



November 1, 2021

Financial Presentation

(For the Six Months Ended September 30, 2021)

Shoichi Aoki
Director and Managing Executive Officer

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.

Kyocera has changed the classification of its reporting segments from the year ending March 31, 2022. Business results for quarterly, semi-annual and annual periods of the years ended March 31, 2020 and 2021 have been reclassified in line with the change to reporting segment classifications.

KYOCERA Corporation

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1. Financial Results for the Six Months Ended September 30, 2021

Financial Results for H1 of FY3/2022

(Unit: Yen in millions)

	Six months ended September 30,				Change	
	2020		2021			
	Amount	% to sales revenue	Amount	% to sales revenue	Amount	%
Sales revenue	696,037	100.0%	876,337	100.0%	180,300	25.9%
Operating profit	24,065	3.5%	75,679	8.6%	51,614	214.5%
Profit before income taxes	48,249	6.9%	99,351	11.3%	51,102	105.9%
Profit attributable to owners of the parent	34,360	4.9%	73,219	8.4%	38,859	113.1%
Capital expenditures	57,067	8.2%	67,367	7.7%	10,300	18.0%
Depreciation charge of property, plant and equipment	35,031	5.0%	42,061	4.8%	7,030	20.1%
R&D expenses	35,126	5.0%	40,359	4.6%	5,233	14.9%
Average exchange rate	US\$	107 yen	110 yen			
	Euro	121 yen	131 yen			

(Reference) Foreign currency fluctuation effect on sales revenue and profit before income taxes for H1 of FY3/2022 compared with the previous same period.

Sales revenue: Approx. +26 billion yen / Profit before income taxes: Approx. +9 billion yen

Sales revenue achieved a new record high for H1 and profit before income taxes ratio improved to double-digit due to higher sales

Sales Revenue by Reporting Segment for H1 of FY3/2022 -Compared with H1 of FY3/2021-

(Unit: Yen in millions)

	Six months ended September 30,				Change	
	2020		2021		Amount	%
	Amount	% of sales revenue	Amount	% of sales revenue		
Core Components Business	196,318	28.2%	246,984	28.2%	50,666	25.8%
Industrial & Automotive Components Unit	62,399	9.0%	83,378	9.5%	20,979	33.6%
Semiconductor Components Unit	122,509	17.6%	150,739	17.2%	28,230	23.0%
Others	11,410	1.6%	12,867	1.5%	1,457	12.8%
Electronic Components Business	124,980	18.0%	163,300	18.6%	38,320	30.7%
Solutions Business	378,196	54.3%	467,520	53.3%	89,324	23.6%
Industrial Tools Unit	90,770	13.0%	121,434	13.9%	30,664	33.8%
Document Solutions Unit	138,140	19.9%	175,248	20.0%	37,108	26.9%
Communications Unit	107,462	15.4%	120,538	13.7%	13,076	12.2%
Others	41,824	6.0%	50,300	5.7%	8,476	20.3%
Others	7,937	1.1%	12,912	1.5%	4,975	62.7%
Adjustments and eliminations	-11,394	-1.6%	-14,379	-1.6%	-2,985	—
Sales revenue	696,037	100.0%	876,337	100.0%	180,300	25.9%

Business Profit (Loss) by Reporting Segment for H1 of FY3/2022

-Compared with H1 of FY3/2021- (Unit: Yen in millions)

	Six months ended September 30,				Change	
	2020		2021			
	Amount	% to sales revenue	Amount	% to sales revenue	Amount	%
Core Components Business	10,844	5.5%	28,058	11.4%	17,214	158.7%
Industrial & Automotive Components Unit	107	0.2%	9,595	11.5%	9,488	—
Semiconductor Components Unit	12,103	9.9%	19,543	13.0%	7,440	61.5%
Others	-1,366	—	-1,080	—	286	—
Electronic Components Business	8,523	6.8%	26,091	16.0%	17,568	206.1%
Solutions Business	8,747	2.3%	36,014	7.7%	27,267	311.7%
Industrial Tools Unit	6,110	6.7%	14,688	12.1%	8,578	140.4%
Document Solutions Unit	6,050	4.4%	15,753	9.0%	9,703	160.4%
Communications Unit	3,910	3.6%	7,531	6.2%	3,621	92.6%
Others	-7,323	—	-1,958	—	5,365	—
Others	-1,276	—	-7,181	—	-5,905	—
Total business profit	26,838	3.9%	82,982	9.5%	56,144	209.2%
Corporate gains and others	21,411	—	16,369	—	-5,042	-23.5%
Profit before income taxes	48,249	6.9%	99,351	11.3%	51,102	105.9%

Summary of Financial Results for H1 of FY3/2022

Sales revenue and business profit ratios in all segments improved to surpassing pre-Covid-19 levels

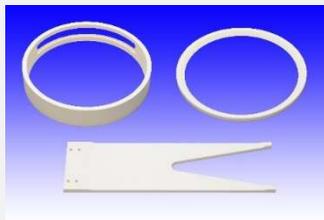
1. Diminishing impact of Covid-19

- Demand mainly in the automotive-related markets and document market has been recovering since H1 of FY3/2021

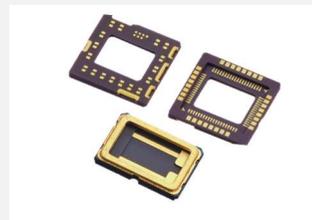
2. Increased demand for semiconductor and 5G-related components

- Proactive production increases contribute to profits

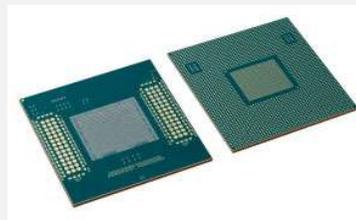
Fine ceramics components
for semiconductor
processing equipment



