.

(4) Condensed Quarterly Consolidated Statement of Changes in Equity

For the nine months ended December 31, 2022

(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		
Balance as of April 1, 2022		115,703	122,751	1,846,102	880,297	(93,299)	2,871,554	26,719	2,898,273
Profit for the period				118,783			118,783	2,071	120,854
Other comprehensive income					47,148		47,148	10	47,158
Total comprehensive income for the period		—	—	118,783	47,148	—	165,931	2,081	168,012
Cash dividends	9			(68,192)			(68,192)	(1,415)	(69,607)
Purchase of treasury stock						(12)	(12)		(12)
Reissuance of treasury stock			33			69	102		102
Transactions with non-controlling interests			(261)				(261)	(52)	(313)
Transfer to retained earnings				(357)	357		—		—
Others				(14)			(14)		(14)
Balance as of December 31, 2022		115,703	122,523	1,896,322	927,802	(93,242)	2,969,108	27,333	2,996,441

For the nine months ended December 31, 2023

(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		
Balance as of April 1, 2023		115,703	119,144	1,912,372	969,801	(93,243)	3,023,777	25,058	3,048,835
Profit for the period				90,366			90,366	2,445	92,811
Other comprehensive income					151,544		151,544	268	151,812
Total comprehensive income for the period		—	—	90,366	151,544	—	241,910	2,713	244,623
Cash dividends	9			(71,149)			(71,149)	(1,257)	(72,406)
Purchase of treasury stock	8					(50,012)	(50,012)		(50,012)
Reissuance of treasury stock			48			117	165		165
Transactions with non-controlling interests			(438)				(438)	(157)	(595)
Transfer to retained earnings				94	(94)		—		—
Others				53			53		53
Balance as of December 31, 2023		115,703	118,754	1,931,736	1,121,251	(143,138)	3,144,306	26,357	3,170,663

The accompanying notes are an integral part of these statements.

(5) Condensed Quarterly Consolidated Statement of Cash Flows

(Yen in millions)

	Note	For the nine months ended December 31,	
		2022	2023
Cash flows from operating activities:			
Profit for the period		120,854	92,811
Depreciation and amortization		111,019	115,509
Finance expenses (income)		(47,847)	(54,140)
Share of net profit of investments accounted for using the equity method		(135)	50
(Gains) losses from sales or disposal of property, plant and equipment		(1,045)	(636)
Income taxes		41,902	32,827
(Increase) decrease in trade and other receivables		21,058	26,023
(Increase) decrease in inventories		(87,298)	4,355
(Increase) decrease in other assets		(6,133)	(1,843)
Increase (decrease) in trade and other payables		(18,918)	(23,819)
Increase (decrease) in accrued expenses		(17,883)	(19,921)
Increase (decrease) in other liabilities		(36,061)	2,131
Other, net		10,792	(3,026)
Subtotal		90,305	170,321
Interests and dividends received		50,264	57,632
Interests paid		(1,840)	(3,009)
Income taxes refund (paid)		(37,393)	(41,138)
Net cash provided by operating activities		101,336	183,806
Cash flows from investing activities:			
Payments for purchases of property, plant and equipment		(134,369)	(102,297)
Payments for purchases of intangible assets		(7,461)	(9,048)
Proceeds from sales of property, plant and equipment		2,077	1,951
Acquisitions of business, net of cash acquired		(2,355)	(2,510)
Acquisition of time deposits and certificate of deposits		(12,827)	(6,198)
Withdrawal of time deposits and certificate of deposits		33,291	3,698
Payments for purchases of securities		(1,256)	(1,401)
Proceeds from sales and maturities of securities		2,385	517
Other, net		(663)	92
Net cash used in investing activities		(121,178)	(115,196)
Cash flows from financing activities:			
Increase (decrease) in short-term borrowings		30,000	(20,000)
Proceeds from long-term borrowings		5,129	96,921
Repayments of long-term borrowings		(7,216)	(5,960)
Repayments of lease liabilities		(17,848)	(19,275)
Dividends paid		(69,443)	(73,343)
Purchase of treasury stock	8	(12)	(50,012)
Other, net		(312)	(593)
Net cash used in financing activities		(59,702)	(72,262)
Effect of exchange rate changes on cash and cash equivalents		524	11,324
Increase (decrease) in cash and cash equivalents		(79,020)	7,672
Cash and cash equivalents at the beginning of the year		414,129	373,500
Cash and cash equivalents at the end of the period		335,109	381,172

