



KYOCERA Corporation

Financial Presentation for the Six Months Ended September 30, 2025

October 30, 2025

Event Summary

[Company Name]	Kyocera Corporation	
[Company ID]	6971	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Financial Presentation for the Six Months Ended September 30, 2025	
[Fiscal Period]	Fiscal 2026 2Q	
[Date]	October 30, 2025	
[Time]	16:45 – 17:33 (Total: 48 minutes, Presentation: 19 minutes, Q&A: 29 minutes)	
[Venue]	Webcast	
[Number of Speakers]	2	
	Hideo Tanimoto Hiroaki Chida	President and Representative Director Director, Managing Executive Officer, Executive General Manager of Headquarters (CFO)

Presentation

Moderator: Thank you for your patience. Thank you for taking time out of your busy schedule to participate in today's Kyocera Corporation webinar. We will start the financial results briefing for the six months ended September 30, 2025. Please refer to our website for the materials that will be used today. Today's webinar is being recorded. Please understand this in advance.

Let me first introduce today's attendees. Hideo Tanimoto, President and Representative Director.

Hiroaki Chida, Director, Managing Executive Officer, Executive General Manager of Headquarters and CFO.

We will now begin the explanation. President Tanimoto, please.

Tanimoto: I would like to take this opportunity to thank you all for your continued support. Thank you very much for taking time out of your busy schedule to attend our financial results briefing today.

I will now explain the financial results for 1H of fiscal 2026 in accordance with the presentation materials.

- 1. Financial Results for Fiscal 2026 1H**
- 2. Financial Forecasts for Fiscal 2026**
- 3. Capital Strategies**
- 4. Progress of Structural Reforms**
- 5. [Reference] Supplementary Information**

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.

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

In this document, the year ended March 31, 2025 is referred to as "Fiscal 2025," the year ending March 31, 2026 is referred to as "Fiscal 2026", six months ended/ending September 30 is referred to as "1H," three months ended/ending June 30 is referred to as "1Q." Other fiscal years, half-year and quarterly periods are referred to in a corresponding manner.

Kyocera decided to change the classification of Jewelry & Applied Ceramic Related Products Business, which was included in "Others" under "Core Components Business" to "Others" under "Solutions Business" and Displays Business, which was included in "Others" under "Solutions Business" to "Industrial & Automotive Components Unit" under "Core Components Business" from fiscal 2026. With this change, the business results for fiscal 2025 have been reclassified in the same manner.

Figures of change rates and business profit ratio are calculated based on millions of yen.

Today, we will explain the items listed here in order.

1. Financial Results for Fiscal 2026 1H

First, I will provide an overview of the financial results for fiscal 2026 1H.

See page three.

Financial Results for Fiscal 2026 1H (1)

OP: Operating profit / PBT: Profit before income taxes
KAVX: Kyocera AVX Components Corporation



Sales revenue: Decreased due mainly to impact of stronger yen against USD of approx. -22.5 billion yen

PBT: Increased due to profit improvement in the Organic Packages and Boards Business and KAVX of approx. +12 billion yen and decrease in foreign exchange loss, which exceeds decreased profit in the electronic components business of Kyocera Corp. and the Document Solutions Unit of approx. -8 billion yen (includes approx. -2.1 billion yen one-time loss incurred in connection with the transfer of business in the electronic component business of Kyocera Corp.)

(Unit: Yen in millions)

		Fiscal 2025 1H	Fiscal 2026 1H	Change	
				Amount	%
Sales Revenue		998,588	991,385	-7,203	-0.7%
Operating Profit		37,876 (3.8%)	41,945 (4.2%)	4,069	10.7%
Profit Before Income Taxes		51,820 (5.2%)	67,950 (6.9%)	16,130	31.1%
Profit Attributable to Owners of the Parent		36,078 (3.6%)	55,540 (5.6%)	19,462	53.9%
Average Exchange Rates	US\$	153 yen	146 yen	Note: Figures in parentheses represent percentages to sales revenue.	
	Euro	166 yen	168 yen		

*1 Factor for the gap between YoY change of OP and PBT:

Impact of foreign exchange losses incurred in fiscal 2025 1H which had been substantial as a result of rapid appreciation of yen: approx. +12.8 billion yen

*2 Factor for the gap between YoY change of PBT and profit attributable to owners of the parent:

Adjustment of tax expenses due to sale of KDDI shares of approx. +7 billion yen

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In 1H, sales revenue decreased mainly due to the impact of the yen's appreciation against the US dollar, which amounted to approximately JPY22.5 billion. On the other hand, profit before income taxes increased significantly, as the approximately JPY12 billion in profit improvement in the Organic Packages and Boards Business and KAVX exceeded the approximately JPY8 billion decrease in profit in the electronic components business of Kyocera Corporation and the Document Solutions Unit, as well as a decrease in foreign exchange losses.

As a result, sales revenue for 1H declined 0.7% YoY to JPY991.4 billion, operating profit increased 10.7% to JPY41.9 billion, profit before income taxes increased 31.1% to JPY68 billion, and profit attributable to owners of the parent increased 53.9% to JPY55.5 billion.

The average exchange rate was JPY146 against the US dollar, up JPY7 from the same period last year, and JPY168 against the euro, down JPY2.

As noted below in the table, the gap between the YoY change of profit before income taxes and operating profit is due to the impact of foreign exchange losses of approximately JPY12.8 billion that occurred in the previous fiscal year due to the rapid appreciation of the yen. The gap between the YoY change of profit before income taxes and profit attributable to owners of the parent is due to a tax expense adjustment of approximately JPY7 billion resulting from the sale of KDDI shares.

See page four.

