Telephone Conference Call for the Nine Months Ended December 31, 2017
(Held on February 1, 2018)

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<2&3. Financial Results for the Nine Months Ended December 31, 2017>

This table provides an overview of financial results for the nine months ended December 31, 2017 (“the nine months”). Consolidated net sales increased by 13% compared with the nine months ended December 31, 2016 (“the previous nine months”) to ¥1,145 billion, a record high for the nine-month period.

Profit increased significantly compared with the previous nine months due to the increase in sales and a reduction in costs. Profit from operations increased by 62% to ¥109 billion, pre-tax income increased by 47% to ¥144.9 billion and net income attributable to Kyocera Corporation’s shareholders increased by 27% to ¥90.3 billion. Net income attributable to Kyocera Corporation’s shareholders decreased by approximately ¥11 billion in the third quarter (October 1 to December 31, 2017) due to tax expenses in our subsidiaries such as AVX Corporation (“AVX”), primarily resulting from tax law revisions in the United States.

Average exchange rates for the nine months were ¥112 to the U.S. dollar, marking depreciation of the yen by ¥5, and ¥129 to the Euro, marking depreciation of the yen by ¥11, compared with the previous nine months. As a result, net sales and income before income taxes increased by approximately ¥39 billion and ¥13 billion, respectively, compared with the previous nine months.

Next, I will explain conditions in each reporting segment.

<4. Sales by Reporting Segment for the Nine Months Ended December 31, 2017>

The table on page 4 shows sales by reporting segment. During the period, sales in the Electronic Devices Group and Industrial & Automotive Components Group increased significantly on the back of strong component demand in information and communications, automotive-related and industrial machinery markets.

Sales in the Document Solutions Group also increased due to new product introductions and aggressive sales promotion activities. As a result, sales increased in the Components Business and the Equipment & Systems Business.

<5. Operating Profit by Reporting Segment for the Nine Months Ended December 31, 2017>

Kyocera succeeded in enhancing profitability by reducing costs and increasing sales of high-profit products such as new products, which led to a significant increase in profit.

Next, I will explain merger and acquisition activity conducted during the period.

<6. M&A Contributing to Financial Results for the Nine Months Ended December 31, 2017>

Kyocera actively conducts merger and acquisition activity and this contributed to an increase in sales during the period. In the Industrial & Automotive Components Group, we expanded business domain for the industrial tool business. In August 2017, U.S.-based SENCO Holdings, Inc., a manufacturer of pneumatic tools, was added to the Kyocera Group.

In the Electronic Devices Group, AVX acquired the automotive sensors business of TT Electronics PLC, a U.K.-based manufacturer of electronic components, in October 2017.

In the Document Solutions Group, we acquired U.K.-based DataBank IMX, LLC, an ECM and document BPO provider, in August 2017.

These three acquisitions contributed approximately ¥25 billion to sales during the period.

Next, I will explain financial results for the three months ended December 31, 2017 (“the third quarter”) compared with the three months ended September 30, 2017 (“the second quarter”).

<7. Financial Results for the Three Months Ended December 31, 2017>

Net sales and profit from operations both increased by 3% in the third quarter compared with the second quarter. The ratio of profit from operations to net sales remained the same as the second quarter. The result for net sales was a record high for the third quarter.

Pre-tax income rose by 48% after including dividends from KDDI Corporation.

<8. Financial Summary for the Three Months Ended December 31, 2017>

These graphs show results trends from the three months ended June 30, 2017 (“the first quarter”) in the Components Business and Equipment & Systems Business. In the Components Business, demand has remained at a high level since the second quarter, particularly in the information and communications market, driving increases in sales and profit. Merger and acquisition activity also helped boost sales.

In the Equipment & Systems Business, sales decreased in the telecommunications equipment business due to a decline in sales volume in Japan and overseas while sales were down in the solar energy business in the Japanese market, resulting in decreases in sales and profit. That concludes the overview of financial results for the third quarter. Next, I will explain financial forecasts for the year ending March 31, 2018 (“the fiscal year”).

