



November 25, 2021

# Kyocera IR Day

Hideo Tanimoto  
President and Representative Director

Notes: This is an English translation of the Japanese original. This 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.

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

**KYOCERA Corporation**

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## Today's Explanation

1. For Sustainable Growth
2. Initiatives by Business Segment
  - (1) Core Components Business
  - (2) Electronic Components Business
  - (3) Solutions Business

# 1. For Sustainable Growth

## Financial Forecasts for FY March 2022

**Continued proactive investments and initiatives to strengthen management foundation under ongoing COVID-19 situation**

**Aim for record high sales revenue with double digits profit before income taxes ratio**

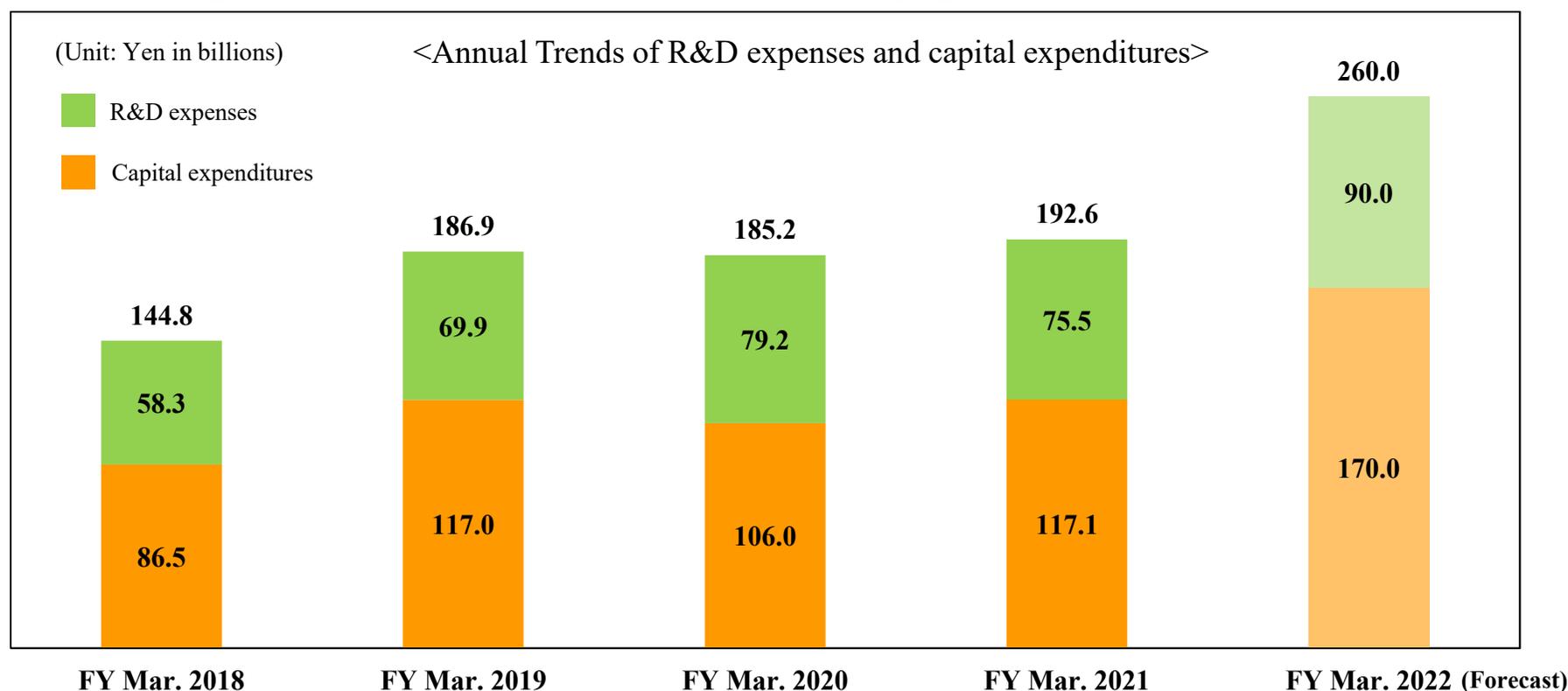
(Unit: Yen in millions)

	Year ended March 31, 2021		Forecasts for the year ending March 31, 2022				Change in amount compared with	
			Previous (April 2021)		Revised (November 2021)		(Ratio of increase)	
	Amount	% of sales revenue	Amount	% of sales revenue	Amount	% of sales revenue	Year ended March 31, 2021	Previous Forecast
Sales Revenue	1,526,897	100.0%	1,730,000	100.0%	<b>1,750,000</b>	<b>100.0%</b>	223,103 (+14.6%)	20,000 (+1.2%)
Operating Profit	70,644	4.6%	117,000	6.8%	<b>146,000</b>	<b>8.3%</b>	75,356 (+106.7%)	29,000 (+24.8%)
Profit before income taxes	117,559	7.7%	160,000	9.2%	<b>190,000</b>	<b>10.9%</b>	72,441 (+61.6%)	30,000 (+18.8%)
Profit attributable to owners of the parent	90,214	5.9%	113,000	6.5%	<b>139,000</b>	<b>7.9%</b>	48,786 (+54.1%)	26,000 (+23.0%)
EPS (Basic-yen)	248.91	—	311.78	—	<b>383.51</b>	—		
Dividend per share (yen)	140	—	160	—	<b>180</b>	—		

Note: Revised (November 2021) forecast of EPS (Basic-yen) for the year ending March 31, 2022, is calculated using the average number of shares outstanding for the six months ended September 30, 2021.

## Strengthening the Management Foundation for Growth (1)

### Increasing production capabilities and strengthen R&D infrastructures by proactive investments



Strengthening R&D infrastructure

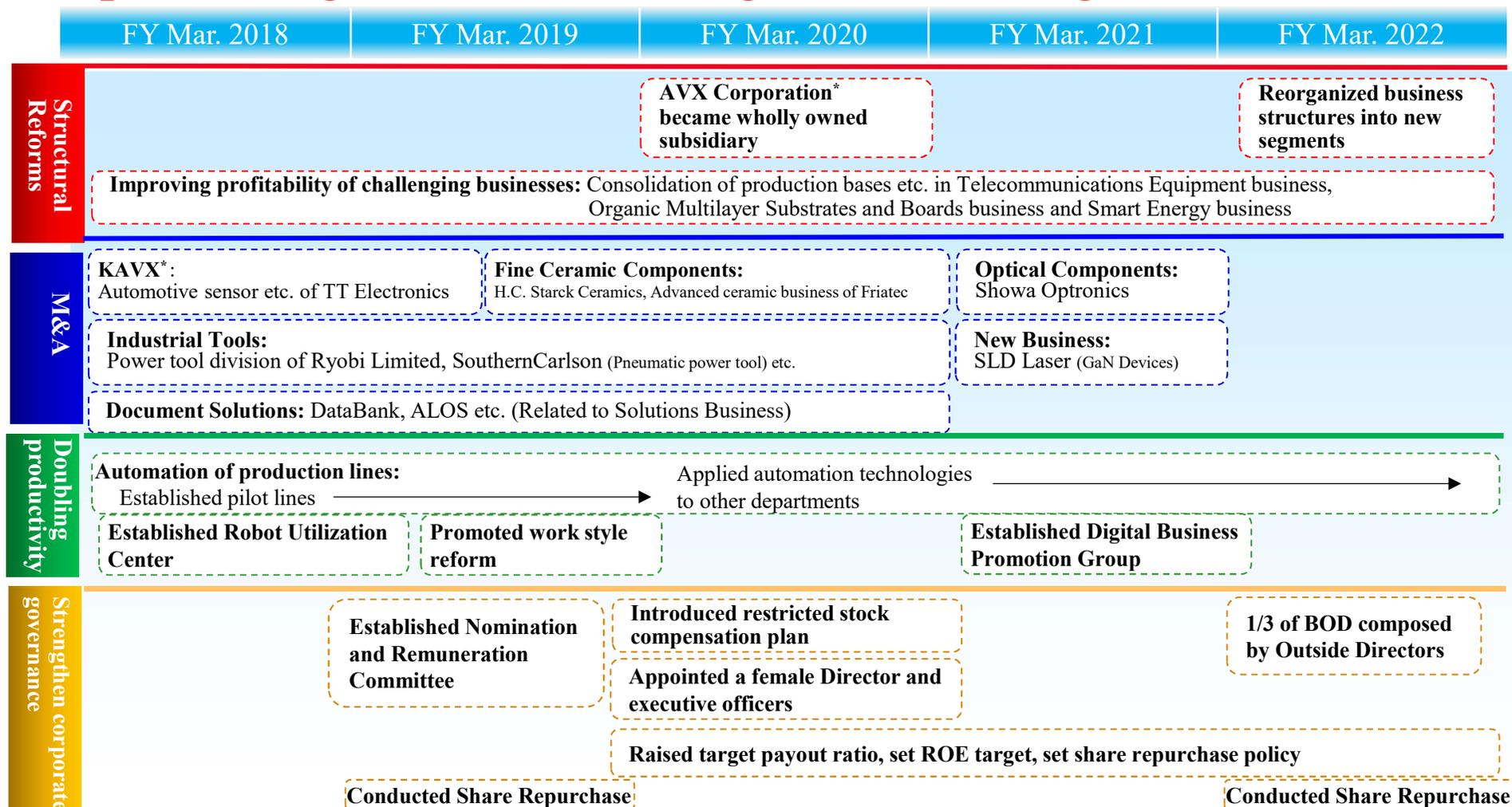
(Establishment of Minatomirai Research Center/Reorganization of Keihanna Research Center)