Financial Results for Fiscal 2026 1H (2)

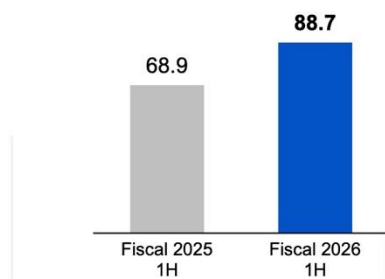


Capital Expenditures

Increased due mainly to completion of new factory buildings* constructed in Japan from previous years to expand production capacities and to promote automation

* Kagoshima Sendai Plant: approx. 27.0 billion yen
Shiga Higashiomi Plant: approx. 5.0 billion yen

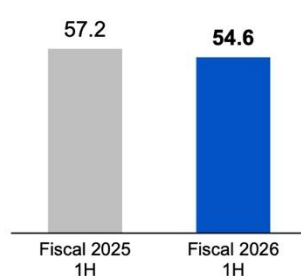
(Unit: Yen in billions)



Depreciation Charge of PP&E

Decreased due mainly to the recording of a loss for impairment in the Organic Packages and Boards Business in fiscal 2025

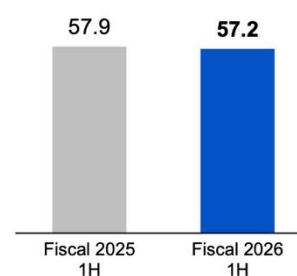
(Unit: Yen in billions)



R&D Expenses

Decreased slightly due to the selection and concentration of R&D activities

(Unit: Yen in billions)



This page shows capital expenditures, depreciation charge of property, plant and equipment, and R&D expenses.

Capital expenditures on the left side increased significantly, mainly due to the completion of new factory buildings constructed in Japan from previous years to expand production capacities and to promote automation. On the other hand, depreciation charge of property, plant and equipment in the center decreased mainly due to the recording of a loss for impairment in the Organic Packages and Boards Business in the previous fiscal year.

On the right side, R&D expenses decreased slightly YoY due to efforts to review R&D themes.

See page five.

Sales Revenue by Reporting Segment for Fiscal 2026 1H



(Unit: Yen in millions)

	Fiscal 2025 1H		Fiscal 2026 1H		Change	
	Amount	Component Ratio	Amount	Component Ratio	Amount	%
Core Components Business	294,235	29.5%	307,658	31.0%	13,423	4.6%
Industrial & Automotive Components Unit	130,877	13.1%	132,918	13.4%	2,041	1.6%
Semiconductor Components Unit	151,741	15.1%	162,656	16.4%	10,915	7.2%
Others	11,617	1.2%	12,084	1.2%	467	4.0%
Electronic Components Business	180,923	18.1%	174,709	17.6%	-6,214	-3.4%
Solutions Business	533,601	53.4%	519,021	52.4%	-14,580	-2.7%
Industrial Tools Unit	160,810	16.1%	156,983	15.8%	-3,827	-2.4%
Document Solutions Unit	232,222	23.2%	220,920	22.3%	-11,302	-4.9%
Communications Unit	105,480	10.6%	98,815	10.0%	-6,665	-6.3%
Others	35,089	3.5%	42,303	4.3%	7,214	20.6%
Others	8,079	0.8%	6,623	0.7%	-1,456	-18.0%
Adjustments and Eliminations	-18,250	-1.8%	-16,626	-1.7%	1,624	-
Sales Revenue	998,588	100.0%	991,385	100.0%	-7,203	-0.7%

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This is the list of sales by reporting segment. See page six.

Business Profit (Loss) by Reporting Segment for Fiscal 2026 1H



(Unit: Yen in millions)

	Fiscal 2025 1H		Fiscal 2026 1H		Change	
	Amount	% to Sales Revenue	Amount	% to Sales Revenue	Amount	%
Core Components Business	17,047	5.8%	30,020	9.8%	12,973	76.1%
Industrial & Automotive Components Unit	10,882	8.3%	13,447	10.1%	2,565	23.6%
Semiconductor Components Unit	5,634	3.7%	17,628	10.8%	11,994	212.9%
Others	531	4.6%	-1,055	-	-1,586	-
Electronic Components Business	47	0.0%	17	0.0%	-30	-63.8%
Solutions Business	33,546	6.3%	37,762	7.3%	4,216	12.6%
Industrial Tools Unit	9,434	5.9%	10,284	6.6%	850	9.0%
Document Solutions Unit	21,491	9.3%	18,124	8.2%	-3,367	-15.7%
Communications Unit	1,119	1.1%	4,200	4.3%	3,081	275.3%
Others	1,502	4.3%	5,154	12.2%	3,652	243.1%
Others	-23,023	-	-21,652	-	1,371	-
Total Business Profit	27,617	2.8%	46,147	4.7%	18,530	67.1%
Corporate Gains and Others	24,203	-	21,803	-	-2,400	-9.9%
Profit Before Income Taxes	51,820	5.2%	67,950	6.9%	16,130	31.1%

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This is the list of profits by reporting segment. Changes in sales revenue and profit of each reporting segment are explained on the next and subsequent pages. See page seven.

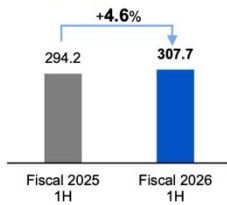
Financial Results by Reporting Segment for Fiscal 2026 1H: Core Components Business



(Unit: Yen in billions)

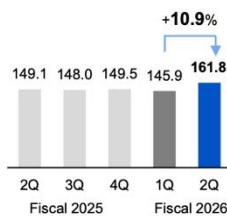
Sales Revenue

1H (YoY)



✓ Sales revenue increased due to increased sales of automotive camera modules, ceramic packages for information and telecommunication-related markets and organic packages for data centers.

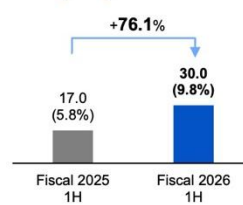
2Q (QoQ)



✓ Same as YoY.

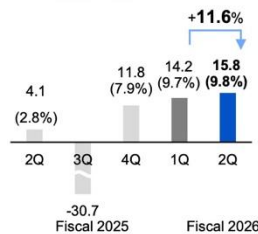
Business Profit (Ratio)

1H (YoY)



✓ Business profit increased significantly due to increased sales as well as the effect of structural reforms in the Organic Packages and Boards Business.

2Q (QoQ)



✓ Business profit increased due mainly to the increased sales, which offset increase in costs such as depreciation charge of PPE.

