



THE NEW VALUE FRONTIER

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Conference Call Material

For the Nine Months Ended December 31, 2015

Goro Yamaguchi
President and Representative Director

KYOCERA Corporation

Today's Presentation

- 1. Financial Results for the Nine Months Ended December 31, 2015**
- 2. Financial Forecasts for the Year Ending March 31, 2016**

1. Financial Results for the Nine Months Ended December 31, 2015

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

Financial Results for First Nine Months of FY3/2016

— Comparison with first nine months of FY3/2015 —

(Unit: Yen in millions)

	Nine months ended December 31,				Change	
	2014		2015			
	Amount	% to net sales	Amount	% to net sales	Amount	%
Net sales	1,101,692	100.0%	1,093,030	100.0%	-8,662	-0.8%
Profit from operations	90,222	8.2%	66,020	6.0%	-24,202	-26.8%
Pre-tax income	114,667	10.4%	97,390	8.9%	-17,277	-15.1%
Net income attributable to shareholders of Kyocera Corporation	73,971	6.7%	59,504	5.4%	-14,467	-19.6%
Capital expenditures	41,816	3.8%	50,891	4.7%	9,075	21.7%
Depreciation	44,864	4.1%	47,724	4.4%	2,860	6.4%
R&D expenses	40,418	3.7%	44,078	4.0%	3,660	9.1%
Average exchange rate (yen)	US\$	¥107	¥122			
	Euro	¥140	¥134			
Foreign currency fluctuation effect on; (compared with the previous same period)	Net sales	Approx. ¥ 42 billion	Approx. ¥ 41 billion			
	Pre-tax income	Approx. ¥ 8 billion	Approx. ¥ 6 billion			

Financial Results by Reporting Segment (1)

Fine Ceramic Parts Group

(Unit: Yen in millions)

	Nine months ended December 31,		Change	
	2014	2015	Amount	%
Sales	66,128	70,342	4,214	6.4%
Operating profit	11,167	11,860	693	6.2%
Operating profit ratio(%)	16.9%	16.9%	—	—

<Major factors for changes>

- ✓ Increased sales of components for industrial machinery such as semiconductor processing equipment as well as automotive components such as camera modules
- ✓ Increased profit along with sales expansion

Semiconductor Parts Group

(Unit: Yen in millions)

	Nine months ended December 31,		Change	
	2014	2015	Amount	%
Sales	159,561	165,032	5,471	3.4%
Operating profit	24,617	24,114	-503	-2.0%
Operating profit ratio(%)	15.4%	14.6%	—	—

<Major factors for changes>

- ✓ Increased sales of packages and substrates for the communications market, particularly for smartphones
- ✓ Increased sales of packages for LEDs for automotive-related markets
- ✓ Decreased profit due to the impact of a decline in product prices

Financial Results by Reporting Segment (2)

Applied Ceramic Products Group

(Unit: Yen in millions)

	Nine months ended December 31,		Change	
	2014	2015	Amount	%
Sales	189,333	177,763	-11,570	-6.1%
Operating profit	9,570	12,498	2,928	30.6%
Operating profit ratio(%)	5.1%	7.0%	—	—

<Major factors for changes>

- ✓ Increased sales of cutting tool business primarily for automotive-related markets
- ✓ Decreased sales of solar energy business in Japan
- ✓ Increased profit due mainly to efforts to reduce costs in the solar energy business

Electronic Device Group

(Unit: Yen in millions)

	Nine months ended December 31,		Change	
	2014	2015	Amount	%
Sales	213,050	219,780	6,730	3.2%
Operating profit	28,281	3,784	-24,497	-86.6%
Operating profit ratio(%)	13.3%	1.7%	—	—

<Major factors for changes>

- ✓ Increased sales of capacitors for smartphones and printing devices for industrial equipment
- ✓ Sales contribution from Nihon Inter Electronics Corporation since September 2015
- ✓ Decreased profit due to the recording of costs of approx. ¥18 billion such as impairment loss on goodwill in Display business, and of approx. ¥5 billion for legal disputes involving intellectual property issues at AVX Corporation

Financial Results by Reporting Segment (3)

Telecommunications Equipment Group

(Unit: Yen in millions)

