



## **KYOCERA Corporation**

Financial Presentation for the Three Months Ended June 30, 2025

July 30, 2025

# Event Summary

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[Company Name]	Kyocera Corporation	
[Company ID]	6971	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Financial Presentation for the Three Months Ended June 30, 2025	
[Fiscal Period]	FY2026 1Q	
[Date]	July 30, 2025	
[Time]	16:45 – 17:26 (Total: 41 minutes, Presentation: 14 minutes, Q&A: 27 minutes)	
[Venue]	Webcast	
[Number of Speakers]	2	
	Hideo Tanimoto	President and Representative Director
	Hiroaki Chida	Director, Managing Executive Officer, Executive General Manager of Headquarters (CFO)

## Presentation

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**Moderator:** Thank you for your patience. Thank you for taking time out of your busy schedule to participate in today's Kyocera Corporation webinar. We will now hold a financial results briefing for the three months ended June 30, 2025. Please refer to our website for the materials that will be used today. Today's webinar is being recorded. Please understand this in advance. Let me first introduce today's attendees. Hideo Tanimoto, President and Representative Director. Hiroaki Chida, Director, Managing Executive Officer, Executive General Manager of Headquarters. We will now begin the explanation. President Tanimoto, please.

**Tanimoto:** I would like to take this opportunity to thank everyone for their continued support. Thank you very much for taking time out of your busy schedule to attend our financial results briefing today. I will now explain our financial results for 1Q of fiscal 2026 in accordance with the presentation materials.

## 01. Financial Results for 1Q of Fiscal 2026

## 02. Financial Forecasts for Fiscal 2026

## 03. Progress of Structural Reforms and Capital Strategies, etc.

## 04. [Reference] Supplementary Information

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 ended March 31, 2025 is referred to as "Fiscal 2025", the year ending March 31, 2026 is referred to as "Fiscal 2026", 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.

Kyocera decided to change the classification of Jewelry & Applied Ceramic Related Products Business, which was included in "Others" under "Core Components Business" to "Others" under "Solutions Business" and Displays Business, which was included in "Others" under "Solutions Business" to "Industrial & Automotive Components Unit" under "Core Components Business" from fiscal 2026. With this change, the business results for fiscal 2025 have been reclassified in the same manner.

Figures of change rates and business profit ratio are calculated based on millions of yen.

Today, we will explain the items listed here in order.

First, I will provide an overview of the financial results for 1Q of fiscal 2026.

## Financial Results for 1Q of Fiscal 2026 (1)



(Unit: Yen in millions)

	Fiscal 2025 1Q	Fiscal 2026 1Q	Change	
			Amount	%
<b>Sales Revenue</b>	498,868	<b>478,038</b>	-20,830	-4.2%
<b>Operating Profit</b>	20,956 (4.2%)	<b>18,550</b> (3.9%)	-2,406	-11.5%
<b>Profit Before Income Taxes</b>	47,765 (9.6%)	<b>44,563</b> (9.3%)	-3,202	-6.7%
<b>Profit Attributable to Owners of the Parent</b>	36,797 (7.4%)	<b>37,143</b> (7.8%)	346	0.9%
Average Exchange Rates	US\$			
	156 yen	<b>145 yen</b>		
	Euro			
	168 yen	<b>164 yen</b>		

### Additional Information

- Impact from Change in Exchange Rates (Appreciation of the Yen)  
Sales Revenue: Approx. -22.0 Billion Yen / Operating Profit and Profit Before Income Taxes: Approx. -1.7 Billion Yen
- One-time Cost Incurred in connection with the Execution of an Agreement to Transfer the Silicon Diode Power Semiconductor Business  
Operating Profit and Profit Before Income Taxes: Approx. -2.1 Billion Yen
- Adjustment of Tax Expenses due to the Sales of KDDI Shares  
Profit Attributable to Owners of the Parent: Approx. +4.0 Billion Yen

Note: Figures in parentheses represent percentages to sales revenue.

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See page three.

Sales revenue for 1Q decreased by 4.2% YoY to JPY478 billion. Operating profit decreased by 11.5% to JPY18.6 billion, profit before income taxes decreased by 6.7% to JPY44.6 billion, and profit attributable to owners of the parent increased by 0.9% to JPY37.1 billion.

The average exchange rate was JPY145 against the US dollar, appreciated JPY11 YoY, and JPY164 against the euro, appreciated JPY4. As shown in the bottom column, this exchange rate change pushed down sales revenue by about JPY22 billion and operating profit and profit before income taxes by about JPY1.7 billion.

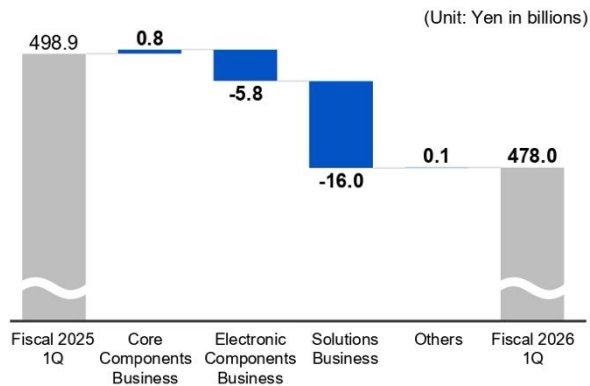
In addition, operating profit and profit before income taxes decreased by approximately JPY2.1 billion due to a one-time loss associated with the execution of an agreement to transfer the silicon diode power semiconductor business. On the other hand, the adjustment of tax expenses due to the sale of KDDI shares contributed to an increase in profit attributable to owners of the parent of approximately JPY4 billion.

