



THE NEW VALUE FRONTIER

October 30, 2015

Financial Presentation

(Six Months Ended September 30, 2015)

Goro Yamaguchi
President and Representative Director

KYOCERA Corporation

Today's Presentation

1. **Financial Results for the Six Months Ended September 30, 2015**
2. **Financial Forecast for the Year Ending March 31, 2016**
3. **Major Initiatives for Future Growth**

1. Financial Results for the Six Months Ended September 30, 2015

2. Financial Forecast for the Year Ending March 31, 2016

3. Major Initiatives for Future Growth

Financial Results for First Six Months of FY3/2016

— Comparison with first six months of FY3/2015 —

(Unit: Yen in millions)

	Six months ended September 30,				Change	
	2014		2015			
	Amount	% to net sales	Amount	% to net sales	Amount	%
Net sales	714,329	100.0%	722,577	100.0%	8,248	1.2%
Profit from operations	54,751	7.7%	61,949	8.6%	7,198	13.1%
Pre-tax income	68,118	9.5%	78,000	10.8%	9,882	14.5%
Net income attributable to shareholders of Kyocera Corporation	43,649	6.1%	50,792	7.0%	7,143	16.4%
Capital expenditures	30,470	4.3%	34,615	4.8%	4,145	13.6%
Depreciation	28,419	4.0%	30,473	4.2%	2,054	7.2%
R&D expenses	26,480	3.7%	29,102	4.0%	2,622	9.9%
Average exchange rate (yen)	US\$	¥103	¥122			
	Euro	¥139	¥135			
Foreign currency fluctuation effect on; (compared with the previous same period)	Net sales	Approx. ¥ 19 billion	Approx. ¥ 40 billion			
	Pre-tax income	Approx. ¥ 5 billion	Approx. ¥ 8 billion			

Sales by Reporting Segment for First Six Months of FY3/2016

– Comparison with first six months of FY3/2015 –

(Unit: Yen in millions)

	Six months ended September 30,				Change	
	2014		2015			
	Amount	% of net sales	Amount	% of net sales	Amount	%
Fine Ceramic Parts Group	43,224	6.0%	46,945	6.5%	3,721	8.6%
Semiconductor Parts Group	102,173	14.3%	111,226	15.4%	9,053	8.9%
Applied Ceramic Products Group	124,714	17.5%	113,636	15.7%	-11,078	-8.9%
Electronic Device Group	138,843	19.4%	146,211	20.3%	7,368	5.3%
Components Business	408,954	57.2%	418,018	57.9%	9,064	2.2%
Telecommunications Equipment Group	91,555	12.8%	78,697	10.9%	-12,858	-14.0%
Information Equipment Group	157,648	22.1%	162,511	22.5%	4,863	3.1%
Equipment Business	249,203	34.9%	241,208	33.4%	-7,995	-3.2%
Others	83,457	11.7%	84,700	11.7%	1,243	1.5%
Adjustments and eliminations	-27,285	-3.8%	-21,349	-3.0%	5,936	—
Net sales	714,329	100.0%	722,577	100.0%	8,248	1.2%

Profit by Reporting Segment for First Six Months of FY3/2016

– Comparison with first six months of FY3/2015 –

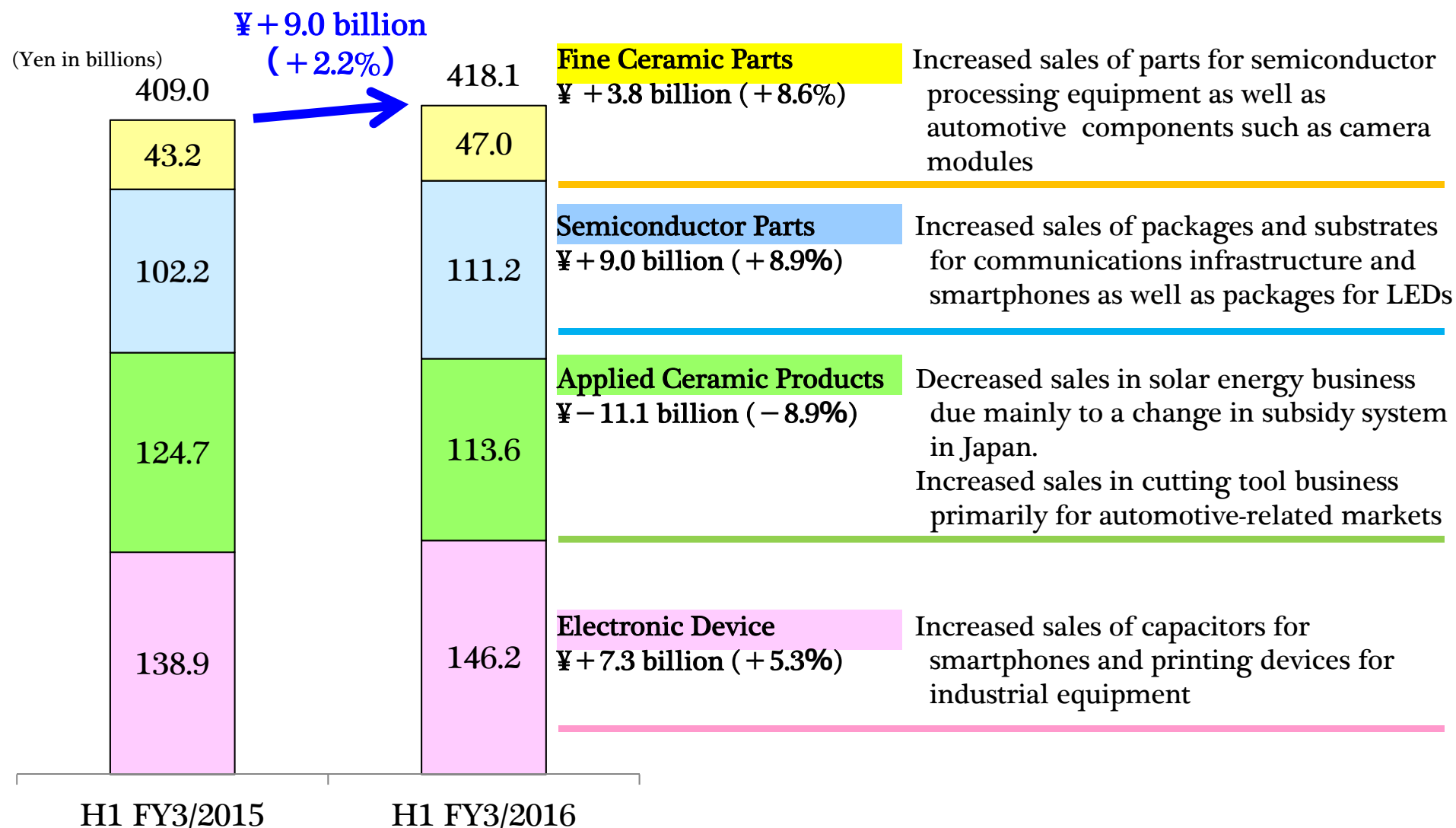
(Unit: Yen in millions)

