

April 28, 2022

Financial Presentation

(For the Year Ended March 31, 2022)

Hideo Tanimoto
President and Representative Director

Note: 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.

1. Financial Results for the Year Ended March 31, 2022

Note: Kyocera has changed the classification of its reporting segments from the year ended March 31, 2022.

In addition, effective from the three months ended March 31, 2022, certain sales of by-products generated by each reporting segment, which was included in “Others,” has been recorded into respective reporting segments due to their materiality in terms of amount. This change has been applied to sales revenue by reporting segment for the year ended March 31, 2022.

Business results for the year ended March 31, 2021 have been reclassified in line with the above changes.

Financial Results for the Year Ended March 31, 2022 (1)

(Unit: Yen in millions)

	Year Ended March 31,		Change	
	2021	2022	Amount	%
Sales Revenue	1,526,897	1,838,938	312,041	20.4%
Operating Profit	70,644 (4.6%)	148,910 (8.1%)	78,266	110.8%
Profit before income taxes	117,559 (7.7%)	198,947 (10.8%)	81,388	69.2%
Profit attributable to owners of the parent	90,214 (5.9%)	148,414 (8.1%)	58,200	64.5%
EPS (Basic-yen)	248.91	411.15	(Reference) Foreign currency fluctuation effect on sales revenue and PBIT* for FY Mar. 2022 compared with the FY Mar. 2021. Sales revenue: Approx. + 68.0 billion yen PBIT*: Approx. + 20.0 billion yen	
Average exchange rate	US\$	106 yen	* PBIT: Profit before income taxes	
	Euro	124 yen		

Financial Results for the Year Ended March 31, 2022 (2)

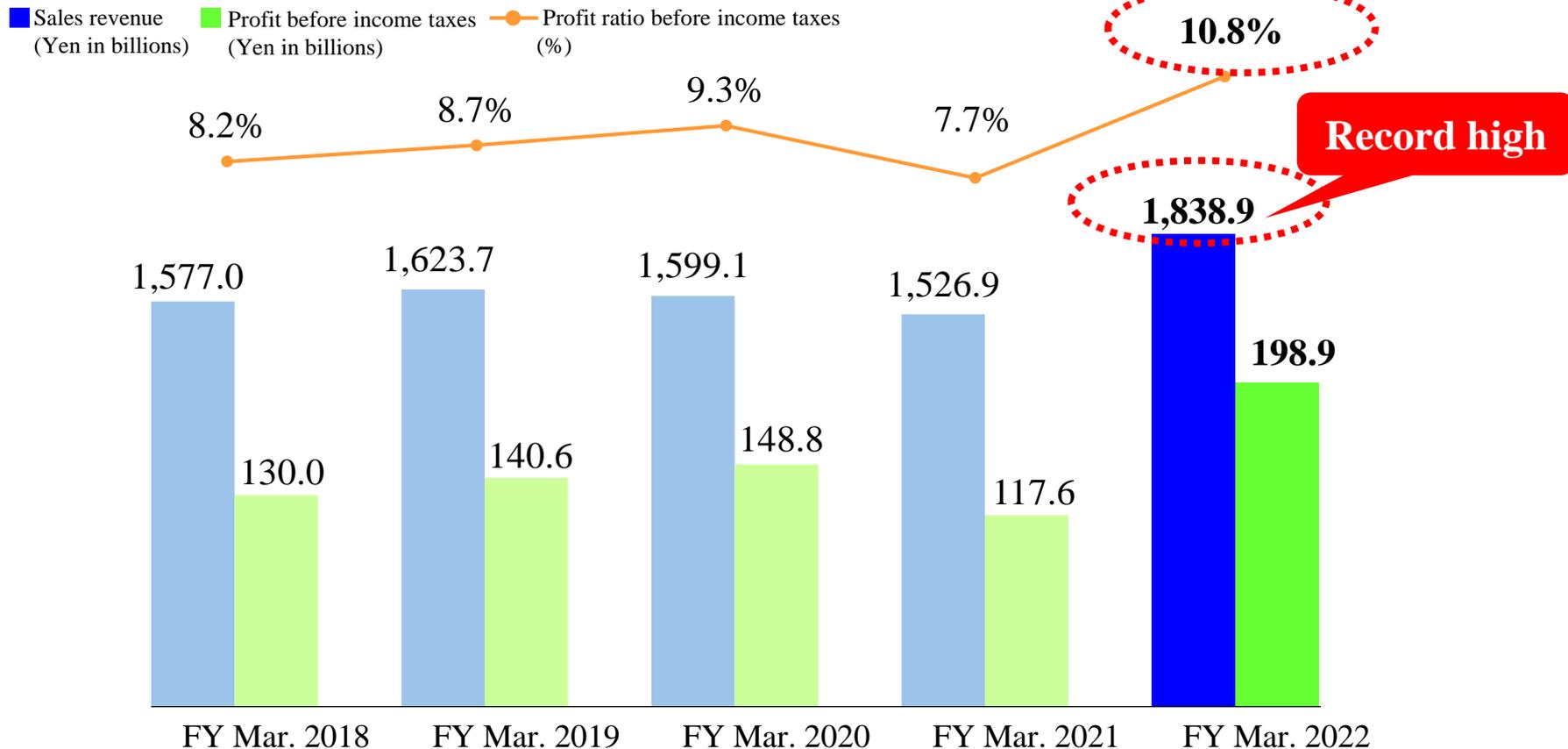
(Unit: Yen in millions)

	Year Ended March 31,		Change	
	2021	2022	Amount	%
Capital expenditures	117,106 (7.7%)	151,771 (8.3%)	34,665	29.6%
Depreciation charge of property, plant and equipment	73,811 (4.8%)	90,229 (4.9%)	16,418	22.2%
R&D expenses	75,457 (4.9%)	84,123 (4.6%)	8,666	11.5%

Summary for the Year Ended March 31, 2022

▶ **Sales revenue** reached a **new record high**, mainly due to increased production of components for 5G and semiconductor-related markets

▶ **Profit ratio before income taxes** improved to **double digit**, due to increase in sales revenue as well as improvement of productivity



Sales Revenue by Reporting Segment for the Year Ended March 31, 2022 -Compared with the Year Ended March 31, 2021-

(Unit: Yen in millions)

