

February 1, 2023

Financial Presentation

(For the Nine Months Ended December 31, 2022)

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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 Nine Months Ended December 31, 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 the Nine Months Ended December 31, 2022 (1)

(Unit: Yen in millions)

	Nine months ended December 31,		Change	
	2021	2022	Amount	%
Sales Revenue	1,355,665	1,526,497	170,832	12.6%
Operating Profit	118,458 (8.7%)	113,884 (7.5%)	-4,574	-3.9%
Profit before income taxes	163,103 (12.0%)	162,756 (10.7%)	-347	-0.2%
Profit attributable to owners of the parent	119,833 (8.8%)	118,783 (7.8%)	-1,050	-0.9%
Average exchange rate	US\$ 111 yen	137 yen		
	Euro 131 yen	141 yen		

- Sales revenue marked a record high for a nine-month period
- Profit fell due to higher costs, slowing component demand for smartphones and the record of approx. 10 billion yen one-time cost

Financial Results for the Nine Months Ended December 31, 2022 (2)

(Unit: Yen in millions)

	Nine months ended December 31,		Change	
	2021	2022	Amount	%
Capital expenditures	102,003 (7.5%)	127,137 (8.3%)	25,134	24.6%
Depreciation charge of property, plant and equipment	65,577 (4.8%)	80,330 (5.3%)	14,753	22.5%
R&D expenses	61,474 (4.5%)	69,530 (4.6%)	8,056	13.1%

Sales Revenue by Reporting Segment for the Nine Months Ended December 31, 2022 -Compared with the Nine Months Ended December 31, 2021-

(Unit: Yen in millions)

Sales Revenue by Reporting Segment	Nine months ended December 31,				Change	
	2021		2022		Amount	%
	Amount	% to sales revenue	Amount	% to sales revenue		
Core Components Business	392,159	28.9%	453,238	29.7%	61,079	15.6%
Industrial & Automotive Components Unit	127,728	9.4%	147,163	9.6%	19,435	15.2%
Semiconductor Components Unit	244,112	18.0%	284,764	18.7%	40,652	16.7%
Others	20,319	1.5%	21,311	1.4%	992	4.9%
Electronic Components Business	249,558	18.4%	290,538	19.1%	40,980	16.4%
Solutions Business	722,669	53.3%	792,643	51.9%	69,974	9.7%
Industrial Tools Unit	184,586	13.6%	238,368	15.6%	53,782	29.1%
Document Solutions Unit	270,152	19.9%	318,476	20.9%	48,324	17.9%
Communications Unit	191,006	14.1%	147,155	9.6%	-43,851	-23.0%
Others	76,925	5.7%	88,644	5.8%	11,719	15.2%
Others	12,761	1.0%	17,091	1.1%	4,330	33.9%
Adjustments and eliminations	-21,482	-1.6%	-27,013	-1.8%	-5,531	—
Sales revenue	1,355,665	100.0%	1,526,497	100.0%	170,832	12.6%

Business Profit (Loss) by Reporting Segment for the Nine Months Ended December 31, 2022

-Compared with the Nine Months Ended December 31, 2021-

(Unit: Yen in millions)

Business Profit by Reporting Segment	Nine months ended December 31,				Change	
	2021		2022		Amount	%
	Amount	% of sales revenue	Amount	% of sales revenue		
Core Components Business	45,356	11.6%	71,148	15.7%	25,792	56.9%
Industrial & Automotive Components Unit	15,096	11.8%	17,685	12.0%	2,589	17.2%
Semiconductor Components Unit	31,544	12.9%	56,296	19.8%	24,752	78.5%
Others	-1,284	—	-2,833	—	-1,549	—
Electronic Components Business	39,832	16.0%	39,572	13.6%	-260	-0.7%
Solutions Business	53,851	7.5%	36,480	4.6%	-17,371	-32.3%
Industrial Tools Unit	21,019	11.4%	20,097	8.4%	-922	-4.4%
Document Solutions Unit	25,304	9.4%	21,981	6.9%	-3,323	-13.1%
Communications Unit	11,358	5.9%	-5,553	—	-16,911	—
Others	-3,830	—	-45	—	3,785	—
Others	-10,551	—	-20,016	—	-9,465	—
Total business profit	128,488	9.5%	127,184	8.3%	-1,304	-1.0%
Corporate gains and others	34,615	—	* 35,572	—	957	2.8%
Profit before income taxes	163,103	12.0%	162,756	10.7%	-347	-0.2%

