

1 Financial Results for 1H of Fiscal 2024

2 Financial Forecasts for Fiscal 2024

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 ending March 31, 2024 is referred to as “Fiscal 2024,” 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.

1 Financial Results for 1H of Fiscal 2024

2 Financial Forecasts for Fiscal 2024

Financial Results for 1H of Fiscal 2024 (1)



(Unit: Yen in millions)

	Fiscal 2023 1H	Fiscal 2024 1H	Change	
			Amount	%
Sales Revenue	1,012,172	985,290	-26,882	-2.7%
Operating Profit	76,488 (7.6%)	54,002 (5.5%)	-22,486	-29.4%
Profit Before Income Taxes	104,311 (10.3%)	77,867 (7.9%)	-26,444	-25.4%
Profit Attributable to Owners of the Parent	75,586 (7.5%)	56,487 (5.7%)	-19,099	-25.3%

Average Exchange Rate	US\$	134 yen	141 yen
	Euro	139 yen	153 yen

Note: Figures in parentheses represent percentages to sales revenue.

Sales revenue and profits decreased due mainly to sluggish demand in our principal markets and the effect of inflation.

Financial Results for 1H of Fiscal 2024 (2)



(Unit: Yen in millions)

	Fiscal 2023 1H	Fiscal 2024 1H	Change	
			Amount	%
Capital Expenditures	85,416 (8.4%)	65,963 (6.7%)	-19,453	-22.8%
Depreciation Charge of Property, Plant and Equipment	52,158 (5.2%)	54,077 (5.5%)	1,919	3.7%
R&D Expenses	45,717 (4.5%)	50,757 (5.2%)	5,040	11.0%

Note: Figures in parentheses represent percentages to sales revenue.

Some capital expenditures were delayed to 2H onward in light of demand situation.

Sales Revenue by Reporting Segment for 1H of Fiscal 2024



(Unit: Yen in millions)

Sales Revenue by Reporting Segment	Fiscal 2023 1H		Fiscal 2024 1H		Change	
	Amount	Component Ratio	Amount	Component Ratio	Amount	%
Core Components Business	298,981	29.5%	282,402	28.7%	-16,579	-5.5%
Industrial & Automotive Components Unit	96,790	9.6%	109,165	11.1%	12,375	12.8%
Semiconductor Components Unit	188,675	18.6%	158,916	16.1%	-29,759	-15.8%
Others	13,516	1.3%	14,321	1.5%	805	6.0%
Electronic Components Business	195,882	19.3%	174,758	17.7%	-21,124	-10.8%
Solutions Business	524,078	51.8%	536,839	54.5%	12,761	2.4%
Industrial Tools Unit	162,244	16.0%	159,622	16.2%	-2,622	-1.6%
Document Solutions Unit	206,060	20.4%	212,891	21.6%	6,831	3.3%
Communications Unit	98,544	9.7%	105,045	10.7%	6,501	6.6%
Others	57,230	5.7%	59,281	6.0%	2,051	3.6%
Others	10,751	1.1%	10,007	1.0%	-744	-6.9%
Adjustments and Eliminations	-17,520	-1.7%	-18,716	-1.9%	-1,196	—
Sales Revenue	1,012,172	100.0%	985,290	100.0%	-26,882	-2.7%

Business Profit (Loss) by Reporting Segment for 1H of Fiscal 2024



(Unit: Yen in millions)

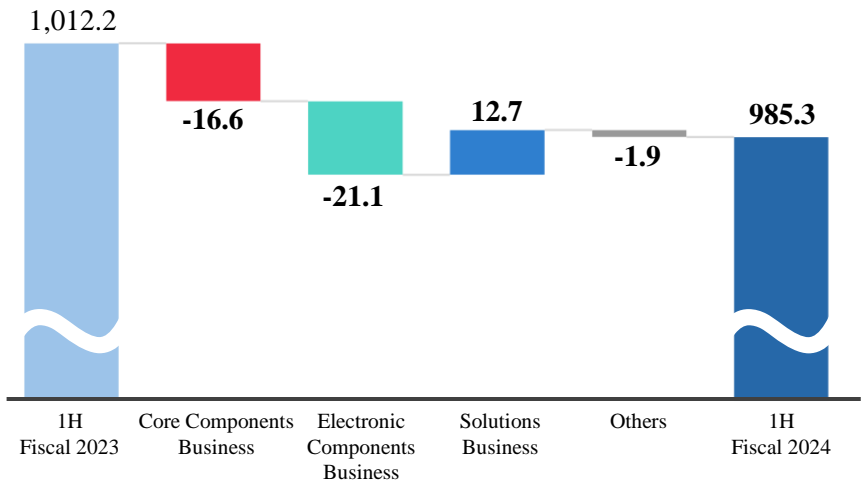
Business Profit by Reporting Segment	Fiscal 2023 1H		Fiscal 2024 1H		Change	
	Amount	% to Sales Revenue	Amount	% to Sales Revenue	Amount	%
Core Components Business	46,460	15.5%	30,466	10.8%	-15,994	-34.4%
Industrial & Automotive Components Unit	10,879	11.2%	11,737	10.8%	858	7.9%
Semiconductor Components Unit	38,345	20.3%	18,767	11.8%	-19,578	-51.1%
Others	-2,764	—	-38	—	2,726	—
Electronic Components Business	30,511	15.6%	9,860	5.6%	-20,651	-67.7%
Solutions Business	25,697	4.9%	31,803	5.9%	6,106	23.8%
Industrial Tools Unit	15,336	9.5%	9,212	5.8%	-6,124	-39.9%
Document Solutions Unit	13,269	6.4%	19,352	9.1%	6,083	45.8%
Communications Unit	-2,745	—	593	0.6%	3,338	—
Others	-163	—	2,646	4.5%	2,809	—
Others	-12,959	—	-21,281	—	-8,322	—
Total Business Profit	89,709	8.9%	50,848	5.2%	-38,861	-43.3%
Corporate Gains and Others	14,602	—	27,019	—	12,417	85.0%
Profit Before Income Taxes	104,311	10.3%	77,867	7.9%	-26,444	-25.4%