	Six months ended September 30,				Change	
	2014		2015			
	Amount	% to net sales	Amount	% to net sales	Amount	%
Fine Ceramic Parts Group	7,009	16.2%	8,267	17.6%	1,258	17.9%
Semiconductor Parts Group	14,655	14.3%	16,626	14.9%	1,971	13.4%
Applied Ceramic Products Group	5,776	4.6%	8,023	7.1%	2,247	38.9%
Electronic Device Group	16,684	12.0%	18,411	12.6%	1,727	10.4%
Components Business	44,124	10.8%	51,327	12.3%	7,203	16.3%
Telecommunications Equipment Group	-1,258	—	-5,621	—	-4,363	—
Information Equipment Group	17,207	10.9%	12,039	7.4%	-5,168	-30.0%
Equipment Business	15,949	6.4%	6,418	2.7%	-9,531	-59.8%
Others	2,494	3.0%	11,262	13.3%	8,768	—
Operating Profit	62,567	8.8%	69,007	9.6%	6,440	10.3%
Corporate and Others	5,551	—	8,993	—	3,442	62.0%
Pre-tax income	68,118	9.5%	78,000	10.8%	9,882	14.5%

Operating profit represents profit from operating activities.

Sales of Components Business for First Six Months of FY3/2016

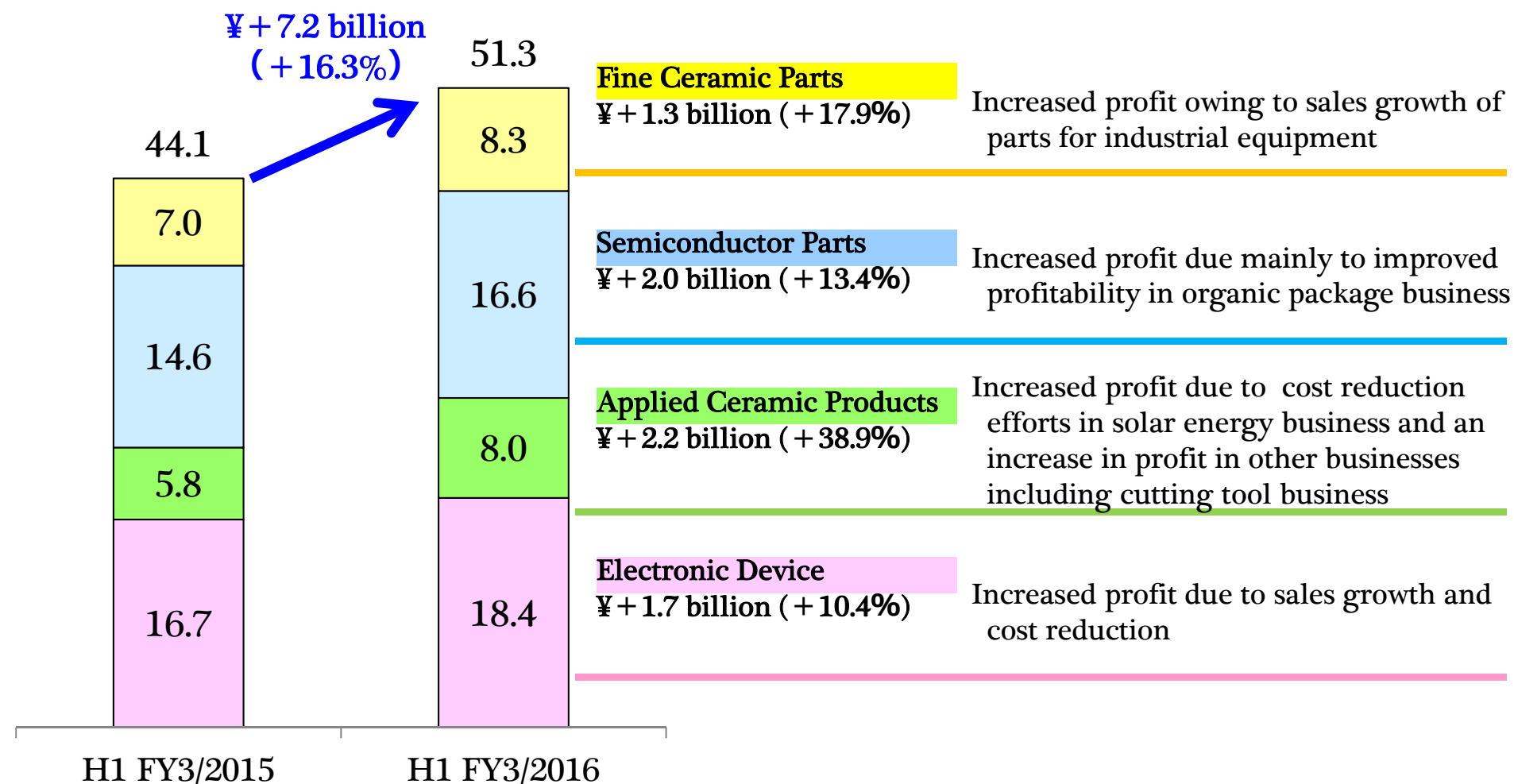
– Comparison with first six months of FY3/2015 –



