

January 31, 2017

# Conference Call Material

For the Nine Months Ended December 31, 2016

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KYOCERA Corporation

# Today's Presentation

- 1. Financial Results**  
**for the Nine Months Ended December 31, 2016**
- 2. Financial Forecasts**  
**for the Year Ending March 31, 2017**

# Financial Results for the Nine Months Ended December 31, 2016

- Compared with the Nine Months Ended December 31, 2015 -

(Unit: Yen in millions)

	Nine months ended December 31,				Change	
	2015		2016			
	Amount	% to net sales	Amount	% to net sales	Amount	%
Net sales	1,093,030	100.0%	1,014,628	100.0%	-78,402	-7.2%
Profit from operations	66,020	6.0%	67,102	6.6%	1,082	1.6%
Pre-tax income	97,390	8.9%	98,706	9.7%	1,316	1.4%
Net income attributable to shareholders of Kyocera Corporation	59,504	5.4%	70,852	7.0%	11,348	19.1%
Capital expenditures	50,891	4.7%	49,638	4.9%	-1,253	-2.5%
Depreciation	47,724	4.4%	47,322	4.7%	-402	-0.8%
R&D expenses	44,078	4.0%	41,871	4.1%	-2,207	-5.0%
Average exchange rate (yen)	US\$	¥122		¥107		
	Euro	¥134		¥118		
Foreign currency fluctuation effect on; (compared with the previous same period)	Net sales	Approx. ¥ 41 billion		Approx. ¥ -90 billion		
	Pre-tax income	Approx. ¥ 6 billion		Approx. ¥ -23 billion		

## Sales by Reporting Segment for the Nine Months Ended December 31, 2016 - Compared with the Nine Months Ended December 31, 2015 -

(Unit: Yen in millions)

	Nine months ended December 31,				Change	
	2015		2016		Amount	%
	Amount	% of net sales	Amount	% of net sales		
Fine Ceramic Parts Group	70,342	6.4%	71,027	7.0%	685	1.0%
Semiconductor Parts Group	180,125	16.5%	181,309	17.8%	1,184	0.7%
Applied Ceramic Products Group	177,763	16.3%	159,166	15.7%	-18,597	-10.5%
Electronic Device Group	219,780	20.1%	209,799	20.7%	-9,981	-4.5%
<b>Components Business</b>	<b>648,010</b>	<b>59.3%</b>	<b>621,301</b>	<b>61.2%</b>	<b>-26,709</b>	<b>-4.1%</b>
Telecommunications Equipment Group	124,178	11.4%	99,018	9.8%	-25,160	-20.3%
Information Equipment Group	245,375	22.4%	227,750	22.4%	-17,625	-7.2%
<b>Equipment Business</b>	<b>369,553</b>	<b>33.8%</b>	<b>326,768</b>	<b>32.2%</b>	<b>-42,785</b>	<b>-11.6%</b>
Others	106,855	9.8%	96,446	9.5%	-10,409	-9.7%
Adjustments and eliminations	-31,388	-2.9%	-29,887	-2.9%	1,501	—
<b>Net sales</b>	<b>1,093,030</b>	<b>100.0%</b>	<b>1,014,628</b>	<b>100.0%</b>	<b>-78,402</b>	<b>-7.2%</b>

Note:

Kyocera Chemical Group, formerly included in “Others” until the year ended March 31, 2016, has been reclassified and included in the “Semiconductor Parts Group” commencing from the year ending March 31, 2017. Due to this change, results for the nine months ended December 31, 2015 have been reclassified to conform to the current presentation.

## Operating Profit by Reporting Segment for the Nine Months Ended December 31, 2016 - Compared with the Nine Months Ended December 31, 2015 -

(Unit: Yen in millions)

