

1 Financial Results for 3Q of Fiscal 2024

2 Financial Forecasts for Fiscal 2024

3 Status of Discussion regarding Cross-shareholdings

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.

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Financial Results for the Nine Months of Fiscal 2024 (1)



(Unit: Yen in millions)

	Fiscal 2023 Nine months	Fiscal 2024 Nine months	Change	
			Amount	%
Sales Revenue	1,526,497	1,492,672	-33,825	-2.2%
Operating Profit	113,884 (7.5%)	79,844 (5.3%)	-34,040	-29.9%
Profit Before Income Taxes	162,756 (10.7%)	125,638 (8.4%)	-37,118	-22.8%
Profit Attributable to Owners of the Parent	118,783 (7.8%)	90,366 (6.1%)	-28,417	-23.9%

Average Exchange Rate	US\$	137 yen	143 yen
	Euro	141 yen	155 yen

Note: Figures in parentheses represent percentages to sales revenue.

Sales revenue and profits decreased due mainly to sluggish demand in our principal markets and lower utilization ratio of production facilities etc.

Financial Results for the Nine Months of Fiscal 2024 (2)



(Unit: Yen in millions)

	Fiscal 2023 Nine months	Fiscal 2024 Nine months	Change	
			Amount	%
Capital Expenditures	127,137 (8.3%)	105,242 (7.1%)	-21,895	-17.2%
Depreciation Charge of Property, Plant and Equipment	80,330 (5.3%)	82,231 (5.5%)	1,901	2.4%
R&D Expenses	69,530 (4.6%)	77,481 (5.2%)	7,951	11.4%

Note: Figures in parentheses represent percentages to sales revenue.

Some capital expenditures were delayed to Fiscal 2025 onward in light of demand situation.

Sales Revenue by Reporting Segment for the Nine Months of Fiscal 2024



(Unit: Yen in millions)

Sales Revenue by Reporting Segment	Fiscal 2023 Nine months		Fiscal 2024 Nine months		Change	
	Amount	Component Ratio	Amount	Component Ratio	Amount	%
Core Components Business	453,238	29.7%	432,152	29.0%	-21,086	-4.7%
Industrial & Automotive Components Unit	147,163	9.6%	167,216	11.2%	20,053	13.6%
Semiconductor Components Unit	284,764	18.7%	242,676	16.3%	-42,088	-14.8%
Others	21,311	1.4%	22,260	1.5%	949	4.5%
Electronic Components Business	290,538	19.1%	262,628	17.6%	-27,910	-9.6%
Solutions Business	792,643	51.9%	810,476	54.3%	17,833	2.2%
Industrial Tools Unit	238,368	15.6%	235,406	15.8%	-2,962	-1.2%
Document Solutions Unit	318,476	20.9%	325,934	21.8%	7,458	2.3%
Communications Unit	147,155	9.6%	161,656	10.8%	14,501	9.9%
Others	88,644	5.8%	87,480	5.9%	-1,164	-1.3%
Others	17,091	1.1%	14,176	0.9%	-2,915	-17.1%
Adjustments and Eliminations	-27,013	-1.8%	-26,760	-1.8%	253	—
Sales Revenue	1,526,497	100.0%	1,492,672	100.0%	-33,825	-2.2%

Business Profit (Loss) by Reporting Segment for the Nine Months of Fiscal 2024

(Unit: Yen in millions)

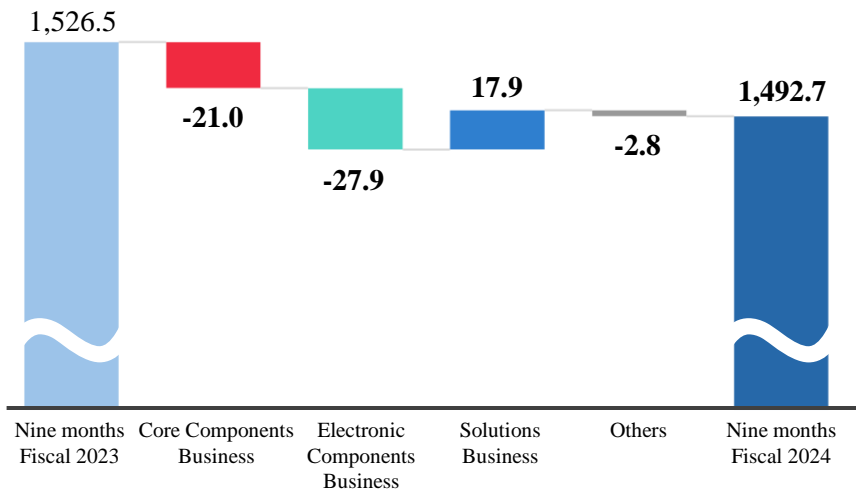
Business Profit by Reporting Segment	Fiscal 2023 Nine months		Fiscal 2024 Nine months		Change	
	Amount	% to Sales Revenue	Amount	% to Sales Revenue	Amount	%
Core Components Business	71,148	15.7%	45,466	10.5%	-25,682	-36.1%
Industrial & Automotive Components Unit	17,685	12.0%	18,873	11.3%	1,188	6.7%
Semiconductor Components Unit	56,296	19.8%	26,388	10.9%	-29,908	-53.1%
Others	-2,833	—	205	0.9%	3,038	—
Electronic Components Business	39,572	13.6%	13,033	5.0%	-26,539	-67.1%
Solutions Business	36,480	4.6%	46,817	5.8%	10,337	28.3%
Industrial Tools Unit	20,097	8.4%	12,742	5.4%	-7,355	-36.6%
Document Solutions Unit	21,981	6.9%	28,653	8.8%	6,672	30.4%
Communications Unit	-5,553	—	2,356	1.5%	7,909	—
Others	-45	—	3,066	3.5%	3,111	—
Others	-20,016	—	-32,067	—	-12,051	—
Total Business Profit	127,184	8.3%	73,249	4.9%	-53,935	-42.4%
Corporate Gains and Others	35,572	—	52,389	—	16,817	47.3%
Profit Before Income Taxes	162,756	10.7%	125,638	8.4%	-37,118	-22.8%

