



Financial Presentation for the Three Months Ended June 30, 2021

(Held on July 29, 2021)

Hideo Tanimoto

President and Representative Director

<1. Financial Results for Q1 of FY3/2022>

Sales revenue in the three months ended June 30, 2021 (“the first quarter”) increased 32.7% to 420.7 billion yen compared with the three months ended June 30, 2020 (“the previous first quarter”), marking a record high for a first quarter, due to increased demand in major markets such as the semiconductor-related markets. Profits also increased significantly due to the effect of increased sales revenue. Operating profit increased 327.5% to 32.4 billion yen, profit before income taxes increased 79.1% to 54.5 billion yen, and profit attributable to owners of the parent increased 82.1% to 40.8 billion yen compared with the previous first quarter.

Capital expenditures, depreciation charge of property, plant and equipment, and research and development expenses increased, respectively, due to our aggressive efforts to increase production of strategic products and to strengthen development of new products.

The average exchange rates were 109 yen to the U.S. dollar, marking depreciation of 1 yen from the previous first quarter, and 132 yen to the euro, marking depreciation of 14 yen from the previous first quarter, which boosted sales revenue by approximately 13 billion yen and profit before income taxes by approximately 4.5 billion yen compared with the previous first quarter.

<2. Sales Revenue by Reporting Segment for Q1 of FY3/2022>

All reporting segments achieved double-digit sales revenue growth for the first quarter compared with the previous first quarter.

<3. Business Profit (Loss) by Reporting Segment for Q1 of FY3/2022>

Business profit by reporting segment increased significantly in all reporting segments, mainly due to higher sales revenue.

<4. Financial Results for Q1 of FY3/2022 by Reporting Segment>

<(1) Core Components Business>

In the Core Components Business, sales revenue increased due to increased demand for fine ceramics components for semiconductor processing equipment and automotive cameras in the Industrial & Automotive Components Unit as well as increased demand for ceramic packages and organic packages and boards for 5G and automotive-related markets in the Semiconductor Components Unit.

Business profit in the segment jumped some 2.5-fold compared with the previous first quarter and the business profit ratio improved to 9.4% mainly due to the increase in sales revenue, despite an increase in depreciation charge due to the expansion of production capacity for strategic products.

<5. Financial Results for Q1 of FY3/2022 by Reporting Segment>

<(2) Electronic Components Business>

In the Electronic Components Business, sales revenue and business profit increased mainly due to a recovery of AVX Corporation's performance. Sales of various capacitors, sensing and control devices and crystal devices increased thanks to a favorable demand in the 5G and semiconductor-related markets in addition to a recovery in the automotive-related market and industrial market.

Business profit increased sharply due to the growth in sales revenue, cost reductions and an improved product mix. The business profit ratio improved to around 15%.

<6. Financial Results for Q1 of FY3/2022 by Reporting Segment>

<(3) Solutions Business>

In the Solutions Business, there was a recovery in demand for cutting tools in the Industrial Tools Unit, which had been sluggish in the previous first quarter. In addition, demand for pneumatic/power tools remained strong. In the Document Solutions Unit, there was a recovery in demand for printers, MFPs and consumables. Business profit increased substantially due to an increase in sales revenue and improved productivity accompanying the promotion of automation.

This concluded the summary of our financial results for the first quarter. Next, I will explain the full-year financial forecasts for the Year Ending March 31, 2022

<7. Financial Forecasts for the Year Ending March 31, 2022>

We have not changed our full-year financial forecasts from the figures announced in April 2021.

In the first quarter, we got off to a good start toward achieving the full-year financial forecasts, and we expect that demand for 5G-related components and components for semiconductor processing equipment will increase in the three months ending September 30, 2021 ("the second quarter") and beyond. On the other hand, due to concerns about the impact of the semiconductor shortage on various markets, we plan to reevaluate the full-year financial forecasts based on the situation in the second quarter.

<8. Sales Revenue Forecast by Reporting Segment for FY3/2022>

<9. Business Profit (Loss) Forecast by Reporting Segment for FY3/2022>

There is no change in the financial forecasts by reporting segment shown on pages 8 and 9 at this time. We will continue our efforts to obtain orders and improve productivity.