First, the Core Components Business.

See the sales figures on the left side of the slide. Sales revenue for 1H was JPY307.7 billion, and for 2Q was JPY161.8 billion. Both in 1H and 2Q, sales revenue increased mainly due to increased sales of automotive camera modules, ceramic packages for information and telecommunication-related markets and organic packages for data centers.

Then look at the business profit on the right side. Business profit for 1H was JPY30 billion, and for 2Q was JPY15.8 billion. In 1H, business profit increased significantly due to increased sales as well as the effect of structural reforms in the Organic Packages and Boards Business. In 2Q, business profit increased due mainly to the increased sales in the Semiconductor Components Unit, which offset increase in fixed costs such as depreciation charge of property, plant and equipment. See page eight.

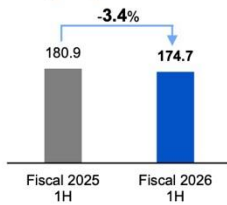
Financial Results by Reporting Segment for Fiscal 2026 1H: Electronic Components Business



(Unit: Yen in billions)

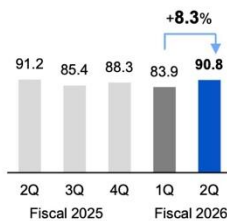
Sales Revenue

1H (YoY)



✓ Sales revenue decreased due mainly to the continued appreciation of the yen against the U.S. dollar, which more than offset the effect of increased demand for capacitors in the information and telecommunication-related markets and automotive markets.

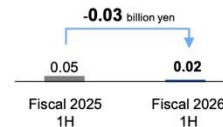
2Q (QoQ)



✓ Sales revenue increased due to increased sales of MLCCs for information and telecommunication-related markets and tantalum capacitors.

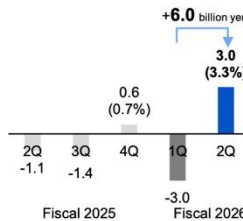
Business Profit (Ratio)

1H (YoY)



✓ Business profit was almost flat, because the impact of the decreased sales revenue and the one-time cost incurred in fiscal 2026 1Q in connection with the execution of the agreement to transfer the silicon diode power semiconductor business were offset by the positive effect of structural reforms in KAVX Group.

2Q (QoQ)



✓ Business profit increased due to increased sales, KAVX returning to profitability as a result of structural reforms, and absence of a one-time costs of approx. 2.1 billion yen incurred in 1Q in connection with the execution of the agreement to transfer the silicon diode power semiconductor business.

Next, the Electronic Components Business.

See the sales figures on the left side of the slide. Sales revenue for 1H amounted to JPY174.7 billion, and JPY90.8 billion for 2Q. In 1H, sales revenue decreased due mainly to the continued appreciation of the yen against the US dollar, which more than offset the effect of increased demand for capacitors in the information and telecommunication-related markets and automotive markets. On the other hand, sales revenue increased in 2Q due to increased sales of MLCCs for information and telecommunication-related markets and tantalum capacitors.

Then look at the business profit on the right side. Business profit for 1H was approximately JPY20 million, and JPY3 billion for 2Q. In 1H, business profit was almost flat, because the impact of the decreased sales revenue and the one-time cost of approximately JPY2.1 billion incurred in 1Q in connection with the execution of the agreement to transfer the silicon diode power semiconductor business were offset by the positive effect of structural reforms in KAVX Group.

On the other hand, in 2Q, business profit increased due to increased sales, KAVX Group returning to profitability as a result of structural reforms, and absence of a one-time costs of approximately JPY2.1 billion incurred in 1Q in connection with the execution of the agreement to transfer the silicon diode power semiconductor business. See page nine.

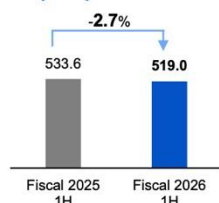
Financial Results by Reporting Segment for Fiscal 2026 1H: Solutions Business



(Unit: Yen in billions)

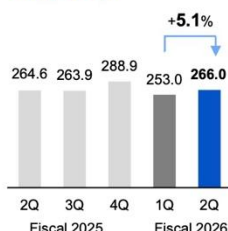
Sales Revenue

1H (YoY)



✓ Sales revenue decreased due mainly to the decreased sales in the Document Solutions Unit and the Communications Unit, which were partly offset by increased sales in the Printing Devices Business and the Smart Energy Business.

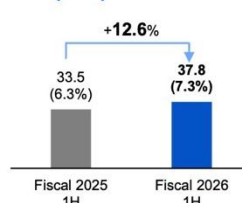
2Q (QoQ)



✓ Sales revenue increased due mainly to increased sales in the Communications Unit, which more than offset decreased sales in the Industrial Tools Unit.

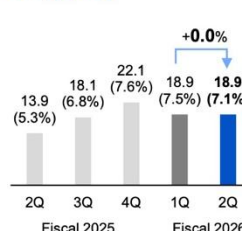
Business Profit (Ratio)

1H (YoY)



✓ Business profit increased due to cost reduction efforts in each business such as the Telecommunications Equipment Business, which more than offset the impact of the decreased sales.

2Q (QoQ)



✓ Business profit was almost flat, because the impact of decreased sales mainly in the Industrial Tools Unit was offset by the impact of increased sales in the Communications Unit.

Finally, the Solutions Business.

See the sales figures on the left side of the slide. Sales revenue for 1H was JPY519 billion, and for 2Q was JPY266 billion. In 1H, sales revenue decreased due mainly to the decreased sales in the Document Solutions Unit and the Communications Unit, which were partly offset by increased sales in the Printing Devices Business and the Smart Energy Business. On the other hand, in 2Q, sales revenue increased due mainly to increased sales in the Communications Unit, which more than offset decreased sales in the Industrial Tools Unit.

Then look at the business profit on the right side. Business profit for 1H was JPY37.8 billion, and JPY18.9 billion for 2Q. In 1H, business profit increased due to cost reduction efforts in each business such as the Telecommunications Equipment Business, which more than offset the impact of the decreased sales.