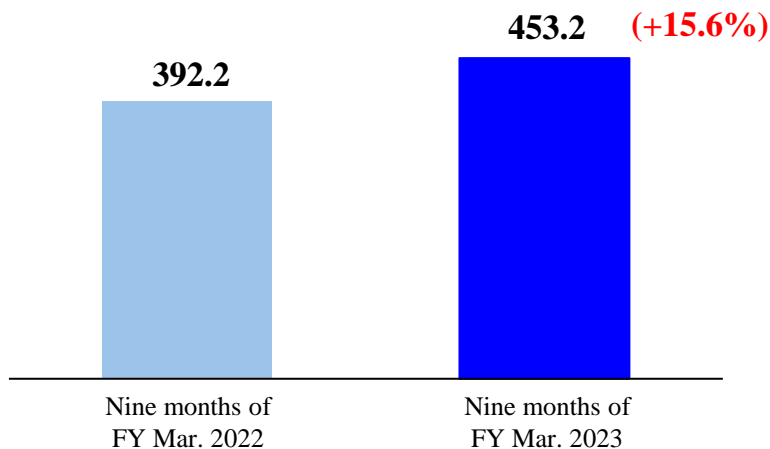
Financial Results by Reporting Segment for the Nine Months Ended December 31, 2022

(1) Core Components Business

Sales revenue

(Unit: Yen in billions)

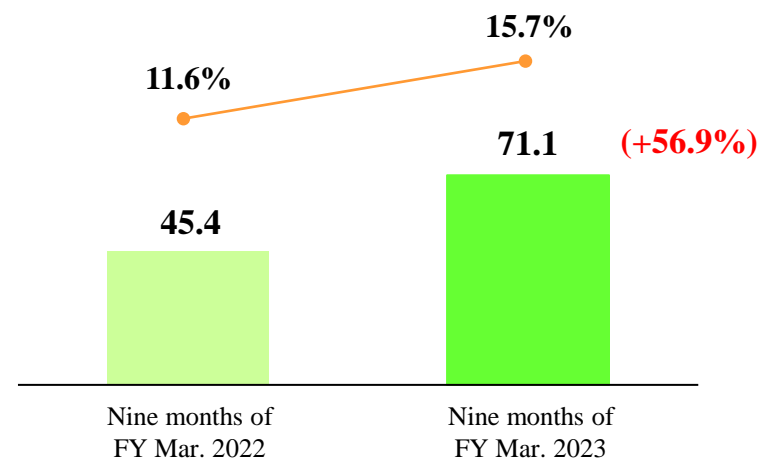
() Change from the previous same period



Business profit

(Unit: Yen in billions)

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



< Major reasons for changes: The Nine Months of FY Mar. 2023 compared with the Nine Months 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.

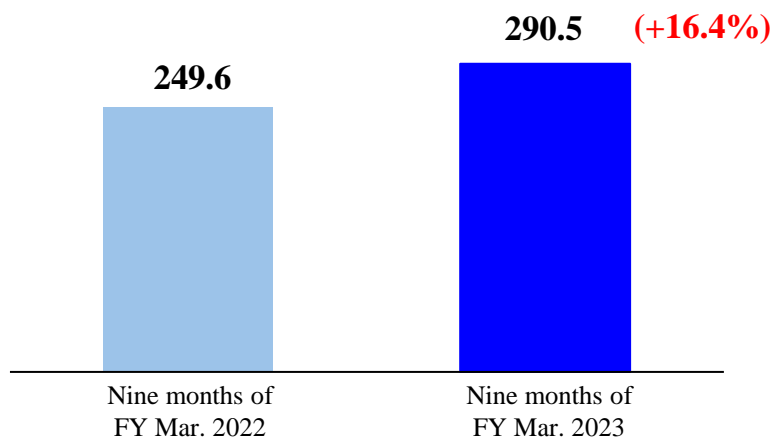
Financial Results by Reporting Segment for the Nine Months Ended December 31, 2022

(2) Electronic Components Business

Sales revenue

(Unit: Yen in billions)

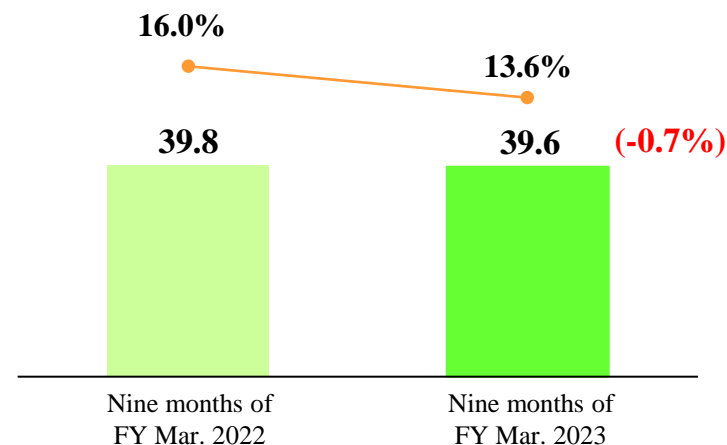
() Change from the previous same period



Business profit

(Unit: Yen in billions)