Sales Revenue by Reporting Segment	Year Ended March 31,				Change	
	2021		2022			
	Amount	% of sales revenue	Amount	% of sales revenue	Amount	%
Core Components Business	431,907	28.3%	527,933	28.7%	96,026	22.2%
Industrial & Automotive Components Unit	136,062	8.9%	172,908	9.4%	36,846	27.1%
Semiconductor Components Unit	270,656	17.7%	327,746	17.8%	57,090	21.1%
Others	25,189	1.7%	27,279	1.5%	2,090	8.3%
Electronic Components Business	273,002	17.9%	339,102	18.4%	66,100	24.2%
Solutions Business	835,261	54.7%	983,689	53.5%	148,428	17.8%
Industrial Tools Unit	193,066	12.6%	251,062	13.7%	57,996	30.0%
Document Solutions Unit	316,226	20.7%	366,691	19.9%	50,465	16.0%
Communications Unit	232,739	15.2%	262,306	14.3%	29,567	12.7%
Others	93,230	6.2%	103,630	5.6%	10,400	11.2%
Others	10,883	0.7%	17,817	1.0%	6,934	63.7%
Adjustments and eliminations	-24,156	-1.6%	-29,603	-1.6%	-5,447	—
Sales revenue	1,526,897	100.0%	1,838,938	100.0%	312,041	20.4%

Business Profit (Loss) by Reporting Segment for the Year Ended March 31, 2022
-Compared with the Year Ended March 31, 2021-

(Unit: Yen in millions)

Business Profit by Reporting Segment	Year Ended March 31,				Change	
	2021		2022			
	Amount	% to sales revenue	Amount	% to sales revenue	Amount	%
Core Components Business	30,549	7.1%	61,640	11.7%	31,091	101.8%
Industrial & Automotive Components Unit	4,241	3.1%	19,872	11.5%	15,631	368.6%
Semiconductor Components Unit	28,260	10.4%	44,239	13.5%	15,979	56.5%
Others	-1,952	—	-2,471	—	-519	—
Electronic Components Business	23,000	8.4%	47,896	14.1%	24,896	108.2%
Solutions Business	37,506	4.5%	68,730	7.0%	31,224	83.3%
Industrial Tools Unit	15,721	8.1%	27,211	10.8%	11,490	73.1%
Document Solutions Unit	28,759	9.1%	33,334	9.1%	4,575	15.9%
Communications Unit	14,597	6.3%	15,288	5.8%	691	4.7%
Others	-21,571	—	-7,103	—	14,468	—
Others	-3,102	—	-14,649	—	-11,547	—
Total business profit	87,953	5.8%	163,617	8.9%	75,664	86.0%
Corporate gains and others	29,606	—	35,330	—	5,724	19.3%
Profit before income taxes	117,559	7.7%	198,947	10.8%	81,388	69.2%

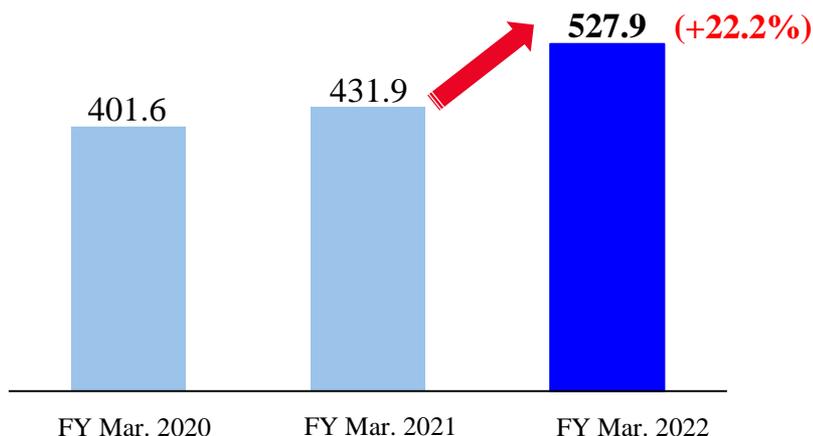
Financial Results by Reporting Segment for the Year Ended March 31, 2022

(1) Core Components Business

Sales revenue

(Unit: Yen in billions)

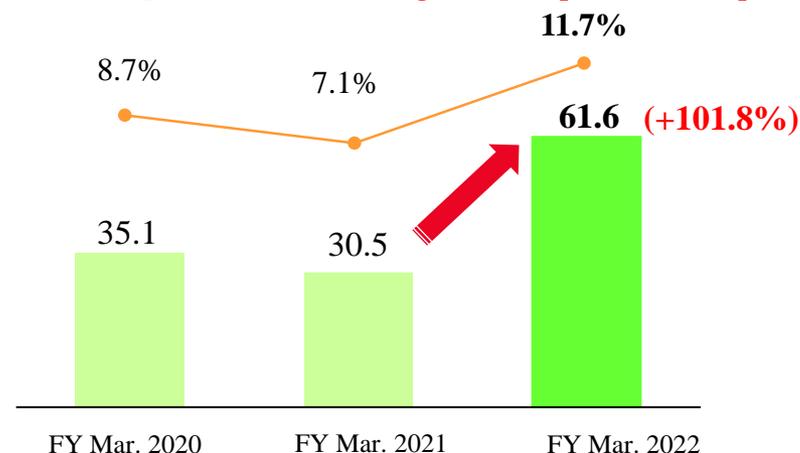
() Change from the previous same period



Business profit

(Unit: Yen in billions)

● Business profit ratio () Change from the previous same period



<Major reasons for changes: FY Mar. 2022 compared with FY Mar. 2021 >

Increase in demand for

- fine ceramic components for semiconductor processing equipment in the Industrial & Automotive Components Unit
- ceramic packages and organic packages and boards for the information and communication-related markets including the 5G, and automotive-related market in the Semiconductor Components Unit

- Increase in profit due to increase in demand for high-value-added products, made possible by aggressive capital expenditure

Notes: Business profit represents profit before income taxes of each reporting segment.
Changes from the previous same period and business profit ratio are calculated based on millions of yen.