Summary of Financial Results for 1H of Fiscal 2024



Sales Revenue

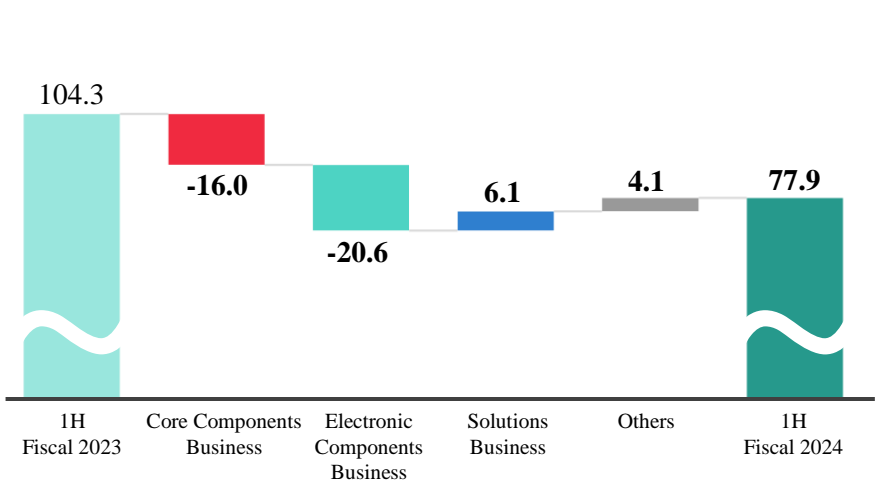
(Unit: Yen in billions)



Despite an increase in sales in the Solutions Business, sales revenue decreased due mainly to the decrease in demand for our principal products for the semiconductor-related and the information and communication markets.

Profit Before Income Taxes

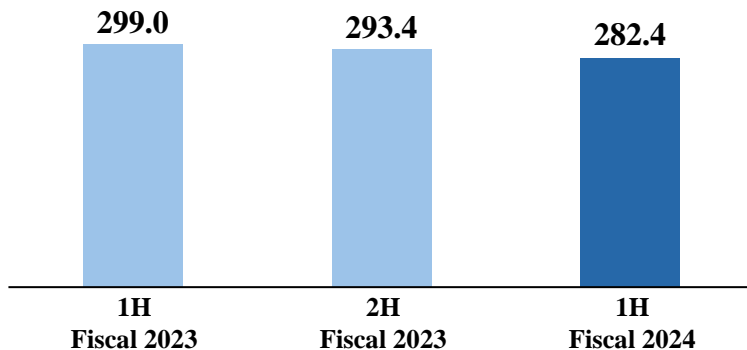
(Unit: Yen in billions)



Profit decreased due mainly to factors such as increases in the prices of raw materials and energy costs, etc., caused by inflation, as well as the decrease in sales revenue.

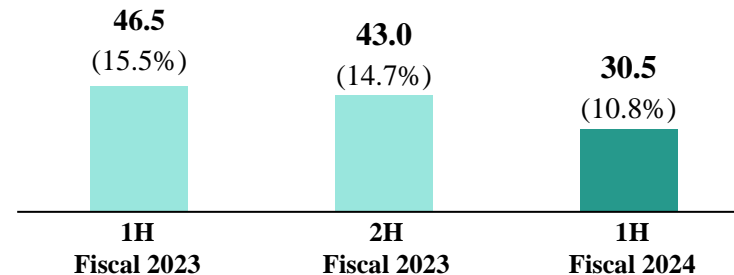
Sales Revenue

(Unit: Yen in billions)



Business Profit (Ratio)

(Unit: Yen in billions)



Summary of Financial Results

<As Compared with 1H of Fiscal 2023: -5.5%>

- Sales revenue decreased due mainly to weaker demand for ceramic packages for the smartphone markets as well as weaker demand for organic packages and boards for the information and communication infrastructure-related markets, both in the Semiconductor Components Unit.

<As Compared with 2H of Fiscal 2023: -3.7%>

- Sales revenue decreased due to continuing sluggish demand.

<As Compared with 1H of Fiscal 2023: -34.4%>

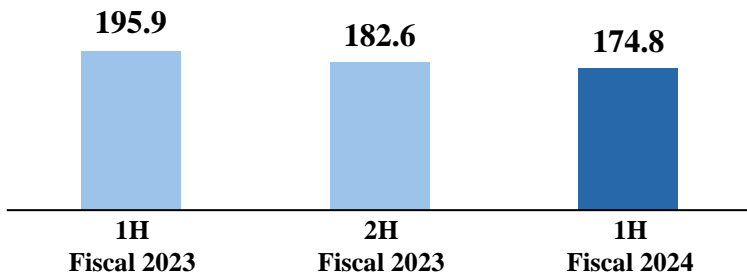
- Business profit decreased due to decreased sales of the Semiconductor Components Unit, as well as increases in the prices of raw materials and depreciation charge of property, plant and equipment, etc.

<As Compared with 2H of Fiscal 2023: -29.2%>

- Business profit decreased due mainly to decrease in sales of Semiconductor Components Unit as well as an increase of depreciation charge of property, plant and equipment, etc.

