



October 31, 2022

# Financial Presentation

(For the Six Months Ended September 30, 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 Six Months Ended September 30, 2022**

Note: 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 quarterly, semi-annual and annual sales revenue by reporting segment for the year ended March 31, 2022.

## Financial Results for H1 of FY Mar. 2023 (1)

(Unit: Yen in millions)

	Six Months Ended September 30,		Change	
	2021	2022	Amount	%
<b>Sales revenue</b>	<b>876,337</b>	<b>1,012,172</b>	<b>135,835</b>	<b>15.5%</b>
<b>Operating profit</b>	<b>75,679</b> (8.6%)	<b>76,488</b> (7.6%)	<b>809</b>	<b>1.1%</b>
<b>Profit before income taxes</b>	<b>99,351</b> (11.3%)	<b>104,311</b> (10.3%)	<b>4,960</b>	<b>5.0%</b>
<b>Profit attributable to owners of the parent</b>	<b>73,219</b> (8.4%)	<b>75,586</b> (7.5%)	<b>2,367</b>	<b>3.2%</b>
<b>Average exchange rate</b>	<b>US\$ 110 yen</b>	<b>134 yen</b>	(Reference) Foreign currency fluctuation effect on sales revenue and PBIT* for H1 of FY Mar. 2023 compared with the previous same period. Sales revenue: Approx. + 103.0 billion yen PBIT*: Approx. + 26.0 billion yen	
	<b>Euro 131 yen</b>	<b>139 yen</b>		

\* PBIT: Profit before income taxes

**Sales revenue marked a record high for a first half period**

## Financial Results for H1 of FY Mar. 2023 (2)

(Unit: Yen in millions)

	Six Months Ended September 30,		Change	
	2021	2022	Amount	%
<b>Capital expenditures</b>	<b>67,367</b> (7.7%)	<b>85,416</b> (8.4%)	<b>18,049</b>	<b>26.8%</b>
<b>Depreciation charge of property, plant and equipment</b>	<b>42,061</b> (4.8%)	<b>52,158</b> (5.2%)	<b>10,097</b>	<b>24.0%</b>
<b>R&amp;D expenses</b>	<b>40,359</b> (4.6%)	<b>45,717</b> (4.5%)	<b>5,358</b>	<b>13.3%</b>

## Sales Revenue by Reporting Segment for H1 of FY Mar. 2023

(Unit: Yen in millions)

Sales Revenue by Reporting Segment	Six Months Ended September 30,				Change	
	2021		2022		Amount	%
	Amount	% of sales revenue	Amount	% of sales revenue		
<b>Core Components Business</b>	<b>251,978</b>	<b>28.8%</b>	<b>298,981</b>	<b>29.5%</b>	<b>47,003</b>	<b>18.7%</b>
Industrial & Automotive Components Unit	83,506	9.5%	96,790	9.6%	13,284	15.9%
Semiconductor Components Unit	155,605	17.8%	188,675	18.6%	33,070	21.3%
Others	12,867	1.5%	13,516	1.3%	649	5.0%
<b>Electronic Components Business</b>	<b>163,300</b>	<b>18.6%</b>	<b>195,882</b>	<b>19.3%</b>	<b>32,582</b>	<b>20.0%</b>
<b>Solutions Business</b>	<b>467,525</b>	<b>53.3%</b>	<b>524,078</b>	<b>51.8%</b>	<b>56,553</b>	<b>12.1%</b>
Industrial Tools Unit	121,434	13.9%	162,244	16.0%	40,810	33.6%
Document Solutions Unit	175,248	20.0%	206,060	20.4%	30,812	17.6%
Communications Unit	120,538	13.7%	98,544	9.7%	-21,994	-18.2%
Others	50,305	5.7%	57,230	5.7%	6,925	13.8%
Others	7,913	0.9%	10,751	1.1%	2,838	35.9%
Adjustments and eliminations	-14,379	-1.6%	-17,520	-1.7%	-3,141	—
<b>Sales revenue</b>	<b>876,337</b>	<b>100.0%</b>	<b>1,012,172</b>	<b>100.0%</b>	<b>135,835</b>	<b>15.5%</b>