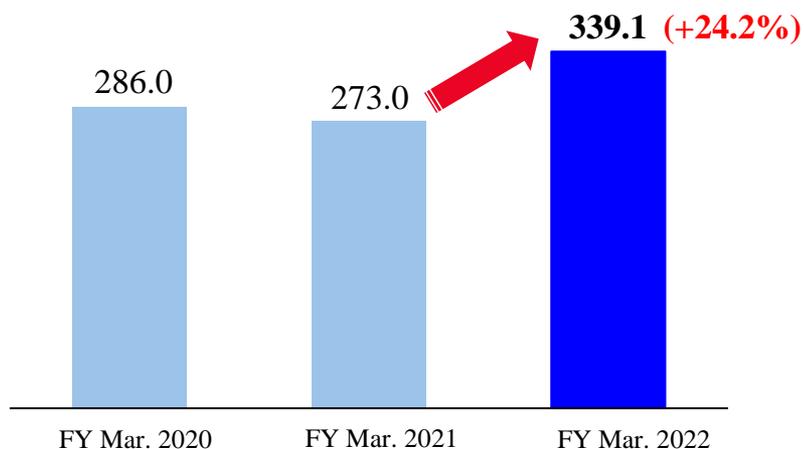
Financial Results by Reporting Segment for the Year Ended March 31, 2022

(2) Electronic Components Business

Sales revenue

(Unit: Yen in billions)

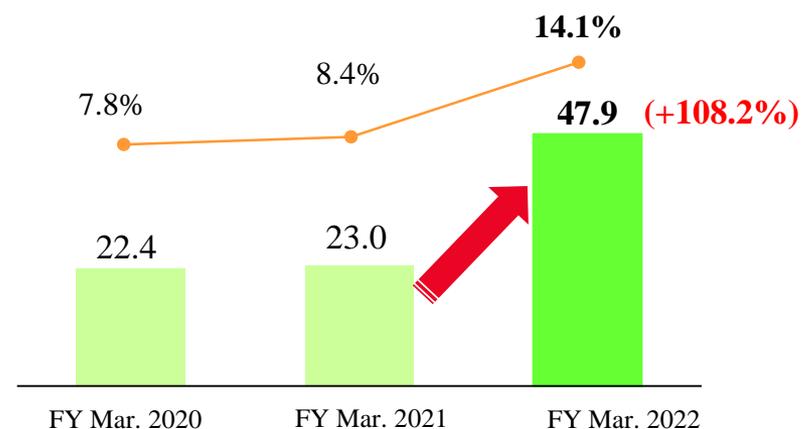
() Change from the previous same period



Business profit

(Unit: Yen in billions)

—●— Business profit ratio () Change from the previous same period



<Major reasons for changes: FY Mar. 2022 compared with FY Mar. 2021 >

- Recovery in demand from the industrial markets and the automotive-related market
- Increase in demand for products such as small-sized high capacitance capacitors and crystal devices for the 5G and semiconductor-related markets

- Increase in profit due to increased sales of high-value-added products as well as productivity improvement

Notes: Business profit represents profit before income taxes of each reporting segment.
Changes from the previous same period and business profit ratio are calculated based on millions of yen.

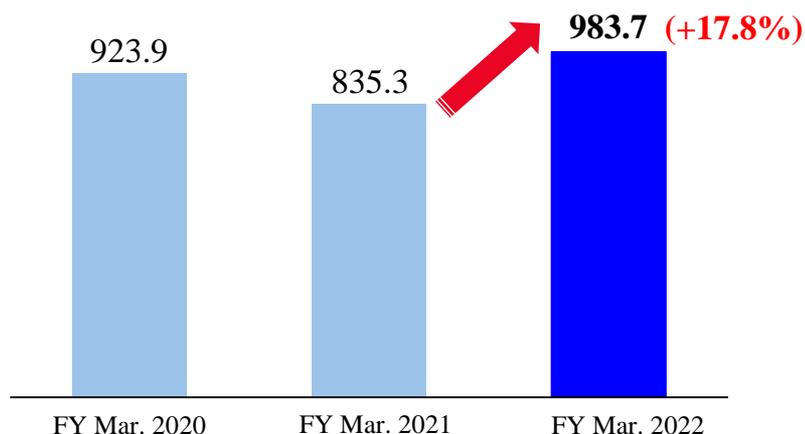
Financial Results by Reporting Segment for the Year Ended March 31, 2022

(3) Solutions Business

Sales revenue

(Unit: Yen in billions)

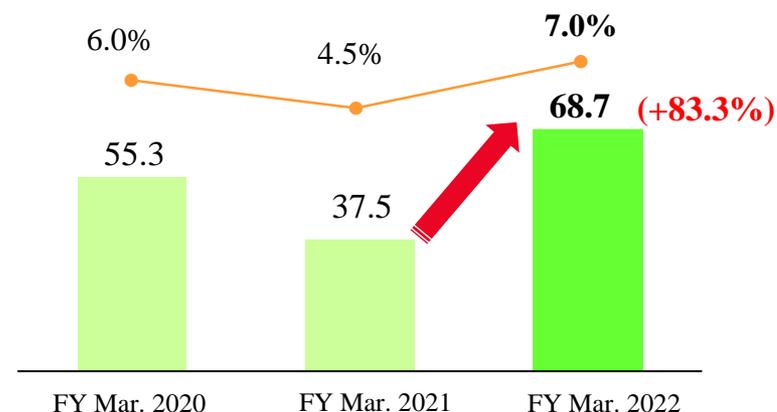
() Change from the previous same period



Business profit

(Unit: Yen in billions)

● Business profit ratio () Change from the previous same period



<Major reasons for changes: FY Mar. 2022 compared with FY Mar. 2021 >

- Increase in sales of cutting tools, as well as pneumatic and power tools in the Industrial Tools Unit
- Recovery of sales for equipments and supplies in the Document Solutions Unit

- Increase in profit due to higher sales revenue and the absence of an impairment loss of approx. 11.5 billion yen which had been recorded in FY Mar. 2021 in the smart energy business

Notes: Business profit represents profit before income taxes of each reporting segment.
Changes from the previous same period and business profit ratio are calculated based on millions of yen.