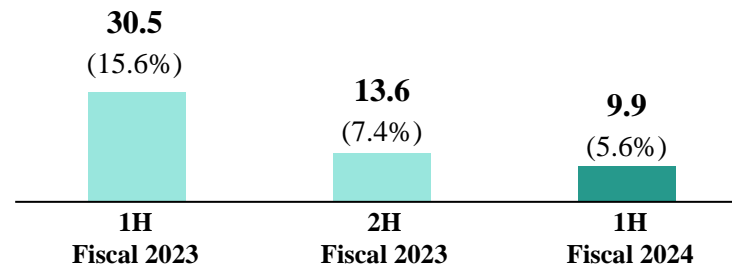
Sales Revenue

(Unit: Yen in billions)



Business Profit (Ratio)

(Unit: Yen in billions)



Summary of Financial Results

<As Compared with 1H of Fiscal 2023: -10.8%>

- Sales revenue decreased due mainly to inventory adjustments and decreased demand of components such as capacitors and crystal devices for the information and communication markets.

<As Compared with 2H of Fiscal 2023: -4.3%>

- Sales revenue decreased due to continuing market adjustment.

<As Compared with 1H of Fiscal 2023: -67.7%>

- Business profit decreased significantly due to decreased sales of high-value-added components such as capacitors and crystal devices for the information and communication markets as well as higher cost of sales ratio resulting from a lower utilization rate.

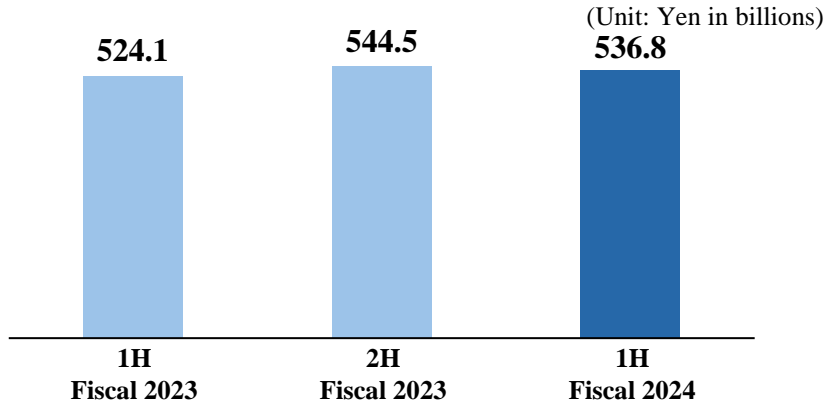
<As Compared with 2H of Fiscal 2023: -27.2%>

- Business profit decreased due to continuing market adjustment as well as low utilization rate.

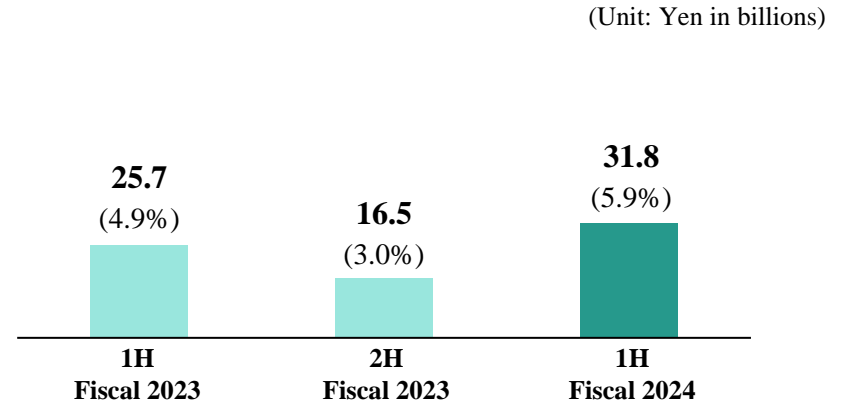
Notes: Business profit represents profit before income taxes of each reporting segment.

Changes from the previous period and business profit ratio are calculated based on millions of yen. 9

Sales Revenue



Business Profit (Ratio)



Summary of Financial Results

<As Compared with 1H of Fiscal 2023: +2.4%>

- Industrial Tools Unit: Sales of cutting tools decreased due to inventory adjustments.
- Document Solutions Unit: Sales increased due to the impact of weaker yen, etc.

<As Compared with 2H of Fiscal 2023: -1.4%>

- Sales revenue decreased due mainly to seasonality in the Document Solutions Unit.

<As Compared with 1H of Fiscal 2023: +23.8%>

- Profit increased due to improved profitability in the Communications Unit as a result of the progress of structural reforms initiated in Fiscal 2023 in addition to the increased sales.

<As Compared with 2H of Fiscal 2023: +92.3%>

- Profit increased due mainly to the absence of a one-time cost in the amount of approximately 8 billion yen in connection with structural reforms of the Communications Unit.