Ceramic packages



Organic packages



Ceramic
capacitors

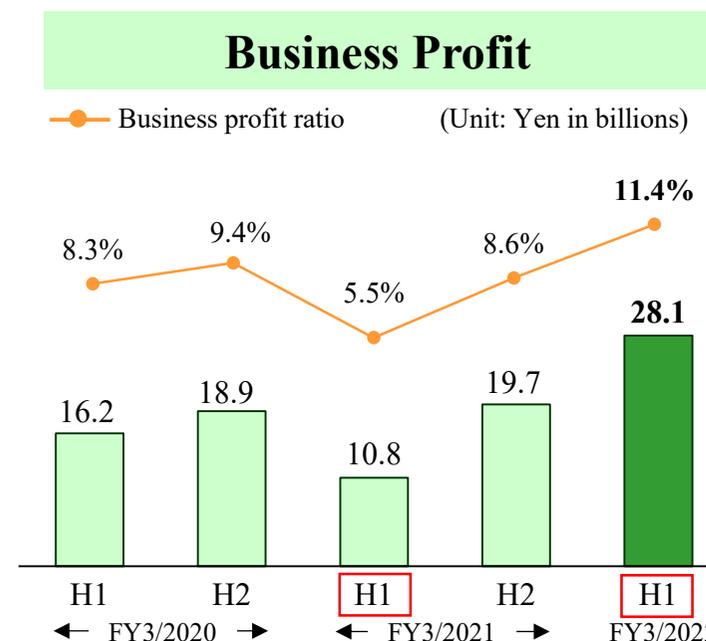
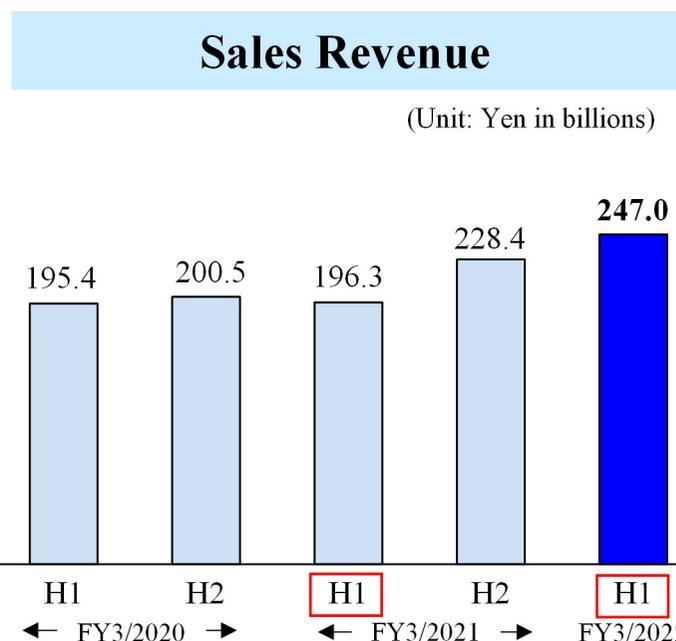


Crystal devices



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

(1) Core Components Business



<Major reasons for change>

<FY3/2022H1 (Compared with FY3/2021H1)>

- Increased demand for fine ceramic components for semiconductor processing equipment and automotive cameras in the Industrial & Automotive Components Unit
- Increased demand for ceramic packages and organic packages and boards for 5G and automotive-related markets in the Semiconductor Components Unit

<FY3/2022H1 (Compared with FY3/2021H1)>

- Higher sales revenue resulted in increased profits and higher profit ratio, which is improved to double-digit in H1 of FY3/2022

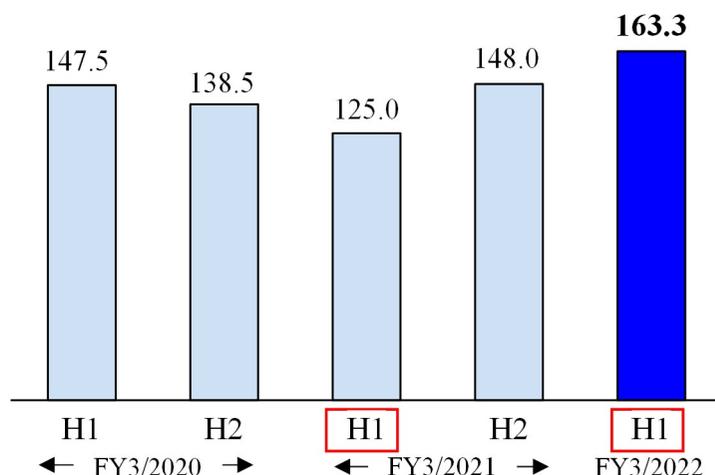
Notes: Business profit represents profit before income taxes of each reporting segment.
Business profit ratio is calculated based on millions of yen.

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

(2) Electronic Components Business

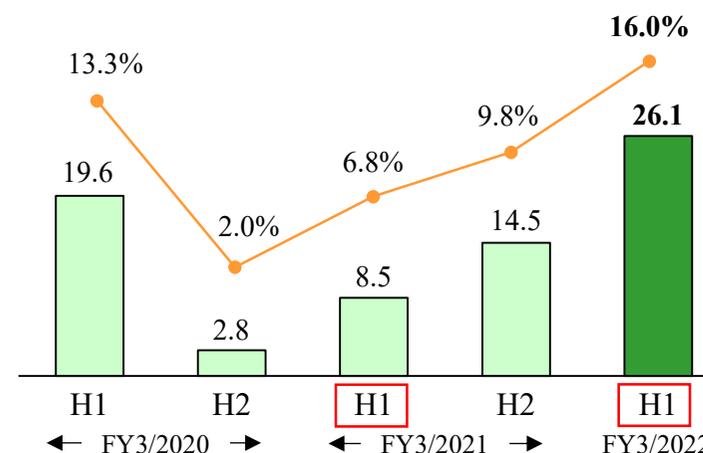
Sales Revenue

(Unit: Yen in billions)



Business Profit

Business profit ratio (Unit: Yen in billions)



<Major reasons for change>

<FY3/2022H1 (Compared with FY3/2021H1)>

- Sales revenue increased due to higher demand in the 5G and semiconductor-related market as well as to recoveries in the automotive-related markets and industrial market

<FY3/2022H1 (Compared with FY3/2021H1)>

- Besides the increase in sales revenue, business profit rose also due to increased demand for high-value-added products such as small size with high-capacitance capacitors and crystal device as well as to cost reductions
- Business profit ratio improved to double digits in H1 of FY3/2022

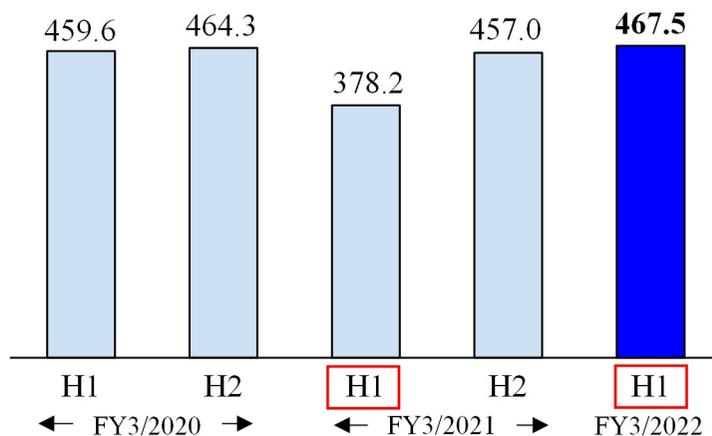
Notes: Business profit represents profit before income taxes of each reporting segment.
Business profit ratio is calculated based on millions of yen.

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

(3) Solutions Business

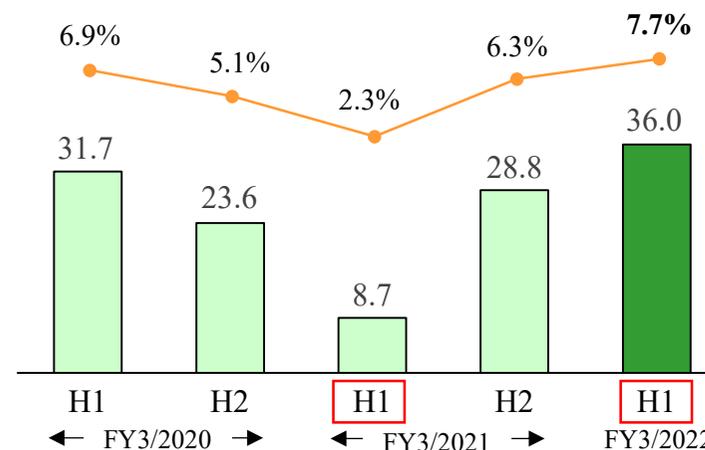
Sales Revenue

(Unit: Yen in billions)



Business Profit

Business profit ratio (Unit: Yen in billions)



<Major reasons for change>

<FY3/2022H1 (Compared with FY3/2021H1)>

- In the Industrial Tools Unit, sales revenue increased in automotive-related markets and in the construction and housing market
- In the Document Solutions Unit, demand for printers and MFPS recovering, mainly in Europe and the United States

<FY3/2022H1 (Compared with FY3/2021H1)>

- Business profit increased due to higher sales revenue and improved productivity

Notes: Business profit represents profit before income taxes of each reporting segment.
Business profit ratio is calculated based on millions of yen.