2. Financial Forecasts for the Year Ending March 31, 2023

Financial Forecast for the Year Ending March 31, 2023 (1)

(Unit: Yen in millions)

	Year ended March 31, 2022	Year ending March 31, 2023	Change	
			Amount	%
Sales revenue	1,838,938	2,000,000	161,062	8.8%
Operating profit	148,910 (8.1%)	174,000 (8.7%)	25,090	16.8%
Profit before income taxes	198,947 (10.8%)	220,000 (11.0%)	21,053	10.6%
Profit attributable to owners of the parent	148,414 (8.1%)	154,000 (7.7%)	5,586	3.8%
EPS (Basic-yen)	411.15	426.63		
Average exchange rate	US\$	112 yen	115 yen	
	Euro	131 yen	125 yen	

Notes: Figures in parentheses represents percentages to sales revenue.

Forecast of EPS (Basic-yen) is calculated using the average number of shares outstanding for the Year Ended March 31, 2022.

Financial Forecast for the Year Ending March 31, 2023 (2)

(Unit: Yen in millions)

	Year ended March 31, 2022	Year ending March 31, 2023	Change	
			Amount	%
Capital expenditures	151,771 (8.3%)	200,000 (10.0%)	48,229	31.8%
Depreciation charge of property, plant and equipment	90,229 (4.9%)	120,000 (6.0%)	29,771	33.0%
R&D expenses	84,123 (4.6%)	95,000 (4.8%)	10,877	12.9%

Note: Figures in parentheses represents percentages to sales revenue.

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

Sales Revenue Forecast by Reporting Segment for FY Mar. 2023

(Unit: Yen in millions)

Sales Revenue by Reporting Segment	Year ended March 31, 2022		Year ending March 31, 2023		Change	
	Amount	% of sales revenue	Amount	% of sales revenue	Amount	%
Core Components Business	527,933	28.7%	582,000	29.1%	54,067	10.2%
Industrial & Automotive Components Unit	172,908	9.4%	201,000	10.1%	28,092	16.2%
Semiconductor Components Unit	327,746	17.8%	351,000	17.6%	23,254	7.1%
Others	27,279	1.5%	30,000	1.4%	2,721	10.0%
Electronic Components Business	339,102	18.4%	370,000	18.5%	30,898	9.1%
Solutions Business	983,689	53.5%	1,061,000	53.1%	77,311	7.9%
Industrial Tools Unit	251,062	13.7%	265,000	13.3%	13,938	5.6%
Document Solutions Unit	366,691	19.9%	400,000	20.0%	33,309	9.1%
Communications Unit	262,306	14.3%	271,000	13.6%	8,694	3.3%
Others	103,630	5.6%	125,000	6.2%	21,370	20.6%
Others	17,817	1.0%	24,000	1.2%	6,183	34.7%
Adjustments and eliminations	-29,603	-1.6%	-37,000	-1.9%	-7,397	—
Sales revenue	1,838,938	100.0%	2,000,000	100.0%	161,062	8.8%

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

(Unit: Yen in millions)

Business Profit by Reporting Segment	Year ended March 31, 2022		Year ending March 31, 2023		Change	
	Amount	% to sales revenue	Amount	% to sales revenue	Amount	%
Core Components Business	61,640	11.7%	82,000	14.1%	20,360	33.0%
Industrial & Automotive Components Unit	19,872	11.5%	29,000	14.4%	9,128	45.9%
Semiconductor Components Unit	44,239	13.5%	54,000	15.4%	9,761	22.1%
Others	-2,471	—	-1,000	—	1,471	—
Electronic Components Business	47,896	14.1%	55,500	15.0%	7,604	15.9%
Solutions Business	68,730	7.0%	87,000	8.2%	18,270	26.6%
Industrial Tools Unit	27,211	10.8%	31,000	11.7%	3,789	13.9%
Document Solutions Unit	33,334	9.1%	42,000	10.5%	8,666	26.0%
Communications Unit	15,288	5.8%	11,000	4.1%	-4,288	-28.0%
Others	-7,103	—	3,000	2.4%	10,103	—
Others	-14,649	—	-24,500	—	-9,851	—
Total business profit	163,617	8.9%	200,000	10.0%	36,383	22.2%
Corporate gains and others	35,330	—	20,000	—	-15,330	-43.4%
Profit before income taxes	198,947	10.8%	220,000	11.0%	21,053	10.6%

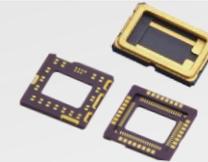
Major Initiatives to Achieve Forecast of FY Mar. 2023