## Financial Results for 1Q of Fiscal 2026 (2)



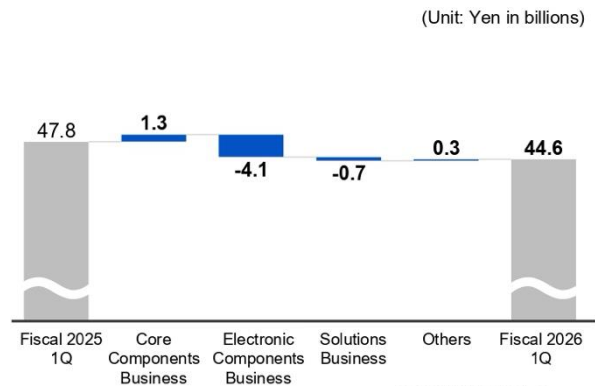
### Sales Revenue

Sales revenue in the Electronic Components Business and the Solutions Business decreased due mainly to the impact of a stronger yen against the U.S. dollar



### Profit Before Income Taxes

Decreased due to the decrease in sales as well as the impact of one-time cost incurred in connection with the execution of an agreement to transfer the silicon diode power semiconductor business, which more than offset the effects of cost reductions in each business



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See page four.

Here is a summary of the 1Q results.

See the sales revenue figures on the left side of the slide. Sales revenue decreased due to lower sales in the Electronic Components Business and the Solutions Business, mainly because of the yen's appreciation against the US dollar.

Then look at the profit before income taxes on the right side. Despite the effect of improved profitability in each business, the decrease in profits was due to the impact of lower sales and a one-time loss associated with the execution of an agreement to transfer the silicon diode power semiconductor business.

## Financial Results for 1Q of Fiscal 2026 (3)

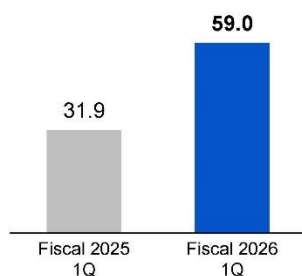


### Capital Expenditures

Increased due mainly to completion of new factory buildings\* constructed mainly in Japan from previous years to expand production capacities and to promote automation

\* Kagoshima Sendai Plant: approx. 24.0 billion yen,  
Shiga Higashiomi Plant: approx. 5.0 billion yen

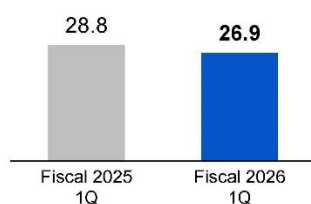
(Unit: Yen in billions)



### Depreciation Charge of PP&E

Decreased due mainly to the recording of a loss for impairment in the Organic Packages and Boards Business in fiscal 2025

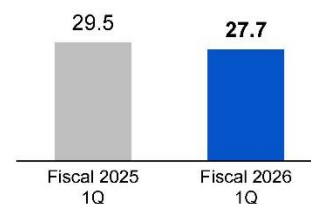
(Unit: Yen in billions)



### R&D Expenses

Decreased due to the inception of selection and concentration of R&D activities from fiscal 2026

(Unit: Yen in billions)



See page five.

This page shows capital expenditures, depreciation charge of property, plant and equipment, and R&D expenses.

Capital expenditures on the left side increased significantly, mainly due to the completion of new factory buildings constructed in Japan from previous years to expand production capacities and to promote automation.

Depreciation charge of property, plant and equipment in the center decreased mainly due to the recording of a loss for impairment in the Organic Packages and Boards Business in fiscal 2025.

R&D expenses on the right side decreased due to the inception of selection and concentration of R&D activities from fiscal 2026.

## Sales Revenue by Reporting Segment for Fiscal 2026 1Q



(Unit: Yen in millions)

	Fiscal 2025 1Q		Fiscal 2026 1Q		Change	
	Amount	Component Ratio	Amount	Component Ratio	Amount	%
<b>Core Components Business</b>	145,088	29.1%	<b>145,856</b>	<b>30.5%</b>	768	0.5%
Industrial & Automotive Components Unit	65,722	13.2%	65,270	13.6%	-452	-0.7%
Semiconductor Components Unit	73,597	14.7%	74,519	15.6%	922	1.3%
Others	5,769	1.2%	6,067	1.3%	298	5.2%
<b>Electronic Components Business</b>	89,712	18.0%	<b>83,864</b>	<b>17.6%</b>	-5,848	-6.5%
<b>Solutions Business</b>	269,042	53.9%	<b>253,007</b>	<b>52.9%</b>	-16,035	-6.0%
Industrial Tools Unit	85,865	17.2%	80,038	16.7%	-5,827	-6.8%
Document Solutions Unit	115,037	23.0%	107,415	22.5%	-7,622	-6.6%
Communications Unit	51,318	10.3%	45,586	9.5%	-5,732	-11.2%
Others	16,822	3.4%	19,968	4.2%	3,146	18.7%
Others	4,214	0.8%	3,430	0.7%	-784	-18.6%
Adjustments and Eliminations	-9,188	-1.8%	-8,119	-1.7%	1,069	-
<b>Sales Revenue</b>	<b>498,868</b>	<b>100.0%</b>	<b>478,038</b>	<b>100.0%</b>	<b>-20,830</b>	<b>-4.2%</b>

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## Business Profit (Loss) by Reporting Segment for Fiscal 2026 1Q



(Unit: Yen in millions)