Investments for increasing production

(Constructing two new buildings at the Kagoshima Kokubu Plant to meet increasing demand for semiconductors and 5G etc.)

## Strengthening the Management Foundation for Growth (2)

### Implementing measures to strengthen the management foundation



\* Changed company name to Kyocera AVX Components Corporation (“KAVX”)

Please refer to “Cautionary Statements with respect to Forward-Looking Statements” on the last page.

## Challenges and Initiatives for Sustainable Growth

### Increasing sales revenue and profit ratio of each segment

**Core Components Business**

**Electronic Components Business**

**Solutions Business**

- **From suboptimization to total optimization**
  - ⇒ Concentrating on promising or profitable business
  - ⇒ Making effective use of management resources
- **Enhancing cooperation within the company as well as with others outside**

### Initiatives to address social challenges

- **Creating new businesses**

Robotics



GaN Systems



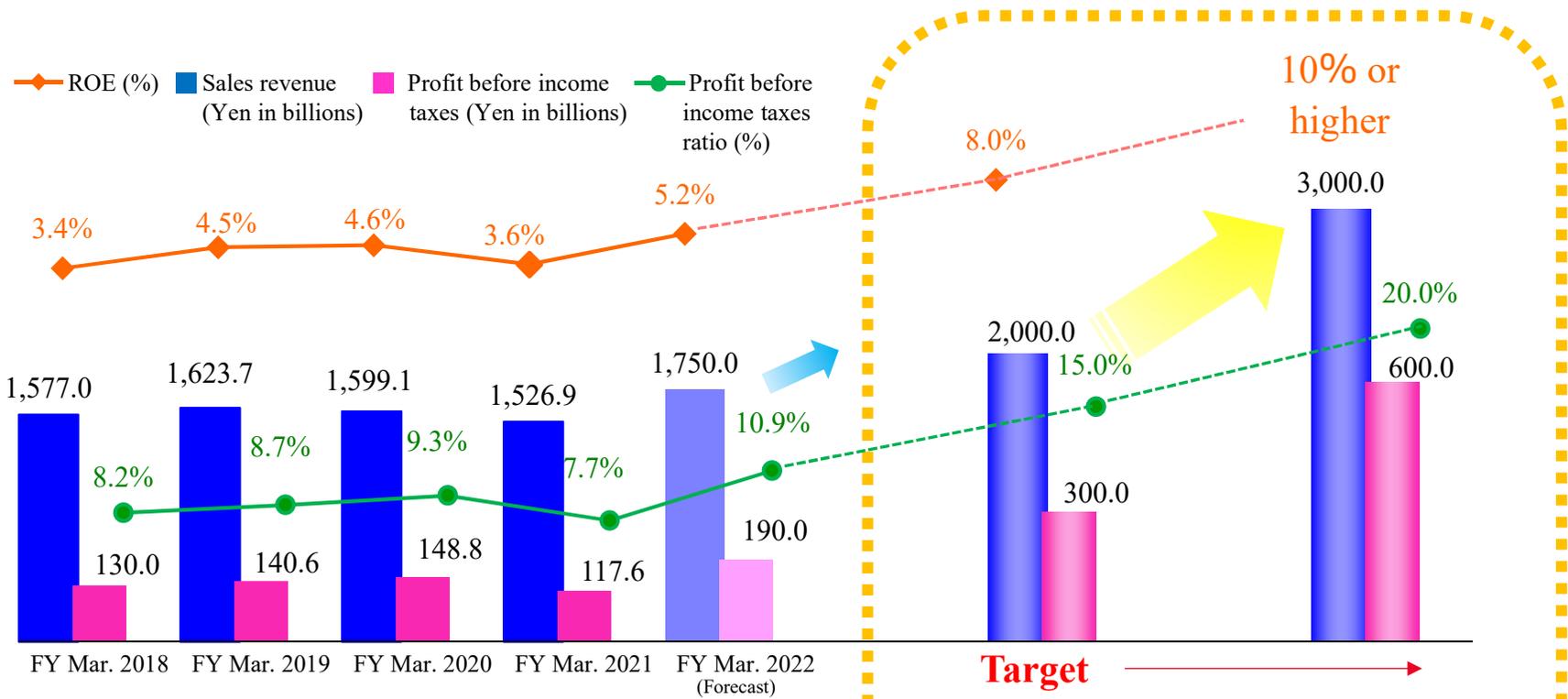
- **Strengthen ESG initiatives**

⇒ **Long-term environmental targets**

- Greenhouse gas emissions: **Reduce 46%** by FY Mar. 2031 compared to FY Mar. 2020 levels
- Renewable energy adoption: Increase **20x** by FY Mar. 2031 from FY Mar. 2014 levels
- Aim to become **Carbon Neutral** by FY Mar. 2051

**Towards next stage of growth under new management structure**

# Financial Target



- Investment for Growth:
  - M&A, capital expenditures, Strengthening research infrastructures
- Enhancing management bases:
  - Absorption of subsidiary etc., merger or elimination of sites, structural reorganization
- Enhancing shareholder returns:
  - Share repurchases, raise of payout ratio, commemoration dividend
- Improving corporate governance