1 Increasing production capacity of components for 5G and semiconductor-related markets

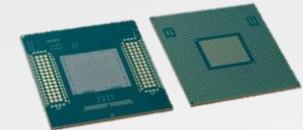
Core Components Business



Fine ceramic components for semiconductor processing equipment



Ceramic packages



Organic packages and boards

Electronic Components Business



Ceramic capacitors



Polymer tantalum capacitors



Crystal devices

2 Expanding sales of Solutions Business

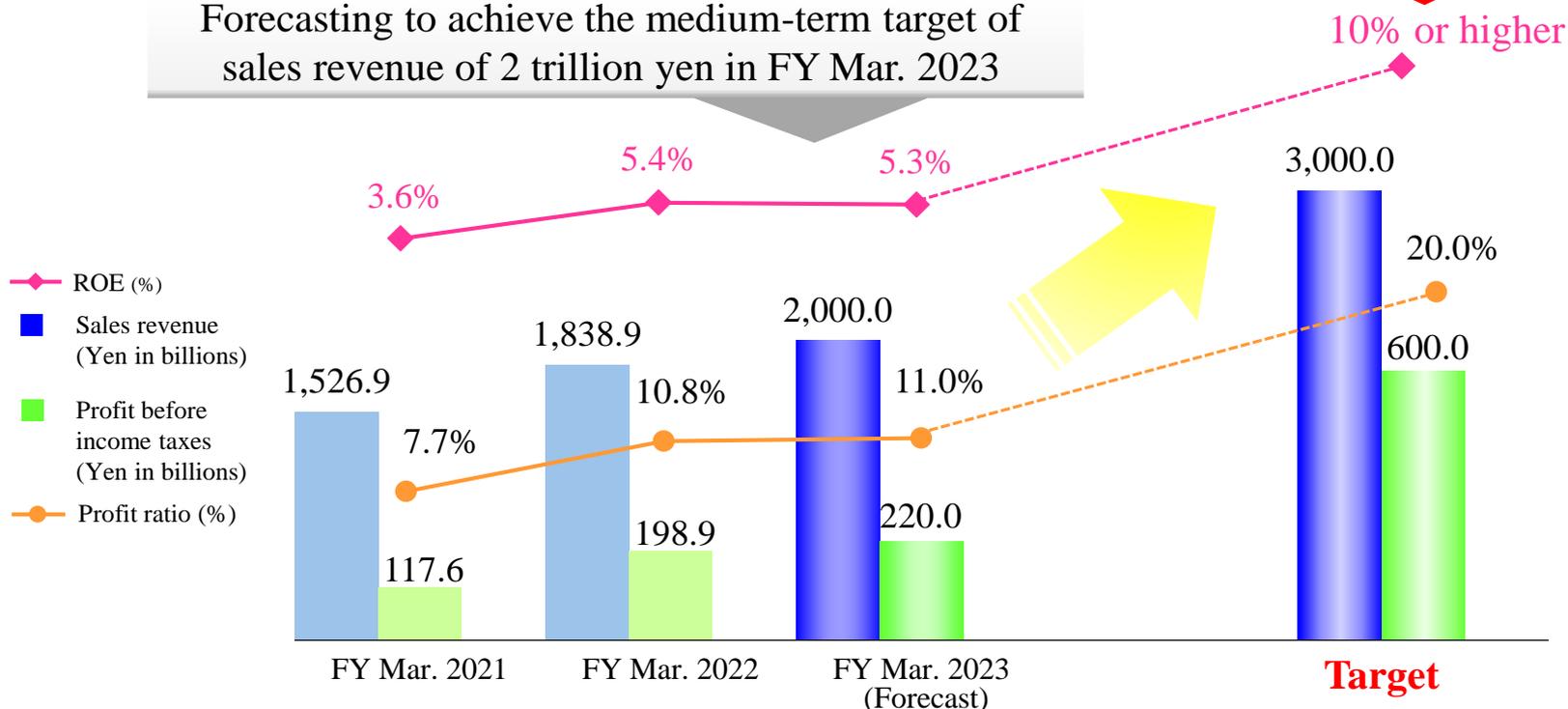
- Expanding sales of products such as industrial tools, and printers and MFPs for offices
- Commencing sales of industrial inkjet printers

Medium- to Long-term Financial Target

Initiatives to achieve 3 trillion yen sales revenue

- Continuing capital expenditure to increase capacity of high demand components
- Accelerating development of new businesses

Forecasting to achieve the medium-term target of sales revenue of 2 trillion yen in FY Mar. 2023



Major Initiatives for Medium- to Long-Term Growth

(1) Continuing Capital Expenditure to Increase the Capacity of High-demand Components

▶ **Aiming to seize business opportunity by aggressive expansion investment for exponential growth**

FY Mar. 2023

FY Mar. 2024

Announced on Apr. 20, 2022

New KAVX* Thailand plant



Scheduled to commence production from Jul. 2022

Production items:

Tantalum capacitors
MLCCs

New buildings in Kagoshima Kokubu Plant



Scheduled to sequentially commence production from Oct. 2022

Production items:

Fine ceramic components for semiconductor processing equipment

New building in Vietnam Plant



Scheduled to sequentially commence production from Apr. 2023

Production items:

Ceramic packages

New building in Kagoshima Sendai Plant



Scheduled to commence production from Oct. 2023

Production items:

Organic packages and boards
Ceramic packages

* KAVX: KYOCERA AVX Components Corporation

Major Initiatives for Medium- to Long-Term Growth

(2) Accelerating Development of New Businesses

Aiming to achieve annual sales revenue of 250.0 billion yen by new businesses, as a medium- to long-term growth driver

Gallium Nitride (GaN) Systems

High-efficiency laser technology which utilizes GaN wafers

⇒ Contributes to realizing the low-carbon society



Laser diode (LD) modules

Laser flashlights

Planning to expand its applications as well as release new products in FY Mar. 2023

Robotics

Unique AI technologies that minimize “Teaching”

⇒ Promotes efficiency of production sites



AI collaborative robot systems

Scheduled to commence sales from 2H* of FY Mar. 2023

Digital textile printing machine

Reduces water drainage and electricity in the process of printing

⇒ Contributes to reducing environmental load



Scheduled to commence sales from 2H* of FY Mar. 2023

* 2H: 2nd half (from October to March)

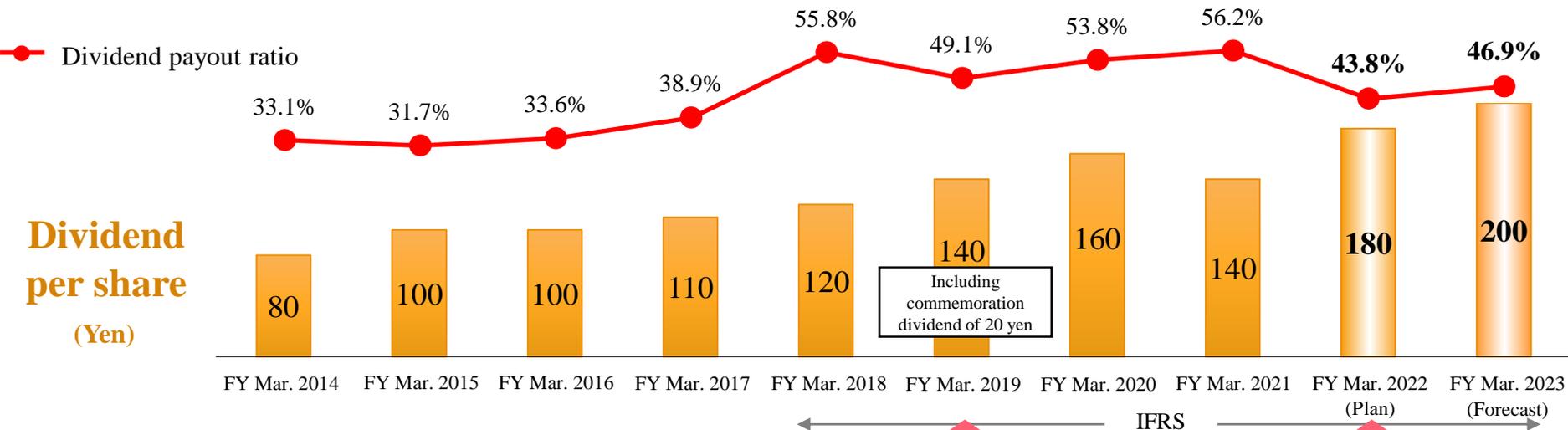
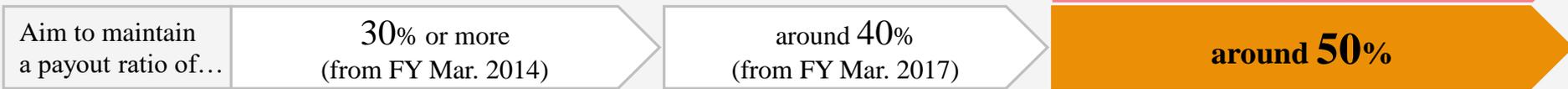
Please refer to “Cautionary Statements with respect to Forward-Looking Statements” on the last page.