In 2Q, business profit was almost flat, because the impact of decreased sales mainly in the Industrial Tools Unit was offset by the impact of increased sales in the Communications Unit. See page 10.

2. Financial Forecasts for Fiscal 2026

Next, I will explain the financial forecast for fiscal 2026. See page 11.

Financial Forecasts for Fiscal 2026 (1)



(Unit: Yen in millions)

	Fiscal 2025	Fiscal 2026		Change from	
		Previous (May 2025)	Revised (Oct. 2025)	Fiscal 2025	Previous Forecast
Sales Revenue	2,014,454	1,900,000	1,950,000	-64,454	50,000
Operating Profit	27,299 (1.4%)	55,000 (2.9%)	70,000 (3.6%)	42,701	15,000
Profit Before Income Taxes	63,631 (3.2%)	95,000 (5.0%)	117,000 (6.0%)	53,369	22,000
Profit Attributable to Owners of the Parent	24,097 (1.2%)	70,500 (3.7%)	95,000 (4.9%)	70,903	24,500
EPS (Yen)	17.11	50.04	67.76		
Average Exchange Rates	US\$	153 yen	135 yen		
	Euro	164 yen	150 yen		
Capital Expenditures	141,932 (7.0%)	180,000 (9.5%)	180,000 (9.2%)	38,068	0
Depreciation Charge of PPE	112,077 (5.6%)	120,000 (6.3%)	120,000 (6.2%)	7,923	0
R&D Expenses	116,087 (5.8%)	120,000 (6.3%)	120,000 (6.2%)	3,913	0

Notes: As for EPS for fiscal 2026, forecast as of May 2025 is calculated using the average number of shares outstanding during fiscal 2026 1Q and forecast as of Oct. 2025 is calculated using the average number of shares outstanding during fiscal 2026 1H.

Figures in parentheses represent percentages to sales revenue.

Today, we have revised our full-year forecast for fiscal 2026. Sales revenue has been revised upward to JPY1,950 billion, an increase of JPY50 billion from the previous forecast. Operating profit has been revised upward to JPY70 billion, an increase of JPY15 billion. Profit before income taxes has been revised upward to JPY117 billion, an increase of JPY22 billion. Profit attributable to owners of the parent has been revised upward to JPY95 billion, an increase of JPY24.5 billion. Both sales and profit have been revised upward.

The exchange rate was set at JPY145 to the US dollar, JPY10 weaker than the previous forecast, and JPY170 to the euro, JPY20 weaker than the previous forecast.

Capital expenditures, depreciation charge of property, plant and equipment and R&D expenses remain unchanged from the previous forecast.

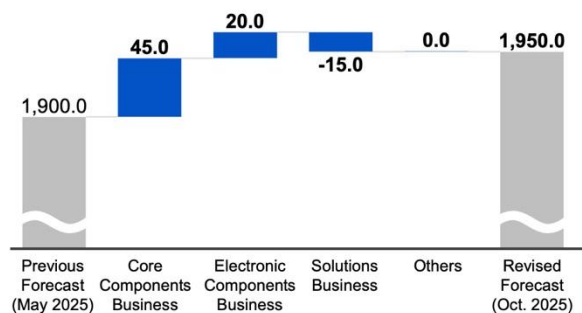
The main reasons for this forecast revision are explained on the next page. See page 12.

Financial Forecasts for Fiscal 2026 (2): Compared with the Previous Forecast

Sales Revenue

- Revised exchange rate forecasts because the yen depreciated compared to the initial forecast:
Approx. +88 billion yen
Change in exchange rates USD: 135 yen→145 yen
 Euro: 150 yen→170 yen
- Incorporated decrease in sales revenue due to business transfer:
Approx. -35 billion yen

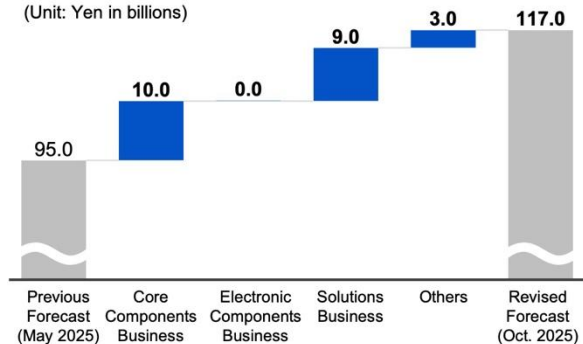
(Unit: Yen in billions)



Profit Before Income Taxes

- Revised exchange rate forecasts because the yen depreciated compared to the previous forecast:
Approx. +10 billion yen
- Updated impact of U.S. reciprocal tariffs:
Approx. +13 billion yen; profit increased mainly in the Solutions Business
Previous forecast approx. -17 billion yen impact on profit
Revised forecast approx. -4 billion yen impact on profit

(Unit: Yen in billions)



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See the sales figures on the left side of the slide. The yen weakened more than initially anticipated during 1H, and the revision of the forecasted exchange rate was a positive factor of approximately JPY88 billion, while the decrease in sales revenue due to the business transfer factored in as a negative impact of approximately JPY35 billion. Based primarily on these two factors, the sales forecast was revised upward by JPY50 billion from the previous forecast.

Then look at the profit before income taxes on the right side of the slide. Income before income taxes was revised upward by JPY22 billion from the previous forecast, mainly due to a positive factor of approximately JPY10 billion from the revision of foreign exchange rates and a positive factor of approximately JPY13 billion from the revision of the impact of tariff policies by the US. Please refer to pages 13 and 14 for segment figures.

