



## **Kyocera Corporation**

Financial Presentation for the Nine Months Ended December 31, 2025

February 3, 2026

# Event Summary

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[Company Name]	Kyocera Corporation	
[Company ID]	6971	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Financial Presentation for the Nine Months Ended December 31, 2025	
[Fiscal Period]	Fiscal 2026 3Q	
[Date]	February 3, 2026	
[Time]	10:30 – 12:06 (Total: 96 minutes, Presentation: 55 minutes, Q&A: 41 minutes)	
[Venue]	Webcast	
[Number of Speakers]	6	
	Hideo Tanimoto	President and Representative Director
	Shiro Sakushima	Director, Senior Managing Executive Officer
	Norihiko Ina	Director, Senior Managing Executive Officer
	Hiroaki Chida	Director, Managing Executive Officer
	Koichi Kano	Director, Managing Executive Officer
	Michinori Yamada	Director, Managing Executive Officer

## Presentation

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**Moderator:** We will now begin the presentation of Kyocera Corporation's financial results for the nine months ended December 31, 2025, and the progress update on the Strategic Business Transformation Project. Today's presentation will be held at the venue here, as well as via Zoom webinar.

To begin with, here are our attendees. Hideo Tanimoto, President and Representative Director; Shiro Sakushima, Director, Senior Managing Executive Officer in charge of Strategic Business Transformation; Norihiko Ina, Director, Senior Managing Executive Officer in charge of Strategic Business Transformation and Executive General Manager of the Solutions Business; Hiroaki Chida, Director, Managing Executive Officer, Executive General Manager of Headquarters (CFO); Koichi Kano, Director, Managing Executive Officer and Executive General Manager of the Electronic Components Business; and Michinori Yamada, Director, Managing Executive Officer and Executive General Manager of the Core Components Business.

This event is scheduled to end at 12:00 PM.

“Notice Regarding Change in Representative Directors” and “Transition to a Company with Audit & Supervisory Committee” announced yesterday, as well as the candidates for Director to be proposed at this year's Ordinary General Meeting of Shareholders, announced today at 10:00 AM, will be included in the progress update on the Strategic Business Transformation Project.

First, I would like to explain our 3Q results. President Tanimoto, please.



# Financial Presentation for the Nine Months Ended Dec. 31, 2025

February 3, 2026

Hideo Tanimoto  
President, Representative Director

KYOCERA Corporation

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**Tanimoto:** We 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 explain the results based on the presentation materials for the financial results for the nine months ended December 31, 2025.

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1. Financial Results for Fiscal 2026 9 Months (9M)
2. Progress of the Strategic Business Transformation in Fiscal 2026
3. Financial Forecasts for Fiscal 2026
4. [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," nine months ended/ending December 31 is referred to as "9M," and three months ended/ending June 30 is referred to as "1Q." Other fiscal years, half-year, nine months and quarterly periods are referred to in a corresponding manner.

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

Today, we will explain what is described here in order.

# 1. Financial Results for Fiscal 2026 9M

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Note: 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.

First, I will provide an overview of the financial results for fiscal 2026 9M.

## Financial Results for Fiscal 2026 9M (1)



Sales revenue: Increased due to increased sales of the Core Components Business, mainly due to the increased sales of the Semiconductor Components Unit, which exceeds the impact of stronger yen against USD

Profits: Increased significantly due to increased sales, as well as by factors such as the positive effect of structural reforms and the absence of one-time costs incurred in fiscal 2025 9M etc.

		(Yen in millions)		
		Fiscal 2025 9M	Fiscal 2026 9M	Change Amount %
<b>Sales Revenue</b>		1,492,055	<b>1,521,996</b>	29,941 2.0%
<b>Operating Profit</b>		12,275 (0.8%)	<b>70,621</b> (4.6%)	58,346 <sup>*1</sup> 475.3%
<b>Profit Before Income Taxes</b>		50,459 (3.4%)	<b>122,030</b> (8.0%)	71,571 <sup>*1</sup> 141.8%
<b>Profit Attributable to Owners of the Parent</b>		18,331 (1.2%)	<b>97,951</b> (6.4%)	79,620 <sup>*1</sup> 434.3%
Average Exchange Rates	US\$	153 yen	<b>149 yen</b>	Note: Figures in parentheses represent percentages to sales revenue.
	Euro	165 yen	<b>172 yen</b>	

**Impact from foreign exchange rate fluctuations  
(as compared with fiscal 2025 9M)**

Sales revenue: -12.0 billion yen (approx.)  
Profit before income taxes: +2.0 billion yen (approx.)

<sup>\*1</sup> Please refer to the next page for one-time costs, etc. included in each profit.

<sup>\*2</sup> The gap of 13.3 billion yen(approx.) between operating profit and profit before income taxes for fiscal 2026 9M is attributable to a significant decrease in foreign exchange losses, whereas foreign exchange losses surged in fiscal 2025 9M because of the rapid appreciation of the yen.

This slide shows the results for fiscal 2026 9M compared to fiscal 2025 9M.

Sales revenue increased due to higher sales in the Core Components Business especially in the Semiconductor Components Unit, despite the impact of the stronger yen against the US dollar.

Profit increased significantly due to the effect of higher sales and progress in structural reforms, in addition to the impact of impairment losses, etc. recorded in fiscal 2025 9M.

As a result, sales revenue for fiscal 2026 9M amounted to JPY1,522 billion, up 2% from fiscal 2025 9M, operating profit increased 475.3% to JPY70.6 billion, profit before income taxes increased 141.8% to JPY122 billion and profit attributable to owners of the parent increased 434.3% to JPY98 billion.

The average exchange rate was JPY149 against the US dollar, up JPY4 from the same period last year, and JPY172 against the euro, down JPY7. The impact of the foreign exchange rate fluctuation was approximately negative JPY12 billion on sales revenue and positive JPY2 billion on profit before income taxes compared to the same period last year.

As noted below in the table, one-time costs and other factors included in the amount of change in each item are explained on the next page.

The difference in year-on-year gains between operating profit and profit before income taxes is due to a foreign exchange loss of approximately JPY13.3 billion, which was recorded in fiscal 2025 9M due to the sharp appreciation of the yen.

## Financial Results for Fiscal 2026 9M (2)



OP: operating profit / PBT: profit before income taxes / PKG: package

(Yen in billions / Figures are approximate)

### • One-time costs included in OP and PBT

	Fiscal 2025 9M	Fiscal 2026 9M	Change (as compared with fiscal 2025 9M)
1) Organic PKGs and Boards Business: Impairment loss of PPE, etc.	-43.0	-	+43.0
2) Organic PKGs and Boards Business: Write-down of idle assets	-	-5.0	-5.0
3) Loss in connection with the execution of an agreement to transfer the silicon diode power semiconductor business	-	-2.1	-2.1
<b>Total: One-time costs included in OP and PBT</b>	<b>-43.0</b>	<b>-7.1</b>	<b>+35.9</b>

### • One-time costs and profit included in profit attributable to owners of the parent

	Fiscal 2025 9M	Fiscal 2026 9M	Change (as compared with fiscal 2025 9M)
4) Aggregated amount of one-time costs of 1) to 3) on after-tax basis	-30.0	-5.0	+25.0
5) Reversal of deferred tax assets, etc. at overseas subsidiaries	-18.0	-	+18.0
6) Decrease in tax expenses due mainly to an adjustment in tax amount in consequence of the sale of KDDI Corporation ("KDDI") shares	-	+9.6	+9.6
<b>Total: One-time costs and profit included in profit attributable to owners of the parent</b>	<b>-48.0</b>	<b>+4.6</b>	<b>+52.6</b>

This slide explains one-time costs.

The upper items represent one-time costs included in operating profit and profit before income taxes. In the same period of the previous year, we recorded approximately JPY43 billion in impairment losses on property, plant and equipment, etc. in the Organic Packages and Boards Business. In fiscal 2026 9M, we recorded approximately JPY5 billion in write-downs of idle assets in the Organic Packages and Boards Business, and approximately JPY2.1 billion in losses related to the execution of the transfer agreement for the silicon diode power semiconductor business. As a result, we recorded total losses of approximately JPY7.1 billion.

These differences of approximately JPY35.9 billion were one of the factors contributing to the increase in profit for fiscal 2026 9M.

The bottom items represent one-time costs included in profit attributable to owners of the parent. In the same period of the previous year, we recorded a total of approximately JPY48 billion, consisting of approximately JPY30 billion after tax effects as shown under item one in the table above, and approximately JPY18 billion due to an increase in tax expenses resulting from the reversal of deferred tax assets, etc. at overseas subsidiaries.

On the other hand, in fiscal 2026 9M, in addition to the amount of approximately JPY5 billion after tax effects related to the one-time costs under item two and item three in the table above, we recorded a positive impact of approximately JPY9.6 billion due to a decrease in tax expenses resulting from the sale of KDDI shares, resulting in a net gain of approximately JPY4.6 billion.

These differences of approximately JPY52.6 billion were one of the factors contributing to the increase in profit for fiscal 2026 9M.

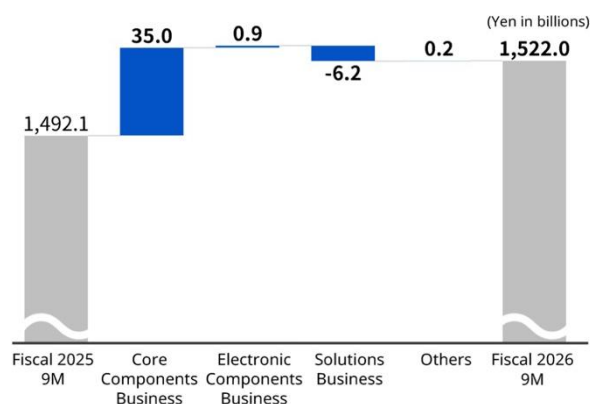
## Financial Results for Fiscal 2026 9M (3)



(Yen in billions)

### Sales Revenue

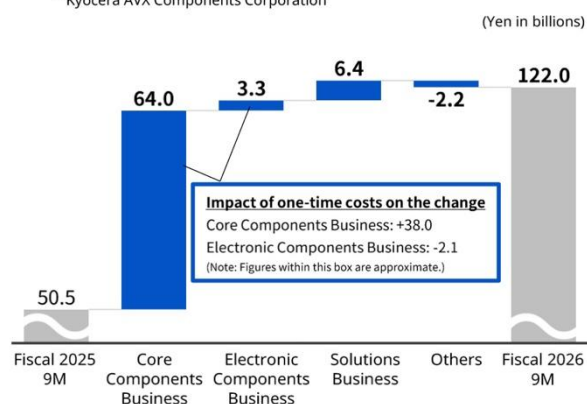
- Sales revenue of the Solutions Business decreased due mainly to decreased sales in the Document Solutions Unit.
- Sales revenue of the Core Components Business increased due mainly to increased sales in the Semiconductor Components Unit.



### Profit Before Income Taxes

- Profits increased significantly due mainly to the positive effect of structural reforms in the Organic Packages and Boards Business and KAVX\* Group, and cost reduction efforts in each business, as well as decrease in amount of one-time costs.

\* Kyocera AVX Components Corporation



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Here is a summary of results for fiscal 2026 9M. See the sales revenue on the left side of the slide. Sales revenue of the Core Components Business increased, mainly due to higher sales in the Semiconductor Components Unit, while sales revenue of the Solutions Business decreased, mainly due to lower sales in the Document Solutions Unit.

Please see pre-tax profit on the right. Profit before income taxes increased significantly due to the effects of structural reforms in the Organic Packages and Boards Business and the KAVX Group, as well as cost reduction efforts in each business and a decrease in one-time costs.



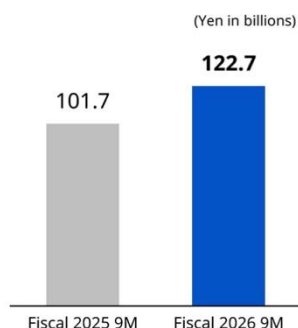
## Financial Results for Fiscal 2026 9M (2)



### Capital Expenditures

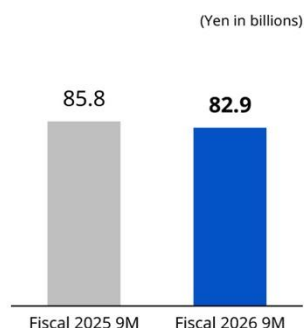
Increased due mainly to completion of new factory buildings\* constructed in Japan from previous years to expand production capacities and to promote automation

\* Kagoshima Sendai Plant: 37.0 billion yen (approx.)  
Shiga Higashiomi Plant: 5.0 billion yen (approx.)



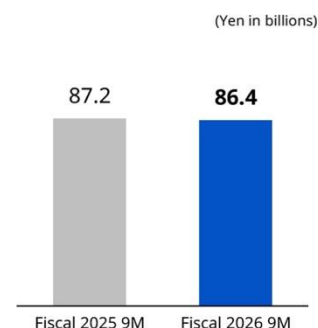
### Depreciation Charge of PPE

Decreased due mainly to the recording of a loss for impairment in the Organic Packages and Boards Business in fiscal 2025 9M



### R&D Expenses

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



Capital expenditures, depreciation charge of PPE, and R&D expenses are shown here. Capital expenditures on the left side increased due mainly to completion of new factory buildings constructed in Japan from previous years to expand production capacities and to promote automation.

Depreciation charge of PPE in the center decreased due mainly to the recording of a loss for impairment in the Organic Packages and Boards Business in the same period of the previous fiscal year.

R&D expenses on the right decreased slightly due to the selection and concentration of R&D activities.

## Sales Revenue by Reporting Segment for Fiscal 2026 9M



(Yen in millions)

	Fiscal 2025 9M		Fiscal 2026 9M		Change	
	Amount	Component Ratio	Amount	Component Ratio	Amount	%
<b>Core Components Business</b>	442,239	29.6%	<b>477,170</b>	<b>31.3%</b>	34,931	7.9%
Industrial & Automotive Components Unit	198,832	13.3%	202,828	13.3%	3,996	2.0%
Semiconductor Components Unit	225,735	15.1%	255,770	16.8%	30,035	13.3%
Others	17,672	1.2%	18,572	1.2%	900	5.1%
<b>Electronic Components Business</b>	266,301	17.8%	<b>267,196</b>	<b>17.6%</b>	895	0.3%
<b>Solutions Business</b>	797,541	53.5%	<b>791,266</b>	<b>52.0%</b>	-6,275	-0.8%
Industrial Tools Unit	231,796	15.5%	231,287	15.2%	-509	-0.2%
Document Solutions Unit	352,061	23.6%	342,655	22.5%	-9,406	-2.7%
Communications Unit	158,827	10.7%	152,964	10.1%	-5,863	-3.7%
Others	54,857	3.7%	64,360	4.2%	9,503	17.3%
Others	12,721	0.9%	10,570	0.7%	-2,151	-16.9%
Adjustments and Eliminations	-26,747	-1.8%	-24,206	-1.6%	2,541	-
<b>Sales Revenue</b>	<b>1,492,055</b>	<b>100.0%</b>	<b>1,521,996</b>	<b>100.0%</b>	<b>29,941</b>	<b>2.0%</b>

Here is the list of sales revenue by reporting segment.

## Business Profit (Loss) by Reporting Segment for Fiscal 2026 9M



(Yen in millions)

	Fiscal 2025 9M		Fiscal 2026 9M		Change	
	Amount	% to Sales Revenue	Amount	% to Sales Revenue	Amount	%
<b>Core Components Business</b>	-13,747	-	<b>50,344</b>	<b>10.6%</b>	64,091	-
Industrial & Automotive Components Unit	18,654	9.4%	21,870	10.8%	3,216	17.2%
Semiconductor Components Unit	-33,251	-	29,250	11.4%	62,501	-
Others	850	4.8%	-776	-	-1,626	-
<b>Electronic Components Business</b>	-1,411	-	<b>1,937</b>	<b>0.7%</b>	3,348	-
<b>Solutions Business</b>	51,623	6.5%	<b>57,997</b>	<b>7.3%</b>	6,374	12.3%
Industrial Tools Unit	11,804	5.1%	12,822	5.5%	1,018	8.6%
Document Solutions Unit	32,189	9.1%	29,144	8.5%	-3,045	-9.5%
Communications Unit	4,713	3.0%	7,659	5.0%	2,946	62.5%
Others	2,917	5.3%	8,372	13.0%	5,455	187.0%
Others	-35,165	-	-30,940	-	4,225	-
<b>Total Business Profit</b>	<b>1,300</b>	<b>0.1%</b>	<b>79,338</b>	<b>5.2%</b>	<b>78,038</b>	<b>-</b>
Corporate Gains and Others	49,159	-	42,692	-	-6,467	-13.2%
<b>Profit Before Income Taxes</b>	<b>50,459</b>	<b>3.4%</b>	<b>122,030</b>	<b>8.0%</b>	<b>71,571</b>	<b>141.8%</b>

Here is the list of business profit by reporting segment.