	Nine months ended December 31,				Change	
	2015		2016			
	Amount	% to net sales	Amount	% to net sales	Amount	%
Fine Ceramic Parts Group	11,860	16.9%	9,678	13.6%	-2,182	-18.4%
Semiconductor Parts Group	37,435	20.8%	19,389	10.7%	-18,046	-48.2%
Applied Ceramic Products Group	12,498	7.0%	9,258	5.8%	-3,240	-25.9%
Electronic Device Group	3,784	1.7%	21,376	10.2%	17,592	464.9%
<b>Components Business</b>	<b>65,577</b>	<b>10.1%</b>	<b>59,701</b>	<b>9.6%</b>	<b>-5,876</b>	<b>-9.0%</b>
Telecommunications Equipment Group	-3,945	—	-4,246	—	-301	—
Information Equipment Group	17,484	7.1%	20,041	8.8%	2,557	14.6%
<b>Equipment Business</b>	<b>13,539</b>	<b>3.7%</b>	<b>15,795</b>	<b>4.8%</b>	<b>2,256</b>	<b>16.7%</b>
Others	-1,988	—	-2,708	—	-720	—
<b>Operating Profit</b>	<b>77,128</b>	<b>7.1%</b>	<b>72,788</b>	<b>7.2%</b>	<b>-4,340</b>	<b>-5.6%</b>
Corporate and Others	20,262	—	25,918	—	5,656	27.9%
<b>Pre-tax income</b>	<b>97,390</b>	<b>8.9%</b>	<b>98,706</b>	<b>9.7%</b>	<b>1,316</b>	<b>1.4%</b>

Notes

(1) Refer to Note on page 3.

(2) As a result of the aforementioned note (1), a gain of approximately ¥12 billion from the sale of assets was included in the “Semiconductor Parts Group” for the nine months ended December 31, 2015.

# Financial Results for the Three Months Ended December 31, 2016

- Compared with the Three Months Ended September 30, 2016 -

(Unit: Yen in millions)

	Three months ended				Change	
	September 30, 2016		December 31, 2016			
	Amount	% to net sales	Amount	% to net sales	Amount	%
Net sales	333,258	100.0%	361,385	100.0%	28,127	8.4%
Profit from operations	21,515	6.5%	33,317	9.2%	11,802	54.9%
Pre-tax income	23,780	7.1%	50,128	13.9%	26,348	110.8%
Net income attributable to shareholders of Kyocera Corporation	18,700	5.6%	34,699	9.6%	15,999	85.6%

Average exchange rate (yen)	US\$	¥ 102	¥ 109
	Euro	¥ 114	¥ 118
Foreign currency fluctuation effect on;(compared with the previous quarter)	Net sales	—	Approx. ¥ 10 billion
	Pre-tax income	—	Approx. ¥ 3 billion

## Sales by Reporting Segment for the Three Months Ended December 31, 2016 - Compared with the Three Months Ended September 30, 2016 -

(Unit: Yen in millions)

	Three months ended				Change	
	September 30, 2016		December 31, 2016			
	Amount	% of net sales	Amount	% of net sales	Amount	%
Fine Ceramic Parts Group	24,246	7.3%	24,268	6.7%	22	0.1%
Semiconductor Parts Group	61,311	18.4%	63,993	17.7%	2,682	4.4%
Applied Ceramic Products Group	52,349	15.7%	61,260	17.0%	8,911	17.0%
Electronic Device Group	69,758	20.9%	74,798	20.7%	5,040	7.2%
<b>Components Business</b>	<b>207,664</b>	<b>62.3%</b>	<b>224,319</b>	<b>62.1%</b>	<b>16,655</b>	<b>8.0%</b>
Telecommunications Equipment Group	30,698	9.2%	34,186	9.5%	3,488	11.4%
Information Equipment Group	72,496	21.8%	80,315	22.2%	7,819	10.8%
<b>Equipment Business</b>	<b>103,194</b>	<b>31.0%</b>	<b>114,501</b>	<b>31.7%</b>	<b>11,307</b>	<b>11.0%</b>
Others	33,271	10.0%	32,338	8.9%	-933	-2.8%
Adjustments and eliminations	-10,871	-3.3%	-9,773	-2.7%	1,098	—
<b>Net sales</b>	<b>333,258</b>	<b>100.0%</b>	<b>361,385</b>	<b>100.0%</b>	<b>28,127</b>	<b>8.4%</b>

Sales up in both Components Business and Equipment Business

## Operating Profit by Reporting Segment for the Three Months Ended December 31, 2016 - Compared with the Three Months Ended September 30, 2016 -

(Unit: Yen in millions)