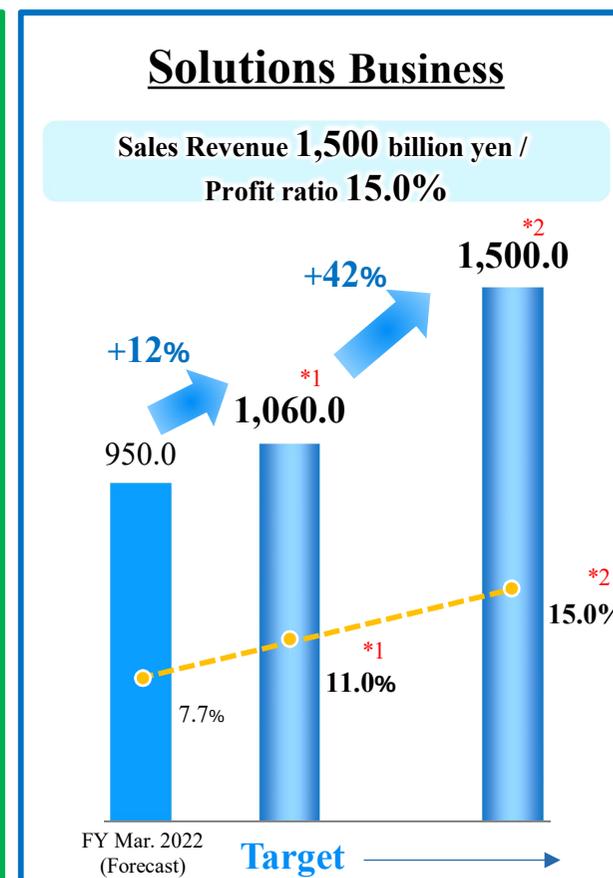
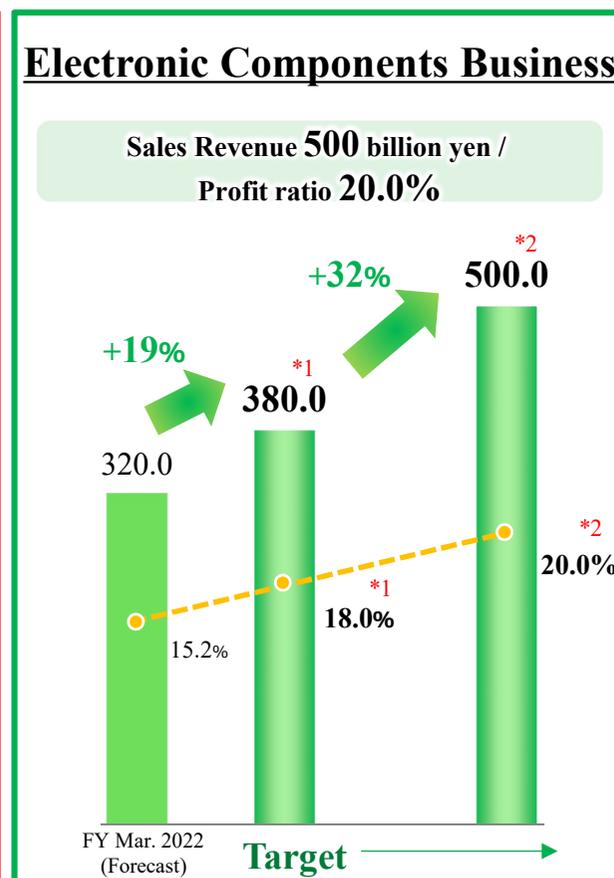
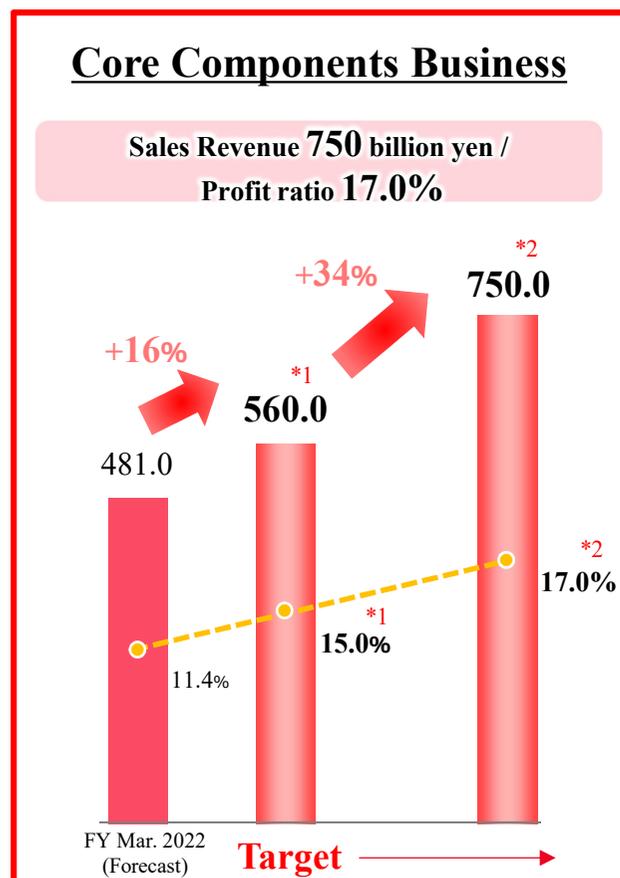
**Towards next stage of growth under new management structure**

**Made aggressive investment for growth and taken measures to strengthen management foundation after taking office as president**

# For Sustainable Growth

## <Financial Targets by Business Segment>

□ Sales Revenue (Yen in billions)      ●●● Profit before income taxes ratio (%)



\*1 Segment target for the company to reach 2 trillion yen consolidated sales revenue and 15% profit before income taxes ratio

\*2 Segment target for the company to reach 3 trillion yen for consolidated sales revenue and 20% for profit before income taxes ratio

Note: The company targets to reach 3 trillion-yen sales revenue with above 3 business segment and remaining 250 billion yen from new businesses

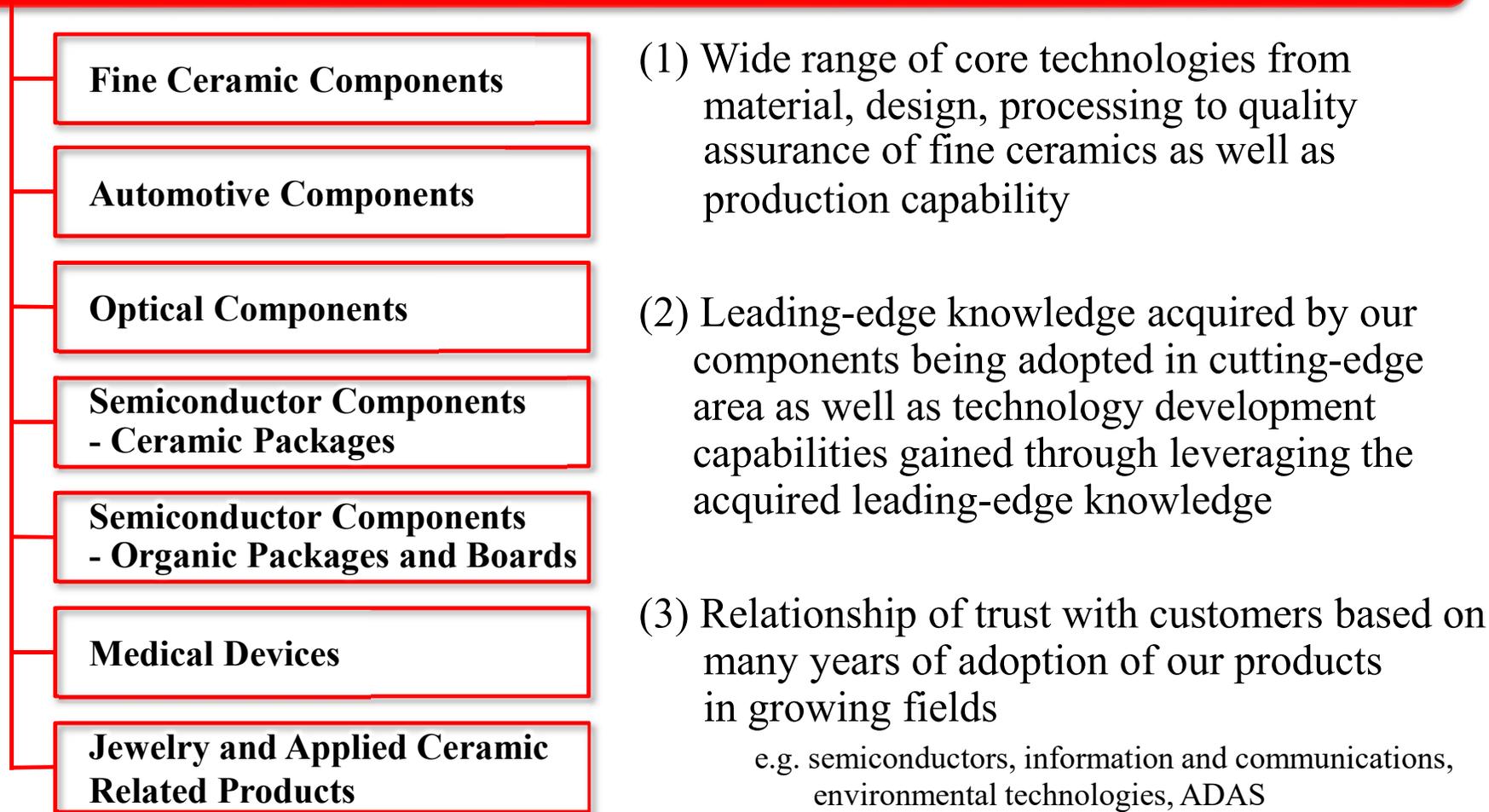
# Initiatives for Sustainable Growth

## (1) Core Components Business

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

## Organization and Strengths of the Business

### Core Components Business



# Vision

## ■ Vision

**We realize the management rationale by providing core products of sustainable society and creation of healthy and fulfilling life.**