2. Financial Forecasts for the Year Ending March 31, 2022

Financial Forecasts for the Year Ending March 31, 2022 (Unit: Yen in millions)

	Year ended March 31, 2021		Year ending March 31, 2022				Change in amount compared with (Ratio of increase)	
			Previous (April 2021)		Revised (November 2021)			
	Amount	% to sales revenue	Amount	% to sales revenue	Amount	% to sales revenue	Year ended March 31, 2021	Previous Forecast
Sales revenue	1,526,897	100.0%	1,730,000	100.0%	1,750,000	100.0%	223,103 (+ 14.6%)	20,000 (+ 1.2%)
Operating profit	70,644	4.6%	117,000	6.8%	146,000	8.3%	75,356 (+ 106.7%)	29,000 (+ 24.8%)
Profit before income taxes	117,559	7.7%	160,000	9.2%	190,000	10.9%	72,441 (+ 61.6%)	30,000 (+ 18.8%)
Profit attributable to owners of the parent	90,214	5.9%	113,000	6.5%	139,000	7.9%	48,786 (+ 54.1%)	26,000 (+ 23.0%)
EPS (Basic-yen)	248.91	—	311.78	—	383.51	—	—	—
Capital expenditures	117,106	7.7%	170,000	9.8%	170,000	9.7%		
Depreciation charge of property, plant and equipment	73,811	4.8%	100,000	5.8%	100,000	5.7%		
R&D expenses	75,457	4.9%	90,000	5.2%	90,000	5.1%		
Average exchange rate	US\$	106Yen	105Yen		110Yen			
	EURO	124Yen	125Yen		130Yen			

(Reference) Estimated foreign currency fluctuation effect on sales revenue and profit before income taxes for the year ending March 31, 2022 compared with the previous fiscal year. **Sales revenue: Approx. +39 billion yen / Profit before income taxes: Approx. +15 billion yen**

Note: Forecast of EPS (Basic-yen) is calculated using the average number of shares outstanding for the six months ended September 30, 2021.

Please refer to “Cautionary Statements with respect to Forward-Looking Statements” on the last page.

Factors for Revision of Financial Forecast for FY3/2022

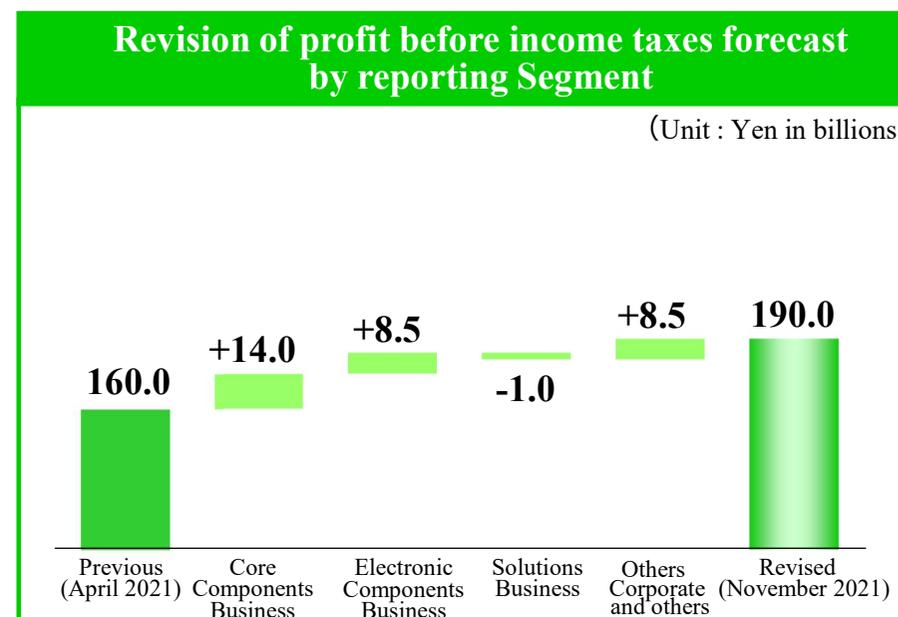
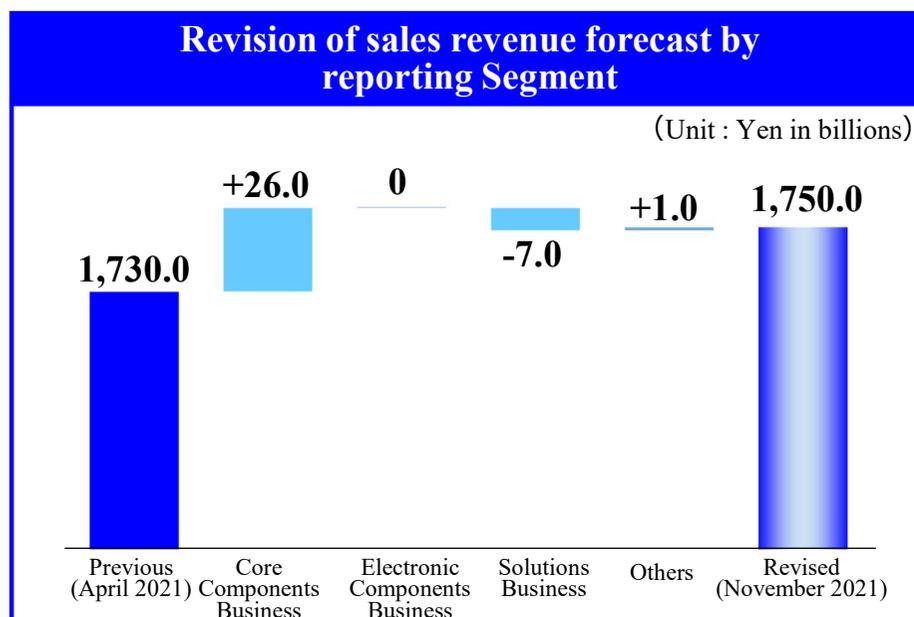


Demand for strategic products such as 5G-related components exceeding expectations



- **Short supply in components such as semiconductors**
- **Higher costs caused by rising prices of those components, etc.**

Despite an uncertain business environment, FY3/2022 financial forecast has been revised upward based on progress up to H1 and the outlook for demand for strategic products



Please refer to “Cautionary Statements with respect to Forward-Looking Statements” on the last page.

