

July 31, 2018

Conference Call Material

For the Three Months Ended June 30, 2018

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President and Representative Director

KYOCERA Corporation

This is an English translation of the Japanese original of conference call material. 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.

1. Financial Results for the Three Months Ended June 30, 2018

Note: Commencing from the beginning of its fiscal year ending March 31, 2019 (FY3/2019), Kyocera has adopted the International Financial Reporting Standards (“IFRS”) in lieu of the Generally Accepted Accounting Principles of the United States of America (“U.S.GAAP”). In addition, financial figures appearing herein for the three months ended June 30, 2017 and the year ended March 31, 2018 (FY3/2018) have been reclassified in accordance with IFRS for the purpose of comparative analysis.

Financial Results for Q1 of FY3/2019

— Comparison with Q1 of FY3/2018 —

(Unit: Yen in millions)

	Three months ended June 30,				Change	
	2017		2018			
	Amount	% to sales revenue	Amount	% to sales revenue	Amount	%
Sales revenue	345,162	100.0%	387,484	100.0%	42,322	12.3%
Operating profit	31,260	9.1%	37,104	9.6%	5,844	18.7%
Profit before income taxes	49,353	14.3%	55,488	14.3%	6,135	12.4%
Profit attributable to owners of the parent	35,026	10.1%	42,284	10.9%	7,258	20.7%
Capital expenditures	17,180	5.0%	29,850	7.7%	12,670	73.7%
Depreciation	14,671	4.3%	11,703	3.0%	-2,968	-20.2%
R&D expenses	13,584	3.9%	16,713	4.3%	3,129	23.0%
Average exchange rate	US\$	111 yen	109 yen			
	Euro	122 yen	130 yen			

(Reference) Foreign currency fluctuation effect on sales revenue and profit before income taxes for Q1 of FY3/2019 compared with the previous same period.

Sales revenue: Approx. + 2 billion yen

Profit before income taxes: Approx. + 2 billion yen

Sales Revenue by Reporting Segment for Q1 of FY3/2019

– Comparison with Q1 of FY3/2018 –

(Unit: Yen in millions)

	Three months ended June 30,				Change	
	2017		2018			
	Amount	% of sales revenue	Amount	% of sales revenue	Amount	%
Industrial & Automotive Components Group	61,185	17.7%	81,956	21.1%	20,771	33.9%
Semiconductor Components Group	60,786	17.6%	60,649	15.7%	-137	-0.2%
Electronic Devices Group	63,120	18.3%	88,284	22.8%	25,164	39.9%
Total Components Business	185,091	53.6%	230,889	59.6%	45,798	24.7%
Communications Group	57,071	16.5%	51,610	13.3%	-5,461	-9.6%
Document Solutions Group	80,973	23.5%	88,796	22.9%	7,823	9.7%
Life & Environment Group	24,606	7.1%	18,692	4.8%	-5,914	-24.0%
Total Equipment & Systems Business	162,650	47.1%	159,098	41.0%	-3,552	-2.2%
Others	5,245	1.5%	4,932	1.3%	-313	-6.0%
Adjustments and eliminations	-7,824	-2.2%	-7,435	-1.9%	389	—
Sales revenue	345,162	100.0%	387,484	100.0%	42,322	12.3%

Business Profit by Reporting Segment for Q1 of FY3/2019

– Comparison with Q1 of FY3/2018 –

(Unit: Yen in millions)

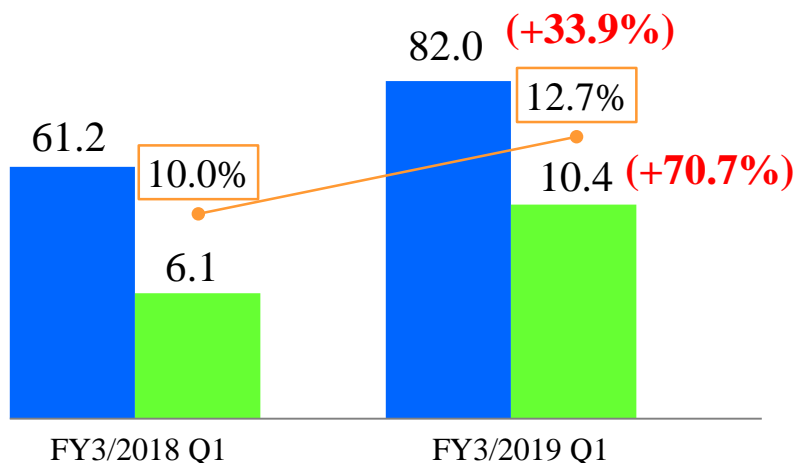
	Three months ended June 30,				Change	
	2017		2018			
	Amount	% to sales revenue	Amount	% to sales revenue	Amount	%
Industrial & Automotive Components Group	6,103	10.0%	10,416	12.7%	4,313	70.7%
Semiconductor Components Group	7,651	12.6%	5,846	9.6%	-1,805	-23.6%
Electronic Devices Group	8,427	13.4%	14,397	16.3%	5,970	70.8%
Total Components Business	22,181	12.0%	30,659	13.3%	8,478	38.2%
Communications Group	1,002	1.8%	-2,241	—	-3,243	—
Document Solutions Group	9,160	11.3%	10,348	11.7%	1,188	13.0%
Life & Environment Group	-1,310	—	-3,015	—	-1,705	—
Total Equipment & Systems Business	8,852	5.4%	5,092	3.2%	-3,760	-42.5%
Others	412	7.9%	617	12.5%	205	49.8%
Total business profit	31,445	9.1%	36,368	9.4%	4,923	15.7%
Corporate and others	17,908	—	19,120	—	1,212	6.8%
Profit before income taxes	49,353	14.3%	55,488	14.3%	6,135	12.4%

