# Kyocera Corporation

Financial Presentation for the Six Months Ended September 30, 2026

November 2, 2026

# Event Summary

| | |
|---|---|
| **[Company Name]** | Kyocera Corporation |
| **[Company ID]** | 6971 |
| **[Event Language]** | JPN |
| **[Event Type]** | Earnings Announcement |
| **[Event Name]** | Financial Presentation for the Six Months Ended September 30, 2026 |
| **[Fiscal Period]** | Fiscal 2027 2Q |
| **[Date]** | November 2, 2026 |
| **[Time]** | 16:00 – 16:46<br>(Total: 46 minutes, Presentation: 16 minutes, Q&A: 30 minutes) |
| **[Venue]** | Webcast |
| **[Number of Speakers]** | 2 |

| | |
|---|---|
| Shiro Sakushima | President and Representative Director, President and Executive Officer, CEO |
| Hiroaki Chida | Director, Managing Executive Officer, CFO, Executive General Manager of Corporate Planning Office and Headquarters |

## Presentation

**Moderator**: Good afternoon, everyone.

It is now time to begin the financial results presentation for the six months ended September 30, 2026. Thank you very much for joining us today.

The presentation materials are available on our website. Please note that today's webinar is being recorded.

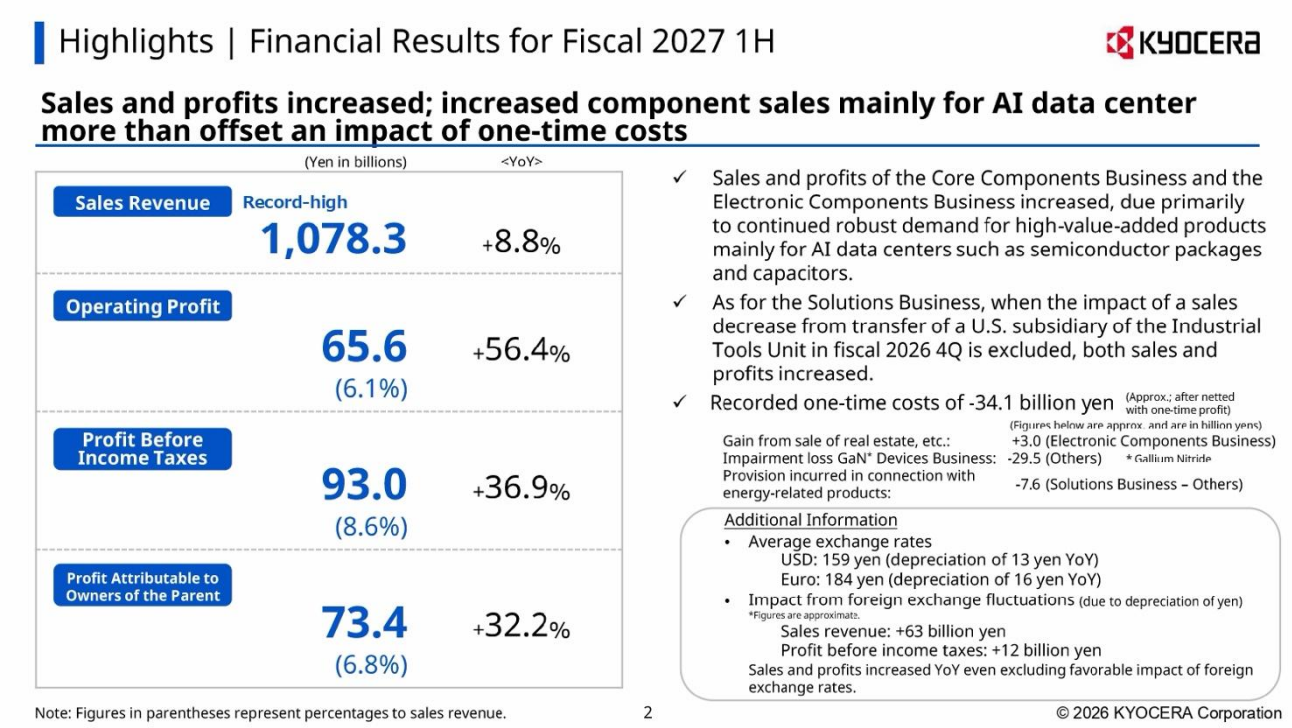
We are joined today by Shiro Sakushima, President and Representative Director, President and Executive Officer, CEO; and Hiroaki Chida, Director and Managing Executive Officer, CFO, and Executive General Manager of the Corporate Planning Office and Headquarters.

I will now turn it over to Mr. Sakushima for the financial results presentation. Mr. Sakushima, please begin.




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**Sakushima**: Thank you, as always, for your continued support. I am Sakushima. Today, I will explain our results for the six months ended September 30, 2026. Thank you for joining us.




I would first like to highlight the key points of our results.

First, let me discuss our performance in 1H. In 1H, we achieved increases in both sales and profit. Higher sales of components for AI data centers more than offset the impact of onetime losses.

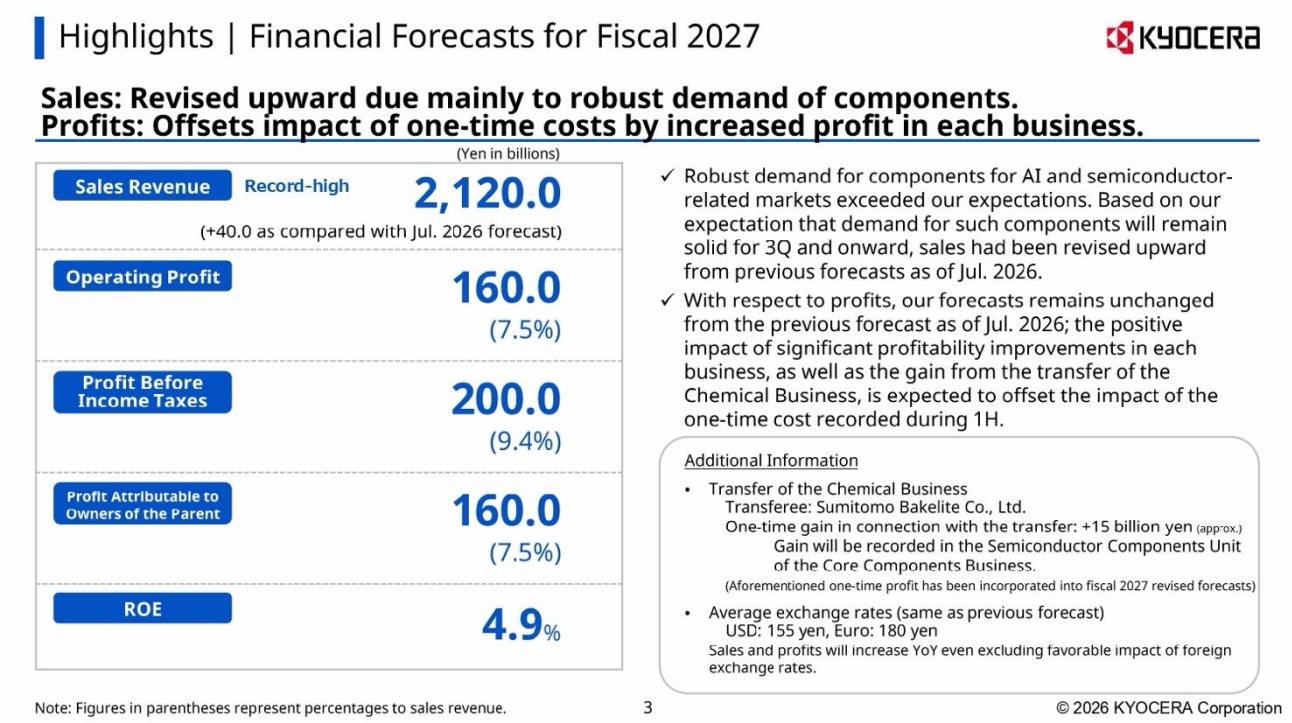
Sales revenue increased 8.8% YoY to JPY1,078.3 billion and reached record high for 1H. Operating profit increased 56.4% YoY to JPY65.6 billion, and the operating profit margin was 6.1%. Profit before income tax increased 36.9% YoY to JPY93 billion, and the margin was 8.6%. Profit attributable to owners of parent increased 32.2% YoY to JPY73.4 billion, and the margin was 6.8%.