Sales Revenue Forecast by Reporting Segment for FY3/2022

(Unit: Yen in millions)

	Year ended March 31, 2021		Year ending March 31, 2022				Change in amount compared with	
			Previous (April 2021)		Revised (November 2021)			
	Amount	% of sales revenue	Amount	% of sales revenue	Amount	% of sales revenue	Year ended March 31, 2021	Previous Forecast
Core Components Business	424,669	27.8%	455,000	26.3%	481,000	27.5%	56,331	26,000
Industrial & Automotive Components Unit	135,884	8.9%	145,000	8.4%	163,000	9.3%	27,116	18,000
Semiconductor Components Unit	263,595	17.3%	280,000	16.2%	290,000	16.6%	26,405	10,000
Others	25,190	1.6%	30,000	1.7%	28,000	1.6%	2,810	-2,000
Electronic Components Business	273,002	17.9%	320,000	18.5%	320,000	18.3%	46,998	0
Solutions Business	835,213	54.7%	957,000	55.3%	950,000	54.3%	114,787	-7,000
Industrial Tools Unit	193,066	12.6%	209,000	12.1%	225,000	12.9%	31,934	16,000
Document Solutions Unit	316,226	20.7%	370,000	21.4%	360,000	20.6%	43,774	-10,000
Communications Unit	232,739	15.2%	270,000	15.6%	265,000	15.1%	32,261	-5,000
Others	93,182	6.2%	108,000	6.2%	100,000	5.7%	6,818	-8,000
Others	18,169	1.2%	28,000	1.6%	29,000	1.6%	10,831	1,000
Adjustments and eliminations	-24,156	-1.6%	-30,000	-1.7%	-30,000	-1.7%	-5,844	0
Sales revenue	1,526,897	100.0%	1,730,000	100.0%	1,750,000	100.0%	223,103	20,000

Please refer to “Cautionary Statements with respect to Forward-Looking Statements” on the last page.

Business Profit (Loss) Forecast by Reporting Segment for FY3/2022

(Unit: Yen in millions)

	Year ended March 31, 2021		Year ending March 31, 2022				Change in amount compared with	
			Previous (April 2021)		Revised (November 2021)			
	Amount	% to sales revenue	Amount	% to sales revenue	Amount	% to sales revenue	Year ended March 31, 2021	Previous Forecast
Core Components Business	30,549	7.2%	41,000	9.0%	55,000	11.4%	24,451	14,000
Industrial & Automotive Components Unit	4,241	3.1%	12,000	8.3%	20,000	12.3%	15,759	8,000
Semiconductor Components Unit	28,260	10.7%	29,000	10.4%	35,000	12.1%	6,740	6,000
Others	-1,952	—	0	0.0%	0	0.0%	1,952	0
Electronic Components Business	23,000	8.4%	40,000	12.5%	48,500	15.2%	25,500	8,500
Solutions Business	37,506	4.5%	74,000	7.7%	73,000	7.7%	35,494	-1,000
Industrial Tools Unit	15,721	8.1%	22,000	10.5%	28,000	12.4%	12,279	6,000
Document Solutions Unit	28,759	9.1%	42,000	11.4%	33,000	9.2%	4,241	-9,000
Communications Unit	14,597	6.3%	12,000	4.4%	17,000	6.4%	2,403	5,000
Others	-21,571	—	-2,000	—	-5,000	—	16,571	-3,000
Others	-3,102	—	-15,000	—	-13,000	—	-9,898	2,000
Total business profit	87,953	5.8%	140,000	8.1%	163,500	9.3%	75,547	23,500
Corporate gains and others	29,606	—	20,000	—	26,500	—	-3,106	6,500
Profit before income taxes	117,559	7.7%	160,000	9.2%	190,000	10.9%	72,441	30,000

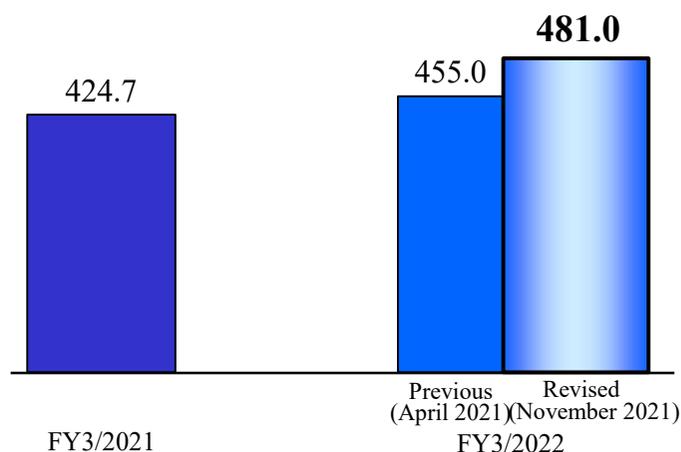
Please refer to “Cautionary Statements with respect to Forward-Looking Statements” on the last page.

Financial Forecasts for FY3/2022 by Reporting Segment

(1) Core Components Business

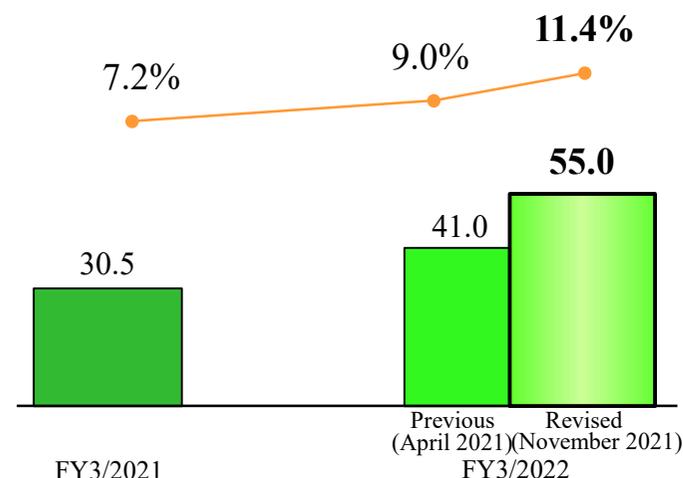
Sales Revenue

(Unit: Yen in billions)



Business Profit

(Unit: Yen in billions)



<Major reasons for changes>

<Revised(November 2021) Compared with Previous(April 2021)>

- Increase in demand for fine ceramics components for semiconductor processing equipment in the Industrial & Automotive Components Unit and ceramic packages for 5G in the Semiconductor Components Unit

<Revised(November 2021) Compared with FY3/2021>

- Same as above

<Revised(November 2021) Compared with Previous(April 2021)>

- Increase in profit due to higher sales revenue

<Revised(November 2021) Compared with FY3/2021>

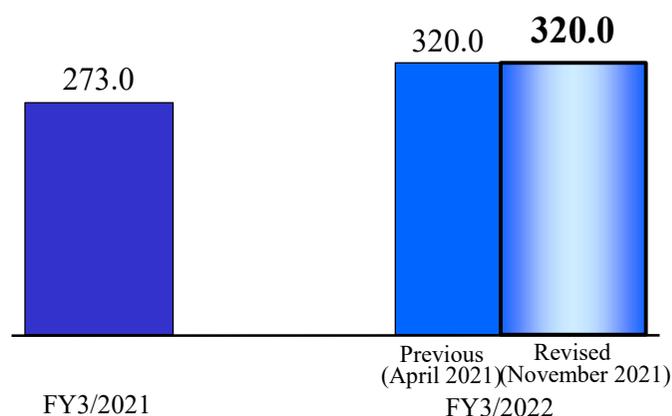
- Same as above

Please refer to “Cautionary Statements with respect to Forward-Looking Statements” on the last page.