**Sales revenue increased by double digits in all reporting segments**

## Business Profit (Loss) by Reporting Segment for H1 of FY Mar. 2023

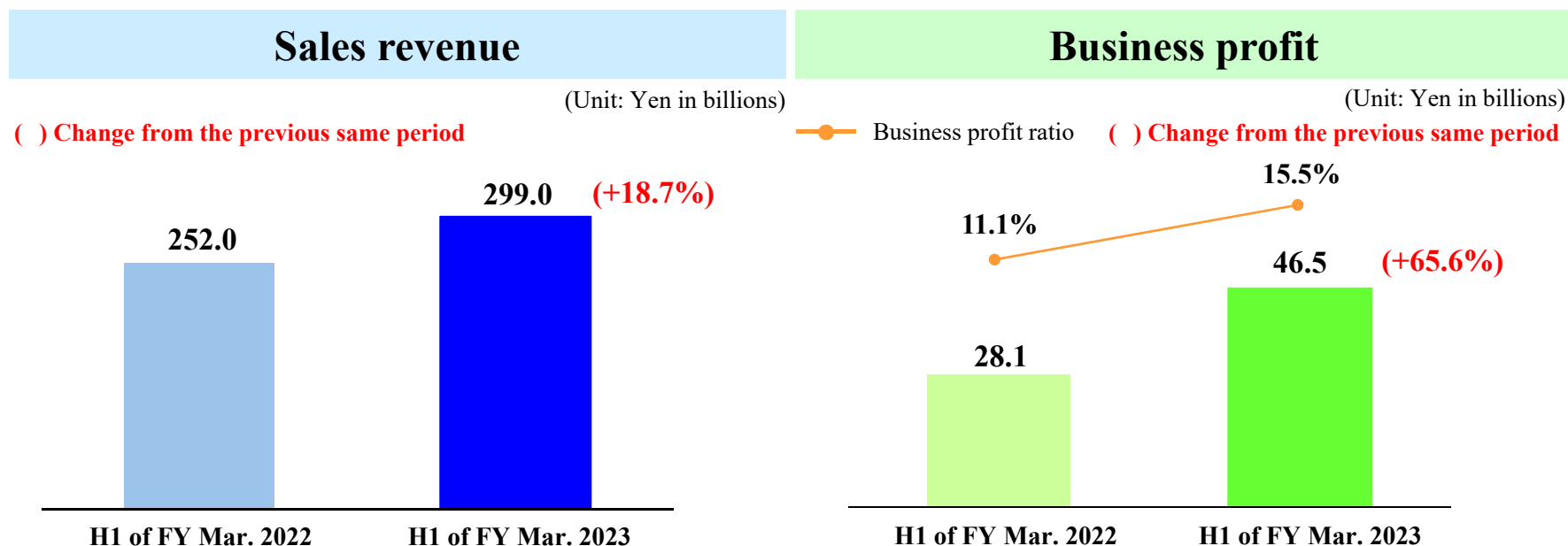
(Unit: Yen in millions)

Business Profit by Reporting Segment	Six Months Ended September 30,				Change	
	2021		2022		Amount	%
	Amount	% to sales revenue	Amount	% to sales revenue		
<b>Core Components Business</b>	<b>28,058</b>	<b>11.1%</b>	<b>46,460</b>	<b>15.5%</b>	<b>18,402</b>	<b>65.6%</b>
Industrial & Automotive Components Unit	9,595	11.5%	10,879	11.2%	1,284	13.4%
Semiconductor Components Unit	19,543	12.6%	38,345	20.3%	18,802	96.2%
Others	-1,080	—	-2,764	—	-1,684	—
<b>Electronic Components Business</b>	<b>26,091</b>	<b>16.0%</b>	<b>30,511</b>	<b>15.6%</b>	<b>4,420</b>	<b>16.9%</b>
<b>Solutions Business</b>	<b>36,014</b>	<b>7.7%</b>	<b>25,697</b>	<b>4.9%</b>	<b>-10,317</b>	<b>-28.6%</b>
Industrial Tools Unit	14,688	12.1%	15,336	9.5%	648	4.4%
Document Solutions Unit	15,753	9.0%	13,269	6.4%	-2,484	-15.8%
Communications Unit	7,531	6.2%	-2,745	—	-10,276	—
Others	-1,958	—	-163	—	1,795	—
Others	-7,181	—	-12,959	—	-5,778	—
<b>Total business profit</b>	<b>82,982</b>	<b>9.5%</b>	<b>89,709</b>	<b>8.9%</b>	<b>6,727</b>	<b>8.1%</b>
Corporate gains and others	16,369	—	14,602	—	-1,767	-10.8%
<b>Profit before income taxes</b>	<b>99,351</b>	<b>11.3%</b>	<b>104,311</b>	<b>10.3%</b>	<b>4,960</b>	<b>5.0%</b>

**Core Components Business drove an increase in business profits due to strong demand for components**

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

### (1) Core Components Business



#### <Major reasons for changes: H1 of FY Mar. 2023 compared with H1 of FY Mar. 2022 >

Increase in demand for

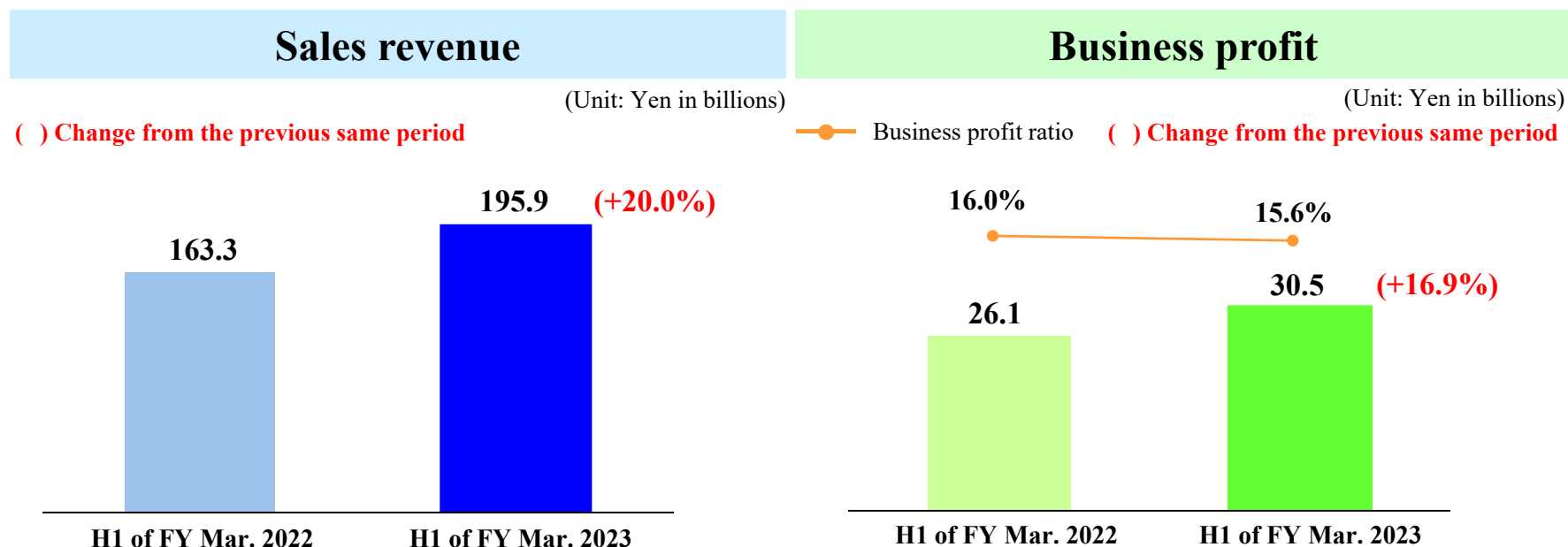
- ceramic packages and organic packages and boards for the information and communication-related markets, including 5G in the Semiconductor Components Unit
- high-value-added products such as fine ceramic components for semiconductor processing equipment in the Industrial & Automotive Components Unit

