

Financial Presentation

for the Three Months Ended June 30, 2023

July 31, 2023

Hiroaki Chida
Executive Officer,
Senior General Manager of
Corporate Management Control Group



1 Financial Results for 1Q of Fiscal 2024

2 Financial Forecasts for Fiscal 2024

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.

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

In this document, the year ending March 31, 2024 is referred to as “Fiscal 2024,” six months ended/ending September 30 is referred to as “1H,” three months ended/ending June 30 is referred to as “1Q.” Other fiscal years, half-year and quarterly periods are referred to in a corresponding manner.

1 Financial Results for 1Q of Fiscal 2024

2 Financial Forecasts for Fiscal 2024

Financial Results for 1Q of Fiscal 2024 (1)



(Unit: Yen in millions)

	Fiscal 2023 1Q	Fiscal 2024 1Q	Change	
			Amount	%
Sales Revenue	491,954	479,420	-12,534	-2.5%
Operating Profit	41,428 (8.4%)	25,677 (5.4%)	-15,751	-38.0%
Profit Before Income Taxes	68,711 (14.0%)	50,477 (10.5%)	-18,234	-26.5%
Profit Attributable to Owners of the Parent	49,974 (10.2%)	37,392 (7.8%)	-12,582	-25.2%

Average Exchange Rate	US\$	130 yen	137 yen
	Euro	138 yen	149 yen

Note: Figures in parentheses represent percentages to sales revenue.

Both sales revenue and profit decreased due mainly to decrease in demand for our principal markets and progress of inflation.

Financial Results for 1Q of Fiscal 2024 (2)



(Unit: Yen in millions)

	Fiscal 2023 1Q	Fiscal 2024 1Q	Change	
			Amount	%
Capital Expenditures	44,367 (9.0%)	29,961 (6.2%)	-14,406	-32.5%
Depreciation Charge of Property, Plant and Equipment	25,310 (5.1%)	26,399 (5.5%)	1,089	4.3%
R&D Expenses	22,425 (4.6%)	24,984 (5.2%)	2,559	11.4%

Note: Figures in parentheses represent percentages to sales revenue.

Some capital expenditures, mainly for the fine ceramic components and electronic components, were delayed to 2Q onward in light of demand situation.

Sales Revenue by Reporting Segment for 1Q of Fiscal 2024



(Unit: Yen in millions)

Sales Revenue by Reporting Segment	Fiscal 2023 1Q		Fiscal 2024 1Q		Change	
	Amount	Component Ratio	Amount	Component Ratio	Amount	%
Core Components Business	141,521	28.8%	134,065	28.0%	-7,456	-5.3%
Industrial & Automotive Components Unit	46,938	9.5%	52,864	11.0%	5,926	12.6%
Semiconductor Components Unit	87,909	17.9%	74,307	15.5%	-13,602	-15.5%
Others	6,674	1.4%	6,894	1.5%	220	3.3%
Electronic Components Business	95,401	19.4%	84,565	17.6%	-10,836	-11.4%
Solutions Business	258,003	52.4%	264,605	55.2%	6,602	2.6%
Industrial Tools Unit	81,897	16.6%	80,448	16.8%	-1,449	-1.8%
Document Solutions Unit	101,177	20.6%	103,574	21.6%	2,397	2.4%
Communications Unit	47,501	9.6%	49,954	10.4%	2,453	5.2%
Others	27,428	5.6%	30,629	6.4%	3,201	11.7%
Others	5,884	1.2%	5,330	1.1%	-554	-9.4%
Adjustments and Eliminations	-8,855	-1.8%	-9,145	-1.9%	-290	—
Sales Revenue	491,954	100.0%	479,420	100.0%	-12,534	-2.5%

Business Profit (Loss) by Reporting Segment for 1Q of Fiscal 2024

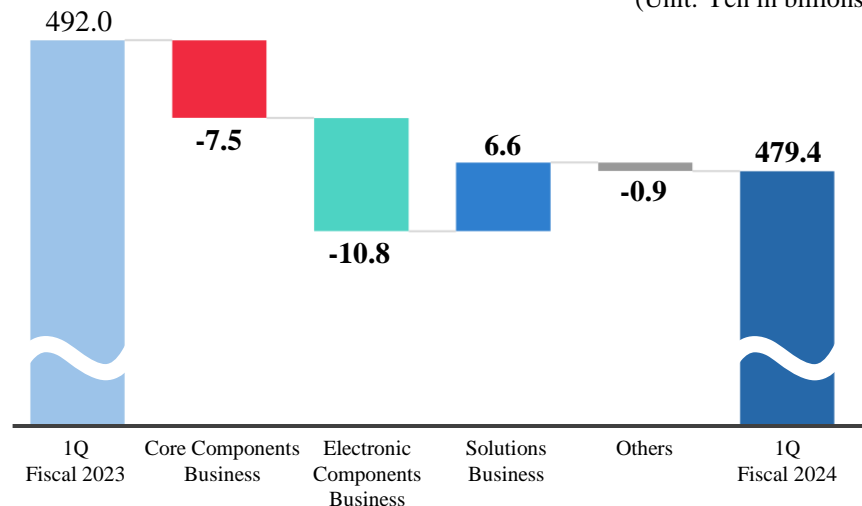


(Unit: Yen in millions)