Both the Core Components Business and the Electronic Components Business achieved higher sales and profit. This was mainly supported by continued strong demand for high-value-added semiconductor packages, capacitors, and other products for AI data centers.

In the Solutions Business, sales were impacted by the transfer of a US subsidiary in the Industrial Tools Unit in fiscal 2026 4Q. Excluding this impact, the business also achieved higher sales and profit.

During 1H, we recorded one-time losses of approximately JPY34.1 billion. The breakdown was as follows. We recorded a positive impact of approximately JPY3 billion from gain from sale of real estate, etc. in the Electronic Components Business, while we also recorded a negative impact of approximately JPY29.5 billion from an impairment loss in the GaN devices business within Others as well as approximately JPY7.6 billion from provisions related to energy-related products within Others in the Solutions Business. I will explain the impairment loss in the GaN devices business later in this presentation.

In addition, the yen was weaker against both the US dollar and the euro on average than in the same period of the previous year. As a result, sales revenue increased by approximately JPY63 billion, and profit before income tax increased by approximately JPY12 billion. Even excluding these positive foreign exchange effects, we achieved increases in both sales and profit compared with the same period of the previous year.




Next, I will explain our full-year earnings forecast. Driven mainly by strong demand for components, we have revised our sales revenue forecast upward. We also expect substantial profit growth across our businesses, which should offset the impact of the one-time losses.

We now forecast sales revenue of JPY2.12 trillion, an increase of JPY40 billion from our previous forecast. We also expect to achieve a new record high for the full fiscal year.

We forecast operating profit of JPY160 billion with a margin of 7.5%, profit before income taxes of JPY200 billion with a margin of 9.4%, and profit attributable to owners of parent of JPY160 billion with a margin of 7.5%. There are no changes to our profit forecasts from those announced in July.

During 1H, demand for components for AI-related and semiconductor-related applications exceeded our expectations. In addition, we expect demand for these products to remain solid from 3Q onward. As a result, we have revised our sales revenue forecast upward from the forecast announced in July.

As for profit, we expect significant profit growth across our businesses. In addition, we expect to record a gain on the transfer of the chemical business. These factors are expected to offset the impact of the one-time losses recorded in 1H. Accordingly, our profit forecasts remain unchanged from those announced in July.

We have also made no changes to our assumed average exchange rates for the full fiscal year from those used in the July forecast. Even excluding the positive impact of foreign exchange movements, we expect increases in both sales and profit compared with the previous fiscal year.

## Highlights | Recent Topics

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### Sep. 2026: Completion of No.1 Plant at Nagasaki Isahaya Plant

| | |
|---|---|
| Name | Nagasaki Isahaya Plant, Kyocera Corp. |
| Total Investment | 68 billion yen by fiscal 2028 (plan, approx.) |
| Major Production Items | Fine ceramic components for SPE*<br>Ceramic packages for semiconductors<br>*Semiconductor processing equipment |
| Production Plan | Currently installing production equipment sequentially.<br>Spring 2027: Plan to start full-scale operation<br>Fiscal 2031 onward: Produce 25 billion yen per year |



### Initiatives to Reduce Resource Procurement Risk and Environmental Impact

**Mitigating supply risks through recycling WC***

*Tungsten carbide; a key material for producing cutting tools mainly within our product.

**<Carbide Tool Recycling System>**

- Shortens recycling process by Kyocera-developed process, "Amino Acid-Based Streamlined Process," enabling efficient recovery of WC while reducing environmental impact
- Refinery facility will be built in Japan, and scheduled to begin operation in fiscal 2031




Certified by METI under "Plan for Securing a Stable Supply of Critical Minerals" Program (2026 Critical Minerals No. 5-1)

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Next, I would like to discuss some recent topics.

Let me start with the left-hand side of the slide. In September of this year, construction of the first building at our new plant in Isahaya City, Nagasaki Prefecture, was completed. Construction of the facility began in September 2024. We plan to invest approximately JPY68 billion in the plant by fiscal 2028. We are steadily installing production equipment, primarily for fine ceramic components used in semiconductor processing equipment and semiconductor packages, both of which are key focus areas for us. We plan to begin full-scale production in spring 2027. From fiscal 2031 onward, we expect to achieve annual production of approximately JPY25 billion.

Now, let me turn to the right hand-side of the slide, which outlines our initiatives to mitigate resource procurement risks and reduce our environmental impact. In recent years, concerns about the stable supply of rare metals and rare earth materials have become a major challenge in procuring materials. To address these procurement risks, we are promoting the recycling of tungsten carbide, a critical material used mainly in products such as cutting tools.

Using our proprietary amino acid-based process, we can shorten the tungsten carbide recycling process and improve its efficiency while reducing environmental impact. Going forward, we plan to build a new refinery facility in Japan and begin operations in fiscal 2031.

This project has also been certified by Japan's Ministry of Economy, Trade and Industry under the Plan for Securing a Stable Supply of Critical Minerals Program.

## Financial Results for Fiscal 2027 1H (1)

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(Yen in millions)

| | | Fiscal 2026 1H | **Fiscal 2027 1H** | Change Amount | Change % |
|---|---|---|---|---|---|
| **Sales Revenue** | | 991,385 | **1,078,337** | 86,952 | 8.8% |
| **Operating Profit** | | 41,945 (4.2%) | **65,609** (6.1%) | 23,664 | 56.4% |
| **Profit Before Income Taxes** | | 67,950 (6.9%) | **93,020** (8.6%) | 25,070 | 36.9% |
| **Profit Attributable to Owners of the Parent** | | 55,540 (5.6%) | **73,430** (6.8%) | 17,890 | 32.2% |
| **Average Exchange Rates** | **US$** | 146 yen | **159 yen** | | |
| | **Euro** | 168 yen | **184 yen** | | |
| **Capital Expenditures** | | 88,740 (9.0%) | **81,897** (7.6%) | -6,843 | -7.7% |
| **Depreciation Charge of PPE** | | 54,590 (5.5%) | **56,154** (5.2%) | 1,564 | 2.9% |
| **R&D Expenses** | | 57,178 (5.8%) | **57,184** (5.3%) | 6 | 0.0% |

Note: Figures in parentheses represent percentages to sales revenue.

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Next, I will explain our performance in 1H. As I mentioned earlier, we achieved increases in both sales and profit in 1H.