	Fiscal 2025 1Q		Fiscal 2026 1Q		Change	
	Amount	% to Sales Revenue	Amount	% to Sales Revenue	Amount	%
<b>Core Components Business</b>	12,917	8.9%	<b>14,188</b>	<b>9.7%</b>	1,271	9.8%
Industrial & Automotive Components Unit	6,172	9.4%	7,777	11.9%	1,605	26.0%
Semiconductor Components Unit	6,472	8.8%	6,236	8.4%	-236	-3.6%
Others	273	4.7%	175	2.9%	-98	-35.9%
<b>Electronic Components Business</b>	1,055	1.2%	<b>-3,008</b>	<b>-</b>	-4,063	-
<b>Solutions Business</b>	19,569	7.3%	<b>18,879</b>	<b>7.5%</b>	-690	-3.5%
Industrial Tools Unit	6,010	7.0%	6,551	8.2%	541	9.0%
Document Solutions Unit	11,340	9.9%	9,753	9.1%	-1,587	-14.0%
Communications Unit	679	1.3%	206	0.5%	-473	-69.7%
Others	1,540	9.2%	2,369	11.9%	829	53.8%
Others	-11,388	-	-10,129	-	1,259	-
<b>Total Business Profit</b>	22,153	4.4%	<b>19,930</b>	<b>4.2%</b>	-2,223	-10.0%
Corporate Gains and Others	25,612	-	24,633	-	-979	-3.8%
<b>Profit Before Income Taxes</b>	<b>47,765</b>	<b>9.6%</b>	<b>44,563</b>	<b>9.3%</b>	<b>-3,202</b>	<b>-6.7%</b>

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Page six lists sales revenue by segment, and page seven is a list of profits by segment.

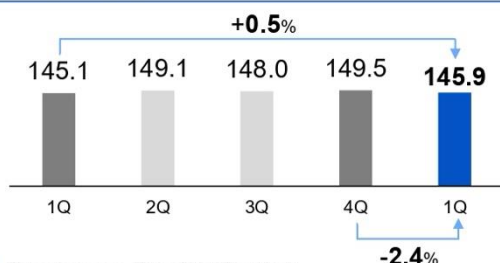


## Financial Results by Reporting Segment for Fiscal 2026 1Q: Core Components Business

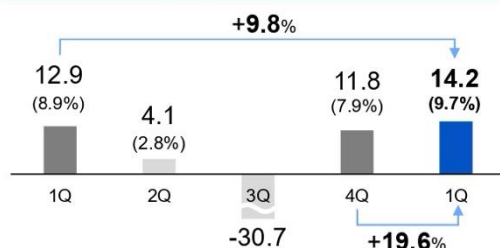


■ : Fiscal 2025 ■ : Fiscal 2026 (Unit: Yen in billions)

### Sales Revenue



### Business Profit (Ratio)



#### •YoY

- ✓ Sales revenue remained almost flat in both the Industrial & Automotive Components Unit and the Semiconductor Components Unit.
- ✓ Business profit increased due to the effect of structural reforms in the Organic Packages and Boards Business as well as increased profit in the Automotive Components Business, partly offset by decreased profit in the Ceramic Packages Business as compared with fiscal 2025 1Q.

#### •QoQ

- ✓ Sales revenue decreased due to the decrease in sales of the Organic Packages and Boards Business, the Displays Business and the Fine Ceramic Components Business.
- ✓ Business profit increased due to the effect of cost reductions in each business as well as improvement in profitability of the Ceramic Packages Business.

See page eight. First, the Core Components Business.

Sales revenue for 1Q was JPY145.9 billion and business profit was JPY14.2 billion. On a YoY basis, sales revenue of both the Industrial & Automotive Components Unit and the Semiconductor Components Unit remained almost flat.

Business profit increased due to the effect of structural reforms in the Organic Packages and Boards Business and the contribution of profit growth in the Automotive Components Business, although the Ceramic Packages Business did not reach the level of the same period of the previous year.

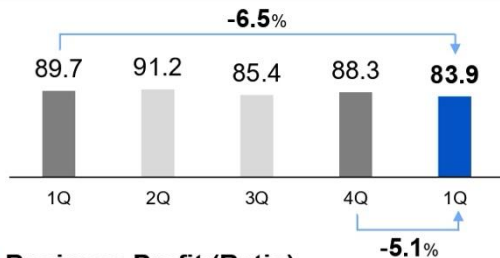
On a QoQ basis, sales revenue decreased due to lower sales in the Organic Packages and Boards Business, the Display Business, and the Fine Ceramic Components Business. Business profit increased due to cost reductions in each business and improved profitability in the Ceramic Packages Business.

## Financial Results by Reporting Segment for Fiscal 2026 1Q: Electronic Components Business

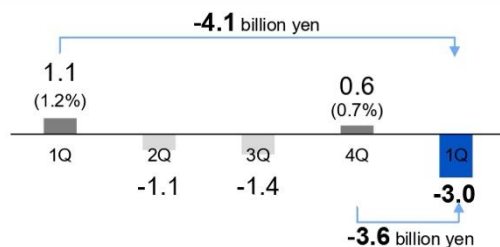


■ : Fiscal 2025 ■ : Fiscal 2026 (Unit: Yen in billions)

### Sales Revenue



### Business Profit (Ratio)



#### •YoY

- ✓ Sales revenue decreased due mainly to the impact of a stronger yen against the U.S. dollar.
- ✓ Business profit decreased due to decreased sales as well as a one-time cost<sup>\*1</sup> incurred in connection with the execution of the agreement to transfer the silicon diode power semiconductor business, which more than offset the positive effect of structural reforms in KAVX<sup>\*2</sup> Group.

<sup>\*1</sup> Kyocera AVX Components Corporation

<sup>\*2</sup> Incurred a loss of approx. 2.1 billion yen resulting from the difference between the agreed transfer price of the business and total book value of business assets.

#### •QoQ

- ✓ Same as YoY.

See page nine. Next is the Electronic Components Business.

Sales revenue for 1Q was JPY83.9 billion, and business loss was JPY3 billion. Both YoY and QoQ comparisons show a decrease in sales revenue, mainly due to the appreciation of the yen against the US dollar.