Business Profit by Reporting Segment	Fiscal 2023 1Q		Fiscal 2024 1Q		Change	
	Amount	% to Sales Revenue	Amount	% to Sales Revenue	Amount	%
Core Components Business	20,754	14.7%	13,835	10.3%	-6,919	-33.3%
Industrial & Automotive Components Unit	4,502	9.6%	6,218	11.8%	1,716	38.1%
Semiconductor Components Unit	17,074	19.4%	7,903	10.6%	-9,171	-53.7%
Others	-822	—	-286	—	536	—
Electronic Components Business	16,007	16.8%	4,062	4.8%	-11,945	-74.6%
Solutions Business	14,721	5.7%	15,681	5.9%	960	6.5%
Industrial Tools Unit	8,812	10.8%	5,024	6.2%	-3,788	-43.0%
Document Solutions Unit	6,870	6.8%	9,022	8.7%	2,152	31.3%
Communications Unit	-746	—	-543	—	203	—
Others	-215	—	2,178	7.1%	2,393	—
Others	-6,159	—	-9,922	—	-3,763	—
Total Business Profit	45,323	9.2%	23,656	4.9%	-21,667	-47.8%
Corporate Gains and Others	23,388	—	26,821	—	3,433	14.7%
Profit Before Income Taxes	68,711	14.0%	50,477	10.5%	-18,234	-26.5%

Sales Revenue

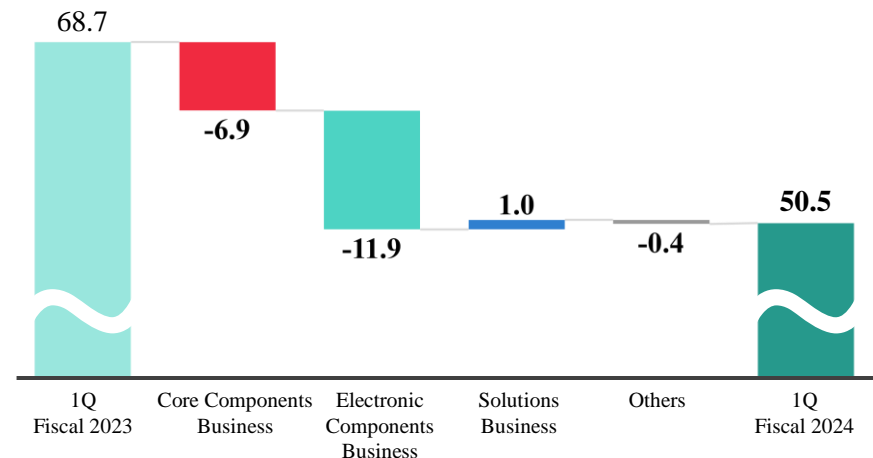
(Unit: Yen in billions)



Sales revenue decreased due to the decrease in demand for our major components along with persisting demand adjustment from 4Q of Fiscal 2023 in our principal markets, namely, semiconductor-related and information and communications markets, which more than off-set a positive impact from weaker yen.

Profit Before Income Taxes

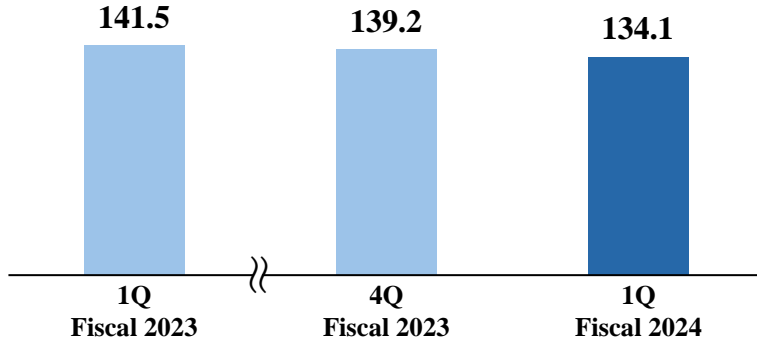
(Unit: Yen in billions)



Profit decreased due mainly to factors such as increases in the prices of raw materials and energy costs, etc., caused by inflation, as well as the decrease in sales revenue.