	Three months ended				Change	
	September 30, 2016		December 31, 2016		Amount	%
	Amount	% to net sales	Amount	% to net sales		
Fine Ceramic Parts Group	3,773	15.6%	3,546	14.6%	-227	-6.0%
Semiconductor Parts Group	5,381	8.8%	9,423	14.7%	4,042	75.1%
Applied Ceramic Products Group	4,132	7.9%	3,600	5.9%	-532	-12.9%
Electronic Device Group	5,288	7.6%	10,877	14.5%	5,589	105.7%
<b>Components Business</b>	<b>18,574</b>	<b>8.9%</b>	<b>27,446</b>	<b>12.2%</b>	<b>8,872</b>	<b>47.8%</b>
Telecommunications Equipment Group	-1,609	—	2,914	8.5%	4,523	—
Information Equipment Group	7,016	9.7%	7,174	8.9%	158	2.3%
<b>Equipment Business</b>	<b>5,407</b>	<b>5.2%</b>	<b>10,088</b>	<b>8.8%</b>	<b>4,681</b>	<b>86.6%</b>
Others	-335	—	200	0.6%	535	—
<b>Operating profit</b>	<b>23,646</b>	<b>7.1%</b>	<b>37,734</b>	<b>10.4%</b>	<b>14,088</b>	<b>59.6%</b>
Corporate and others	134	—	12,394	—	12,260	—
<b>Pre-tax income</b>	<b>23,780</b>	<b>7.1%</b>	<b>50,128</b>	<b>13.9%</b>	<b>26,348</b>	<b>110.8%</b>

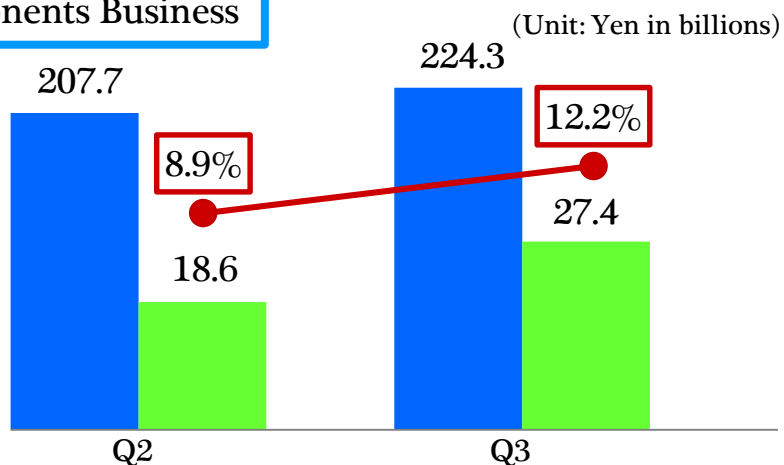
Profit up in Components and Equipment Businesses due to sales growth and structural reform



# Summary of Financial Results for the Three Months Ended December 31, 2016 - Compared with the Three Months Ended September 30, 2016 -

■ Sales ■ Operating Profit ● Operating Profit Ratio

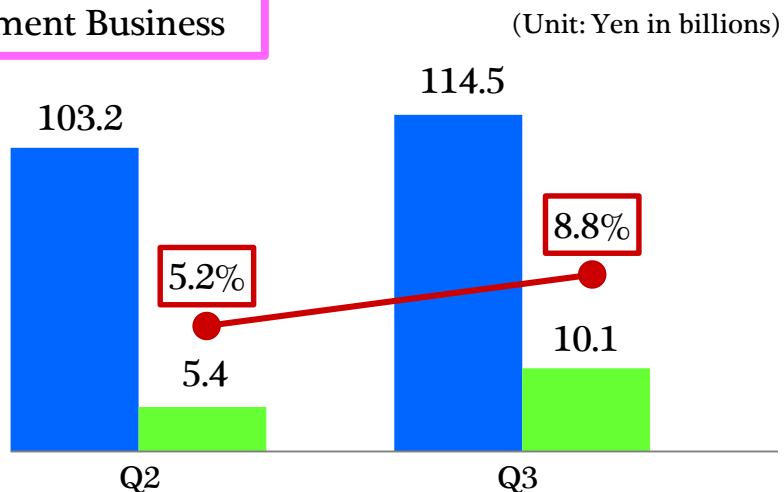
## Components Business



### <Major factors for changes>

- ✓ Sales increased in all reporting segments due to sales growth in major products
- ✓ Profit up markedly due to sales growth in high-value-added products mainly for information & communications and automotive-related markets and to cost savings