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



< Major reasons for changes: The Nine Months of FY Mar. 2023 compared with the Nine Months 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

- Remained almost flat in profit due to
 - increases in the price of raw materials, etc.
 - weakening demand of smartphone components
 - the record of the additional cost in connection with pension obligations at a subsidiary in the amount of approximately 3 billion 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.

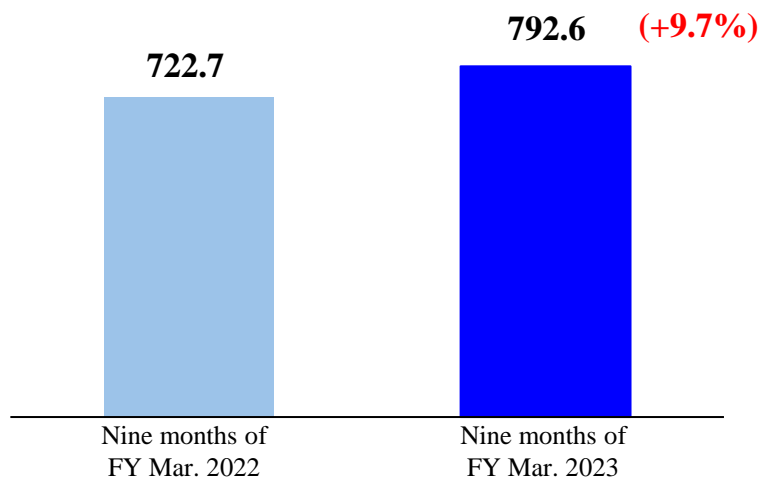
Financial Results by Reporting Segment for the Nine Months Ended December 31, 2022

(3) Solutions Business

Sales revenue

(Unit: Yen in billions)

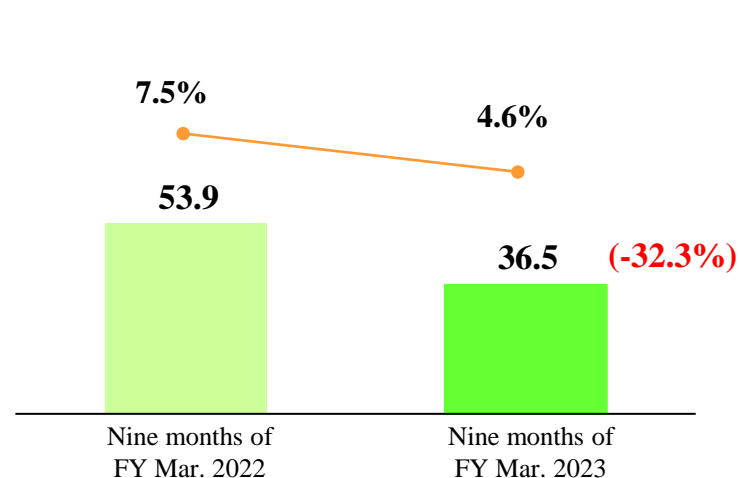
() Change from the previous same period



Business profit

(Unit: Yen in billions)

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



< Major reasons for changes: The Nine Months of FY Mar. 2023 compared with the Nine Months 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 loss recorded in the Communications Unit caused by a steep drop in mobile phone sales volume
 - increases in the 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	[Forecast]Year Ending March 31, 2023		Change in amount compared with	
		Previous (April 2022)	Revised (February 2023)	Year ended March 31, 2022	Previous Forecast
Sales revenue	1,838,938	2,000,000	2,000,000	161,062	0
Operating profit	148,910 (8.1%)	174,000 (8.7%)	120,000 (6.0%)	-28,910	-54,000
Profit before income taxes	198,947 (10.8%)	220,000 (11.0%)	170,000 (8.5%)	-28,947	-50,000
Profit attributable to owners of the parent	148,414 (8.1%)	154,000 (7.7%)	124,000 (6.2%)	-24,414	-30,000
EPS (Basic-yen)	411.15	^{*1} 429.08	^{*2} 345.49	Note : Figures in parentheses represents percentages to sales revenue.	
Average exchange rate	US\$ 112 yen	^{*3} 134 yen	134 yen		
	Euro 131 yen	^{*3} 137 yen	137 yen		

Forecast revised mainly due to concerns over weakening smartphone market and further increase in costs

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

*2 : Revised Forecast of EPS (Basic-yen) is calculated using the average number of shares outstanding for the nine months ended December 31, 2022.