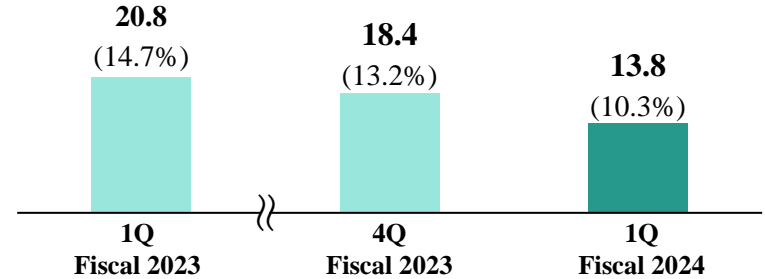
Sales Revenue

(Unit: Yen in billions)



Business Profit (Ratio)

(Unit: Yen in billions)



Summary of Financial Results

<As Compared with 1Q of Fiscal 2023 (YoY) -5.3%>

- Sales revenue decreased due mainly to weaker demand for ceramic packages for smartphone markets as well as weaker demand for organic packages and boards for the information and communication infrastructure-related markets, both in the Semiconductor Components Unit.

<As Compared with 4Q of Fiscal 2023 (QoQ) -3.6%>

- Sales revenue decreased due to continued softening of the markets.

<As Compared with 1Q of Fiscal 2023 (YoY) -33.3%>

- Profit decreased due to decreased sales as well as an increase in depreciation charge of property, plant and equipment.

<As Compared with 4Q of Fiscal 2023 (QoQ) -24.5%>

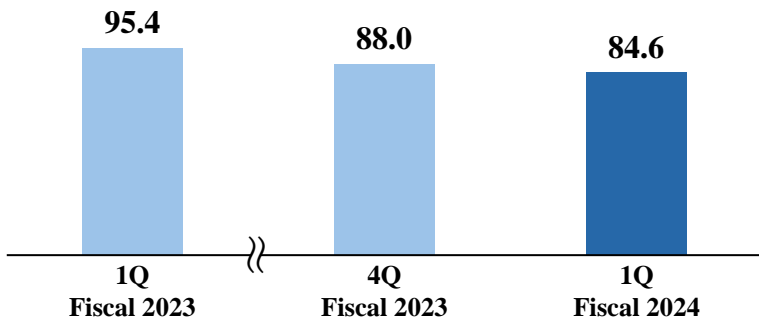
- Same as YoY; Profit decreased due to factors such as decreased sales and an increase in depreciation charge of property, plant and equipment.

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

Changes from the previous period and business profit ratio are calculated based on millions of yen. 8

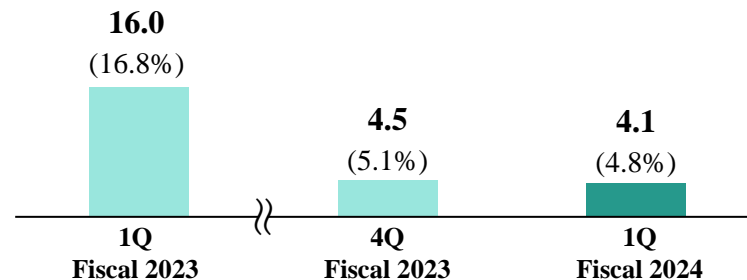
Sales Revenue

(Unit: Yen in billions)



Business Profit (Ratio)

(Unit: Yen in billions)



Summary of Financial Results

<As Compared with 1Q of Fiscal 2023 (YoY) -11.4%>

- Sales revenue decreased due mainly to decreased sales of components such as capacitors and crystal devices for information and communication-related markets caused by continuing inventory adjustments in the market.

<As Compared with 4Q of Fiscal 2023 (QoQ) -3.9%>

- Sales revenue decreased due to continuing inventory adjustments in the market.

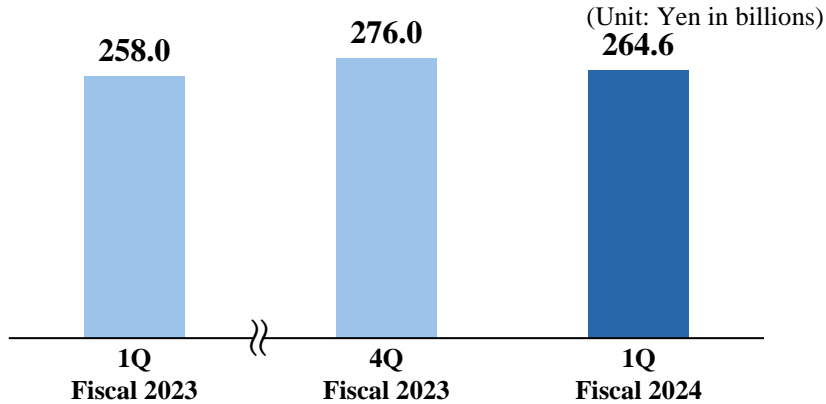
<As Compared with 1Q of Fiscal 2023 (YoY) -74.6%>

- Profit significantly decreased due mainly to decreased sales of high-value-added components such as capacitors and crystal devices for the information and communication-related markets.