Summary of Financial Results for the Nine Months of Fiscal 2024



Sales Revenue

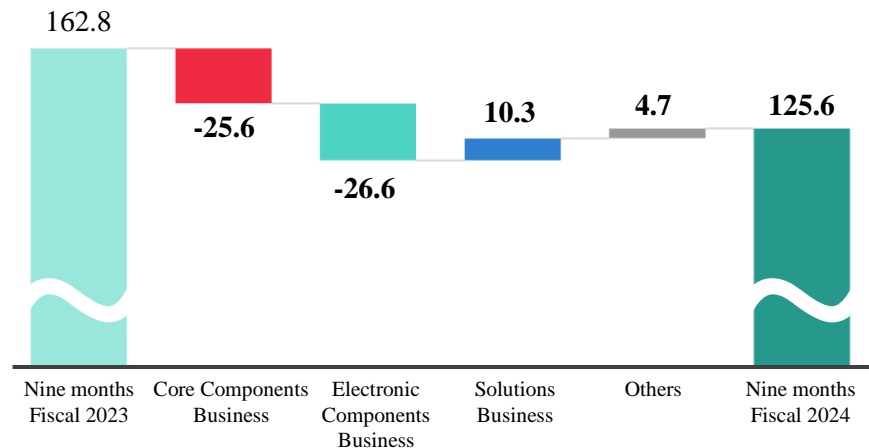
(Unit: Yen in billions)



Sales revenue decreased, due mainly to a decrease in demand for our principal products in the Core Components Business and the Electronic Components Business as a result of sluggish condition in our principal markets, which more than offset an increase in sales in the Solutions Business.

Profit Before Income Taxes

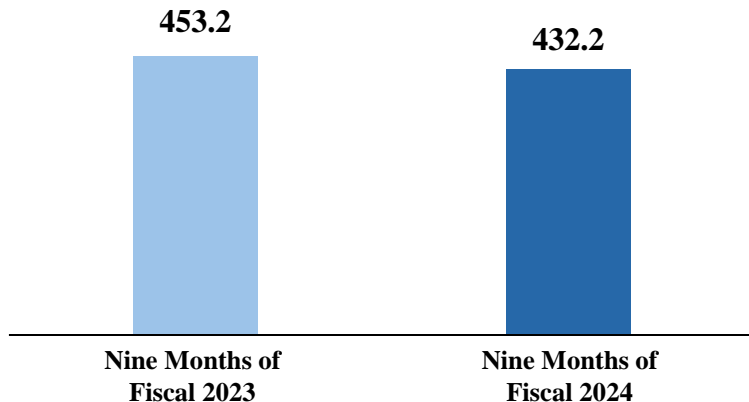
(Unit: Yen in billions)



Profit decreased, due mainly to lower utilization ratio of production facilities caused by a decrease in orders, as well as an increase in labor costs and R&D expenses.

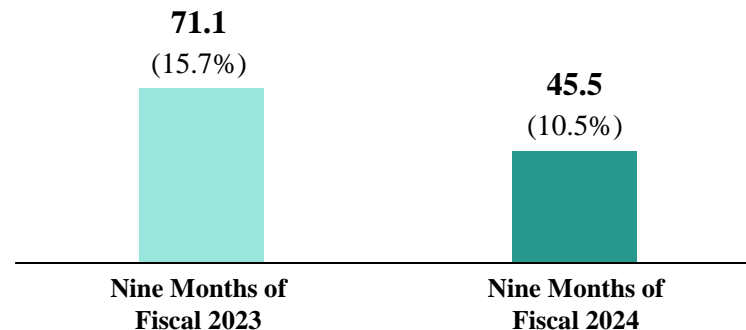
Sales Revenue

(Unit: Yen in billions)



Business Profit (Ratio)