Shareholder Returns

▶ Enhancing shareholder returns by improving business performances

Basic policy for shareholder returns

- ▶ Dividend of a payout ratio of around 50% of profit attributable to owners of the parent
- ▶ Acquisition of its own shares when appropriate



Share repurchase
 Approx. 40.0 billion yen
 (Total payout ratio: 87.8%)

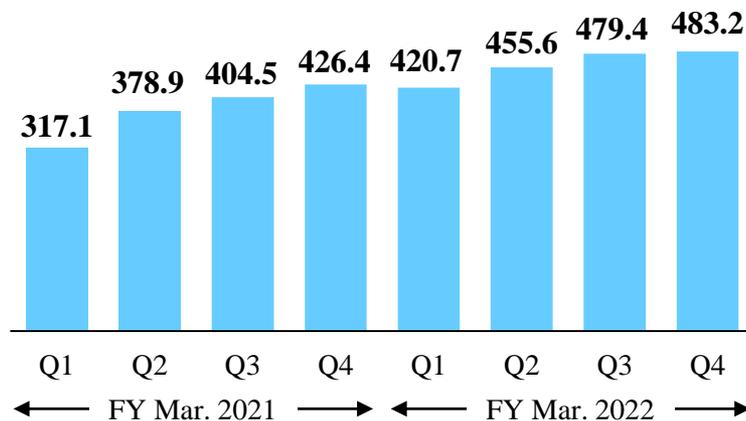
Share repurchase
 Approx. 24.1 billion yen
 (Total payout ratio: 60.0%)

Appendix: Quarterly Trends of Financial Results

Quarterly Trends of Financial Results

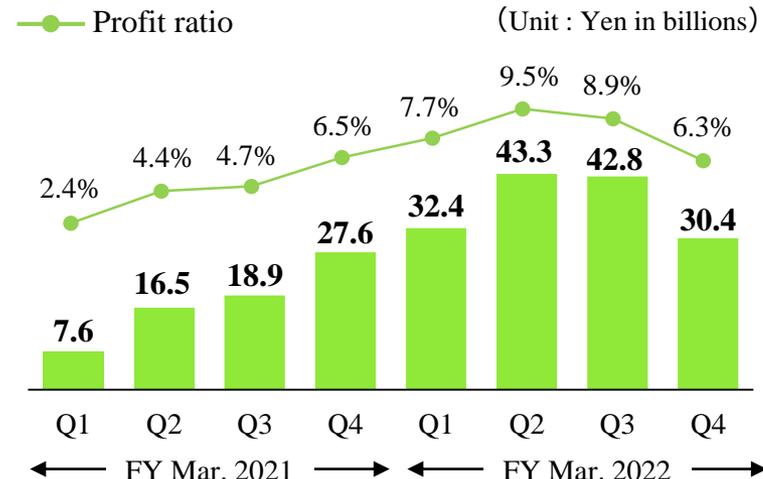
Sales revenue

(Unit : Yen in billions)



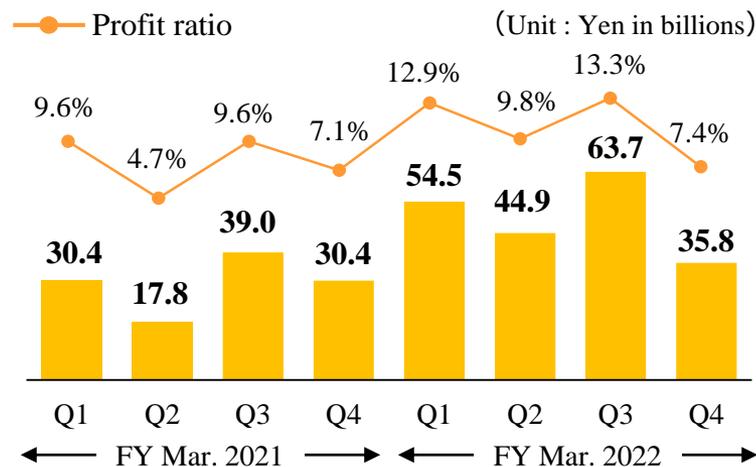
Operating profit

(Unit : Yen in billions)



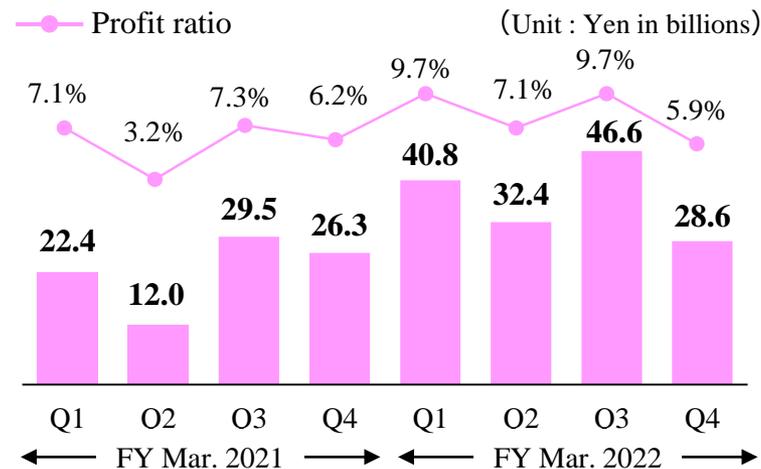
Profit before income taxes

(Unit : Yen in billions)



