



Financial Presentation for the Nine Months Ended December 31, 2021

(Held on January 31, 2022)

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President and Representative Director

<1. (Cover) Financial Results for the Nine Months Ended December 31, 2021>

<2. Financial Results for the Nine Months Ended December 31, 2021 (1)>

Sales revenue in the nine months ended December 31, 2021 (“the nine months”) increased 23.2% to 1,355.7 billion yen, compared with the nine months ended December 31, 2020 (“the previous nine months”), a record high for the nine-month period, due to strong demand in major markets such as the 5G and semiconductor-related markets. Profit increased significantly compared with the previous nine months, due to higher sales revenue and improved productivity. Operating profit increased about approximately 2.8 times to 118.5 billion yen. Profit before income taxes increased 87% to 163.1 billion yen compared with the previous nine months, and the profit before income taxes margin improved to the double digits. Profit attributable to owners of the parent increased 87.4% to 119.8 billion yen.

The average exchange rates were 111 yen to the U.S. dollar, marking depreciation of 5 yen, and 131 yen to the euro, marking depreciation of 9 yen from the previous nine months, respectively. As a result, sales revenue and profit before income taxes were lifted by approximately 47 billion yen and approximately 15 billion yen, respectively.

<3. Financial Results for the Nine Months Ended December 31, 2021 (2)>

Capital expenditures, depreciation charge of property, plant and equipment, and research and development expenses increased due to increased production of high demand products and to strengthen development of new products.

<4. Sales Revenue by Reporting Segment for the Nine Months Ended December 31, 2021>

Sales revenue increased over 20% in all reporting segment.

<5. Business Profit (Loss) by Reporting Segment for the Nine Months Ended December 31, 2021>

Business profit increased significantly across all segments, chiefly due to higher sales revenue, and business profit margins also improved. Double-digit margins were achieved in the Core Components Business and the Electronic Components Business. Next, I will explain the business performance by reporting segment.

<6. Financial Results by Reporting Segment for the Nine Months Ended December 31, 2021

(1) Core Components Business >

The graphs shown on the top illustrate the sales revenue and business profit trends from the nine months ended December 31, 2019, before the COVID-19 pandemic, to the nine months.

At the bottom, we included an explanation of the reason for the change in sales revenue and business profit in the nine months compared to the previous nine months.

In the Core Components Business, sales revenue increased due to increased demand for fine ceramic components for semiconductor processing equipment, as well as increased demand for ceramic packages and organic packages and boards for 5G and automotive-related markets.

Business profit increased approximately 2.3 times due to higher sales revenue and increase in demand for high-value-added products. As a result, the business profit margin improved to approximately 12%.

<7. Financial Results by Reporting Segment for the Nine Months Ended December 31, 2021

(2) Electronic Components Business >

In the Electronic Components Business, sales revenue increased in the nine months compared to the previous nine months due to recoveries in the automotive-related and industrial markets, as well as higher demand in the 5G and semiconductor-related markets which lead to an increase in sales of the small-sized high capacitance capacitors and crystal devices.

Business profit increased due to higher sales revenue and increased demand for high-value-added products. As a result, the business profit margin improved to 16%.

<8. Financial Results by Reporting Segment for the Nine Months Ended December 31, 2021

(3) Solutions Business >

In the Solutions Business, sales revenue increased in the nine months compared to the previous nine months, due to increase in sales of cutting tools as well as pneumatic and power tools in the Industrial Tools Unit. In addition, recovery of sales for equipment and supplies mainly in the United States in the Document Solutions Unit also contributed to the increase.

Business profit rose significantly due to higher sales revenue, as well as the absence of an impairment loss of approximately 11.5 billion yen which had been recorded in the previous nine months in the smart energy business.

This concludes the summary of our financial results for the nine months. Next, I will explain the financial forecasts for the year ending March 31, 2022 ("fiscal 2022").

<9. (Cover) Financial Forecasts for the Year Ending March 31, 2022>

<10. Financial Forecast for the Year Ending March 31, 2022 (1)>

Although demand for components, especially in the semiconductor-related markets, is still expected to continue, the business environment remains uncertain, such as the resurgence of the COVID-19. Therefore, the financial forecast for fiscal 2022 remain unchanged from the figures announced in November 2021.

<11. Financial Forecast for the Year Ending March 31, 2022 (2)>

Capital expenditures, depreciation charge of property, plant and equipment, and research and development expenses also remain unchanged.

<12. Sales Revenue Forecast by Reporting Segment for FY Mar. 2022>

<13. Business Profit (Loss) Forecast by Reporting Segment for FY Mar. 2022>

Financial forecasts by reporting segment also remain unchanged.

<14. Future Outlook and Key Actions>

Although current situation remains uncertain, demand for semiconductors is expected to continue increasing, due to full scale start of 5G as well as the further progress of digitalization.

In order to steadily seize such business opportunities, we will continue aggressive capital investments to increase production capacity of high-value-added products, such as fine ceramic components for semiconductor processing equipment, worldwide for the year ending March 31, 2023.

<15. Financial Target>

In addition to striving to achieve the forecasts for fiscal 2022, we will continue to make aggressive capital investments and strengthen our business structure, in order to achieve the sales revenue of 3 trillion yen.

Cautionary statement

This is an English translation of the Japanese original. The translation is prepared solely for the reference and convenience of those who do not use Japanese. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Except for historical information contained herein, the matters set forth in this document are forward-looking statements that involve risks and uncertainties including, but not limited to, product demand, competition, regulatory approvals, the effect of economic conditions and technological difficulties, and other risks detailed in the cautionary statements with respect to forward-looking statements on the company's website. (<https://global.kyocera.com/ir/disclaimer.html>)