Introduction of the new Executive Officers in charge of segments

<Core Components Business>

Hiroshi Fure, Director and Managing Executive Officer

I have been dealing mainly with the components business, including the automotive components business and the organic materials business for the Semiconductor Components Unit. Our Core Components Business includes fine ceramics components and ceramic packages, which were the basis for Kyocera's founding, as well as a wide range of module products with enhanced functionality, such as automotive camera modules and SOFC cell stacks for fuel cells. Since April 2021, I have been assessing the situation in each business, but my first priority is to respond to the recent rapid increase in semiconductor-related demand. We have also started a cross-sectional project to strengthen collaboration within the segment for the future. I will also focus on strengthening core technologies, exploring new themes and education, such as fostering and revitalizing human resources. We would like to achieve continuous growth by further reviewing our work structure and strengthening our management base. We will strive to work together with each business to create valuable products and to be more confident and proud of our products and manufacturing than ever before.

<Electronic Components Business>

John Sarvis, Managing Executive Officer (Video message)

I am currently CEO and president of AVX Corporation ("AVX"). We will strive to develop the Electronic Components Business by creating an organization that can utilize distinguished strengths both of Kyocera's electronic components and AVX. I am sorry that I could not attend financial results briefing today, but I am looking forward to the day when I can meet in person and explain Electronic Components Business strategy.

Koichi Kano, Director and Managing Executive Officer

I have been in charge of the sales, marketing, and manufacturing departments in the electronic components business. I also worked overseas for over 10 years, having been dispatched to AVX, a US subsidiary, in 1990, when AVX joined the Kyocera Group. I have been acquainted with John Sarvis for 30 years and well understand his thoughts. For the past 10 years, I have been in charge of the Corporate Development Group, which supports the overall management of group companies, including mergers and acquisitions.

In the Electronic Components Business, our top priority is to pursue synergy between the AVX and electronic components businesses of Kyocera. As a concrete measure to achieve this goal, we will integrate our sales

channels globally, starting with Europe and the US, under the new brand in October 2021. In the manufacturing and technology departments, we will leverage each other's strengths in order to capture market shares and improve profitability in the priority areas of high-value-added markets in which AVX excels, such as the medical, industrial, and energy markets, in addition to the rapidly growing 5G, semiconductor, automotive, and data storage markets.

<Solutions Business>

Norihiko Ina, Director and Managing Executive Officer

I have been responsible for the management of the Kyocera Document Solutions Group. In the Solutions Business, which I am newly in charge of, is a collection of diverse businesses including industrial tools, document solutions, and communications. Over the past 4 months, I have been working hard to understand the details of each business, the status of their initiatives, and their strengths and challenges. I am now encouraging a different level of interaction between the businesses than before, urging them to share various opinions and methods to strengthen each of them. Based on the Kyocera Philosophy, we will create many solutions to solve the problems of society and our customers by utilizing the diversity of our Solutions Business and combining our management resources, without being bound by existing frameworks, with flexible thinking, ingenuity and a spirit of challenge, which have always been Kyocera's strengths. By doing so, we will work to build a business that can sustain and grow on its own.

<Headquarters>

Shoichi Aoki, Director and Managing Executive Officer

I have been running the Corporate Management Control Group, focusing on accounting. As a result of the organizational change, under the leadership of the officers in charge of the Business Segments, who have just introduced themselves, we will be able to further promote mutual utilization of management resources across the businesses and accelerate new business development. As we move forward with these management reforms, in addition to the Corporate Management Control Group, which I was in charge of, I will aim for providing comprehensive support from the main administrative departments, including general affairs, human resources and legal. For this purpose, I will strengthen the functions and cooperation between each department and operate them not bound by the existing frameworks for the overall optimization of the Kyocera Group.

Cautionary statement

This is an English translation of the Japanese original. The translation is prepared solely for the reference and convenience of those who do not use Japanese. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Except for historical information contained herein, the matters set forth in this document are forward-looking statements that involve risks and uncertainties including, but not limited to, product demand, competition, regulatory approvals, the effect of economic conditions and technological difficulties, and other risks detailed in the cautionary statements with respect to forward-looking statements on the company's website.