Sales Revenue by Reporting Segment for Fiscal 2026



(Unit: Yen in millions)

	Fiscal 2025		Fiscal 2026				Change from	
	Amount	Component Ratio	Previous (May 2025) Amount	Component Ratio	Revised (Oct. 2025) Amount	Component Ratio	Fiscal 2025	Previous Forecast
Core Components Business	591,720	29.4%	547,000	28.8%	592,000	30.4%	280	45,000
Industrial & Automotive Components Unit	267,028	13.3%	250,000	13.2%	265,000	13.6%	-2,028	15,000
Semiconductor Components Unit	300,765	14.9%	272,000	14.3%	302,000	15.5%	1,235	30,000
Others	23,927	1.2%	25,000	1.3%	25,000	1.3%	1,073	0
Electronic Components Business	354,646	17.6%	330,000	17.4%	350,000	17.9%	-4,646	20,000
Solutions Business	1,086,367	53.9%	1,041,000	54.8%	1,026,000	52.6%	-60,367	-15,000
Industrial Tools Unit	305,876	15.2%	292,000	15.4%	272,000	13.9%	-33,876	-20,000
Document Solutions Unit	479,964	23.8%	455,000	23.9%	455,000	23.3%	-24,964	0
Communications Unit	225,497	11.2%	214,000	11.3%	214,000	11.0%	-11,497	0
Others	75,030	3.7%	80,000	4.2%	85,000	4.4%	9,970	5,000
Others	17,114	0.9%	12,000	0.6%	12,000	0.6%	-5,114	0
Adjustments and Eliminations	-35,393	-1.8%	-30,000	-1.6%	-30,000	-1.5%	5,393	0
Sales Revenue	2,014,454	100.0%	1,900,000	100.0%	1,950,000	100.0%	-64,454	50,000

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Business Profit (Loss) by Reporting Segment for Fiscal 2026



(Unit: Yen in millions)

	Fiscal 2025		Fiscal 2026				Change from	
	Amount	% to Sales Revenue	Previous (May 2025) Amount	% to Sales Revenue	Revised (Oct. 2025) Amount	% to Sales Revenue	Fiscal 2025	Previous Forecast
Core Components Business	-1,889	-	40,400	7.4%	50,400	8.5%	52,289	10,000
Industrial & Automotive Components Unit	24,673	9.2%	16,000	6.4%	23,000	8.7%	-1,673	7,000
Semiconductor Components Unit	-27,824	-	23,000	8.5%	28,000	9.3%	55,824	5,000
Others	1,262	5.3%	1,400	5.6%	-600	-	-1,862	-2,000
Electronic Components Business	-818	-	10,000	3.0%	10,000	2.9%	10,818	0
Solutions Business	73,696	6.8%	64,000	6.1%	73,000	7.1%	-696	9,000
Industrial Tools Unit	15,707	5.1%	9,000	3.1%	15,000	5.5%	-707	6,000
Document Solutions Unit	49,038	10.2%	40,000	8.8%	40,000	8.8%	-9,038	0
Communications Unit	9,347	4.1%	9,500	4.4%	9,500	4.4%	153	0
Others	-396	-	5,500	6.9%	8,500	10.0%	8,896	3,000
Others	-46,990	-	-49,000	-	-46,000	-	990	3,000
Total Business Profit	23,999	1.2%	65,400	3.4%	87,400	4.5%	63,401	22,000
Corporate Gains and Others	39,632	-	29,600	-	29,600	-	-10,032	0
Profit Before Income Taxes	63,631	3.2%	95,000	5.0%	117,000	6.0%	53,369	22,000

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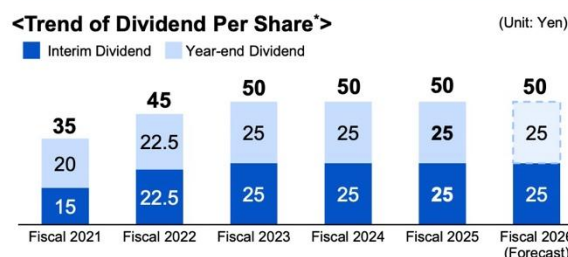
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3. Capital Strategies

Next, I will explain our capital policy. See page 16.

Dividend

Interim Dividend	Year-end Dividend (Forecast)
25 yen per share	25 yen per share
Same amount as the interim dividend of fiscal 2025	Same amount as the year-end dividend of fiscal 2025



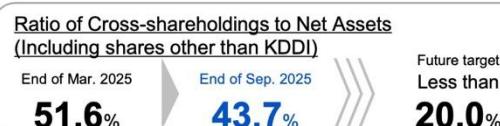
* All figures are calculated based on the basis after the stock split implemented on Jan. 1, 2024.

Share Repurchases

- May 2025: Resolved at BoD* to repurchase shares (up to 200 billion yen) * Board of Directors
- Jul. 31, 2025: Commenced actual repurchase
- By Sep. 30, 2025: Repurchased approx. 50 billion yen worth of shares (approx. 26 million shares)
- By Mar. 2026: Plans to repurchase 200 billion yen worth of shares as resolved

Reduction of Cross-shareholdings Previously announced

- Jun. 2025: Sold approx. 108 million shares of KDDI (worth approx. 250 billion yen)
- Jul. 2025: Completed settlement (received 211.1 billion yen on after-tax basis)



As a consequence of the sale of KDDI shares, Kyocera achieved the three-year reduction target set in fiscal 2024 to reduce its cross-shareholdings by at least 5% on a book value basis by fiscal 2026.

See dividends on the left side of the slide. The interim dividend of fiscal 2026 is JPY25 per share, the same amount as the interim dividend of fiscal 2025. The year-end dividend is expected to be JPY25 per share, and the annual dividend remains unchanged from the initial forecast of JPY50 per share. We will continue to maintain a high level of dividends.

Then look at the share buybacks on the right side of the slide. In May of this year, the Company's Board of Directors approved a resolution to repurchase up to JPY200 billion of its own shares, and the repurchase began on July 31 of this year. The Company has purchased approximately JPY50 billion through September 30 of this year and plans to purchase up to JPY200 billion by March next year based on the resolution.

Then see the reduction of cross-shareholdings in the bottom row. As previously announced, we sold approximately 108 million shares of KDDI stock for approximately JPY250 billion in June of this year. As a result, the ratio of cross-shareholdings to net assets decreased to 43.7% as of the end of September. See page 17.

4. Progress of Structural Reforms

Next, I will explain the progress of structural reforms. See page 18.