*3 : Revised in October 2022 from the April 2022 forecast of US\$/115yen and Euro/125yen.

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

(Unit: Yen in millions)

	Year Ended March 31, 2022	[Forecast]Year Ending March 31, 2023		Change in amount compared with	
		Previous (April 2022)	Revised (February 2023)	Year Ended March 31,	Previous Forecast
Capital expenditures	151,771 (8.3%)	200,000 (10.0%)	180,000 (9.0%)	28,229	-20,000
Depreciation charge of property, plant and equipment	90,229 (4.9%)	120,000 (6.0%)	110,000 (5.5%)	19,771	-10,000
R&D expenses	84,123 (4.6%)	95,000 (4.8%)	95,000 (4.8%)	10,877	0

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 (October 2022)		Revised (February 2023)		Year ended March 31, 2022	Previous Forecast
			Amount	% of sales revenue	Amount	% of sales revenue		
Core Components Business	527,933	28.7%	600,000	30.0%	585,000	29.3%	57,067	-15,000
Industrial & Automotive Components Unit	172,908	9.4%	202,000	10.1%	197,000	9.9%	24,092	-5,000
Semiconductor Components Unit	327,746	17.8%	369,000	18.5%	360,000	18.0%	32,254	-9,000
Others	27,279	1.5%	29,000	1.4%	28,000	1.4%	721	-1,000
Electronic Components Business	339,102	18.4%	380,000	19.0%	373,000	18.7%	33,898	-7,000
Solutions Business	983,689	53.5%	1,033,000	51.7%	1,056,000	52.8%	72,311	23,000
Industrial Tools Unit	251,062	13.7%	310,000	15.5%	312,000	15.6%	60,938	2,000
Document Solutions Unit	366,691	19.9%	420,000	21.0%	429,500	21.5%	62,809	9,500
Communications Unit	262,306	14.3%	188,000	9.4%	198,500	9.9%	-63,806	10,500
Others	103,630	5.6%	115,000	5.8%	116,000	5.8%	12,370	1,000
Others	17,817	1.0%	24,000	1.2%	23,000	1.1%	5,183	-1,000
Adjustments and eliminations	-29,603	-1.6%	-37,000	-1.9%	-37,000	-1.9%	-7,397	0
Sales revenue	1,838,938	100.0%	2,000,000	100.0%	2,000,000	100.0%	161,062	0

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 (October 2022)		Revised (February 2023)		Year ended March 31, 2022	Previous Forecast
			Amount	% to sales revenue	Amount	% to sales revenue		
Core Components Business	61,640	11.7%	103,000	17.2%	85,000	14.5%	23,360	-18,000
Industrial & Automotive Components Unit	19,872	11.5%	29,000	14.4%	25,000	12.7%	5,128	-4,000
Semiconductor Components Unit	44,239	13.5%	77,000	20.9%	63,500	17.6%	19,261	-13,500
Others	-2,471	—	-3,000	—	-3,500	—	-1,029	-500
Electronic Components Business	47,896	14.1%	60,000	15.8%	45,000	12.1%	-2,896	-15,000
Solutions Business	68,730	7.0%	54,000	5.2%	42,000	4.0%	-26,730	-12,000
Industrial Tools Unit	27,211	10.8%	31,000	10.0%	25,000	8.0%	-2,211	-6,000
Document Solutions Unit	33,334	9.1%	36,000	8.6%	34,000	7.9%	666	-2,000
Communications Unit	15,288	5.8%	-10,000	—	-14,000	—	-29,288	-4,000
Others	-7,103	—	-3,000	—	-3,000	—	4,103	0
Others	-14,649	—	-27,000	—	-28,500	—	-13,851	-1,500
Total business profit	163,617	8.9%	190,000	9.5%	143,500	7.2%	-20,117	-46,500
Corporate gains and others	35,330	—	30,000	—	26,500	—	-8,830	-3,500
Profit before income taxes	198,947	10.8%	220,000	11.0%	170,000	8.5%	-28,947	-50,000

Factors behind Revisions to Financial Forecast by Reporting Segment for FY Mar. 2023

< Core Components Business >

➤ **Sales revenue (-15 billion yen) :**

Weakening demand of the ceramic packages for smartphones in the Semiconductor Components Unit

➤ **Business profit (-18 billion yen) :**

Decrease in sales, and increases in the price of raw materials, energy cost, etc.