Operating Profit of Components Business for First Six Months of FY3/2016

– Comparison with first six months of FY3/2015 –

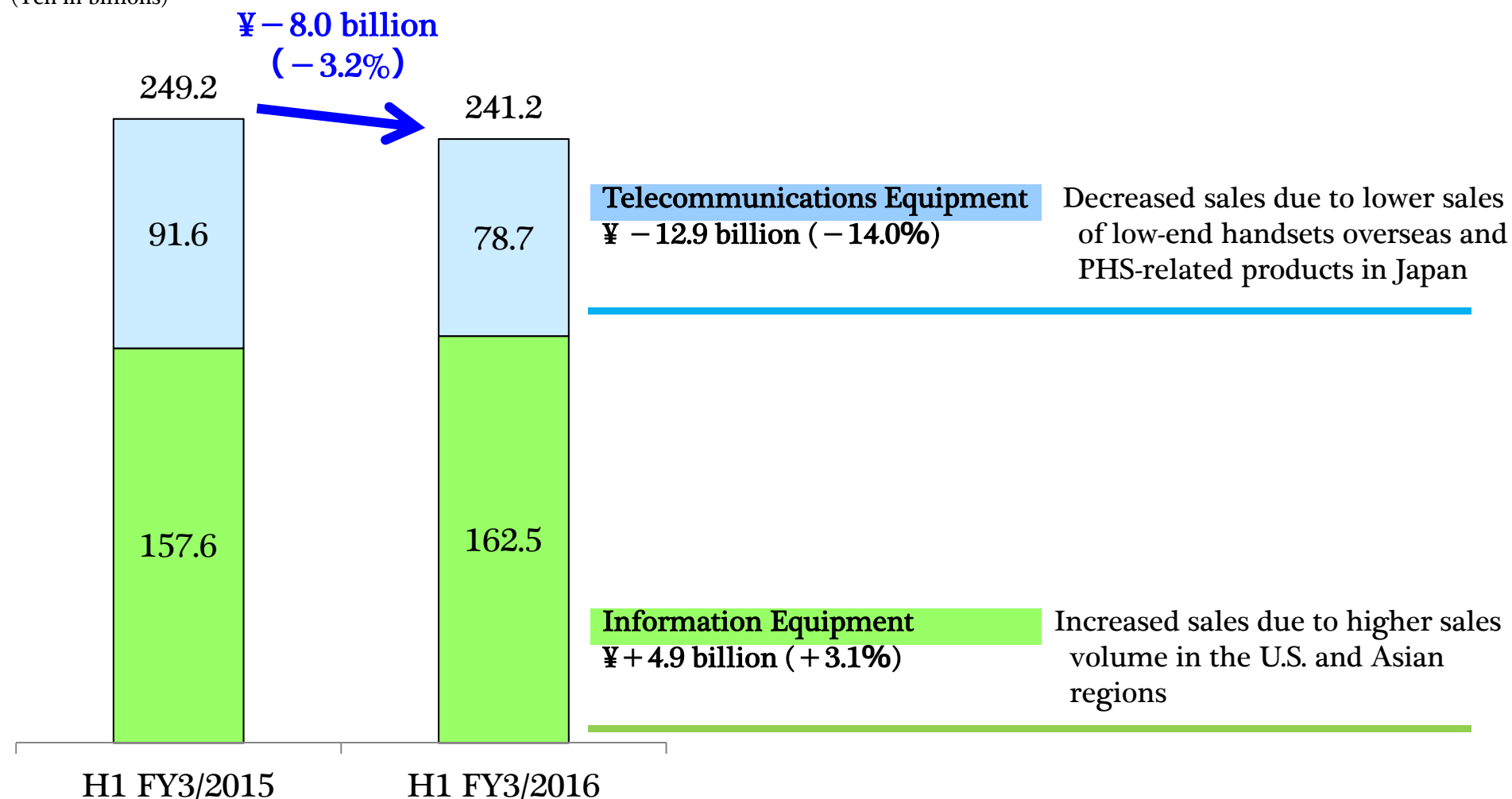
(Yen in billions)