1 Financial Results for 1H of Fiscal 2024

2 Financial Forecasts for Fiscal 2024

Financial Forecasts for Fiscal 2024 (1)



(Unit: Yen in millions)

	Fiscal 2023	Fiscal 2024 (Forecast)		Change in amount compared with	
		Previous (May 2023)	Revised (November 2023)	Fiscal 2023	Previous Forecast
Sales Revenue	2,025,332	2,100,000	2,050,000	24,668	-50,000
Operating Profit	128,517 (6.3%)	147,000 (7.0%)	120,000 (5.9%)	-8,517	-27,000
Profit Before Income Taxes	176,192 (8.7%)	200,000 (9.5%)	170,000 (8.3%)	-6,192	-30,000
Profit Attributable to Owners of the Parent	127,988 (6.3%)	145,000 (6.9%)	123,000 (6.0%)	-4,988	-22,000
EPS (Basic-yen)	356.60	408.40	347.56		
Average Exchange Rate	US\$ 135 yen	125 yen	140 yen		
	Euro 141 yen	130 yen	152 yen		

Notes:
 Figures in parentheses represent percentages to sales revenue.
 Forecast of EPS (Basic-yen) for Fiscal 2024 as of May 2024 is calculated using the average number of shares outstanding during 1Q of Fiscal 2024, and forecast of EPS (Basic-yen) for Fiscal 2024 as of Nov. 2023 is calculated using the average number of shares outstanding during 1H of Fiscal 2024 (before the stock split planned in Jan. 2024.)

Financial forecasts have been revised due mainly by slower recovery of semiconductor-related and the information and telecommunication markets.

Financial Forecasts for Fiscal 2024 (2)



(Unit: Yen in millions)

	Fiscal 2023	Fiscal 2024 (Forecast)		Change in amount compared with	
		Previous (May 2023)	Revised (November 2023)	Fiscal 2023	Previous Forecast
Capital Expenditures	173,901 (8.6%)	275,000 (13.1%)	170,000 (8.3%)	-3,901	-105,000
Depreciation Charge of Property, Plant and Equipment	108,757 (5.4%)	123,000 (5.9%)	115,000 (5.6%)	6,243	-8,000
R&D Expenses	94,277 (4.7%)	115,000 (5.5%)	106,000 (5.2%)	11,723	-9,000

Note: Figures in parentheses represent percentages to sales revenue.

Forecasts of capital expenditures, depreciation charge of property, plant and equipment and R&D expenses have been revised as well.

Sales Revenue Forecasts by Reporting Segment for Fiscal 2024



(Unit: Yen in millions)

Sales Revenue by Reporting Segment	Fiscal 2023		Fiscal 2024 (Forecast)				Change in amount compared with	
	Amount	Component Ratio	Previous (May 2023)		Revised (November 2023)		Fiscal 2023	Previous Forecast
			Amount	Component Ratio	Amount	Component Ratio		
Core Components Business	592,376	29.2%	620,000	29.5%	567,000	27.6%	-25,376	-53,000
Industrial & Automotive Components Unit	199,194	9.8%	225,000	10.7%	221,000	10.8%	21,806	-4,000
Semiconductor Components Unit	364,579	18.0%	365,000	17.4%	315,000	15.3%	-49,579	-50,000
Others	28,603	1.4%	30,000	1.4%	31,000	1.5%	2,397	1,000
Electronic Components Business	378,536	18.7%	390,000	18.6%	358,000	17.5%	-20,536	-32,000
Solutions Business	1,068,597	52.8%	1,115,000	53.1%	1,146,000	55.9%	77,403	31,000
Industrial Tools Unit	308,406	15.2%	315,000	15.0%	325,000	15.8%	16,594	10,000
Document Solutions Unit	434,914	21.5%	455,000	21.7%	473,000	23.1%	38,086	18,000
Communications Unit	207,793	10.3%	225,000	10.7%	231,000	11.3%	23,207	6,000
Others	117,484	5.8%	120,000	5.7%	117,000	5.7%	-484	-3,000
Others	23,403	1.2%	20,000	0.9%	18,000	0.9%	-5,403	-2,000
Adjustments and Eliminations	-37,580	-1.9%	-45,000	-2.1%	-39,000	-1.9%	-1,420	6,000
Sales Revenue	2,025,332	100.0%	2,100,000	100.0%	2,050,000	100.0%	24,668	-50,000

Business Profit (Loss) Forecasts by Reporting Segment for Fiscal 2024



(Unit: Yen in millions)

Business Profit by Reporting Segment	Fiscal 2023		Fiscal 2024 (Forecast)				Change in amount compared with	
	Amount	% to Sales Revenue	Previous (May 2023)		Revised (November 2023)		Fiscal 2023	Previous Forecast
			Amount	% to Sales Revenue	Amount	% to Sales Revenue		
Core Components Business	89,475	15.1%	86,000	13.9%	65,000	11.5%	-24,475	-21,000
Industrial & Automotive Components Unit	24,743	12.4%	32,000	14.2%	24,500	11.1%	-243	-7,500
Semiconductor Components Unit	67,702	18.6%	53,000	14.5%	39,500	12.5%	-28,202	-13,500
Others	-2,970	—	1,000	3.3%	1,000	3.2%	3,970	0
Electronic Components Business	44,064	11.6%	55,000	14.1%	24,500	6.8%	-19,564	-30,500
Solutions Business	42,239	4.0%	79,000	7.1%	85,000	7.4%	42,761	6,000
Industrial Tools Unit	23,279	7.5%	26,000	8.3%	22,000	6.8%	-1,279	-4,000
Document Solutions Unit	33,706	7.8%	40,000	8.8%	51,000	10.8%	17,294	11,000
Communications Unit	-11,729	—	3,000	1.3%	5,500	2.4%	17,229	2,500
Others	-3,017	—	10,000	8.3%	6,500	5.6%	9,517	-3,500
Others	-28,795	—	-45,000	—	-43,000	—	-14,205	2,000
Total Business Profit	146,983	7.3%	175,000	8.3%	131,500	6.4%	-15,483	-43,500
Corporate Gains and Others	29,209	—	25,000	—	38,500	—	9,291	13,500
Profit Before Income Taxes	176,192	8.7%	200,000	9.5%	170,000	8.3%	-6,192	-30,000