Increase in profit due to increased sales, as well as the positive impact of the weaker yen

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 H1 of FY Mar. 2023

### (2) Electronic Components Business



#### <Major reasons for changes: H1 of FY Mar. 2023 compared with H1 of FY Mar. 2022 >

- Increase in demand for components such as capacitors mainly for the industrial and the automotive-related markets
- The positive impact of the weaker yen

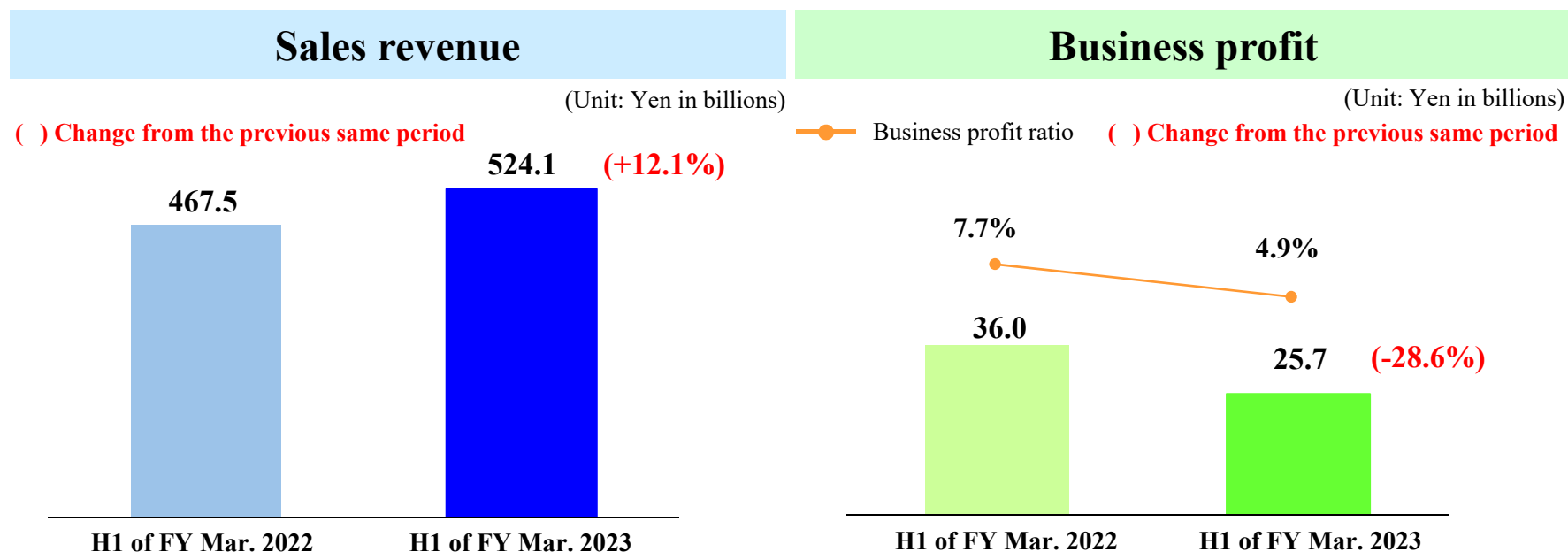
Increase in profit due to increased sales, as well as the positive impact of the weaker yen

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 H1 of FY Mar. 2023

### (3) Solutions Business



#### <Major reasons for changes: H1 of FY Mar. 2023 compared with H1 of FY Mar. 2022 >

- Increase in sales of major products in the Industrial Tools Unit and the Document Solutions Unit
- The positive impact of the weaker yen

- Decrease in profit due to
  - a drop in mobile phone sales volume in the Communications Unit
  - increases in price of raw materials, logistics cost, etc.

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	
		Forecast unchanged*1	Amount	%
<b>Sales revenue</b>	<b>1,838,938</b>	<b>2,000,000</b>	<b>161,062</b>	<b>8.8%</b>
<b>Operating profit</b>	<b>148,910</b> (8.1%)	<b>174,000</b> (8.7%)	<b>25,090</b>	<b>16.8%</b>
<b>Profit before income taxes</b>	<b>198,947</b> (10.8%)	<b>220,000</b> (11.0%)	<b>21,053</b>	<b>10.6%</b>
<b>Profit attributable to owners of the parent</b>	<b>148,414</b> (8.1%)	<b>154,000</b> (7.7%)	<b>5,586</b>	<b>3.8%</b>
<b>EPS (Basic-yen)</b>	<b>411.15</b>	<b>429.08</b>		
<b>Average exchange rate</b>	<b>US\$ 112 yen</b>	<b>*2 134 yen</b>		
	<b>Euro 131 yen</b>	<b>*2 137 yen</b>		

\*1 No revision from the April 2022 forecast

\*2 Revised from the April 2022 forecast of US\$/115yen and Euro/125yen

Notes 1: Figures in parentheses represents percentages to sales revenue.