Progress of Structural Reforms



Improvement of Challenging Businesses

**Organic Packages and Boards Business
(Core Components Business)**

Continuously promote cost structure transformation initiatives to improve profitability

Current status

Estimate to be break-even in Oct. on monthly basis

**KAVX Group
(Electronic Components Business)**

Plan to be break-even for full year by enhancing production technologies and equipment efficiencies through collaboration with the electronic components business of Kyocera Corp.

Current status

Achieved profitability on a three-month period of 2Q

Business Portfolio Restructuring

**Silicon Diode Power Semiconductor Business
(Electronic Components Business)**

Will establish a new company through a corporate split, and transfer the shares of the new company to Shindengen

Future plan

Execute company split and transfer its share in Jan. 2026

**Pneumatic and Power Tools Business
(Solutions Business)**

Will be transferring SouthernCarlson, Inc., a U.S. distributor of materials for construction and industries

Current status

Under negotiation with multiple potential buyers as of Oct. 2025

I would like to explain the progress of structural reforms.

See the improvement of challenging businesses on the left side of the slide. With regard to the Organic Packages and Boards Business in the upper section, the Company is continuing to promote cost structure transformation initiatives to improve profitability. The latest situation is expected to break even in a single month in October.

As for the KAVX Group in the lower section, through cooperation with the electronic components business of Kyocera Corporation, we aim to strengthen production technology and equipment efficiencies to return to profitability for the full year. Most recently, we achieved profitability on a three-month period of 2Q.

Please see the business portfolio restructuring on the right side of the slide. Although these details have already been announced, in the silicon diode power semiconductor business in the upper section, we plan to execute company split and transfer the shares in January 2026.

For the lower pneumatic and power tools business, we are considering the transfer of SouthernCarlson, a US distributor of materials for construction and industries. As of October, we are in negotiations with several potential buyers.

See page 19.

Strengthening the Connector Business New



Share Purchase Agreement with NEC Corp.

JAE: Japan Aviation Electronics Industry, Ltd.
SPA: Share purchase agreement

• Outline

Counterpart	NEC Corporation (the largest shareholder of JAE)
Type of Shares to be Purchased	Ordinary shares of JAE
Method of Purchase	Off-market, over-the-counter transaction with NEC Corporation
Number of Shares to be Purchased	22,232,269 shares
Ratio After the Purchase	33.0%
Conclusion Date of SPA	October 30
Date of Share Transfer (Plan)	October 31

Capital and Business Alliance Agreement with Japan Aviation Electronics Industry, Ltd.

• Purpose

Aim for the connector business with global competitiveness by creating synergies through mutually complementing strength of the two

 Strength ✓ Technological and development capabilities competent to lead standardization ✓ High product quality acquired through working with global industry leaders	 Strength ✓ Customer base and production plants in Europe and Americas ✓ Production technologies that promote labor saving and efficiency improvements
--	--

• Outline

- ✓ Manufacture JAE's products by leveraging Kyocera Group's local sites in Europe and Americas
- ✓ Cross-selling collaboration utilizing product mix and the sales channel of both companies
- ✓ Joint development by leveraging the design resources of both companies

Next, I will explain how we are strengthening our connector business.

See the share purchase agreement with NEC Corporation on the left side of the slide. We have entered into a share purchase agreement with NEC Corporation, the largest shareholder of Japan Aviation Electronics Industry, Ltd. ("JAE"). The type of shares to be purchased is ordinary shares of JAE and the method of acquisition is an off-market over-the-counter transaction with NEC Corporation. The number of shares to be purchased is approximately 22 million shares, bringing the Company's ownership to 33%. The share purchase agreement was signed today, October 30, and the scheduled share transfer date is tomorrow, October 31.

Please see the capital and business alliance agreement with JAE on the right side of the slide. JAE's strengths are its technology and development capabilities that enable it to lead the way in standardization, and the high quality that it has built with global leaders. On the other hand, our strengths lie in our customer base and production plants in Europe and Americas, as well as in our production technologies that promote labor saving and efficiency improvements. Through this capital and business alliance, the two companies will leverage their strengths in a mutually complementary manner to create synergies and grow into a globally competitive connector business.

The specifics of the business alliance, as described below, include local production of JAE's products using the Kyocera Group's local sites in Europe and Americas, cross-selling utilizing the product mix and the sales channel of both companies, and joint development utilizing the design resources of both companies. See page 20.

Major Initiatives and Progress of the Strategic Business Transformation Project



Major Challenge

Pursue improvement of business profitability and capital efficiency

Evaluate with ROIC

Validate ROIC of each product line
⇒ Will set criteria for evaluation, etc.

Evaluate from Kyocera-original point of view

Formulate original valuation method using profitability, competitiveness, potential etc.
⇒ Will determine operation policy

Set financial discipline

Set financial strategy to enhance ROE and increase shareholder value
⇒ Consider optimal capital structure and shareholder return plan which suits mid-to long-term strategy

In addition to promoting reforms on both business strategies and capital strategies, vision for the future and growth strategies are under formulation.

Planned to be announced by the end of fiscal 2026

Finally, I will explain the main initiatives and progress of the Strategic Business Transformation Project.

The main challenge of the Strategic Business Transformation Project is to pursue improvement of business profitability and capital efficiency.

In the evaluation with ROIC on the leftmost side, we will validate ROIC of each product line and set evaluation criteria in the future.

In our evaluation from Kyocera-original point of view in the center, in addition to profitability, we will formulate original valuation method based on competitiveness, future potential, and other factors, and will determine our operation policy in the future.

In setting financial discipline on the right side, we will develop a financial strategy to improve ROE and shareholder value and will consider the optimal capital structure and shareholder return plan in line with our medium- to long-term strategy.

Reforms of both business and capital strategies will continue to progress. A vision for the future and growth strategies are also being formulated and will be announced by the end of the current fiscal year.

As explained today, we believe that the first step toward increasing our corporate value is to steadily implement the initiatives we set forth at the beginning of the fiscal year. We look forward to your continued support as we continue our reforms. Thank you very much for your attention.

Question & Answer

<Questioner 1>

[Q]: First of all, in the upward revision, you explained that the impact of foreign exchange and tariffs has decreased. In terms of actual market sentiment, could you please prioritize points for 2H in a way like devices are showing more strength and signs of recovery than originally anticipated?