< Electronic Components Business >

➤ **Sales revenue (-7 billion yen) :**

Weakening demand of the electronic components for smartphones

➤ **Business profit (-15 billion yen) :**

Decrease in sales of high-value-added products, increases in costs, and the record of the additional cost in connection with pension obligations at a subsidiary in the amount of approximately 3 billion yen in Q3 of FY Mar. 2023

< Solutions Business >

➤ **Sales revenue (+23 billion yen) :**

Revised upward taking into account the results for the nine months of FY Mar. 2023

➤ **Business profit (-12 billion yen) :**

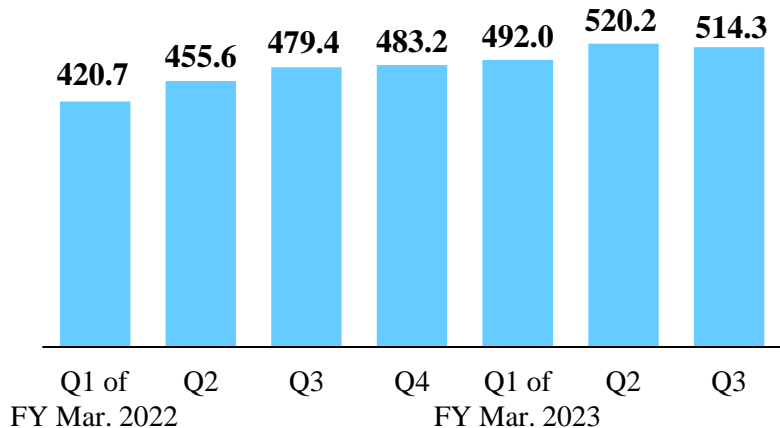
Expanding losses in the Communications Unit, and increases in costs in each business

Appendix: Quarterly Trends of Financial Results

Quarterly Trends of Financial Results

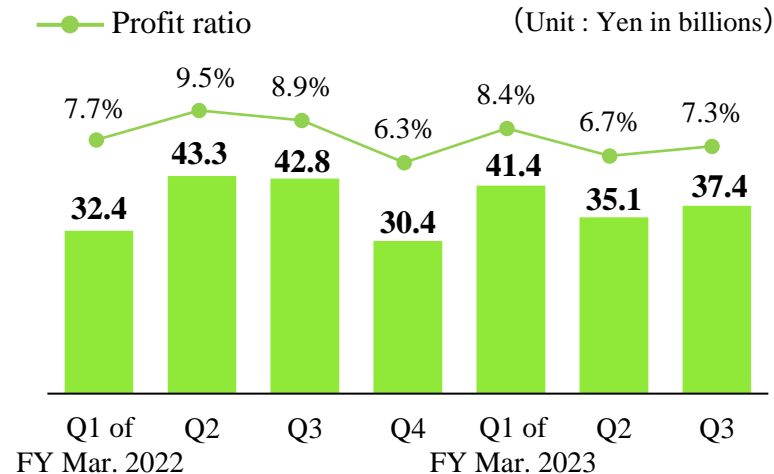
Sales revenue

(Unit : Yen in billions)



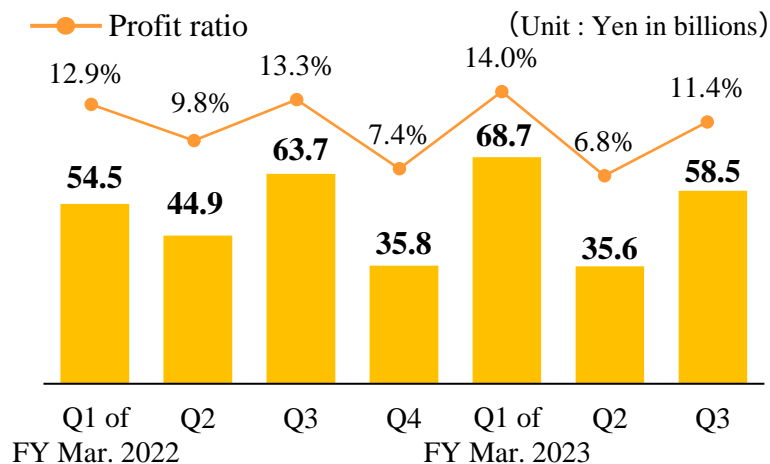
Operating profit

(Unit : Yen in billions)



