



Financial Presentation for the Six Months Ended September 30, 2021

(Held on November 1, 2021)

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<1. (Cover) Financial Results for the Six Months Ended September 30, 2021>

<2. Financial Results for H1 of FY3/2022>

Sales revenue in the six months ended September 30, 2021 (“the first half”) increased 25.9% to 876.3 billion yen, compared with the six months ended September 30, 2020 (“the previous first half”), a record high for the first half. Profit increased significantly, due to higher sales revenue. Operating profit increased 214.5% to 75.7 billion yen. Profit before income taxes increased 105.9% to 99.4 billion yen compared with the previous first half and the profit before income taxes margin improved to the double digits. Profit attributable to owners of the parent increased 113.1% to 73.2 billion yen, compared with the previous first half.

Capital expenditures, depreciation charge of property, plant and equipment, and research and development expenses increased due to making ongoing business investments.

The average exchange rates were 110 yen to the U.S. dollar, marking depreciation of 3 yen, and 131 yen to the euro, marking depreciation of 10 yen from the previous first half, respectively. As a result, sales revenue was lifted by approximately 26 billion yen, and profit before income taxes saw a boost of approximately 9 billion yen.

<3. Sales Revenue by Reporting Segment for H1 of FY3/2022>

Sales revenue increased by approximately 25% in the Core Components Business and Solutions Business, and by 30% in the Electronic Components Business.

<4. Business Profit (Loss) by Reporting Segment for H1 of FY3/2022>

Business profit increased significantly across all segments chiefly due to higher sales revenue, with business profit rising by roughly 3 times in the Core Components Business and Electronic Components Business, and by roughly 4 times in the Solutions Business.

<5. Summary of Financial Results for H1 of FY3/2022>

In the first half, sales revenue and profit margins exceeded the pre-COVID-19 levels across all segments. The improvement can mainly be attributed to two factors.

The first factor is the diminishing impact of COVID-19. Demand recovered in the automotive-related market and document market, which experienced a severe slump in the previous fiscal year due to COVID-19.

The second factor is the increased demand for semiconductor and 5G-related components. We have been making strategic capital investments and increasing production of the components shown on the slide, including fine ceramic components for semiconductor processing equipment. As a result, we were able to translate the strong demand in the current period to sales revenue and business profit.

<6. H1 of FY3/2022 : Semi-Annual Trends of Financial Results by Reporting Segment

(1) Core Components Business >

I will explain the business performance by reporting segment.

The graphs shown on the top illustrate the sales revenue and business profit trends from the first half ended September 30, 2020, before the pandemic to the first half. At the bottom, we included an explanation of the reason for the change in sales revenue and business profit in the first half compared to the previous first half.

In the Core Components Business, sales revenue increased due to increased demand for fine ceramic components for semiconductor processing equipment and automotive cameras in the Industrial & Automotive Components Unit, as well as increased demand for ceramic packages and organic packages and boards for 5G and automotive-related markets in the Semiconductor Components Unit.

Business profit increased due to higher sales revenue, and the business profit ratio improved to double digits.

<7. H1 of FY3/2022 : Semi-Annual Trends of Financial Results by Reporting Segment

(2) Electronic Components Business >

In the Electronic Components Business, sales revenue increased in the first half compared to the previous first half due to higher demand in the 5G and semiconductor-related market as well as recoveries in the automotive-related markets and industrial markets.

Business profit increased due to higher sales revenue and increased demand for high-value-added products, such as small size with high-capacitance capacitors and crystal devices, as well as cost reductions. As a result, the business profit ratio improved to 16%.

<8. H1 of FY3/2022 : Semi-Annual Trends of Financial Results by Reporting Segment

<(3) Solutions Business>

In the Solutions Business, sales revenue increased in the first half compared to the previous first half, mainly due to the following factors. In the Industrial Tools Unit, sales revenue rose in automotive-related markets and in the construction and housing market. In the Document Solutions Unit, demand for printers and MFPs is recovering, mainly in Europe and the United States.

Business profit rose due to higher sales revenue and improved productivity due to automation initiatives.

This concludes the summary of our financial results for the first half. Next, I will explain the financial forecasts for the year ending March 31, 2022 ("fiscal 2022").

<9. (Cover) Financial Forecasts for the Year Ending March 31, 2022>

<10. Financial Forecasts for the Year Ending March 31, 2022>

We upwardly revised the full-year financial forecast for fiscal 2022 as shown here.

We raised our forecast for sales revenue by 20 billion yen to 1,750 billion yen, operating profit by 29 billion yen to 146 billion yen, profit before income taxes by 30 billion yen to 190 billion yen, and profit attributable to owners of the parent by 26 billion yen to 139 billion yen.

We also revised our full-year forecast for the foreign currency exchange rates from 105 yen to 110 yen to the U.S. dollar and from 125 yen to 130 yen to the euro, compared to our previous forecast in April 2021.