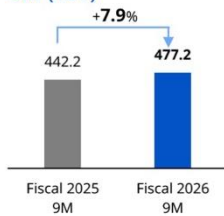
Changes in sales and profit of each reporting segment are explained on the next page and beyond.

## Financial Results by Reporting Segment for Fiscal 2026 9M: Core Components Business



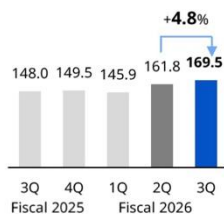
### Sales Revenue

#### • 9M (YoY)



✓ Sales revenue increased due mainly to increased sales in the Semiconductor Components Unit, including sales of ceramic packages for information and telecommunication-related markets and organic packages for data centers.

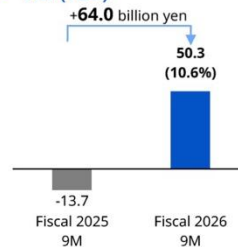
#### • 3Q (QoQ)



✓ Same as YoY.

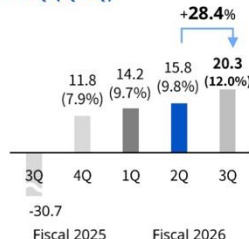
### Business Profit (Ratio)

#### • 9M (YoY)



✓ Business profit increased significantly due to increased sales and the positive effect of structural reforms, as well as decrease in amount of one-time costs\*.

#### • 3Q (QoQ)



✓ Business profit increased due to the increased sales and cost reduction efforts, which more than offset the impact of one-time costs\*.

\* Detail of one-time costs (both incurred in the Organic Packages and Boards Business; figures are approximate)  
Fiscal 2025 3Q: Impairment loss of PPE, etc.: -43.0 billion yen  
Fiscal 2026 3Q: Write-down of idle assets: -5.0 billion yen

The changes in sales revenue and business profit by reporting segment are explained in the upper row for fiscal 2026 9M, compared with fiscal 2025 9M. In the lower row for 3Q of fiscal 2026 alone, compared with 2Q of the current fiscal year.

First, the Core Components Business. Please see the sales revenue on the left side. Sales revenue for 9M totaled JPY477.2 billion, while sales revenue for 3Q totaled JPY169.5 billion.

For 9M as well as 3Q, sales revenue increased due mainly to increased sales in the Semiconductor Components Unit, including sales of ceramic packages for information and telecommunication-related markets and organic packages for data centers.

Please see business profit on the right. For 9M, business profit totaled JPY50.3 billion, while business profit for 3Q totaled JPY20.3 billion.

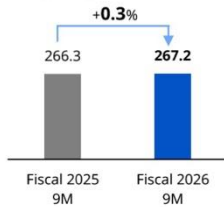
For 9M, business profit increased significantly due to increased sales and the positive effect of structural reforms, as well as decrease in amount of one-time costs. For 3Q, business profit increased due to the increased sales and cost reduction efforts, although a one-time loss was recorded in 3Q.

## Financial Results by Reporting Segment for Fiscal 2026 9M: Electronic Components Business



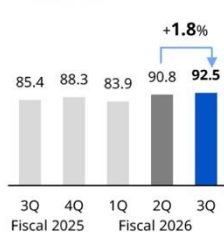
### Sales Revenue

#### 9M (YoY)



- ✓ Sales revenue was almost flat. Demand for capacitors, etc. in the automotive markets and information and telecommunication-related markets in KAVX Group increased. However, this was offset by the negative effect of an appreciation of the yen against USD.

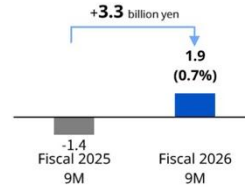
#### 3Q (QoQ)



- ✓ Sales revenue increased due mainly to the depreciation of the yen, which more than offset seasonal sales decline of MLCCs, etc. for information and telecommunication-related markets.

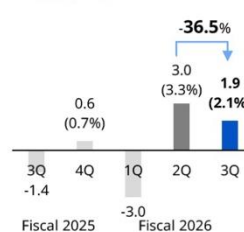
### Business Profit (Ratio)

#### 9M (YoY)



- ✓ Business profit increased due mainly to the positive effect of structural reforms in KAVX Group, which more than offset the negative impact of a one-time cost of approx. 2.1 billion yen incurred during fiscal 2026 1Q in connection with the execution of an agreement to transfer the silicon diode power semiconductor business.

#### 3Q (QoQ)



- ✓ Business profit decreased due to decreased sales of MLCCs for information and telecommunication-related markets, which more than offset effect of structural reforms in KAVX Group.

Next, the Electronic Components Business. See the sales revenue on the left side of the slide. For 9M, sales revenue totaled JPY267.2 billion, while sales revenue for 3Q totaled JPY92.5 billion.

For 9M, sales revenue was almost flat, as increased demand for capacitors and other products for the automotive markets and information and telecommunication-related markets in the KAVX Group was offset by the negative effect of the yen's appreciation against US dollar.

On the other hand, in 3Q, sales revenue increased slightly, mainly due to the weaker yen, despite a seasonal decline in sales of ceramic capacitors for the information and telecommunication-related markets.

Please see business profit on the right. For both 9M and 3Q alone, business profit totaled JPY1.9 billion.

For 9M, business profit increased mainly due to the positive effect of structural reforms in the KAVX Group, which more than offset the negative impact of a one-time cost of approximately JPY2.1 billion incurred during fiscal 2026 1Q in connection with the execution of an agreement to transfer the silicon diode power semiconductor business.

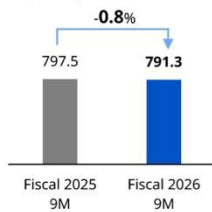
On the other hand, business profit decreased due to lower sales of ceramic capacitors for information and telecommunication-related markets, which more than offset the effects of structural reforms in the KAVX Group.

## Financial Results by Reporting Segment for Fiscal 2026 9M: Solutions Business



### Sales Revenue

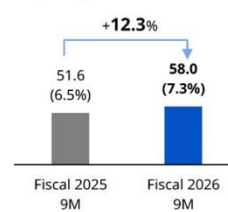
#### 9M (YoY)



✓ Sales revenue of the Solutions Business as a whole 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.

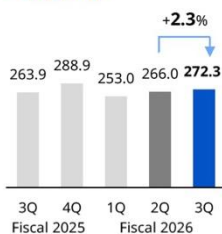
### Business Profit (Ratio)

#### 9M (YoY)



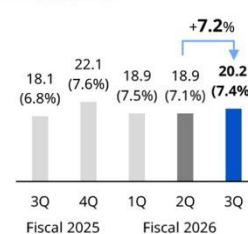
✓ Business profit increased as a result of cost reduction efforts in each business, which more than offset the decreased sales in the Document Solutions Unit.

#### 3Q (QoQ)



✓ Sales revenue of the Solutions Business as a whole increased due mainly to the depreciation of the yen and increased sales in the Document Solutions Unit, which more than offset decreased sales in the Industrial Tools Unit.

#### 3Q (QoQ)



✓ Business profit increased due mainly to increased sales in the Document Solutions Unit, which more than offset the impact of decreased sales mainly in the Industrial Tools Unit.

Lastly, the Solutions Business. See the sales revenue on the left side of the slide. For 9M, sales revenue totaled JPY791.3 billion, while sales revenue for 3Q totaled JPY272.3 billion.

For 9M, sales revenue of the Solutions Business as a whole 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.

In 3Q, however, sales revenue of the Solutions Business as a whole increased due mainly to the depreciation of the yen and increased sales in the Document Solutions Unit, which more than offset decreased sales in the Industrial Tools Unit.

Please see business profit on the right. For 9M, business profit totaled JPY58 billion, while business profit for 3Q totaled JPY20.2 billion.

For 9M, business profit increased as a result of cost reduction efforts in each business, despite the decreased profit in the Document Solutions Unit.

In 3Q, business profit increased due mainly to the effect of higher sales in the Document Solutions Unit, despite a decline in profit mainly in the Industrial Tools Unit.



## Profit Improvement of Challenging Businesses

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

**Current status**

Continuously promoting cost structure transformation initiatives to improve profitability and returned to profitability\* in fiscal 2026 3Q (three months period)

Fiscal 2026 9M: **Improved by 15 billion yen\***  
(approx.; as compared with fiscal 2025 9M)  
\*Excluding one-time costs

**KAVX Group  
(Electronic Components Business)**

**Current status**

Achieved profitability on fiscal 2026 9M by enhancing production technologies and equipment efficiencies through collaboration with the electronic components business of Kyocera Corp.

Fiscal 2026 9M: **Improved by 8 billion yen**  
(approx.; as compared with fiscal 2025 9M)

## Capital Strategies

**Progress of Share Repurchases**

- Total amount of shares repurchased by Dec. 31, 2025:  
Approx. 120 billion yen (59 million shares)
- Total amount of shares to be repurchased by end of Mar. 2026:  
Approx. 200 billion yen  
(as adopted at the BoD meeting held in May 2025)

**Previously announced**

**Reduction of Cross-shareholdings**

- June 2025  
Sold approx. 108 million shares of KDDI Corporation  
(worth approx. 250 billion yen)

Ratio of Cross-shareholdings to Net Assets  
(including shares other than KDDI Corporation)

End of fiscal 2025	End of fiscal 2026 3Q
<b>51.6%</b>	<b>47.9%</b>

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I will explain the progress of the strategic business transformation in fiscal 2026.

To begin, please see the profit improvement of challenging businesses. In the Organic Packages and Boards Business in the upper row, we have promoted measures related to cost structure transformation, and we were able to return to profitability in 3Q, excluding one-time losses.

Excluding the impact of one-time losses in fiscal 2026 and fiscal 2025, profits improved by approximately JPY15 billion compared to fiscal 2025 9M.

As for the KAVX Group in the lower row, it achieved profitability during fiscal 2026 9M by enhancing production technologies and equipment efficiencies through collaboration with the electronic components business of Kyocera Corporation. The KAVX Group also improved profits by approximately JPY8 billion compared with fiscal 2025 9M.

Please see the capital strategies on the right side of the slide. Upper row, regarding the progress of share repurchase, cumulative purchases through December 31, 2025, totaled approximately JPY120 billion.

The cumulative planned purchase amount through the end of March 2026 will remain unchanged from approximately JPY200 billion as per the May 2025 resolution.

With regard to the reduction of cross-shareholdings in the lower section, we sold approximately 108 million shares of KDDI stock for approximately JPY250 billion in June 2025, as it has already been announced.

As a result, the ratio of net assets held in the cross-shareholdings decreased to 47.9% at the end of fiscal 2026 3Q.

## Transfer of the Chemical Business New

Overview of the Business	
Reporting Segment	Core Components Business
Target Business	Chemical Business within the Ceramic Packages Business (Manufacture and sale of semiconductor-related products, mainly encapsulation materials and pastes, as well as chemical products and composite materials)
Branches Subject to Transfer	(Japan) Kawasaki Plant, Fukushima Koriyama Plant, Tochigi Moka Office (Overseas) Manufacturing subsidiary in China
Scale of the Business	Sales revenue of fiscal 2025 23.0 billion yen (approx.)
Transferee	Sumitomo Bakelite Co., Ltd.
Scheme	The target business will be transferred to a new company which will be established by Kyocera through a corporate split, and the shares of the new company will be transferred to Sumitomo Bakelite. (Tentative closing date of the share transfer: end of Oct. 2026)

## Other Items of the Review Previously announced

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

Established a new company through a corporate split, and transferred the shares of the new company to Shindengen

#### Current status

- **Jan. 2026: Executed company split and completed the transfer of all shares of the new company**

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

Transferred a U.S. distributor of materials for construction and industries, SouthernCarlson, Inc.

#### Current status

- **Jan. 2026: Completed the transfer of all shares of the subsidiary to TL Sapphire Holdings, Inc.\***  
\* An affiliate of Truelink Capital Management, LLC
- **Gain recognized by the Transfer: +15 billion yen**  
(in operating profit; approx.)

This section describes the review of businesses. Please see the transfer of the chemical business on the left side of the slide. The chemical business is part of the Ceramic Packages Business within the Core Components Business and manufactures and sells semiconductor-related products, mainly encapsulation materials and pastes, as well as chemical products and composite materials.

Branches subject to transfer are the Kawasaki Plant, Fukushima Koriyama Plant, and Tochigi Moka Office in Japan, and a manufacturing subsidiary in China. The scale of the business is approximately JPY23 billion in sales for fiscal 2025, and the transferee is Sumitomo Bakelite Co., Ltd.

As described in the transfer scheme, the target business will be transferred to a new company which will be established by Kyocera Corporation through a corporate split, and the shares of the new company will be transferred to Sumitomo Bakelite at the end of October 2026.

Other items to be reviewed are on the right side of the slide. The transfer of the silicon diode power semiconductor businesses in the upper row and SouthernCarlson, Inc. in the lower row was completed in January of this year, respectively, as originally planned. In connection with the sale of SouthernCarlson, Inc., Kyocera expects to record a gain of approximately JPY15 billion in fiscal 2026 4Q.

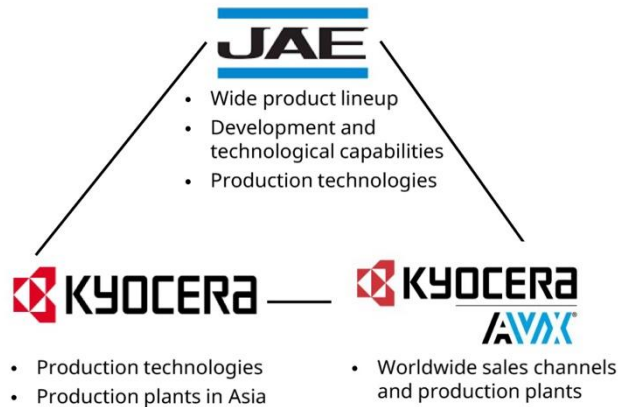
## Strengthening the Connector Business

JAE: Japan Aviation Electronics Industry, Ltd.



### Alliance with JAE

**Aim to be among the world's top group in total sales**



### Progress of Alliance

#### Initiative to increase market share

- Will dispatch Kyocera Corp.'s personnel to strengthen JAE's development structure for mobile equipment and ICT\* equipment in fiscal 2026

\*Information and communication technology

#### Alliance in sales

- Scheduled to initiate cross-selling to European automotive and industrial markets by utilizing Kyocera Group's sales channels from fiscal 2027 1H

#### Alliance in manufacturing

- Scheduled to begin mass production of JAE's products at KAVX Czech plant in fiscal 2028 1H

Next, I would like to explain strengthening of the connector business. As announced on October 30, 2025, we aim to become one of the top 10 global groups in terms of combined sales of the respective companies by leveraging the strengths of JAE, Kyocera Corporation, and KAVX to work together.

The right side of the slide shows the progress of alliance. Regarding the upper row and initiatives to expand market share, we plan to dispatch personnel from Kyocera Corporation to strengthen the development system for products for mobile equipment and ICT equipment at JAE during fiscal 2026.

In the middle section, regarding sales collaboration, from fiscal 2027 1H, we plan to start cross-selling to European automobile and industrial markets, utilizing Kyocera's sales network.

Regarding the lower part, cooperation in terms of production, KAVX Czech plant is scheduled to start mass production of JAE's products in fiscal 2028 1H.