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/>).

The condensed quarterly consolidated financial statements as of and for the nine months ended December 31, 2023 consist of Kyocera Corporation and its consolidated subsidiaries and shares of associates of Kyocera.

Kyocera develops, produces and distributes worldwide various kinds of products primarily for the following markets: information and communications, industrial machinery, automotive-related and environment and energy. 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, 2023.

(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 and hyperinflationary accounting adjustments to subsidiaries whose functional currency is Turkish Lira.

(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 amounts less than one million yen are rounded.

3. Material Accounting Policies

Material 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, 2023, except for the following.

For the nine months ended December 31, 2023, income tax expenses are accrued using the tax rate calculated based on the estimated average annual effective income tax rate.

<Income Taxes>

Kyocera has applied an amendment to IAS 12 "Income Taxes" (Clarified of accounting for deferred tax related to assets and liabilities arising from a single transaction) from the three months ended June 30, 2023. This adoption had no material impact on Kyocera's condensed quarterly consolidated financial statements.

4. Significant Accounting Estimates and Judgments Involving Estimations

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

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

The estimates and judgments that have material impact in condensed quarterly consolidated financial statements are the same as the consolidated financial statements for the year ended March 31, 2023.

5. Segment Information

(1) Overview of Reporting Segment

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, Kyocera AVX Components Corporation
Solutions Business	Industrial Tools, Information Equipment (Kyocera Document Solutions Inc.), Telecommunications Equipment, Information Systems and Telecommunication Services (Kyocera Communication Systems Co., Ltd.), Smart Energy, Displays, Printing Devices

(2) Information on Reporting Segment

The accounting policies of the reporting segments are the same as those described in the Note "3. Material 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 nine months ended December 31, 2022

(Yen in millions)

	Reporting Segment			Others * 1	Total	Adjustment * 2	Consolidated
	Core Components Business	Electronic Components Business	Solutions Business				
Sales revenue							
External customers	452,686	289,937	775,025	8,849	1,526,497	—	1,526,497
Intersegment sales and transfers	552	601	17,618	8,242	27,013	(27,013)	—
Total	453,238	290,538	792,643	17,091	1,553,510	(27,013)	1,526,497
Business profit (loss)	71,148	39,572	36,480	(20,016)	127,184	—	127,184
Corporate gains and others * 3	—	—	—	—	—	—	35,437
Share of net profit (loss) of investments accounted for using the equity method	—	—	—	—	—	—	135
Profit before income taxes	—	—	—	—	—	—	162,756
Other items							
Depreciation and amortization charge	33,572	25,546	39,798	5,623	104,539	6,480	111,019
Capital expenditures (for property, plant and equipment)	47,896	34,974	19,610	11,742	114,222	12,915	127,137

(Notes) 1. The “Others” is an operating segment that is not included in the reporting segment and mainly includes the GaN device business and research and development expenses, which do not belong to each 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 and a one-time cost recorded in connection with a litigation.