Please look at the lower section of the table. Capital expenditures decreased 7.7% YoY to JPY81.9 billion. Depreciation charge of property, plant, and equipment increased 2.9% YoY to JPY56.2 billion. R&D expenses were essentially unchanged YoY at JPY57.2 billion.

## Financial Results for Fiscal 2027 1H (2)

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### Details of One-time Costs and Profits

(Yen in billions / Figures are approx.)

OP: operating profit / PBT: profit before income taxes

| | Fiscal 2026 1H | Fiscal 2027 1H | YoY Change |
|---|---|---|---|
| 1) Electronic Components Business: Loss in connection with transfer of the Silicon Diode Power Semiconductor Business | -2.1 | - | +2.1 |
| 2) Electronic Components Business: Gain from sale of real estate, etc. | - | +3.0 | +3.0 |
| 3) Others: Impairment losses in the GaN Devices Business | - | -29.5 | -29.5 |
| 4) Solutions Business: Provision recorded in connection with energy-related products | - | -7.6 | -7.6 |
| **Total: One-time costs and profits included in OP and PBT** | **-2.1** | **-34.1** | **-32.0** |
| **Total: One-time costs and profits included in profit attributable to owners of the parent (Aggregated amount of one-time costs and profits in the table above on after-tax basis)** | **-1.5** | **-31.3** | **-29.8** |

### Impairment Loss in the GaN Devices Business

| | |
|---|---|
| Impaired Assets | Goodwill and a part of intangible assets recorded in Jan. 2021, when acquired U.S. GaN technology-based laser light product developer. |
| Reason for Impairment | Commercialization of the business had been promoted with the aim of achieving broad adoption of its products under development, primarily in automotive and electronics applications. However, as the period required to achieve profitability is now expected to be longer than initially anticipated, the business plan was revised, and the related assets were determined to be unrecoverable. |
| Outlook of the Business | Continue pursuing commercialization and profitability while strengthening the organizational structure and business foundation. |

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This slide summarizes the one-time gains and losses recorded in fiscal 2026 1H and fiscal 2027 1H.

The upper section shows the one-time items included in operating profit and profit before income taxes. In 1H of the previous fiscal year, we recorded a loss of approximately JPY2.1 billion associated with the transfer of the Silicon Diode Power Semiconductor Business. In contrast, in 1H of the current fiscal year, we recorded a one-time gain of approximately JPY3 billion from sale of real estate, etc. We also recorded one-time losses of approximately JPY29.5 billion from an impairment loss in the GaN Devices Business and approximately JPY7.6 billion in provisions related to energy-related products. As a result, the net impact was a loss of approximately JPY34.1 billion.

The lower section of the slide explains the impairment loss recorded in the GaN devices business.

The impaired assets consist of goodwill and certain intangible assets recognized when we acquired a US developer of GaN technology-based laser light products in January 2021.

In this business, we have been pursuing the commercialization of products under development, mainly for automotive components and electronic devices. However, we now expect it to take longer than originally anticipated to achieve profitability. Following a revision to our business plan, we determined that it would be difficult to recover the value of the relevant assets. Accordingly, we recorded an impairment loss in 1H.

Going forward, we will continue operating the business while strengthening our organizational structure and business foundation to support the commercialization of these products and achieve profitability in the future.

## Sales Revenue by Reporting Segment for Fiscal 2027 1H

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(Yen in millions)

| | Fiscal 2026 1H | | Fiscal 2027 1H | | Change | |
|---|---|---|---|---|---|---|
| | Amount | Component Ratio | Amount | Component Ratio | Amount | % |
| **Core Components Business** | 307,658 | 31.0% | **368,173** | **34.1%** | 60,515 | 19.7% |
| Industrial & Automotive Components Unit | 118,895 | 12.0% | 134,073 | 12.4% | 15,178 | 12.8% |
| Semiconductor Components Unit | 177,309 | 17.9% | 221,144 | 20.5% | 43,835 | 24.7% |
| Others | 11,454 | 1.1% | 12,956 | 1.2% | 1,502 | 13.1% |
| **Electronic Components Business** | 174,709 | 17.6% | **215,282** | **20.0%** | 40,573 | 23.2% |
| **Solutions Business** | 519,021 | 52.4% | **503,784** | **46.7%** | -15,237 | -2.9% |
| Industrial Tools Unit | 156,983 | 15.8% | 106,815 | 9.9% | -50,168 | -32.0% |
| Document Solutions Unit | 220,920 | 22.3% | 248,186 | 23.0% | 27,266 | 12.3% |
| Communications Unit | 98,815 | 10.0% | 106,898 | 9.9% | 8,083 | 8.2% |
| Others | 42,303 | 4.3% | 41,885 | 3.9% | -418 | -1.0% |
| Others | 6,623 | 0.7% | 7,575 | 0.7% | 952 | 14.4% |
| Adjustments and Eliminations | -16,626 | -1.7% | -16,477 | -1.5% | 149 | - |
| **Sales Revenue** | 991,385 | 100.0% | **1,078,337** | **100.0%** | 86,952 | 8.8% |



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This slide summarizes sales revenue by reporting segment.

## Business Profit (Loss) by Reporting Segment for Fiscal 2027 1H

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(Yen in millions)

| | Fiscal 2026 1H | | Fiscal 2027 1H | | Change | |
|---|---|---|---|---|---|---|
| | Amount | % to Sales Revenue | Amount | % to Sales Revenue | Amount | % |
| **Core Components Business** | 30,020 | 9.8% | **50,473** | **13.7%** | 20,453 | 68.1% |
| Industrial & Automotive Components Unit | 11,960 | 10.1% | 19,209 | 14.3% | 7,249 | 60.6% |
| Semiconductor Components Unit | 19,115 | 10.8% | 31,480 | 14.2% | 12,365 | 64.7% |
| Others | -1,055 | - | -216 | - | 839 | - |
| **Electronic Components Business** | 17 | 0.0% | **19,598** | **9.1%** | 19,581 | - |
| **Solutions Business** | 37,762 | 7.3% | **56,999** | **11.3%** | 19,237 | 50.9% |
| Industrial Tools Unit | 10,284 | 6.6% | 19,164 | 17.9% | 8,880 | 86.3% |
| Document Solutions Unit | 18,124 | 8.2% | 29,634 | 11.9% | 11,510 | 63.5% |
| Communications Unit | 4,200 | 4.3% | 7,891 | 7.4% | 3,691 | 87.9% |
| Others | 5,154 | 12.2% | 310 *1 | 0.7% | -4,844 | -94.0% |
| Others | -12,061 | - | -43,589 *2 | - | -31,528 | - |
| **Total Business Profit** | 55,738 | 5.6% | **83,481** | **7.7%** | 27,743 | 49.8% |
| Corporate Gains and Others | 12,212 | - | 9,539 | - | -2,673 | -21.9% |
| **Profit Before Income Taxes** | 67,950 | 6.9% | **93,020** | **8.6%** | 25,070 | 36.9% |