2: Forecast of EPS (Basic-yen) is calculated using the average number of shares outstanding for the six months ended September 30, 2022.

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

## 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	
		Forecast unchanged*1	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%

\*1 No revision from the April 2022 forecast

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		[Forecast] Year Ending March 31, 2023				Change in amount compared with	
	Amount	% of sales revenue	Previous (April 2022)		Revised (October 2022)		Year ended March 31, 2022	Previous Forecast
			Amount	% of sales revenue	Amount	% of sales revenue		
<b>Core Components Business</b>	<b>527,933</b>	<b>28.7%</b>	<b>582,000</b>	<b>29.1%</b>	<b>600,000</b>	<b>30.0%</b>	<b>72,067</b>	<b>18,000</b>
Industrial & Automotive Components Unit	172,908	9.4%	201,000	10.1%	202,000	10.1%	29,092	1,000
Semiconductor Components Unit	327,746	17.8%	351,000	17.6%	369,000	18.5%	41,254	18,000
Others	27,279	1.5%	30,000	1.4%	29,000	1.4%	1,721	-1,000
<b>Electronic Components Business</b>	<b>339,102</b>	<b>18.4%</b>	<b>370,000</b>	<b>18.5%</b>	<b>380,000</b>	<b>19.0%</b>	<b>40,898</b>	<b>10,000</b>
<b>Solutions Business</b>	<b>983,689</b>	<b>53.5%</b>	<b>1,061,000</b>	<b>53.1%</b>	<b>1,033,000</b>	<b>51.7%</b>	<b>49,311</b>	<b>-28,000</b>
Industrial Tools Unit	251,062	13.7%	265,000	13.3%	310,000	15.5%	58,938	45,000
Document Solutions Unit	366,691	19.9%	400,000	20.0%	420,000	21.0%	53,309	20,000
Communications Unit	262,306	14.3%	271,000	13.6%	188,000	9.4%	-74,306	-83,000
Others	103,630	5.6%	125,000	6.2%	115,000	5.8%	11,370	-10,000
Others	17,817	1.0%	24,000	1.2%	24,000	1.2%	6,183	0
Adjustments and eliminations	-29,603	-1.6%	-37,000	-1.9%	-37,000	-1.9%	-7,397	0
<b>Sales revenue</b>	<b>1,838,938</b>	<b>100.0%</b>	<b>2,000,000</b>	<b>100.0%</b>	<b>2,000,000</b>	<b>100.0%</b>	<b>161,062</b>	<b>0</b>

## 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		[Forecast] Year Ending March 31, 2023				Change in amount compared with	
	Amount	% to sales revenue	Previous (April 2022)		Revised (October 2022)		Year ended March 31, 2022	Previous Forecast
			Amount	% to sales revenue	Amount	% to sales revenue		
<b>Core Components Business</b>	<b>61,640</b>	<b>11.7%</b>	<b>82,000</b>	<b>14.1%</b>	<b>103,000</b>	<b>17.2%</b>	<b>41,360</b>	<b>21,000</b>
Industrial & Automotive Components Unit	19,872	11.5%	29,000	14.4%	29,000	14.4%	9,128	0
Semiconductor Components Unit	44,239	13.5%	54,000	15.4%	77,000	20.9%	32,761	23,000
Others	-2,471	—	-1,000	—	-3,000	—	-529	-2,000
<b>Electronic Components Business</b>	<b>47,896</b>	<b>14.1%</b>	<b>55,500</b>	<b>15.0%</b>	<b>60,000</b>	<b>15.8%</b>	<b>12,104</b>	<b>4,500</b>
<b>Solutions Business</b>	<b>68,730</b>	<b>7.0%</b>	<b>87,000</b>	<b>8.2%</b>	<b>54,000</b>	<b>5.2%</b>	<b>-14,730</b>	<b>-33,000</b>
Industrial Tools Unit	27,211	10.8%	31,000	11.7%	31,000	10.0%	3,789	0
Document Solutions Unit	33,334	9.1%	42,000	10.5%	36,000	8.6%	2,666	-6,000
Communications Unit	15,288	5.8%	11,000	4.1%	-10,000	—	-25,288	-21,000
Others	-7,103	—	3,000	2.4%	-3,000	—	4,103	-6,000
Others	-14,649	—	-24,500	—	-27,000	—	-12,351	-2,500
<b>Total business profit</b>	<b>163,617</b>	<b>8.9%</b>	<b>200,000</b>	<b>10.0%</b>	<b>190,000</b>	<b>9.5%</b>	<b>26,383</b>	<b>-10,000</b>
Corporate gains and others	35,330	—	20,000	—	30,000	—	-5,330	10,000
<b>Profit before income taxes</b>	<b>198,947</b>	<b>10.8%</b>	<b>220,000</b>	<b>11.0%</b>	<b>220,000</b>	<b>11.0%</b>	<b>21,053</b>	<b>0</b>

## Initiatives to Expand Business from FY Mar. 2024 Onward

### ▶▶ **Continue upfront investment to drive sustainable growth**

#### **Kirishima R&D Center**

**Integrate materials development, analytical technology and production technology divisions**  
**→ Strengthen ties and speed up development**



Operations started September 2022

#### Key Areas of Research

- Ceramic packages for electronic devices
- MLCCs
- Cell stacks for SOFC systems
- New fields incl. aerospace, medical, healthcare

#### **New Production Facility at Kagoshima Kokubu Plant**

**Expand production capacity for small, high-capacity MLCCs**



Rendering of new facility

Operations planned for May 2024

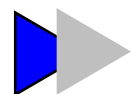
Production items: MLCCs

Annual production targets:

