



Financial Presentation for the Six Months Ended September 30, 2022

(Held on October 31, 2022)

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President and Representative Director

<1. (Cover) 1. Financial Results for the Six Months Ended September 30, 2022>

<2. Financial Results for H1 of FY Mar. 2023 (1)>

In the six months ended September 30, 2022 (“the first half”), both sales revenue and profits increased from the six months ended September 30, 2021 (“the previous first half”) due to the contribution of investments in increased production that have been made over the past several years to expand sales of components for 5G and semiconductor-related markets, as well as the positive impact of the weaker yen.

Sales revenue reached a record high of 1,012.2 billion yen, increased approximately 16% from the previous first half, reaching 1 trillion yen for the first time for a first half period.

Profits increased slightly from the previous first half due to price increases in raw materials, etc., a decrease in sales of the Communications Unit, and a one-time cost recorded in connection with a litigation in the amount of approximately 7 billion yen, which largely offset the impact of increases in sales revenue and the weaker yen.

<3. Financial Results for H1 of FY Mar. 2023 (2)>

Capital expenditures and depreciation charge of property, plant and equipment increased due to the introduction of equipment to expand production capacity for high-demand components and the construction of new buildings. In addition, R&D expenses increased due to the promotion of development aimed at creating new businesses.

<4. Sales Revenue by Reporting Segment for H1 of FY Mar. 2023>

This slide shows a breakdown of sales revenue by reporting segment.

In the first half, we achieved double-digit sales revenue growth in all reporting segments.

<5. Business Profit (Loss) by Reporting Segment for H1 of FY Mar. 2023>

This slide shows a breakdown of business profit by reporting segment.

Although business profit decreased in the Solutions Business, business profit in the Core Components Business increased significantly due to strong component demand, resulting in an increase in overall profit.

Next, I will explain the situation of each reporting segment for the first half in comparison with the previous first half.

<6. Financial Results by Reporting Segment for H1 of FY Mar. 2023

(1) Core Components Business>

In the Core Components Business, sales revenue increased due to increased demand for ceramic packages and organic packages and boards in the Semiconductor Components Unit for the information and communication-related markets, including the 5G market, as well as stronger demand for high-value-added products such as fine ceramic components for semiconductor processing equipment in the Industrial & Automotive Components Unit.

Business profit increased significantly due to increased sales revenue and the positive impact of the weaker yen, and the business profit ratio for the first half improved to 15.5%.

<7. Financial Results by Reporting Segment for H1 of FY Mar. 2023

(2) Electronic Components Business>

In the Electronic Components Business, both sales revenue and business profit increased due to higher demand for components such as capacitors mainly for the industrial and the automotive-related markets, and the positive impact of the weaker yen.

<8. Financial Results by Reporting Segment for H1 of FY Mar. 2023

(3) Solutions Business>

In the Solutions Business, sales revenue increased due to higher sales of major products and the positive impact of the weaker yen in the Industrial Tools Unit and the Document Solutions Unit.

Business profit decreased due to a drop in mobile phone sales volume in the Communications Unit, as well as increases in the price of raw materials, logistics costs, etc., in each business.

This concludes my summary of financial results for the first half. Next, I will explain financial forecasts for the year ending March 31, 2023 (“fiscal 2023”).

<9. (Cover) 2. Financial Forecasts for the Year Ending March 31, 2023>

<10. Financial Forecast for the Year Ending March 31, 2023 (1)>

There is no change in the financial forecast for the fiscal 2023 from the forecast announced in April.

Although the financial results of the Communications Unit were below projections, the consolidated financial results for the first half were generally within the range of our projections made at the beginning of fiscal 2023, due in part to expanded sales of highly profitable components and the positive impact of the weaker yen.

As for the six months ending March 31, 2023 (“the second half”), although there are concerns about continuing price increases in raw materials etc., and economic recession risks, we expect demand to remain

high in the semiconductor-related market, especially in the high-end domain.

In light of these outlook, we believe that the Kyocera group as a whole will be able to achieve the initial forecast.

In the meantime, we have changed our full-year forecast for the foreign currency exchange rate to 134 yen to the U.S. dollar and 137 yen to the euro.

<11. Financial Forecast for the Year Ending March 31, 2023 (2)>

There is also no change in our forecast for capital expenditures, depreciation charge of property, plant and equipment and R&D expenses from the forecast announced in April.

<12. Sales Revenue Forecast by Reporting Segment for FY Mar. 2023>

We have revised our sales revenue forecast by reporting segment in light of the results of the first half and our outlook for the second half.

We have revised up our forecast for the Core Components Business and the Electronic Components Business. In particular, the Semiconductor Components Unit is expected to significantly exceed our initial forecast. On the other hand, we have revised down our forecast for the Solutions Business.

We expect the Industrial Tools Unit and Document Solutions Unit to exceed the initial forecast, but we expect the Communications Unit to fall below the initial forecast mainly due to a decline in sales volume of handset.

<13. Business Profit (Loss) Forecast by Reporting Segment for FY Mar. 2023>

We have revised up our forecast for business profits in the Core Components Business and the Electronic Components Business, just as we have for sales revenue. On the other hand, we have revised down our business profit forecast for the Solutions Business.

We expect each business in the Solutions Business to be significantly impacted by the rising cost of parts and materials, and we expect to post a loss in the Communications Unit mainly due to lower sales revenue.

Although the business environment remains uncertain, we will continue to strive to acquire orders and improve productivity in order to achieve our financial forecast.

<14. Initiatives to Expand Business from FY Mar. 2024 Onward>

Next, I will explain our efforts to expand business performance in the next fiscal year and beyond.

On the left side of the slide is our investment in R&D. In September 2022, we began operations at the Kirishima R&D Center, which consolidates the material development, analytical technology, and production technology divisions that had been scattered across the Kagoshima Kokubu Plant. By strengthening collaboration, we will accelerate development in new fields such as aerospace, medical, and healthcare, in addition to existing products such as ceramic packages.

The right side of the slides describes our investment for increasing component production. We will construct a new plant building at our Kagoshima Kokubu Plant to expand our production capacity of small, high-capacity MLCCs, for which demand is expected to increase in the medium to long term. We are currently constructing the new plant building, which is scheduled to start operation in May 2024.

<15. Shareholder Returns>

Lastly, I will explain about our shareholder returns.

We have decided to pay a dividend of 100 yen per share for the interim dividend for fiscal 2023, an increase of 10 yen per share compared with the interim dividend for the year ended March 31, 2022 (“fiscal 2022”).

There is no change in our initial forecast for the annual dividend at 200 yen per share, an increase of 20 yen per share compared to fiscal 2022.

We will continue to strive to expand our business performance and improve shareholder returns.

Cautionary statement

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

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