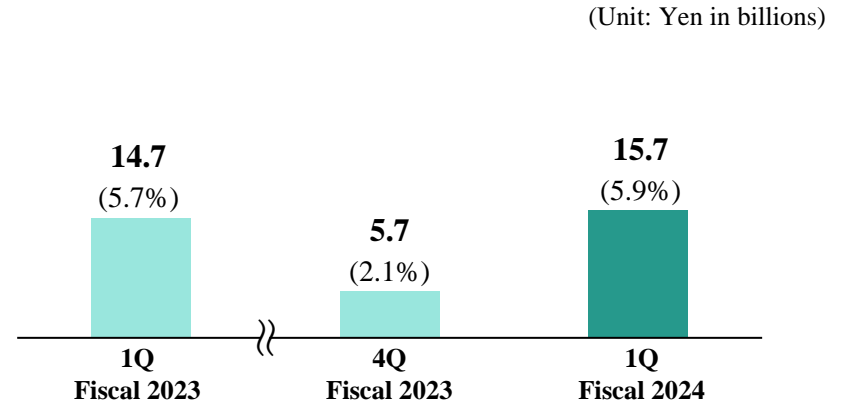
<As Compared with 4Q of Fiscal 2023 (QoQ) -9.6%>

- Profit slightly decreased due to continuing inventory adjustments in the market.

Sales Revenue



Business Profit (Ratio)



Summary of Financial Results

<As Compared with 1Q of Fiscal 2023 (YoY) +2.6%>

- Industrial Tools Unit: Decrease in sales of cutting tools due to inventory adjustment mainly in the Asian markets.
- Document Solutions Unit: Sales increased due to robust sales of core products as well as the impact of the weaker yen etc., resulting in increase of sales revenue as the reporting segment overall.

<As Compared with 4Q of Fiscal 2023 (QoQ) -4.1%>

- Sales revenue decreased due to seasonality in the Document Solutions Unit and the Communications Unit.

<As Compared with 1Q of Fiscal 2023 (YoY) +6.5%>

- Profit increased overall as the reporting segment due to factors such as the increased sales in the Document Solutions Unit, which more than offsets the decreased profit in the Industrial Tools Unit.

<As Compared with 4Q of Fiscal 2023 (QoQ) +172.3%>

- Profit significantly increased due mainly to an absence of costs in connection with structural reforms in the Communications Unit.

1 Financial Results for 1Q of Fiscal 2024

2 Financial Forecasts for Fiscal 2024

Financial Forecasts for Fiscal 2024 (1)



(Unit: Yen in millions)

	Fiscal 2023	Fiscal 2024	Change	
		No Revision from the May 2023 forecast	Amount	%
Sales Revenue	2,025,332	2,100,000	74,668	3.7%
Operating Profit	128,517 (6.3%)	147,000 (7.0%)	18,483	14.4%
Profit Before Income Taxes	176,192 (8.7%)	200,000 (9.5%)	23,808	13.5%
Profit Attributable to Owners of the Parent	127,988 (6.3%)	145,000 (6.9%)	17,012	13.3%
EPS (Basic-yen)	356.60	408.40		

Notes: Figures in parentheses represent percentages to sales revenue.
Forecast of EPS (Basic-yen) for Fiscal 2024 is calculated using the average number of shares outstanding during 1Q of Fiscal 2024.

Average Exchange Rate	US\$	135 yen	125 yen
	Euro	141 yen	130 yen

The semiconductor-related and information and communication markets, our principal markets, the timing of recovery is expected to be in 2H or onward.

Financial Forecasts for Fiscal 2024 (2)



(Unit: Yen in millions)

	Fiscal 2023	Fiscal 2024	Change	
		No Revision from the May 2023 forecast	Amount	%
Capital Expenditures	173,901 (8.6%)	275,000 (13.1%)	101,099	58.1%
Depreciation Charge of Property, Plant and Equipment	108,757 (5.4%)	123,000 (5.9%)	14,243	13.1%
R&D Expenses	94,277 (4.7%)	115,000 (5.5%)	20,723	22.0%

Note: Figures in parentheses represent percentages to sales revenue.

Sales Revenue Forecasts by Reporting Segment for Fiscal 2024



(Unit: Yen in millions)

Sales Revenue by Reporting Segment	Fiscal 2023		Fiscal 2024		Change	
	Amount	Component Ratio	No revision from the May 2023 forecast		Amount	%
			Amount	Component Ratio		
Core Component Business	592,376	29.2%	620,000	29.5%	27,624	4.7%
Industrial & Automotive Components Unit	199,194	9.8%	225,000	10.7%	25,806	13.0%
Semiconductor Components Unit	364,579	18.0%	365,000	17.4%	421	0.1%
Others	28,603	1.4%	30,000	1.4%	1,397	4.9%
Electronic Components Business	378,536	18.7%	390,000	18.6%	11,464	3.0%
Solutions Business	1,068,597	52.8%	1,115,000	53.1%	46,403	4.3%
Industrial Tools Unit	308,406	15.2%	315,000	15.0%	6,594	2.1%
Document Solutions Unit	434,914	21.5%	455,000	21.7%	20,086	4.6%
Communications Unit	207,793	10.3%	225,000	10.7%	17,207	8.3%
Others	117,484	5.8%	120,000	5.7%	2,516	2.1%
Others	23,403	1.2%	20,000	0.9%	-3,403	-14.5%
Adjustments and Eliminations	-37,580	-1.9%	-45,000	-2.1%	-7,420	—
Sales Revenue	2,025,332	100.0%	2,100,000	100.0%	74,668	3.7%