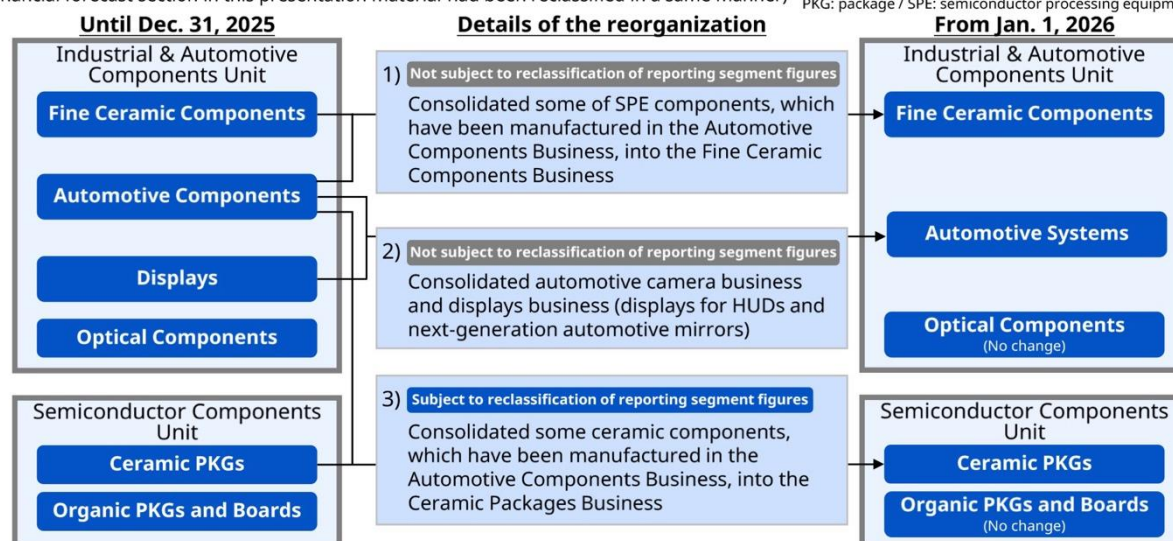


## Organization Reform in the Core Components Business



Implemented following three reorganization within the Core Components Business in Jan. 2026 to strengthen business structure of focus areas

(As a result of 3) set forth below, figures of the "Industrial & Automotive Components Unit" and the "Semiconductor Components Unit" in the financial forecast section in this presentation material had been reclassified in a same manner) PKG: package / SPE: semiconductor processing equipment



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I will explain the organizational changes in the Core Components Business. In January 2026, Kyocera implemented the following three reorganizations in the Core Components Business to strengthen its business structure in its focus areas.

The first point is to consolidate some of SPE components, which have been manufactured in the Automotive Components Business, into the Fine Ceramic Components Business.

The second point is to integrate the automotive camera business and the Displays Business, such as head-up displays and displays for next generation automotive mirrors, into the Automotive Systems Business.

The third point is to consolidate certain ceramic components that had been manufactured in the Automotive Components Business into the Ceramic Packages Business.

Of these three items, due to the consolidation of certain ceramic components that had been manufactured in the Automotive Components Business into the Ceramic Packages Business, we have reclassified the amounts for the Industrial & Automotive Components Unit and the Semiconductor Components Unit in the forecasts by reporting segment for fiscal 2026, which will be explained later.

## Financial Forecasts for Fiscal 2026 (1)



(Yen in millions)

	Fiscal 2025	Fiscal 2026		Change from	
		Previous (Oct. 2025)	Revised (Feb. 2026)	Fiscal 2025	Previous Forecast
<b>Sales Revenue</b>	2,014,454	<b>1,950,000</b>	<b>2,020,000</b>	5,546	70,000
<b>Operating Profit</b>	27,299 (1.4%)	<b>70,000</b> (3.6%)	<b>100,000</b> (5.0%)	72,701	30,000
<b>Profit Before Income Taxes</b>	63,631 (3.2%)	<b>117,000</b> (6.0%)	<b>150,000</b> (7.4%)	86,369	33,000
<b>Profit Attributable to Owners of the Parent</b>	24,097 (1.2%)	<b>95,000</b> (4.9%)	<b>120,000</b> (5.9%)	95,903	25,000
<b>EPS (Yen)</b>	17.11	<b>67.76</b>	<b>86.47</b>		
Average Exchange Rates	US\$	153 yen	<b>145 yen</b>		
	Euro	164 yen	<b>170 yen</b>		
<b>Capital Expenditures</b>	141,932 (7.0%)	<b>180,000</b> (9.2%)	<b>160,000</b> (7.9%)	18,068	-20,000
<b>Depreciation Charge of PPE</b>	112,077 (5.6%)	<b>120,000</b> (6.2%)	<b>112,000</b> (5.5%)	-77	-8,000
<b>R&amp;D Expenses</b>	116,087 (5.8%)	<b>120,000</b> (6.2%)	<b>115,000</b> (5.7%)	-1,087	-5,000

Notes: As for EPS for fiscal 2026, forecast as of Oct. 2025 is calculated using the average number of shares outstanding during fiscal 2026 1H and forecast as of Feb. 2026 is calculated using the average number of shares outstanding during fiscal 2026 9M.

Figures in parentheses represent percentages to sales revenue.

Next, I will explain the financial forecasts for fiscal 2026. Yesterday, we revised our full-year forecast for fiscal 2026.

Both sales revenue and profit have been revised upward: sales revenue to JPY2,020 billion, up JPY70 billion from the previous forecast; operating profit to JPY100 billion, up JPY30 billion; profit before income taxes to JPY150 billion, up JPY33 billion; and profit attributable to owners of the parent to JPY120 billion, up JPY25 billion.

The exchange rate was revised JPY150 against US dollar, down JPY5 from the previous forecast, and JPY170 against the euro remained unchanged.

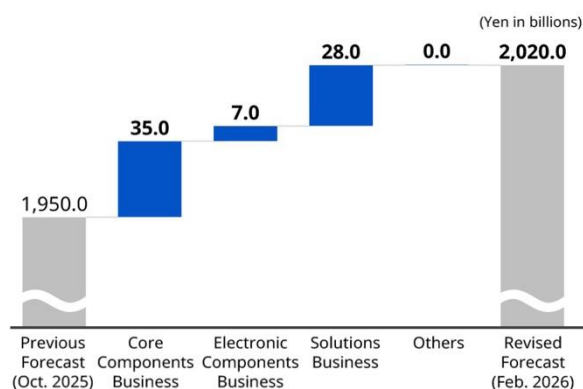
Based on the progress through fiscal 2026 9M, we have revised our forecasts for capital expenditures downward by JPY20 billion from the previous forecast to JPY160 billion, depreciation charge of PPE downward by JPY8 billion to JPY112 billion, and R&D expenses downward by JPY5 billion to JPY115 billion, respectively.

The main reasons for the revision of the forecast are explained on the next page.

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

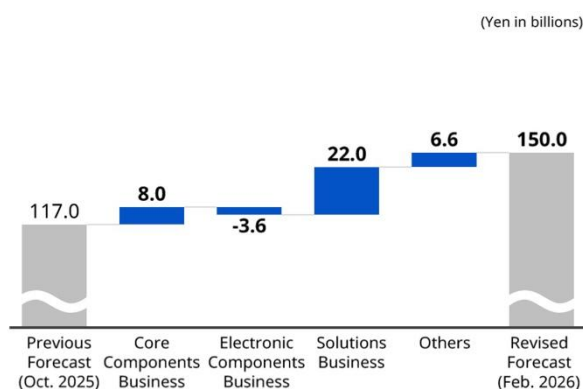
### Sales Revenue

- Strong demand for components for the semiconductor-related markets continued



### Profit Before Income Taxes

- Increased due to increased demand as well as efforts to reduce costs
- Gain from transfer of SouthernCarlson, Inc.: +15 billion yen (approx.; included in the Solutions Business)



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See the sales revenue on the left side of the slide. The upward revision was mainly due to the continued high level of demand in fiscal 2026, mainly in the semiconductor-related businesses.

By reporting segment, as shown in the graph, we increased the figure by JPY35 billion in the Core Components Business, by JPY7 billion in the Electronic Components Business, and by JPY28 billion in the Solutions Business.

See pre-tax profit on the right. For profit before income taxes, we have increased by JPY8 billion in the Core Components Business, mainly due to increased profits from increased demand and cost reduction efforts, and by JPY22 billion in the Solutions Business, taking into account the positive impacts of approximately JPY15 billion from the transfer of SouthernCarlson, Inc., respectively, from the previous forecast. We have revised downward our forecast for the Electronic Components Business by JPY3.6 billion in light of the current situation.

Together, these factors result in a total JPY33 billion upward revisions to the previous forecast for profit before income taxes.

Please refer to pages 21 and 22 for reporting segment figures.

## Forecast of Sales Revenue by Reporting Segment for Fiscal 2026



\*Figures in the table below have been reclassified in accordance with the organization reforms conducted within the Core Components Business, as explained in p.17.

(Yen in millions)

	Fiscal 2025		Fiscal 2026				Change from	
	Amount	Component Ratio	Previous (Oct. 2025)		Revised (Feb. 2026)		Fiscal 2025	Previous Forecast
			Amount	Component Ratio	Amount	Component Ratio		
<b>Core Components Business</b>	591,720	29.4%	<b>592,000</b>	<b>30.4%</b>	<b>627,000</b>	<b>31.0%</b>	35,280	35,000
Industrial & Automotive Components Unit	241,871	12.0%	238,000	12.2%	245,000	12.1%	3,129	7,000
Semiconductor Components Unit	327,049	16.3%	330,000	16.9%	358,000	17.7%	30,951	28,000
Others	22,800	1.1%	24,000	1.3%	24,000	1.2%	1,200	0
<b>Electronic Components Business</b>	354,646	17.6%	<b>350,000</b>	<b>17.9%</b>	<b>357,000</b>	<b>17.7%</b>	2,354	7,000
<b>Solutions Business</b>	1,086,367	53.9%	<b>1,026,000</b>	<b>52.6%</b>	<b>1,054,000</b>	<b>52.2%</b>	-32,367	28,000
Industrial Tools Unit	305,876	15.2%	272,000	13.9%	281,000	13.9%	-24,876	9,000
Document Solutions Unit	479,964	23.8%	455,000	23.3%	470,000	23.3%	-9,964	15,000
Communications Unit	225,497	11.2%	214,000	11.0%	216,000	10.7%	-9,497	2,000
Others	75,030	3.7%	85,000	4.4%	87,000	4.3%	11,970	2,000
Others	17,114	0.9%	12,000	0.6%	13,000	0.6%	-4,114	1,000
Adjustments and Eliminations	-35,393	-1.8%	-30,000	-1.5%	-31,000	-1.5%	4,393	-1,000
<b>Sales Revenue</b>	<b>2,014,454</b>	<b>100.0%</b>	<b>1,950,000</b>	<b>100.0%</b>	<b>2,020,000</b>	<b>100.0%</b>	5,546	70,000

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## Forecast of Business Profit (Loss) by Reporting Segment for Fiscal 2026



\*Figures in the table below have been reclassified in accordance with the organization reforms conducted within the Core Components Business, as explained in p.17.

(Yen in millions)

	Fiscal 2025		Fiscal 2026				Change from	
	Amount	% to Sales Revenue	Previous (Oct. 2025)		Revised (Feb. 2026)		Fiscal 2025	Previous Forecast
			Amount	% to Sales Revenue	Amount	% to Sales Revenue		
<b>Core Components Business</b>	-1,889	-	<b>50,400</b>	<b>8.5%</b>	<b>58,400</b>	<b>9.3%</b>	60,289	8,000
Industrial & Automotive Components Unit	23,295	9.6%	20,000	8.4%	24,800	10.1%	1,505	4,800
Semiconductor Components Unit	-26,447	-	31,000	9.4%	34,300	9.6%	60,747	3,300
Others	1,263	5.5%	-600	-	-700	-	-1,963	-100
<b>Electronic Components Business</b>	-818	-	<b>10,000</b>	<b>2.9%</b>	<b>6,400</b>	<b>1.8%</b>	7,218	-3,600
<b>Solutions Business</b>	73,696	6.8%	<b>73,000</b>	<b>7.1%</b>	<b>95,000</b>	<b>9.0%</b>	21,304	22,000
Industrial Tools Unit	15,707	5.1%	15,000	5.5%	33,200	11.8%	17,493	18,200
Document Solutions Unit	49,038	10.2%	40,000	8.8%	40,200	8.6%	-8,838	200
Communications Unit	9,347	4.1%	9,500	4.4%	10,700	5.0%	1,353	1,200
Others	-396	-	8,500	10.0%	10,900	12.5%	11,296	2,400
Others	-46,990	-	-46,000	-	-41,700	-	5,290	4,300
<b>Total Business Profit</b>	23,999	1.2%	<b>87,400</b>	<b>4.5%</b>	<b>118,100</b>	<b>5.8%</b>	94,101	30,700
Corporate Gains and Others	39,632	-	29,600	-	31,900	-	-7,732	2,300
<b>Profit Before Income Taxes</b>	<b>63,631</b>	<b>3.2%</b>	<b>117,000</b>	<b>6.0%</b>	<b>150,000</b>	<b>7.4%</b>	86,369	33,000

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Since the beginning of fiscal 2026, we have been working to improve challenging businesses and review our business portfolio, while at the same time implementing a fundamental capital policy, and we believe that these efforts have paved the way for improvements in performance and ROE. For fiscal 2026 4Q, we will continue to make steady improvements and achieve the financial forecasts announced yesterday. These are the financial results for fiscal 2026 9M. Thank you.

**Moderator:** Thank you. Next topic is to report on the progress of the Strategic Business Transformation Project.





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" and three months ended/ending June 30 is referred to as "1Q." Other fiscal years and quarterly periods are referred to in a corresponding manner.

# Progress Update

## Strategic Business Transformation Project

February 3, 2026  
Kyocera Corporation



KYOCERA Corporation

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**Tanimoto:** Now, I would like to explain the progress of the Strategic Business Transformation Project.

### Table of Contents



1. Overview of the Project	Hideo Tanimoto President, Representative Director
2. Strengthening Business Portfolio Management	Same as above
2-1. Components Businesses	Shiro Sakushima Director, Senior Managing Executive Officer
2-2. Solutions Business	Norihiko Ina Director, Senior Managing Executive Officer
3. Promoting Capital Strategies	Hiroaki Chida Director, Managing Executive Officer
4. Strengthening Corporate Governance	Hideo Tanimoto President, Representative Director
5. Upcoming Schedule	Same as above

Today, the executive officers in charge of the items listed here will each provide an explanation in the order given

# 1. Overview of the Project

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To begin with, I would like to explain the overview of the project.

## Management Rationale and What We Aim to Be



### 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.

### What We Aim to Be

#### Becoming “The Company” and gaining the respect of the world

Kyocera Group strives to address social issues by embracing the “Kyocera Philosophy,” which upholds “Do what is right as a human being” as its core standard of judgement. Following are the three centered-elements.

##### <Management by All>

Blazing a path to the future, with every member embracing manager’s consciousness

##### <Challenge and Creativity>

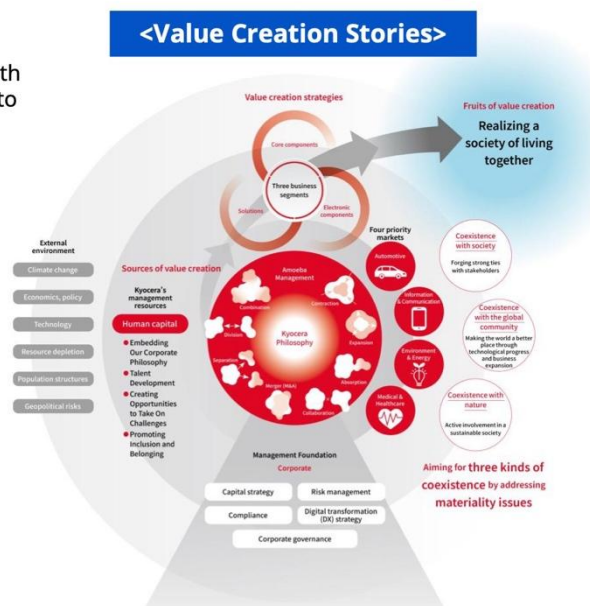
Contribute to the future of society through business development by always taking on new challenges

##### <Solid Corporate Philosophy (“Kyocera Philosophy”)>

Members continue to grow, elevate their character and even enhance the corporate identity

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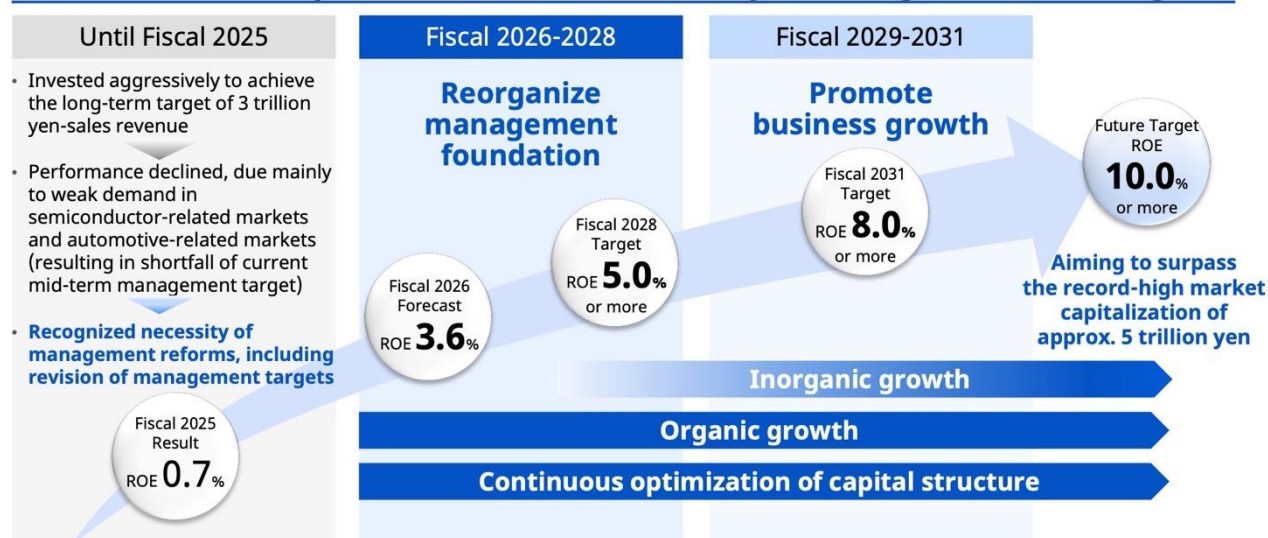
We uphold as our Management Rationale “To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind”, and we aim to become “The Company” that gains the respect of the world. Based on Management by All, Challenge and Creativity, and a solid corporate philosophy, we conduct our business.

