



November 25, 2022

Kyocera IR Day

Hideo Tanimoto
President and Representative Director

Note: 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.

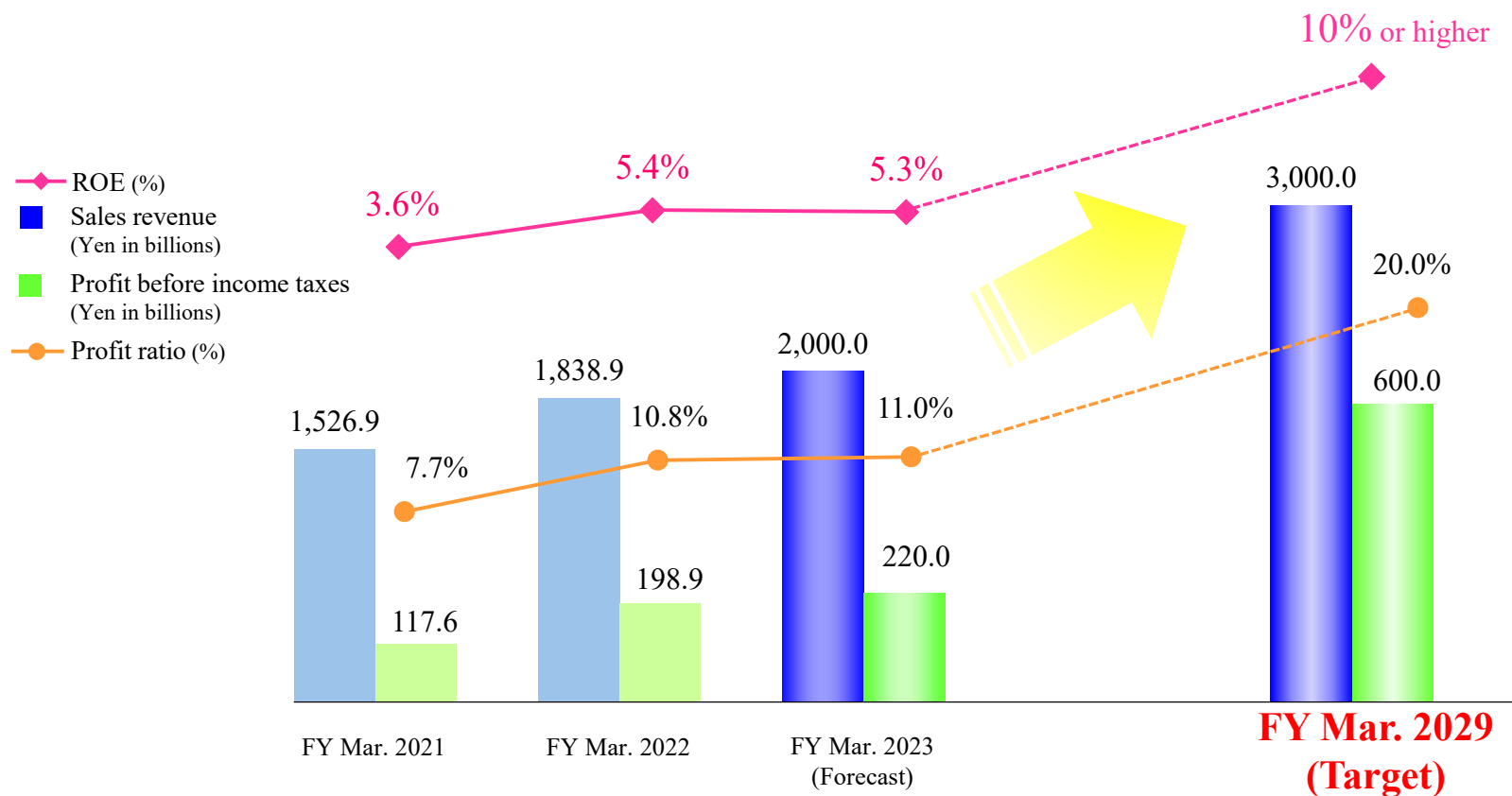
Today's Explanation

- **Kyocera Group Financial Targets**
- **Management Strategy to Achieve Financial Targets**
 - (1) Proactively Invest in Priority Areas
 - (2) Strengthen Management-led Business Reviews
- **Capital Allocation to Achieve Financial Targets**
- **Financial Targets by Business Segment**
 - (1) Core Components Business
 - (2) Electronic Components Business
 - (3) Solutions Business

Note: Effective from the three months ended March 31, 2022, certain sales of by-products generated by each reporting segment, which was included in “Others,” has been recorded into respective reporting segments due to their materiality in terms of amount. This change has been applied to annual sales revenue by reporting segment for the year ended March 31, 2022.

Kyocera Group Financial Targets

Aim for sales revenue of 3 trillion yen by FY Mar. 2029



Management Strategy to Achieve Financial Targets

**Expand
Sales**

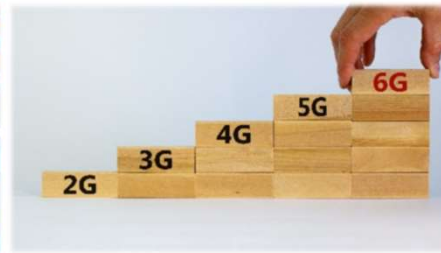
Proactively invest in priority areas

Fields of expertise x High growth potential

Cutting-edge semiconductors



5G/6G



Mobility etc.



**Enhance
Profitability**

Strengthen management-led business reviews



- Further enhance profitability in highly profitable businesses
- Implement fundamental reform of challenging businesses