(Unit: Yen in billions)



Summary of Financial Results

<As Compared with Nine Months of Fiscal 2023: -4.7%>

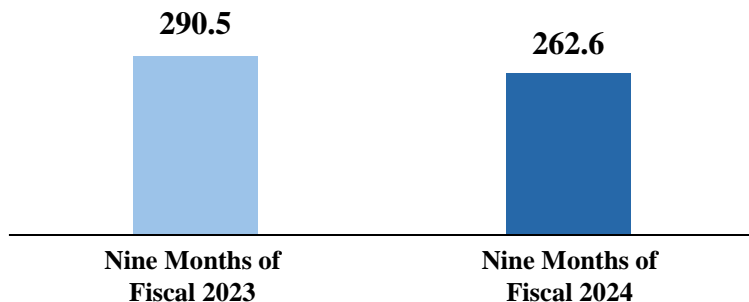
- Sales revenue decreased due mainly to soft market conditions for ceramic packages in smartphone markets and for organic packages and boards in information and communication infrastructure-related markets.

<As Compared with Nine Months of Fiscal 2023: -36.1%>

- Business profit decreased due to the decline in sales of ceramic packages for smartphone markets and organic packages and boards for information and communication infrastructure-related markets, as well as an increase in depreciation charge of property, plant and equipment, etc.

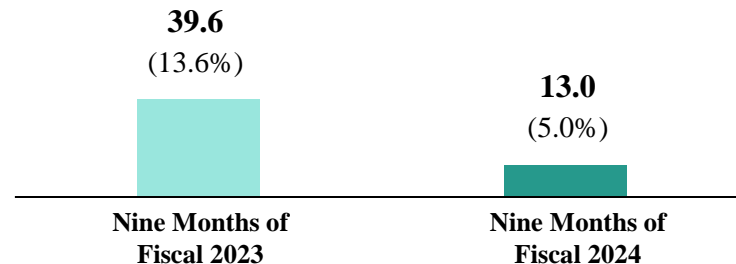
Sales Revenue

(Unit: Yen in billions)



Business Profit (Ratio)

(Unit: Yen in billions)



Summary of Financial Results

<As Compared with Nine Months of Fiscal 2023: -9.6%>

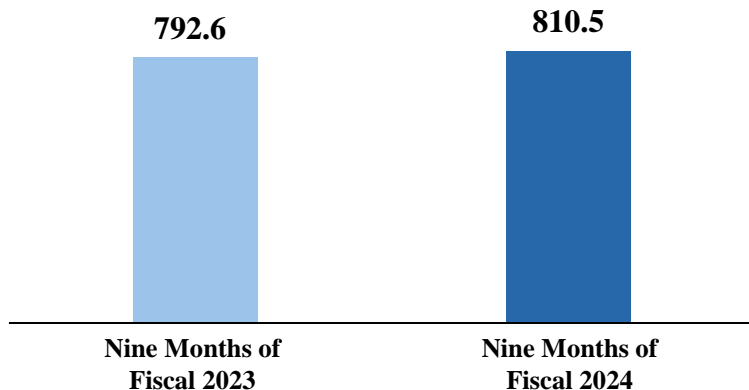
- Sales revenue decreased due mainly to inventory adjustments and decreased demand for components such as capacitors and crystal devices for information and communication markets.

<As Compared with Nine Months of Fiscal 2023: -67.1%>

- Business profit decreased significantly due to higher cost of sales associated with a lower utilization ratio as well as increases in raw material costs, etc.

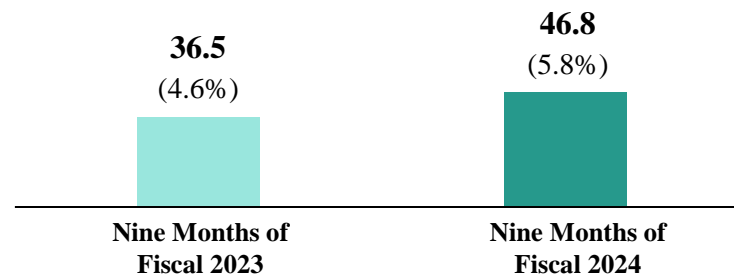
Sales Revenue

(Unit: Yen in billions)



Business Profit (Ratio)

(Unit: Yen in billions)



Summary of Financial Results

<As Compared with Nine Months of Fiscal 2023: +2.2%>

- Industrial Tools Unit: Sales decreased due to inventory adjustment of cutting tools.
- Document Solutions Unit: Sales increased due to the impact of weaker yen, etc.
- Communications Unit: Sales of the information systems and telecommunication services business increased.

<As Compared with Nine Months of Fiscal 2023: +28.3%>

- Business profit increased due to the increased sales and to improved profitability in the Communications Unit as a result of the progress of structural reforms initiated in Fiscal 2023.