We are implementing management reforms based on this management rationale and the vision we aim to achieve.

## Roadmap for Enhancing Corporate Value



**Divide the management reform period into two and steadily implement initiatives to improve ROE, which is our major management challenge**



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Here is a roadmap for enhancing corporate value. We will divide the management reform period into two phases and steadily implement initiatives to enhance corporate value, with improving ROE as our major management challenge.

As shown on the left, we have invested aggressively with a long-term target of achieving sales revenue of JPY3 trillion. However, performance declined mainly due to weak demand in semiconductor-related markets and automotive-related markets, and ROE for the previous fiscal year was 0.7%. As a result, we recognized the necessity of management reforms, including a revision of management targets.

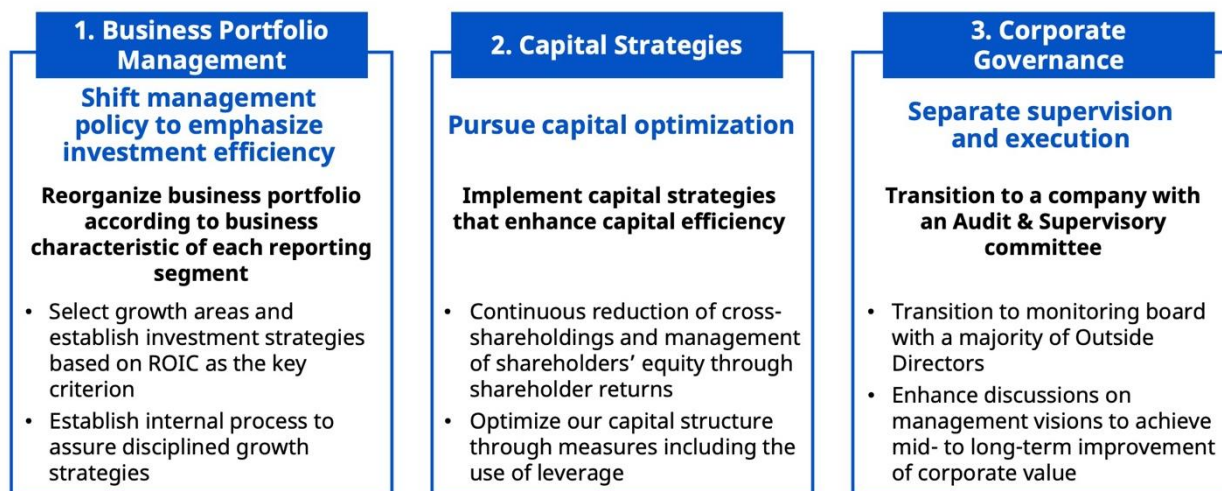
Based on the results of fiscal 2025, we have set the three-year period from the fiscal 2026 to fiscal 2028 as the period for rebuilding the management foundation, and have set a target ROE of 5% or more by fiscal 2028.

As the next step, we have set the period from fiscal 2029 to fiscal 2031 as the period for promoting business growth, with a target ROE of 8% or more by fiscal 2031.

By steadily capturing these goals, we will strive to increase market capitalization by aiming for ROE of 10% or more in the future.

To achieve the target ROE, we will continue to optimize our capital structure and work on inorganic growth as well as organic growth.

## Three reforms to achieve continuous improvement of ROE



These are the priority measures in this Strategic Business Transformation Project. We will be working on three transformations to achieve sustainable ROE improvement.

In the first point, business portfolio management, we are reorganizing our portfolio according to the characteristics of each reporting segment in order to shift to a management policy that emphasizes investment efficiency.

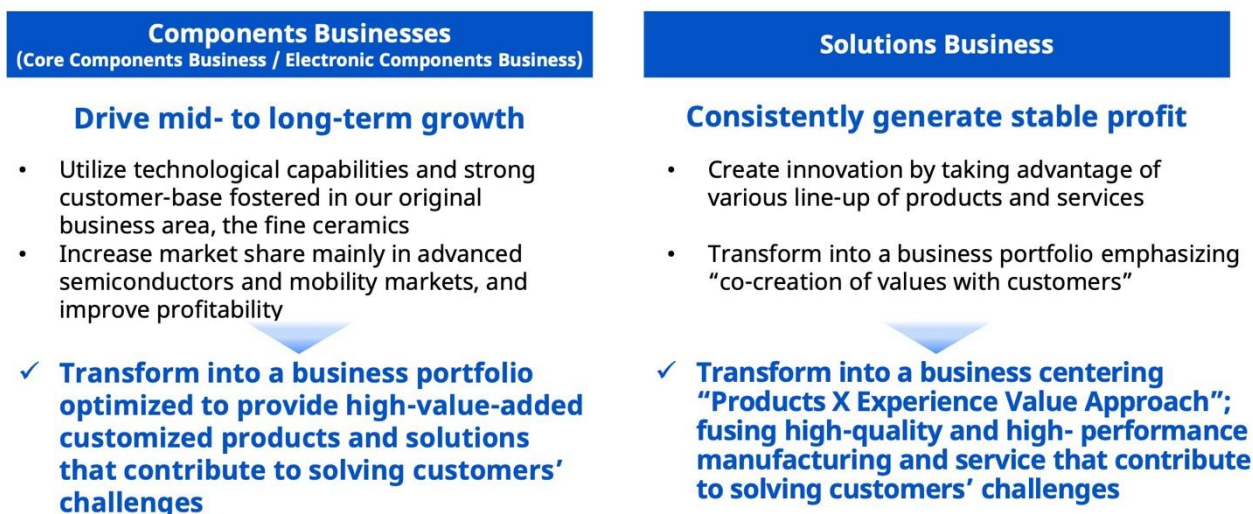
In the second point, capital strategies, we will implement financial strategies that contribute to capital efficiency in order to optimize capital.

In the third point, corporate governance, we plan to shift to a company with an Audit & Supervisory Committee in fiscal 2027 in order to separate supervision and execution.

More details on these initiatives are explained in the following pages.



## Aim to increase corporate value by contributing to solving challenges of customers as well as society using unique technologies



First, let me explain how we are strengthening our business portfolio management. We aim to enhance our corporate value by contributing to solving challenges of customers as well as society using unique technologies.

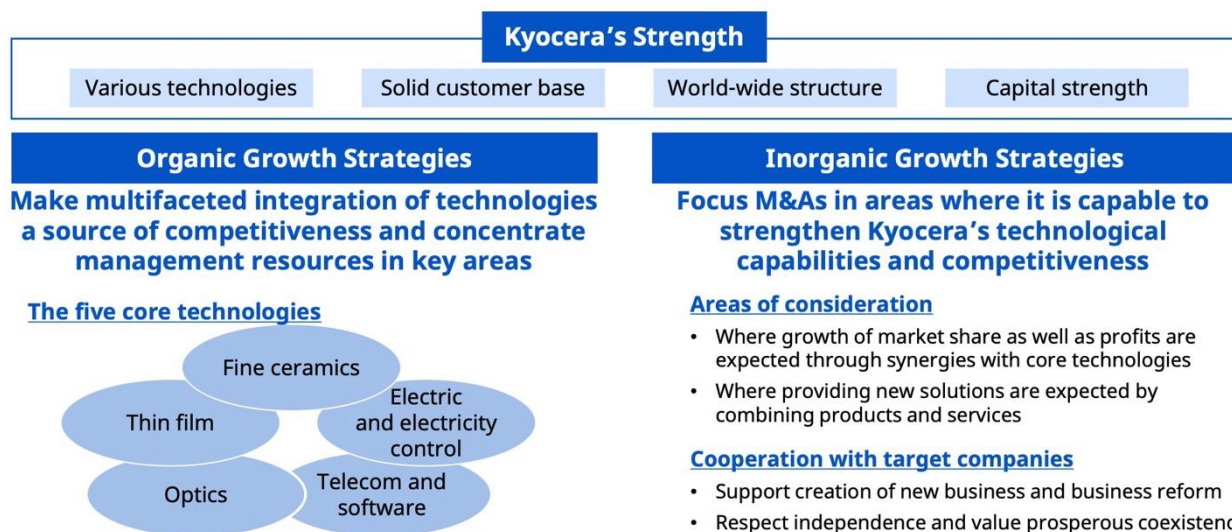
The Components Businesses on the left will be positioned as a medium- to long-term growth driver for the Kyocera Group.

We will utilize the technological capabilities and strong customer base fostered in our original business area of fine ceramics. Mainly in advanced semiconductor and mobility markets where mid- to long-term growth is expected, we aim to increase market share and improve profitability by transforming our business portfolio into one optimized to provide high-value-added customized products and solutions that contribute to solving customers' challenges.

The Solutions Business is on the right; they will generate stable profits on an ongoing basis.

Toward transforming into a business portfolio that emphasizes the creation of innovation by taking advantage of a diverse lineup of products and services and the co-creation of values with customers, we aim to transform into a business centered on the Products × Experience Value Approach, by fusing high-quality and high-performance manufacturing with services that contribute to solving customers' challenges.

## Utilize Kyocera's strength in both organic and inorganic growth strategies



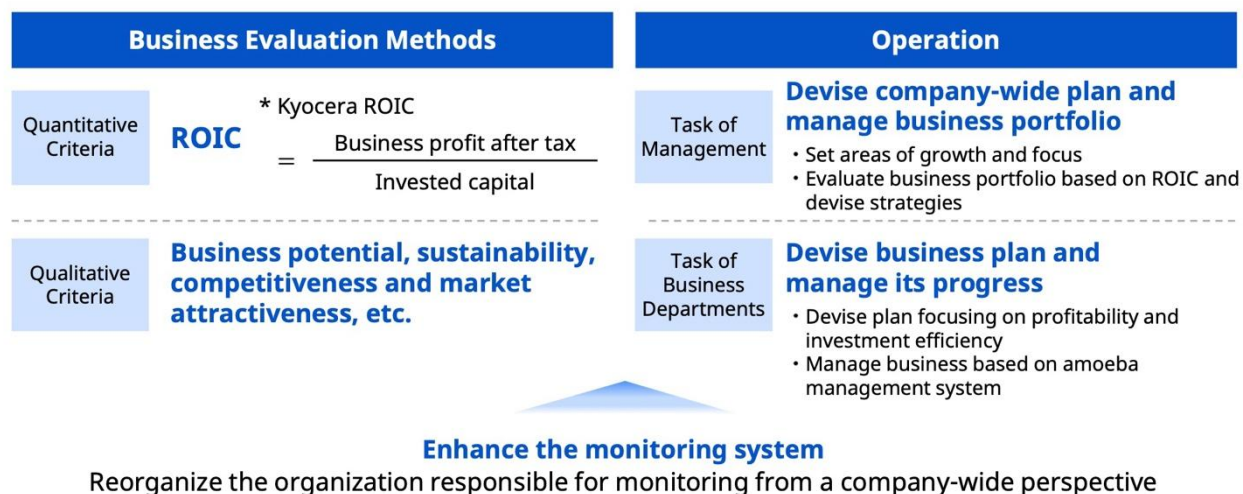
In addition to the evolution of our Components Businesses and Solutions Business, we will leverage our strengths, such as our diverse technologies, solid customer base, global structure, and capital strength, both organically and inorganically.

As an organic growth strategy, we will concentrate our management resources in priority areas, with the diversified integration of core technologies, including fine ceramics, thin films, electronic and electric control, optics, and telecommunications and software, serving as the source of our competitiveness.

As an inorganic growth strategy, we will focus on M&A in areas where we can strengthen our technological capabilities and competitiveness. M&As are considered in areas where synergies with core technologies are expected to increase market share and profit growth, or where new solutions are expected to be developed through the combination of products and services.

In working with M&A target companies, we will support the creation of new businesses and business transformation, while respect independence and emphasizing coexistence and co-prosperity.

## Initiate business evaluation based on ROIC from fiscal 2027



To strengthen our business portfolio management, we will start evaluating businesses based on ROIC from fiscal 2027. We will determine the future business direction and such by quantitative evaluation based on ROIC and qualitative evaluation such as future potential and sustainability.

As for the operational structure, management will formulate company-wide strategies and manage the business portfolio. In the business department, they will formulate business plans and manage their progress.

In addition, we will strengthen our monitoring system. We are currently in the process of reorganizing the jurisdictional organization that will conduct regular monitoring from a company-wide perspective.

### Mainly promote profitability improvement of existing businesses and reform of internal structures until fiscal 2028

Items Implemented During Fiscal 2026	Items to Implement in Fiscal 2027-2028
<b><u>Profitability improvement of existing businesses</u></b> <ul style="list-style-type: none"> <li>Optimize business size of the Organic Packages and Boards Business</li> <li>Technological and physical support to KAVX from Kyocera Corp.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Improve ROIC by thoroughly implementing profitability improvement initiatives in each reporting segment</li> <li>✓ Achieve 5% ROE by concurrently implementing capital strategies</li> </ul>
<b><u>Business portfolio restructuring amounting to approx. 200 billion yen- sales revenue size</u></b> <ul style="list-style-type: none"> <li>Transfer of the silicon diode power semiconductor business</li> <li>Divestment of Southern Carlson, Inc.</li> <li>Transfer of the chemical business</li> </ul>	<ul style="list-style-type: none"> <li>✓ Materialize mid-term growth strategies based on business evaluation centered on ROIC</li> <li>✓ Consistently conduct business portfolio review based on clear criteria</li> </ul>
<b><u>Organization structure reform to concentrate on focus areas</u></b> <ul style="list-style-type: none"> <li>SPE components-related divisions</li> <li>Automotive systems-related divisions</li> </ul>	<ul style="list-style-type: none"> <li>✓ Reorganize organization responsible of strategy planning and related processes from the viewpoint of technology and marketing</li> <li>✓ Continuously consider company-wide personnel composition</li> </ul>

This slide summarizes our initiatives through fiscal 2028. Mainly, we will promote the improvement of profitability of existing businesses and the transformation of internal systems.

The items implemented in the current term on the left were explained at the financial results presentation I just gave you. As for measures to be implemented by fiscal 2028, on the right, we will first improve ROIC by thoroughly improving profitability in each reporting segment and aim to achieve ROE of 5% in fiscal 2028, through a combination of capital strategies and other measures.

In addition, based on ROIC-based business evaluations, we will define medium-term growth strategies and continue to review our businesses using clear evaluation criteria.

Furthermore, we will reorganize the organizations and processes that are primarily responsible for strategy and planning from a technology and marketing perspective and continue to study the optimization of the company-wide personnel structure.

That concludes our explanation of strengthening business portfolio management.

Next, Mr. Sakushima and Mr. Ina, who are in charge of the Components Businesses and the Solutions Business, respectively, will explain their initiatives for future growth.

## 2-1. Components Businesses

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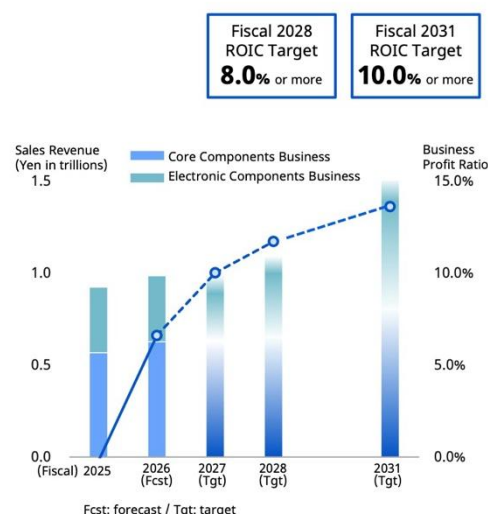
(Core Components Business and  
Electronic Components Business)

**Sakushima:** Now, I, Sakushima will explain about the Components Businesses.



**Conduct structural reforms based on technologies and enhance competitiveness**

&lt;Performance Target of the Components Businesses&gt;



Fiscal 2026-2028

**Aim early achievement of two-digit business profitability**

Fiscal 2029-2031

**Enter new stage of growth by collaborating strengths****Organic growth of core businesses**

- Enhancement of SPE-related business's organizational strength (consolidate organization and strengthen development)
- Consolidation into the Automotive Systems Business
- Order expansion by providing solutions to power circuit-related challenges for AI applications

**Enhance productivity**

- Launch smart-factory operations at Nagasaki Isahaya Plant
- Personnel and technological support to KAVX Thai Plant from Kyocera Corp.