Expand Sales

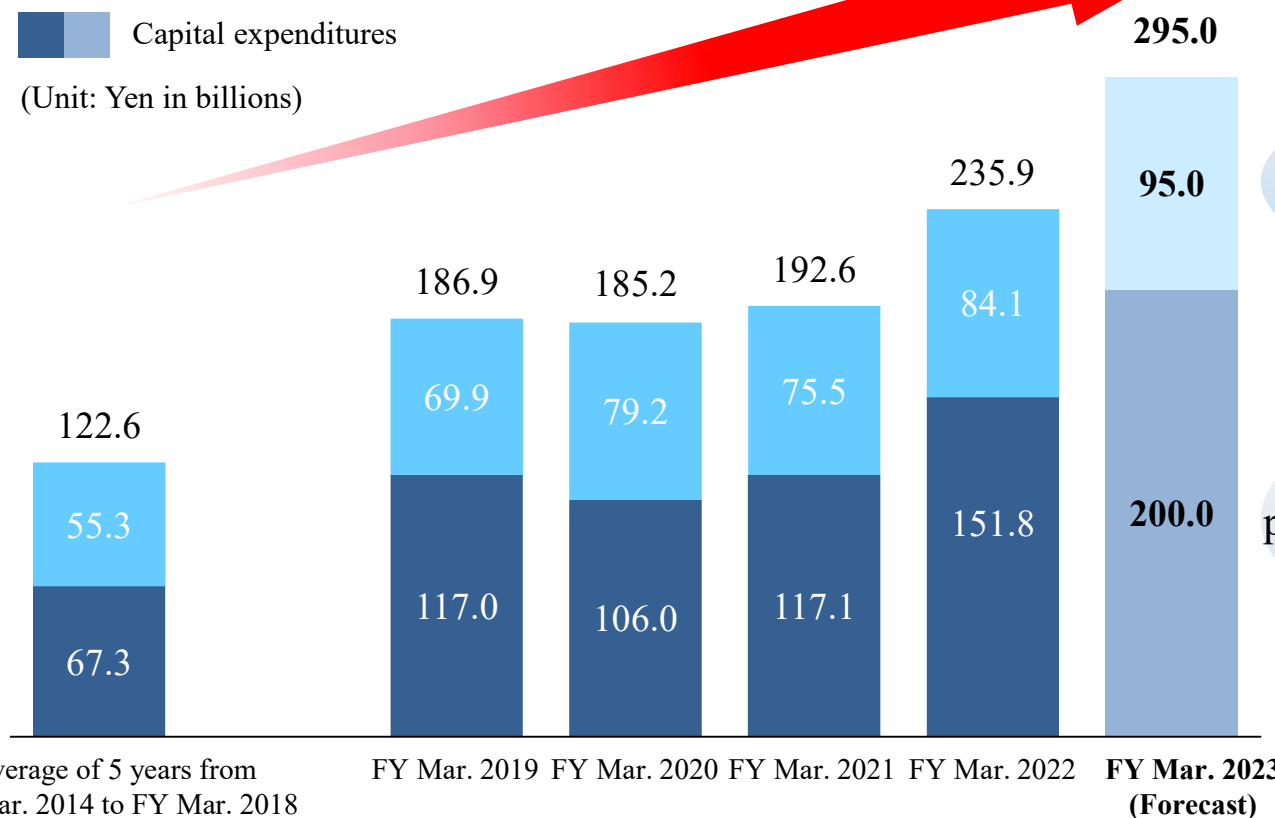
Proactively Invest in Priority Areas (1)

Concentrate investment in markets and products with high growth potential

Trends of capital expenditures and R&D expenses

 R&D expenses
 Capital expenditures

(Unit: Yen in billions)



Continue high-level investment from FY Mar. 2024 onward

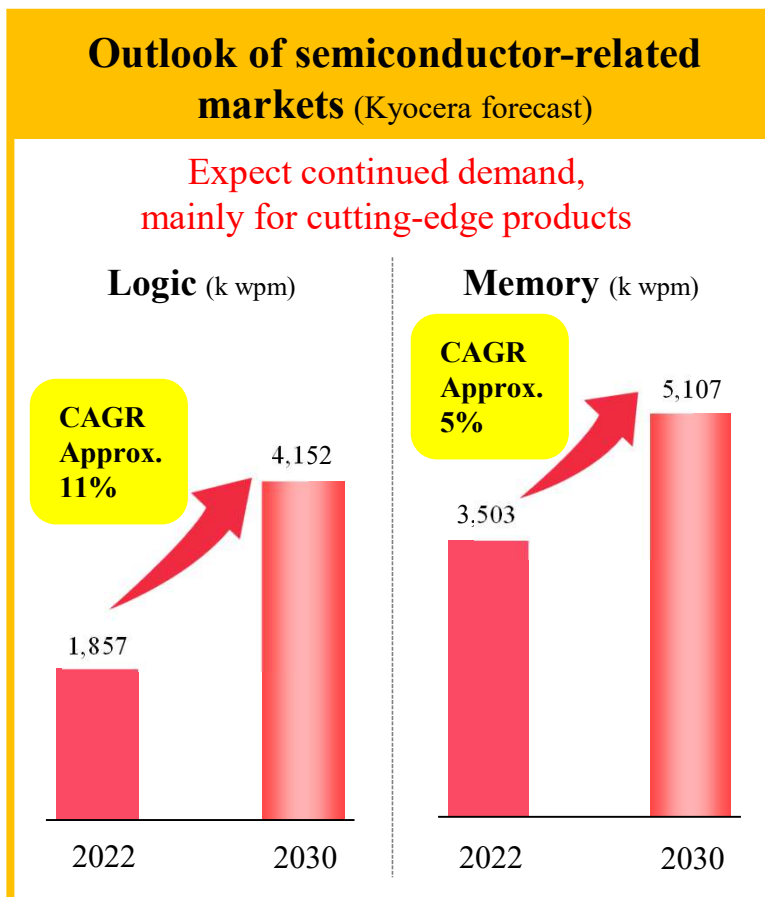
Promote R&D aimed at creating new businesses

Prioritize capital investment in products with high market share and high added value

Expand Sales

Proactively Invest in Priority Areas (2)

Prioritize capital investment in products with high market share and high added value



FY Mar. 2023



New buildings at Kagoshima Kokubu Plant

Scheduled to sequentially commence production from Nov. 2022

Major production items:
Fine ceramic components for semiconductor processing equipment

FY Mar. 2024



New building in Vietnam Plant

Scheduled to sequentially commence production from Apr. 2023

Major production items:
Ceramic packages

FY Mar. 2025



New building in Kagoshima Sendai Plant

Scheduled to sequentially commence production from Apr. 2024

Major production items:
· Organic packages and boards
· Ceramic packages

Expand Sales





Proactively Invest in Priority Areas (3)

Promote R&D to create new businesses

Development theme

Address social issues

Products under development and new businesses

| | | | | |
|-----------------------------------------------------|---|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Realize a low-carbon society | ▶ | <p>M&A</p> <p>High efficiency GaN lasers</p> |  | <p>FY Mar. 2023 Expand application</p> |
| Reduce greenhouse gas emissions | ▶ | <p>External collaboration</p> <p>Renewable energy</p> |  | <p>FY Mar. 2023 Develop products and expand business domains</p> |
| Eliminate labor shortages in manufacturing industry | ▶ | <p>Internal synergy External collaboration</p> <p>Collaborative robots</p> |  | <p>FY Mar. 2024 Planned launch</p> |
| Suppress industrial wastewater in apparel industry | ▶ | <p>Internal synergy</p> <p>Inkjet textile printing system</p> |  | <p>FY Mar. 2024 Planned launch</p> |



Strengthen Management-led Business Reviews

Raise profitability by ranking businesses based on business profit

Highly Profitable Businesses

1. Improve productivity

- ◆ Introduce smart factories
 - Save labor through automated transport between processes
 - Stabilize quality through analysis of big data using AI

2. Respond to soaring costs

- ◆ Pass costs onto product prices

3. Promote digitization

- ◆ Further enhance operational efficiency and streamlining

Challenging Businesses

Make a fundamental review of strategy and strengthen monitoring

[Target Businesses]