(1) Interim Dividend

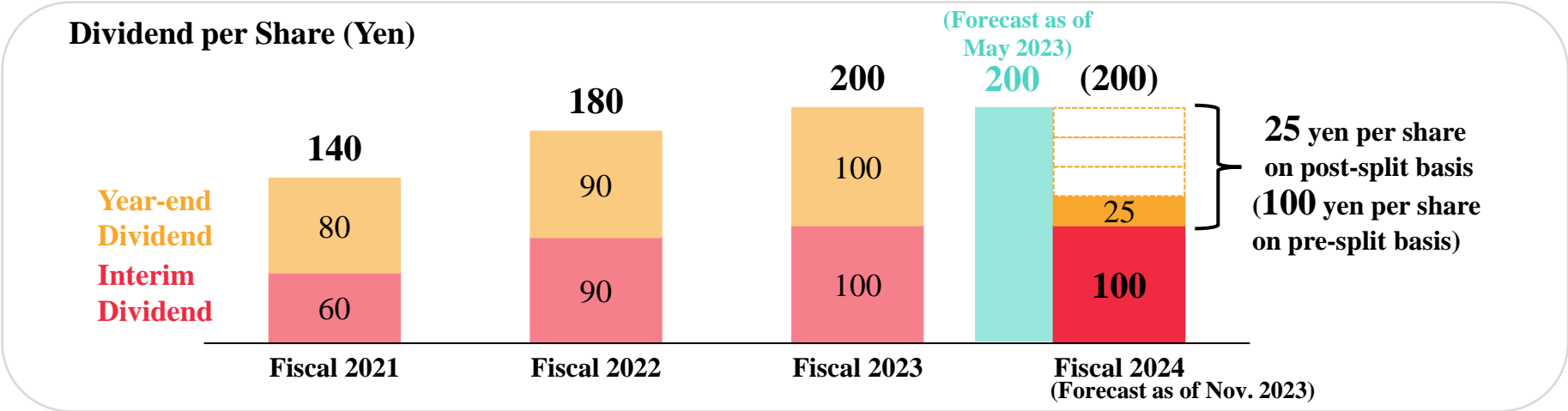
The interim dividend will be 100 yen per share, same as the interim dividend of Fiscal 2023.

(2) Year-end Dividend

The year-end dividend is forecasted to be 25 yen per share on post-split basis.
 (Forecast of dividend per share on an annual basis is practically the same as the previous forecast as of May 2023.)

<Stock Split>

The stock split will be undertaken on the record date of Dec. 31, 2023, at the ratio of 4 for 1 of all common shares, with the aim of increasing the liquidity of the stock and expanding its investor base through a reduction in the price of share-trading units.

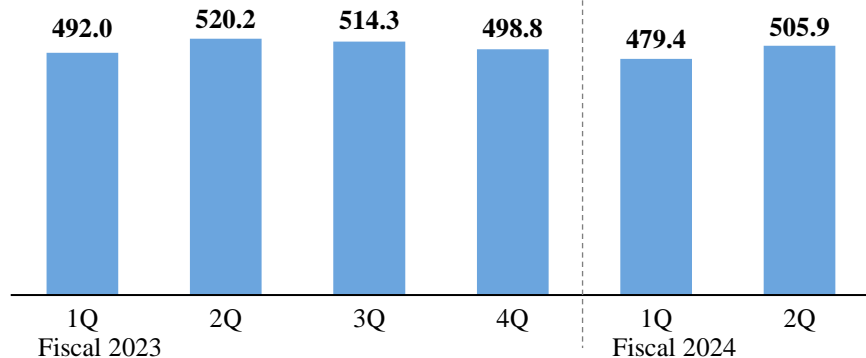


Appendix:
Quarterly Trends of Financial Results
from 1Q of Fiscal 2023 to 2Q of Fiscal 2024

Quarterly Trends of Financial Results

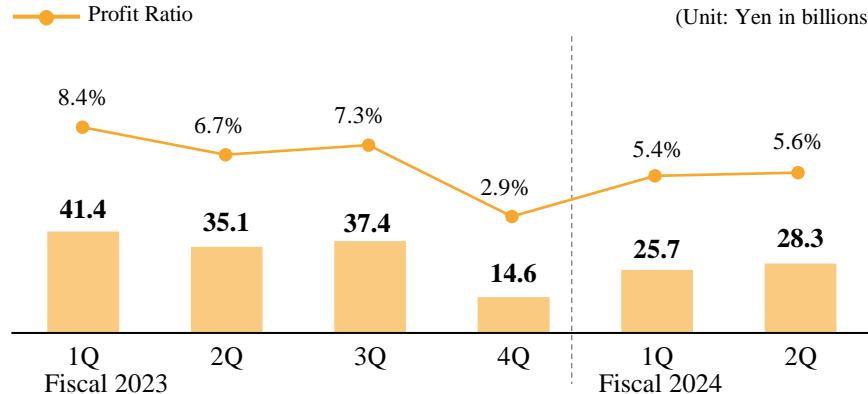
Sales Revenue

(Unit: Yen in billions)