## ■ Background of the vision

### ● For Sustainable Future

**Decarbonization / Ethical**

SOFC



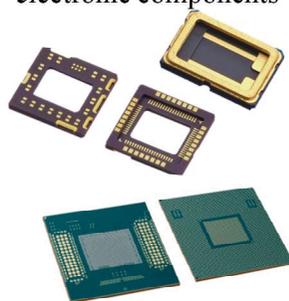
Recrystallized gems



### ● Development of Society; Realization of Safe and Secure Society

**High Speed Large Capacity, Digitization, Advanced Device / Equipment**

Packages for semiconductors and electronic components



Fine ceramic parts for SPE



Functional components



### ● For Healthy and Fulfilling Life

**For better life**

Medical devices



Applied products



## Major Challenges and Key Actions for Sustainable Growth

### Major Challenges

Reinforce existing businesses

Market expansion

- ▶ Realizing high growth and high profitability

Accurate understanding

Total optimization

- ▶ Collaboration and evolution of core technologies
- ▶ Acquiring new business

### Key Actions

1. Expand business in growing markets

2. Reinforce management foundation

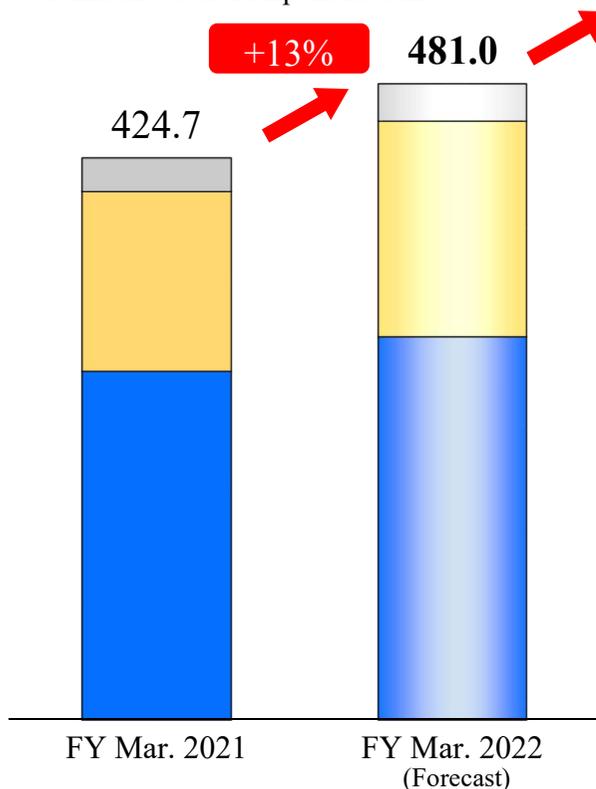
## Key Actions (1) Expand Business in Growing Markets

Strive to expand sales of high-value-added products in growing markets  
(e.g. information communication, semiconductors, ADAS)

### Sales revenue by business units

(Unit: Yen in billions)

- Others
- Industrial & Automotive Components Unit
- Semiconductor Components Unit



Aiming growth of ten percent or more  
in sales of two major business units

### Industrial & Automotive Components Unit

- Increase production for solid demand products of fine ceramic components for semiconductor processing equipment
- Increasing demand for automotive ADAS related components

### Semiconductor Components Unit

- Increase production of ceramic packages and organic boards for information communication infrastructure markets
- Focusing on high-value-added products

## Key Actions (1) Expand Business in Growing Markets: Semiconductor Components Unit

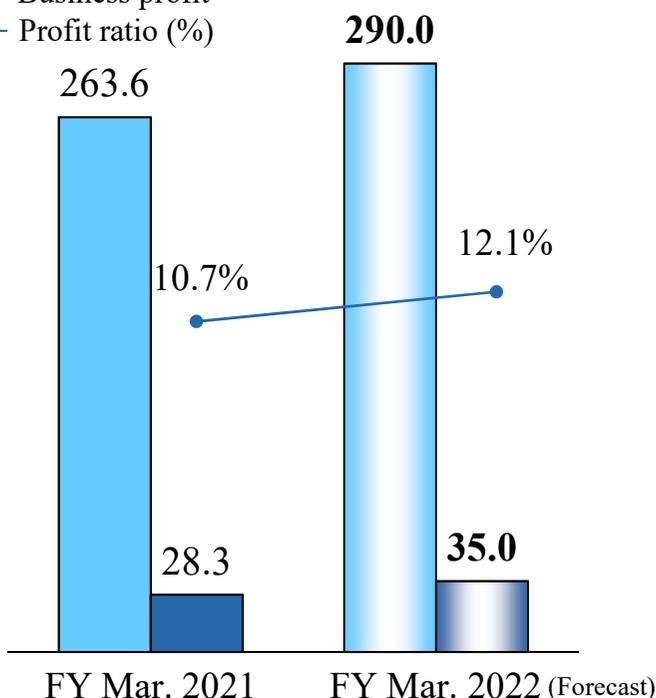
Increase production of major products for information and communication markets

- Increase production capabilities
- Focus on high-value-added products

### ● Increasing production capabilities world wide and promoting rationalization

(Unit: Yen in billions)

- Sales revenue
- Business profit
- Profit ratio (%)



[Vietnam Plant]  
Ceramic packages



[Kyoto Ayabe No.3 Plant]  
Organic packages and boards



### ● Focus on high-value-added products

**Advantages**

**Technologies in organic packages and boards :**  
micro-wiring and high frequency capability

- Large-size high-multilayer FCBGA
- High performance SOC board

## Key Actions (1) Expand Business in Growing Markets: Industrial & Automotive Components Unit

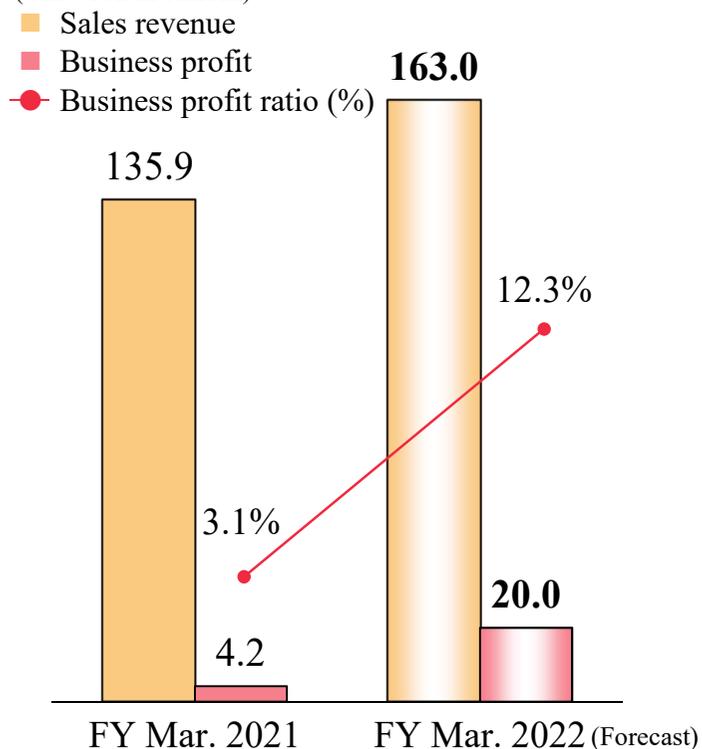
Increase in demand of high-value-added products and improvement of profitability



Further increase of production capability

- **Production increase to meet strong demand of fine ceramic components for SPE**
  - Two new buildings to be constructed in the Kagoshima Kokubu Plant

(Unit: Yen in billions)