## Equipment Business



- ✓ Telecommunications equipment and information equipment achieved double-digit sales growth following new product launches
- ✓ Telecommunications equipment up from loss to 8.5% profit rate due to structural reform and a shift to mobile phones with high durability

# Financial Forecasts for the Year Ending March 31, 2017

(Unit: Yen in millions)

	Year ended March 31, 2016		Year ending March 31, 2017 (Forecast)				Change in amount compared with	
			Previous (October 2016)		Revised (January 2017)			
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Year ended March 31, 2016	Previous forecast
Net sales	1,479,627	100.0%	1,520,000	100.0%	<b>1,410,000</b>	<b>100.0%</b>	-69,627	-110,000
Profit from operations	92,656	6.3%	110,000	7.2%	<b>95,000</b>	<b>6.7%</b>	2,344	-15,000
Pre-tax income	145,583	9.8%	130,000	8.6%	<b>130,000</b>	<b>9.2%</b>	-15,583	—
Net income attributable to shareholders of Kyocera Corporation	109,047	7.4%	85,000	5.6%	<b>90,000</b>	<b>6.4%</b>	-19,047	5,000
EPS (Diluted-yen)	297.24	—	231.52	—	<b>245.01</b>	<b>—</b>	-52.23	13.49
Capital expenditures	68,933	4.7%	87,000	5.7%	<b>70,000</b>	<b>5.0%</b>	1,067	-17,000
Depreciation	65,853	4.5%	78,000	5.1%	<b>67,000</b>	<b>4.8%</b>	1,147	-11,000
R&D expenses	58,755	4.0%	64,000	4.2%	<b>58,000</b>	<b>4.1%</b>	-755	-6,000
Average exchange rate (yen)	US\$	¥120	¥104		<b>¥108</b>			
	Euro	¥133	¥115		<b>¥119</b>			
Foreign currency fluctuation effect on; (compared with the previous same period)	Net sales	Approx. ¥ 29 billion	Approx. ¥ -130 billion		<b>Approx. ¥ -97 billion</b>			
	Pre-tax income	Approx. ¥ 4 billion	Approx. ¥ -33 billion		<b>Approx. ¥ -26 billion</b>			

Note: Forecast of EPS (Diluted-yen) is computed based on the diluted average number of shares outstanding during the nine months ended December 31, 2016.

# Sales Forecast by Reporting Segment for the Year Ending March 31, 2017

(Unit: Yen in millions)

	Year ended March 31, 2016		Year ending March 31, 2017 (Forecast)				Change in amount compared with	
			Previous (October 2016)		Revised (January 2017)			
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Year ended March 31, 2016	Previous forecast
Fine Ceramic Parts Group	95,092	6.4%	101,000	6.7%	96,000	6.8%	908	-5,000
Semiconductor Parts Group	236,265	16.0%	237,000	15.6%	240,000	17.0%	3,735	3,000
Applied Ceramic Products Group	247,516	16.7%	263,000	17.3%	224,000	15.9%	-23,516	-39,000
Electronic Device Group	290,902	19.7%	304,000	20.0%	286,000	20.3%	-4,902	-18,000
<b>Components Business</b>	<b>869,775</b>	<b>58.8%</b>	<b>905,000</b>	<b>59.6%</b>	<b>846,000</b>	<b>60.0%</b>	<b>-23,775</b>	<b>-59,000</b>
Telecommunications Equipment Group	170,983	11.6%	152,000	10.0%	142,000	10.1%	-28,983	-10,000
Information Equipment Group	336,308	22.7%	344,000	22.6%	325,000	23.0%	-11,308	-19,000
<b>Equipment Business</b>	<b>507,291</b>	<b>34.3%</b>	<b>496,000</b>	<b>32.6%</b>	<b>467,000</b>	<b>33.1%</b>	<b>-40,291</b>	<b>-29,000</b>
Others	146,897	9.9%	154,000	10.1%	136,000	9.7%	-10,897	-18,000
Adjustments and eliminations	-44,336	-3.0%	-35,000	-2.3%	-39,000	-2.8%	5,336	-4,000
<b>Net Sales</b>	<b>1,479,627</b>	<b>100.0%</b>	<b>1,520,000</b>	<b>100.0%</b>	<b>1,410,000</b>	<b>100.0%</b>	<b>-69,627</b>	<b>-110,000</b>

Note:

Kyocera Chemical Group, formerly included in "Others" until the year ended March 31, 2016, has been reclassified and included in the "Semiconductor Parts Group" commencing from the year ending March 31, 2017. Due to this change, results for the year ended March 31, 2016 have been reclassified to conform to the current presentation.