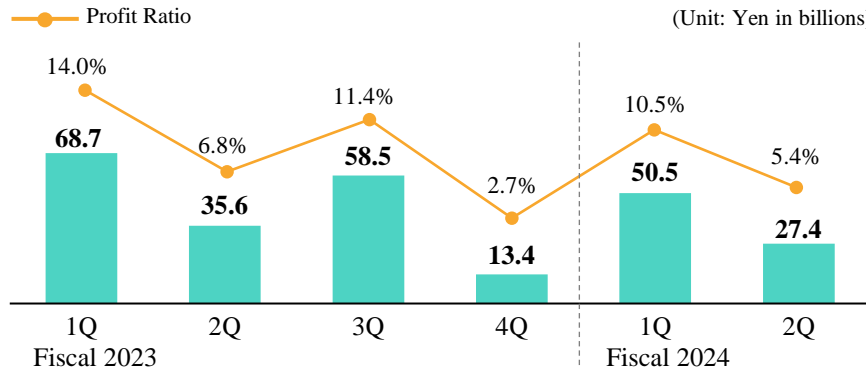
Operating Profit

(Unit: Yen in billions)



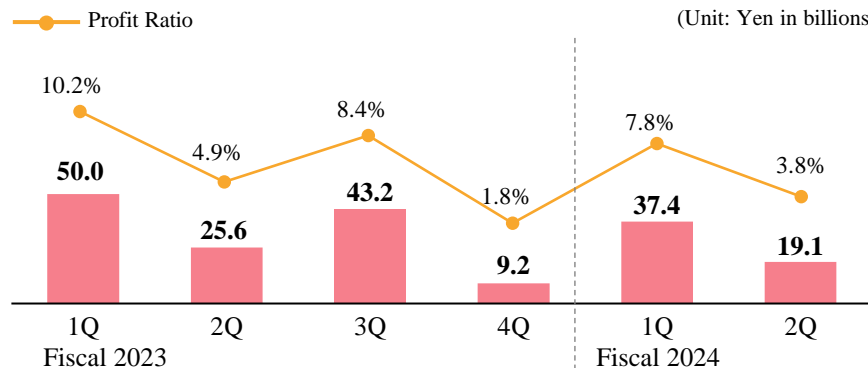
Profit Before Income Taxes

(Unit: Yen in billions)



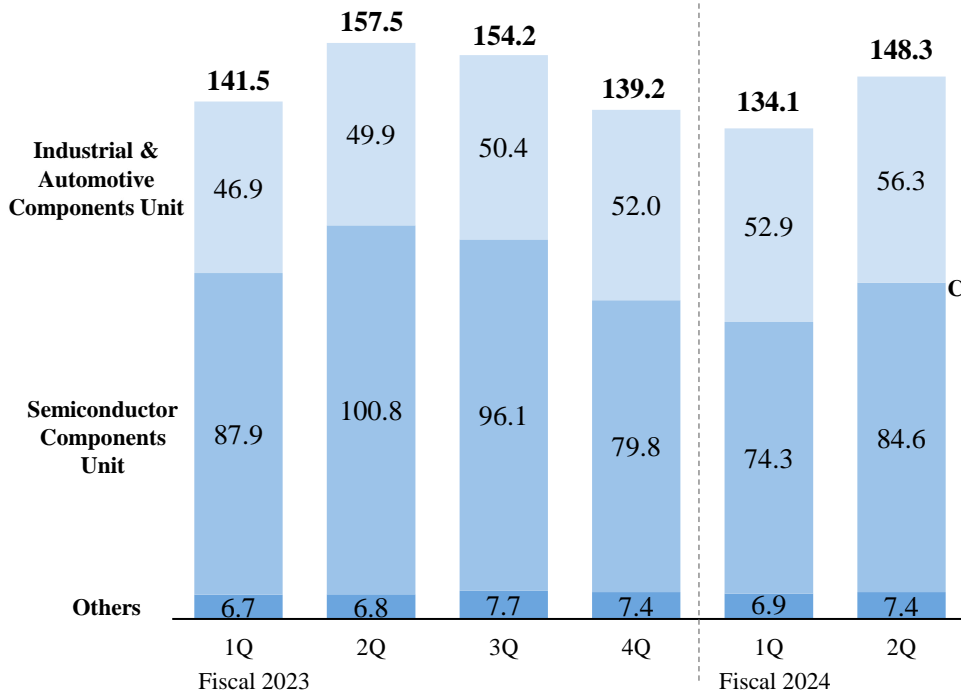
Profit Attributable to Owners of the Parent

(Unit: Yen in billions)



Sales Revenue

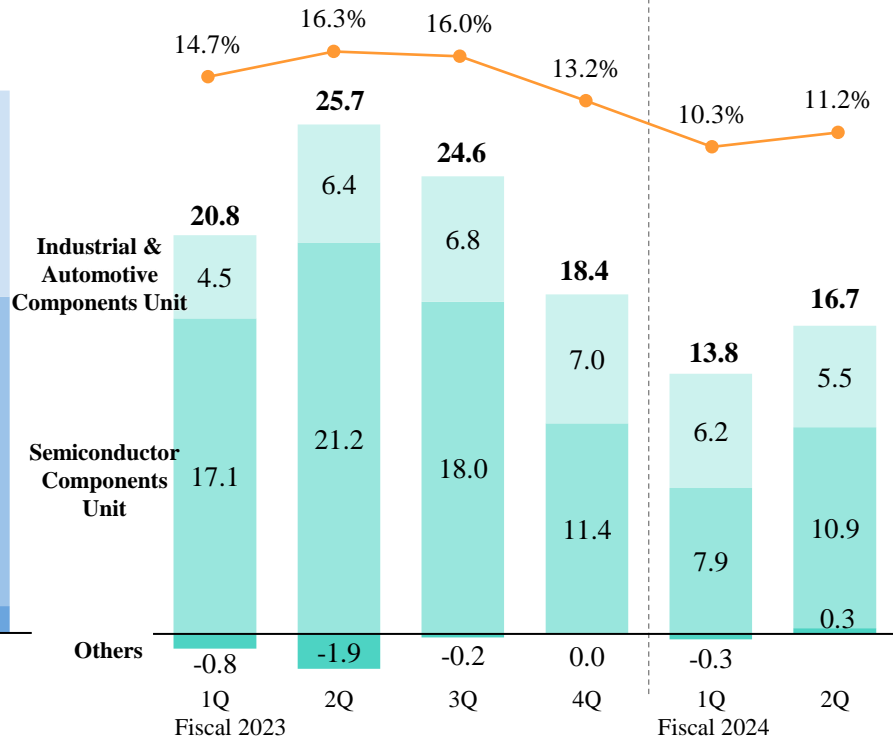
(Unit: Yen in billions)