For the nine months ended December 31, 2023

(Yen in millions)

	Reporting Segment			Others * 1	Total	Adjustment * 2	Consolidated
	Core Components Business	Electronic Components Business	Solutions Business				
Sales revenue							
External customers	431,488	261,898	789,685	9,601	1,492,672	—	1,492,672
Intersegment sales and transfers	664	730	20,791	4,575	26,760	(26,760)	—
Total	432,152	262,628	810,476	14,176	1,519,432	(26,760)	1,492,672
Business profit (loss)	45,466	13,033	46,817	(32,067)	73,249	—	73,249
Corporate gains and others * 3	—	—	—	—	—	—	52,439
Share of net profit (loss) of investments accounted for using the equity method	—	—	—	—	—	—	(50)
Profit before income taxes	—	—	—	—	—	—	125,638
Other items							
Depreciation and amortization charge	36,682	23,906	40,406	6,934	107,928	7,581	115,509
Capital expenditures (for property, plant and equipment)	42,923	24,541	19,637	5,609	92,710	12,532	105,242

(Notes) 1. The “Others” is an operating segment that is not included in the reporting segment and mainly includes the GaN device business and research and development expenses, which do not belong to each 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 consist of finance income and expenses.

For the three months ended December 31, 2022

(Yen in millions)

	Reporting Segment			Others * 1	Total	Adjustment * 2	Consolidated
	Core Components Business	Electronic Components Business	Solutions Business				
Sales revenue							
External customers	154,066	94,404	262,535	3,320	514,325	—	514,325
Intersegment sales and transfers	191	252	6,030	3,020	9,493	(9,493)	—
Total	154,257	94,656	268,565	6,340	523,818	(9,493)	514,325
Business profit (loss)	24,688	9,061	10,783	(7,057)	37,475	—	37,475
Corporate gains and others * 3	—	—	—	—	—	—	21,155
Share of net profit (loss) of investments accounted for using the equity method	—	—	—	—	—	—	(185)
Profit before income taxes	—	—	—	—	—	—	58,445
Other items							
Depreciation and amortization charge	11,794	8,847	13,343	2,018	36,002	2,344	38,346
Capital expenditures (for property, plant and equipment)	19,584	9,781	7,782	1,207	38,354	3,367	41,721

(Notes) 1. The “Others” is an operating segment that is not included in the reporting segment and mainly includes the GaN device business and research and development expenses, which do not belong to each 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 December 31, 2023

(Yen in millions)

	Reporting Segment			Others * 1	Total	Adjustment * 2	Consolidated
	Core Components Business	Electronic Components Business	Solutions Business				
Sales revenue							
External customers	149,542	87,665	266,788	3,387	507,382	—	507,382
Intersegment sales and transfers	208	205	6,849	782	8,044	(8,044)	—
Total	149,750	87,870	273,637	4,169	515,426	(8,044)	507,382
Business profit (loss)	15,000	3,173	15,014	(10,786)	22,401	—	22,401
Corporate gains and others * 3	—	—	—	—	—	—	25,668
Share of net profit (loss) of investments accounted for using the equity method	—	—	—	—	—	—	(298)
Profit before income taxes	—	—	—	—	—	—	47,771
Other items							
Depreciation and amortization charge	12,719	8,079	14,337	2,451	37,586	2,562	40,148
Capital expenditures (for property, plant and equipment)	20,056	7,418	6,760	1,879	36,113	3,166	39,279

(Notes) 1. The “Others” is an operating segment that is not included in the reporting segment and mainly includes the GaN device business and research and development expenses, which do not belong to each 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 consist of finance income and expenses.

(3) Information by Geographic Segments

The breakdown of sales revenue to external customers by destination for the nine months ended December 31, 2022 and 2023 is as follows:

Sales revenue to external customers (Yen in millions)

	For the nine months ended December 31,	
	2022	2023
Japan	417,994	432,305
Asia	426,236	379,422
United States	345,684	333,537
Europe	277,397	291,110
Other Areas	59,186	56,298
Total	1,526,497	1,492,672

Of the countries included in “Asia,” “Europe” and “Other Areas,” there are no individual material countries in which the ratio of sales to external customers to the consolidated total is significant.