Sales of Equipment Business for First Six Months of FY3/2016

– Comparison with first six months of FY3/2015 –

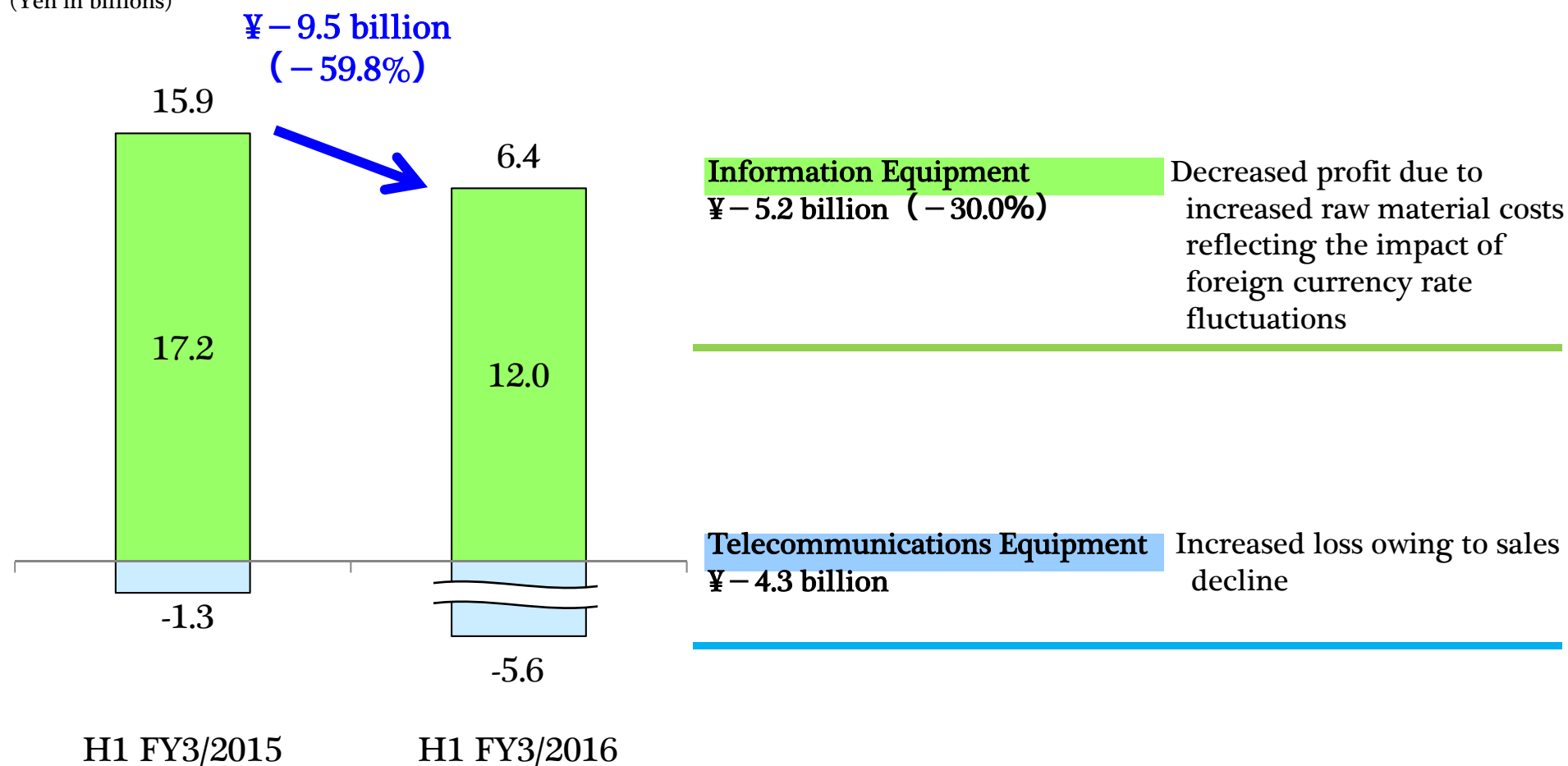
(Yen in billions)



Operating Profit of Equipment Business for First Six Months of FY3/2016

– Comparison with first six months of FY3/2015 –

(Yen in billions)



Financial Results for Q2 of FY3/2016

— Comparison with Q1 of FY3/2016 —

(Unit: Yen in millions)

	Three months ended				Change	
	June 30, 2015		September 30, 2015		Amount	%
	Amount	% to net sales	Amount	% to net sales		
Net sales	339,247	100.0%	383,330	100.0%	44,083	13.0%
Profit from operations	32,583	9.6%	29,366	7.7%	-3,217	-9.9%
Pre-tax income	47,010	13.9%	30,990	8.1%	-16,020	-34.1%
Net income attributable to shareholders of Kyocera Corporation	31,575	9.3%	19,217	5.0%	-12,358	-39.1%
Capital expenditures	16,014	4.7%	18,601	4.9%	2,587	16.2%
Depreciation	14,535	4.3%	15,938	4.2%	1,403	9.7%
R&D expenses	14,386	4.2%	14,716	3.8%	330	2.3%
Average exchange rate (yen)	US\$	¥121	¥122			
	Euro	¥134	¥136			

- On the basis of excluding profit from a sale of assets recorded in Q1, profit from operations in Q2 was up by approx. 40% compared with Q1.

Sales by Reporting Segment for Q2 of FY3/2016

– Comparison with Q1 of FY3/2016 –

(Unit: Yen in millions)

	Three months ended				Change	
	June 30, 2015		September 30, 2015			
	Amount	% of net sales	Amount	% of net sales	Amount	%
Fine Ceramic Parts Group	22,901	6.7%	24,044	6.3%	1,143	5.0%
Semiconductor Parts Group	55,251	16.3%	55,975	14.6%	724	1.3%
Applied Ceramic Products Group	52,514	15.5%	61,122	15.9%	8,608	16.4%
Electronic Device Group	70,533	20.8%	75,678	19.7%	5,145	7.3%
Components Business	201,199	59.3%	216,819	56.5%	15,620	7.8%
Telecommunications Equipment Group	28,681	8.4%	50,016	13.1%	21,335	74.4%
Information Equipment Group	79,651	23.5%	82,860	21.6%	3,209	4.0%
Equipment Business	108,332	31.9%	132,876	34.7%	24,544	22.7%
Others	39,814	11.8%	44,886	11.7%	5,072	12.7%
Adjustments and eliminations	-10,098	-3.0%	-11,251	-2.9%	-1,153	—
Net sales	339,247	100.0%	383,330	100.0%	44,083	13.0%