Advantages

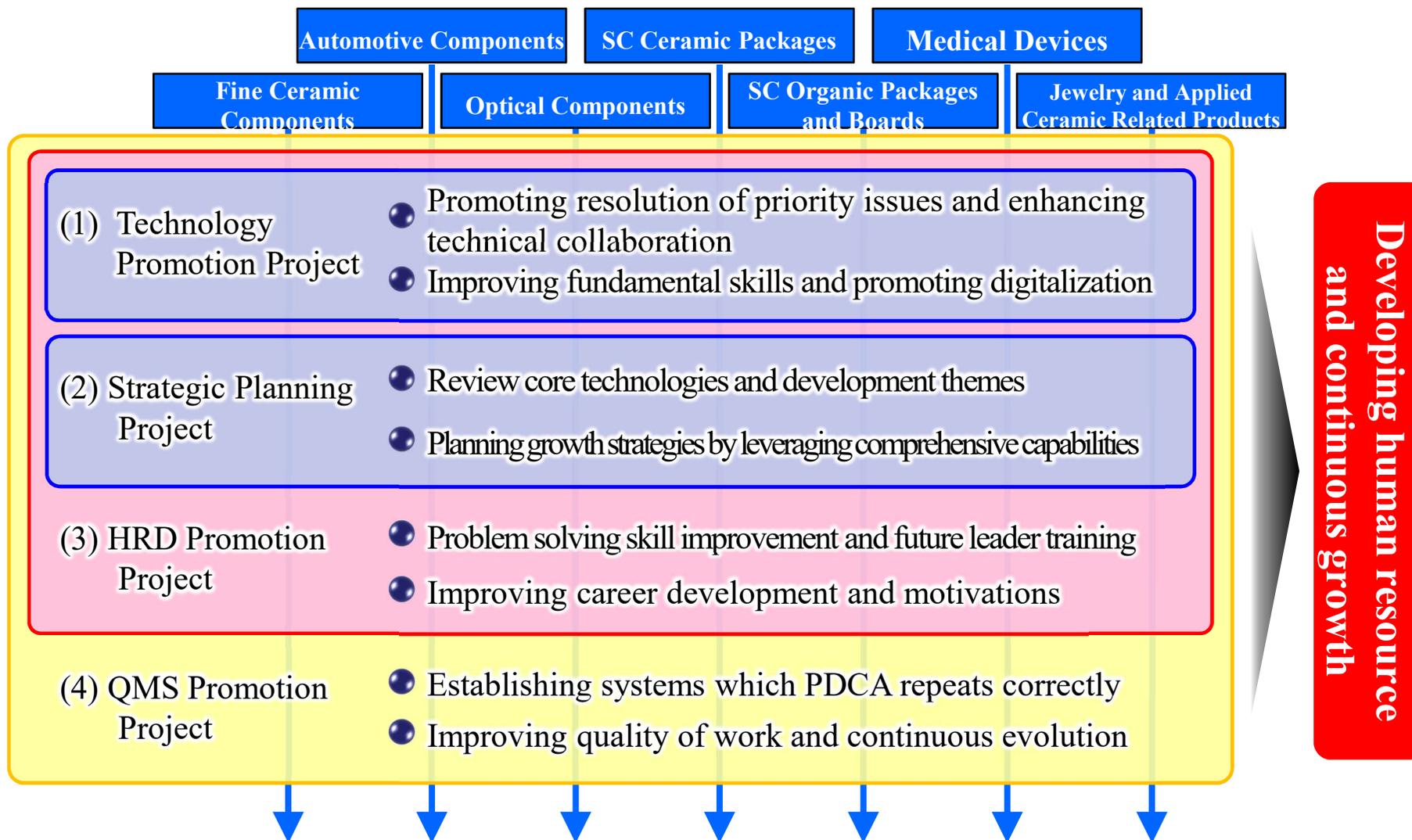
Processing technologies of large components



Architect's rendering of the new facilities

- **Demand increase for ADAS-related products**

## Key Actions (2) Reinforce Management Foundation: Organizing Cross-functional Structures



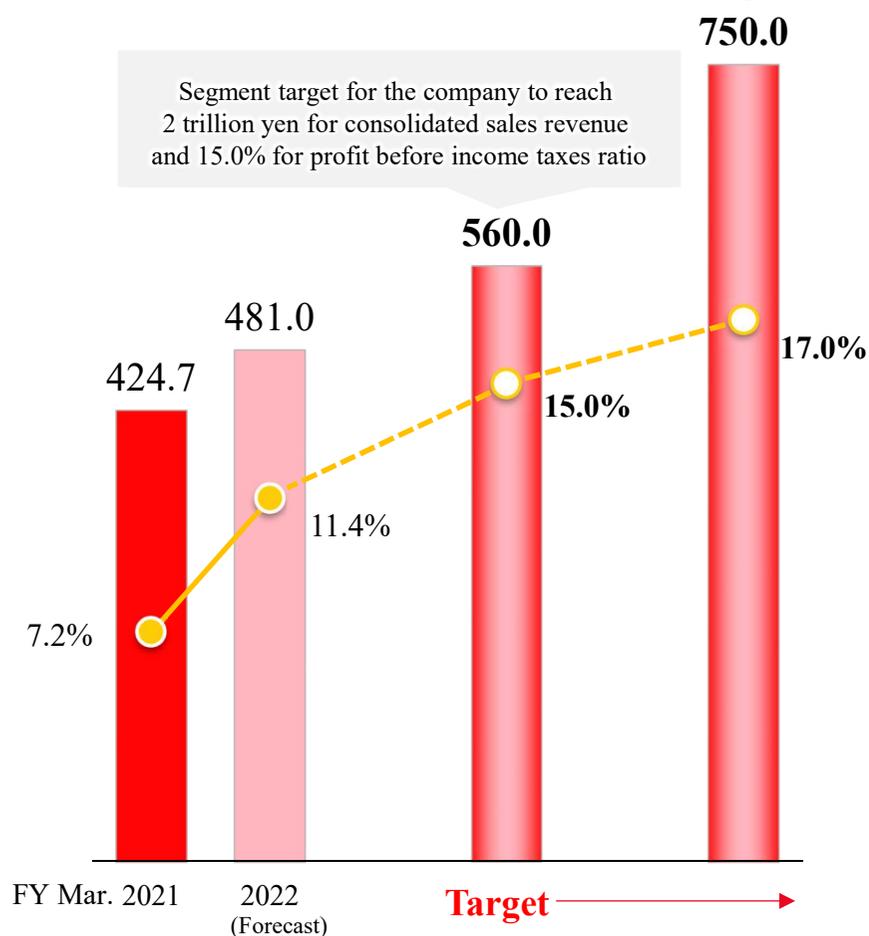
## Financial Target

(Unit: Yen in billions)

- Sales revenue
- Business profit ratio (%)

Segment target for the company to reach 3 trillion yen for consolidated sales revenue and 20.0% for profit before income taxes ratio

Segment target for the company to reach 2 trillion yen for consolidated sales revenue and 15.0% for profit before income taxes ratio



### ■ Vision

We realize the management rationale by providing core products of sustainable society and creation of healthy and fulfilling life.

### ■ 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.

# Initiatives for Sustainable Growth

## (2) Electronic Components Business

John Sarvis  
Managing Executive Officer  
Executive General Manager of  
Electronic Components Business

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

## Organization and Major Products

### Electronic Components Business

Electronic Components Group, Kyocera Corporation

KYOCERA AVX Components Corporation

#### Basic policy

- Make the most of **mutually complementary strength**
- **Maximize the synergy** of management resources
- **Expand business in growing markets**

#### Growing markets

	<b>5G/6G</b>
	<b>Automotive</b>
	<b>IoT</b>
	<b>Medical</b>
	<b>Industrial</b>

Growth of CY21-25

	<b>Multilayer Ceramic Capacitors (MLCC)</b>	 <b>CAGR : 7.1%</b> <b>Market size +32%</b>
	<b>Tantalum Capacitors (Polymer)</b>	 <b>CAGR : 7.0%</b> <b>Market size +31%</b>
	<b>Crystal Devices</b>	 <b>CAGR : 5.4%</b> <b>Market size +24%</b>
	<b>Connectors</b>	 <b>CAGR : 4.4%</b> <b>Market size +19%</b>

## Financial Target

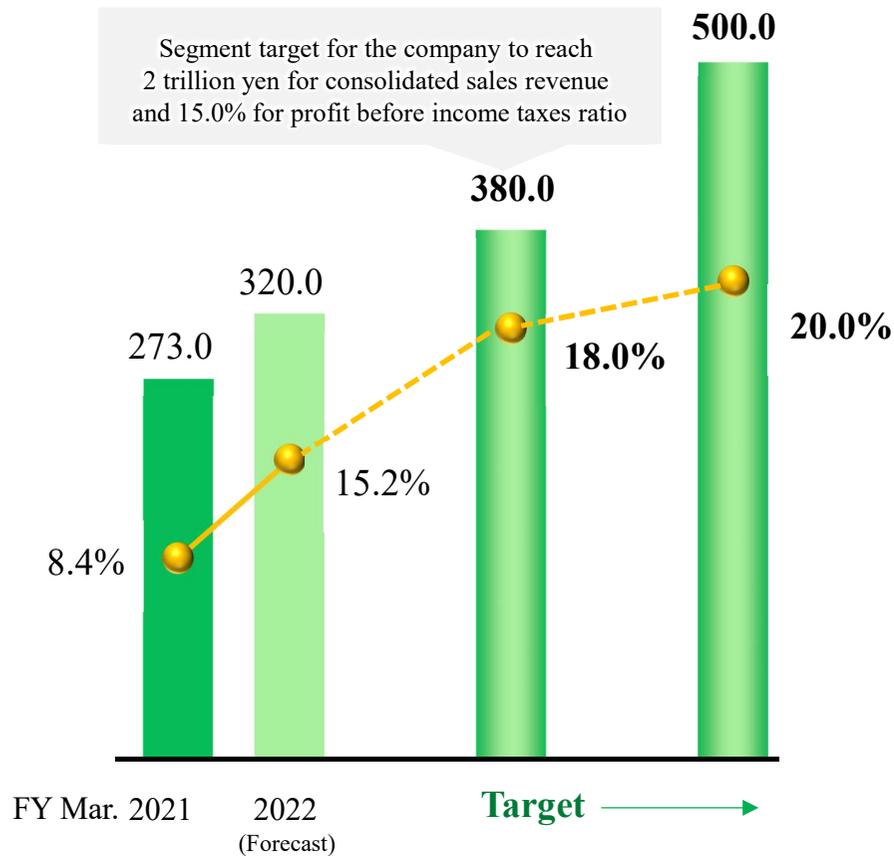
(Unit: Yen in billions)