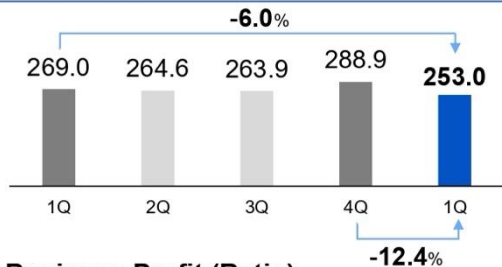
Despite the positive effects of structural reforms in KAVX Group, business profit decreased due to the impact of lower sales and a one-time loss of approximately JPY2.1 billion associated with the execution of the agreement to transfer the silicon diode power semiconductor business.

## Financial Results by Reporting Segment for Fiscal 2026 1Q: Solutions Business

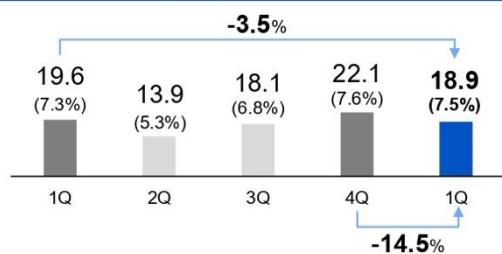


■ : Fiscal 2025 ■ : Fiscal 2026 (Unit: Yen in billions)

### Sales Revenue



### Business Profit (Ratio)



#### •YoY

- ✓ Sales revenue decreased due to decreased sales in the Industrial Tools Unit and the Document Solutions Unit, etc. driven by the impact of the stronger yen, which were partly offset by increased sales in the Printing Devices Business, etc.
- ✓ Business profit remained almost flat, with the impact of decreased sales offset efforts to reduce costs in each business.

#### •QoQ

- ✓ Both sales revenue and business profit decreased due to seasonality of the Document Solutions Unit and the Communications Unit.

See page 10. Finally, the Solutions Business.

Sales revenue for 1Q was JPY253 billion, and business profit was JPY18.9 billion. On a YoY basis, sales in the Printing Devices Business, etc. increased, but sales in the Industrial Tools Unit and the Document Solutions Unit, etc. declined, mainly due to the impact of appreciation of the yen.

Business profit remained mostly unchanged as cost reduction efforts in each business absorbed the impact of lower sales.

On a QoQ basis, the Document Solutions Unit and the Communications Unit reported lower sales and profits due to seasonal factors.

Next, I will explain the financial forecast for fiscal 2026.

## Financial Forecasts for Fiscal 2026



		No change from previous forecast			(Unit: Yen in millions)	
		Fiscal 2025	Fiscal 2026	Change		
				Amount	%	
Sales Revenue		2,014,454	1,900,000	-114,454	-5.7%	
Operating Profit		27,299 (1.4%)	55,000 (2.9%)	27,701	101.5%	
Profit Before Income Taxes		63,631 (3.2%)	95,000 (5.0%)	31,369	49.3%	
Profit Attributable to Owners of the Parent		24,097 (1.2%)	70,500 (3.7%)	46,403	192.6%	
EPS (Yen)		17.11	50.04			
Average Exchange Rates	US\$	153 yen	135 yen			
	Euro	164 yen	150 yen			
Capital Expenditures		141,932 (7.0%)	180,000 (9.5%)	38,068	26.8%	
Depreciation Charge of PP&E		112,077 (5.6%)	120,000 (6.3%)	7,923	7.1%	
R&D Expenses		116,087 (5.8%)	120,000 (6.3%)	3,913	3.4%	

Notes: Forecasts of EPS for fiscal 2026 is calculated using the average number of shares outstanding during fiscal 2026 1Q.  
Figures in parentheses represent percentages to sales revenue.

See page 12.

There is no change in the full-year forecast from the figures announced in May of this year.

## Sales Revenue by Reporting Segment for Fiscal 2026



	Fiscal 2025		No change from previous forecast Fiscal 2026		(Unit: Yen in millions) Change	
	Amount	Component Ratio	Amount	Component Ratio	Amount	%
<b>Core Components Business</b>	591,720	29.4%	<b>547,000</b>	<b>28.8%</b>	-44,720	-7.6%
Industrial & Automotive Components Unit	267,028	13.3%	250,000	13.2%	-17,028	-6.4%
Semiconductor Components Unit	300,765	14.9%	272,000	14.3%	-28,765	-9.6%
Others	23,927	1.2%	25,000	1.3%	1,073	4.5%
<b>Electronic Components Business</b>	354,646	17.6%	<b>330,000</b>	<b>17.4%</b>	-24,646	-6.9%
<b>Solutions Business</b>	1,086,367	53.9%	<b>1,041,000</b>	<b>54.8%</b>	-45,367	-4.2%
Industrial Tools Unit	305,876	15.2%	292,000	15.4%	-13,876	-4.5%
Document Solutions Unit	479,964	23.8%	455,000	23.9%	-24,964	-5.2%
Communications Unit	225,497	11.2%	214,000	11.3%	-11,497	-5.1%
Others	75,030	3.7%	80,000	4.2%	4,970	6.6%
Others	17,114	0.9%	12,000	0.6%	-5,114	-29.9%
Adjustments and Eliminations	-35,393	-1.8%	-30,000	-1.6%	5,393	-
<b>Sales Revenue</b>	<b>2,014,454</b>	<b>100.0%</b>	<b>1,900,000</b>	<b>100.0%</b>	-114,454	-5.7%

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## Business Profit (Loss) by Reporting Segment for Fiscal 2026