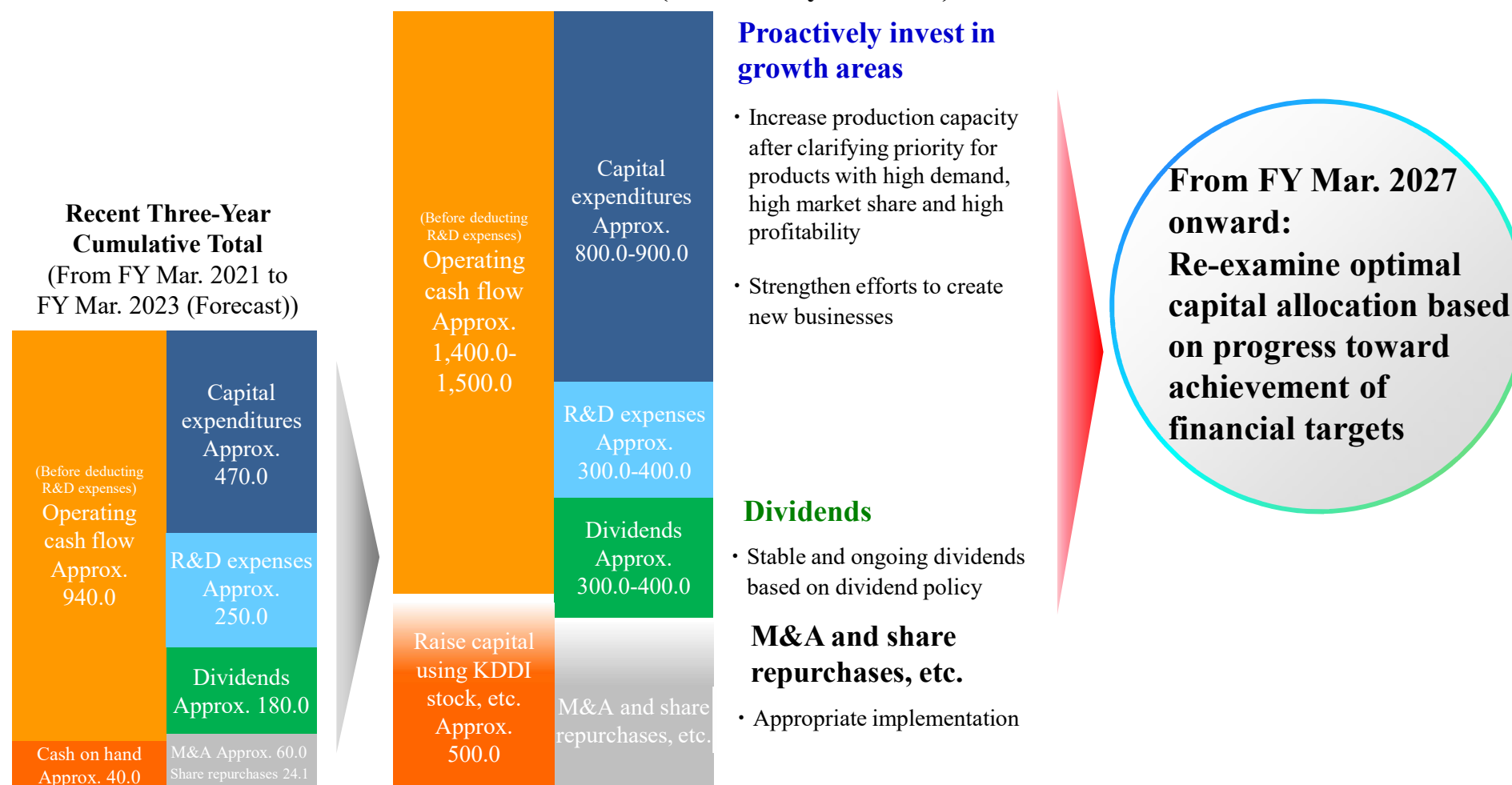
- ◆ Low profit businesses
- ◆ Low growth businesses
- ◆ Businesses with delayed post-merger integration following M&A

Resolve management issues and realize total optimization

Estimate of Capital Allocation to Achieve Financial Targets

(Unit: Yen in billions)

Three-Year Cumulative Total from FY Mar. 2024 to FY Mar. 2026 (Preliminary Estimate)

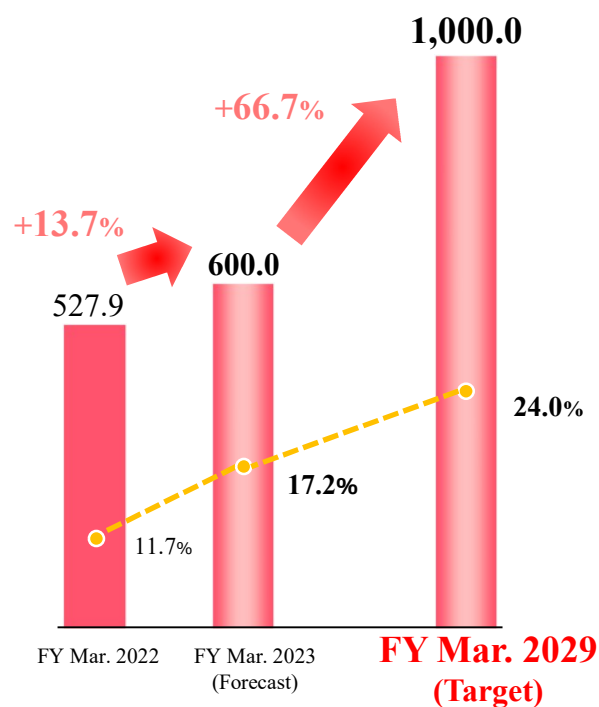


Financial Targets by Business Segment

Core Components Business

Sales revenue **1,000** billion yen /
Profit ratio **24.0%**

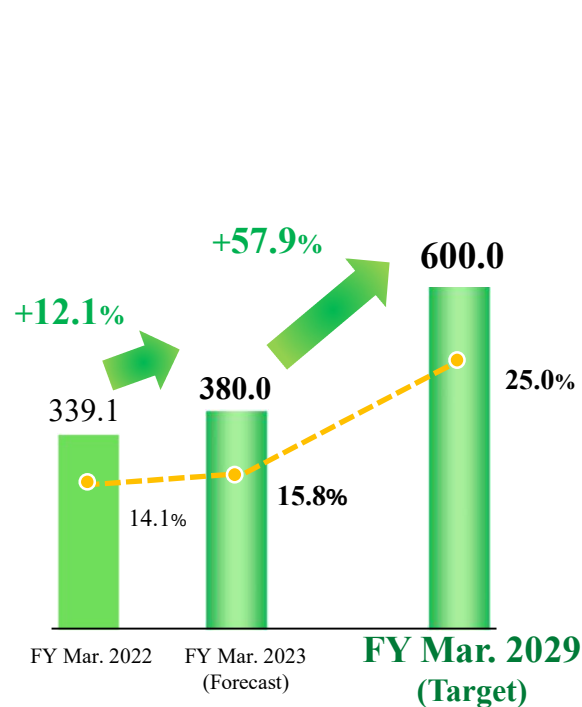
(Former target announced on Nov. 2021:
Sales revenue 750B yen / Profit ratio 17.0%)