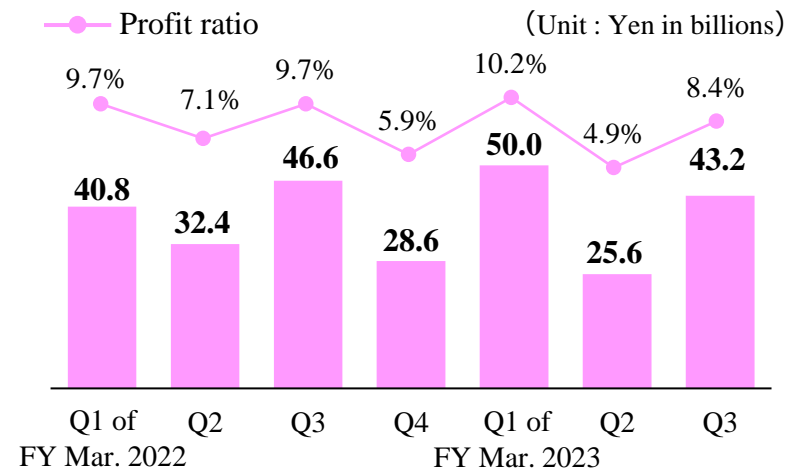
Profit before income taxes

(Unit : Yen in billions)



Profit attributable to owners of the parent

(Unit : Yen in billions)