	Fiscal 2025		No change from previous forecast Fiscal 2026		(Unit: Yen in millions) Change	
	Amount	% to Sales Revenue	Amount	% to Sales Revenue	Amount	%
<b>Core Components Business</b>	-1,889	-	<b>40,400</b>	<b>7.4%</b>	42,289	-
Industrial & Automotive Components Unit	24,673	9.2%	16,000	6.4%	-8,673	-35.2%
Semiconductor Components Unit	-27,824	-	23,000	8.5%	50,824	-
Others	1,262	5.3%	1,400	5.6%	138	10.9%
<b>Electronic Components Business</b>	-818	-	<b>10,000</b>	<b>3.0%</b>	10,818	-
<b>Solutions Business</b>	73,696	6.8%	<b>64,000</b>	<b>6.1%</b>	-9,696	-13.2%
Industrial Tools Unit	15,707	5.1%	9,000	3.1%	-6,707	-42.7%
Document Solutions Unit	49,038	10.2%	40,000	8.8%	-9,038	-18.4%
Communications Unit	9,347	4.1%	9,500	4.4%	153	1.6%
Others	-396	-	5,500	6.9%	5,896	-
Others	-46,990	-	-49,000	-	-2,010	-
<b>Total Business Profit</b>	23,999	1.2%	<b>65,400</b>	<b>3.4%</b>	41,401	172.5%
Corporate Gains and Others	39,632	-	29,600	-	-10,032	-25.3%
<b>Profit Before Income Taxes</b>	<b>63,631</b>	<b>3.2%</b>	<b>95,000</b>	<b>5.0%</b>	31,369	49.3%

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There are no changes to the reporting segment forecasts shown on pages 13 and 14.

Next, I will explain the progress of structural reforms and capital strategies, etc.

## Progress of Business Portfolio Restructuring Amounting to Approx. 200 Billion Yen-Sales Revenue Size



### Transfer of Power Semiconductor Business

Previously announced

### Commencement of Review of Strategic Options for a U.S. Distributor of Materials for Construction and Industries, Including Potential Divestiture

New

	Overview of the Business
Reporting Segment	Electronic Components Business
Target Business	Silicon Diode and Power Semiconductor Business
Branches Subject to Transfer	(Japan) Kanagawa Hadano Plant, Ibaraki Tsukuba Office, Part of Electronic Components Domestic Sales Division of Kyocera (Overseas) Manufacturing subsidiary in Taiwan
Scale of Business	Sales Revenue for Fiscal 2025: 7.3 Billion Yen
Transferee	Shindengen Electric Manufacturing Co., Ltd.
Scheme	The target business will be transferred to a new company which will be established by Kyocera through a corporate split, and the shares of the new company will be transferred to Shindengen. (Tentative closing date of the share transfer: Jan. 2026)

	Overview of the Company		
Reporting Segment	Solutions Business		
Company Name	SouthernCarlson, Inc.		
Headquarters	Omaha, Nebraska, United States of America		
Number of Branches	Approx. 120	Number of Employees	Approx. 1,500
Major Business	U.S. distributor of materials for construction and industries		
Scale of Business	Sales Revenue for Fiscal 2025: Approx. 140.0 Billion Yen		
Background	Joined Kyocera Group in 2019 through acquisition		

See page 16.

First, I would like to explain the progress of business portfolio restructuring amounting to approximately JPY200 billion sales revenue size.

See the transfer of the power semiconductor business on the left side of the slide. As announced in May of this year, we will transfer our silicon diode power semiconductor business to Shindengen Electric Manufacturing Co., Ltd.

See the right side of the slide. Following the power semiconductor business, we announced today that we have begun to review strategic options for SouthernCarlson, Inc., a US distributor of materials for construction and industries, which is in the Solutions Business, including potential divestiture. SouthernCarlson is headquartered in the US and has approximately 120 branches and 1,500 employees throughout the US, with sales of approximately JPY140 billion in fiscal 2025. SouthernCarlson joined the Kyocera Group in 2019 through an acquisition, but we have now begun to review strategic options, including potential divestiture. We plan to announce the progress of this matter in due course.



## Progress of Improvement in Challenging Businesses



### Organic Packages and Boards Business

Initiatives to change the cost structure to turn the business profitable: **Implemented as planned**

Selection and concentration of products and production plants	
<b>Increase high-value-added products</b> Increase orders of multi-layer packages for network ASICs	<b>Scale down production of low-margin products</b> Initiated negotiation with the customers to end low-margin products, for the purpose to consolidate production plants
<b>Reduction of fixed costs</b>	
<b>Decrease in depreciations</b> (Incurred impairment loss of production equipment in fiscal 2025) As Compared with Fiscal 2025 1Q Reduced by approx. <b>2.5</b> billion yen	<b>Optimization of production workforce</b> Relocation of approx. 370 workers <b>Completed</b>

### KAVX Group

Initiatives to promote cooperation with the Kyocera's electronic component business aimed at posting profit on annual basis: **Implemented as planned**

Ceramic capacitors: Turned profitable by strengthening technological and equipment capabilities	
<b>High-RF products manufactured in U.S.</b> As Compared with Fiscal 2025 1Q Yield rates improved by approx. <b>40</b> %	<b>High-capacitance products manufactured in Malaysia</b> As Compared with Fiscal 2025 1Q Yield rates improved by approx. <b>5</b> %
Tantalum capacitors: Expand high-value-added polymer products	
<b>Increase in types of certified polymer products</b> Fiscal 2025 1Q      Fiscal 2026 1Q <b>18</b> <b>48</b>	<b>Products manufactured in Thailand</b> As Compared with Fiscal 2025 1Q Yield rates improved by approx. <b>5</b> %

See page 17. Next, I would like to explain the progress of improvement in challenging businesses.

In the Organic Packages and Boards Business on the left side of the slide, we are implementing initiatives to change the cost structure to turn the business profitable as planned at the beginning of the fiscal year and are working on selection and concentration of products and production plants and reduction of fixed costs.

The upper row shows the progress of selection and concentration of products and production plants. Orders of multi-layer packages with high layer count, which are high value-added products, for network ASICs have been expanding recently. In addition, negotiations with the customers to end low-margin products were initiated during this fiscal year for the purpose of consolidating production plants. These efforts will lead to selection and concentration of products and production plants. The bottom row shows the reduction of fixed costs. Due to the structural reforms implemented in the previous fiscal year, depreciation decreased by approximately JPY2.5 billion YoY. In addition, the relocation of 370 production personnel has been completed.