Electronic Components Business

Sales revenue **600** billion yen /
Profit ratio **25.0%**

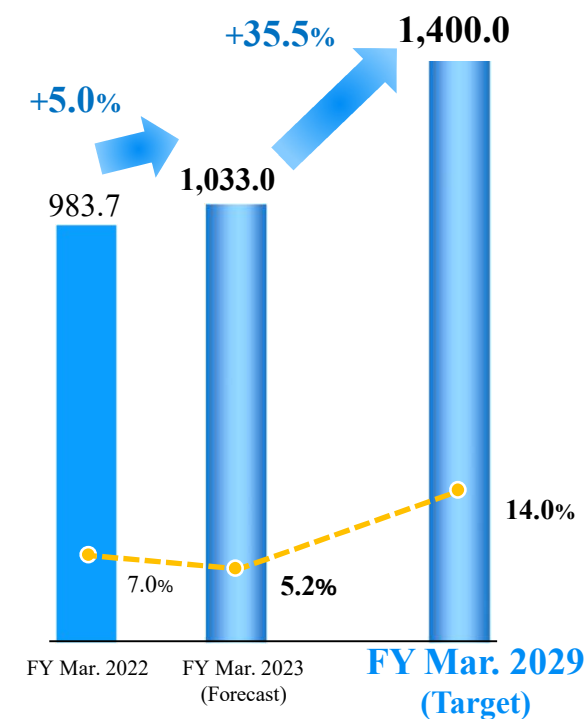
(Former target announced on Nov. 2021:
Sales revenue 500B yen / Profit ratio 20.0%)



Solutions Business

Sales revenue **1,400** billion yen /
Profit ratio **14.0%**

(Former target announced on Nov. 2021:
Sales revenue 1,500B yen / Profit ratio 15.0%)



□ Sales revenue (Yen in billions) ●-●- Business profit ratio (%)

Initiatives to Achieve Financial Targets

(1) Core Components Business

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

Vision and Key Actions to Achieve Financial Targets

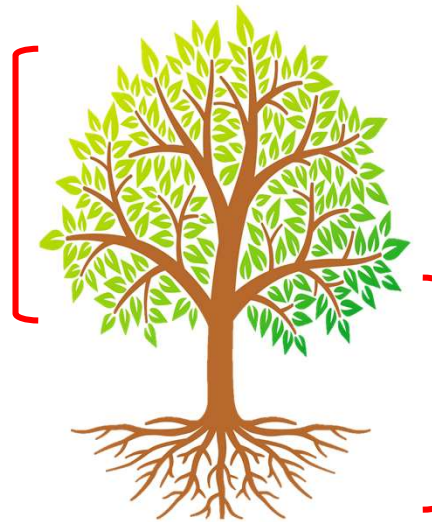
Vision

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

Medium-term initiatives

1. Thorough selection and concentration

- Increase production of growth items
- Scrap and build
- Consider further effective use of overseas bases



2. Strengthen management foundation

- Enhance human resources development
- Promote collaboration between departments
- Promote effectiveness of operating processes

1. Thorough Selection and Concentration

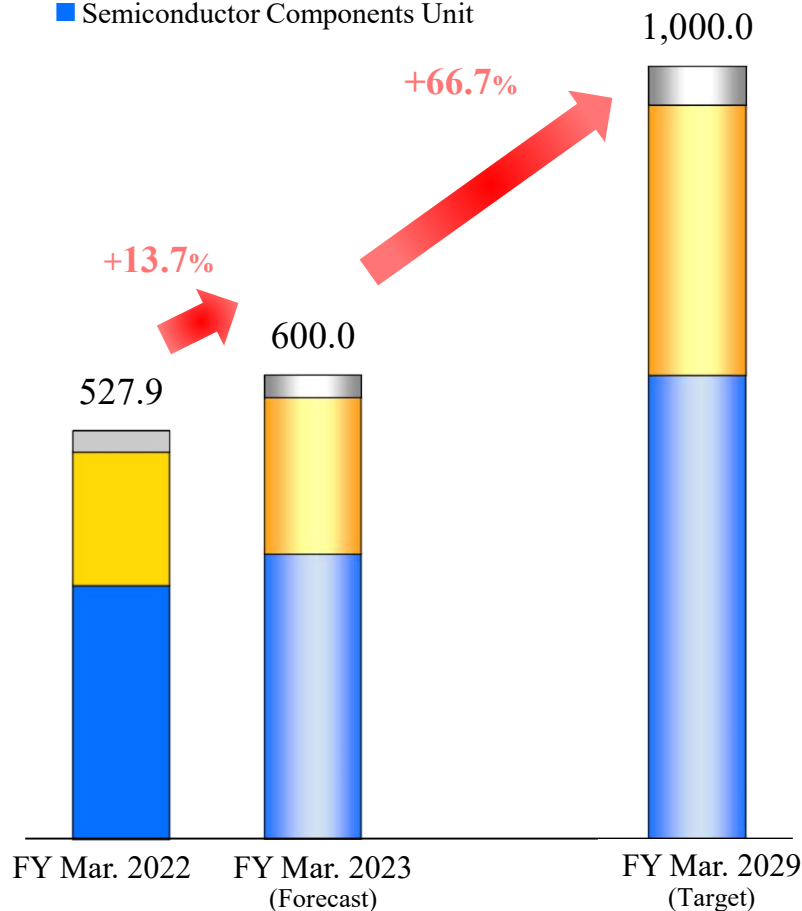
Sales revenue by business unit

(Unit: Yen in billions)

■ Others

■ Industrial & Automotive Components Unit

■ Semiconductor Components Unit



Expand sales mainly in growing markets such as information communications, semiconductors and automotives

Industrial & Automotive Components Unit

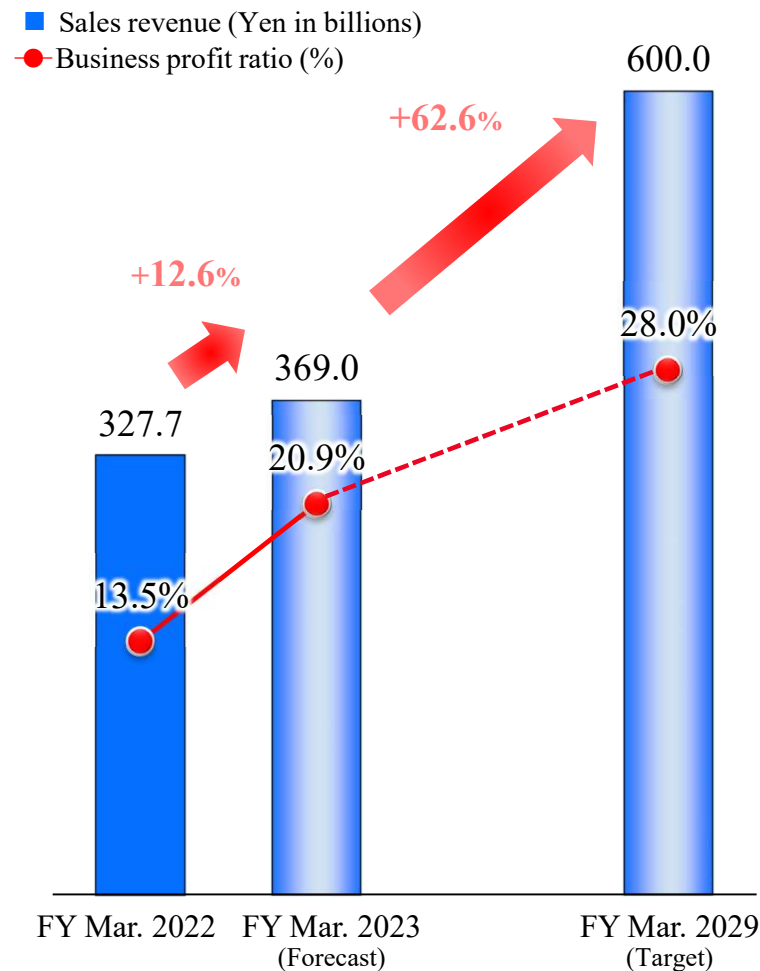
- Increase production of fine ceramic components for cutting-edge semiconductor processing equipment (“SPE”)
- Increasing demand for ADAS-related components
- Capture EV-related demand