<10. Financial Forecasts for the Year Ending March 31, 2018>

Kyocera has made no changes to its consolidated forecasts for the fiscal year with respect to its previous projections for net sales, profit from operations and pre-tax income in light of results for the nine months and the outlook for the three months ending March 31, 2018 (“the fourth quarter”). However, net income attributable to Kyocera Corporation’s shareholders for the fiscal year has been revised down by ¥11 billion from the previous projection to ¥108 billion due to a cost of approximately ¥11 billion primarily resulting from the tax law revisions in the United States.

With regard to average exchange rates for the fiscal year, the forecast for the U.S.-Yen exchange rate remains unchanged from the October 2017 projection at ¥111 to the U.S. dollar while the forecast for the Euro-Yen exchange rate has been revised from ¥128 to ¥130 to the Euro, marking depreciation of ¥2.

Next, I will explain forecasts by reporting segment.

<11. Sales Forecast by Reporting Segment>

Kyocera has revised its forecasts by reporting segment after taking into consideration the level of achievement in each segment toward previous projections.

The forecast for sales, shown on page 11, has been revised upward in light of results in the Components Business until the third quarter and due to expectations of solid growth in components for industrial machinery and automotive parts, despite projected adjustments in the fourth quarter for smartphone components owing to seasonal demand.

In the Equipment & Systems Business, the sales forecast has been revised downward relative to the October 2017 projection due mainly to slow sales in the solar energy business within the Life & Environment Group.

<12. Operating Profit Forecast by Reporting Segment>

With regard to operating profit forecasts by reporting segment, the forecast for operating profit in the Components Business has been revised upward compared with October 2017 projections in line with the upward sales revision. The forecast for operating profit in the Equipment & Systems Business has been revised downward relative to the previous projection due to expectations of operating loss in the Life & Environment Group.

In light of these conditions, Kyocera will review resource allocation to each business division and work to enhance profitability and strengthen new product development.

<13. Improve Profitability and Strengthen New Product Development through Resource Reallocation>

First, we will consolidate production sites in Japan aimed at boosting profitability in the solar energy business. We are currently producing cells at the Shiga Yasu Plant, and cells and modules at the Shiga Yohkaichi Plant. Given the outlook, however, we decided to consolidate operations into the Shiga Yasu Plant in the fourth quarter. We will make the shift in stages with completion planned for the first half of next fiscal year. In line with the consolidation, production in the solar energy business will be concentrated into two sites from the second half of next fiscal year: the Shiga Yasu Plant in Japan and the Tianjin Plant in China. We plan to use the space made available at the Shiga Yohkaichi Plant after the transfer to expand production of parts for semiconductor processing equipment, where strong demand is forecast to continue.

We will also strengthen organization for the development of new products. To this end, in January we transferred around 160 engineers in the telecommunications equipment business to the Corporate R&D Group, which conducts cross-sector research and development in Kyocera. We intend to leverage the technology amassed in development of telecommunications equipment, and strengthen and accelerate development of components, equipment, systems and solutions for the Internet of Things (IoT) and Advanced Driver Assistance Systems (ADAS).

Finally, I will outline the businesses that will contribute to results in the fourth quarter through merger and acquisition activity.

<14. M&A Contributing to Q4 FY3/2018 Results>

First, we acquired a power tool business for our industrial tool business. Kyocera acquired this business from Ryobi Limited in January and started operations mainly in Japan as Kyocera Industrial Tools Corporation. We will promote diversification of our industrial tool business and work to expand sales going forward.

Second, in February AVX plans to complete acquisition of U.S.-based Ethertronics Inc., which manufactures and sells small antenna products for wireless applications. By doing so, Kyocera can acquire proprietary technology that contributes to the IoT and 5G communications markets and expand product portfolio through acquisition of small antenna products. Through this move, we aim to further increase business in the growing telecommunications market where more sophisticated technology is being demanded. The acquisition of these two companies is expected to contribute approximately ¥6 billion to sales in the fourth quarter.

Kyocera aims to achieve financial forecasts for the fiscal year by continuing to expand sales and working to thoroughly reduce costs.

Cautionary statement

This is an English translation of the Japanese original. The translation is prepared solely for the reference and convenience of foreigners. 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 Company's filings with the U.S. Securities and Exchange Commission.