Profit by Reporting Segment for Q2 of FY3/2016

– Comparison with Q1 of FY3/2016 –

(Unit: Yen in millions)

	Three months ended				Change	
	June 30, 2015		September 30, 2015			
	Amount	% to net sales	Amount	% to net sales	Amount	%
Fine Ceramic Parts Group	4,199	18.3%	4,068	16.9%	-131	-3.1%
Semiconductor Parts Group	8,395	15.2%	8,231	14.7%	-164	-2.0%
Applied Ceramic Products Group	3,581	6.8%	4,442	7.3%	861	24.0%
Electronic Device Group	9,446	13.4%	8,965	11.8%	-481	-5.1%
Components Business	25,621	12.7%	25,706	11.9%	85	0.3%
Telecommunications Equipment Group	-6,142	—	521	1.0%	6,663	—
Information Equipment Group	6,410	8.0%	5,629	6.8%	-781	-12.2%
Equipment Business	268	0.2%	6,150	4.6%	5,882	-
Others	11,402	28.6%	-140	—	-11,542	—
Operating Profit	37,291	11.0%	31,716	8.3%	-5,575	-14.9%
Corporate and Others	9,719	—	-726	—	-10,445	—
Pre-tax income	47,010	13.9%	30,990	8.1%	-16,020	-34.1%

Operating profit represents profit from operating activities.

1. Financial Results for the Six Months Ended September 30, 2015

2. Financial Forecast for the Year Ending March 31, 2016

3. Major Initiatives for Future Growth

Financial Forecast for the Year Ending March 31, 2016

(Unit: Yen in millions)

	Year ended March 31, 2015		Year ending March 31, 2016 (Forecast)				Change in amount compared with	
			Previous (April 2015)		Revised (October 2015)			
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Year ended March 31, 2015	Previous forecast
Net sales	1,526,536	100.0%	1,600,000	100.0%	1,530,000	100.0%	3,464	-70,000
Profit from operations	93,428	6.1%	160,000	10.0%	110,000	7.2%	16,572	-50,000
Pre-tax income	121,862	8.0%	184,000	11.5%	140,000	9.2%	18,138	-44,000
Net income	115,875	7.6%	120,000	7.5%	85,000	5.6%	-30,875	-35,000
EPS (Diluted-yen)	315.85	—	327.10	—	231.70	—	-84.15	-95.40
Capital expenditures	56,670	3.7%	70,000	4.4%	70,000	4.6%	13,330	—
Depreciation	62,413	4.1%	74,000	4.6%	64,000	4.2%	1,587	-10,000
R&D expenses	55,285	3.6%	60,000	3.8%	60,000	3.9%	4,715	—
Average exchange rates (yen)	US\$	¥110	¥115	¥120				
	Euro	¥139	¥125	¥133				
Foreign currency fluctuation effect on; (compared with the previous same period)	Net sales	Approx. ¥ 58 billion	Approx. ¥ 1 billion	Approx. ¥ 33 billion				
	Pre-tax income	Approx. ¥ 7 billion	Approx. ¥ -8 billion	Approx. ¥ 4 billion				

Note: Forecast of EPS (Diluted-yen) is computed based on the diluted average number of shares outstanding during the six months ended September 30, 2015.

Factors Behind FY3/2016 Forecast Revision (1)

– Components Business –

(Yen in millions)

		Year Ending March 31, 2016 (Forecast)		Change in amount	Reasons for a change
		Previous (April 2015)	Revised (October 2015)		
Fine Ceramic Parts	Sales	100,000	95,000	-5,000	Decrease in demand of sapphire substrates and automotive parts
	Operating profit	18,000	16,200	-1,800	
Semiconductor Parts	Sales	248,000	222,500	-25,500	<ul style="list-style-type: none"> • Slowing sales and delayed new product approval by customers in smartphone and automotive markets • Lower capital expenditure in telecom infrastructure industry
	Operating profit	39,000	32,000	-7,000	
Applied Ceramic Products	Sales	247,000	252,500	5,500	Higher sales in solar energy business
	Operating profit	19,000	20,000	1,000	
Electornic Device	Sales	295,000	297,000	2,000	Taking into consideration the possibility of structural reforms
	Operating profit	43,000	15,000	-28,000	
Components Business	Sales	890,000	867,000	-23,000	—
	Operating profit	119,000	83,200	-35,800	

Factors Behind FY3/2016 Forecast Revision (2)

– Equipment Business and Others –

(Yen in millions)