Semiconductor Components Unit

- Increase production of organic packages and boards for information communications and ceramic packages
- Focus on high-value-added products
- Enhance production technology for highly complex products

Expand Business for Growth Items: Semiconductor Components Unit

Sales revenue and profit ratio by business unit



Increase production of high-value-added products

Strengths Micro-wiring and high-frequency capability of organic packages and boards

● Increase production of high-end organic packages

Launch new buildings to expand production capacity

[Kyoto Ayabe No.3 Plant]



High-performance SOC packages
Scheduled to sequentially commence operation from 2023

[New building in Kagoshima Sendai Plant]



Large multilayer FCBGAs
Scheduled to sequentially commence operation from 2024

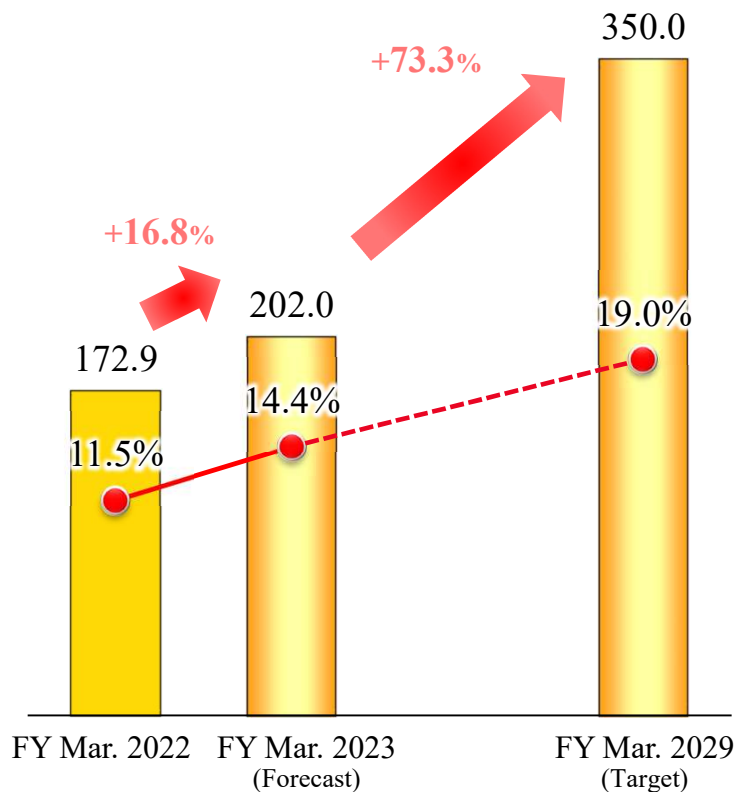
Establish mass-production technology for large multilayer products

- Introduce facilities for micro-wiring
- Promote automation and labor-saving

Expand Business for Growth Items: Industrial & Automotive Components Unit

Sales revenue and profit ratio by business unit

■ Sales revenue (Yen in billions)
● Business profit ratio (%)



Increase production of components for advanced equipment

Strengths

Processing technology for large components used in cutting-edge SPE

● Increase production of fine ceramic components for SPE

Launch new buildings to expand production capacity

[New buildings in Kagoshima Kokubu Plant]



Architect's rendering of the new facilities
Fine ceramic components for SPE

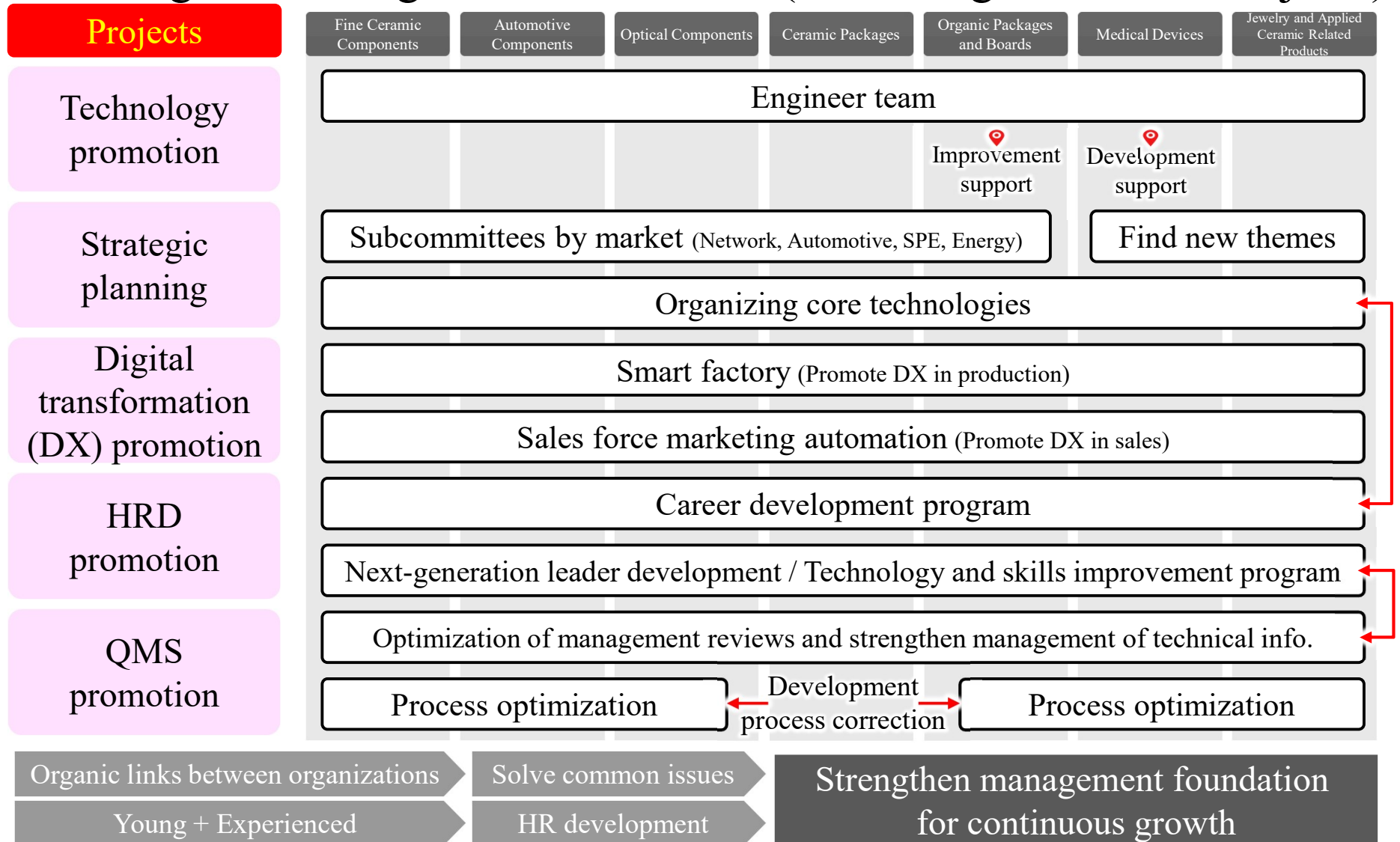
Scheduled to sequentially commence operation from 2023