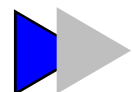
Approx. 10bn yen in FY Mar. 2025

Approx. 20bn yen from FY Mar. 2026

## Shareholder Returns

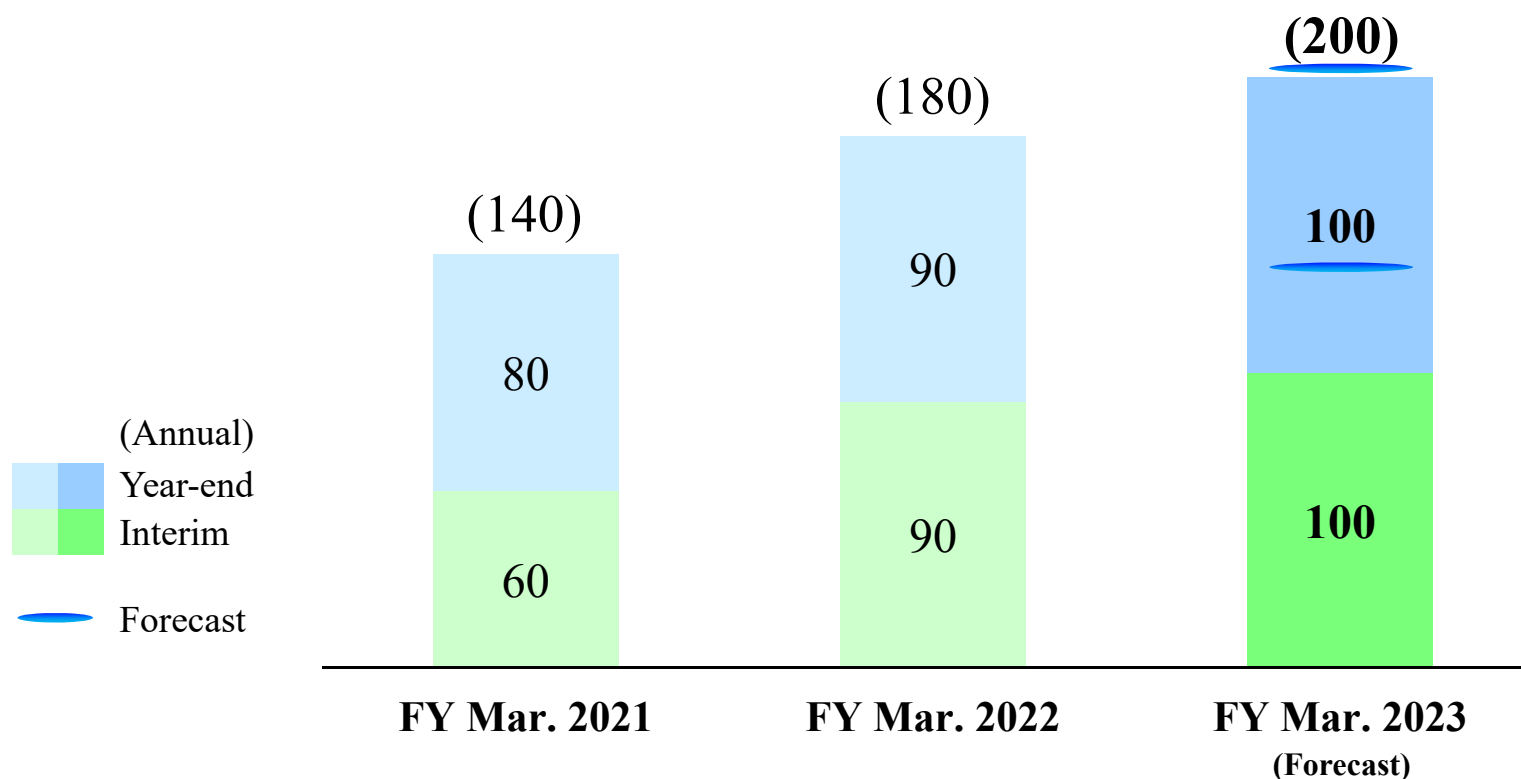


**FY Mar. 2023 interim dividend: Increase of 10yen YoY**



**FY Mar. 2023 annual dividend: Forecast increase of 20yen YoY  
in line with initial projection**

Trend of dividend per share (Yen)

