Telephone Conference Call for the Nine Months Ended December 31, 2016

(Held on January 31, 2017)

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< Slide 2: Financial Results for the Nine Months Ended December 31, 2016 >

This table outlines financial results for the nine months ended December 31, 2016 ("the nine months"). As for exchange rates shown at the bottom of the table, the yen appreciated by ¥15 against the U.S. dollar and ¥16 against the Euro compared with the nine months ended December 31, 2015 ("the previous nine months"), and this pushed down net sales by approximately ¥90 billion and pre-tax income by approximately ¥23 billion compared with the previous nine months.

As a result, net sales decreased by 7.2% compared with the previous nine months while profit increased in year-on-year terms owing to efforts to reduce costs. Net income was up substantially over the previous nine months due to a reduction in tax expenses. The primary reason for this was an increase in tax expense in the previous nine months following the recording of impairment losses on goodwill. Next, I will explain conditions in the reporting segments.

< Slide 3: Sales by Reporting Segment for the Nine Months Ended December 31, 2016 >

Although the Fine Ceramic Parts Group and Semiconductor Parts Group posted sales growth for the period on the back of an increase in sales for automotive camera modules and packages for optical communications, among others, net sales decreased due primarily to a decline in sales in the solar energy business, a decline in sales volume in the Telecommunications Equipment Group and the impact of the yen's appreciation in the Information Equipment Group.

< Slide 4: Operating Profit by Reporting Segment for the Nine Months Ended December 31, 2016 >

Operating profit was down in the Components Business due mainly to the impact of approximately ¥12 billion from a gain on the sale of assets recorded in the Semiconductor Parts Group in the previous nine months coupled with the impact of the yen's appreciation on the organic materials business. In contrast, operating profit was up in the Equipment Business due to the launch of new products in the Information Equipment Group and the effect of cost reductions resulting from, among other things, an improvement in productivity.

Although the Electronic Device Group saw a significant increase in operating profit, this was due primarily to the recording of approximately ¥18 billion in impairment losses on goodwill and other assets in the display business in the previous nine months.

Next, I will explain results for the three months ended December 31, 2016 ("the third quarter") compared with the three months ended September 30, 2016 ("the second quarter").

< Slide 5: Financial Results for the Three Months Ended December 31, 2016 >

Increases in sales and profit in the third quarter compared with the second quarter exceeded the benefits provided by yen depreciation. Net sales were up 8.4% and profit from operations surged approximately 55%. Note that dividends from KDDI Corporation are included in pre-tax income for the third quarter.

< Slide 6: Sales by Reporting Segment for the Three Months Ended December 31, 2016 >

< Slide 7: Operating Profit by Reporting Segment for the Three Months Ended December 31, 2016 >

Pages 6 and 7 outline sales and operating profit by reporting segment, respectively. Sales increased in both the Components Business and Equipment Business compared with the second quarter, and total operating profit jumped approximately 60%, as shown on the third line from the bottom of the table on page 7.

Please turn to page 8 for details.

< Slide 8: Summary of Financial Results for the Three Months Ended December 31, 2016 >

Sales increased in all reporting segments in the Components Business, as shown at top, due to sales growth in major products such as solar modules and electronic components.

Operating profit increased by approximately 50% and the profit ratio improved to 12.2% due to sales growth in high-value-added products such as ceramic packages for the information and communications market and automotive-related markets in addition to strenuous efforts to cut costs.

In the Equipment Business, shown at bottom, double-digit sales increases were posted for both telecommunications and information equipment due to the effect of new product launches. Moreover, operating profit almost doubled due to the sales growth and the benefits of structural reform. This can be attributed to the effect of consolidating production and development sites and a shift to mobile phones with high durability as part of product strategy in the Telecommunications Equipment Group, which resulted in an improvement of ¥4.5 billion from operating loss in the second quarter and an increase in profit ratio to 8.5% in this reporting segment. That concludes my summary of financial results for the third quarter.

Next, I will explain financial forecasts for the year ending March 31, 2017 (“the fiscal year”).

< Slide 9: Financial Forecasts for the Year Ending March 31, 2017 >

In light of results for the first three quarters and the forecast for the three months ending March 31, 2017 (“the fourth quarter”), we have revised financial forecasts for the fiscal year from those announced in October last year. We have revised down our forecasts for both the Components Business and Equipment Business compared with initial projections, and as a result, forecasts for net sales and profit from operations for the fiscal year have been revised to ¥1,410 billion and ¥95 billion, respectively.

After taking into account performance for the nine months, the forecast for pre-tax income has been left unchanged from the previous projection at ¥130 billion while net income has been revised up by ¥5 billion to ¥90 billion.

Assumed exchange rates for the fourth quarter have been revised from the October forecast of ¥102 to ¥112 against the U.S. dollar and from ¥112 to ¥120 against the Euro. As a result, assumed exchange rates for the full year are ¥108 against the U.S. dollar and ¥119 against the Euro.

< Slide 10: Sales Forecast by Reporting Segment for the Year Ending March 31, 2017 >

< Slide 11: Operating Profit Forecast by Reporting Segment for the Year Ending March 31, 2017 >

Next, I will discuss those reporting segments in which we have significantly revised sales forecasts. First, in the Applied Ceramic Products Group, we have revised down our sales forecast for the solar energy business relative to the initial projection due to the impact of changes in the business environment in the North American market and slow demand in the Japanese market. In Others, which includes installation and construction of mega solar power facilities, we have revised our forecast for the same reasons.

We have revised our forecast for the Electronic Device Group due mainly to sluggish demand for print heads for industrial equipment caused primarily by customers' inventory adjustments.

In the Information Equipment Group, we have revised our forecast down from the previous forecast due to the impact of delays in the launch of new products and market stagnation. We have revised the forecast for profit up from the previous forecast, however, due to thorough cost reductions and an improvement in productivity. The profit ratio forecast has also been revised up.

Kyocera will continue to strive to expand orders and reduce costs in the fourth quarter with the aim of achieving the financial forecasts announced today.

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.