**M&As and organization reforms**

- Consider inorganic growth mainly in the Electronic Components Business
- Conduct routine business portfolio review

**Strengthen existing businesses****Combine various strength**

In the Components Businesses, we will strive to improve corporate value by implementing technology-based structural reforms and strengthening competitiveness.

First, we aim to restore double-digit business profitability and achieve ROIC of 8% or more by fiscal 2028. Furthermore, we have positioned the period from fiscal 2029 to fiscal 2031 as a period of new growth by combining our strengths, with a target ROIC of 10% or more in fiscal 2031.

There are three main measures to achieve this goal. The first is to promote organic growth in our core businesses. We are committed to consolidating our organization to strengthen our SPE business-related activities, integrating our automotive system business, and expanding orders by proposing solutions to issues related to power circuits for AI applications.

The second point is to improve productivity. We will realize a smart factory at the Nagasaki Isahaya Plant, which is scheduled to begin operations in fiscal 2027, and at KAVX, we will proceed with significant improvements in productivity by further strengthening personnel and technological support to the KAVX Thai Plant from Kyocera Corporation.

The third point is M&A and organization reforms. We will promote the consideration of inorganic growth, mainly in the Electronic Components Business, that is, growth through external collaborations and M&A, while also conducting periodic reviews of our business portfolio.

## Drive business growth by expanding to advanced semiconductors and its surrounding areas as well as mobility areas

Advanced Semiconductors and Areas Around		Mobility Areas	
Ceramic and optical components for SPE	<p><u>Introduce products that address miniaturization and high-layer stacking demands</u></p> <ul style="list-style-type: none"> <li>High-market share fine ceramic structural components</li> <li>Products for lithography and etching process as well as electrostatic chucks</li> <li>High-end optical components for inspection equipment</li> </ul>	AD and ADAS related	<p><u>Pursue synergies</u></p> <ul style="list-style-type: none"> <li>Integrated the Displays Business and the Automotive Components Business (conducted in Jan. 2026)</li> </ul>
	<p><u>Develop component that address high-speed communication demands</u></p> <ul style="list-style-type: none"> <li>Ceramic packages for optical communications</li> <li>MEMS optical switches</li> <li>Organic packages for high-speed communication</li> </ul>		<p><u>Strengthen relationship with major Tier 1 customers</u></p> <ul style="list-style-type: none"> <li>Expand product lineup for sensing camera applications towards the practical implementation of autonomous driving</li> </ul> <p><u>Utilize Kyocera unique technologies</u></p> <ul style="list-style-type: none"> <li>Cooperate with major OEMs to develop ITS* modules and systems</li> </ul> <p><small>*ITS: intelligent transport systems</small></p>
Capacitors	<p><u>Launch products that address to unique high-value-added areas</u></p> <ul style="list-style-type: none"> <li>MLCCs: high performance customized products for AI servers</li> <li>Tantalum capacitors: polymer-type products for AI servers</li> </ul>	ICE related	<p><u>Components for ICE, e.g. O<sub>2</sub> sensors</u></p> <ul style="list-style-type: none"> <li>Pursue the advantage of the remaining players and assess market trend</li> </ul>

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I will explain our medium-term growth strategy for fiscal 2031. The core idea is to drive growth by aggressively expanding into advanced semiconductors and related areas, as well as the mobility field.

In these areas, there is a strong trend toward the integration and matching of diverse cutting-edge technologies, and we believe that there are numerous growth opportunities for us. Therefore, we will accelerate collaboration and development with our customers in order to achieve growth.

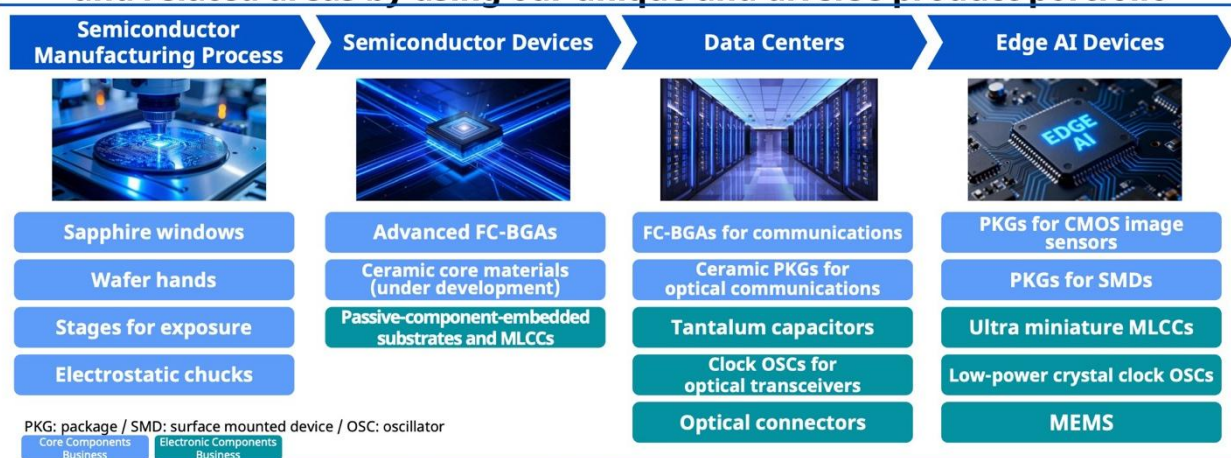
In the area of advanced semiconductors and peripheral areas on the left side of the slide, we will continue to respond to various needs in ceramic and optical components for semiconductor processing equipment, packages for high-speed communications, and capacitors.

In the mobility area on the right, in the AD/ADAS-related area, the Displays Business and the automotive component-related businesses were integrated to pursue synergies.

In addition, we will expand our product lineup by strengthening relationships with major Tier 1 customers and strengthen collaboration with OEMs in the development of ITS modules and other products that utilize our proprietary technologies.

On the other hand, in the ICE-related market, we will continue to monitor market trends while pursuing residual profit in O<sub>2</sub> sensors and other products.

## Aim for growth by capturing robust demand in advanced semiconductors and related areas by using our unique and diverse product portfolio



**Deliver optimal solutions for future technological challenges in advanced semiconductor-related areas with a product portfolio spanning packages for semiconductors, passive components, connectors, and OSCs, in addition to components for advanced SPE**

SPE: semiconductor processing equipment

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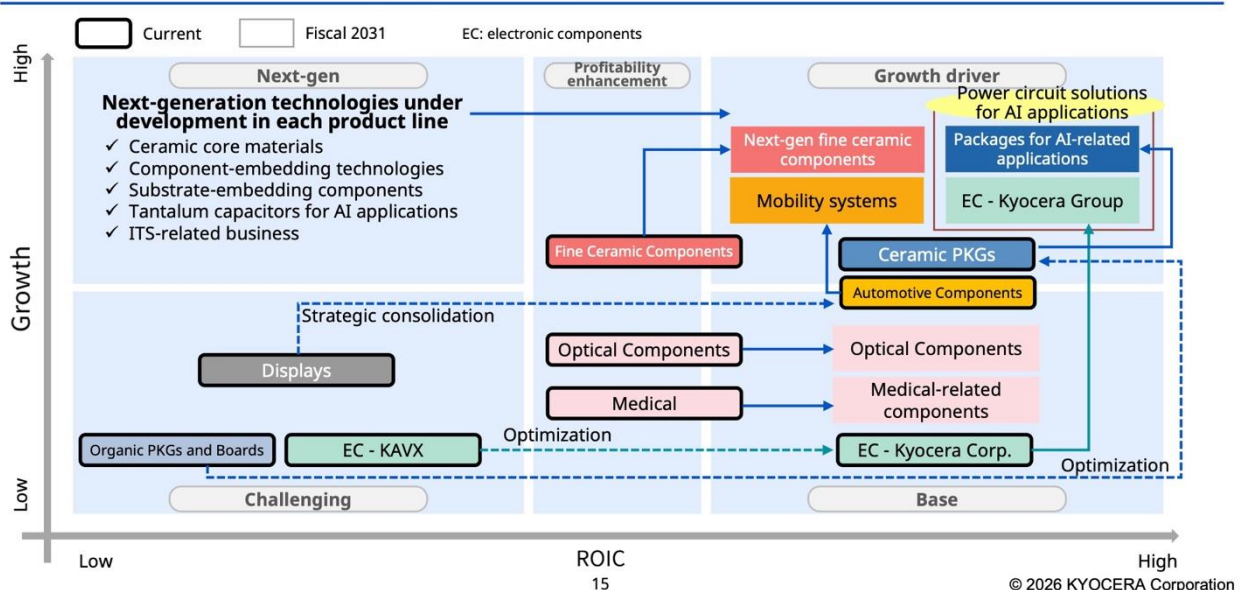
This page shows our product development in advanced semiconductors and peripheral areas. We will leverage our unique product lineup to grow in response to robust demand.

We are able to offer products that cover a wide range of areas from semiconductor processing equipment, semiconductor devices, data centers, and even edge AI devices.

Centered on fine ceramic components, we offer a diverse range of components covering front-end to back-end processes for advanced SPE. In addition, with a product portfolio spanning semiconductor packages, passive components, connectors, and oscillators, we are able to deliver optimal solutions for future technological challenges in advanced semiconductor-related areas, and we will continue to strengthen this as one of our strengths.



## Transform into high-growth, highly-profitable business portfolio



On this page, we show you how the previously mentioned initiatives will change our business portfolio. We take growth potential on the vertical axis and ROIC on the horizontal axis and classify businesses into five quadrants.

The position as of fiscal 2025 is shown in a black frame, and the position to be aimed for in fiscal 2031 is shown without a frame.

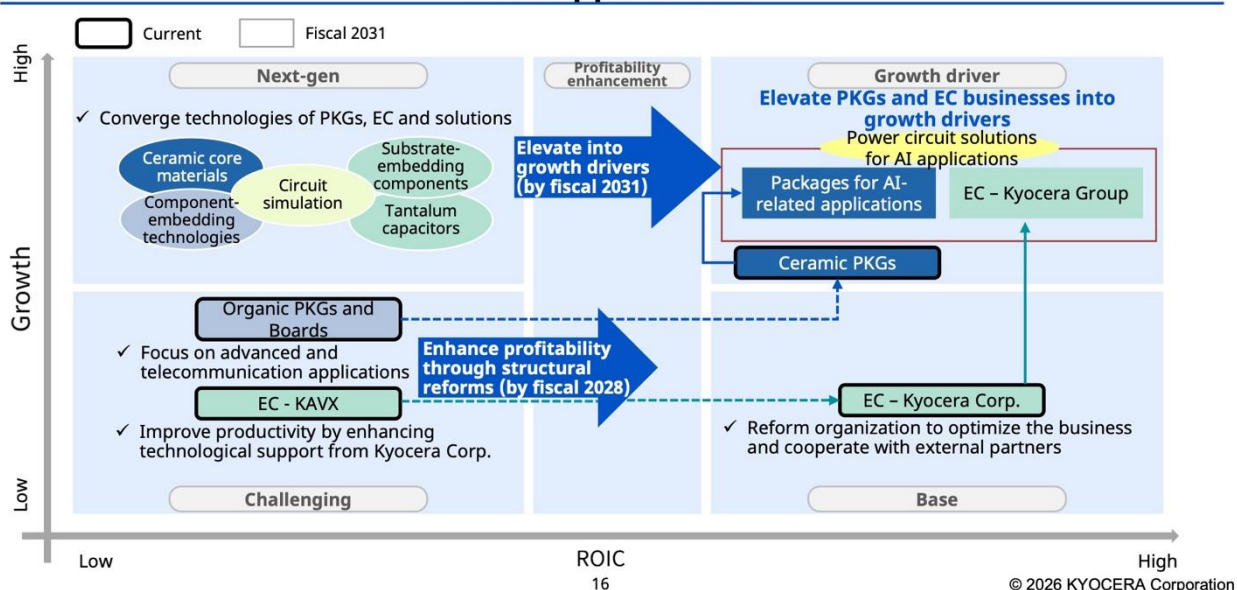
The arrows in the graph indicate organizational integration or technology fusion during the period. For example, fine ceramics, in the center of the graph, is currently plotted in a profit improvement quadrant.

Kyocera is technologically very strong in fine ceramics and it is a profitable product line. However, ROIC is currently declining due to upfront investment.

In the future, we will strengthen our growth in the booming SPE market. Through growth in the energy and aerospace fields, where we can leverage our strengths in ceramics, we have indicated that we will advance into a growth-driving business as a next-generation fine ceramics company.

Similarly, I will explain the contents related to AI power circuit solutions and mobility systems, which are positioned as future growth drivers, on the next slides.

## Drive growth of PKGs and EC businesses with power circuit solutions for AI applications



Here is an explanation of power circuit solution for AI applications. The biggest challenges for AI semiconductors in the future are to reduce power consumption and heat generation in power circuits.

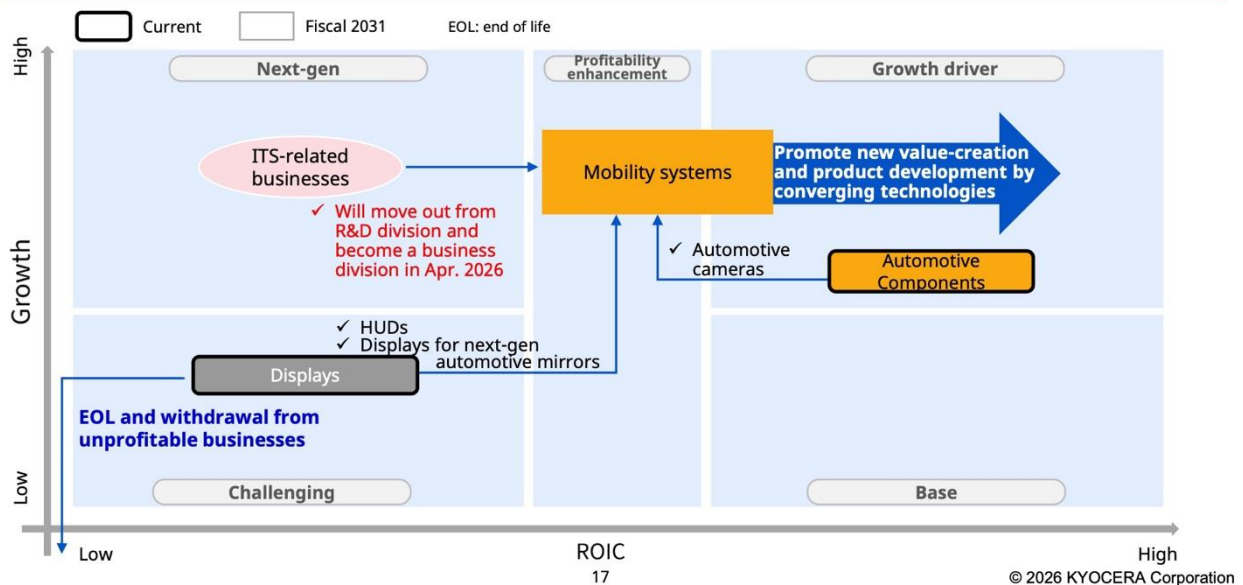
Kyocera will strengthen these businesses into growth-driving businesses by integrating the Group's circuit solution technologies, in addition to developing ceramic cores, component-embedded technologies, substrate-embedded components, tantalum capacitors, and other packages and electronic components shown in the upper left. We refer to it collectively as the power circuit solution for AI applications as shown on the right side in a yellow circle.

Organic Packages and Boards Business and KAVX, shown in the lower left of the diagram, are challenging businesses that need to be structurally reformed, and their profitability will be improved by fiscal 2028, and their positioning will be shifted to the right.

At the same time, the progress of this solution proposal, together with ceramic packages and Kyocera Corporation's electronic components business, will be sublimated into a growth driver by combining our comprehensive strengths as a power circuit solution for AI applications.