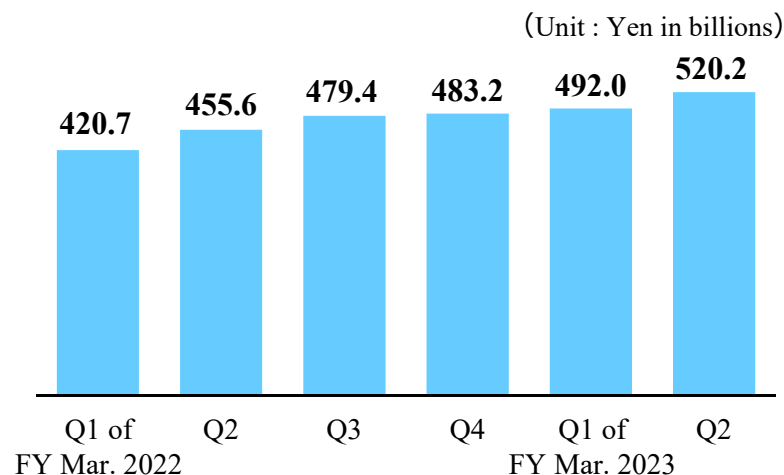




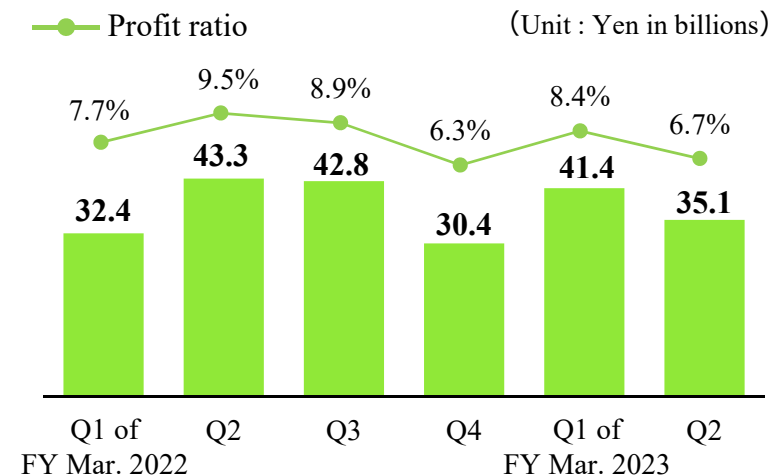
## **Appendix: Quarterly Trends of Financial Results**