Profit attributable to owners of the parent

(Unit : Yen in billions)

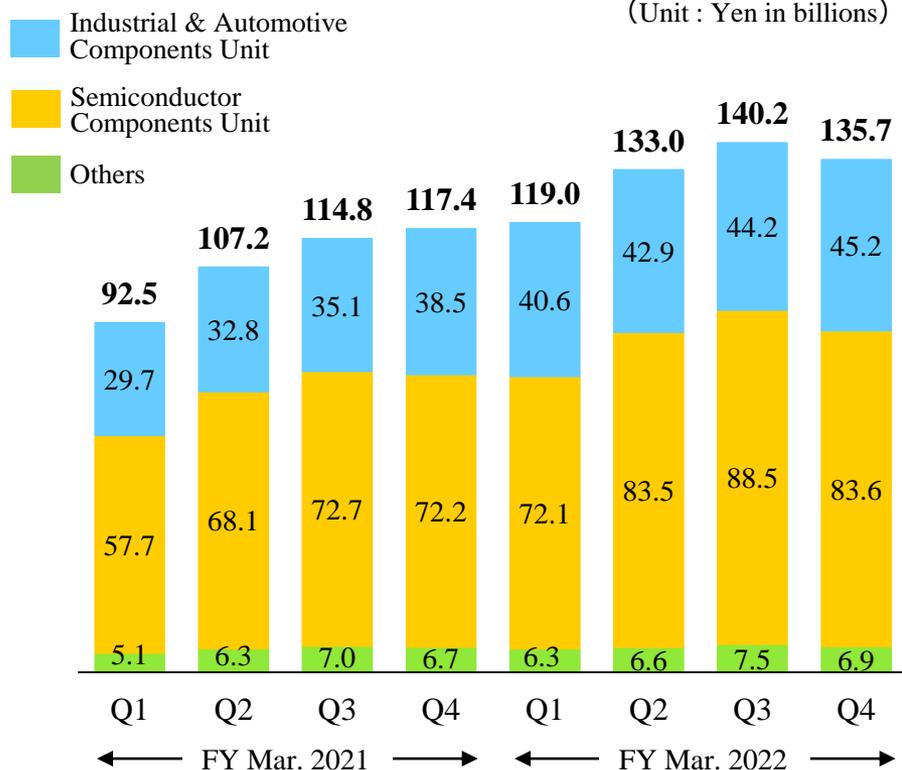


Quarterly Trends of Financial Results by Reporting Segment

(1) Core Components Business

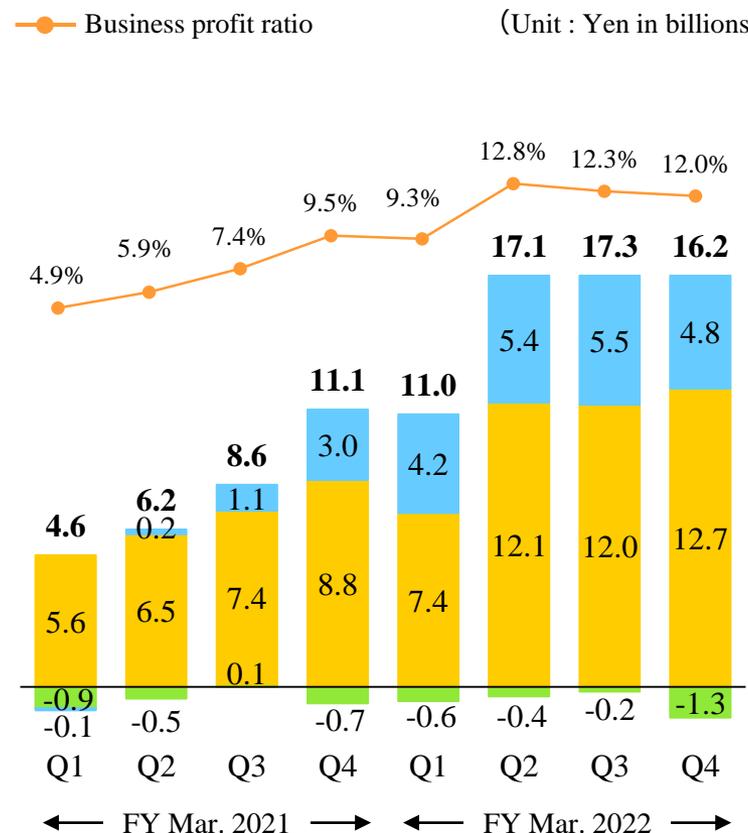
Sales revenue

(Unit : Yen in billions)



Business profit

(Unit : Yen in billions)



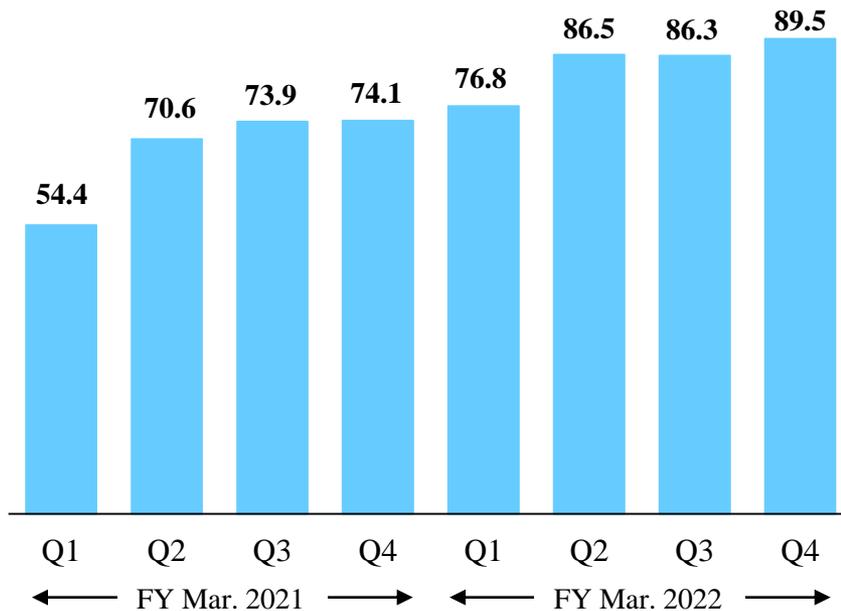
Notes: Business profit represents profit before income taxes of each reporting segment.
Business profit ratio is calculated based on millions of yen.