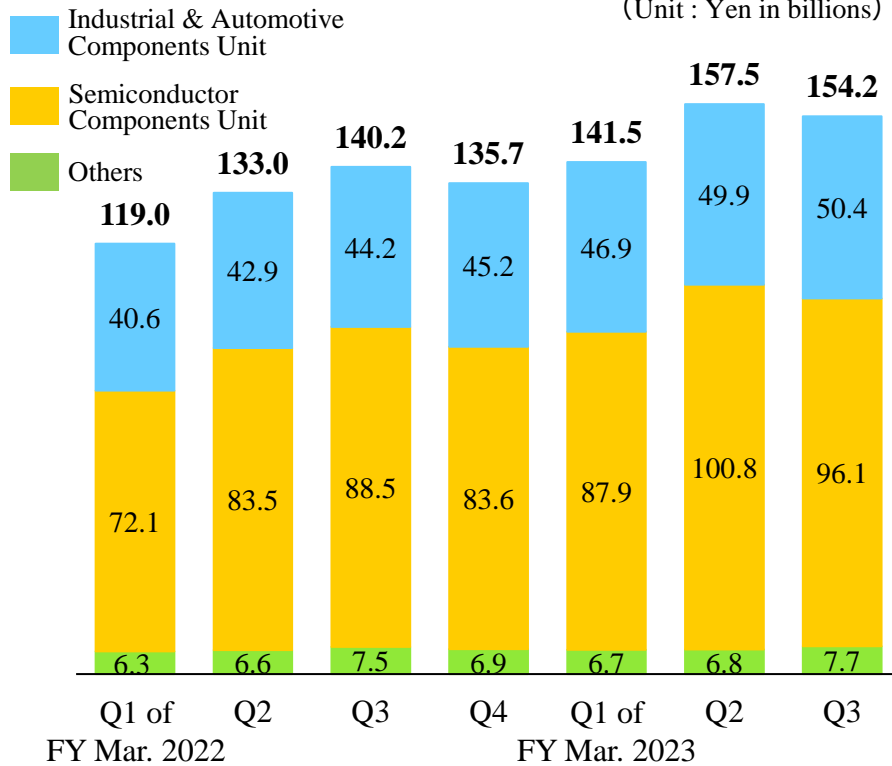


Quarterly Trends of Financial Results by Reporting Segment

(1) Core Components Business

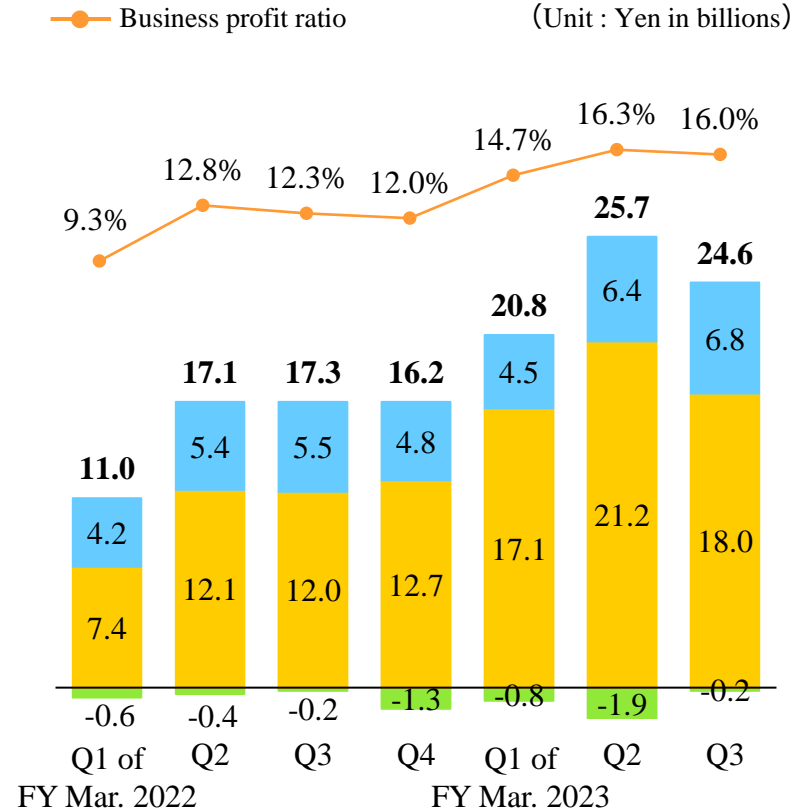
Sales revenue

(Unit : Yen in billions)



Business profit

(Unit : Yen in billions)



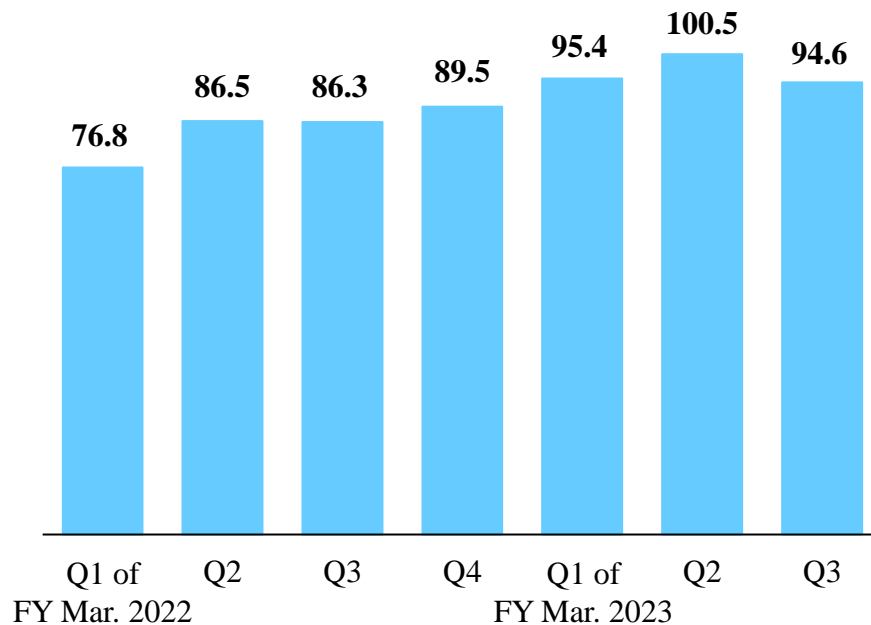
Notes: Business profit represents profit before income taxes of each reporting segment.
Business profit ratio is calculated based on millions of yen.

Quarterly Trends of Financial Results by Reporting Segment

(2) Electronic Components Business

Sales revenue

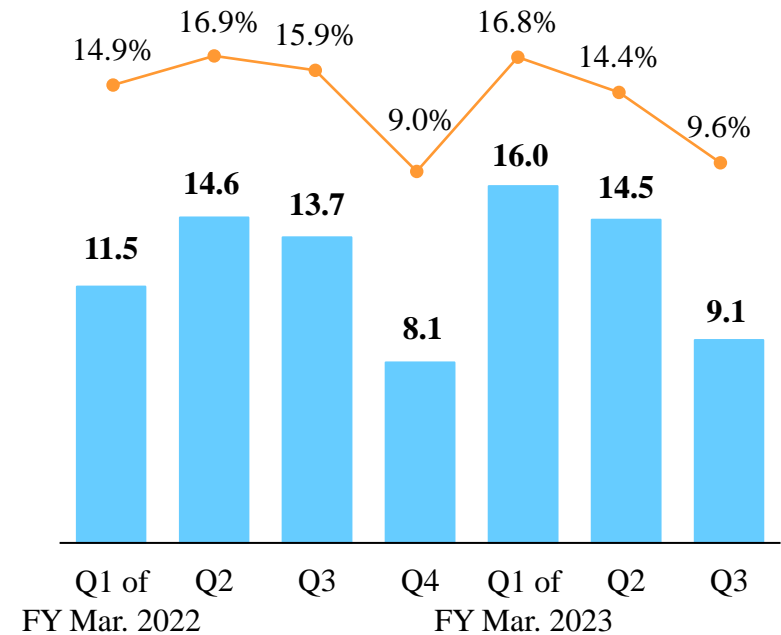
(Unit : Yen in billions)