Financial Forecasts for FY3/2022 by Reporting Segment (2) Electronic Components Business

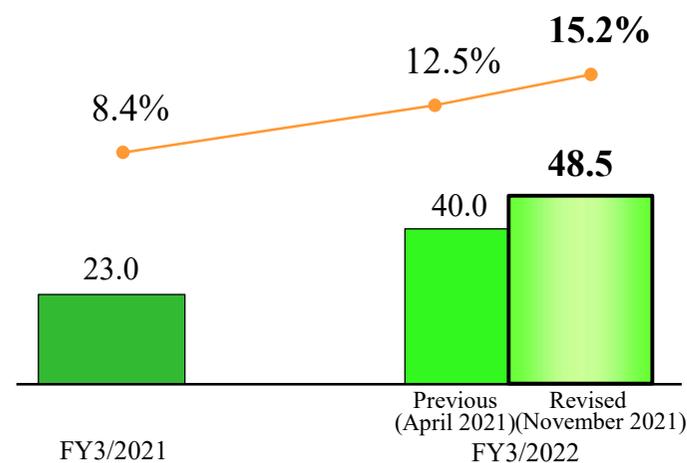
Sales Revenue

(Unit: Yen in billions)



Business Profit

(Unit: Yen in billions)



<Major reasons for changes>

<Revised(November 2021) Compared with Previous(April 2021)>

- Previous forecast remains unchanged based on an outlook for the automotive-related and telecommunication markets

<Revised(November 2021) Compared with FY3/2021>

- Recovery in demand for industrial and automotive-related markets as well as an increase in demand for 5G-related components

<Revised(November 2021) Compared with Previous(April 2021)>

- Increase in profit due to improvement in profitability of major products and cost reductions

<Revised(November 2021) Compared with FY3/2021>

- Increase in profit thanks to higher sales revenue and improvement in profitability

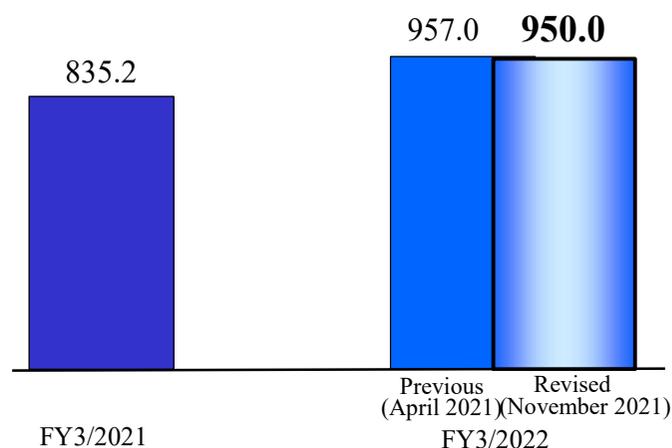
Please refer to “Cautionary Statements with respect to Forward-Looking Statements” on the last page.

Financial Forecasts for FY3/2022 by Reporting Segment

(3) Solutions Business

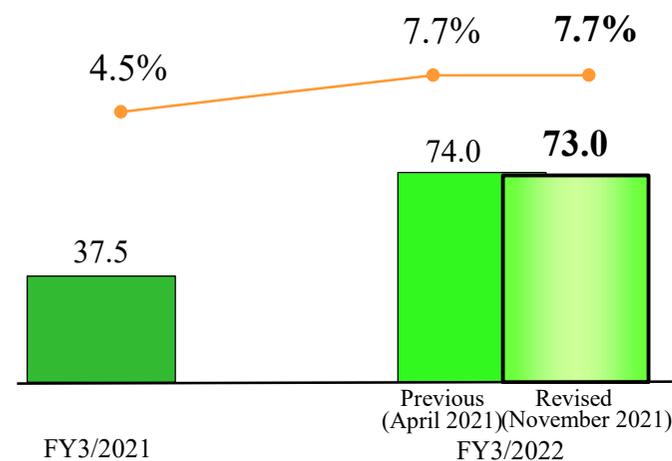
Sales Revenue

(Unit: Yen in billions)



Business Profit

—●— Business profit ratio (Unit: Yen in billions)



<Major reasons for change in forecasts>

<Revised(November 2021) Compared with Previous(April 2021)>

- Increase in sales revenue in the Industrial Tools Unit due to higher demand for pneumatic/power tools
- Decrease in sales revenue in the Document Solutions Unit due mainly to impact of supply chain disruptions

<Revised(November 2021) Compared with FY3/2021>

- Recovery in demand from the FY3/2021 in the Document Solutions Unit, which was significantly affected by Covid-19

<Revised(November 2021) Compared with Previous(April 2021)>

- Profit margin remains at the same level owing to cost reductions, despite a decrease in profits due to lower sales revenue

<Revised(November 2021) Compared with FY3/2021>

- Increase in profit due to higher sales as well as cost reduction in business units

Please refer to “Cautionary Statements with respect to Forward-Looking Statements” on the last page.

Initiatives for Growth from FY3/2023 Onward (1)

Full-scale promotion of organizational integration in the Electronic Components Business

October 2021

- AVX Corporation company name change
⇒ Changed to KYOCERA AVX Components Corporation
- Integrated sales organizations in the United States and Europe

From April 2022 onward

- Integrate sales organizations in Japan and Asia
- Proceed with collaboration of manufacturing and development departments

Accelerate global development and growth as a comprehensive electronic components manufacturer



ACCELERATING INNOVATION



Initiatives for Growth from FY3/2023 Onward (2)

Investments for increasing production of fine ceramics components for semiconductor processing equipment

Market trends

1. Increasing demand for semiconductors along with the advance of 5G and DX

Semiconductor market expected to expand over the medium to long term

2. Characteristics of ceramics matched to needs

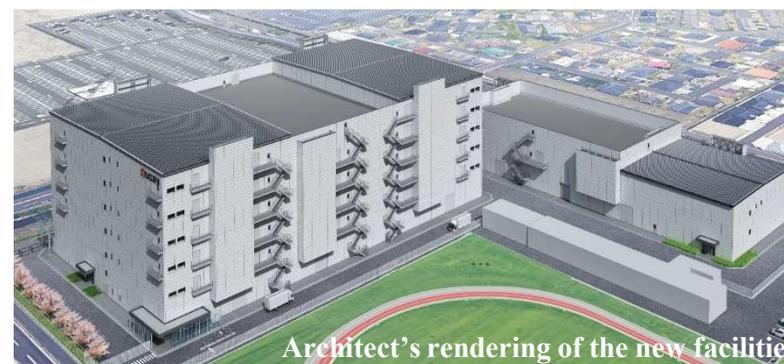
Advance of ceramicization of components for semiconductor processing equipment along with rising needs for high functionality