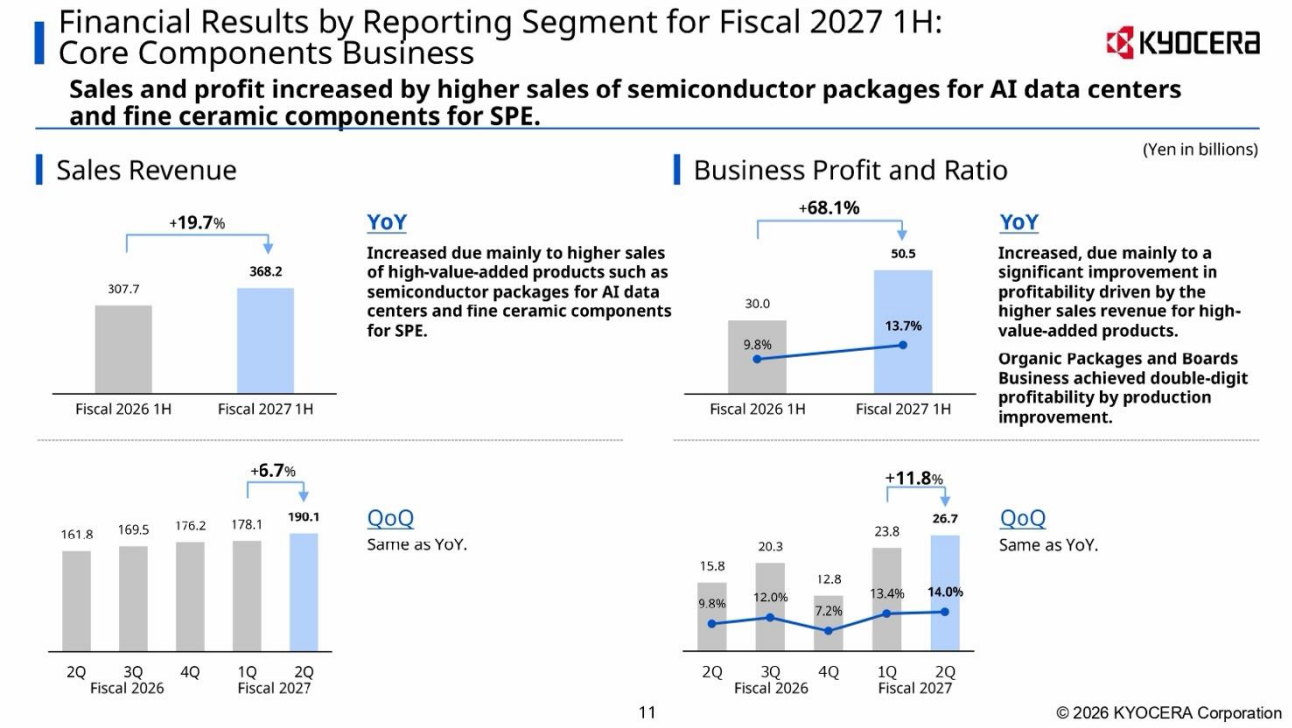
*1 Includes provision in connection with energy-related products in amount of -7.6 billion yen (approx.)
*2 Includes impairment loss in the GaN Devices Business in amount of -29.5 billion yen (approx.)



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This slide summarizes business profit by reporting segment.

Please note that the results for Others within the Solutions Business and Others include the impact of the one-time losses I explained earlier.




First, I will discuss the Core Components Business. The Core Components Business achieved increases in both sales and profit YoY. This was driven mainly by higher sales of semiconductor packages for AI data centers and fine ceramic components for semiconductor processing equipment.
In addition, the Organic Packages Business, which we have been addressing through structural reforms, achieved a double-digit profit margin as a result of improved productivity.

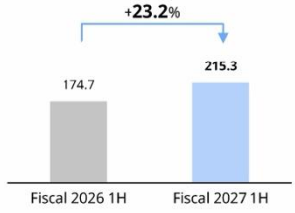
The upper section of the table shows changes in sales revenue and business profit in 1H compared with 1H of the previous fiscal year, while the lower section shows changes in 2Q compared with 1Q. Please refer to the bottom of the page for details.

## Financial Results by Reporting Segment for Fiscal 2027 1H: Electronic Components Business

**Sales and profit increased due mainly to increased sales of products for AI data centers such as small-sized high-capacitance MLCCs and tantalum capacitors.**

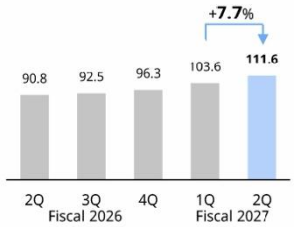
(Yen in billions)

### Sales Revenue




**YoY**

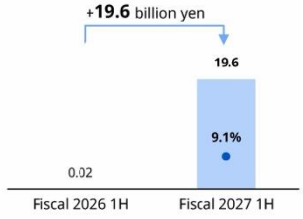
**Increased due mainly to higher sales of high-value-added products for AI data centers such as small-sized high-capacitance MLCCs and tantalum capacitors.**




**QoQ**

Same as YoY.

### Business Profit and Ratio

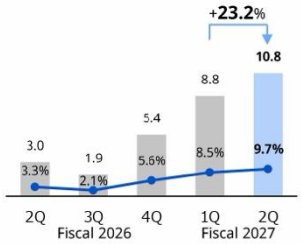



**YoY**

**Increased significantly due to the higher sales revenue and improvement of profitability of high-value-added products.**
**(Refer to p.8 for one-time costs and profits)**

**With respect to KAVX* Group, productivity improved by technological support from Kyocera Corp., etc.**

* Kyocera AVX Components Corporation




**QoQ**

Increased due to higher sales revenue for high-value-added products.

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The Electronic Components Business achieved increases in both sales and profit YoY. This was driven mainly by higher sales of high-value-added products for AI data centers such as small-sized, high-capacitance MLCCs and tantalum capacitors. In addition, productivity at the KAVX Group improved through technical support provided by Kyocera Corp. and other initiatives.

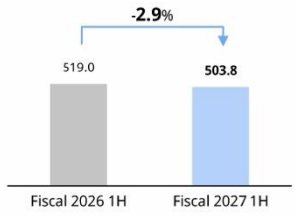
## Financial Results by Reporting Segment for Fiscal 2027 1H: Solutions Business

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**Sales decreased due to the transfer of a U.S subsidiary in the Industrial Tools Unit.**
**Profit increased due mainly to improved profitability of each business despite one-time costs.**

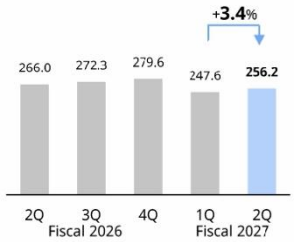
(Yen in billions)

### Sales Revenue




**YoY**

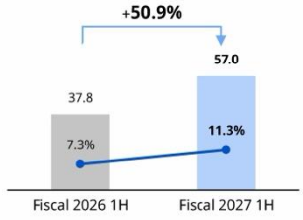
**Decreased due mainly to completion of the transfer of a U.S. subsidiary in the Industrial Tools Unit in fiscal 2026 4Q (approx. -70.7 billion yen), which more than offset increased demand for major products mainly in the Document Solutions Unit and the Industrial Tools Unit, etc.**




**QoQ**

Increased in the Communications Unit and the Document Solutions Unit due to seasonality.