Then look at the KAVX Group on the right side of the slide. The KAVX Group is also implementing initiatives to promote cooperation with Kyocera's electronic component business aimed at posting profit on an annual basis, as planned at the beginning of the fiscal year.

As for ceramic capacitors in the upper row, this product group has been able to return to profitability as a result of the support from Kyocera, the parent company, by strengthening technological and equipment capabilities and improving yields at its production bases in the US and Malaysia. In the lower tantalum capacitors, efforts are being made to expand high-value-added polymer products. The number of products newly certified by customers increased from 18 in the same period of the previous fiscal year to 48, and yield improvement is also under way. We will continue to prepare for full-scale production increase in the future.

## Progress of Capital Strategies

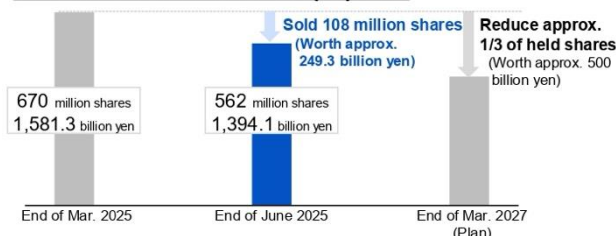


### Reduction of Cross-shareholdings

- June 2025: Sold approx. 108 million shares of KDDI (worth approx. 250.0 billion yen)
- July 2025: Completed settlement (received 211.1 billion yen on after-tax basis)

As a consequence of the sale of KDDI shares, Kyocera reduced its cross-shareholdings by approx. 17% and achieved the three-year reduction target set in fiscal 2024 to reduce its cross-shareholdings by at least 5% on a book value basis by fiscal 2026.

#### Number of KDDI Shares Held by Kyocera



#### Ratio of Cross-shareholdings to Net Assets (Including shares other than KDDI)



### Repurchase of Own Shares

- Details of the resolution at the meeting of the Board of Directors held on May 14, 2025

#### (Reference) Outline of Resolution Concerning the Share Repurchase

Types of Shares to be Repurchased	Common Stock
Total Number of Shares to be Repurchased	Up to 136 Million Shares (Approx.)
Total Amount of Repurchase Price	Up to 200 Billion Yen
Repurchase Period	From May 15, 2025 to March 24, 2026
Method of Repurchase	Market Purchases through TSE

Actual execution was postponed until today due to the handling of MNPI\* related to business portfolio restructuring

**Schedules to commence execution promptly**

\* Material non-public information

See page 18. I will then explain the progress of capital strategies.

See the reduction of cross-shareholdings on the left side of the slide. Last month, we sold approximately 108 million shares of KDDI stock for approximately JPY250 billion. Settlement was completed early this month, and JPY211.1 billion was received on an after-tax basis. The ratio of cross-shareholdings to net assets was 51.6% as of March 31, 2025, but decreased to 44.9% as of the end of June due to the sale of KDDI shares. In the future, we aim to reduce the ratio of cross-shareholdings to net assets to less than 20%.

Then look at the share buybacks on the right side of the slide. At a meeting of the Board of Directors held on May 14, 2025, Kyocera resolved and announced a share buyback program totaling up to JPY200 billion. Thereafter, from the viewpoint of handling material non-public information regarding the business portfolio restructuring, we have refrained from actual purchases until today, but we plan to promptly commence purchases in the future.



## Strengthening Corporate Governance



### 1. Shortened the Term of Office of Directors\*

Term of Office of Directors: **2 years** → **1 year**

- Established a management system capable of quickly responding to changes in the business environment
- Further clarified the management responsibilities of Directors by increasing opportunities to gain the trust of shareholders

### 2. Reduced Maximum Number of Directors\*

Maximum Number of Directors: **20 persons** → **12 persons**

- Enabled to flexibly respond to the change in the business environment, and make speedy and appropriate business decision and effective discussion
- Matched the number of Directors with the current situation

### 3. Appointed a New Independent Outside Director\*

Appointee: **Noriko Oi** (Attorney-at-law)

- Has abundant experience and exceptional insight as an attorney-at-law, particularly in corporate legal affairs and other related fields
- Would giving appropriate advice and supervision of overall corporate activities, primarily from a legal perspective

### 4. Appointed Chairperson of the Nomination and Remuneration Committee

Appointee: **Eiji Kakiuchi**

- Appointed Outside Director Eiji Kakiuchi, who has abundant experience and exceptional insight in corporate management as he serves as top management of a semiconductor manufacturing equipment manufacturer, as Chairperson to further enhance transparency of the Nomination and Remuneration Committee and strengthen corporate governance

\*Approved at the General Meeting of Shareholders held on June 26, 2025

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See page 19. Finally, I would like to explain the strengthening of corporate governance.

The first point, shortening the term of office of Directors; the second point, reduced maximum number of Directors; and the third point, appointment of a new Independent Outside Director, were resolved at the previous general meeting of shareholders, and in addition to these, Mr. Kakiuchi, an Outside Director, was appointed as the Chairperson of the Nomination and Remuneration Committee for the fourth point. Under this new structure, we will further improve the transparency of the Nominating and Remuneration Committee and corporate governance level.

As explained today, we believe that the first step toward enhancing our corporate value is to steadily implement the initiatives we set forth at the beginning of the fiscal year. We look forward to your continued support as we continue our reforms. Thank you for your attention.

## Question & Answer

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### <Questioner 1>

**[Q]:** First, you mentioned for the first time that you are going to start reviewing strategic options for the U.S. distributor. First of all, if you refer to this as a decrease in profits or assets, how much of an impact will this have on your business performance, other than sales? And I believe this is the main item of the business portfolio restructuring amounting to approx. JPY200 billion yen-sales revenue size, and is there the possibility of various revisions, not limited to the JPY200 billion from now on? I would like to know what is being discussed within Kyocera.