■ Sales Revenue

● Business Profit Ratio (%)

Segment target for the company to reach 3 trillion yen for consolidated sales revenue and 20.0% for profit before income taxes ratio

Segment target for the company to reach 2 trillion yen for consolidated sales revenue and 15.0% for profit before income taxes ratio



## Key Actions



**Proactive investment** to growing highly profitable business



**Pursuing the synergy** with KYOCERA AVX



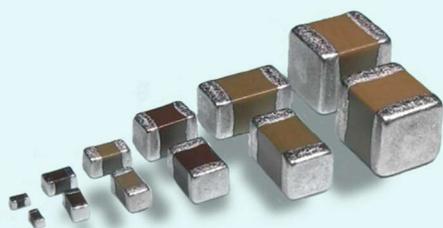
**Closer cooperation** with other Segments



**Expansion of business domains**

## Proactive Investments to Growing Highly Profitable Business (1)

### Multilayer Ceramic Capacitors (MLCC)



- Small sized and high capacitance capacitors for mobile terminals  
Atomization & High precision layering technology
- Applying to information, ICs and automotive markets  
Complying Slimming & High Temperature
- Strengthening advanced technology development at Shiga Yasu Plant

### Tantalum Capacitors



- New plant in Thailand under construction
- Production increase of polymer tantalum capacitors  
SSD for information equipment
- Focusing on high profitable markets  
Medical, industrial and aerospace

### Crystal Devices



- Increase of market shares of small sized SMDs for telecommunication equipment  
Core technology:  
Photolithography & CVM & Packaging
- Developing next-generation oscillators  
Si-MEMS + WLP resonators
- Strengthening R&D hub in Finland  
KYOCERA Tikitin Oy

## Proactive Investments to Growing Highly Profitable Business (2)

### New plant of KYOCERA AVX under construction in Thailand

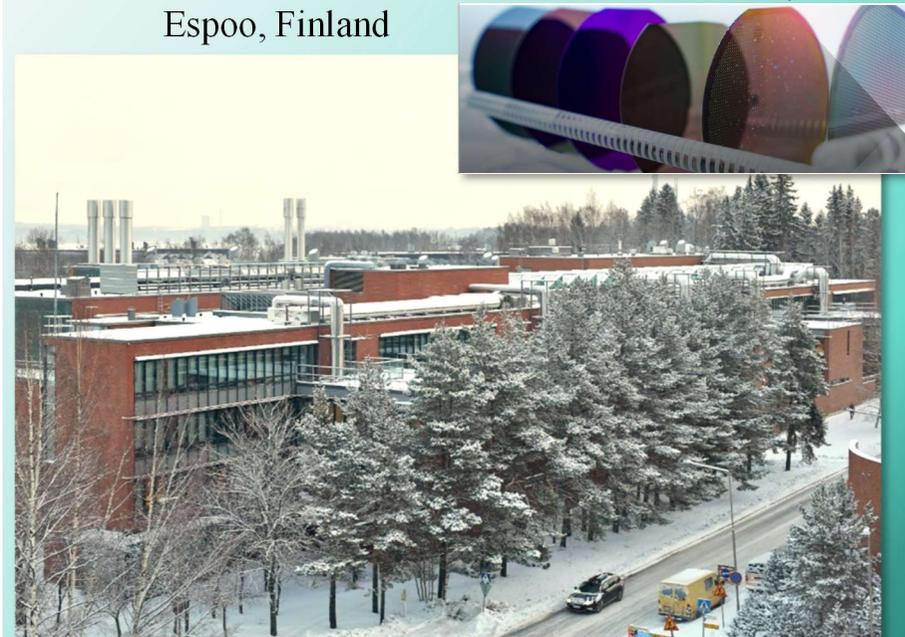
Estimated to be completed construction in December, 2021  
Place: Nakhon Ratchasima Industrial Zone, Thailand  
Total floor area: 111,600m<sup>2</sup>



Production items:  
Polymer tantalum capacitors  
Automotive MLCCs

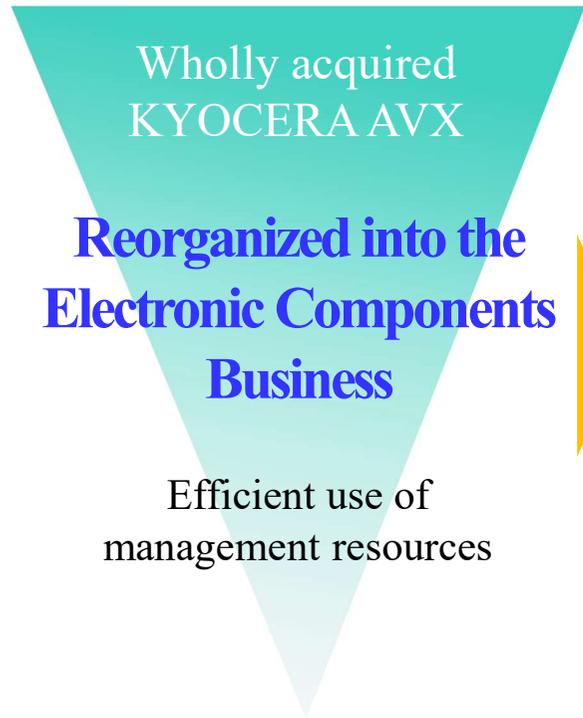
### Developing silicon MEMS+WLP resonators

Founded KYOCERA Tikitin Oy in July 2019  
Place: VTT Technical Research Centre of Finland,  
Espoo, Finland



Created new value for resonators by  
down-size and high temperature resistance

## Pursuing the Synergy Effect with KYOCERA AVX



Synergy

**Sales** • Integration of sales organization  
 United States and Europe: Oct 1, 2021  
 Asia: Apr. 1, 2022 (plan)



AVX changed company name to **New Brand**  
 KYOCERA AVX Components Corporation on Oct. 1, 2021

• Expand sales with cross sell by mutually complementally strengths

	Kyocera Electronic Components	KYOCERA AVX
Major market	Telecommunications	Automotive
Region	Asia	North America and Europe
Sales channel	Direct sales	Distributors

### Manufacturing

• Introducing Kyocera's automated production lines to KYOCERA AVX plants

### R&D

• Realignment of development for capacitors and connectors  
 • Development of new products using both company's technology

- Aiming to**
- Differentiate from competitors
  - Become leading company in a particular field
  - Become industrial leader

## Closer Cooperation with Other Businesses

### High efficiency SMD laser & Automotive Modules

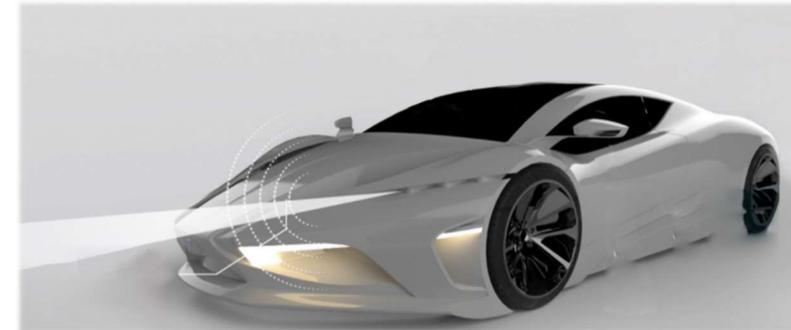


**KYOCERA SLD LASER**  
Place: Goleta and Fremont, United States  
Acquired former SLD Laser on Jan. 2021  
Developing high efficiency SMD laser



**KYOCERA AVX Sensing & Control**  
Major offices: Germany, Austria and Romania  
Acquired former AB Elektronik on Oct. 2017  
Automotive modules