In the Organic Packages and Boards Business and the Electronic Components Business, we will actively consider flexible approaches to these businesses, including optimal organizational restructuring and, if necessary, willingness to collaborate with external partners.

## Drive business growth by consolidating mobility systems business as well as by leveraging telecommunication technologies



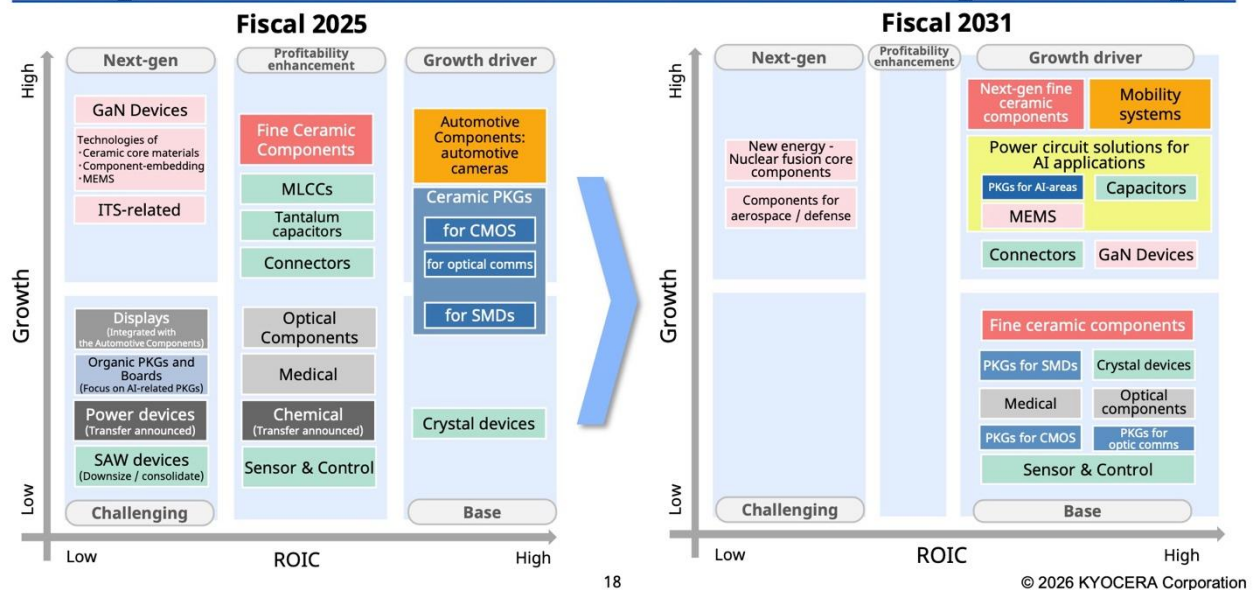
This is an explanation of our mobility systems business. Consolidate the mobility systems business and drive business growth through the use of telecommunications technology.

In January of this year, we integrated the automotive camera business, which was in the Automotive Components Business, and the Displays Business, including head-up displays and displays for next generation automotive mirrors, and established the Automotive Systems Business.

In addition, the ITS-related business, which has been promoted by the research division, will be commercialized and transferred to the Core Components Business in April of this year.

We will promote the creation of new value and product development through the integration of these technologies to respond to technological advancements such as automated driving and contribute to a safe and secure society.

**Aim to achieve high-growth and highly profitable business portfolio by pursuing structural reforms and commercialization of next-gen technologies**



This page shows how we intend to evolve our business portfolio from fiscal 2025 to fiscal 2031, including the initiatives we have described so far, for each of our major products.

In the Components Businesses, we will promote structural reforms and commercialization of next-generation technologies to achieve a high-growth, highly profitable portfolio and serve as a growth driver for Kyocera.

This concludes our explanation of the medium-term strategy for the Components Businesses. Thank you.

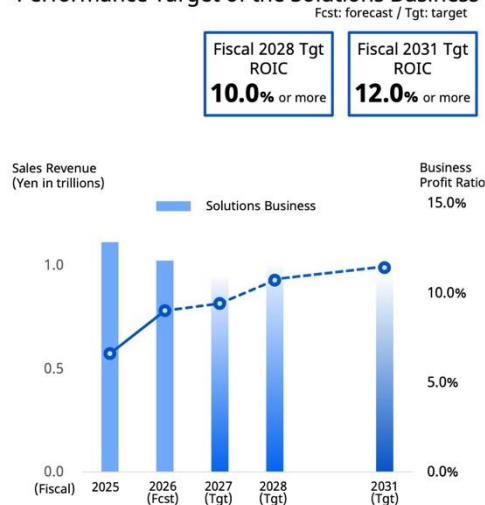
## 2-2. Solutions Business

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**Ina:** Next, I, Ina will explain about the Solutions Business.

## Divide the management reform period into two and steadily implement initiatives to improve ROE, which is our major management challenge

<Performance Target of the Solutions Business>



### Fiscal 2026-2028

#### Achieve double-digit business profitability

##### Expand sales of high-margin products

- Launch new high-margin information equipment and strengthen sales structure
- Shift resources into growth-driving businesses or focus markets of other businesses

##### Promote cost reduction and productivity improvement

- Manufacture components in-house as well as change materials
- Expand smart factory
- Improve yield by strengthening manufacturing

##### Withdraw from or downsize unprofitable businesses

Lay foundation for the "Products X Experience Value Approach"

### Fiscal 2029-2031

#### Promote business growth

##### Promote "Products X Experience Value Approach"

Target business growth and profitability improvement by maximizing values provided to customers through continuous support to customers' success by collaborating products as well as added-values from worthwhile information, services, etc.

Roll out the "Products X Experience Value Approach"

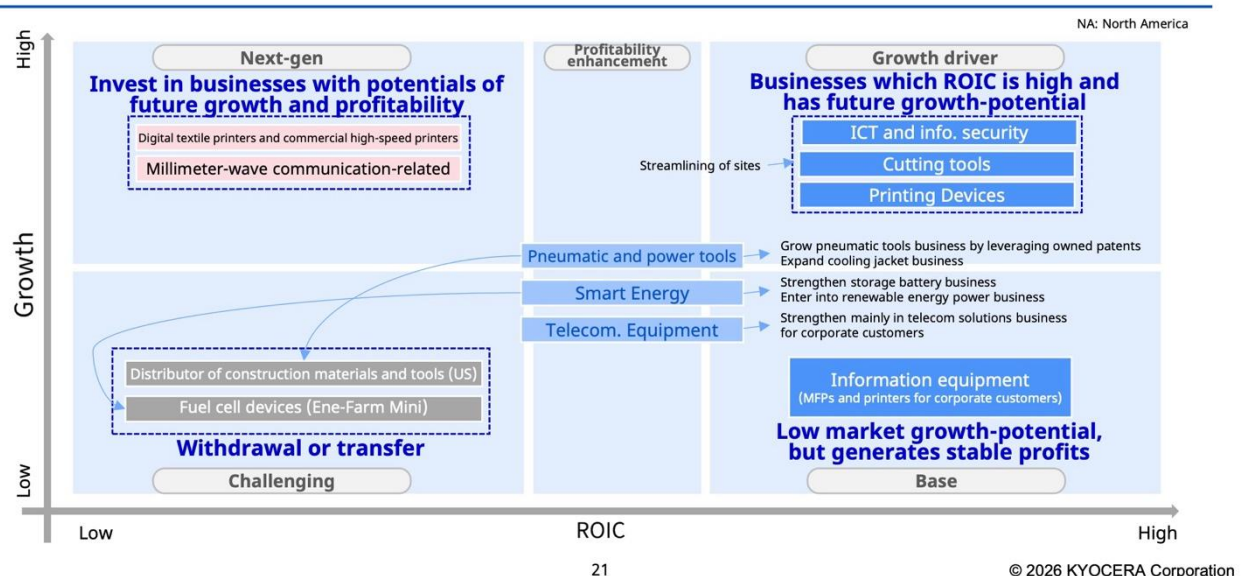
In the Solutions Business, we will also position ROIC improvement as a major management issue. Our target is 10% or more for fiscal 2028 and 12% or more for fiscal 2031.

To achieve this, the reform will be divided into two periods. From fiscal 2026 to fiscal 2028, we will continue to expand highly profitable products, reduce costs, promote productivity improvements, and withdraw from or downsize unprofitable businesses in order to ensure the realization of double-digit business profit margins. At the same time, we will work to lay the groundwork for future promotion of Products x Experience Value Approach.

From fiscal 2029, we will begin the full-scale deployment of the Products x Experience Value Approach, which aims to drive business growth and improve profitability by combining products and goods with value-added information and services that are valuable to customers, continuously supporting their success, and maximizing the value we provide.



## Business portfolio with a priority on profitability enhancement



This slide shows the business portfolio for achieving double-digit business profitability. The information equipment business, shown in the base business on the lower right, is the largest business in the Solutions Business and will generate stable profits, although it has low market growth potential.

The growth-driving businesses in the upper right corner include the ICT and information security business, the cutting tools business, and the Printing Devices Business, all of which have high ROIC and are expected to grow in the future.

At the top left are next-generation businesses that we are currently investing in because of their potential for future growth and profitability, such as digital textile printers, commercial high-speed printers, and millimeter-wave telecommunications-related businesses.

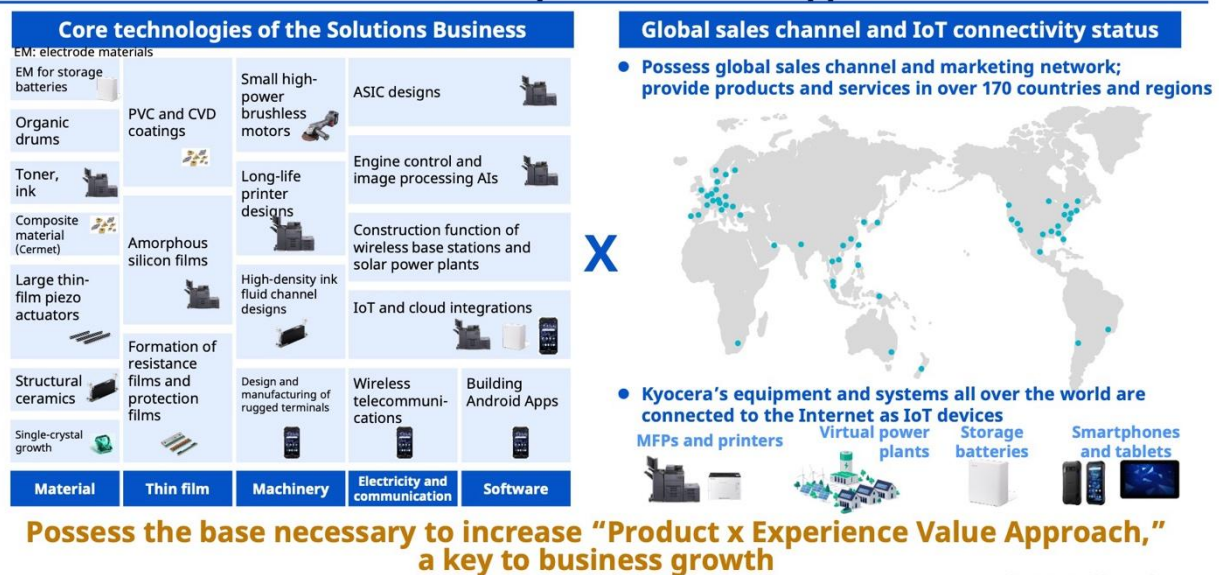
And shown in the middle row is the profitability enhancement businesses. In the pneumatic and power tools business, we have sold our North American distribution business for construction and industries, while growing our pneumatic tools business by utilizing our patents and expanding our cooling jackets business.

In the Smart Energy Business, we are withdrawing from fuel cell equipment, which is not expected to improve profitability, while strengthening the storage battery business, for which the market is expected to grow significantly, and entering the renewable energy and electric power businesses. We will continue SOFC cell stacks, which are key components of fuel cells.

The Telecommunications Equipment Business will be strengthened with a focus on the telecommunications solutions business for corporate customers.

These are the current business portfolios with an emphasis on improving profitability.

## Possess technological and sales capability to promote the "Products X Experience Value Approach"



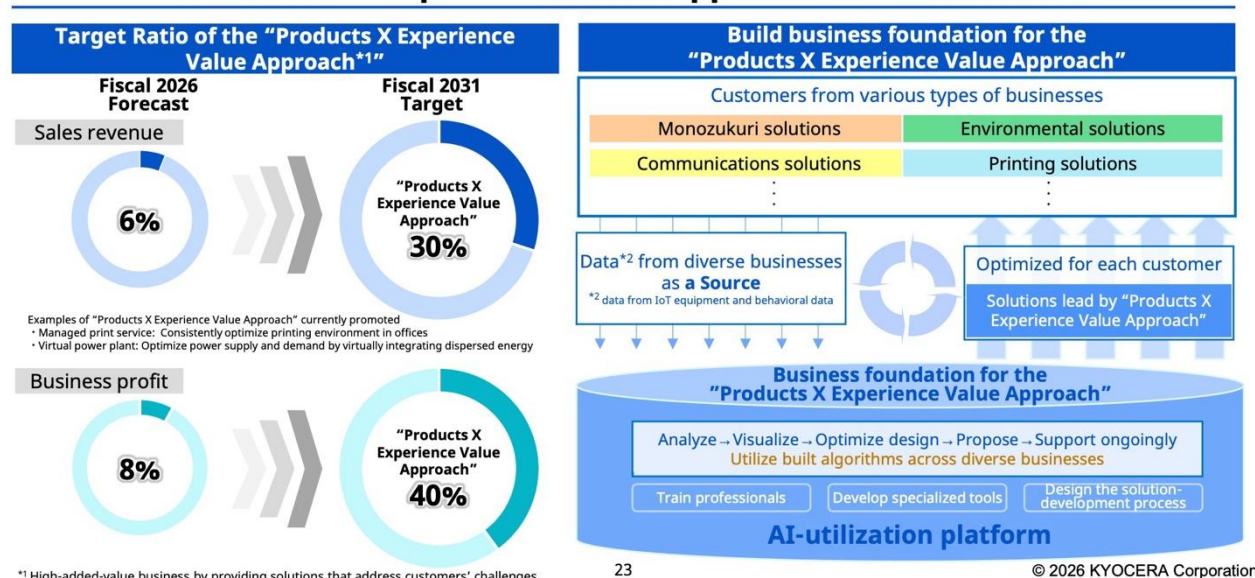
This slide shows the technology and sales capabilities that drive Products × Experience Value Approach. The core technologies in the Solutions Business are listed on the left side of the slide. We possess numerous technologies ranging from materials to software, which can be combined to provide a wide variety of products and services.

On the right side of the slide is the global sales network and IoT connectivity. With a global sales and marketing network, we currently offer our products and services in more than 170 countries and regions. In addition, many Kyocera devices and systems are now connected to the IoT worldwide, and the number of connections is increasing further.

We have already laid the groundwork through the global development of data collection and services for the development of the Products × Experience Value Approach, which we see as the key to future business growth.



## Maximize profit size by raising the sales ratio of the “Products X Experience Value Approach” to 30% or more



The Products × Experience Value Approach business, which we see as the key to future growth, is a highly profitable business that contributes to ROIC improvement by providing value-added solutions to customers' issues.

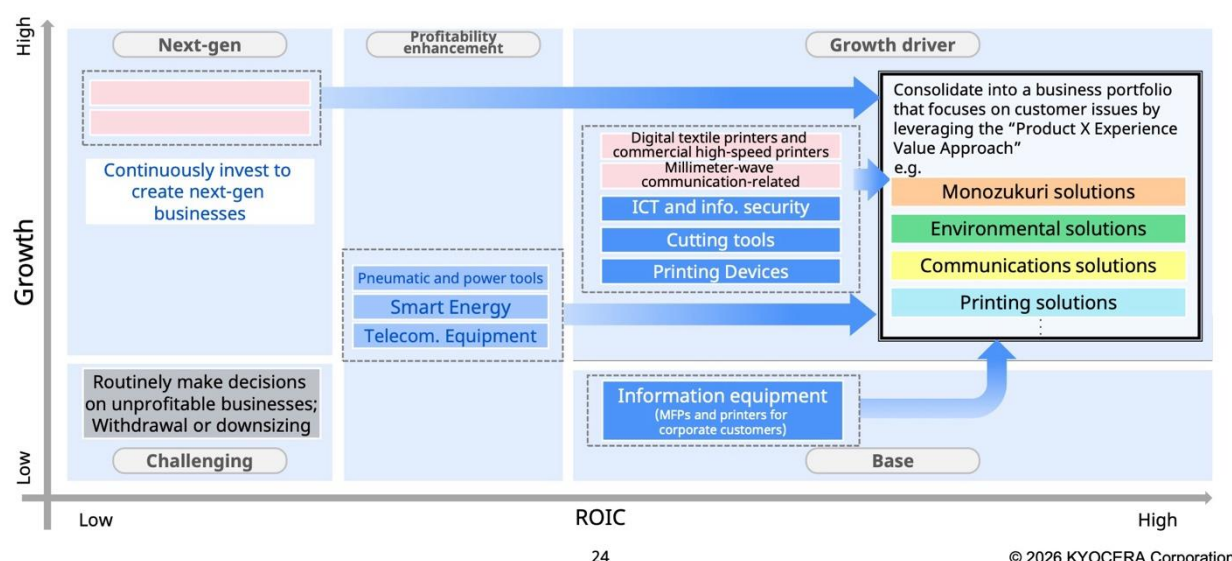
Currently, we are developing services such as MPS, managed print services, which consistently makes the office printing environment more comfortable, but our sales ratio of the Products × Experience Value Approach business for fiscal 2026 is only 6%, and we aim to increase this to more than 30% by fiscal 2031. This will also increase the revenue composition ratio from 8% to 40% in fiscal 2026.