Plasma enhancement

High temperatures

High accuracy

Two new buildings to be constructed at the Kagoshima Kokubu Plant



Total investment: Approximately 11 billion yen

Operation: Scheduled to sequentially commence production from October 2022

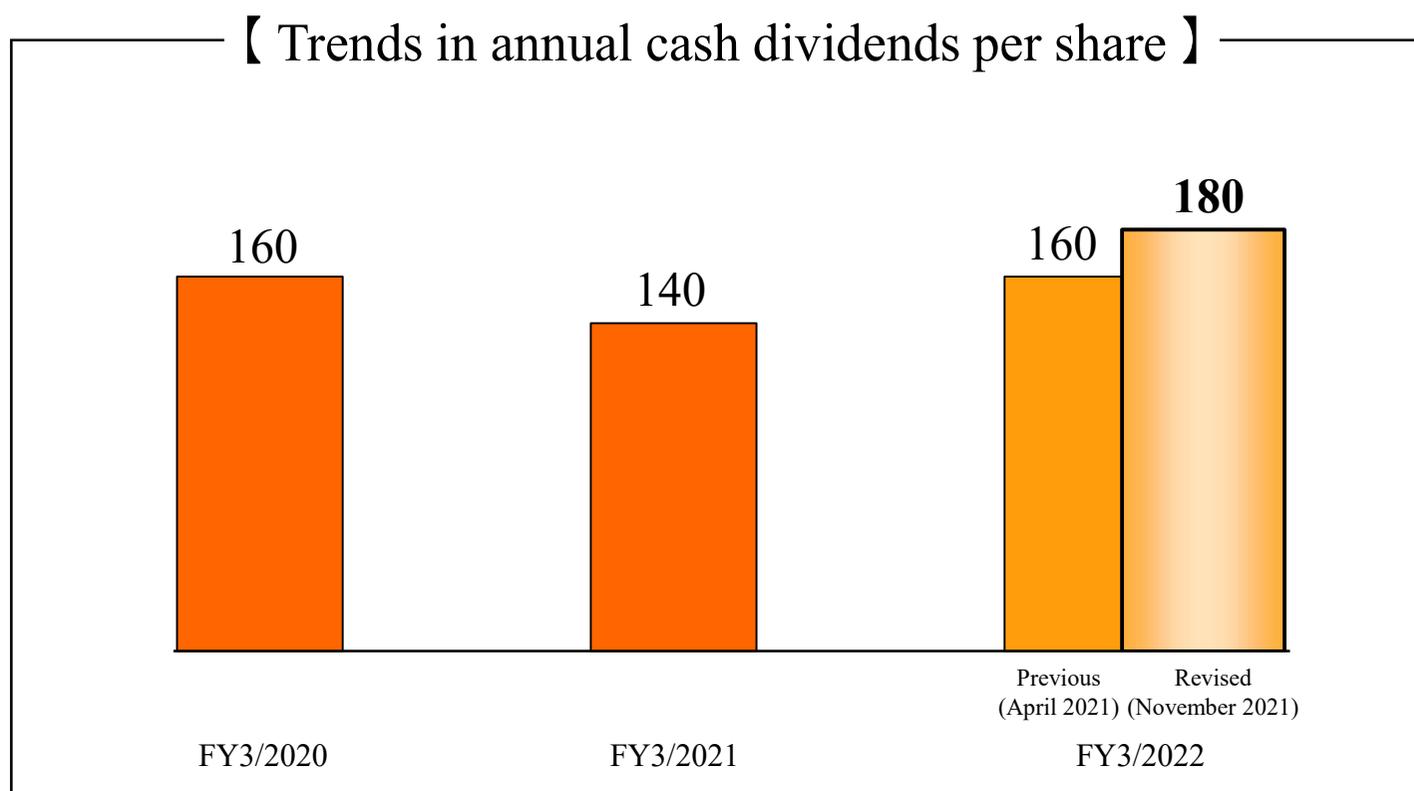
Main products: Fine ceramics components for semiconductor processing equipment

Production capacity: Approximately twice the current capacity*

* Regarding production capacity of fine ceramic components for semiconductor processing equipment at the Kagoshima Kokubu Plant

Shareholder Return (1) Dividends

**Annual cash dividends forecast for FY3/2022 :
Increase of 20 yen from the previous forecast**



Please refer to “Cautionary Statements with respect to Forward-Looking Statements” on the last page.

Shareholder Return (2) Repurchase of own shares

Purpose

**Strengthening shareholder returns
and preparing a flexible capital strategies**

(1) Types of shares to be repurchased	Common stock
(2) Total number of shares to be repurchased	4,000,000 shares (upper limit) (1.10% of total shares outstanding (excluding treasury stock))
(3) Total amount of repurchase price	27,156,000,000 yen (upper limit)
(4) Method of repurchase	Kyocera will place a purchase order through a broker on the Off-Auction Share Repurchase Trading System (ToSTNeT -3) of the Tokyo Stock Exchange on November 2, 2021, at 6,789 yen*, closing price on November 1, 2021.

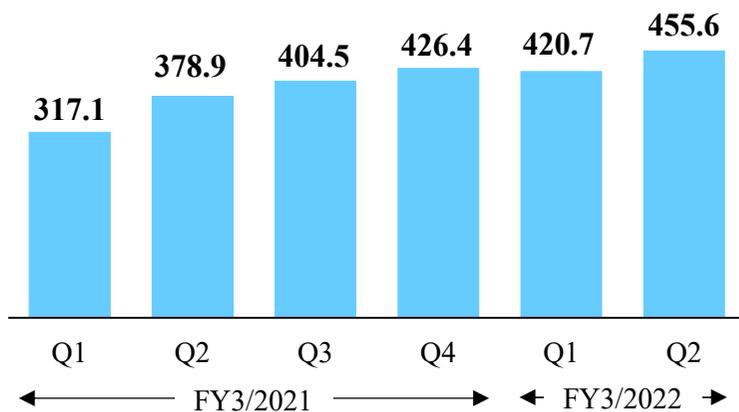
*Including the special final quote

Appendix: Quarterly Trends of Financial Results

Quarterly Trends of Financial Results

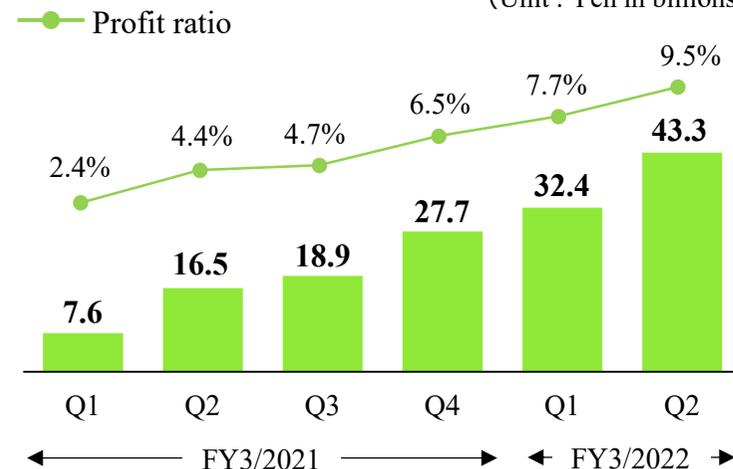
Sales revenue

(Unit : Yen in billions)