# Operating Profit Forecast by Reporting Segment for the Year Ending March 31, 2017

(Unit: Yen in millions)

	Year ended March 31, 2016		Year ending March 31, 2017 (Forecast)				Change in amount compared with	
			Previous (October 2016)		Revised (January 2017)			
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Year ended March 31, 2016	Previous forecast
Fine Ceramic Parts Group	15,745	16.6%	15,000	14.9%	13,500	14.1%	-2,245	-1,500
Semiconductor Parts Group	42,232	17.9%	26,000	11.0%	25,200	10.5%	-17,032	-800
Applied Ceramic Products Group	16,386	6.6%	20,000	7.6%	14,100	6.3%	-2,286	-5,900
Electronic Device Group	10,974	3.8%	38,000	12.5%	29,000	10.1%	18,026	-9,000
<b>Components Business</b>	<b>85,337</b>	<b>9.8%</b>	<b>99,000</b>	<b>10.9%</b>	<b>81,800</b>	<b>9.7%</b>	<b>-3,537</b>	<b>-17,200</b>
Telecommunications Equipment Group	-4,558	—	4,200	2.8%	1,000	0.7%	5,558	-3,200
Information Equipment Group	27,106	8.1%	23,000	6.7%	26,100	8.0%	-1,006	3,100
<b>Equipment Business</b>	<b>22,548</b>	<b>4.4%</b>	<b>27,200</b>	<b>5.5%</b>	<b>27,100</b>	<b>5.8%</b>	<b>4,552</b>	<b>-100</b>
Others	-1,722	—	-6,000	—	-2,700	—	-978	3,300
<b>Operating Profit</b>	<b>106,163</b>	<b>7.2%</b>	<b>120,200</b>	<b>7.9%</b>	<b>106,200</b>	<b>7.5%</b>	<b>37</b>	<b>-14,000</b>
Corporate and others	39,420	—	9,800	—	23,800	—	-15,620	14,000
<b>Pre-tax income</b>	<b>145,583</b>	<b>9.8%</b>	<b>130,000</b>	<b>8.6%</b>	<b>130,000</b>	<b>9.2%</b>	<b>-15,583</b>	<b>—</b>

Notes:

(1) Refer to Note on page 10.

(2) As a result of the aforementioned note (1), a gain of approximately ¥12 billion from the sale of assets was included in the “Semiconductor Parts Group” for the year ended March 31, 2016.

# Forward-Looking Statements

Certain of the statements made in this document are forward-looking statements (within the meaning of Section 21E of the U.S. Securities and Exchange Act of 1934), 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;
- (3) various export risks which may affect the significant percentage of our revenues derived from overseas sales;
- (4) the effect of foreign exchange fluctuations on our results of operations;
- (5) intense competitive pressures to which our products are subject;
- (6) fluctuations in the price and ability of suppliers to provide the required quantity of raw materials for use in Kyocera's production activities;
- (7) manufacturing delays or defects resulting from outsourcing or internal manufacturing processes;
- (8) shortages and rising costs of electricity affecting our production and sales activities;
- (9) the possibility that future initiatives and in-process research and development may not produce the desired results;
- (10) companies or assets acquired by us not produce the returns or benefits, or bring in business opportunities;
- (11) inability to secure skilled employees, particularly engineering and technical personnel;
- (12) insufficient protection of our trade secrets and intellectual property rights including patents;
- (13) expenses associated with licenses we require to continue to manufacture and sell products;
- (14) environmental liability and compliance obligations by tightening of environmental laws and regulations;
- (15) unintentional conflict with laws and regulations or newly enacted laws and regulations;
- (16) our market or supply chains being affected by terrorism, plague, 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, and impairment losses on, securities and other assets held by us;
- (20) impairment losses on long-lived assets, goodwill and intangible assets;
- (21) unrealized deferred tax assets and additional liabilities for unrecognized tax benefits;
- (22) changes in accounting principles;

Such risks, uncertainties and other factors may cause our actual results, performance, achievements or financial condition to be materially 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.