Business Profit (Loss) Forecasts by Reporting Segment for Fiscal 2024



(Unit: Yen in millions)

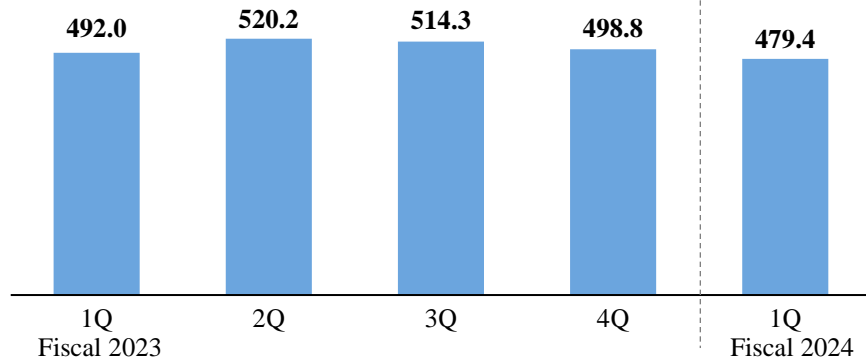
Business Profit by Reporting Segment	Fiscal 2023		Fiscal 2024		Change	
	Amount	% to Sales Revenue	No revision from the May 2023 forecast		Amount	%
			Amount	% to Sales Revenue		
Core Components Business	89,475	15.1%	86,000	13.9%	-3,475	-3.9%
Industrial & Automotive Components Unit	24,743	12.4%	32,000	14.2%	7,257	29.3%
Semiconductor Components Unit	67,702	18.6%	53,000	14.5%	-14,702	-21.7%
Others	-2,970	—	1,000	3.3%	3,970	—
Electronic Components Business	44,064	11.6%	55,000	14.1%	10,936	24.8%
Solutions Business	42,239	4.0%	79,000	7.1%	36,761	87.0%
Industrial Tools Unit	23,279	7.5%	26,000	8.3%	2,721	11.7%
Document Solutions Unit	33,706	7.8%	40,000	8.8%	6,294	18.7%
Communications Unit	-11,729	—	3,000	1.3%	14,729	—
Others	-3,017	—	10,000	8.3%	13,017	—
Others	-28,795	—	-45,000	—	-16,205	—
Total Business Profit	146,983	7.3%	175,000	8.3%	28,017	19.1%
Corporate Gains and Others	29,209	—	25,000	—	-4,209	-14.4%
Profit Before Income Taxes	176,192	8.7%	200,000	9.5%	23,808	13.5%

Appendix:
Quarterly Trends of Financial Results
from 1Q of Fiscal 2023 to 1Q of Fiscal 2024

Quarterly Trends of Financial Results

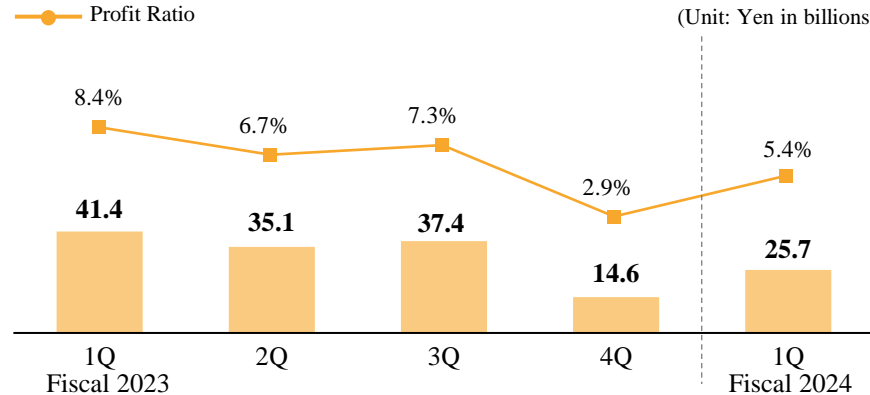
Sales Revenue

(Unit: Yen in billions)