Quarterly Trends of Financial Results by Reporting Segment

(2) Electronic Components Business

Sales revenue

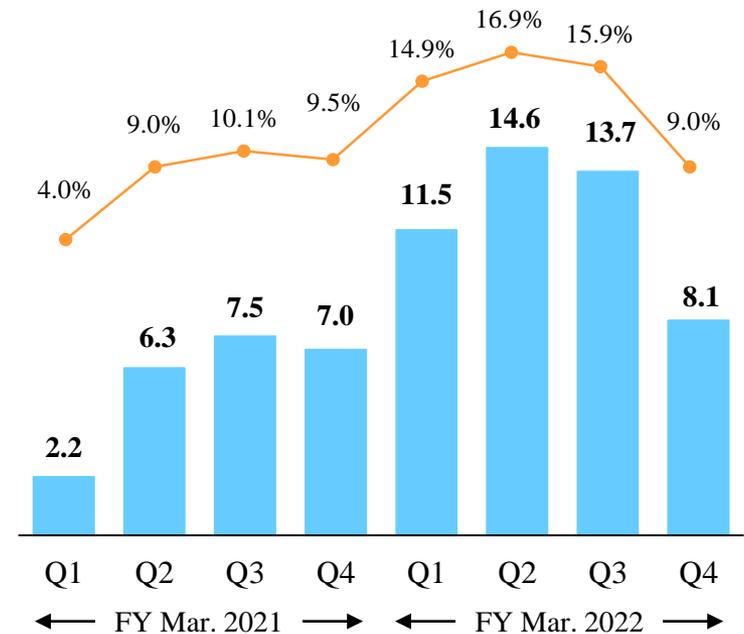
(Unit : Yen in billions)



Business profit

● Business profit ratio

(Unit : Yen in billions)



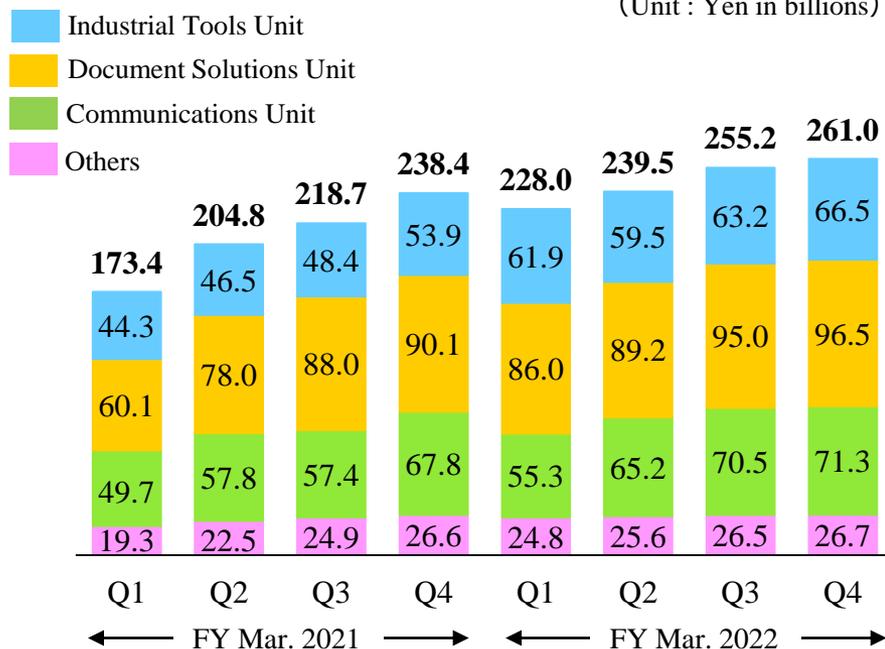
Notes: Business profit represents profit before income taxes of each reporting segment.
Business profit ratio is calculated based on millions of yen.

Quarterly Trends of Financial Results by Reporting Segment

(3) Solutions Business

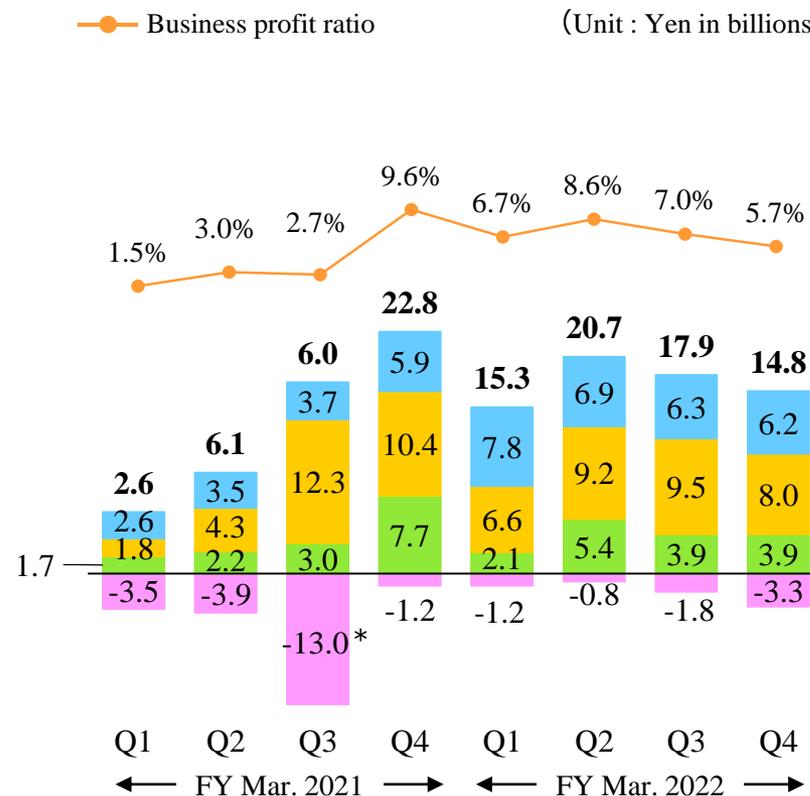
Sales revenue

(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