Given that, I thought that from 1H to 2H, on an operating profit basis, it might be acceptable for it to increase, including improvements. However, based on annual forecast of JPY70 billion, the assumption for 2H will slightly drop compared to 1H. Could you explain what is behind this assumption?

Tanimoto [A]: First, regarding market sentiment, demand for components related to AI data centers has increased. Specifically, the package for switches, which is used for AI data center as well as components for heat dissipation and other such items have been steadily increasing.

One of the reasons for 1H being slightly higher than expected was that demand for parts was a little ahead of schedule due to the tariffs, so market conditions were good in 1H, including for ceramic packages.

However, ceramic components for semiconductor processing equipment are in an adjustment phase, and the situation is a little lower than we expected at the beginning of this fiscal year.

In the area of the Solutions Business, sales of information equipment, primarily multifunction printers, are facing significant challenges, particularly in Europe. This situation is less about losing market share and more about the overall poor market conditions in Europe causing sales to stagnate.

The reason we are looking at 2H a little tighter than 1H is that demand for mobile phone-related products peaks around October and usually falls in 2H.

[Q]: In terms of market conditions, you mentioned that ceramic packages and plastic packages are doing well right now, but components for semiconductor processing equipment and information equipment-related products are underperforming. When it comes to smartphones, while there is some seasonality, I think there are some areas which is strong. Is this reflected in the financial forecasts?

Tanimoto [A]: We have received information on areas which are slightly stronger, but we have not yet included this in our forecast for 2H.

[Q]: In the capital and business alliance with JAE, first you will incorporate it as an equity method. Then is it correct to understand that you view the utilization of your company's European and American sites and cross-selling as a means to achieve effectiveness and returns?

If so, how did you estimate the effect of utilizing your production bases in Europe and Americas and cross-selling? In short, I think the decision was based on the judgment that it is better to allocate KDDI shares as a capital allocation rather than holding KDDI shares, because the return is higher. I would like to know what kind of calculations are made and what kind of effects they have.

Tanimoto [A]: JAE 's sales are mainly domestic, and most of its overseas sales are from Japanese manufacturers and smartphone-related. Specifically, sales are not particularly strong, especially in Europe and the US, and they do not have production sites in Europe and Americas. Originally, Kyocera manufactured

connectors in KAVX's Czech factory , so we plan to assemble JAE's products using that site. KAVX will then sell them in Europe under the JAE brand. This will be our initial starting point.

In this context, cross-selling will mainly consist of selling JAE's products through KAVX's sales network in Europe and Americas. After calculating such initiatives, based on estimates that the equity method would likely yield results, we decided to make this deal.

[Q]: Kyocera has basically introduced Kyocera-ism into the company when it was acquired. I have heard before that this time around, you have changed to adopting the equity method so to prioritize independence of the acquired company. Going forward, will the approach to holding JAE and the investment philosophy remain largely unchanged and the focus shift more toward exploring other M&A opportunities? What is the overall strategy?

Tanimoto [A]: At this point, of course, we have not promised to raise our investment in JAE any further, so I can't say anything more.

[Q]: Has your approach to other M&A remained the same? I'm including fields and so on.

Tanimoto [A]: Not much has changed, so I think we will consider various options, including the same form.

[Q]: I see. Thank you very much.

<Questioner 2>

[Q]: Regarding JAE, I feel that only by acquiring 33% of the shares, it may be difficult to generate synergies. What conditions would lead to a decision to further increase the shareholding ratio? Also, in what way will the terms and conditions of the acquisition of the 33% stake be disclosed in the future? That is the first point.

Tanimoto [A]: I can't say at this point what we will do in the future.

Chida [A]: We will not disclose the detail of the acquisition today, but I believe it will eventually be disclosed in the report of possession of large volume in the next month or so.

[Q]: Does that mean that you will be able to disclose the amount money paid for the acquisition, etc. from next month?

Chida [A]: Yes.

[Q]: Secondly, regarding KAVX, you mentioned that the company returned to profitability in 2Q. Please explain how the improvement in the production situation of tantalum capacitors as well as MLCCs in Thailand is progressing.

Tanimoto [A]: First of all, the MLCC at the factory in Thailand has stopped production. Now, all the production has been moved to Malaysia.

Malaysia's production has significantly improved in terms of production yield and productivity. As for capacitor factories in other regions, we have also had engineers of Kyocera Corporation work on improving the productivity of MLCCs, and this has certainly had a positive effect.

Also, the production engineering team of Kyocera Corporation has been working to improve tantalum capacitors in Thailand since this year, but we have just finished analyzing the situation and will start making

specific improvements from now on. So far, we have been able to improve KAVX, and the situation is that MLCC has made improvements and is now in the black.

[Q]: I think the demand for polymer tantalum capacitors is increasing. What initiatives are you currently undertaking?

Tanimoto [A]: All tantalum capacitor manufactured at the new plant in Thailand is polymer tantalum capacitors, so we plan to increase productivity there to meet increasing demand.

[Q]: From the perspective of ceramic-related components with a high market share, MLCCs and crystal devices, etc., should we assume that there was a reasonable advance in demand in 1Q and 2Q? When considering that, you mentioned earlier that you assume 4Q will slow down, but your company also has segments where sales increase in 4Q. What kind of structure are you planning for that aspect this time?

Tanimoto [A]: As for some mobile phone-related parts, there was an advance to 1H. Other than that, there were no major advances. While mobile phone parts sales typically decline in 2H, I had expected an even steeper drop. Surprisingly, demand has been better than anticipated, and the decline seems likely to be within range of what we had originally expected.

Also, 4Q will go up mainly at subsidiaries related to information equipment or telecommunications. As I mentioned earlier, the European economy is still uncertain, so we do not expect it to rise very much this fiscal year.

[Q]: Thank you very much.

<Questioner 3>

[Q]: Looking at gross profit margin, I think 2Q is slightly lower than 1Q. 1Q is calculated at 29.4% and 2Q at 28.6%. How should we think about the fact that sales increased from 1Q to 2Q, but gross profit margin slightly decreased?