The breakdown of sales revenue to external customers by destination for the three months ended December 31, 2022 and 2023 is as follows:

Sales revenue to external customers (Yen in millions)

	For the three months ended December 31,	
	2022	2023
Japan	139,199	147,238
Asia	143,314	132,547
United States	114,730	109,894
Europe	96,229	98,516
Other Areas	20,853	19,187
Total	514,325	507,382

Of the countries included in “Asia,” “Europe” and “Other Areas,” there are no individual material countries in which the ratio of sales to external customers to the consolidated total is significant.

6. Business Combination

There were no business combinations that have a material impact on Kyocera's financial position, operating results and cash flows.

7. Borrowings

Kyocera borrowed from financial institutions and pledged part of shares of KDDI Corporation held by Kyocera as collateral in order to lower financing costs. Those borrowings are as follows:

(Yen in millions)

	As of	
	March 31, 2023	December 31, 2023
Short-term borrowings	20,000	—
Long-term borrowings	90,000	180,000
Total	110,000	180,000

The assets pledged as collateral for above borrowings are as follows:

(Yen in millions)

	As of	
	March 31, 2023	December 31, 2023
Equity and debt instruments	162,648	273,097

(Note) Equity and debt instruments pledged as collateral for overdraft facilities (balance of unexecuted loans) with financial institutions except for above borrowings are 50,000 million yen as of March 31, 2023 and 70,000 million yen as of December 31, 2023.

8. Equity and Other Equity

Treasury Stock

Kyocera Corporation has resolved, at the meeting of its Board of Directors held on May 15, 2023, to repurchase its own shares pursuant to Article 156, as applied through 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 Relating to the Repurchase

Type of shares to be repurchased	Common stock
Total number of shares to be repurchased	Up to 8,066,000 shares (2.25% of the total number of shares outstanding, excluding treasury shares)
Total amount of repurchase price	Up to 50,000 million yen
Repurchase period	From May 16, 2023 to March 22, 2024
Methods of repurchase	Purchases through market (i) Purchases through Off-Auction Own Share Repurchase Trading System of the Tokyo Stock Exchange (ToSTNeT-3) (ii) Purchases through market under a consignment agreement for repurchase of its own shares

(2) Status of Repurchase

The status of repurchase during the nine months ended December 31, 2023 is as follows:

Total number of shares repurchased	6,771,400 shares
Total amount of repurchase price	50,000 million yen

Kyocera Corporation implemented the stock split at the ratio of 4 for 1 of all common stocks on January 1, 2024, however the number of shares is shown on a before the stock split basis because the repurchase of own shares has been completed on October 31, 2023.

9. Dividends

Dividends paid are as follows:

For the nine months ended December 31, 2022

	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 28, 2022	Common stock	32,301	90	March 31, 2022	June 29, 2022	Retained earnings
The resolution of the Board of Directors Meeting held on October 31, 2022	Common stock	35,891	100	September 30, 2022	December 5, 2022	Retained earnings

For the nine months ended December 31, 2023

	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 27, 2023	Common stock	35,891	100	March 31, 2023	June 28, 2023	Retained earnings
The resolution of the Board of Directors Meeting held on November 1, 2023	Common stock	35,258	100	September 30, 2023	December 5, 2023	Retained earnings

(Note) Kyocera Corporation implemented the stock split at the ratio of 4 for 1 of all common stocks on January 1, 2024. Dividend per shares on or before the effective date of December 31, 2023, are shown as actual amount of dividends before the stock split.