Business profit

● Business profit ratio

(Unit : Yen in billions)



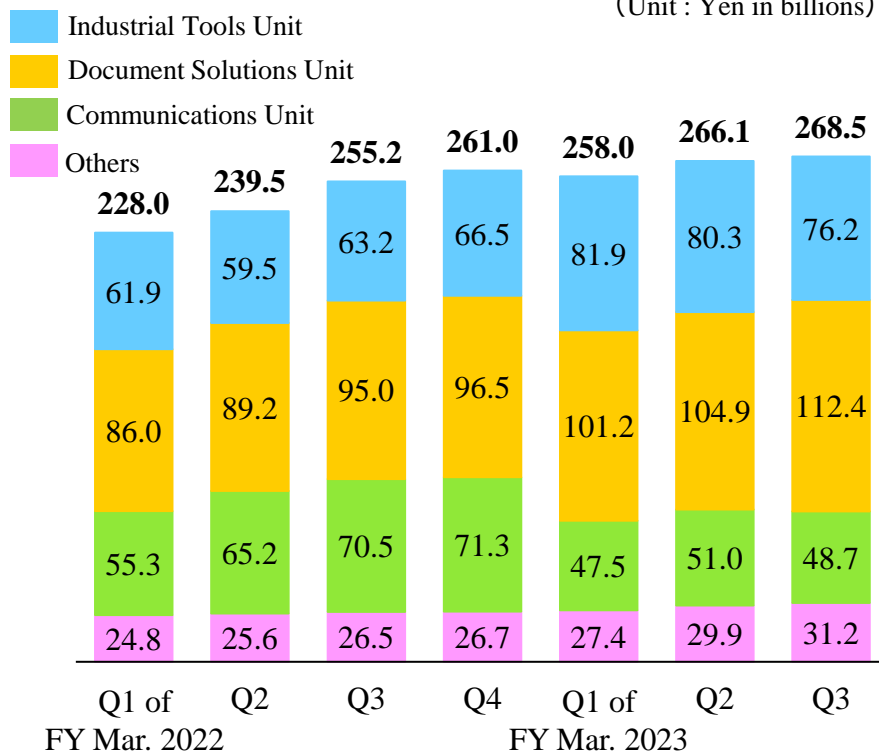
Notes: Business profit represents profit before income taxes of each reporting segment.
Business profit ratio is calculated based on millions of yen.

Quarterly Trends of Financial Results by Reporting Segment

(3) Solutions Business

Sales revenue

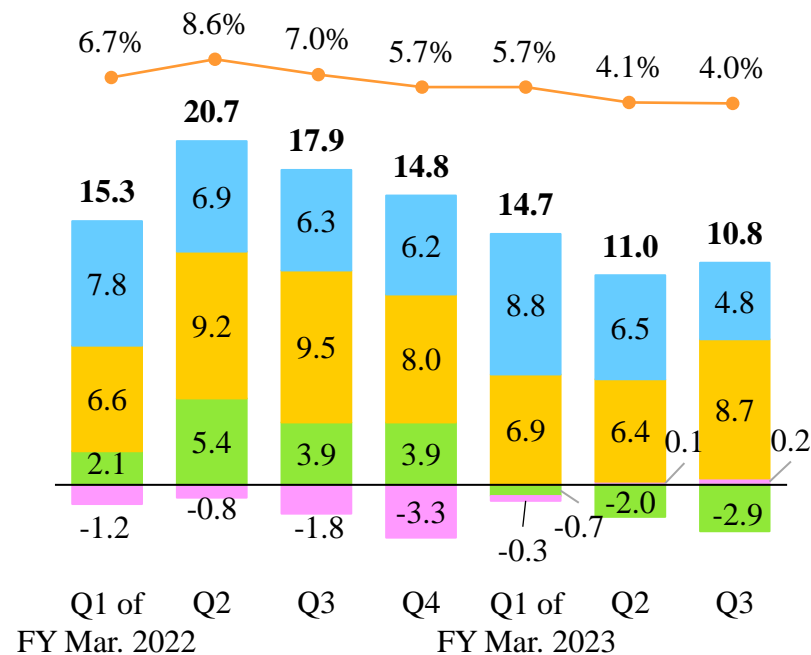
(Unit : Yen in billions)



Business profit

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.

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