Tanimoto [A]: In the Industrial Tools Business, there is the power tool business that we acquired from Ryobi. There is one very profitable business in the power tool business right now: air-conditioned clothing. This is very profitable, but this is concentrated in 1Q. That generated a significant amount of profit in 1Q, but it starts declining around 2Q. That's probably why it ended up looking like that.

[Q]: Profitability of other businesses are improving as a whole, aren't they?

Tanimoto [A]: Yes. Especially in the area of challenging businesses, we are definitely seeing an improvement.

[Q]: Regarding the impact of tariffs, how much was recorded in 1Q and 2Q, and how do you plan to incorporate this into 2H?

Chida [A]: In the beginning of this fiscal year, we expected about JPY17 billion negative impact on profit, but the current estimate is that it will end up at about JPY4 billion negative impact on profit. So, we are projecting an improvement of about JPY13 billion.

[Q]: How much did you have it in 1H?

Chida [A]: JPY1.1 billion in 1H.

[Q]: Is it almost in 2Q? And that pace continues for a stretch in 3Q and 4Q?

Chida [A]: That's how we see it.

[Q]: The Semiconductor Components Unit is performing exceptionally well. I believe the sales growth from 1Q to 2Q is also very strong. Considering the exchange rate, 1Q results were also very good. What is the driver behind this?

Could you tell me the factors of 2Q as well as an outlook for 3Q with a little higher resolution, in a way like it is due to the organic packages or the ceramic packages, and even within the ceramic packages, it was the type used in the telecommunications?

Tanimoto [A]: Obviously, what was good was the ceramic package for telecommunications. There was an advance to 1Q and 2Q, taking into account the impact of tariffs, which was better than expected. We had expected sales to decline in 3Q and 4Q, but we made a slight upward revision due to strong sales. Q3 will definitely be lower than 2Q, but we do not expect it to be as bad as in past years.

[Q]: How about the packages for telecommunications for networks?

Tanimoto [A]: We are receiving very strong demand for optical communications for networks, as data centers are getting very good.

[Q]: Do you see it rising further in 3Q and 4Q as well?

Tanimoto [A]: Yes. We are still in a situation where production capacity is tight, so we have to raise it.

[Q]: I understand. Thank you very much. That is all.

<Questioner 4>

[Q]: Regarding the business condition of the Document Solutions Unit, I think you mentioned earlier that it reflects the severity of business conditions in Europe. In this review, the impact of tariffs has been improved, and the exchange rate has been revised in the direction of a weaker yen, so I think majority of these relate to the Document Solutions Unit. On the other hand, since both sales and profit of the full-year forecast of the Document Solutions Unit remains unchanged, is it correct to say that the actual situation is becoming more difficult by about the difference? Also, since you mentioned market conditions rather than that competition, let me just confirm that. I had the impression that it was a bit large in scale, so I would like to ask for your explanation.

Tanimoto [A]: As I mentioned earlier, the situation in Europe is that sales are very slow, especially in Germany. The tariffs are also a problem for the US market, of course, but we have raised the prices for the US market a little, though not by the full amount, and the impact is smaller. So, the influence from Europe remains the most significant.

[Q]: Okay. Therefore, is it your understanding that the actual situation is a bit severe, especially in Europe, to the extent that the positive impact of tariffs and exchange rates mentioned earlier can be offset?

Tanimoto [A]: Yes, that is correct.

[Q]: Thank you.

<Questioner 5>

[Q]: First of all, I would like to talk about this 33% stake in JAE, and the idea for the future. Could you please explain the underlying assumptions for this initiative going forward?

In addition, what is the premise of strengthening the connector business, and how did you come to this decision?

Tanimoto [A]: At this point I cannot say what kind of relationship we will have with JAE in the future.

[Q]: I understand. What about in terms of the position of that connector business in the overall picture?

Tanimoto [A]: Actually, the Kyocera Group has annual connector sales of about JPY30 billion, with profit margins in double digits. So, we would like to extend the range, but we have not been able to do so. So we decided to partner with someone stronger and expand. In particular, sales and manufacturing overseas, in Europe and Americas, have not progressed well for JAE, and these are the areas where we can help. As such, our recent goal is to expand sales and manufacturing in Europe and Americas through our support.

[Q]: I understand. Thank you very much.

<Questioner 6>

[Q]: First, as for the progress of structural reforms, I understand that you have announced the silicon diode power semiconductor business and SouthernCarlson in the US. I believe you mentioned that total sum of sales revenue of the business targeted for structural reforms for this fiscal year is about JPY200 billion, but is it okay to recognize that something is moving in the areas that haven't appeared yet? Or are you talking about moving forward with these two for now? Please let us know if you can explain any of the progress you are making.

Tanimoto [A]: I can't tell you what it is, but we are making progress on other points as well.

[Q]: Improvements in challenging businesses have been observed both in the Organic Packages and Boards Business and KAVX. I would like to know if there are any themes that the Strategic Business Transformation Project has been discussing and has made any progress on.

Tanimoto [A]: For the next fiscal year, we are reviewing our portfolio a little bit, and we are considering the closure or sale of businesses, including some that will not be completed in time for the current fiscal year.

We are also currently discussing other capital strategies and the Company's future, so we will probably be able to talk about specifics at the time of the report after the announcement of the 3Q financial results.

[Q]: This is about the discussions with JAE. In terms of strengthening your connector business, specifically, would it be correct to understand that this involves either a collaboration or development of new product? If so, what areas would you like to strengthen in the future?

Tanimoto [A]: JAE's area of particular expertise has consistently held a high market share among major Japanese automotive manufacturers. Our initial plan was to leverage this technology specifically for sales to European automotive manufacturers.

[Q]: I understand. Thank you very much.

[END]

Notes

1. *This document was edited from the original recording and transcripts provided by SCRIPTS Asia, Inc.*
2. *In this document, the year ended March 31, 2026 is referred to as “fiscal 2026,” six months ended/ending September 30 is referred to as “1H,” three months ended/ending June 30 is referred to as “1Q.” Other fiscal years, half-year and quarterly periods are referred to in a corresponding manner.*

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