### Business Profit and Ratio




**YoY**

**Increased due mainly to higher sales revenue from existing principal businesses as well as improved profitability of each business.**




**QoQ**

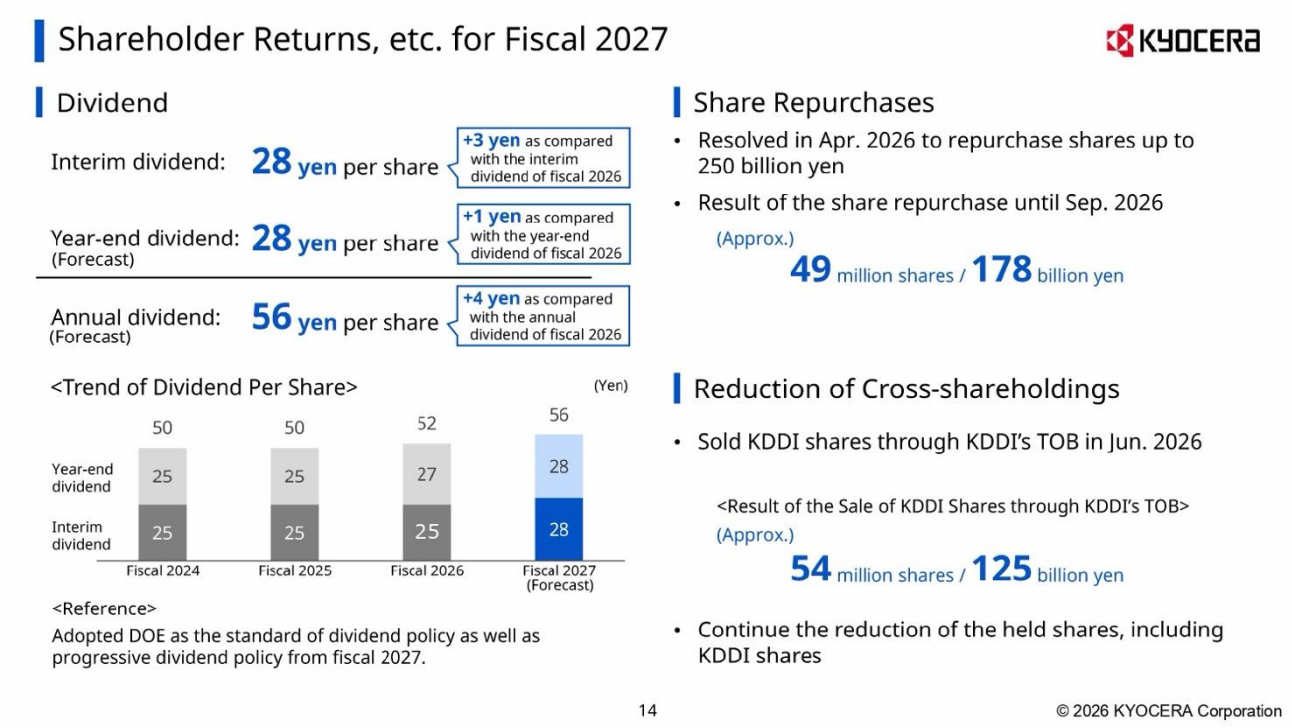
Decreased due to the impact of one-time costs (approx. -7.6 billion yen), which more than offset the impact of higher sales revenue.

* Includes one-time profit of approx. 17 billion yen in connection with transfer of a U.S. subsidiary of the Industrial Tools Unit.

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Sales revenue in the Solutions Business decreased YoY, reflecting the completion of the transfer of a US subsidiary in the Industrial Tools Unit. On the other hand, profit increased despite the recording of one-time losses, mainly reflecting improved profitability across the businesses.




Let me start with the dividend information on the left-hand side of the slide. For fiscal 2027, an interim dividend will be JPY28 per share, an increase of JPY3 per share from the previous fiscal year. We forecast a year-end dividend of JPY28 per share, an increase of JPY1 per share from the previous fiscal year. As a result, we plan to pay an annual dividend of JPY56 per share, up JPY4 from JPY52 in the previous fiscal year.

Now, turning to the right side-hand of the slide, share repurchases are progressing as planned at the beginning of the fiscal year. As of September 30, 2026, we had repurchased approximately 49 million shares for a total of approximately JPY178 billion.

The reduction of cross-shareholdings is also progressing in line with our initial plan. In June this year, we tendered our shares in KDDI Corporation in response to its share repurchase tender offer and sold a portion of our holdings. As of September 30, 2026, we had completed the sale of approximately 54 million shares, worth approximately JPY125 billion.

## Financial Forecasts for Fiscal 2027

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(Yen in millions)

| | | Fiscal 2026 | Fiscal 2027 Forecasts | | Change from | |
|---|---|---|---|---|---|---|
| | | | Previous (Jul. 2026) | Revised (Nov. 2026) | Fiscal 2026 | Previous Forecast |
| **Sales Revenue** | | 2,070,203 | **2,080,000** | **2,120,000** | 49,797 | 40,000 |
| **Operating Profit** | | 118,138 (5.7%) | **160,000** (7.7%) | **160,000** (7.5%) | 41,862 | - |
| **Profit Before Income Taxes** | | 168,994 (8.2%) | **200,000** (9.6%) | **200,000** (9.4%) | 31,006 | - |
| **Profit Attributable to Owners of the Parent** | | 140,969 (6.8%) | **160,000** (7.7%) | **160,000** (7.5%) | 19,031 | - |
| **EPS (Yen)** | | 102.70 | **122.04** | **123.62** | | |
| Average Exchange Rates | **US$** | 151 yen | **155 yen** | **155 yen** | | |
| | **Euro** | 175 yen | **180 yen** | **180 yen** | | |
| **Capital Expenditures** | | 149,099 (7.2%) | **225,000** (10.8%) | **225,000** (10.6%) | 75,901 | - |
| **Depreciation Charge of PPE** | | 110,924 (5.4%) | **120,000** (5.8%) | **120,000** (5.7%) | 9,076 | - |
| **R&D Expenses** | | 115,701 (5.6%) | **120,000** (5.8%) | **120,000** (5.7%) | 4,299 | - |

Notes: Regarding EPS for fiscal 2027 forecast, forecast as of Jul. 2026 and Nov. 2026 are calculated using the average number of shares outstanding during fiscal 2027 1Q and fiscal 2027 1H, respectively.
Figures in parentheses represent percentages to sales revenue.

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Next, I will explain our forecast for fiscal 2027.

As shown in this table, we have revised our sales revenue forecast upward by JPY40 billion from the forecast announced in July 2026. There are no changes to our forecasts for the other items.

## Forecasts of Sales Revenue by Reporting Segment for Fiscal 2027

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(Yen in millions)