Capture automotive-related demand

For ADAS

For EV

2. Strengthen Management Foundation (Cross-Organizational Projects)



Initiatives to Achieve Financial Targets

(2) Electronic Components Business

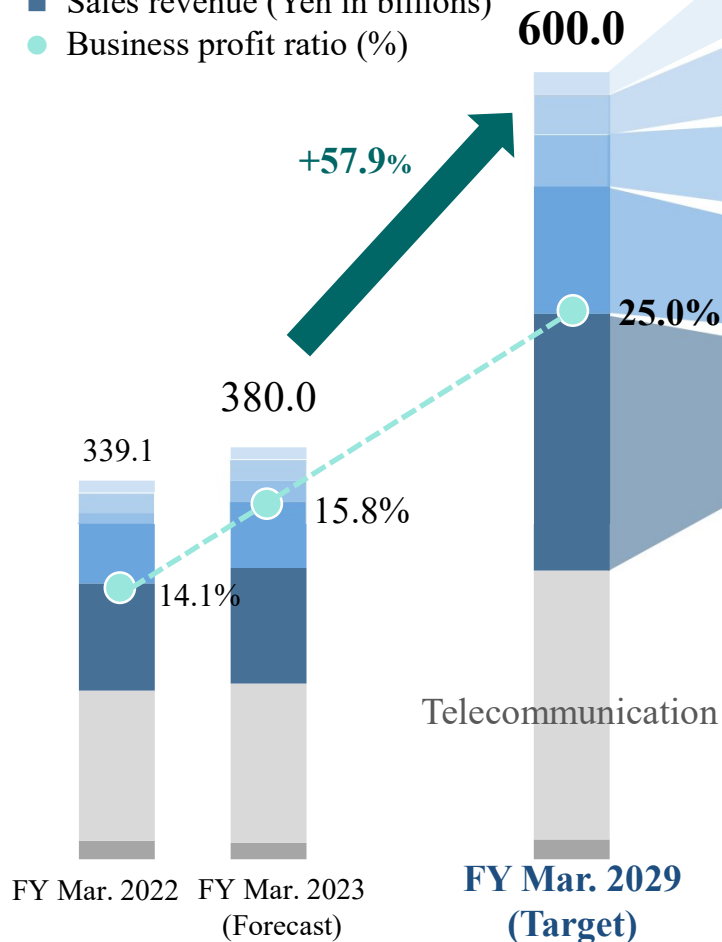
John Sarvis
Managing Executive Officer
Executive General Manager of
Electronic Components Business

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

Focus on Growing Markets

Sales revenue by market

■ Sales revenue (Yen in billions)
● Business profit ratio (%)



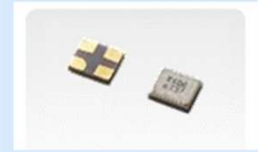

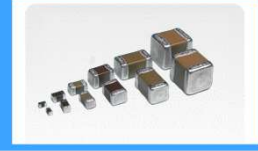
| Market | FY Mar. 2029 (Target) % of sales revenue to total | Growth vs FY Mar. 2023 |
|----------------------------|---------------------------------------------------------|---------------------------|
| Medical | 3% | x 1.9 |
| Aerospace | 5% | x 2.0 |
| Data storage IC-related | 7% | x 2.4 |
| Industrial | 16% | x1.9 |
| Automotive | 34% | x 2.2 |

Total **65%** **x 2.1**

Measures

1. Proactively invest in areas of competitive advantage
2. Expand global production bases
3. Secure labor force and further enhance productivity
4. Develop unique technology

1. Proactively invest in areas of competitive advantage

| | | | | |
|-----------------|-----------------------------------------------------------------------------------|----------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Products |  | Timing devices | Crystal devices Core in-house basic technology (Photolithography & CVM & Packaging) | MEMS devices Next-generation oscillator products (Small, thin, high-temperature properties) |
| |  | Tantalum capacitors | 50% share of base tantalum | Expand polymer products |
| |  | MLCCs | To be built-in in next-generation ICs | Expand aerospace, medical and industrial applications |

| | | | | |
|--------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sales | Strong relationships with U.S.-based global distributors | <ul style="list-style-type: none"> • Accounts for 50% of KAVX* sales • Sales system for distributors • Rapid U.S.-led response • Long-term trusting relationships • Expansion of Kyocera components | Strong business ties with European automotive manufacturers | <ul style="list-style-type: none"> • Accounts for over 50% of European sales • Sensing & control products (Accelerator pedals, temperature sensors, etc.) • Direct dealings with automakers • Participation from early stages of design • Sales expansion of other product groups |
|--------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Concentrate investment in areas of competitive advantage and leverage strengths

*KAVX: Kyocera AVX Components Corporation

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

2. Expand global production bases

- Build increased production and supply systems for priority products
- Optimize production sites globally



New Thai Plant
MLCCs/Tantalum capacitors

Vietnam Plant
Crystal devices



New building in Kokubu Plant
MLCCs

El Salvador Plant
MLCCs/Tantalum capacitors

3. Secure labor force and further enhance productivity

- Taking advantage of having global production bases

KAVX strengths:
33 bases in 18 countries
Knowhow to operate only with local employees

- ▶ Secure labor force and build supply chain in consideration of geopolitics

- Save labor by automating production processes

- Enhance stability in quality through automated control via AI and robots



4. Develop unique technology

- KAVX's low-ESL product design capabilities
×
Kyocera's small, thin MLCC production technology



MLCC for IC embedding (Kyocera patent)

- Establish Group R&D base in U.S.*1
 - Cutting-edge tech research from U.S.
 - Incl. top of the dev. team of KAVX
 - Product dev. with Kyocera Japan as hub
 - Started Corporate Venture Capital (CVC)
 - Priority fields: Semiconductors, 5G/6G, mobility, medical, aerospace
- M&A, capital alliances
Established specialized team in U.S.*2
 - Appointed a member with experience in investment team of U.S. semiconductor manufacturer