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Financial Forecasts for Fiscal 2024 (1)



(Unit: Yen in millions)

	Fiscal 2023	Fiscal 2024 (Forecast)		Change in amount compared with	
		Previous (November 2023)	Revised (February 2024)	Fiscal 2023	Previous Forecast
Sales Revenue	2,025,332	2,050,000	2,000,000	-25,332	-50,000
Operating Profit	128,517 (6.3%)	120,000 (5.9%)	95,000 (4.8%)	-33,517	-25,000
Profit Before Income Taxes	176,192 (8.7%)	170,000 (8.3%)	140,000 (7.0%)	-36,192	-30,000
Profit Attributable to Owners of the Parent	127,988 (6.3%)	123,000 (6.0%)	100,000 (5.0%)	-27,988	-23,000
EPS (Basic-yen)	89.15	86.89	70.76		
Average Exchange Rate	US\$	135 yen	140 yen	143 yen	
	Euro	141 yen	152 yen	155 yen	

Notes:
 Figures in parentheses represent percentages to sales revenue.
 Forecast of EPS (Basic-yen) for Fiscal 2024 as of Nov. 2023 is calculated using the average number of shares outstanding during 1H of Fiscal 2024, and forecast of EPS (Basic-yen) for Fiscal 2024 as of Feb. 2024 is calculated using the average number of shares outstanding during nine months of Fiscal 2024 (after the stock split in Jan. 2024.)

Financial forecasts have been revised due mainly by slower recovery of the semiconductor-related markets and information and communications-related markets, as compared with our expectations.

Financial Forecasts for Fiscal 2024 (2)



(Unit: Yen in millions)

	Fiscal 2023	Fiscal 2024 (Forecast)		Change in amount compared with	
		Previous (November 2023)	Revised (February 2024)	Fiscal 2023	Previous Forecast
Capital Expenditures	173,901 (8.6%)	170,000 (8.3%)	160,000 (8.0%)	-13,901	-10,000
Depreciation Charge of Property, Plant and Equipment	108,757 (5.4%)	115,000 (5.6%)	115,000 (5.8%)	6,243	—
R&D Expenses	94,277 (4.7%)	106,000 (5.2%)	106,000 (5.3%)	11,723	—

Note: Figures in parentheses represent percentages to sales revenue.

Forecasts of capital expenditures have been revised as well, due to the postponement of some capital expenditures to Fiscal 2025 onward.

Sales Revenue Forecasts by Reporting Segment for Fiscal 2024



(Unit: Yen in millions)

Sales Revenue by Reporting Segment	Fiscal 2023		Fiscal 2024 (Forecast)				Change in amount compared with	
	Amount	Component Ratio	Previous (November 2023)		Revised (February 2024)		Fiscal 2023	Previous Forecast
			Amount	Component Ratio	Amount	Component Ratio		
Core Components Business	592,376	29.2%	567,000	27.6%	562,000	28.1%	-30,376	-5,000
Industrial & Automotive Components Unit	199,194	9.8%	221,000	10.8%	222,000	11.1%	22,806	1,000
Semiconductor Components Unit	364,579	18.0%	315,000	15.3%	310,000	15.5%	-54,579	-5,000
Others	28,603	1.4%	31,000	1.5%	30,000	1.5%	1,397	-1,000
Electronic Components Business	378,536	18.7%	358,000	17.5%	349,000	17.4%	-29,536	-9,000
Solutions Business	1,068,597	52.8%	1,146,000	55.9%	1,109,000	55.5%	40,403	-37,000
Industrial Tools Unit	308,406	15.2%	325,000	15.8%	316,000	15.8%	7,594	-9,000
Document Solutions Unit	434,914	21.5%	473,000	23.1%	457,000	22.9%	22,086	-16,000
Communications Unit	207,793	10.3%	231,000	11.3%	223,000	11.2%	15,207	-8,000
Others	117,484	5.8%	117,000	5.7%	113,000	5.6%	-4,484	-4,000
Others	23,403	1.2%	18,000	0.9%	18,000	0.9%	-5,403	—
Adjustments and Eliminations	-37,580	-1.9%	-39,000	-1.9%	-38,000	-1.9%	-420	1,000
Sales Revenue	2,025,332	100.0%	2,050,000	100.0%	2,000,000	100.0%	-25,332	-50,000

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



(Unit: Yen in millions)