Developing next-generation laser modules for EVs  
e.g. headlamps



### Semiconductor organic boards & Connectors



Developing next-generation modules for  
optical communication

**Established conditions to develop new worthwhile products**

## Expansion of Business (Capacitors)

**List of major capacitor products**

Existing product (light blue), New product (light red), Under development (light yellow)

Product	Application	Telecommunications	Automotive	IoT	Industrial	Aerospace	Medical
MLCC		Existing product (⊙)	Existing product (⊙)	Existing product (⊙)	Existing product (○)	Existing product (○)	Existing product (△)
Tantalum capacitors		Existing product (○)	Existing product (⊙)	Existing product (○)	Existing product (⊙)	Existing product (⊙)	Existing product (⊙)
Film capacitors		Existing product (△)	Existing product (⊙)	Existing product (△)	Existing product (○)	Existing product (○)	Existing product (△)
Thin film capacitors		Existing product (⊙)	Existing product (△)	Existing product (○)	Existing product (△)	Existing product (△)	Existing product (○)
Super Capacitors		New product (△)	New product (⊙)	New product (⊙)	New product (⊙)	New product (○)	New product (△)
Aluminum electrolytic capacitors		New product (△)	New product (⊙)	New product (○)	New product (⊙)	New product (△)	New product (△)
Silicon capacitors		Under development (⊙)	Under development (○)	Under development (○)	Under development (△)	Under development (△)	Under development (○)

**Expanding business as a general capacitor manufacturer**



# unity

Making things better together

# Initiatives for Sustainable Growth

## (3) Solutions Business

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

# Organization and Major Products and Services of Solutions Business

## Solutions Business

- Industrial Tools
- Information Equipment
- Telecommunications Equipment
- Information Systems & Telecommunication Services
- Liquid Crystal Displays
- Printing Devices
- Smart Energy

### Major Products and Services

**Industrial Tools**

**Information Equipment**

**Telecommunications Equipment**

**Information Systems & Telecommunication Services**

**Liquid Crystal Displays**

**Smart Energy**

**Printing Devices**

## Vision of the Solutions Business

### Vision

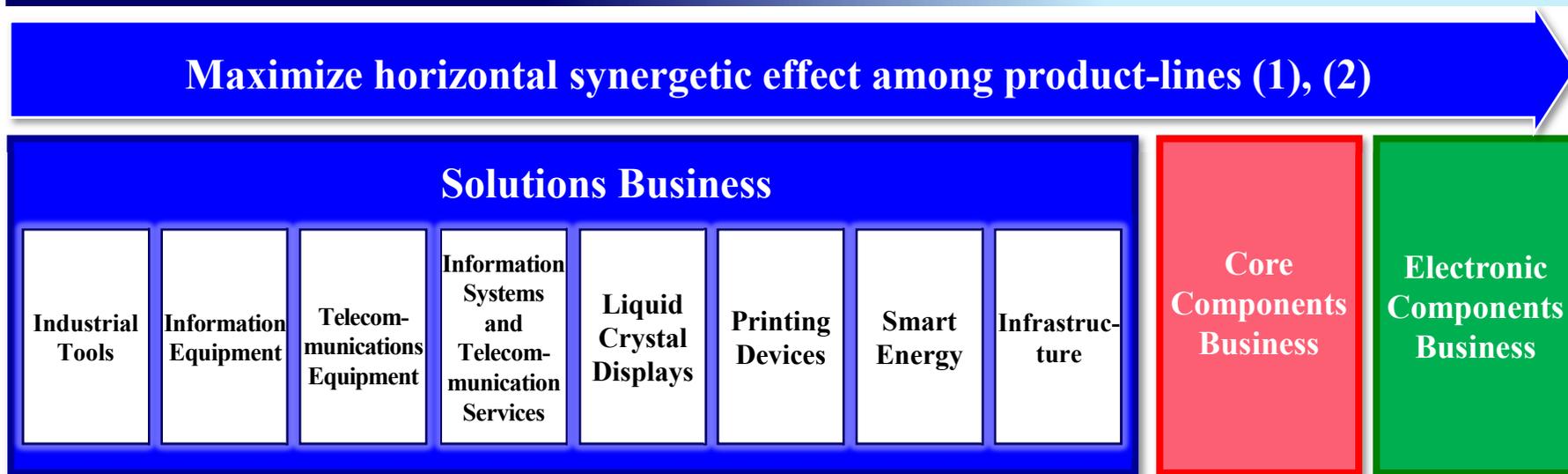
**Create as much happiness as possible, and  
build a better society**

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**To provide **solutions** for social agendas and  
challenges facing customers as well as  
high-quality and high-value added products  
and services, and create **innovation** to contribute  
achievement of society and humankind  
**with out-of-the-box thinking****

# Challenges of the Solutions Business

## Approach to maximize synergetic effects



**1** Enhancing existing product-lines with horizontal synergetic effects

<<Expanding business model to other divisions>>  
Utilize business model of other product-lines

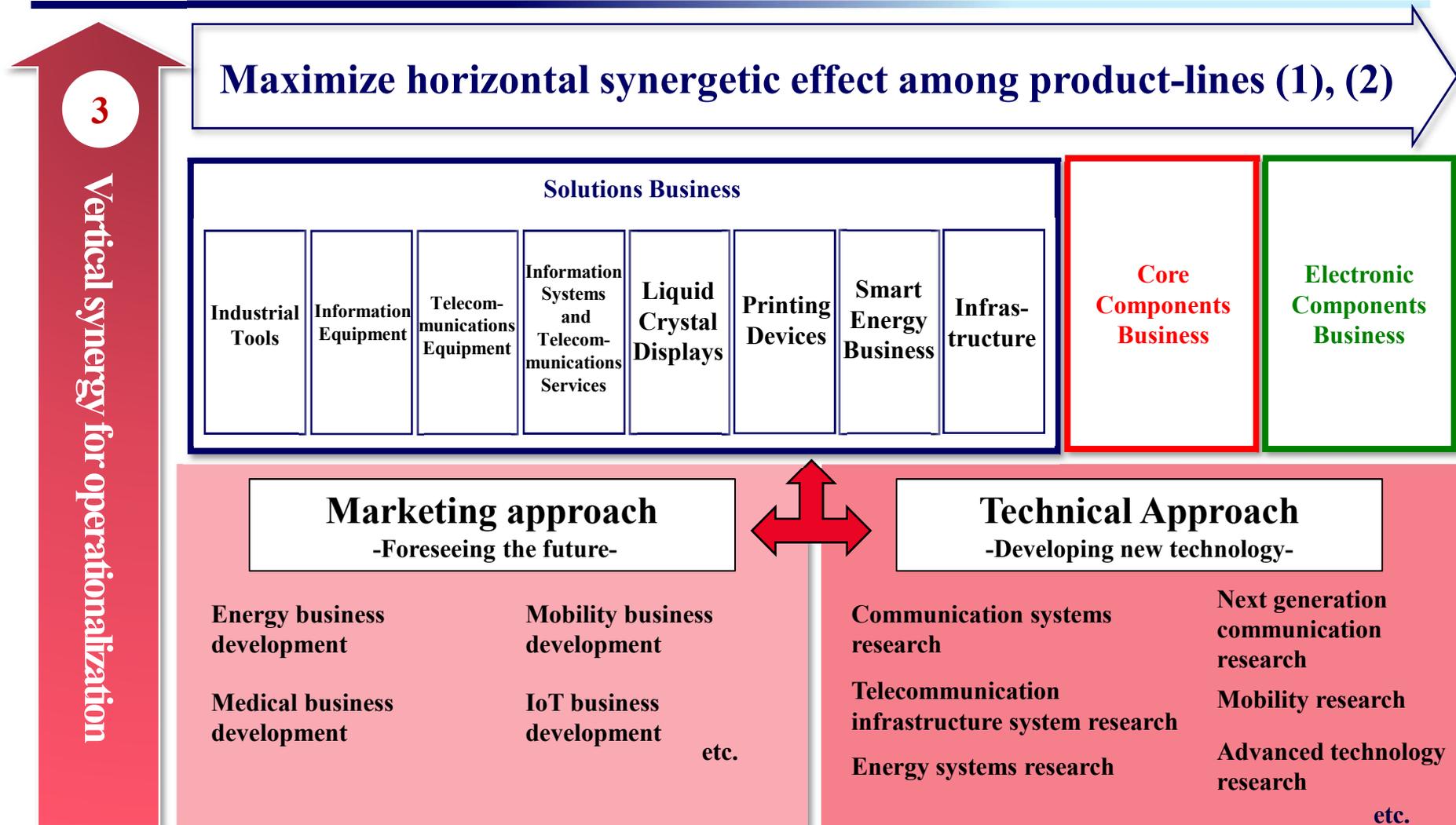
<<Sharing methods>>  
e.g. Developing methods, manufacturing methods, marketing, sales methods