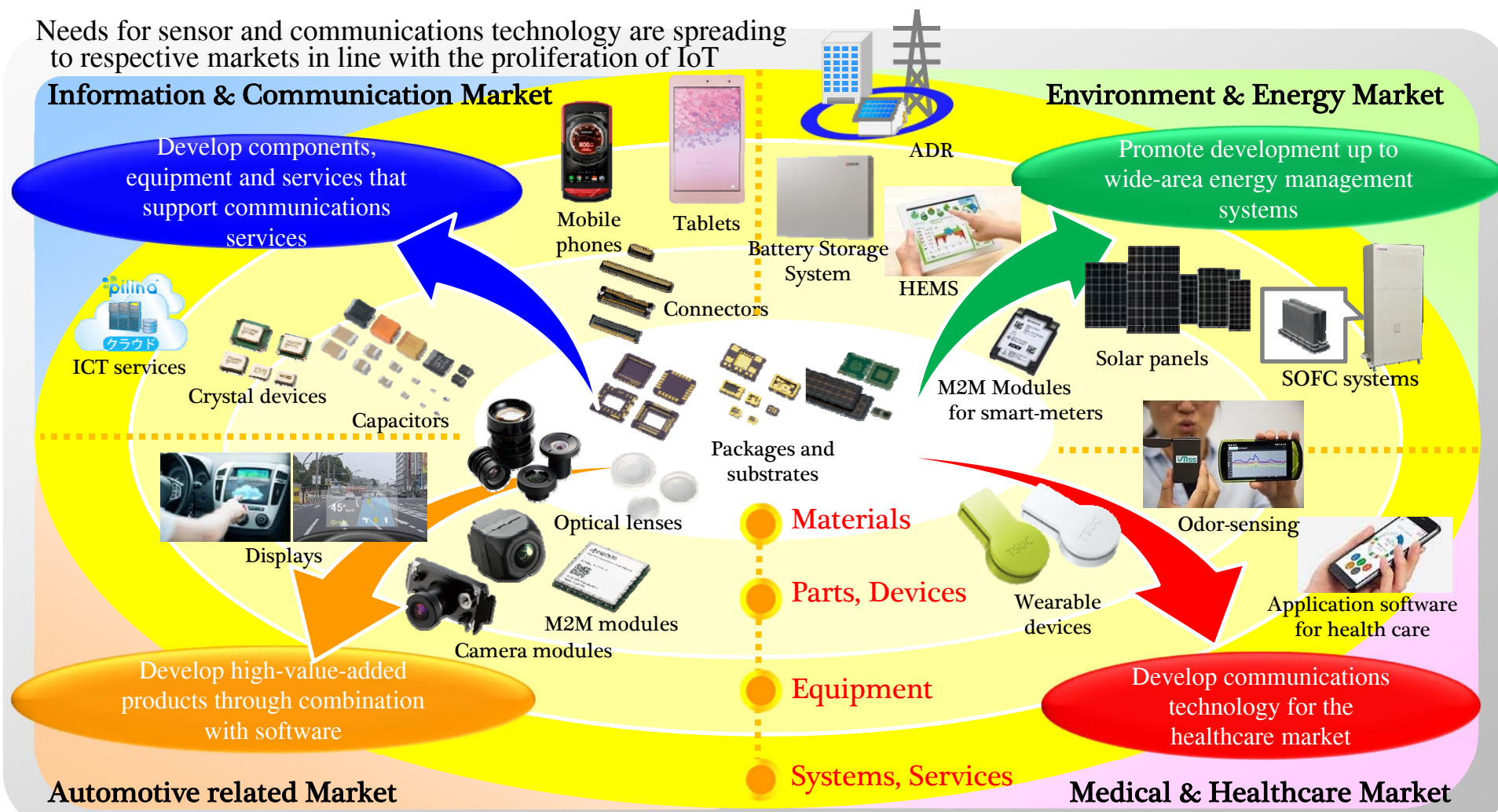
		Year Ending March 31, 2016 (Forecast)		Change in amount	Reasons for a change
		Previous (April)	Revised (October)		
Telecommunications Equipment	Sales	205,000	188,000	-17,000	<ul style="list-style-type: none"> • Demand stagnation in PHS market • Lower sales in some customers • Revision made in new product launch resulting in decreased sales volume
	Operating profit	3,000	-2,000	-5,000	
Information Equipment	Sales	360,000	345,000	-15,000	Slowed economies of European and emerging countries and negative effect of strong dollar
	Operating profit	36,000	29,000	-7,000	
Equipment Business	Sales	565,000	533,000	-32,000	–
	Operating profit	39,000	27,000	-12,000	
Others	Sales	184,000	175,000	-9,000	Lower demand in telecommunications engineering business, etc.
	Operating profit	15,000	13,000	-2,000	