Business Profit by Reporting Segment	Fiscal 2023		Fiscal 2024 (Forecast)				Change in amount compared with	
	Amount	% to Sales Revenue	Previous (November 2023)		Revised (February 2024)		Fiscal 2023	Previous Forecast
			Amount	% to Sales Revenue	Amount	% to Sales Revenue		
Core Components Business	89,475	15.1%	65,000	11.5%	57,000	10.1%	-32,475	-8,000
Industrial & Automotive Components Unit	24,743	12.4%	24,500	11.1%	25,000	11.3%	257	500
Semiconductor Components Unit	67,702	18.6%	39,500	12.5%	31,000	10.0%	-36,702	-8,500
Others	-2,970	—	1,000	3.2%	1,000	3.3%	3,970	—
Electronic Components Business	44,064	11.6%	24,500	6.8%	15,000	4.3%	-29,064	-9,500
Solutions Business	42,239	4.0%	85,000	7.4%	70,000	6.3%	27,761	-15,000
Industrial Tools Unit	23,279	7.5%	22,000	6.8%	17,000	5.4%	-6,279	-5,000
Document Solutions Unit	33,706	7.8%	51,000	10.8%	45,000	9.8%	11,294	-6,000
Communications Unit	-11,729	—	5,500	2.4%	5,000	2.2%	16,729	-500
Others	-3,017	—	6,500	5.6%	3,000	2.7%	6,017	-3,500
Others	-28,795	—	-43,000	—	-44,000	—	-15,205	-1,000
Total Business Profit	146,983	7.3%	131,500	6.4%	98,000	4.9%	-48,983	-33,500
Corporate Gains and Others	29,209	—	38,500	—	42,000	—	12,791	3,500
Profit Before Income Taxes	176,192	8.7%	170,000	8.3%	140,000	7.0%	-36,192	-30,000

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**3 Status of Discussion regarding
Cross-shareholdings**

Key issue identified through dialogue with the stock market

“Kyocera should effectively utilize cross-shareholdings for the Group’s further growth.”

Continuously discuss specific measures as a key issue

Investments for components for semiconductor industries	Strategic M&A	Enhancement of management foundation
<p data-bbox="204 568 639 639">Increase production capacity in anticipation of demand growth</p> <ul data-bbox="185 661 668 762" style="list-style-type: none">◆ Shiga Yohkaichi Plant◆ Kagoshima Sendai Plant◆ Nagasaki Isahaya Plant (Tentative name)	<p data-bbox="726 568 1205 639">Consider business areas with high synergy potential as areas of M&A</p> <ul data-bbox="726 661 1209 762" style="list-style-type: none">◆ Electronic Components Business◆ Industrial Tools Unit <p data-bbox="1166 734 1209 756">etc.</p>	<p data-bbox="1296 555 1725 661">Further expansion of digital transformation investment and human capital investment</p> <ul data-bbox="1271 683 1731 749" style="list-style-type: none">◆ Introduce generative AI into work◆ Promote reskilling of employees

Future capital policy, including a clarification of funding needs, is planned to be announced in autumn of 2024 or onward.

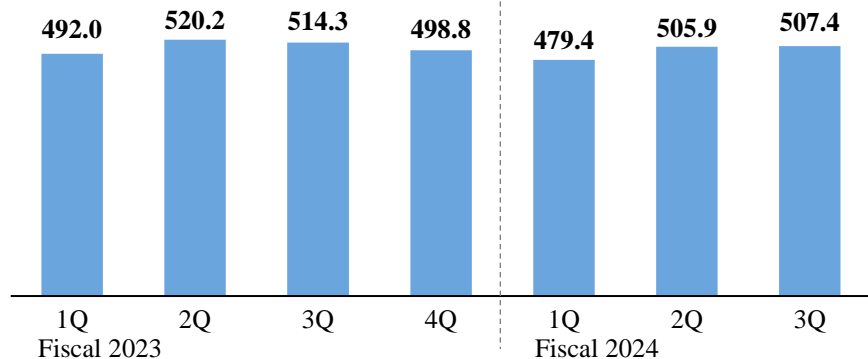
Appendix:
Quarterly Trends of Financial Results
from 1Q of Fiscal 2023 to 3Q of Fiscal 2024

Quarterly Trends of Financial Results



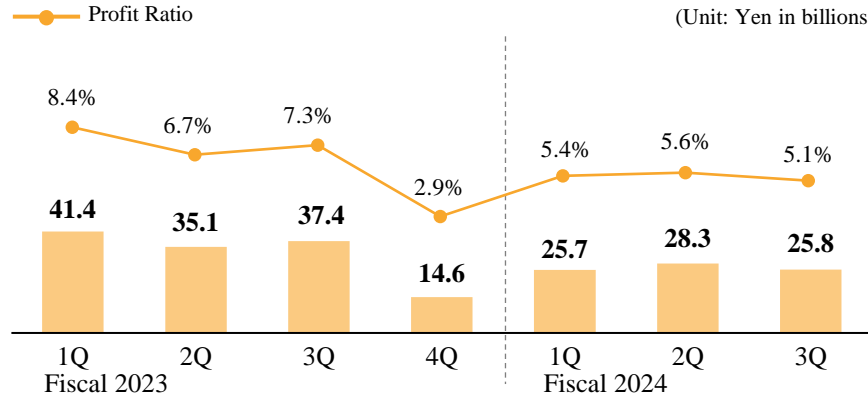
Sales Revenue

(Unit: Yen in billions)