**2** Offering new solutions by combining businesses of existing product-lines

<<Developing new products>>  
Digital textile printing machine

## Issues of the Segment

### Approach to maximize synergetic effects



## Key Actions for Sustainable Growth

**1**

**Enhancing businesses of existing product lines**

**2**

**Providing new solutions which goes beyond the boundaries of existing product lines**

**3**

**Creating innovation by combining marketing, technical approach and existing businesses**

# Key Actions for Sustainable Growth

## (1) Enhancing businesses of existing product lines

### Domestic Market Strategy of Telecommunications Business

**JM JAPAN MADE** Combining customers desired actions

Offering valuable solutions, which is possible by the business model which concludes in Japan

**Products with features**

**Elderly-friendly phones, rugged phones**

**For business**

**Lifetime support; from installment to operation**

- Education
- Restaurants and retail business
- Logistic business

**For consumers**

**Cooperating with BALMUDA Inc. to create value-added products**

### Exploiting new markets for Information Equipment

**Put knowledge to work.**

We enable our customers to turn information into knowledge and gain competitiveness.

**Providing customers document solutions that meet various needs which suits the trend of digitalization**

Involvement to our customers	ECM	Organizing ECM, provide professional services	Optimizing document workflows		
	ICT	Constructing networks, Providing security etc.	Enhancing ICT in office		
	Product	MFP and printers			
		Small	Medium	Large	Size of the customers' business

## Key Actions for Sustainable Growth

### (2) Providing new solution which goes beyond the boundaries of existing product lines

### Digital textile printing machine

**Purpose and objective**

- To develop environmentally friendly and compact pigment inkjet machines
- To realize quicker delivery by installing machines to sewing factories closer to customers

⇒ Make innovative changes happen in supply chain of apparel industry to reduce environmental load

Reference: Social issues in apparel industry

- Prevailing textile-print system using dye ink leads to massive cleaning water and polluted drainage
- Requires huge facility result in suburban location of dye house and long lead times, and large stocks which cause overstocking and mass disposal

### Experience of developing commercial inkjet printers



**Printing Device Product-line**

Expertness of printhead devices    ▶    Special inkjet head

**Information Equipment Product-line**

Ink technology of Kyocera Document Solutions Inc.    ▶    • Unique pigment ink  
• Process liquid for better quality

### Accelerating development of print head, ink and products in all Kyocera with outside-the-box thinking

## Key Actions for Sustainable Growth

### (3) Creating innovation by combining marketing, technical approach, and existing businesses

#### 5G millimeter-wave backhaul system

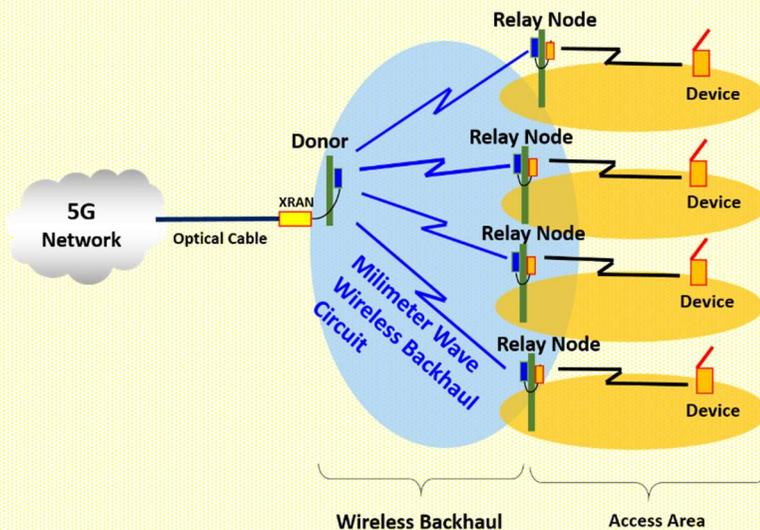
**Purpose and objective**

By leveraging Kyocera's unique wireless technology  
 ⇒ Contribute to development of infrastructure which solves a social issue

- For areas where 5G services are not easily diffused such as rural areas or areas with land shape problem
- Provide products to quickly and inexpensively establish 5G coverage

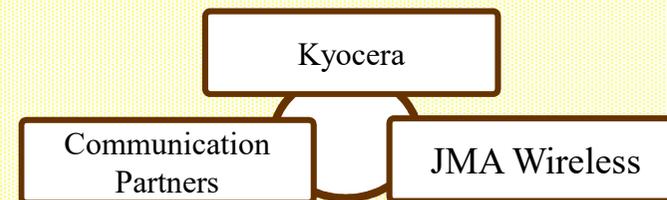
Reference: News Release (Nov. 2, 2021)  
 "Kyocera and JMA Wireless Sign Contract for 5G Millimeter-Wave Backhaul System Development."

#### Concept diagram of 5G millimeter-wave backhaul system



#### Features of the system

- Utilization of virtualized baseband technology (X-RAN)
- Able to reduce installation time and cost
- Realize compact size, lightweight, and low power consumption

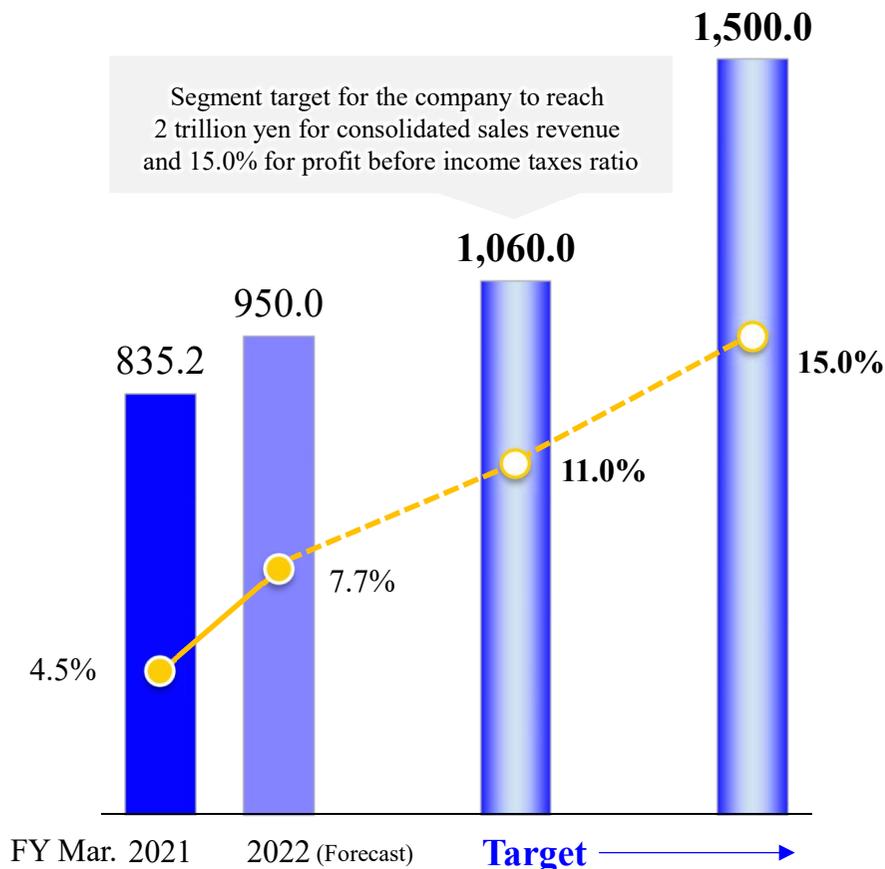


**Aim for an early market launch by leveraging Kyocera's unique technology and taking advantage of alliance with partners**

# Financial Target

(Unit: Yen in billions)

- Sales Revenue
- Business profit ratio (%)



## ■ Vision

**Create as much happiness as possible, and build a better society**

To provide **solutions** for social agendas and challenges facing customers as well as high-quality and high-value added products and services, and create **innovation** to contribute achievement of society and humankind **with out-of-the-box thinking**

## ■ 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.

## 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.

THE NEW VALUE FRONTIER



KYOCERA Corporation