10. 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:

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

For the nine months ended December 31, 2022

(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	146,687	284,737	21,262	289,937	238,272	307,666	129,162	89,292	8,811	1,515,826
Revenue recognized from other sources	—	—	—	—	51	10,582	—	—	38	10,671
Total	146,687	284,737	21,262	289,937	238,323	318,248	129,162	89,292	8,849	1,526,497

For the nine months ended December 31, 2023

(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	166,648	242,635	22,205	261,898	235,242	313,207	139,878	88,564	9,406	1,479,683
Revenue recognized from other sources	—	—	—	—	27	12,510	257	—	195	12,989
Total	166,648	242,635	22,205	261,898	235,269	325,717	140,135	88,564	9,601	1,492,672

For the three months ended December 31, 2022

(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	50,454	96,079	7,533	94,404	76,101	108,250	42,491	31,600	3,307	510,219
Revenue recognized from other sources	—	—	—	—	5	4,088	—	—	13	4,106
Total	50,454	96,079	7,533	94,404	76,106	112,338	42,491	31,600	3,320	514,325

For the three months ended December 31, 2023

(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	57,865	83,758	7,919	87,665	75,743	108,835	49,276	28,650	3,305	503,016
Revenue recognized from other sources	—	—	—	—	5	4,130	149	—	82	4,366
Total	57,865	83,758	7,919	87,665	75,748	112,965	49,425	28,650	3,387	507,382

(2) Contract Balance

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

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

(Yen in millions)

	As of	
	March 31, 2023	December 31, 2023
Receivables from contracts with customers	333,213	324,275
Contract assets	1,640	3,246
Contract liabilities	37,468	33,078

11. Earnings Per Share

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

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

Kyocera Corporation implemented the stock split at the ratio of 4 for 1 of all common stocks, with the effective date of January 1, 2024. Earnings per share attributable to owners of the parent - Basic is calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

	For the nine months ended December 31,	
	2022	2023
Profit attributable to owners of the parent (Yen in millions)	118,783	90,366
Weighted average number of ordinary shares (Thousands of shares)	1,435,637	1,413,283
Earnings per share attributable to owners of the parent - Basic (Yen)	82.74	63.94

	For the three months ended December 31,	
	2022	2023
Profit attributable to owners of the parent (Yen in millions)	43,197	33,879
Weighted average number of ordinary shares (Thousands of shares)	1,435,653	1,408,645
Earnings per share attributable to owners of the parent - Basic (Yen)	30.09	24.05

12. 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, 2023		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:				
Debt instruments	12	12	13	13
Other financial assets	64,820	64,820	70,597	70,597
Total	64,832	64,832	70,610	70,610
Liabilities:				
Borrowings	136,786	136,786	209,581	206,731
Total	136,786	136,786	209,581	206,731

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 amounts since they are settled in the short term and their fair values are nearly equal to their carrying amounts.

Long-term borrowings with variable interest rates are stated at their carrying amounts 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, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Equity and debt instruments				
Financial assets measured at fair value through other comprehensive income	1,449,067	—	49,138	1,498,205
Financial assets measured at fair value through profit or loss	—	—	10,041	10,041
Other financial assets	—	1,149	—	1,149
Total	1,449,067	1,149	59,179	1,509,395
Liabilities:				
Other financial liabilities	—	4,741	—	4,741
Contingent consideration	—	—	110	110
Total	—	4,741	110	4,851

(Yen in millions)

	As of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Equity and debt instruments				
Financial assets measured at fair value through other comprehensive income	1,587,330	—	51,883	1,639,213
Financial assets measured at fair value through profit or loss	—	—	11,028	11,028
Other financial assets	—	4,817	—	4,817
Total	1,587,330	4,817	62,911	1,655,058
Liabilities:				
Other financial liabilities	—	2,358	—	2,358
Contingent consideration	—	—	86	86
Total	—	2,358	86	2,444

Transfers between levels are recognized on the day when the event or change in circumstances that caused the transfer occurred. There were no significant transfers between Level 1 and Level 2 for the year ended March 31, 2023 and the nine months ended December 31, 2023.

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 a quoted price in an active market with sufficient volume and frequency of transactions.

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

Equity securities classified as 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.

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 finance division. The evaluation results are reviewed and approved by person in charge of management of finance division.