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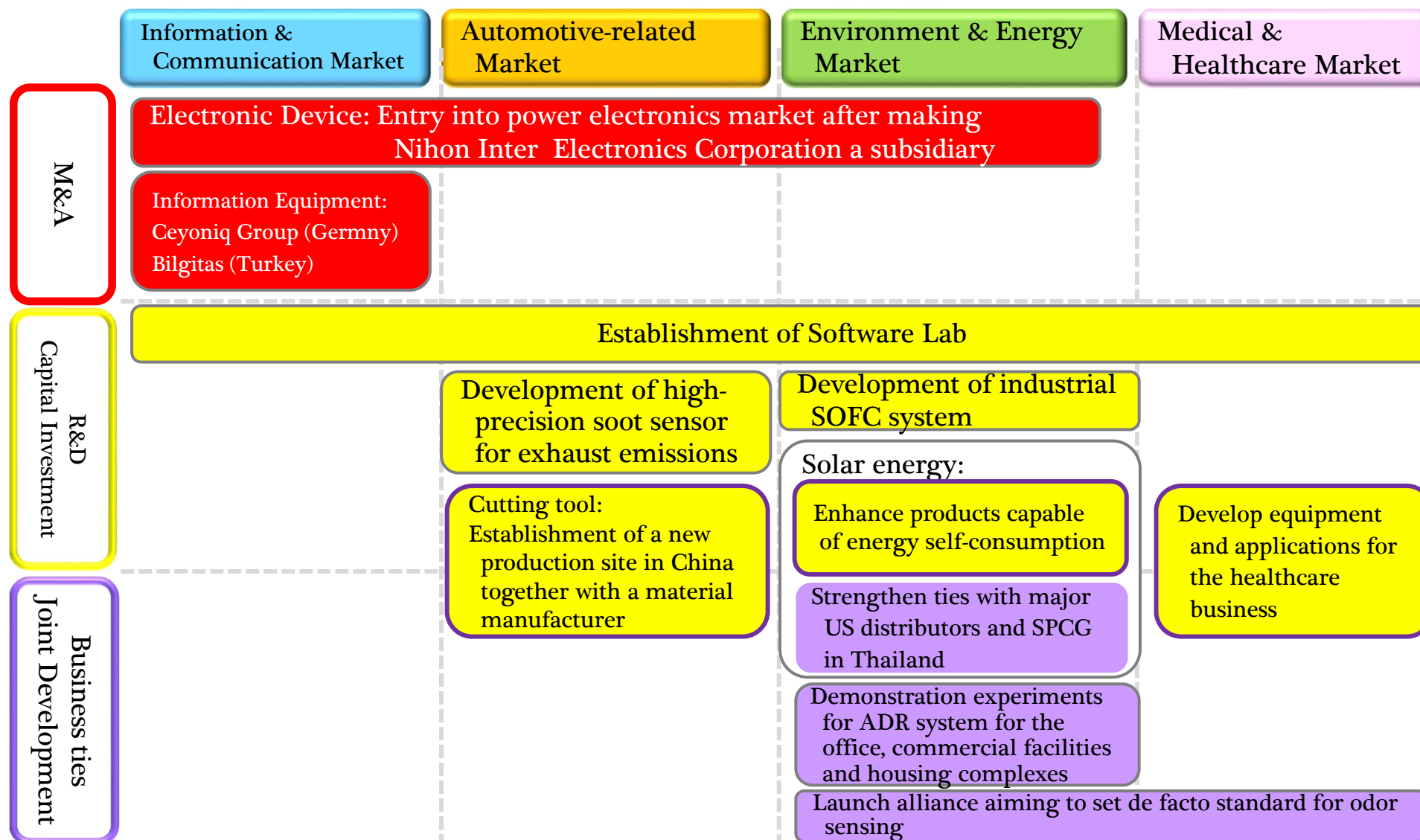
Exploit New Business Chances Based on Proliferation of IoT

Create businesses by integrating Kyocera Group's resources with external resources

Needs for sensor and communications technology are spreading to respective markets in line with the proliferation of IoT



Main Initiatives Implemented to October 2015



Key M&As Decided in FY3/2016

Strengthen Information Equipment Group: Decided two M&As

Expand solutions business

CEYONIQ  Solutions provider using ECM (advanced MDS)
Technology

Sales in CY2014: 16.7 million euro

Overview of Ceyoniq Group	
Company names	Ceyoniq Technology GmbH and three group companies
Established in	2002
Location of headquarters	Bielefeld, Germany

Expand business in the Middle East

BİLGİTAŞ Major information equipment supplier in Turkey

Sales in CY2014 : 30.1 million euro

Overview of Bilgitas	
Company name	Bilgitas Büro Makinalari Sanayi Ve Ticaret A.S.
Established in	1982
Location of headquarter	Istanbul, Republic of Turkey

Aim for 100 billion yen sales from solution business

Strengthen business foundation together with setting up a new logistics center in the Middle East

Initiatives to Expand Business in Automotive Market

Expand cutting tool business

Strengthen production system in China

Increase production for the Chinese market, the world's largest automobile producer

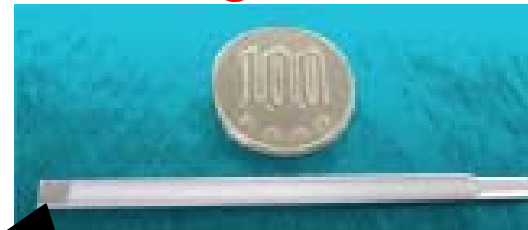
Stable supply through integrated production starting with materials



Name of company	Kyocera Precision Tools (Ganzhou) Co., Ltd.
Start of operation	January 2016 (Planned)
Plant size	Lot area: Approx. 20,000 m ² Total floor space : Approx. 23,000 m ² (2-story building)
Operations	Manufacture of carbide inserts

Strengthen new product development

Develop soot sensor (for diesel engine vehicles)