## Quarterly Trends of Financial Results

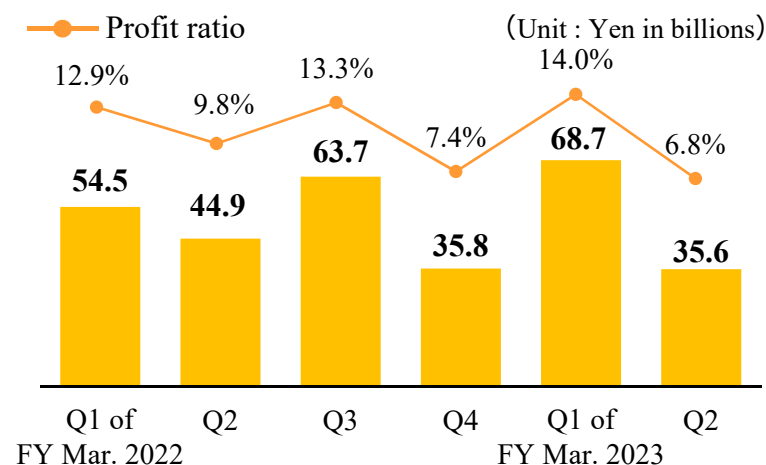
### Sales revenue



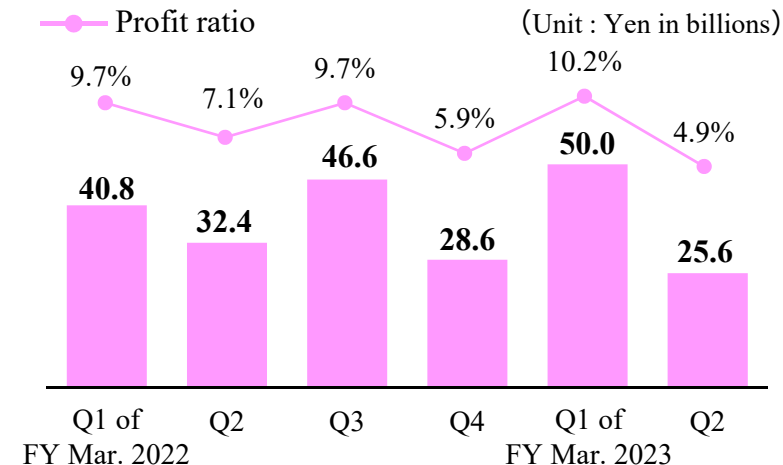
### Operating profit



### Profit before income taxes



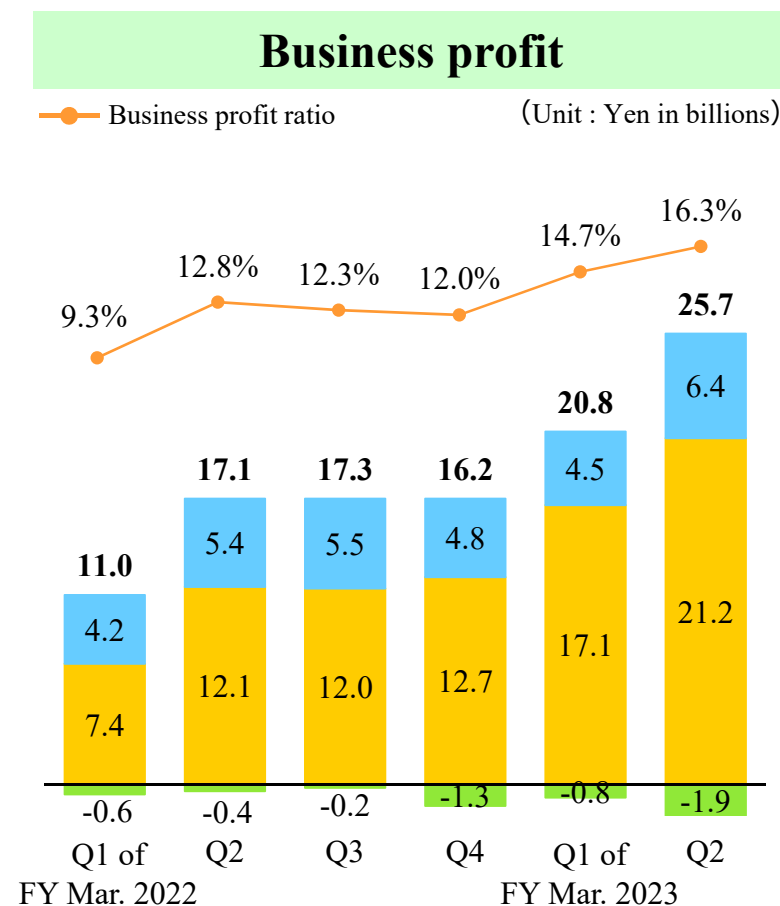
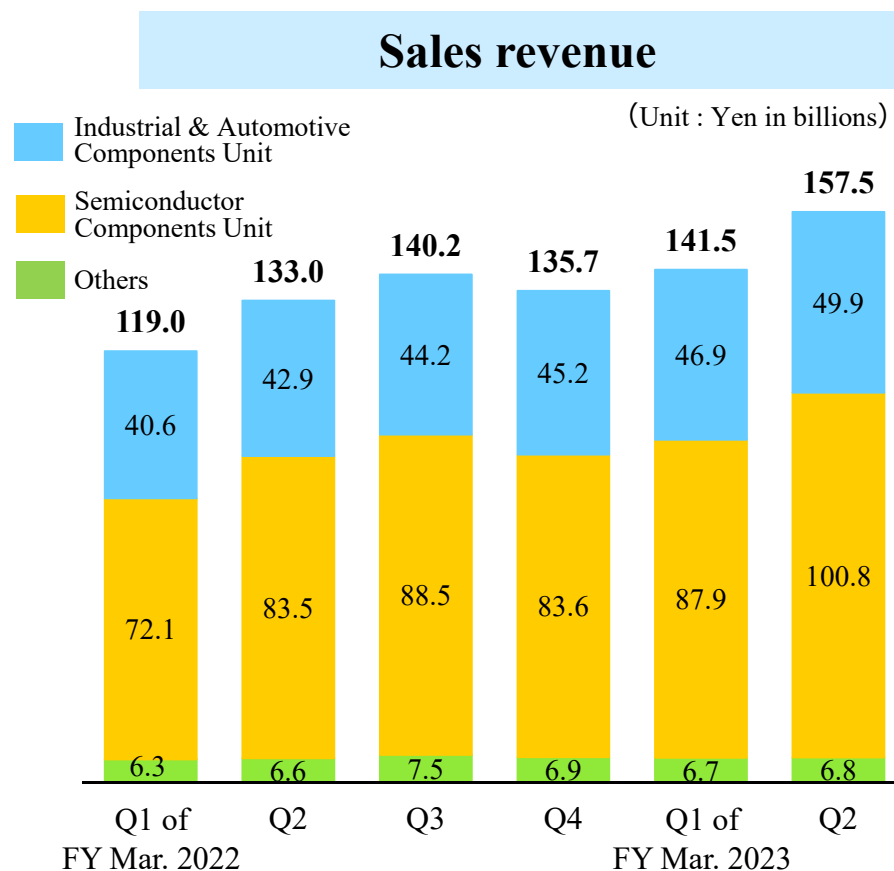
### Profit attributable to owners of the parent



Notes: Each profit ratio is calculated based on millions of yen.

# Quarterly Trends of Financial Results by Reporting Segment

## (1) Core Components Business

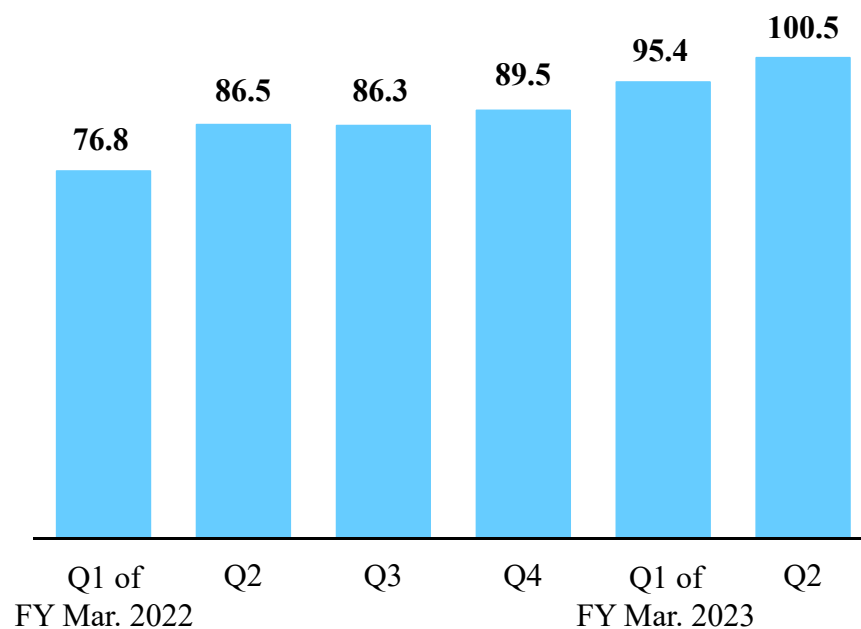


Notes: Business profit represents profit before income taxes of each reporting segment.  
Business profit ratio is calculated based on millions of yen.