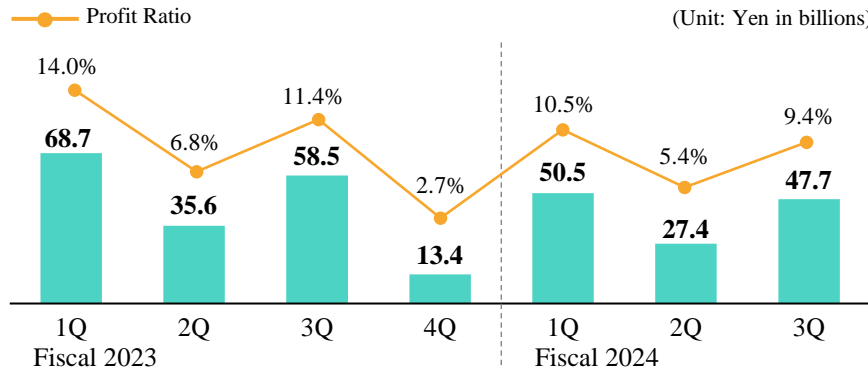
Operating Profit

(Unit: Yen in billions)



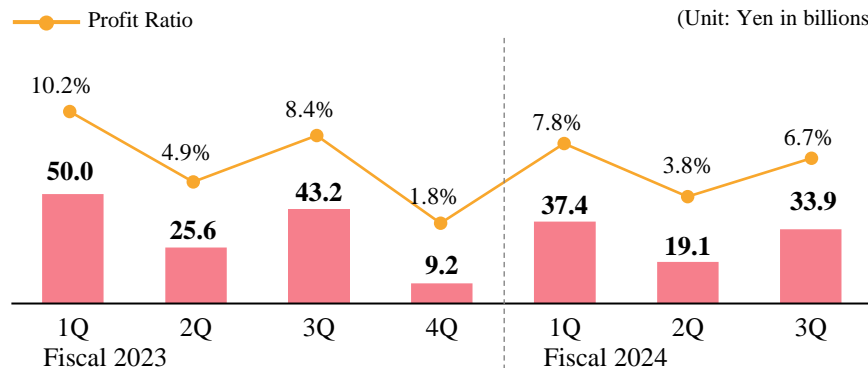
Profit Before Income Taxes

(Unit: Yen in billions)



Profit Attributable to Owners of the Parent

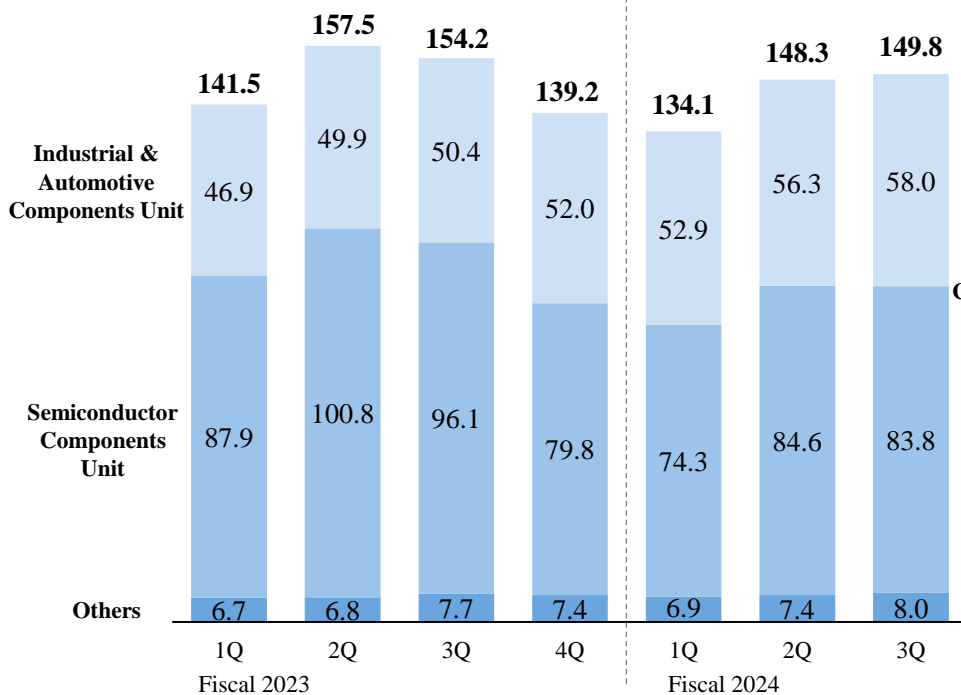
(Unit: Yen in billions)