	Nine months ended December 31,		Change	
	2014	2015	Amount	%
Sales	146,346	124,178	-22,168	-15.1%
Operating profit	-3,223	-3,945	-722	—
Operating profit ratio(%)	—	—	—	—

<Major factors for changes>

- ✓ Decreased sales of PHS-related products and low-end handsets as well as reduced number of new model introductions
- ✓ Recorded losses due to sales decline

Information Equipment Group

(Unit: Yen in millions)

	Nine months ended December 31,		Change	
	2014	2015	Amount	%
Sales	241,744	245,375	3,631	1.5%
Operating profit	25,432	17,484	-7,948	-31.3%
Operating profit ratio(%)	10.5%	7.1%	—	—

<Major factors for changes>

- ✓ Increased sales due to growing sales volumes of printers and MFPs through efforts to expand sales
- ✓ Decreased profit due mainly to increased raw material costs reflecting the impact of strong U.S. dollar

Financial Results by Reporting Segment (4)

Others

(Unit: Yen in millions)

	Nine months ended December 31,		Change	
	2014	2015	Amount	%
Sales	123,176	122,608	-568	-0.5%
Operating profit	4,095	11,334	7,239	176.8%
Operating profit ratio(%)	3.3%	9.2%	—	—

<Major factors for changes>

- ✓ Sales remained roughly on par
- ✓ Increased profit due to the recording of profit from a sale of assets

- 1. Financial Results for the Nine Months Ended December 31, 2015**
 - 2. Financial Forecasts for the Year Ending March 31, 2016**
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Financial Forecasts for the Year Ending March 31, 2016

(Unit: Yen in millions)

	Year ended March 31, 2015		Year ending March 31, 2016 (Forecast)				Changes compared with	
			Previous (October 2015)		Revised (January 2016)			
	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%	1,530,000	100.0%	1,480,000	100.0%	-46,536	-50,000
Profit from operations	93,428	6.1%	110,000	7.2%	85,000	5.7%	-8,428	-25,000
Pre-tax income	121,862	8.0%	140,000	9.2%	135,000	9.1%	13,138	-5,000
Net income	115,875	7.6%	85,000	5.6%	90,000	6.1%	-25,875	5,000
EPS (Diluted-yen)	315.85	—	231.70	—	245.33	—	-70.52	13.63
Capital expenditures	56,670	3.7%	70,000	4.6%	70,000	4.7%	13,330	—
Depreciation	62,413	4.1%	64,000	4.2%	64,000	4.3%	1,587	—
R&D expenses	55,285	3.6%	60,000	3.9%	60,000	4.1%	4,715	—
Average exchange rate (yen)	US\$	¥110	¥120	¥121				
	Euro	¥139	¥133	¥133				
Foreign currency fluctuation effect on; (compared with the previous same period)	Net sales	Approx. ¥ 58 billion	Approx. ¥ 33 billion	Approx. ¥ 36 billion				
	Pre-tax income	Approx. ¥ 7 billion	Approx. ¥ 4 billion	Approx. ¥ 5 billion				

Note: Forecast of EPS (Diluted-yen) is computed based on the diluted average number of shares outstanding during the nine months ended December 31, 2015.

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 (October 2015)		Revised (January 2016)			
	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%	95,000	6.2%	96,000	6.5%	5,306	1,000
Semiconductor Parts Group	217,879	14.3%	222,500	14.6%	212,000	14.3%	-5,879	-10,500
Applied Ceramic Products Group	277,629	18.2%	252,500	16.5%	251,000	17.0%	-26,629	-1,500
Electronic Device Group	284,145	18.6%	297,000	19.4%	290,000	19.6%	5,855	-7,000
Components Business	870,347	57.0%	867,000	56.7%	849,000	57.4%	-21,347	-18,000
Telecommunications Equipment Group	204,290	13.4%	188,000	12.3%	170,000	11.5%	-34,290	-18,000
Information Equipment Group	332,596	21.8%	345,000	22.5%	340,000	22.9%	7,404	-5,000
Equipment Business	536,886	35.2%	533,000	34.8%	510,000	34.4%	-26,886	-23,000
Others	172,925	11.3%	175,000	11.4%	166,000	11.2%	-6,925	-9,000
Adjustments and eliminations	-53,622	-3.5%	-45,000	-2.9%	-45,000	-3.0%	8,622	—
Net Sales	1,526,536	100.0%	1,530,000	100.0%	1,480,000	100.0%	-46,536	-50,000