| | Fiscal 2026 | | Fiscal 2027 Forecasts | | | | Change from | |
|---|---|---|---|---|---|---|---|---|
| | | | Previous (Jul. 2026) | | Revised (Nov. 2026) | | | |
| | Amount | Component Ratio | Amount | Component Ratio | Amount | Component Ratio | Fiscal 2026 | Previous Forecasts |
| **Core Components Business** | 653,429 | 31.6% | **716,000** | **34.4%** | **731,000** | **34.5%** | 77,571 | 15,000 |
| Industrial & Automotive Components Unit | 250,069 | 12.1% | 273,000 | 13.1% | 273,000 | 12.9% | 22,931 | - |
| Semiconductor Components Unit | 379,432 | 18.3% | 415,000 | 20.0% | 430,000 | 20.3% | 50,568 | 15,000 |
| Others | 23,928 | 1.2% | 28,000 | 1.3% | 28,000 | 1.3% | 4,072 | - |
| **Electronic Components Business** | 363,486 | 17.5% | **415,000** | **20.0%** | **430,000** | **20.3%** | 66,514 | 15,000 |
| **Solutions Business** | 1,070,919 | 51.7% | **964,800** | **46.4%** | **974,800** | **46.0%** | -96,119 | 10,000 |
| Industrial Tools Unit | 285,936 | 13.8% | 180,000 | 8.6% | 190,000 | 9.0% | -95,936 | 10,000 |
| Document Solutions Unit | 478,479 | 23.1% | 490,000 | 23.6% | 490,000 | 23.1% | 11,521 | - |
| Communications Unit | 219,158 | 10.6% | 200,000 | 9.6% | 200,000 | 9.4% | -19,158 | - |
| Others | 87,346 | 4.2% | 94,800 | 4.6% | 94,800 | 4.5% | 7,454 | - |
| Others | 14,196 | 0.7% | 15,000 | 0.7% | 15,000 | 0.7% | 804 | - |
| Adjustments and Eliminations | -31,827 | -1.5% | -30,800 | -1.5% | -30,800 | -1.5% | 1,027 | - |
| **Sales Revenue** | 2,070,203 | 100.0% | **2,080,000** | **100.0%** | **2,120,000** | **100.0%** | 49,797 | 40,000 |

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This slide shows our sales revenue forecast by reporting segment.

Compared with our previous forecast, we have increased our sales revenue forecasts by JPY15 billion for the Core Components Business, JPY15 billion for the Electronic Components Business, and JPY10 billion for the Solutions Business.

## Forecasts of Business Profit (Loss) by Reporting Segment for Fiscal 2027

KYOCERA

(Yen in millions)

| | Fiscal 2026 | | Fiscal 2027 Forecasts | | | | Change from | |
|---|---|---|---|---|---|---|---|---|
| | | | Previous (Jul. 2026) | | Revised (Nov. 2026) | | | |
| | Amount | % to Sales Revenue | Amount | % to Sales Revenue | Amount | % to Sales Revenue | Fiscal 2026 | Previous Forecasts |
| **Core Components Business** | 63,082 | 9.7% | **99,000** | **13.8%** | **112,000** | **15.3%** | 48,918 | 13,000 |
| Industrial & Automotive Components Unit | 18,730 | 7.5% | 36,000 | 13.2% | 39,000 | 14.3% | 20,270 | 3,000 |
| Semiconductor Components Unit | 46,933 | 12.4% | 63,500 | 15.3% | 73,500 | 17.1% | 26,567 | 10,000 *1 |
| Others | -2,581 | - | -500 | - | -500 | - | 2,081 | - |
| **Electronic Components Business** | 7,316 | 2.0% | **26,000** | **6.3%** | **40,000** | **9.3%** | 32,684 | 14,000 |
| **Solutions Business** | 103,943 | 9.7% | **94,000** | **9.7%** | **99,000** | **10.2%** | -4,943 | 5,000 |
| Industrial Tools Unit | 35,196 | 12.3% | 18,000 | 10.0% | 25,000 | 13.2% | -10,196 | 7,000 |
| Document Solutions Unit | 45,115 | 9.4% | 47,000 | 9.6% | 49,000 | 10.0% | 3,885 | 2,000 |
| Communications Unit | 12,116 | 5.5% | 15,000 | 7.5% | 18,000 | 9.0% | 5,884 | 3,000 |
| Others | 11,516 | 13.2% | 14,000 | 14.8% | 7,000 | 7.4% | -4,516 | -7,000 *2 |
| Others | -21,742 | - | -26,000 | - | -58,000 | - | -36,258 | -32,000 *3 |
| **Total Business Profit** | 152,599 | 7.4% | **193,000** | **9.3%** | **193,000** | **9.1%** | 40,401 | - |
| Corporate Gains and Others | 16,395 | - | 7,000 | - | 7,000 | - | -9,395 | - |
| **Profit Before Income Taxes** | 168,994 | 8.2% | **200,000** | **9.6%** | **200,000** | **9.4%** | 31,006 | - |

*1 Includes one-time profit in amount of +15 billion yen in connection with the transfer of the Chemical Business.
*2 Includes provision in connection with energy-related products in amount of -7.6 billion yen.
*3 Includes impairment loss in the GaN Devices Business in amount of -29.5 billion yen.

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This slide shows our profit forecasts by reporting segment.

Compared with our previous forecast, we have increased our forecasts by JPY13 billion for the Core Components Business, JPY14 billion for the Electronic Components Business, and JPY5 billion for the Solutions Business. On the other hand, we have reduced our forecast for Others by JPY32 billion.

Please note that the forecast for the Semiconductor Components Unit within the Core Components Business includes a one-time gain of approximately JPY15 billion associated with the transfer of the Chemical Business. The forecast for Others within the Solutions Business includes a provision of approximately JPY7.6 billion related to energy-related products. The forecast for Others includes an impairment loss of approximately JPY29.5 billion in the GaN Devices Business.

## Initiatives to Enhance Employee Engagement

KYOCERA

### CEO-and-CFO-Led Town Hall Meetings







**The new President/CEO has been engaging in direct dialogue with section managers and early- to mid-career employees, together with the CFO.**

Through direct dialogue, the CEO and CFO gained deeper insights into workplace challenges while sharing the Company's vision and future business direction, thereby strengthening organizational alignment.

<Overview of Activities (from Apr. 16 to Oct. 5, 2026)>

| Participants | Attendants | Number of Locations |
|---|---|---|
| Section managers | 833 | 11 locations (Head Office and major production sites, etc.) |
| Early- to mid-career employees | 162 | 4 locations (Head Office, Tokyo Office, etc.) |
| Total | 995 | 15 locations |

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Finally, I would like to discuss our initiatives to enhance employee engagement.

Since I assumed the position of President and CEO in April this year, I have been holding direct discussions with employees together with Mr. Chida, our CFO. These discussions have involved section managers who lead their respective teams on the front lines and are expected to play key roles in the next generation of management, as well as early- and mid-career employees. Through these discussions, we have gained a better understanding of the challenges faced at individual workplaces. We have also shared our vision for the Company and the future direction of our businesses, helping to foster a stronger sense of unity across the organization. By early October, we had held discussions with approximately 1,000 employees at a total of 15 locations. We will continue to place importance on two-way communication and further strengthen employee engagement throughout the Company.

We also remain committed to expanding production capacity for our focus products to ensure that strong demand for components leads to further business growth.

As already announced, we plan to present our medium- to long-term business strategy at a briefing scheduled for the end of this month. We look forward to your participation.

That concludes my presentation. Thank you for your attention.

## Question & Answer

**<Questioner 1>**

**[Q]**: Regarding profit of the Semiconductor Components Unit, it appears that business profit from its business is expected to increase by approximately JPY10 billion for the full year. However, this includes a positive impact from the transfer of the Chemical Business of approximately JPY15 billion. Excluding that impact, profit would actually be slightly lower than in your previous forecast. Could you explain the factors behind this?

And regarding the 2H outlook. Excluding one-time items, I would expect some businesses to benefit from higher production volumes and utilization rates, leading to further profit growth. However, looking at the Component Businesses, the profit forecast for 2H does not appear to be significantly higher than the 1H level. Could you provide some additional insight into this?

**Sakushima [A]**: Regarding profit of the Semiconductor Components Unit, packages for smartphones were front-loaded in 1H. As a result, sales in 1H were higher than usual. This also contributed to higher profits in 1H, and we are therefore assuming a somewhat lower level of profit in 2H.