Business Profit

(Unit: Yen in billions)

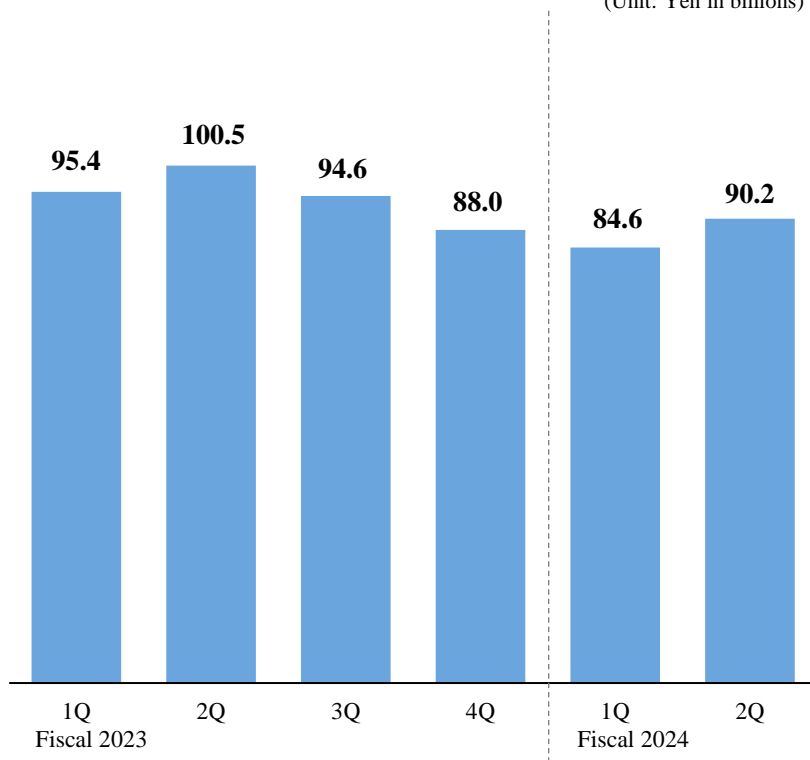
Business Profit Ratio



Notes: Business profit is the profit before income taxes of each business.
Business profit ratio is calculated based on millions of yen.

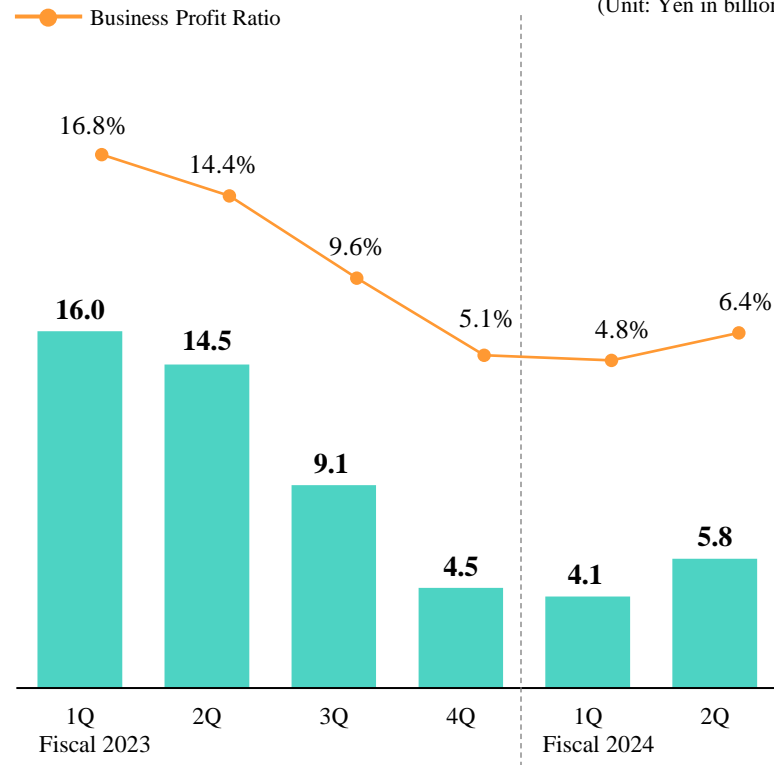
Sales Revenue

(Unit: Yen in billions)