*1: April 2023 (Planned)

*2: April 2022

Summary

- Hold face-to-face meetings each quarter with executives from both Japan (Kyocera) and U.S. (KAVX)
- Completed integration of sales and marketing organizations in all regions
- Established a sub-segment to oversee the businesses of both companies from 2022 (MLCC and connector businesses)
- Effects of integration will be clearly reflected in performance from FY Mar. 2024
- Started a trainee system in FY Mar. 2023 to revitalize personnel exchange and develop future leaders

Pursue synergies between the two companies and realize a truly global segment

**Achieve sales revenue of 600 billion yen and
profit ratio of 25% in FY Mar. 2029**



unity

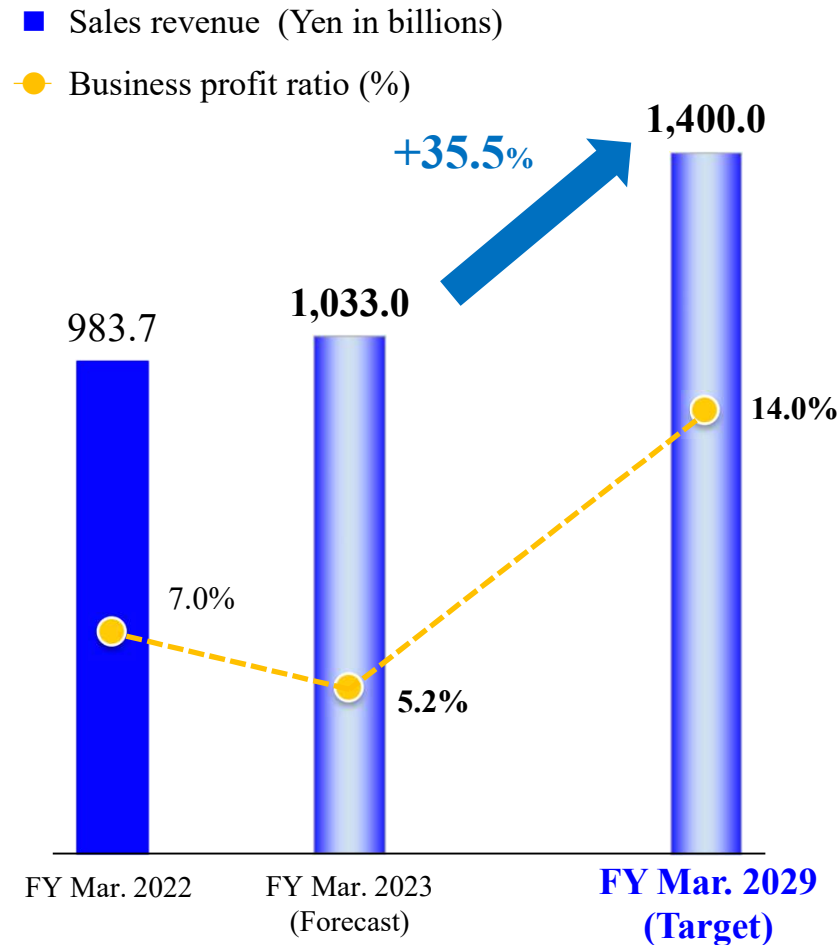
Shifting towards a better tomorrow

Initiatives to Achieve Financial Targets

(3) Solutions Business

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

Financial Targets



■ 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

Key Actions to Achieve Financial Targets

1

Strengthen existing businesses

Document Solutions Unit and Industrial Tools Unit

2

Reform low-profit, low-growth businesses

Telecommunications equipment and Smart energy

3

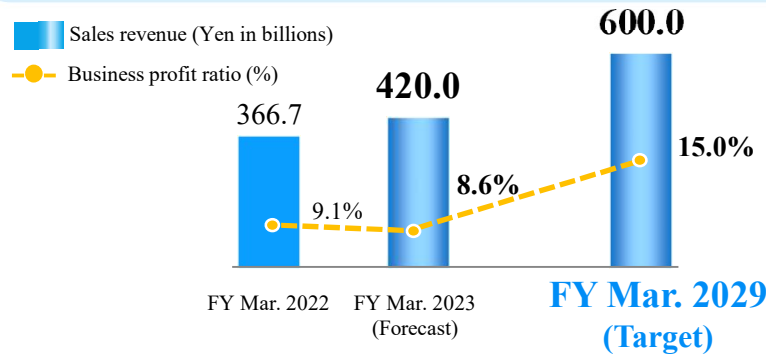
Addresses customer and social issues

Business integration activities to create new businesses

① Strengthen Existing Businesses

Document Solutions Unit

Sales revenue 600 billion yen /
Profit ratio 15.0%



Key actions

Office equipment (MFPs/Printers)

- Strengthen and expand environmentally friendly products

Commercial inkjet printers

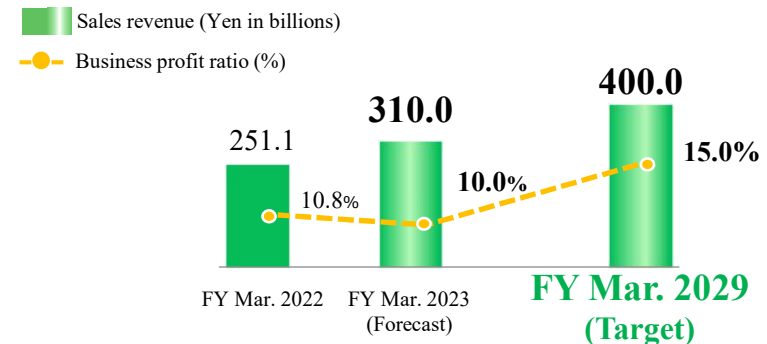
- Expand product lineup
- Achieve in-house ink production

ECM, Document BPO

- Expand lineup of in-house ECM software and deploy globally
- Create platform business

Industrial Tools Unit

Sales revenue 400 billion yen /
Profit ratio 15.0%



Key actions

Cutting tools

- Develop new processing technology and products for growing industries (EVs, semiconductor-related, medical, aircraft)
- Strengthen competitiveness through local production and sales in growing markets (Asia)

Pneumatic and power tools

- Standardize charging platform
- Expand globally by increasing product sharing

② Reform Low-profit, Low-growth Businesses: Telecommunications Equipment

Transform the business to highly profitable by focusing on markets that can leverage the benefits of “JAPAN MADE” concept and that high added value can be provided



Shift from “Consumer Model” to “Business Use Model”

~Evolve from equipment business to telecommunications solutions business~

Consumer Model

Business Use Model

1. Provide Equipment and Customized Products required by business customers

- ✓ Develop high-value-added smartphones, tablets and customized products that meet corporate needs



2. Provide Services required by business customers

- ✓ Offer kitting service
- ✓ Expand services such as long-term warranty for equipment, remote monitoring and predictive maintenance



3. Provide Connectivity Support required by business customers

- ✓ Support the incorporation of telecommunications functions into customer products
- ✓ Assist with the construction of telecommunications environment required by business customers, including local 5G capability
- ✓ Provide 5G millimeter-wave repeater