The business foundation necessary for Products × Experience Value Approach to achieve this is shown on the right side of the slide. Using data obtained from the topmost diverse business customers as a source, we analyze them, visualize issues, design optimization, make proposals, and provide ongoing support, cycling through the cycle of providing optimal solutions for each customer to continuously support their success and maximize the value we provide.

The algorithms obtained through numerous cycles of this cycle will be leveraged across diverse businesses to further increase their value.

To this end, we will train dedicated personnel, develop dedicated tools, design processes, and build a platform that can be utilized in all of our businesses by making maximum use of AI technology.

## Maximize business growth and profit through business portfolio transformation with the "Product X Experience Value Approach"



This slide shows the image of business portfolio in fiscal 2031. As shown on the right side of the slide, we will evolve our current business portfolio or combine multiple business portfolios and consolidate them into a portfolio that can solve our customers' issues.

As a specific example, we will transform our business portfolio to one that can increase the ratio of sales from Products × Experience Value Approach, such as monozukuri (manufacturing) solutions, environmental solutions, communication solutions, and printing solutions.

In addition, we will continue to create and invest in next-generation businesses in the upper left corner of the slide. We will then periodically scrutinize the business potential and make decisions to withdraw from or downsize unprofitable businesses, as shown in the lower left-hand corner of the slide.

As we have explained, we will work to maximize business growth and earnings by promoting Products × Experience Value Approach through initiatives represented by the AI utilization platform and by transforming our business portfolio.

This concludes the explanation of the Solutions Business. Thank you.

### 3. Promoting Capital Strategies

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**Chida:** Next, I, Chida will explain the promotion of capital strategies.

## Cross-shareholdings Reduction Plan

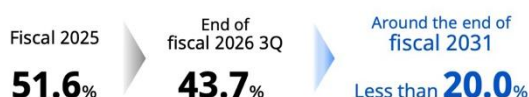
### Amount of KDDI shares to be sold



- From fiscal 2028 onward, the amount to be sold will be determined at a level commensurate with our medium-term funding needs and shareholder returns.

### Future target

- Ratio of cross-shareholdings to net assets



(Above two targets have been set based on the share prices as of the end of fiscal 2026 3Q)

## Shareholder Returns

### Share repurchases



- From fiscal 2029 onward, share repurchases planned in balance with growth investments for ROE improvement.

### Dividend policy

- Plan to adopt DOE** as the standard of dividend policy from fiscal 2027, replacing the current standard of payout ratio
- By adopting DOE as the standard, **progressive dividend policy will be formalized**, aiming to maintain stable dividend and improve dividend levels over the mid- to long-term

Kyocera will continue its efforts to reduce cross-shareholdings and enhance shareholder returns. On the left side, the cross-shareholding reduction plan is shown.

First, we sold approximately JPY250 billion of KDDI shares during fiscal 2026. In fiscal 2027, we plan to sell approximately JPY250 billion. From fiscal 2028 onward, the amount to be sold will be determined at a level commensurate with our medium-term funding needs and shareholder returns.

As a result, Kyocera aims to achieve a ratio of cross-shareholdings to net assets will be less than 20% by the end of fiscal 2031.

In terms of shareholder return on the right side, Kyocera will continue to repurchase its own shares. We plan to acquire JPY200 billion in fiscal 2026 and up to JPY500 billion in total from fiscal 2027 through fiscal 2028.

From fiscal 2029 onward, Kyocera plans to repurchase its own shares based on the balance between investment in growth to improve ROE.

In addition, Kyocera plans to change its dividend policy to one based on DOE instead of the current dividend payout ratio beginning in fiscal 2027. By using DOE as the standard, we will also clarify progressive dividends as a policy and will maintain stable dividends and improve the level of dividends over the medium to long term.

## Capital Allocation

**Strive to balance investments for growth and shareholder returns**

**Two-year target of fiscal 2027-2028**

Note: Figures are approximate.

### Operating Cash Flow

**750 billion yen**

(Before deducting R&D expenses)

### Investment in Businesses

**700 billion yen**

#### Breakdown

- Capex and investments for growth: 500 billion yen
- R&D expenses: 200 billion yen

### Income from Divestment of Shareholdings, Funds from Debt, etc.

**600 billion yen**

(Scale of debt will be determined based on the progress of sales of shareholdings)

### Shareholder Returns, etc.

**650 billion yen**

#### Breakdown

- Share repurchases: maximum of 500 billion yen
- Dividend: 150 billion yen

## Capital Structure

**Optimize equity to increase corporate value**

T Yen: Yen in trillions

**End of fiscal 2026 3Q**

Assets  
4.6 T yen

Liabilities  
1.2 T yen

Shareholders' Equity, etc.  
3.4 T yen

**Target by end of fiscal 2028**

Shareholders' Equity, etc.  
Around 2.8 T yen

**Continuously optimize capital from fiscal 2029 onward**

(Above targets are calculated based on stock price of cross-shareholdings and exchange rates as of end of fiscal 2026 3Q)

Here are the capital allocation targets for the two-year period of fiscal 2027 and fiscal 2028.

In addition to operating cash flow, we will use proceeds from the sale of shares held and debt to both invest in growth and return profits to shareholders.

The capital structure on the right side shows the capital structure at the end of fiscal 2026 3Q and the target at the end of fiscal 2028. With the aim of increasing corporate value, we will continue to optimize shareholders' equity after fiscal 2029.

This concludes our explanation of our capital strategies. Thank you.



## 4. Strengthening Corporate Governance

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**Tanimoto:** Next, I will explain how we are strengthening corporate governance.

## Transition to a company with an Audit & Supervisory Committee

(to be proposed at the 72<sup>nd</sup> Ordinary General Meeting of Shareholders scheduled for June 2026)



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In order to strengthen corporate governance, Kyocera plans to submit a proposal to the Ordinary General Meeting of Shareholders to be held in June of this year to change from the current company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee.

After the transition, the Board of Directors will be the monitoring board, which have a majority of Outside Directors, as shown on the left side of the slide.

Specifically, the current Board of Directors consists of seven Inside Directors and four Outside Directors, for a total of 11. After the transition, the Board of Directors will consist of six Inside Directors and seven Outside Directors for a total of 13, of which one Inside Director and two Outside Directors are the member of Audit & Supervisory Committee.

As shown on the right, the purpose of this transition is to separate supervision and execution, with the aim of further focusing on management decisions from a company-wide perspective in particular, prioritizing discussion of medium to long-term management visions, and further strengthening the supervisory function of the Board of Directors.

## Candidates for Director

(to be proposed at the 72<sup>nd</sup> Ordinary General Meeting of Shareholders scheduled for June 2026)

Inside Directors			Outside Directors			
Goro Yamaguchi Representative Director Chairman of the Board Right to Represent	Norihiko Ina Representative Director Vice Chairman of the Board Right to Represent	Shiro Sakushima Representative Director President Right to Represent	Eiji Kakiuchi Director (Independent Outside)	Shigenobu Maekawa Director (Independent Outside)	Junko Sunaga Director (Independent Outside)	Akitoshi Nakamura Director (Independent Outside) Newly Appointed
						<b>Reason for selection of the newly appointed Outside Director</b> <ul style="list-style-type: none"> <li>After working as a lawyer and in both private and public investment funds, he currently serves as a representative of an investment fund.</li> <li>In addition to his strong expertise, especially in finance and capital policy, he possesses robust management philosophy and a wealth of experience. As Kyocera aims to enhance corporate value by improving profitability and capital efficiency, the company believes he is well qualified and has selected him as a candidate for Outside Director.</li> </ul>
Hiroaki Chida Director	Michinori Yamada Director	Shoichi Aoki Director Audit & Supervisory Committee Member	Noriko Oi Director (Independent Outside)	Minoru Kida Director (Independent Outside) Audit & Supervisory Committee Member	Michie Kohara Director (Independent Outside) Audit & Supervisory Committee Member	

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This slide shows the candidates for Director to be proposed at the Ordinary General Meeting of Shareholders to be held in June 2026. To implement the initiatives to enhance corporate value explained today more quickly and reliably, we have decided to have Sakushima and Ina take the helm of our future management. They are currently serving as executive officers in charge of the Strategic Business Transformation Project and are leading the formulation of strategies for the management plan.

To restore the Kyocera Group to a highly profitable, high-growth company and place it on a sustainable growth trajectory, expanding sales and improving profitability in the Components Businesses by leveraging our core ceramic technologies is essential. Therefore, we appointed Sakushima, who has been involved in this business for many years and possesses broad expertise including technology and research and development, as Representative Director and Chief Executive Officer.

Ina, who will become Vice Chairman of the Board and Representative Director, will be responsible for driving the growth and development of our group, focusing on expanding sales of our products and services by leveraging his knowledge of the Solutions Business.

In addition, to ensure the steady execution of the new management plan, the smooth launch of the new organizational structure, and the orderly succession of the chairmanship to Ina, Yamaguchi will continue to serve as Representative Director and Chairman of the Board during fiscal 2027, and plans to pass the baton to the new management team within approximately one year.

I will be replaced by Mr. Sakushima as president effective April 1. Thereafter, I will retire from the Board of Directors at the Ordinary General Meeting of Shareholders to be held in June and will serve as Special Executive Advisor, providing advice.

Regarding the candidates for Outside Director on the right side of the slide, we have appointed Mr. Akitoshi Nakamura, representative of the Aspirant Group, an investment fund, as a new candidate for Outside Director.

The addition of Mr. Nakamura, who has extensive experience as an institutional investor and manager, with particular expertise in finance and capital strategy, will strengthen our Board of Directors as it seeks to enhance corporate value through improved profitability and capital efficiency.

## Skills matrix of candidates for Director

RD: Representative Director / Chair: Chairman of the Board

No.	Name	Title (Expected)	Corporate Management / Business Strategy	Global Business	Financial Affairs / Accounting / Capital Strategies	Legal Affairs / Compliance / Risk Management	Sales / Marketing / Creation of Business Opportunities	Technology / R&D
1	Goro Yamaguchi	RD, Chair	●	●		●	●	
2	Norihiko Ina	RD, Vice Chair	●	●			●	
3	Shiro Sakushima	RD, President	●	●				●
4	Hiroaki Chida	Director	●	●	●	●		
5	Michinori Yamada	Director		●			●	
6	Eiji Kakiuchi	Director (Independent Outside)	●	●			●	
7	Shigenobu Maekawa	Director (Independent Outside)	●	●	●	●		
8	Junko Sunaga	Director (Independent Outside)	●	●			●	●
9	Noriko Oi	Director (Independent Outside)				●		
10	Akitoshi Nakamura	Director (Independent Outside)	●	●	●	●		
11	Shoichi Aoki	Director		●	●	●		
12	Minoru Kida	Director (Independent Outside)		●	●	●		
13	Michie Kohara	Director (Independent Outside)				●		

(Note) Candidates No.11-13, which rows are colored, are the candidates for Director who is an Audit & Supervisory Committee Member.

◆ Although Kyocera received recommendations from a shareholder when selecting candidates for Director, Kyocera decided on the candidates above after a thorough selection process, including interviews conducted by the Nomination and Remuneration Committee.

Here is a skills matrix for the Board of Directors. We believe that the candidates for Director you have just seen can fulfill the skills that we consider important.

From the next fiscal year onward, under this structure, we will steadily implement the three reforms explained today to achieve the ROE targets in the corporate value enhancement roadmap, thereby achieving profit growth and improving capital efficiency.

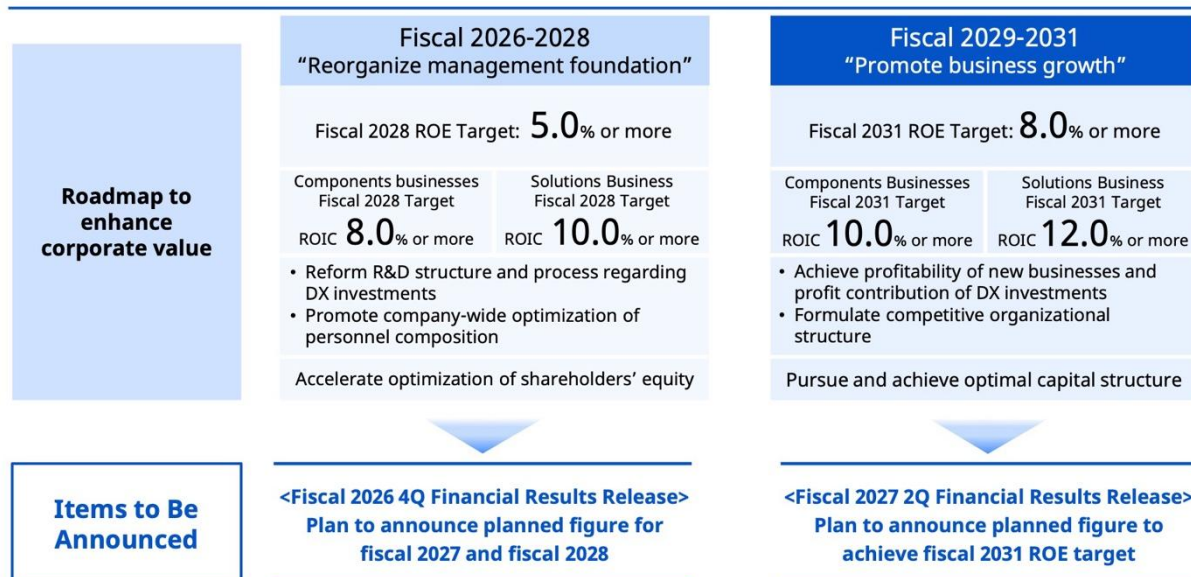
## 5. Upcoming Schedule

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Finally, we would like to explain our future schedule.



## Specific initiatives on today's items will be announced in sequence



Today, we explained the direction we are taking to improve ROE, and we will announce specific measures and other details related to the contents of today's announcement in due course.

In order to achieve the ROE target for fiscal 2028, we plan to announce the planned figures for fiscal 2027 and 2028 at the time of the announcement of the full-year financial results for fiscal 2026.

In addition, at the time of financial results announcement for fiscal 2027 1H, we plan to disclose the planned figures toward achieving the ROE target for fiscal 2031.

We appreciate your continued support.

This concludes our explanations. Thank you.

## Question & Answer

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### <Questioner 1>

**[Q]:** Thank you for taking my questions. I have two major questions.

Mr. Sakushima talked about the portfolio shift in the Components Businesses. First, I wonder if there was a decision that nothing to withdraw, and if target area of M&A remain unchanged since your last talks. Based on what I have seen today, the organizational restructuring appears to be largely organic, likely driven by technology integration and improvements in overall company efficiency. I agree that the focus areas to pursue organically, such as semiconductors, cutting-edge AI-related fields and mobility, are appropriate. However, these are the areas where other companies are likely to concentrate their efforts, so how do you plan to differentiate yourselves in these areas? It would be great if you could share a bit more of your thoughts on how you plan to move things forward toward fiscal 2028.

**Sakushima [A]:** Thank you very much.

Firstly, the business portfolio shows the mainstays of product group. As you can see from the ROIC map of the business, there are still many businesses that need to be improved, and some of these product groups will naturally be strengthened while others will be downsized. We will continue to work on this area by continuing to review businesses and hope to have it sorted out by fiscal 2028.