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

Sales Revenue

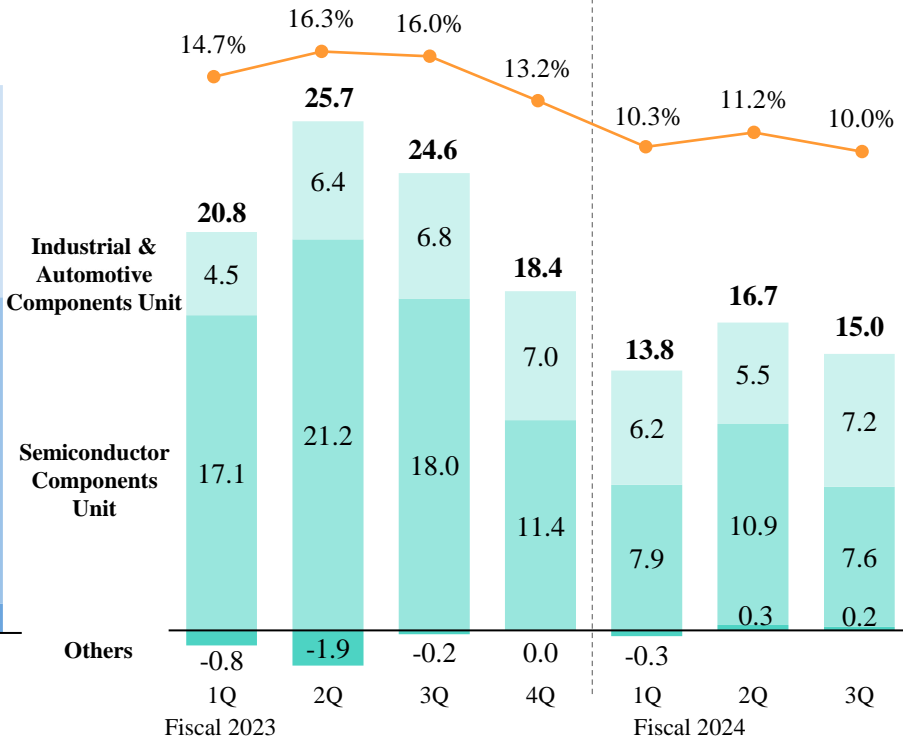
(Unit: Yen in billions)



Business Profit

(Unit: Yen in billions)