Reorganize by concentrating Kyocera Group’s telecommunications knowhow

Provide total solution from 5G-related equipment, from terminals to base stations, and services

Evolve into telecommunications solutions business

② Reform Low-profit, Low-growth Businesses: Smart Energy

Shift from selling “Products” to “Services”

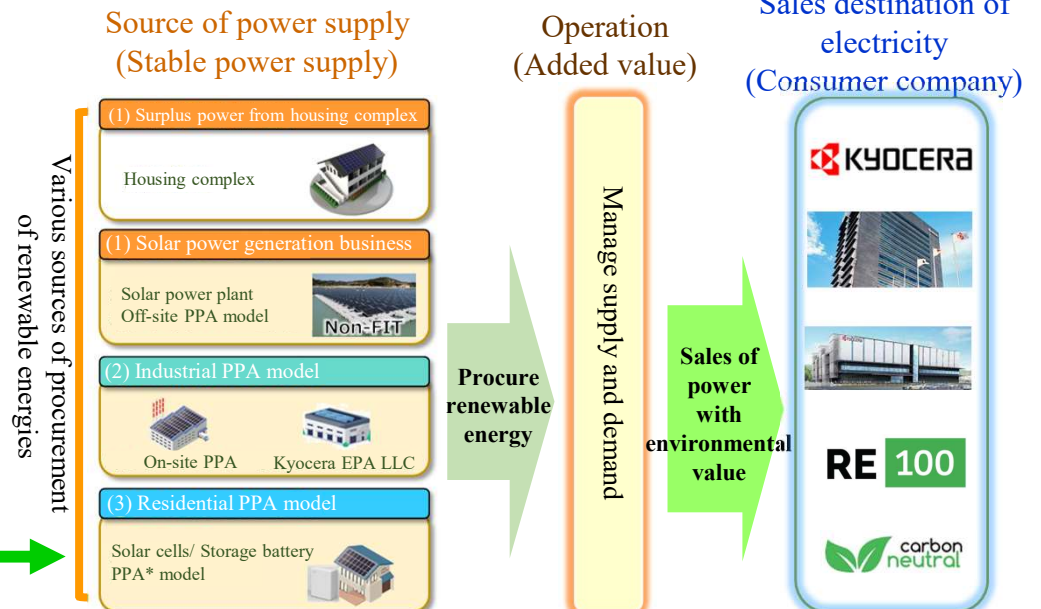
Kyocera’s strength: possessing business of three energy equipment
 Introduce usage fee model
Subscription sales

High renewable energy demand + Soaring electricity prices
 Procure renewable energy + Manage supply/demand
 + Sell power with environmental value
Renewable power services



High renewable energy demand **Soaring electricity prices**

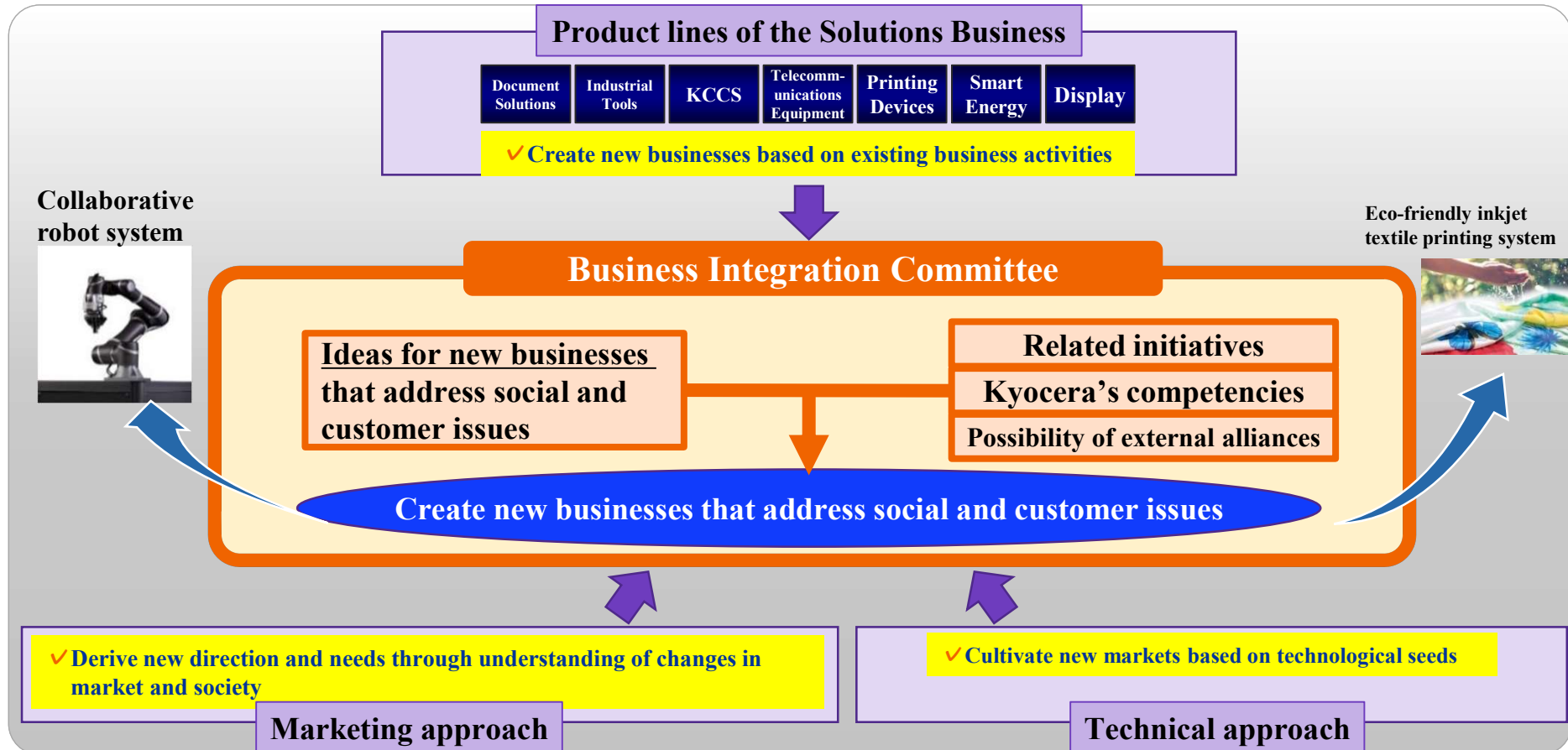
- ✓ **User benefits**
 - Can be installed with no initial cost
 - Fixed monthly payment
- ✓ **Kyocera benefits**
 - Increased sales opportunities
 - Acquisition of surplus power



*PPA: Power Purchase Agreement

③ Addresses customer and social issues
Business Integration Activities to Create New Businesses

By sharing activities of business product lines, company-wide marketing approach and technical approach in R&D and **integrating competencies of the Kyocera Group beyond existing frameworks**, we will systematically promote the creation of new businesses and practice of the Kyocera Philosophy espousing a fighting and pioneering spirit.





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



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.