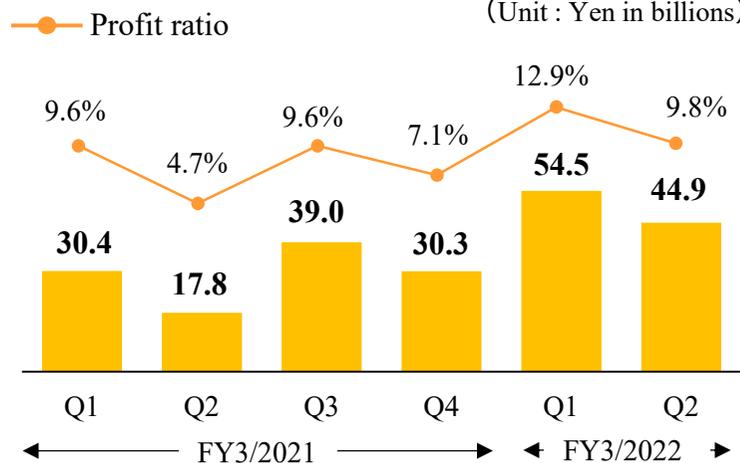
Operating profit

(Unit : Yen in billions)



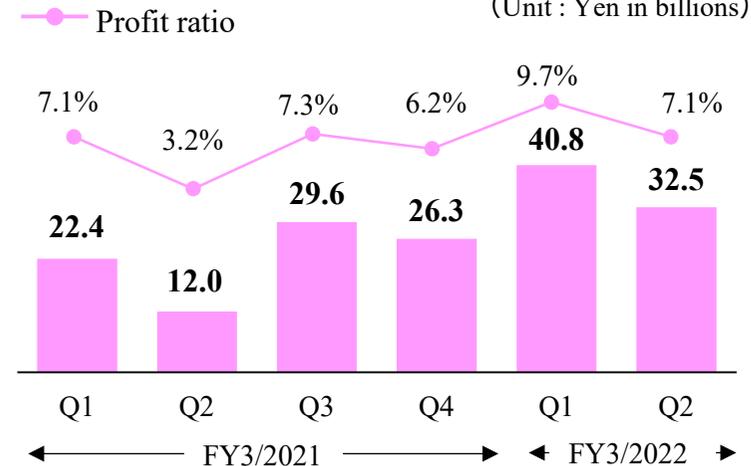
Profit before income taxes

(Unit : Yen in billions)



Profit attributable to owners of the parent

(Unit : Yen in billions)

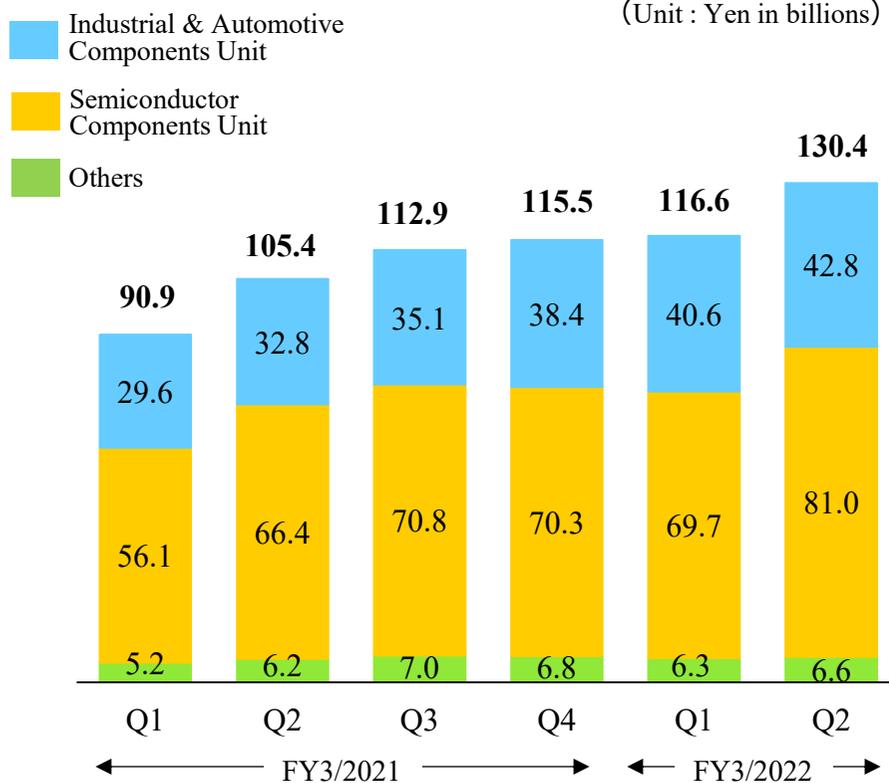


Quarterly Trends of Financial Results by Reporting Segment

(1) Core Components Business

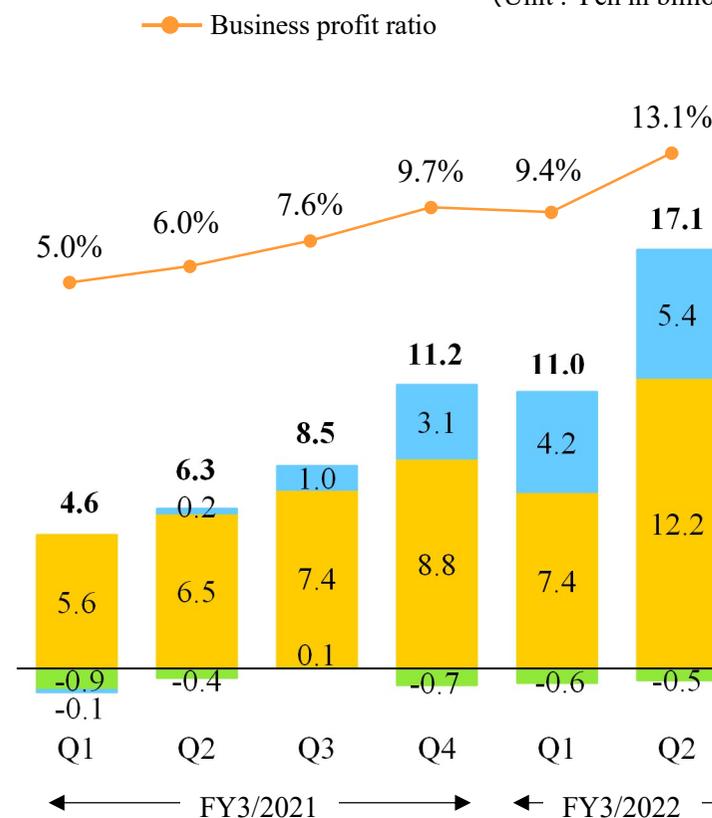
Sales revenue

(Unit : Yen in billions)



Business profit

(Unit : Yen in billions)

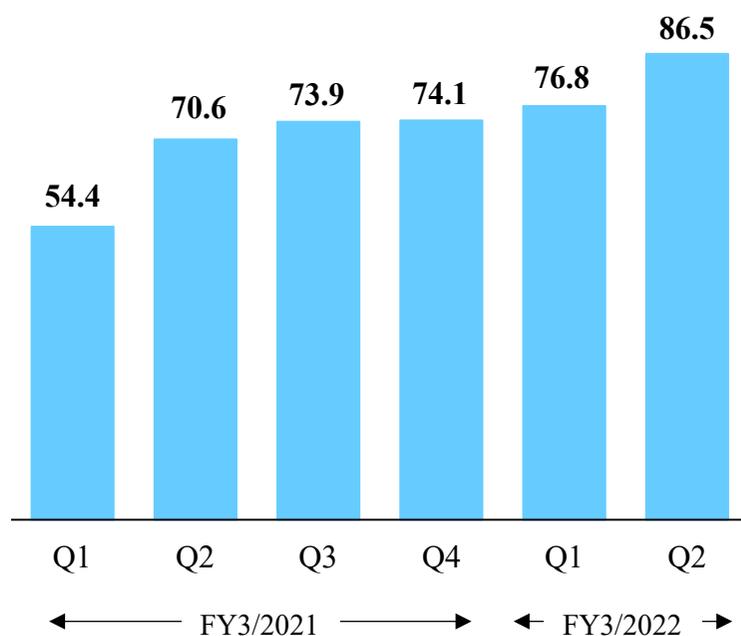


Notes: Business profit represents profit before income taxes of each reporting segment.
Business profit ratio is calculated based on millions of yen.