**Tanimoto [A]:** First of all, Southern Carlson's sales are in the JPY140 billion range, but assets will decrease by about JPY90 billion. In terms of profit, this is by no means a loss-making company, but we estimate that eliminating it would increase profit margin of the Solutions Business by about 1 percentage point. As for others, they are still in progress. We will continue to consider and there is a possibility that we would add more, including some that are not large in scale.

**[Q]:** In other words, what you just said is not only that there is still a small amount left to reach the JPY200 billion mark, but also that you are considering a wide range of possibilities beyond that.

**Tanimoto [A]:** Yes. Exactly.

**[Q]:** In addition to quitting or selling the business, could you introduce what you are considering or discussing now?

**Tanimoto [A]:** First, we are considering not only selling but also buying. We would like to move forward at a pace that will allow us to make some kind of report by the end of this fiscal year, if possible.

In addition, as for how we plan to grow organically, regarding the Core Components Business, we have decided to develop products with a focus on ceramics. We have a good relationship with the semiconductor processing equipment manufacturers, and with their commitment, we have decided to develop components for semiconductor processing equipment that have a low market share.

In addition, regarding packages for semiconductors, we have been behind in the development of AI-related areas. However, as the size of the substrate increases, there is now a prospect for joint development of using ceramic or glass as the core material, so we will work on a project to develop this. These two are the major initiatives of the Core Components Business.

Regarding the Electronic Components Business, we have been strengthening our support for KAVX since a year ago, and we have begun dispatching Kyocera's production engineering team to Thailand to provide full support in terms of production technology for the start-up of mass production of tantalum capacitors. We must continue to make such improvements.

As for the Solutions Business, we are now moving forward with the plan to launch a series of businesses, centering on textile printers, that solve social issues which we have been promoting.

**[Q]:** Thank you very much. The second major question is about the Organic Packages and Boards Business and KAVX. I would like you to share with us in what quarter you think you will be able to post profit. You said that KAVX would be close to more than breaking even in March and April, as I recall, but there was a drop in April

to June due to the exchange rate and other factors. When will we see KAVX return to profitability again? I would like to ask you about the Organic Packages and Boards Business and KAVX with this in mind.

**Tanimoto [A]:** Our original plan was to turn a profit in 3Q and break even for the full year in both cases, but KAVX is dependent on capacitor sales, and as a matter of fact, we were quite profitable in June. We expect that KAVX will definitely be able to consistently turn a profit from the end of 2Q, and in the Organic Packages and Boards Business, there was a slight delay from the plan due to a series of production equipment problems in 1Q, but we are on track to make up for this in 2Q, and we believe that we will be able to turn a profit in 3Q as planned.

**[Q]:** I understand very well. Thank you very much.

<Questioner 2>

**[Q]:** The first is regarding the business portfolio restructuring amounting to about JPY200 billion in sales. Although acquired companies such as Nihon Inter Electronics Corporation and Southern Carlson are subject to business portfolio restructuring, will the businesses that have been in Kyocera for a long time be improved through cost structure reforms and productivity improvements? Is it correct to say that you are going to target the businesses that have been acquired and are not producing the expected results?

**Tanimoto [A]:** It is a bit of a difficult expression as to how many years would qualify as being at Kyocera for a long time. The two businesses we announced in fiscal 2026 were acquired not too long ago, but it does not mean that we start with a business that has been acquired recently by any means. The next one we will present will be a longer one.

**[Q]:** In any case, am I not largely mistaken in my understanding that the acquired businesses are the subject of the review?

**Tanimoto [A]:** It is true that there are many such cases in reality, but we are not looking at it that way.

**[Q]:** I understand. Secondly, I would like to ask you about the market situation of electronic components in general, as seen from your company's high market share of ceramic components in the Core Components Business, and MLCCs and crystal devices among other products in the Electronic Components Business. Was there a reasonable amount of front-loaded demand in 1Q? What kind of change do you expect in demand for parts in 2Q and beyond? If possible, could you please tell us how you see the demand by each of the major applications?

**Tanimoto [A]:** Among ceramic components in the Core Component Business, there was absolutely no front-loaded demand for ceramic components for semiconductor processing equipment. I think it may be that the semiconductor processing equipment itself is exempt from tariffs.

Then, as for the packages for semiconductors, there was just a slight request for an advance on the packages for cell phones for both ceramics and organic packages, but the situation has now calmed down. In the case of the Electronic Components Business, there was an initial demand for some products for cell phones, but things have settled down now, and I do not think there was a large-scale advance leading to a sudden drop in 2Q.

**[Q]:** Thank you. Finally, a quick check: am I correct to understand that an adjustment of tax expenses due to the sales of KDDI shares boosted operating profit by JPY4 billion?

**Chida [A]:** Chida will answer your question. It is not related to operating profit, but is an adjustment to tax expenses, which only affected profit attributable to owners of the parent.

[Q]: I understand. Thank you very much.

<Questioner 3>

[Q]: The first is on slide 16. This time, for the power semiconductor business on the left side, I think there is a negative figure of JPY2.1 billion in the form of one-time expenses in 1Q. But the SouthernCarlson on the right side, since it posts profit and taking into account the difference in exchange rates from the time of acquisition, etc., in terms of direction, should this be viewed that it will yield a one-time gain?

**Tanimoto [A]:** I can't give you exact details on SouthernCarlson, but I don't think there will be a big negative impact. I would like to make it positive if possible.

[Q]: I understand. The second is about the impact of tariffs. At the beginning of the year, you mentioned the assumption of negative JPY17 billion, but the tariff rates have changed since then. How much of a positive or negative impact did the tariffs have during the period from April to June? Or if you have a little update on how you estimate the annual net projection now, please tell us.