Business Profit

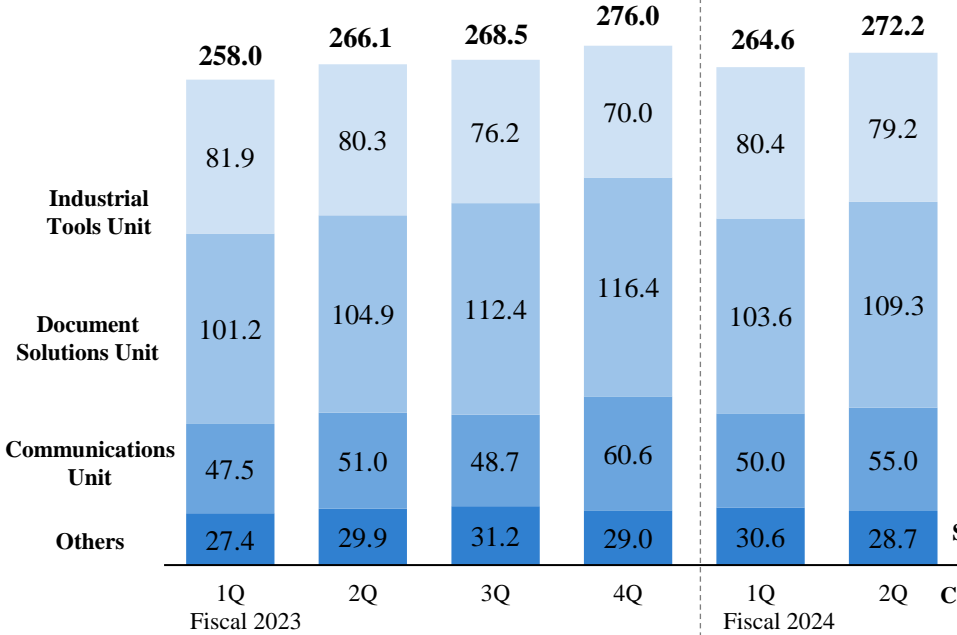
(Unit: Yen in billions)



Notes: Business profit is the profit before income taxes of each business.
Business profit ratio is calculated based on millions of yen.

Sales Revenue

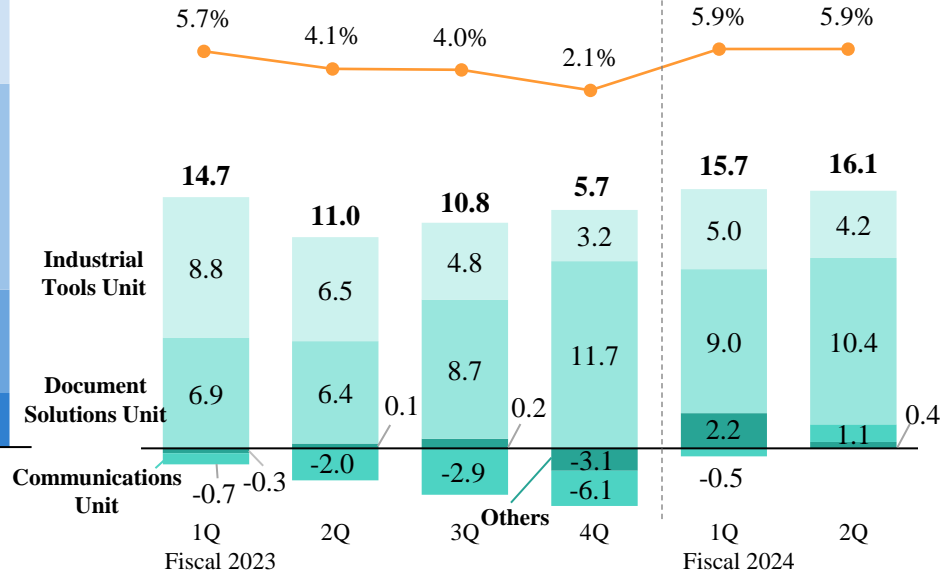
(Unit: Yen in billions)



Business Profit

(Unit: Yen in billions)

Business Profit Ratio



Notes: Business profit is the profit before income taxes of each business.
Business profit ratio is calculated based on millions of yen.

Cautionary Statements with respect to Forward-Looking Statements

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. These forward-looking statements involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors include, but are not limited to the following:

- (1) General conditions in the Japanese or global economy;
- (2) Unexpected changes in economic, political and legal conditions in countries where we operate or export;
- (3) The effect of foreign exchange fluctuations on our results of operations;
- (4) Intense competitive pressures to which our products are subject;
- (5) Fluctuations in the price and ability of suppliers to provide the required quantity of raw materials for use in our production activities;
- (6) Manufacturing delays or defects resulting from outsourcing or internal manufacturing processes;
- (7) The possibility that future initiatives and in-process research and development may not produce the desired results;
- (8) Companies or assets acquired by us not produce the returns or benefits, or bring in business opportunities;
- (9) Inability to secure skilled employees;
- (10) Damages on our information security systems from cyberattacks, etc. and significant costs in order to recover and maintain the systems;
- (11) Insufficient protection of our trade secrets and intellectual property rights including patents;
- (12) Expenses associated with licenses we require to continue to manufacture and sell products;
- (13) Unintentional conflict with laws and regulations or newly enacted laws and regulations;
- (14) Environmental liability and compliance obligations by tightening of environmental laws and regulations;
- (15) Inability to respond to global climate change problems or delay in such response, which may lead to increased costs and negatively impact our corporate brands;
- (16) Our market or supply chains being affected by plague, infectious diseases, terrorism, wars or similar events;
- (17) Earthquakes and other natural disasters affecting our headquarters and major facilities as well as our suppliers and customers;
- (18) Credit risk on trade receivables;
- (19) Fluctuations in the value of financial instruments held by us;
- (20) Impairment losses on property, plant and equipment, goodwill and intangible assets;
- (21) Uncertainty over income tax and deferred tax assets; and
- (22) Changes in accounting standards.

Due to such risks, uncertainties and other factors, our actual results, performance, achievements or financial condition may be substantially different from any future results, performance, achievements or financial condition expressed or implied by these forward-looking statements.

We undertake no obligation to publicly update any forward-looking statements included in this document.



KYOCERA Corporation