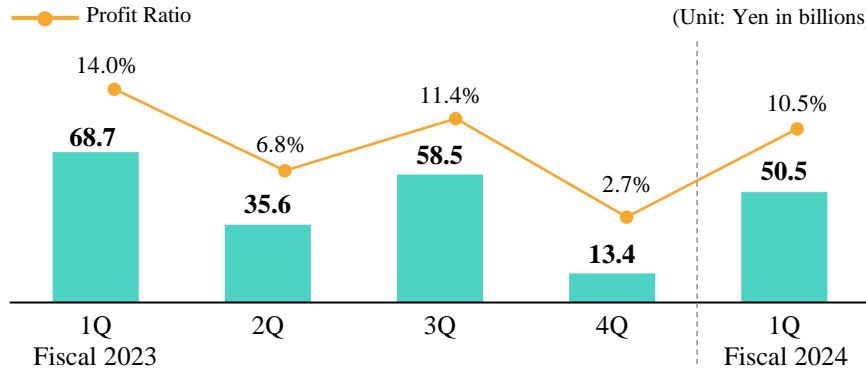
Operating Profit

(Unit: Yen in billions)



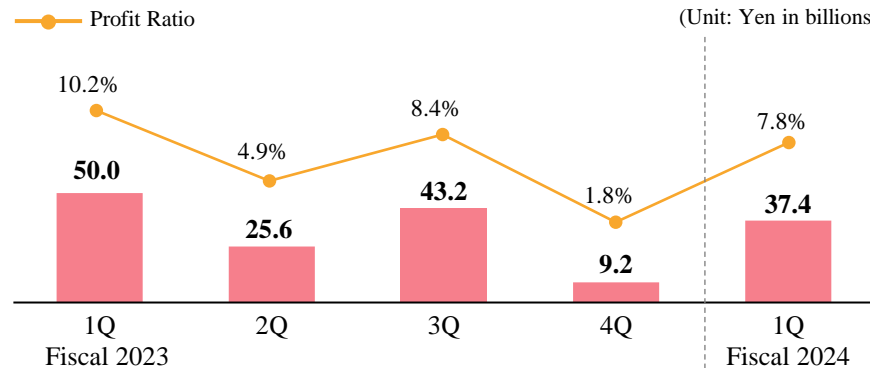
Profit Before Income Taxes

(Unit: Yen in billions)



Profit Attributable to Owners of the Parent

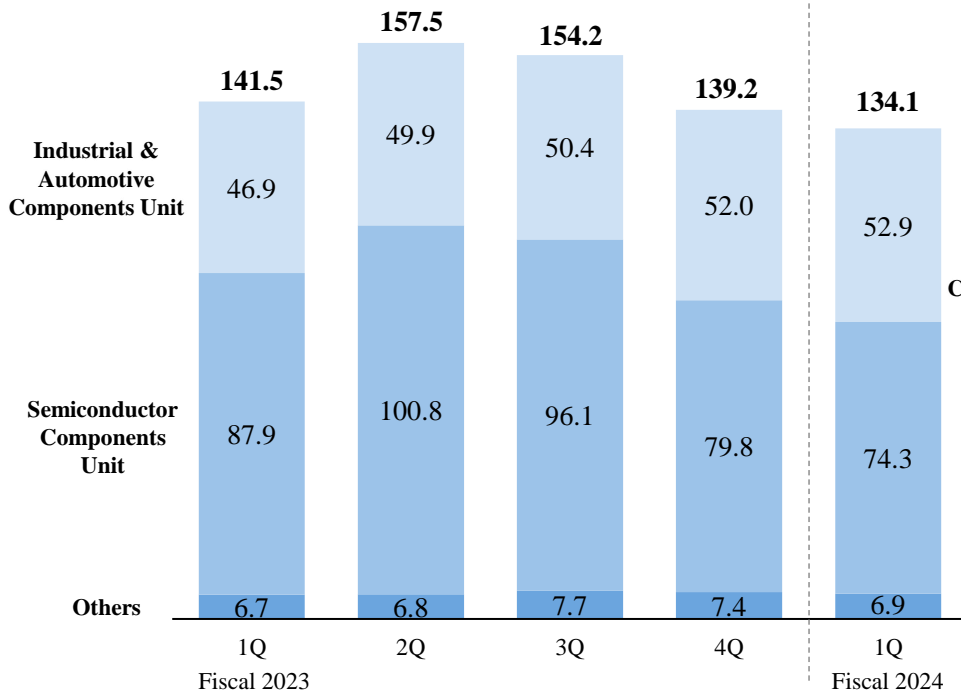
(Unit: Yen in billions)



Note: Each profit margin is calculated based on millions of yen.