**Tanimoto [A]:** The actual impact for 1Q, we estimate that it was only a few hundred million yen, so if things continue as they are now, I think the impact will be much less than JPY17 billion. Since products of the Document Solutions Unit are not made in Japan, I think the impact may be as high as 20% tariff rates. For other products, I do not think the impact will not differ from the change in tariff rates, so I expect a slight decrease in the amount of impact.

[Q]: Just to add something, when the impact of JPY17 billion was calculated, I believe it was based on the tax rate at the time, so Vietnam was 46%. Since that is about 20% now, can we say that the impact of this is significantly less in that sense?

**Tanimoto [A]:** There is one company, a competitor that manufactures toners in the US, but there are no companies that manufacture printers itself in the US. I don't think we can raise all the prices, but we are now looking at the possibility of raising about half of them.

[Q]: I understand. Thank you very much.

<Questioner 4>

[Q]: First, I think that you will be in the phase of restructuring your business portfolio, but at what point in time will you be able to come up with more concrete measures not only in the case of SouthernCarlson today, but also in terms of the overall framework or direction? What do you think is the timing or time frame? Is it correct to assume that somewhere in 2H, you will give us an overall, reorganized explanation like the one you gave us at the last financial results briefing? Can you tell us about the timing?

**Tanimoto [A]:** I would like to present it by 4Q financial briefing for sure.

[Q]: I understand. Thank you very much. Secondly, what is the possible impact on cash flow of this SouthernCarlson and power device business as well? In the case of SouthernCarlson, I think there is a possibility that that amount of money could come in when it is sold, but if that happens in the future, what are your thoughts on how the cash will be used?

**Tanimoto [A]:** I can only speak specifically about the sale in this matter. In considering our business portfolio, there will naturally be projects in which we should make acquisitions or investments, and we would like to use the funds for that purpose.

[Q]: I understand. Thank you very much.

<Questioner 5>

[Q]: I would like to ask you two questions about the Organic Packages and Boards Business. About the expansion of orders for multi-layer packages for network ASICs, do you have any idea of when the contribution of these products will have an effect on sales?

Secondly, in terms of the use of ceramics as core materials, do you envision your company using ceramic cores on its own, or are you considering changing to a core material supplier and supplying core materials to package board makers in the medium to long term as a business model? What are your thoughts on this?

**Tanimoto [A]:** First of all, in the Organic Packages and Boards Business, it is true that our packages for ASICs for switches are currently increasing, but we are now also in the process of turning down those with low profitability, so I think that from the latter half of Q2, there will be an increase from the packages for ASICs for switches rather than a decrease.

In addition, when it comes to the ceramic or glass core material, the industry does not allow for a single supplier, and there are not that many ceramic core manufacturers. If the core is adopted, we will probably sell only the core to the substrate manufacturer.

[Q]: I understand. Thank you very much.

<Questioner 6>

[Q]: I think that cost reductions were made in general in the financial results, but regarding the R&D expenses, the amount in 1Q was quite low against the full year, and the plan itself was estimated to be a little high, but in reality, it seems that Kyocera worked hard to reduce costs. Is that correct?

In addition, in R&D, I know that you have been working on a number of new developments in the Others, but you said that you were going to narrow down these areas as well, and at the last financial results briefing, you said you would start to narrow down from this fiscal year. However, looking at Q1, the deficit has decreased quite a bit. If there are stories in the Others that are making a sharp distinction between projects that will continue to be developed and those that will not, please let me know.

**Tanimoto [A]:** Regarding R&D, first of all, overall R&D expenses have decreased because there is a slight decrease in storage battery-related expenses due to the transfer of the business. As for other areas, we had been developing 5G base stations and millimeter wave repeaters, but we decided to cancel the millimeter wave base stations, and that portion is beginning to decrease from 1Q.

[Q]: Was that in the Others?

**Tanimoto [A]:** It was in the Others. Just to be sure, we are continuing with the repeaters.

[Q]: Okay, thank you. Secondly, you mentioned that you would also like to start some acquisitions this year. I would like to know about your approach to acquisitions. In your case, for example, you have a P/B ratio of less than 1x, and I believe you have been talking about raising ROE for quite some time. If you are looking to increase ROE, I believe that there are many domestic businesses that can be profitable by reducing costs in the domestic market, so I think that acquiring such businesses would lead to an improvement in your company's ROE in a relatively short time.

On the other hand, M&A for passive component or ceramic are relatively competitive, and it is difficult to increase profitability without changing the business structure. Conversely, immediately after an acquisition,

there is a high possibility that the Company's earnings will be weighed down, and from an ROE perspective, there is even a risk of negative impact. Which is your preference? If ROE is the first priority, I think that a business like the Solutions Business would probably be easier to achieve results in a relatively short period of time. Which of the two do you think is the axis of your discussion now?

**Tanimoto [A]:** As it was mentioned at the beginning of this session, our recent acquisitions, such as SouthernCarlson and power devices business, did not contribute much to earnings, and as a result we had to let them go. Based on this reflection, we have decided to target companies that can generate profits independently, regardless of type of business, whether they are solutions or components. We have been in contact with several companies that are self-supporting, profitable, and have a corporate culture that matches ours.

**[Q]:** In that case, the valuation would be a bit higher, but I guess you are more concerned with the fact that you can make a solid profit as a business entity rather than the valuation being high.

**Tanimoto [A]:** Yes, that is correct.

**[Q]:** I understand. Thank you very much.

[END]

## Notes

1. *This document was edited from the original recording and transcripts provided by SCRIPTS Asia, Inc.*
2. *In this document, the year ended March 31, 2025 is referred to as “fiscal 2025,” 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.*

## Cautionary statement

*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. 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.*

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