High heat resistance, high precision

New materials that do not use costly platinum

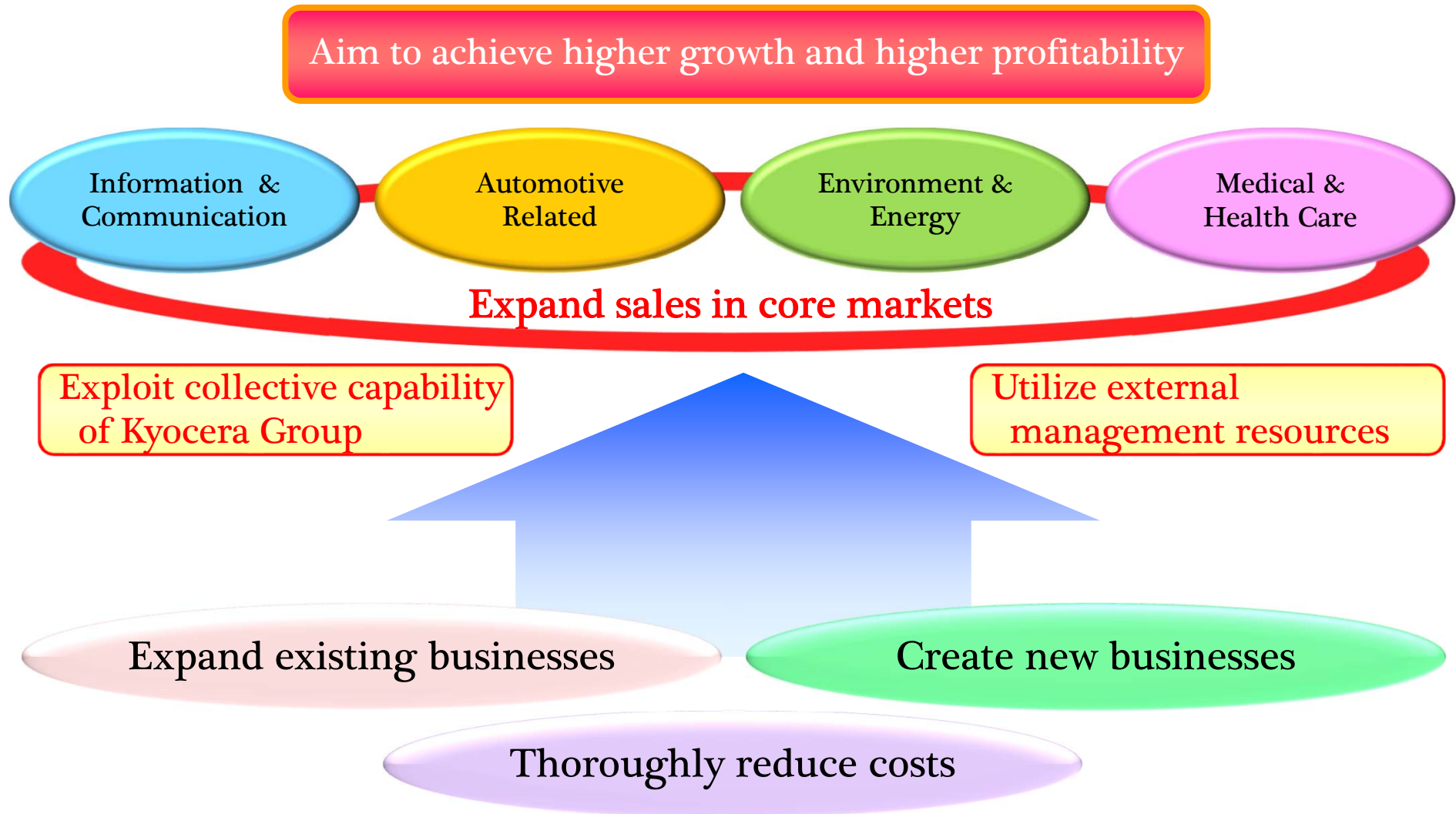
Establish Software Lab (October 2015)



Camera modules

Promote development of advanced image recognition technology

Basic Policy toward Mid-Term Business Growth



Sales Forecast by Reporting Segment for the Year Ending March 31, 2016

(Unit: Yen in millions)

	Year ended March 31, 2015		Year ending March 31, 2016 (Forecast)				Change in amount compared with	
			Previous (April 2015)		Revised (October 2015)			
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Year ended March 31, 2015	Previous forecast
Fine Ceramic Parts Group	90,694	5.9%	100,000	6.3%	95,000	6.2%	4,306	-5,000
Semiconductor Parts Group	217,879	14.3%	248,000	15.5%	222,500	14.6%	4,621	-25,500
Applied Ceramic Products Group	277,629	18.2%	247,000	15.4%	252,500	16.5%	-25,129	5,500
Electronic Device Group	284,145	18.6%	295,000	18.4%	297,000	19.4%	12,855	2,000
Components Business	870,347	57.0%	890,000	55.6%	867,000	56.7%	-3,347	-23,000
Telecommunications Equipment Group	204,290	13.4%	205,000	12.8%	188,000	12.3%	-16,290	-17,000
Information Equipment Group	332,596	21.8%	360,000	22.5%	345,000	22.5%	12,404	-15,000
Equipment Business	536,886	35.2%	565,000	35.3%	533,000	34.8%	-3,886	-32,000
Others	172,925	11.3%	184,000	11.5%	175,000	11.4%	2,075	-9,000
Adjustments and eliminations	-53,622	-3.5%	-39,000	-2.4%	-45,000	-2.9%	8,622	-6,000
Net Sales	1,526,536	100.0%	1,600,000	100.0%	1,530,000	100.0%	3,464	-70,000

Operating Profit Forecast by Reporting Segment for the Year Ending March 31, 2016

(Unit: Yen in millions)

	Year ended March 31, 2015		Year ending March 31, 2016 (Forecast)				Change in amount compared with	
			Previous (April 2015)		Revised (October 2015)			
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Year ended March 31, 2015	Previous forecast
Fine Ceramic Parts Group	16,134	17.8%	18,000	18.0%	16,200	17.1%	66	-1,800
Semiconductor Parts Group	33,971	15.6%	39,000	15.7%	32,000	14.4%	-1,971	-7,000
Applied Ceramic Products Group	3,159	1.1%	19,000	7.7%	20,000	7.9%	16,841	1,000
Electronic Device Group	34,372	12.1%	43,000	14.6%	15,000	5.1%	-19,372	-28,000
Components Business	87,636	10.1%	119,000	13.4%	83,200	9.6%	-4,436	-35,800
Telecommunications Equipment Group	-20,212	—	3,000	1.5%	-2,000	—	18,212	-5,000
Information Equipment Group	34,569	10.4%	36,000	10.0%	29,000	8.4%	-5,569	-7,000
Equipment Business	14,357	2.7%	39,000	6.9%	27,000	5.1%	12,643	-12,000
Others	6,848	4.0%	15,000	8.2%	13,000	7.4%	6,152	-2,000
Operating Profit	108,841	7.1%	173,000	10.8%	123,200	8.1%	14,359	-49,800
Corporate and others	13,021	—	11,000	—	16,800	—	3,779	5,800
Pre-tax income	121,862	8.0%	184,000	11.5%	140,000	9.2%	18,138	-44,000

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.