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, 2023

Classification	Valuation Technique	Unobservable Inputs	Range
Financial assets measured at fair value through other comprehensive income	Discounted cash flow method	Discount rate	3.3% to 4.3%

As of December 31, 2023

Classification	Valuation Technique	Unobservable Inputs	Range
Financial assets measured at fair value through other comprehensive income	Discounted cash flow method	Discount rate	3.2% 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.

f. Reconciliation of Financial Instruments Classified as Level 3

Reconciliation of financial instruments classified as Level 3 from the opening balance to the closing balance is as follows:

(Yen in millions)

	For the nine months ended December 31,					
	2022			2023		
	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial liabilities measured at fair value through profit or loss	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial liabilities measured at fair value through profit or loss
Opening balance	5,479	48,175	2,108	10,041	49,138	110
Profit or loss *1	293	—	65	322	—	—
Other comprehensive income *2	—	1,569	—	—	2,064	—
Purchase and assume	531	712	—	723	672	—
Sales and settlements	(153)	(24)	(2,054)	(115)	(60)	(31)
Transfer into or out Level 3	—	—	—	—	—	—
Others	24	87	(4)	57	69	7
Closing balance	6,174	50,519	115	11,028	51,883	86
Change in unrealized gains or losses included in profit or loss	298	—	—	305	—	—

(Notes) 1. Those related to financial assets are included in “Finance income” and “Finance expenses,” while those related to financial liabilities are included in “Selling, general and administrative expenses” in the condensed quarterly consolidated statement of profit or loss.

2. Included in “Financial assets measured at fair value through other comprehensive income” in the condensed quarterly consolidated statement of comprehensive income.

(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, 2023	December 31, 2023
KDDI Corporation	1,371,548	1,503,241

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 nine months ended December 31, 2022 and 2023, and the three months ended December 31, 2022 and 2023. The amounts of dividends are as follows:

(Yen in millions)

	For the nine months ended December 31,	
	2022	2023
Dividends from KDDI Corporation	43,562	46,913

(Yen in millions)

	For the three months ended December 31,	
	2022	2023
Dividends from KDDI Corporation	21,781	23,456

13. Commitments

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

(Yen in millions)

	As of	
	March 31, 2023	December 31, 2023
Acquisition of property, plant and equipment	120,747	138,918

14. Contingency

As of December 31, 2023, there were no significant changes compared to the contents stated in the Annual Report for the year ended March 31, 2023 pursuant to the Financial Instruments and Exchange Act of Japan.

15. Subsequent Events

Based on the resolution at Board of Directors held on September 29, 2023, Kyocera Corporation implemented the stock split, with the effective date of January 1, 2024.

(1) Purpose of Stock Split

The stock split was undertaken with the aim of increasing the liquidity of the Company's stock and expanding its investor base through a reduction in the price of share-trading units.

(2) Outline of Stock Split

a. Method of Stock Split

The record date for the stock split is December 31, 2023, and all common shares held by shareholders whose names appear or are recorded in the Registry of Shareholders as of the end of the record date were split at the ratio of 4 for 1.

Since this day falls on a non-business day of the shareholder registry administrator, the substantial record date is December 29, 2023.

b. Increase in the Number of Shares Resulting from Stock Split

Total issued shares before the stock split	377,618,580 shares
Increase in issued shares resulting from the stock split	1,132,855,740 shares
Total issued shares after the stock split	1,510,474,320 shares
Total authorized shares after the stock split	2,400,000,000 shares

c. Schedule

Public notice date of record date	December 13, 2023
Record date	December 31, 2023
Effective date	January 1, 2024

d. Impact on Per Share Information

For the impact of this split on Earnings per share attributable to owners of the parent - Basic, please refer to Note "11. Earnings Per Share."

16. 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 February 14, 2024.

2. Others

Interim Dividend

For detailed information about interim dividend, please refer to Note "9. Dividends."

Part II. Corporate Information on Guarantors and Others

Not Applicable.