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

### Sales revenue

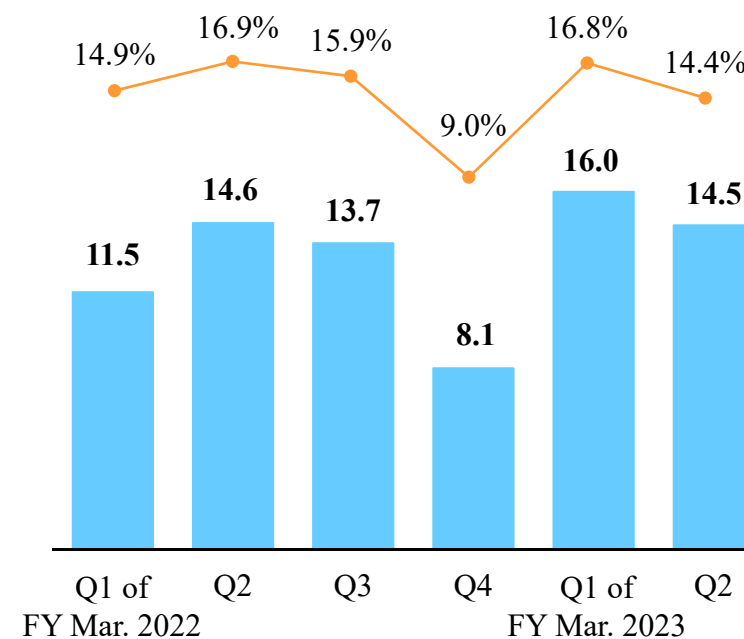
(Unit : Yen in billions)



### Business profit

— Business profit ratio

(Unit : Yen in billions)

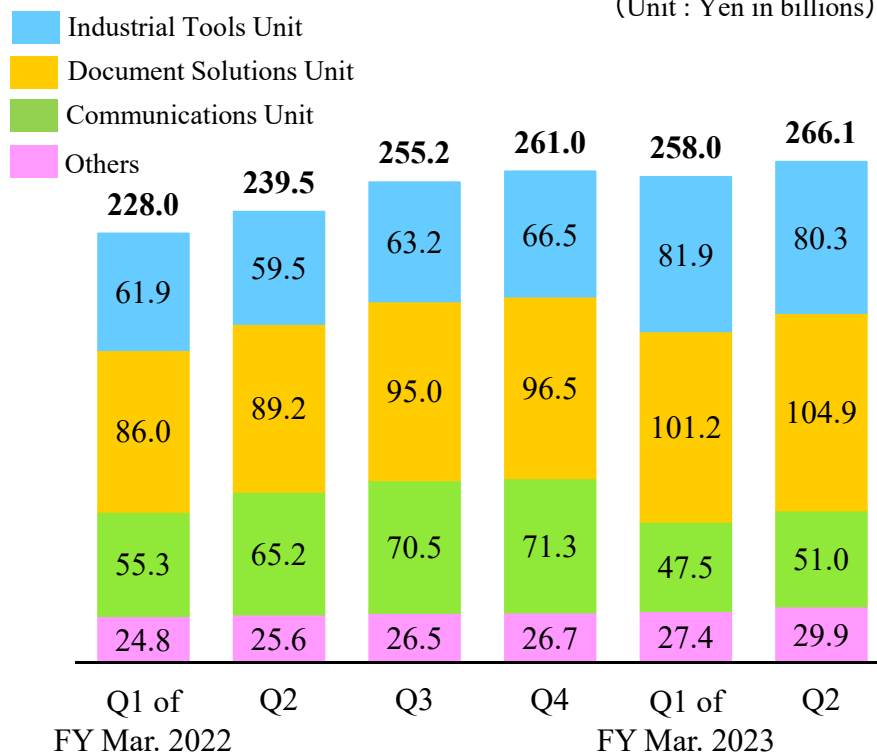


Notes: Business profit represents profit before income taxes of each reporting segment.  
Business profit ratio is calculated based on millions of yen.

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

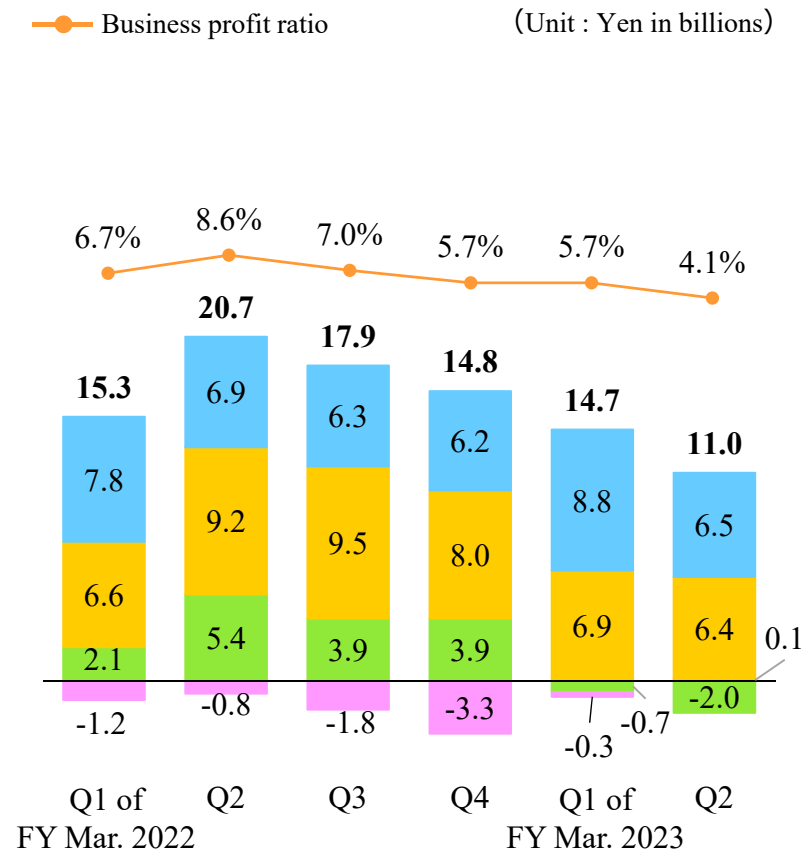
### Sales revenue

(Unit : Yen in billions)



### Business profit

(Unit : Yen in billions)



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