Due to recording of a gain from the transfer of the Chemical Business, we expect such gain to offset the decline in profit. The main reason for the profit decrease of the Semiconductor Components Unit in 2H is the front-loaded demand of packages for smartphones. That said, given the current market environment, I believe there is still room for further upside.

**[Q]**: Where do you see potential for further upside in 2H in the Components Businesses as a whole, in areas such as the Core Components Business and the Electronic Components Business?

**Sakushima [A]**: In the Electronic Components Business, we continue to receive very strong inquiries, including inquiries related to demand for fiscal 2028. Based on this, we believe that performance in 2H could be at a level similar to or even higher than in 1H. We are also continuing to receive requests to increase production of components for semiconductor processing equipment. So, we believe there is further upside potential in that area as well.

**[Q]**: Regarding the Semiconductor Components Unit, you mentioned smartphone packages earlier. If we focus on the Organic Packages Business, should we understand that performance in 2H is expected to be broadly in line with your original assumptions, with no significant upside revision anticipated at this stage?

**Sakushima [A]**: As for the organic packages, our production capacity is already operating at very high utilization levels. We aim to achieve some further improvement through internal productivity enhancements and other measures. However, at this point, we are not assuming any significant upside beyond our current outlook.

**[Q]**: Compared with your assumptions at the beginning of the fiscal year, the business environment has improved considerably. Even excluding one-time items, some business appear to be performing much better and progressing faster than originally expected.

Previously, you indicated that you expected to achieve a ROE of 5% in fiscal 2028. However, on an underlying basis, it appears that you are effectively achieving that level one year ahead of schedule in current fiscal 2027. Given this situation, what level of ROE are you now targeting for fiscal 2028? Also, for the three-year period beginning in fiscal 2028, I believe you had set a ROE target of 8% by fiscal 2031. Has the possibility of achieving

that target earlier than planned increased? Alternatively, is there a possibility that you may raise the 8% target itself?

I understand that you may provide more details at the upcoming business strategy meeting, but I would appreciate any comments on your current thinking and overall direction.

**Sakushima [A]**: In February this year, we announced an ROE target of 8% or higher by fiscal 2031. Looking at our recent business performance, earnings have been exceeding our original assumptions, supported by favorable market conditions. Given this, we believe it is essential to continue executing our plans effectively and steadily expand earnings from here.

At the same time, for denominator side, we also need to carry out the initiatives set out in our original plan as intended. Our commitment is to achieve a ROE of 8% in fiscal 2031, and we intend to continue working steadily toward that goal. How things develop will depend in part on how quickly we can accelerate earnings growth. We plan to provide more details on this at the briefing later this month.

**[Q]**: So, at this point, should we understand that your basic approach remains to steadily work toward achieving a ROE of 8% by fiscal 2031, rather than aiming to achieve that level ahead of schedule? Or should we wait until the end of November for further details?

**Sakushima [A]**: Our current approach is to steadily work toward achieving a ROE of 8% or higher in fiscal 2031. We understand that there are expectations for us to achieve this target earlier than planned. However, at this point, our plans are not based on that assumption.

**<Questioner 2>**

**[Q]**: My question is related to the Semiconductor Components Unit within the Core Components Business. For the full year, the sales revenue forecast has been revised upward by JPY15 billion, while the profit forecast has been revised upward by JPY10 billion. However, excluding the JPY15 billion gain associated with the transfer of the Chemical Business, the underlying profit forecast would actually be JPY5 billion lower than the previous forecast.

Demand appears to be very strong, such as optical communication packages for AI data centers. Could you explain what is behind this effective downward revision?

**Sakishima [A]**: In preparing our forecast, we started with our actual results for 1H and also factored in the gain associated with the transfer of the Chemical Business, which I mentioned earlier. We then based our outlook on the latest forecasts from our business divisions. We are not assuming any major changes in market conditions. So, in that sense, it is fair to say that our assumptions are somewhat prudent.

**[Q]**: Looking separately at the ceramic packages and the organic packages, is it correct to understand that both are continuing to perform steadily?

**Sakishima [A]**: Yes, that's correct.

**[Q]**: It has been about a year since Kyocera acquired a 33% stake in Japan Aviation Electronics Industry, Ltd. ("JAE"). Could you explain what synergies or benefits from collaboration have begun to emerge in manufacturing and sales and how do you expect them to emerge going forward?

In addition, Kyocera have operated a connector business for many years. Since making this investment a year ago, has your view of the connector industry changed in any way? How do you now position this business strategically?

**Sakushima [A]**: Regarding synergies, our concrete collaboration efforts have only recently begun. On the personnel front, we implemented the planned support measures by the end of fiscal 2026. Those activities are now under way, and we believe they are contributing to various improvements within JAE.

On the sales front, during 1H, we worked on arrangements for Kyocera to take responsibility for sales activities in Europe. However, several matters required further review, which caused some delays. Most of these issues now appear to be close to resolution. We, therefore, expect to resolve them and finalize the necessary sales agreements within CY2026, and begin operations in January next year.

As for manufacturing collaboration, we plan to establish the necessary production framework during fiscal 2028 1H. Accordingly, we believe the tangible benefits of these synergies are still to come, and we intend to continue monitoring progress closely and pursuing these opportunities.

Turning to how Kyocera views the Connector Business, the market is very large, and some products are standardized. At the same time, there are many customized connector products. The need to meet these customized requirements is one reason why so many companies participate in this market.

We believe customized connector products are an area where Kyocera can leverage its sales capabilities to create value. We see this as a foundation for future growth.

Recently, some end markets, including automotive and industrial equipment, are somewhat challenging. However, looking ahead, we believe the role of connectors may evolve with the development of areas such as physical AI. We intend to position ourselves to capture meaningful synergies in these emerging areas.

**<Questioner 3>**

**[Q]**: Regarding the Solutions Business in 2Q, profit margins in the Industrial Tools Unit and the Document Solutions Unit in particular appear to have been exceptionally strong. Could you explain what drove this performance?

In addition, looking at your 2H guidance, both businesses appear to be forecasting a fairly significant decline in profit compared with 1H. Is this mainly due to the conservative assumptions, or are you expecting an actual pullback in demand or other factors to weigh on performance in 2H?

**Sakushima [A]**: As for the Industrial Tools Unit, we have seen a very significant increase in tungsten prices and therefore we have been asking customers to accept price increases. When price increases are announced, customers often bring forward purchases ahead of their implementation. As a result, demand increased substantially in 1H, leading to strong sales in the Industrial Tools Unit. This, in turn, contributed to higher profits.

In 2H, however, we expect the impact of higher raw material costs to become more pronounced. Accordingly, for the Industrial Tools Unit, we expect both sales revenue and profit to decline in 2H. So, there is a clear difference between 1H and 2H.

Turning to the Document Solutions Unit, we experienced considerable weakness in sales in Europe during fiscal 2026 1H. In fiscal 2027, however, market conditions have been much more stable. In addition, we

benefited from refunds of tariffs paid in prior periods in the US in fiscal 2027, which also contributed to our strong 1H performance. As a result, we are assuming somewhat lower demand and profit levels in 2H.

Unlike the Component Businesses, the Solutions Business saw some demand brought forward into 1H, partly in response to rising memory prices and other cost increases. Based on this, we expect demand to moderate somewhat in 2H, and this assumption is reflected in our full-year outlook.