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 (October 2015)		Revised (January 2016)			
	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%	16,200	17.1%	16,000	16.7%	-134	-200
Semiconductor Parts Group	33,971	15.6%	32,000	14.4%	27,000	12.7%	-6,971	-5,000
Applied Ceramic Products Group	3,159	1.1%	20,000	7.9%	18,000	7.2%	14,841	-2,000
Electronic Device Group	34,372	12.1%	15,000	5.1%	11,800	4.1%	-22,572	-3,200
Components Business	87,636	10.1%	83,200	9.6%	72,800	8.6%	-14,836	-10,400
Telecommunications Equipment Group	-20,212	—	-2,000	—	-7,800	—	12,412	-5,800
Information Equipment Group	34,569	10.4%	29,000	8.4%	23,000	6.8%	-11,569	-6,000
Equipment Business	14,357	2.7%	27,000	5.1%	15,200	3.0%	843	-11,800
Others	6,848	4.0%	13,000	7.4%	10,000	6.0%	3,152	-3,000
Operating Profit	108,841	7.1%	123,200	8.1%	98,000	6.6%	-10,841	-25,200
Corporate and others	13,021	—	16,800	—	37,000	—	23,979	20,200
Pre-tax income	121,862	8.0%	140,000	9.2%	135,000	9.1%	13,138	-5,000

Please refer to forward-looking statements on the final page.

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

– Comparison with first nine months of FY3/2015 –

(Unit: Yen in millions)

	Nine months ended December 31,				Change	
	2014		2015			
	Amount	% of net sales	Amount	% of net sales	Amount	%
Fine Ceramic Parts Group	66,128	6.0%	70,342	6.4%	4,214	6.4%
Semiconductor Parts Group	159,561	14.5%	165,032	15.1%	5,471	3.4%
Applied Ceramic Products Group	189,333	17.2%	177,763	16.3%	-11,570	-6.1%
Electronic Device Group	213,050	19.3%	219,780	20.1%	6,730	3.2%
Components Business	628,072	57.0%	632,917	57.9%	4,845	0.8%
Telecommunications Equipment Group	146,346	13.3%	124,178	11.4%	-22,168	-15.1%
Information Equipment Group	241,744	21.9%	245,375	22.4%	3,631	1.5%
Equipment Business	388,090	35.2%	369,553	33.8%	-18,537	-4.8%
Others	123,176	11.2%	122,608	11.2%	-568	-0.5%
Adjustments and eliminations	-37,646	-3.4%	-32,048	-2.9%	5,598	—
Net sales	1,101,692	100.0%	1,093,030	100.0%	-8,662	-0.8%

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

– Comparison with first nine months of FY3/2015 – (Unit: Yen in millions)

	Nine months ended December 31,				Change	
	2014		2015			
	Amount	% to net sales	Amount	% to net sales	Amount	%
Fine Ceramic Parts Group	11,167	16.9%	11,860	16.9%	693	6.2%
Semiconductor Parts Group	24,617	15.4%	24,114	14.6%	-503	-2.0%
Applied Ceramic Products Group	9,570	5.1%	12,498	7.0%	2,928	30.6%
Electronic Device Group	28,281	13.3%	3,784	1.7%	-24,497	-86.6%
Components Business	73,635	11.7%	52,256	8.3%	-21,379	-29.0%
Telecommunications Equipment Group	-3,223	—	-3,945	—	-722	—
Information Equipment Group	25,432	10.5%	17,484	7.1%	-7,948	-31.3%
Equipment Business	22,209	5.7%	13,539	3.7%	-8,670	-39.0%
Others	4,095	3.3%	11,334	9.2%	7,239	176.8%
Operating Profit	99,939	9.1%	77,129	7.1%	-22,810	-22.8%
Corporate and Others	14,728	—	20,261	—	5,533	37.6%
Pre-tax income	114,667	10.4%	97,390	8.9%	-17,277	-15.1%

Operating profit represents profit from operating activities.

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.