Sales Revenue

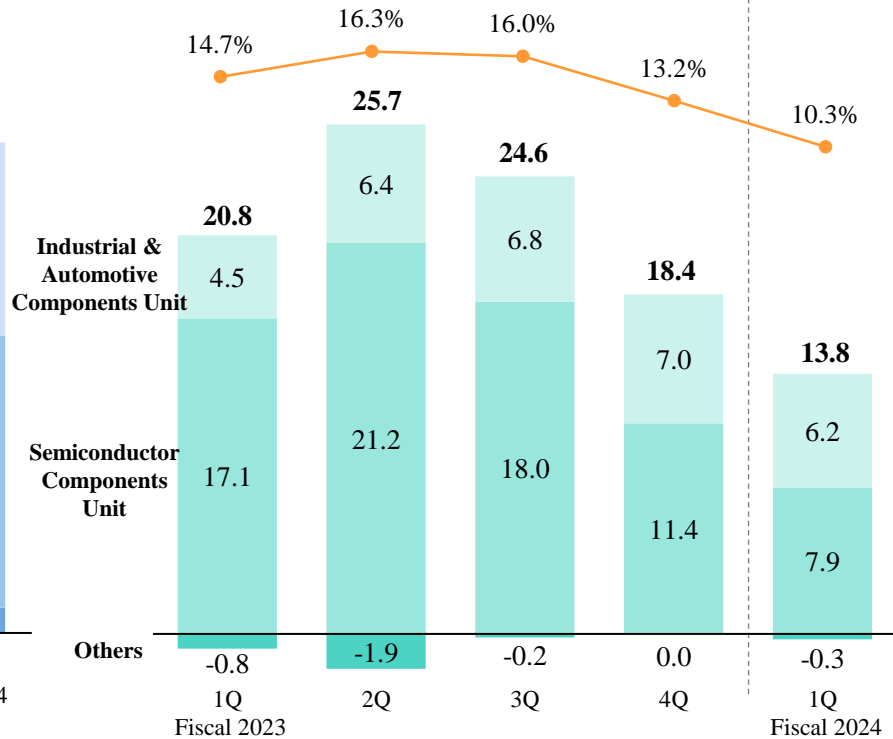
(Unit: Yen in billions)



Business Profit

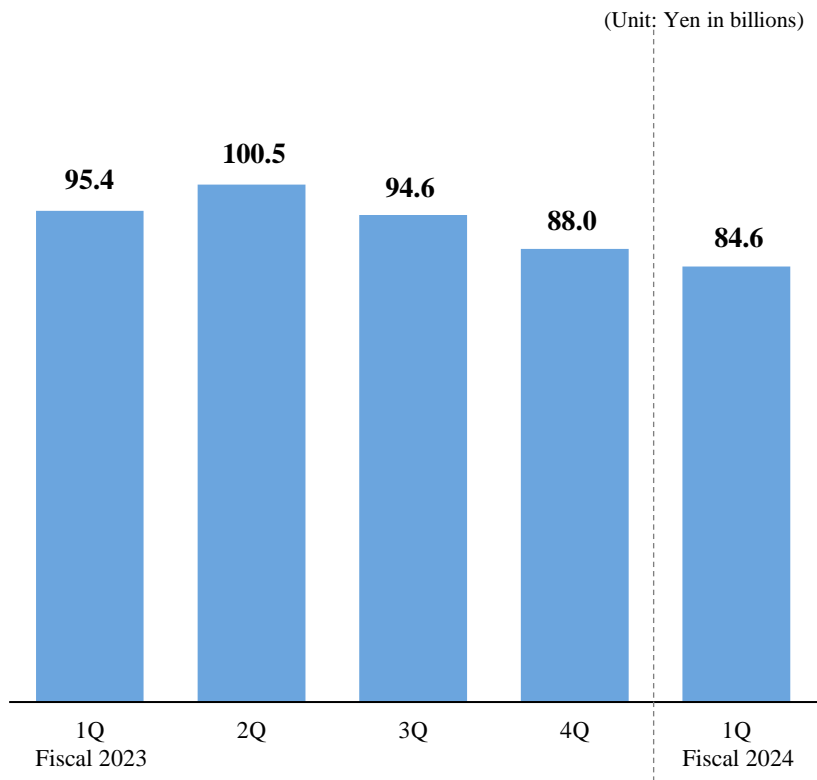
(Unit: Yen in billions)