**[Q]**: With respect to the Document Solutions Unit in particular, the change in performance from 1Q to 2Q appears quite significant. Were there any one-time factors that boosted the results?

**Sakushima [A]**: As for the Document Solutions Unit, sales increased, but another factor was the impact of tariff refunds in the US during 2Q.

**[Q]**: If possible, could you give us an idea of the magnitude of that impact?

**Sakushima [A]**: Unfortunately, we would prefer not to disclose the amount.

**[Q]**: You recorded an impairment loss this time, but how should we think about the possibility of additional impairment losses going forward?

Also, based on your previous explanations, I had understood that, following measures such as the sale of SouthernCarlson, the major phase of business divestitures, etc. had largely been completed. How should we think about portfolio management going forward? Should we expect any further business portfolio optimization measures?

**Sakushima [A]**: Regarding the Strategic Business Transformation Project launched in fiscal 2026, we have completed the initiatives included in our original plan as scheduled. However, we believe that reviewing our business portfolio should be an ongoing process. This applies not only to our existing businesses but also to new businesses as well as development projects that are currently under way.

As you know, we recorded a significant impairment loss in the GaN Devices Business this time. Going forward, we intend to continue reviewing development projects and business plans across the organization with the same discipline and make appropriate decisions where necessary. We have several projects and opportunities under review, and we will carefully assess each one before making decisions as appropriate.

**<Questioner 4>**

**[Q]**: Regarding the Document Solutions Unit, since exchange rates have changed, excluding the impact of the temporary factors, has the business's underlying earning power improved from 1Q to 2Q?

Regarding the Industrial Tools Unit, with tungsten prices rising, I understand that Kyocera announced a price increase to take effect around mid-December. Regarding recycling, I would assume that having greater recycling capabilities provides a significant cost advantage. Is Kyocera ahead of its competitors in this area, and how would you assess your competitive position?

Also, regarding the price increases, my impression is that Kyocera announced them relatively early compared to peers. Should we understand that this is an industry-wide trend, with companies facing similar cost pressures and likely to raise prices?

**Sakushima [A]**: About the Industrial Tools Unit, we have announced to raise prices from December, but we have actually been implementing price increases in stages. I believe this will be our second price increase in

fiscal 2027. We also implemented one at the end of fiscal 2026, so we are proceeding with a total of three rounds of price increases.

This is not unique to Kyocera. Other companies are also raising prices. The extent of the increases varies depending on product characteristics, but our understanding is that prices are rising across the industry as a whole.

In China, tungsten prices have started to ease somewhat, so the situation there is different. Outside China, however, prices are generally rising. This is certainly not a situation in which Kyocera alone is raising prices.

Regarding recycling, the initiative we announced earlier is targeted at fiscal 2031 and beyond, so it is not expected to have a direct impact on our financial results in the near term. That said, we have been conducting R&D in this area for some time in response to these concerns, and this led us to decide on a full-scale investment.

Historically, we have not recycled raw materials ourselves. However, we have long collaborated with external partners to recycle scrap and other materials that we procure.

Given the current high level of tungsten prices and the increasing difficulty of securing supplies, we believe we need to expand these initiatives further going forward.

As for your question about change of underlying earning power of the Solutions Business in 1Q and 2Q performance, Mr. Chida will respond.

**Chida [A]**: Regarding the Document Solutions Unit, the yen strengthened somewhat against the euro from 1Q to 2Q, which had a modest negative impact on earnings. Excluding this foreign exchange impact, however, the business's underlying earning power has not changed significantly.

As Mr. Sakushima explained earlier, the profit margin appears to have improved by approximately five percentage points due to one-time factors such as the tariffs. Excluding those, there was no significant change in the business's underlying earning power between 1Q and 2Q.

**[Q]**: Regarding the Electronic Components Business, in 1Q, despite the one-time gain, the improvement in the profit margin appeared somewhat slower than expected. In contrast, we saw a significant improvement in 2Q.

It seems that profit increased by more than sales revenue. Could you explain which products contributed to this improvement, what specific benefits you are beginning to see, and what factors have driven the improvement in profitability?

**Sakushima [A]**: The main contributors have been MLCCs and tantalum capacitors. Both product lines have historically faced challenges in areas such as productivity and manufacturing yields. However, engineers from Kyocera Corp. have been working closely with these operations for several years. They have conducted detailed analyses of production costs, manufacturing efficiency, yields, and other operational issues, and have implemented various improvement measures. We are now beginning to see the results of these efforts reflected in our financial performance.

Another factor has been pricing. These products have also been affected by higher material costs, and we have implemented price increases to a certain extent. In my view, the benefits of these productivity improvements and pricing measures became particularly evident in 2Q.

**<Questioner 5>**

**[Q]**: Including products such as fine ceramic components for semiconductor processing equipment, it seems that data center-related products are becoming a much larger part of your overall business. Could you give us an indication of the current sales mix or contribution from data center-related products?

In addition, could you comment on your competitive position in each product category? For example, MLCCs appear to be performing very well, and demand for your products seems to be growing. I would appreciate your views on whether your market share is increasing, whether you are seeing more design wins, and how you assess the overall data center opportunity.

**Sakushima [A]**: I would therefore like to provide those information such as sales mix from data center-related products at our briefing at the end of November.

Regarding fine ceramic components for semiconductor processing equipment, we have traditionally held very strong positions in certain product areas, and those businesses continue to perform steadily. In areas such as electrostatic chucks for etching equipment, where we compete with other suppliers, we are taking various measures to increase our market share. We are also planning to introduce new products in these areas.

Accordingly, in areas where we already have a strong position, our aim is to maintain our sales volume and market share. In areas where our position has historically been weaker, we intend to strengthen our presence and gain market share.

Regarding semiconductor packages, we have long held a strong market position. We intend to grow this business by reliably meeting the robust demand we are currently seeing.

As for MLCCs, there is no question that our shipment volumes are increasing in line with growing market demand. At the same time, our competitors are also making substantial investments, and demand across the industry remains very strong. Against this backdrop, I do not believe there have been any major changes in market shares.

Rather than pursuing every opportunity in the market, we are focusing on small-sized, high-capacitance MLCCs for AI data centers, as well as more technically demanding products that we expect to become increasingly important going forward. In these areas, we aim to compete effectively and establish a solid market position.

Overall, all of these businesses are performing well. In semiconductor processing equipment-related products and semiconductor packages, we have traditionally been strong, and we intend to continue growing these businesses steadily. In the MLCC market, on the other hand, we see ourselves as a challenger. By delivering value in emerging applications and meeting new demand, we aim to further increase both sales revenue and profit.

**[Q]**: Regarding ceramic packages for data center applications, is it correct to understand that you have a particularly strong market position in ceramic packages for optical transceivers?

**Sakushima [A]**: That’s correct. We have a very strong market position in packages for optical communications applications.

**[Q]**: My understanding was that capital expenditures would peak in fiscal 2027 and then decline by slightly less than JPY50 billion fiscal 2028. Given the exceptionally strong demand you are currently seeing, is there a possibility for further increase in capital expenditures?

**Sakushima [A]**: That was indeed our plan at the beginning of the fiscal year. However, since then, customer demand and requests for additional production capacity have remained extremely strong. As a result, we believe we will need to increase capital expenditures beyond the level we previously discussed. Accordingly, I expect we will provide an update reflecting a higher level of investment.

[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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