<11. Factors for Revision of Financial Forecast for FY3/2022>

I will explain the factors for revisions to full-year financial forecast.

Demand for 5G-related components exceeded our initial expectations, and we expect the robust demand to continue in the second half of fiscal 2022.

On the other hand, there are issues such as shortages of semiconductors and other parts and rising prices, which could cause costs to rise or have an impact on production. Although there are uncertainties clouding the business environment, we revise our financial forecast for each segment from the initial plan, considering the progress made up to the first half and our demand outlook for components for which we possess a high market share.

In the Core Components Business, we expect sales revenue and business profit to exceed the initial plan.

In the Electronic Components Business, we keep our sales revenue forecast unchanged, but upwardly revise our business profit from initial forecast.

In the Solutions Business, we expect both sales revenue and business profit to come in below the initial plan.

<12. Sales Revenue Forecast by Reporting Segment for FY3/2022>

<13. Business Profit (Loss) Forecast by Reporting Segment for FY3/2022>

We included tables showing the details of the financial forecast for each segment on pages 12 and 13.

The new forecast compared with the previous first half and previous forecast are shown on page 12 for sales revenue and on page 13 for business profit.

<14. Financial Forecasts for FY3/2022 by Reporting Segment (1) Core Components Business>

I will explain the details of the change from the previous forecast for each segment.

In the Core Components Business, we expect sales revenue and business profit to exceed the previous forecast due to increased demand for fine ceramic components for semiconductor processing equipment and ceramic packages for 5G.

<15. Financial Forecasts for FY3/2022 by Reporting Segment

(2) Electronic Components Business>

In the Electronic Components Business, we left our previous forecast unchanged for sales revenue due to significant impacts from the automotive-related and telecommunication markets. However, we upwardly revised our business profit forecast due to greater-than-expected progress in improvement in profitability of major products and cost-reduction initiatives.

<16. Financial Forecasts for FY3/2022 by Reporting Segment

(3) Solutions Business>

In the Solutions Business, we have been severely impacted by supply chain disruptions in the Document Solutions Unit, despite steady demand in the Industrial Tools Unit.

As a result, we expect sales revenue and business profit to come in slightly below the previous forecast for the overall segment. However, we expect to maintain the same business profit ratio as our previous forecast as a result of cost-reduction efforts.

<17. Initiatives for Growth from FY3/2023 Onward (1)>

Next, I will explain two initiatives for growth from the next fiscal year onward.

The first initiative is the full-scale promotion of organizational integration in the Electronic Components Business. In October 2021, we changed the name of AVX Corporation to KYOCERA AVX Components Corporation ("KAVX"), and integrated sales organizations in the United States and Europe. From April 2022 onward, we plan on integrating sales organizations in Japan and Asia, and aim to expand sales through the mutual utilization of sales channels. In addition, we will proceed with collaboration between both Kyocera Corporation and KAVX's manufacturing and development departments to actively promote the utilization of

production bases and mutual supply of products. At the same time, we aim to maximize our synergies in new product development. These integration will strengthen our global development as a comprehensive electronic components manufacturer.

<18. Initiatives for Growth from FY3/2023 Onward (2)>

The second initiative is to make investments for increasing the production of fine ceramic components for semiconductor processing equipment.

Demand for semiconductors is expected to increase along with the spread of 5G and the advance of digital transformation. Therefore, the semiconductors market is expected to expand over the medium to long term. In addition, there is a growing need for high functionality of semiconductor processing equipment, such as plasma enhancement, high temperatures, and high accuracy. With such characteristics, a number of ceramic components used in semiconductor processing equipment is expected to increase.

Given this outlook, we plan to construct two new buildings at the Kagoshima Kokubu Plant with the aim of expanding the production of fine ceramic components for semiconductor processing equipment. We expect the production capacity of fine ceramic components for semiconductor processing equipment in the Kagoshima Kokubu Plant to double from its current level by utilizing the new buildings.

We will steadily implement these initiatives and translate them to growth in the next fiscal year onward.

<19. Shareholder Return (1) Dividends>

Today, we issued two disclosures regarding shareholder returns.

The first disclosure is on the upward revision of our dividend forecast. In light of the upward revision to our financial forecast, we have also revised our forecast for annual dividends per share by 20 yen to 180 yen from 160 yen initially. The revised forecast suggests an increase of 40 yen per share from the previous fiscal year.

<20. Shareholder Return (2) Repurchase of own shares>

The second disclosure is on the repurchase of our own shares.

We will repurchase up to 4 million shares, or a total of approximately 27.2 billion yen, aimed at strengthening shareholder returns and preparing for a swift and appropriate capital strategy.

We will continue to strengthen our shareholder returns in addition to working toward improving our financial results in the future.

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.

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