On the second point of how we are going to win by growing the business through technology integration, I believe that the driver of Kyocera's growth in the past was how quickly we were able to realize what our customers wanted, whether it was ceramic packages or fine ceramics. As the business grows larger, I see some passive attitude in this area, so we need to strengthen this area. In other words, I believe that we will once again reclaim our own thorough pursuit of customer value, and that this will serve as the driving force behind our efforts. We already have this foundation in place, and by revitalizing the organization, I believe we can position this as a central pillar going forward.

We have determined that we can compete in these areas by integrating the diverse technologies we possess and by internally working to enhance the usefulness of those technologies within the Company.

**[Q]:** In other words, you already have a system in place, but it is not sufficiently customer oriented or aligned with customer needs. By concentrating resources, is it fair to say that you can differentiate your business and the results will follow?

**Sakushima [A]:** Yes. We think so and we believe that the answer is something that is created between our customers and us, which is why we use the term solution. We also believe that our own technologies are well suited to this approach. I believe that this has been clearly demonstrated in Kyocera's history to date, and we will work to strengthen this point once again.

**[Q]:** The second major question is, regarding the process of coming to the overall conclusion of two ROE targets, 5% by fiscal 2028 and 8% or more by fiscal 2031, and whether you could have made a decision to accelerate the process a little more by utilizing share repurchases. My understanding is that until now, Kyocera has not favored formulating capital policy based on numerical targets such as 5% or 8%. This time, however, I felt that the policy also reflects an idea of adjusting the capital policy more dynamically to some extent in order to achieve the numbers. Please share your view including if these understandings are correct.

**Tanimoto [A]:** As you pointed out, in the past, there was a strong emphasis on increasing ROE by expanding the numerator. However, after posting very disappointing results last year, we reached an internal consensus that the numerator fluctuates significantly with economic conditions. We therefore concluded that, if we want to ensure performance targets, it would be difficult without adjusting the denominator, and we decided to proceed based on that understanding.

In fiscal 2026, we carried out a large-scale sale of KDDI shares for the first time and executed share buybacks totaling JPY200 billion. At the beginning of the fiscal year, we had indicated share buybacks of around JPY200 billion over the next three years. However, when we worked backward to determine how much capital policy would be necessary to have confidence in achieving a ROE of 5% in two years' time, we concluded that we would need to implement share buybacks of around JPY500 billion.

In the past, there has been a belief that, companies with a high level of equity capital were stable. However, as times passed, we have come to the view that focusing more on increasing corporate value, rather than maintaining a large amount of equity capital, would lead to greater stability as a company. This way of thinking has led us to the plan we announced today.

**[Q]:** There is a view that Kyocera would not be able to reach 5% without implementing capital policy measures since organic growth takes a certain amount of time. On the other hand, from a different perspective, if the Components Businesses become more profitable and you are able to achieve a ROE of 5%, would there be an option to reduce the scale of share buybacks? How should this be structured?

**Tanimoto [A]:** Up to JPY500 billion, since we have already announced it, we intend to proceed as stated. Beyond that, if circumstances like those you mentioned arise, it is possible that we may slow the pace of share buybacks somewhat.

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

## <Questioner 2>

**[Q]:** Thank you for your explanation. I have two questions.

Looking at page 27 of "Progress Update: Strategic Business Transformation Project", titled "Promoting Capital Strategies", shareholders' equity is planned to decline by JPY600 billion, from JPY3.4 trillion at the end of fiscal 2026 3Q to JPY2.8 trillion at the end of fiscal 2028. At the same time, shareholder returns are expected to total approximately JPY650 billion over the next two fiscal years. Based on a simple backward calculation, this appears to suggest that net profit may be too low.

Is this correct to assume that ROE will be higher when net profit is higher, or since you mentioned a maximum of JPY500 billion share buybacks, if you can achieve a 5% ROE, you could reduce the share buybacks a bit more? Or please explain whether it is possible to increase shareholder returns more or decrease shareholder equity if the numerator of ROE is low.

**Chida [A]:** Thank you very much for your questions.

As you point out, there are many patterns. There is a significant portion of our shareholders' equity over which we have no control. Therefore, we must also look at net profit, and if we use the DOE standard, what kind of DOE standard we use will also affect the capital structure, so we would like to control various composite factors.

**[Q]:** You have given us various figures at this point, but how much net profit do you expect for the next two years and the year after that?

**Chida [A]:** I cannot give you a specific detailed figure for profit for fiscal 2028, but we expect it to be 20% to 30% higher than fiscal 2026. As for the denominator, if we use share buybacks and add DOE, the dividend payout ratio is now 50%, but it would change from that. Therefore, the answer we came up with after simulating several patterns internally is JPY2.8 trillion.

**[Q]:** Am I correct in understanding that the share buyback will be executed for approximately JPY500 billion?

**Chida [A]:** Yes. For the two years, there is a consensus within the Company to do it at a maximum of JPY500 billion.

**[Q]:** Secondly, in the Document Solutions Business, how will the impact of the memory price increase affect next fiscal year's performance, or is it becoming more difficult to procure? Please also explain how changes in the number of smartphone and computer units will affect the Components Businesses.

**Ina [A]:** Due to the shortage of memory, not just limited for the Document Solutions Unit, we are not assuming that we will not be able to produce products in short supply during the next fiscal year, but we are assuming that prices will hike.

In this regard, it is not only Kyocera that will face higher costs, so we are considering passing these costs on to market prices. However, memory is not the most expensive component in terms of the price composition of the overall components. We will continue to work on this while keeping an eye on market conditions and other factors.

**Tanimoto [A]:** As for the overall impact, I think we will be able to secure the necessary amount by contracts for the next fiscal year. There is also speculation that the lack of memory in the world will lead to a decrease in the number of cell phones and PCs that can be set up, but since the manufacturers we are in contact with are very strong users, we believe that this will not have a major impact on our business.

**[Q]:** Thank you very much.

### <Questioner 3>

**[Q]:** Thank you very much for your explanation.

What I also would like to ask about is the balance sheet mentioned in the slide regarding the Strategic Business Transformation Project. I believe it was stated as JPY500 billion over two years for growth and capital investment. I think the amount is a bit large based on the amount of conventional capital investment. I wonder if this would include M&As, or plan something in particular. Please tell us if there is anything you are planning or anything you can tell us about it.

**Chida [A]:** Thank you very much.

As you mentioned, M&A and other investments are also taken consideration in this amount of investment. It is not set in stone, but we are assuming that the growth will probably include inorganic growth.

**[Q]:** So, the target you mentioned earlier of a 20% to 30% increase in net profit also takes into account the results of these M&As, to some extent?

**Chida [A]:** Basically, in our current estimation, the amount of net income is almost entirely organic.

**[Q]:** Next, I would like to know your thoughts on capacitors. Once again, how much of a positive contribution do you expect from the progress in improving KAVX in the coming fiscal year? Also, it is said that demand for tantalum capacitors is very strong in the market, but will your company benefit from this in the next fiscal year and beyond?

**Sakushima [A]:** Currently, Kyocera Corporation is providing significant support for the improvement of KAVX. We started the support in MLCCs from the year before last, and in that sense, the improvement seen in this fiscal year is largely these parts. The main topic is improvement in productivity. Looking ahead, by leveraging cost reductions achieved through productivity improvements, we plan to further build new product development on top of this and increase sales.

We are receiving strong inquiries for tantalum capacitors, and we are supporting the startup of a plant in Thailand to address this as quickly as possible. We are beginning to see the direction of improvement, along with gradual positive effects. We believe that the specifics will be reflected in the next fiscal year in the form of figures in that area.

**[Q]:** Understood. Thank you.

#### <Questioner 4>

**[Q]:** Thank you. I have one question regarding the Strategic Business Transformation Project and one question about the financial results.

First of all, through the Strategic Business Transformation Project, Kyocera has been working on divesting businesses totaling approximately JPY200 billion sales so far, and I am wondering if you can give me any sense of what you feel to how far you have come; whether you have done 80% as you have done a lot so far, or whether you are still at 30%.

**Tanimoto [A]:** I don't know if it is correct to say how many percentages we are at, but we are not completely finished yet, and we will probably be able to announce some things in the next term, so we may be at 60% or so. Also, since things change with the times, even if we think there is no need to withdraw for now, it may come up again in two or three years. In this sense, we will continue to conduct periodic reviews using ROIC and other methods.

**[Q]:** Secondly, can you tell us about your current perception of the Organic Packages and Boards Business and passive components? I believe that the Organic Packages and Boards Business has improved very significantly, being profitable if we exclude the one-time loss of about JPY5 billion mentioned earlier. On the other hand, I believe that market conditions have improved considerably. So, what are the factors contributing to this improvement? Also, please explain what will be needed for further growth in the future.

I believe market conditions for passive components are very strong, but there appears to be a gap between that and your plan. Could you share your assessment of the current situation and what you think will be needed going forward?

**Tanimoto [A]:** First, I think the improvement in the Organic Packages and Boards Business can be attributed to three factors: one is the reduction in fixed costs, as we have reduced our workforce; the other is that we have been withdrawing from products with poor profitability, and orders for switches and other products for data centers have been strong this year.



However, as you already know, the problem of not being able to obtain materials is expected to continue this year, and our supplier say they will only be able to improve the situation from next year. I think organic package manufacturers are having hard time in this fiscal year. Regarding passive components, Mr. Sakushima will comment.

**Sakushima [A]:** Regarding the current status of passive components, particularly electronic components business of Kyocera Corporation, parts for mobile phones form the core base. As such, we expect this area to move steadily in line with situations on that front. On the other hand, we are working to strengthen automotive-related, but the situation in this area is very difficult. We feel that it will be difficult to expand this area.

Therefore, we believe that the source of our value lies in the various challenges that are currently emerging around power circuits solutions for AI applications, as I explained earlier, and we will focus our efforts on expanding our business there.

**[Q]:** Thank you.

#### <Questioner 5>

**[Q]:** Thank you for taking my questions.

You mentioned raising corporate value, so I would like to know your company's perspective on this.

Looking at shareholders' equity target by fiscal 2028, it is projected to be JPY2.8 trillion, with a ROE of 5%. It depends on the ratio of capital cost, but your current market capitalization is close to JPY4 trillion, and based on a straightforward calculation, it seems that increasing shareholder value could be quite challenging.

What will you appeal to increase shareholder value? At this point, I believe that the impact of share buybacks is having a significant effect on corporate value. However, I think it would be difficult to do this on a permanent basis, so please let us know if you have any thoughts on how to appeal to increase corporate value.

**Chida [A]:** Thank you very much.

With the effect from share repurchase as you mentioned, our market capitalization has risen to about JPY3.5 trillion. Our target is over JPY5 trillion, and of course there is a limit to what we can raise through our capital policy alone, so we are trying to focus on how we can increase the numerator.

In terms of the denominator in our capital policy, there are significant factors within the capital that are beyond our control, so we will first eliminate those factors. At the same time, on the numerator side, we will allocate capital to growth investments to enhance value, with the aim of increasing our market capitalization to over JPY5 trillion.

**[Q]:** At that time, I wonder if the funds that can probably be allocated to M&A are a little low, I think roughly JPY200 billion. You may be thinking of not using M&A so much as a lever? Or do you think that given the scale of the projects, such a large budget is not necessary as a framework at this time? I would appreciate your supplemental comment on that.

**Chida [A]:** It does not mean that we are only interested in small-scale projects, but rather we are willing to work with good partners and those that have business synergies with us. Since we have not set a budget of JPY200 billion, we are considering allocating funds to our business strategy while making effective use of our

financial assets. Given that our current D/E ratio is very low, we believe it is possible to apply leverage in this way and allocate funds to our business strategy.

**[Q]:** For my second question, I would like to ask President Tanimoto. You have been president for nine years and have taken on many challenges, including major investments, R&Ds, M&As, and finally structural reforms, and I believe you have achieved results. From a broad perspective, what aspects do you find most challenging in managing Kyocera? Also, if there are areas where the Company's potential has not yet been fully realized, what do you see as those unrealized aspects, and where do you see future potential going forward?

**Tanimoto [A]:** Thank you very much.

When I became president, Inamori, the founder of Kyocera, was still with us, so I would sometimes consult him when making major decisions. However, from around 2020 when the COVID-19 pandemic began, he was almost no longer coming in, and passed away a little later. So that was when I last consult him.

Amoeba Management is very well-known factor of Kyocera, and while it is important for all employees to participate in management through this system, it can inevitably lead to a sense of sectionalism or internal competition. As a result, barriers can form within the organization, making it difficult to generate synergy across the company's diverse businesses.

We wanted to break through that, so we did a lot of things, including a introduction of business segment. Currently, for example, I think the barriers have almost disappeared for those above the division heads. However, I regret that it has not yet penetrated to the field, and I would like to ask Sakushima to continue to work in this area.

In addition, because engineers are also assigned to individual Amoebas, they can end up working in isolation, which makes it difficult to foster synergy and co-creation among engineers. At the same time, engineers are currently reluctant to relocate to local plants, so we recognize that we still need to continue devising ways to address these challenges in technology development.

Fortunately, we built a facility called the Production Technology Center in Yasu, Shiga last year. We feel that we have reached our limits unless we make better use of such facilities and expand an approach where all engineers work together there during the development phase, and then, once development is completed and the business is transferred, ask them to work at plants in Kagoshima, etc.

**[Q]:** Thank you.

#### <Questioner 6>

**[Q]:** Thank you very much today. I would like to ask two questions.

First, on page nine, you mentioned business valuation based on ROIC. If it is possible to answer, how do you see the assumed ROIC/WACC spread and what level of business unit do you apply this way of evaluation in the Components Businesses and the Solutions Businesses? Also, regarding strengthening of the monitoring system, it says that the organization with jurisdiction will be reorganized. I would like to know more about the idea of how this will be reorganized and operationalized in concrete terms.

**Chida [A]:** Thank you for your questions.

Roughly speaking, the WACC we are assuming right now is 6% to 7%. However, since the markets of each business differs by whether it is the Components Businesses or the Solutions Business, it may vary back and forth. We assume our equity cost is around 7%, so we need to exceed that.

As for the spread in the future, we are still assessing the appropriate level at this stage. However, we have made estimates of the ROIC required for each of the Components Businesses and the Solutions Businesses, as well as the ROIC needed at the product line level below them, in order to achieve ROE of 5% and 8%, respectively. Accordingly, we have set ROIC targets for each of our product lines, and based on these targets, business division heads and executive officers are responsible for managing their operations. The lower levels of the organization are managed under the Amoeba Management system on a divisional profitability basis. To avoid conflicts between them, we would like them to formulate appropriate strategies.

As for the organization to trace it, we will take the segment structure of the Corporate Planning Office. Until now, we have had a segment of the Solutions Business, Electronic Components Business, Core Components Business, and Headquarters, but in April, we will create a new segment called the Corporate Planning Office, and I will be in charge of this segment.

In line with the business strategy and the direction for fiscal 2028 and fiscal 2031, we will enhance the clarity of our strategy and how to achieve it by using ROIC as a key metric. Based on this, we plan to formulate business policies, including M&A, and to bring together all relevant functions such as R&D, production technology, and DX investment within the Corporate Planning Office. Therefore, after deciding on a strategy and direction, we will leave the discretion of the business to each product line, but the direction itself will be decided based on the overall optimization of the Company, and we will take the helm of management.

**[Q]:** Secondly, regarding page 27, looking at the Solutions Business, due to the divestment of Southern Carlson, Inc., assets have lightened to some extent. However, looking at the Document Solutions Unit, it appears to be relatively asset heavy, including leases.

I don't think you mentioned about ROA in regarding KPIs, but do you have a sense of direction or idea like making the Document Solutions Business asset-light? Looking at targeted ROIC of the Solutions Business, I think there are some areas that could be raised a bit more given the current business environment.

Also, I was wondering if there is a sense of direction in terms of collaboration not only within the Company but also with external parties, and I didn't see much of that kind of direction in this time. So, please tell me what kind of picture you are painting in a broader sense, or in a longer time frame, maybe up to 2031.

**Ina [A]:** As for the Document Solutions Unit, most of the sales composition is now for MFPs and printers for offices. In this area, our focus is on becoming more environmentally friendly, particularly by reducing power consumption. However, this is a market that is gradually shrinking. Therefore, as I introduced in my business portfolio today, I would like to balance growth while shifting management resources to digital textile printing machines, high-speed inkjets, and commercial printers.

This is not a new thing; this has been the direction for the past three or four years. So, at the moment, MFPs and printers for offices are not shrinking as fast as we thought they would, or rather, some of them are coming back. We would like to continue in that direction while keeping an eye on the balance.

We established a structure which almost all machines can be produced both in Vietnam and China, and have completed all of our major capital investments. We are now looking at a picture in which we will not need to make any major investments in the next two or three years; Therefore, we believe improving ROIC is possible.

**[Q]:** Thank you.

[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.*

#### **Cautionary statement**

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