Business Profit Ratio

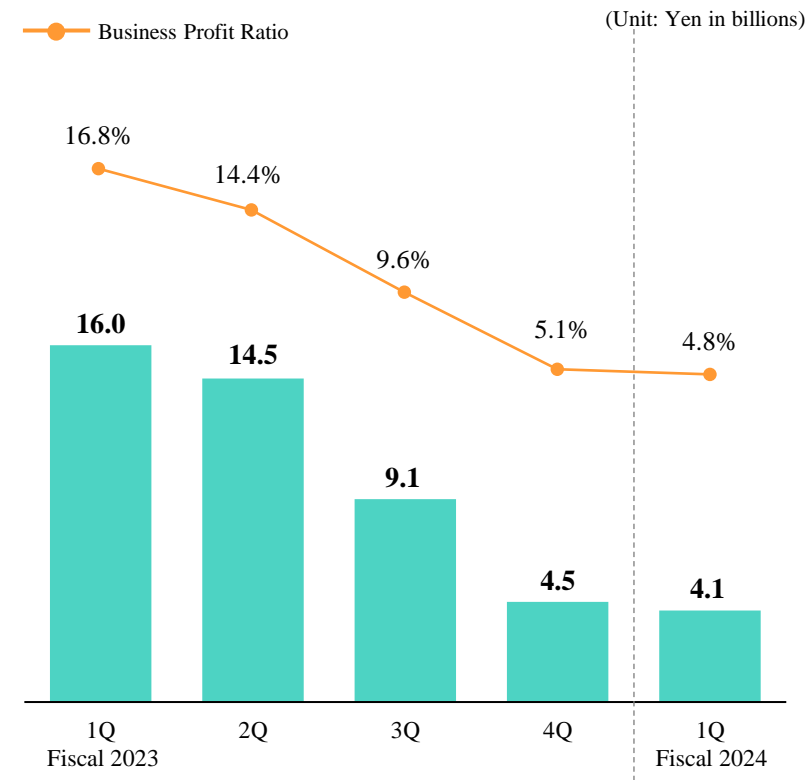


Notes: Business profit is the profit before tax of each business segment.
Business profit ratio is calculated based on millions of yen.

Sales Revenue



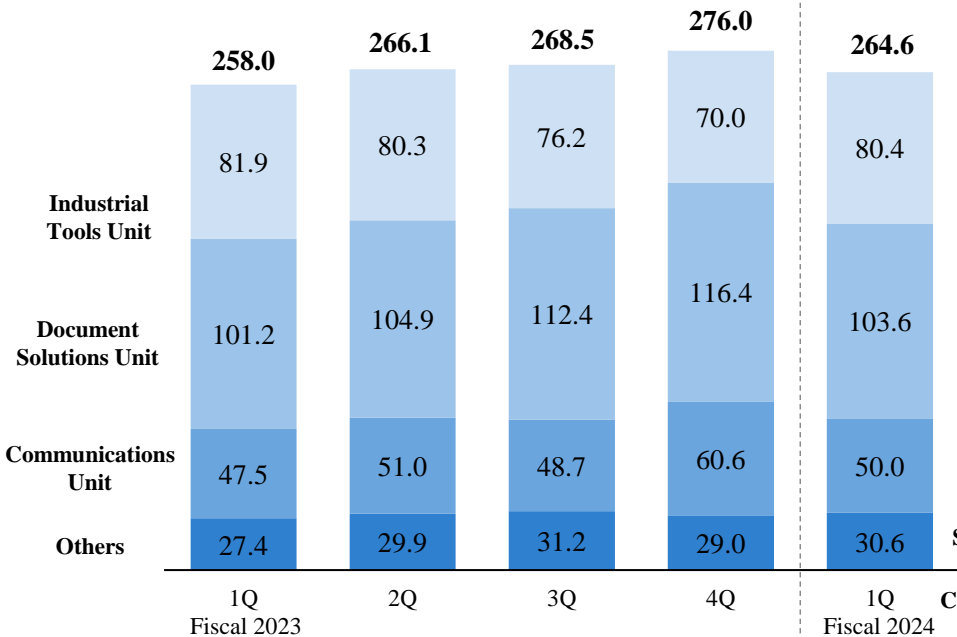
Business Profit



Notes: Business profit is the profit before tax of each business segment.
Business profit ratio is calculated based on millions of yen.

Sales Revenue

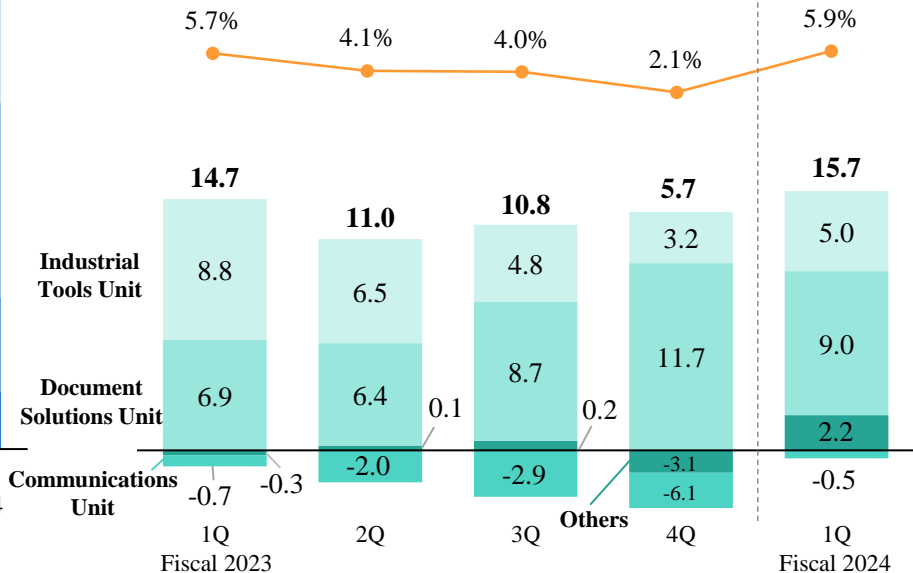
(Unit: Yen in billions)



Business Profit

(Unit: Yen in billions)

Business Profit Ratio



Notes: Business profit is the profit before tax of each business 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