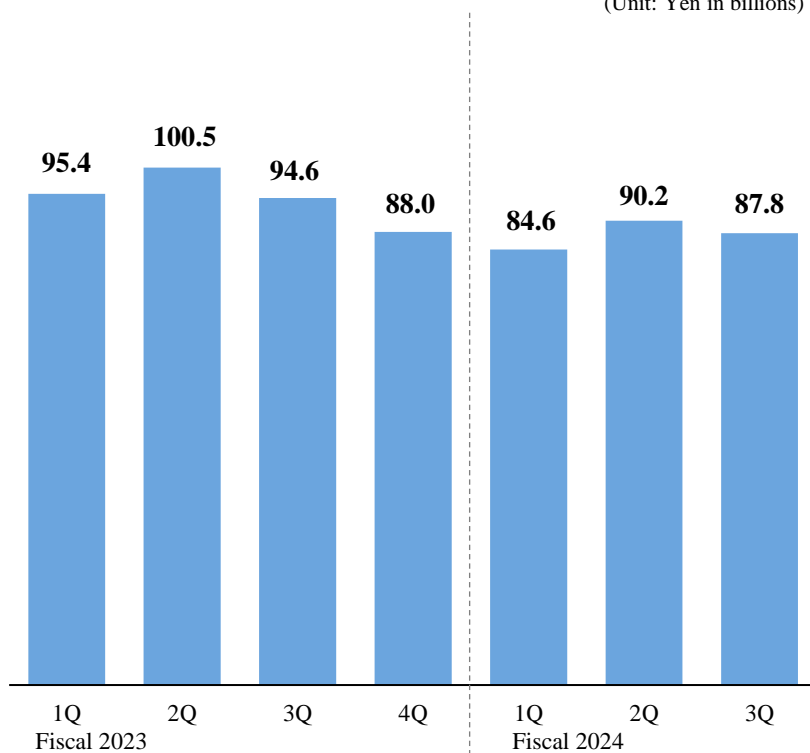
Business Profit Ratio



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

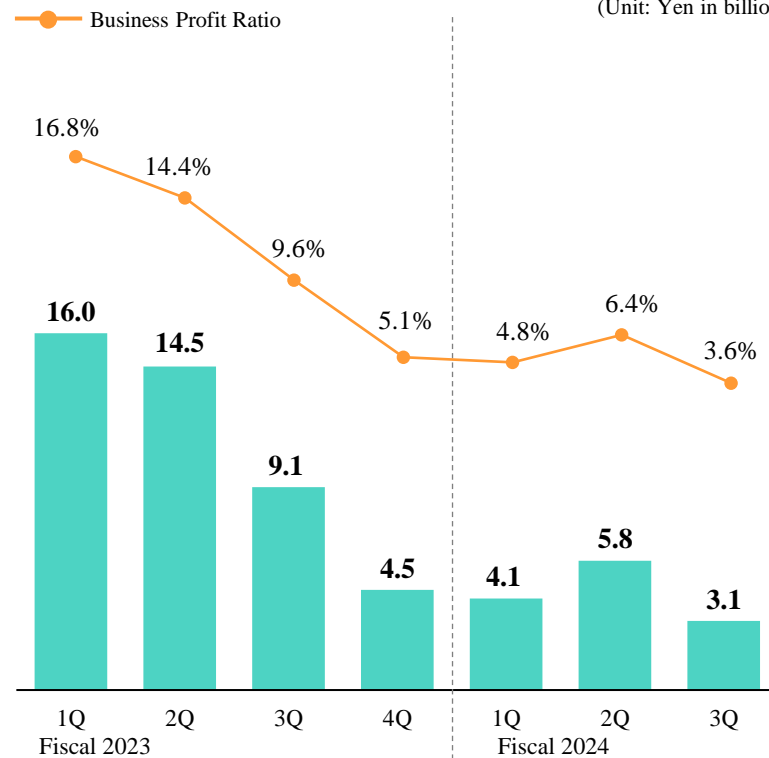
Sales Revenue

(Unit: Yen in billions)



Business Profit

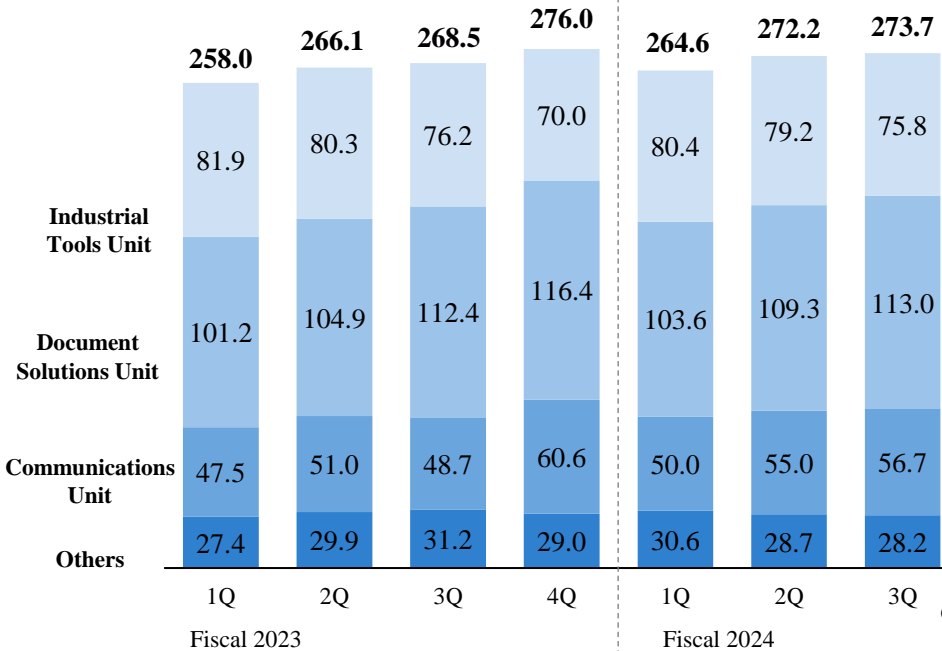
(Unit: Yen in billions)



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

Sales Revenue

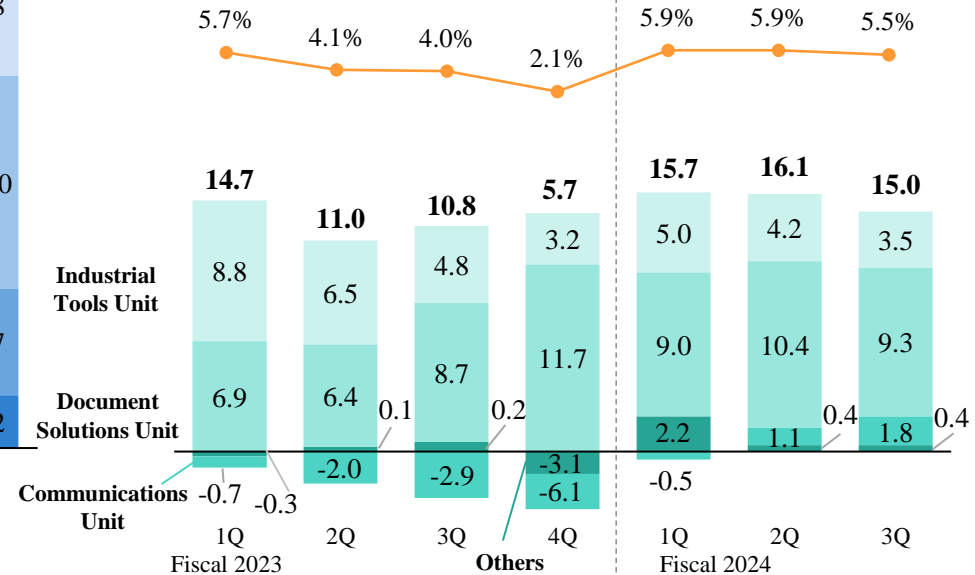
(Unit: Yen in billions)



Business Profit

(Unit: Yen in billions)

Business Profit Ratio



Notes: Business profit is the profit before income taxes of each 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.



KYOCERA Corporation