Quarterly Trends of Financial Results by Reporting Segment (2) Electronic Components Business

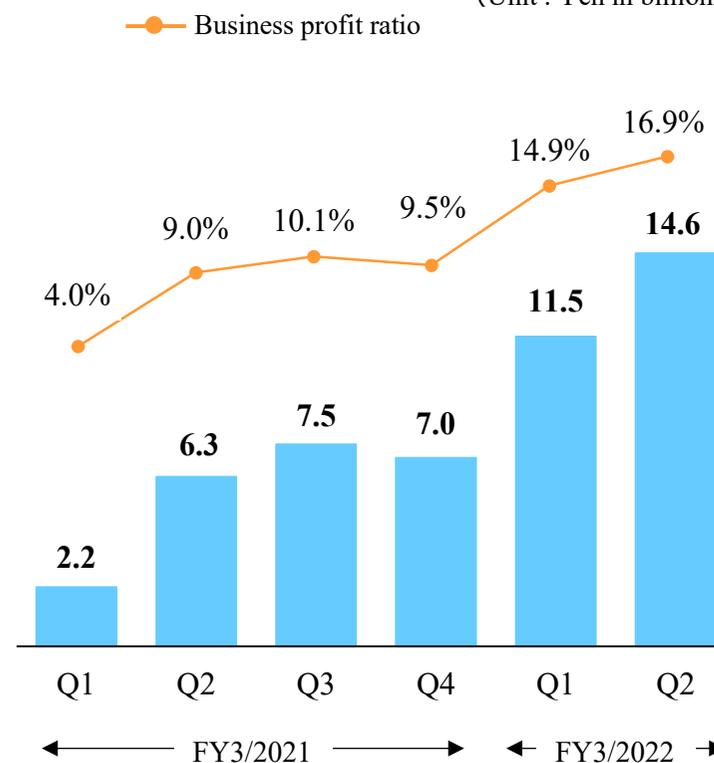
Sales revenue

(Unit : Yen in billions)



Business profit

(Unit : Yen in billions)

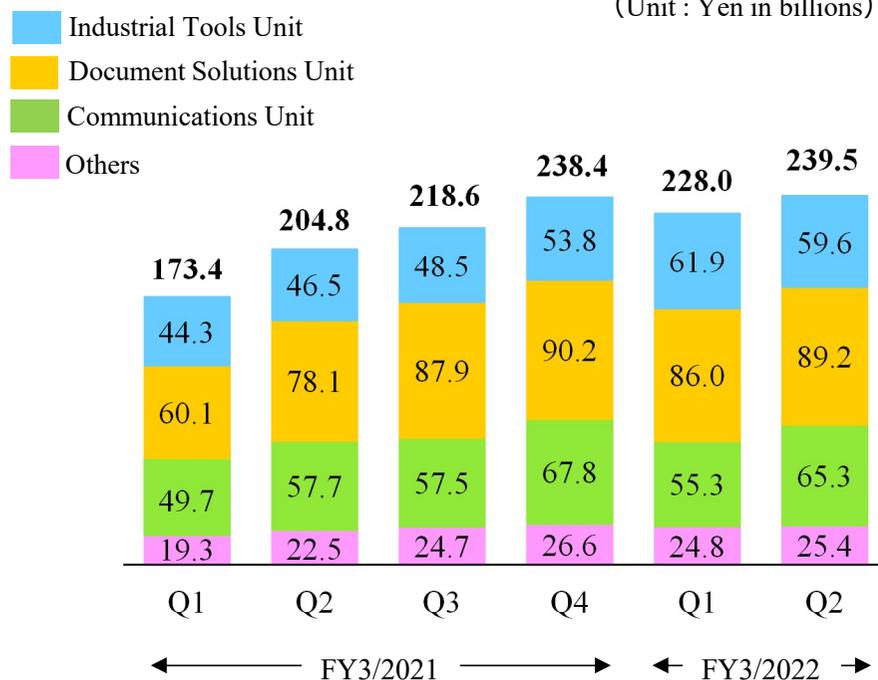


Notes: Business profit represents profit before income taxes of each reporting segment.
Business profit ratio is calculated based on millions of yen.

Quarterly Trends of Financial Results by Reporting Segment (3) Solutions Business

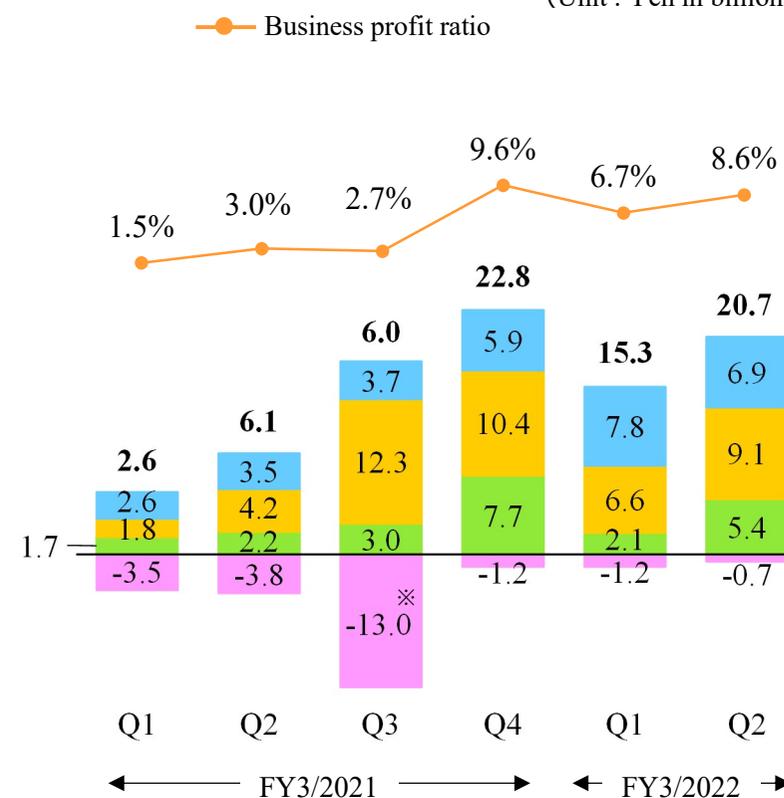
Sales revenue

(Unit : Yen in billions)



Business profit

(Unit : Yen in billions)



Notes: Business profit represents profit before income taxes of each reporting segment. ※ Recorded an impairment loss of 11.5 billion yen in the smart energy 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.

THE NEW VALUE FRONTIER



KYOCERA Corporation