Financial Results for Q1 of FY3/2019 by Reporting Segment (1)

■ Sales revenue ■ Business profit — Business profit ratio () Change from Q1 of FY3/2018

Industrial & Automotive Components Group

(Unit: Yen in billions)

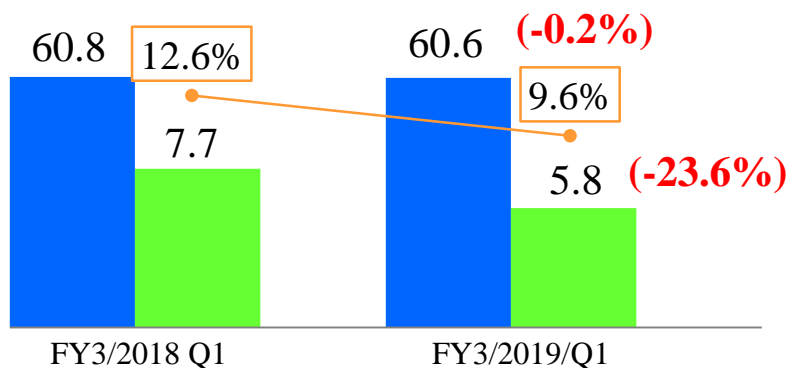


<Major factors for changes>

- ✓ Sales of industrial tools were up due to increased demand and contribution from merger and acquisition activities
- ✓ Sales of parts for semiconductor processing equipment and automotive camera modules increased
- ✓ Profit was up due to the sales growth and cost reductions

Semiconductor Components Group

(Unit: Yen in billions)



<Major factors for changes>

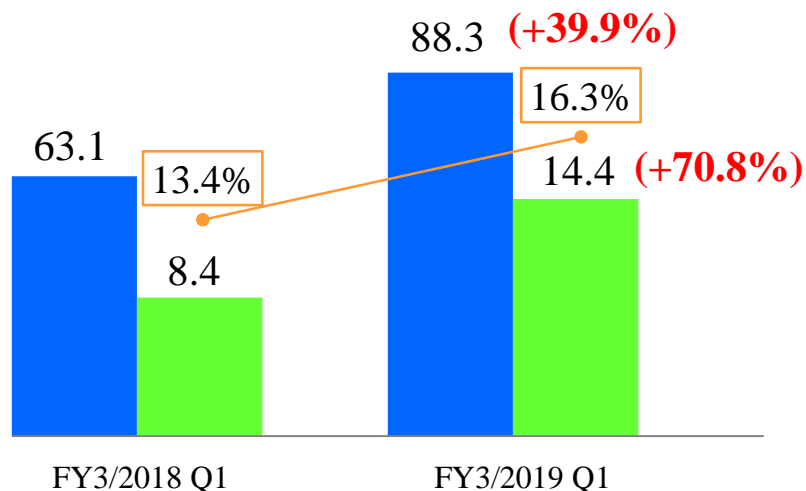
- ✓ Sales in the organic packages increased, mainly for automotive application
- ✓ Sales were roughly on par and profit was down overall in this reporting segment due to lower demand for ceramic packages for optical communications

Financial Results for Q1 of FY3/2019 by Reporting Segment (2)

■ Sales revenue ■ Business profit — Business profit ratio () Change from Q1 of FY3/2018

Electronic Devices Group

(Unit: Yen in billions)

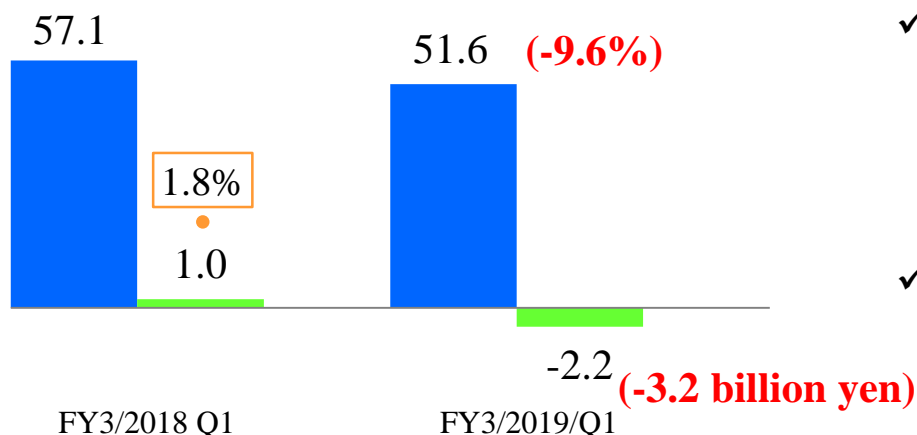


<Major factors for changes>

- ✓ Sales were up at AVX Corporation due primarily to contribution from merger and acquisition activities
- ✓ Sales were up for MLCCs for smartphones and printing devices for industrial equipment
- ✓ Profit was up due to the sales growth and cost reductions

Communications Group

(Unit: Yen in billions)



<Major factors for changes>

- ✓ Sales were down due to a decline in sales in the telecommunications equipment business, despite an increase in sales in the information and communications services business
- ✓ Operating loss was recorded due to the decline in sales in the telecommunications equipment business

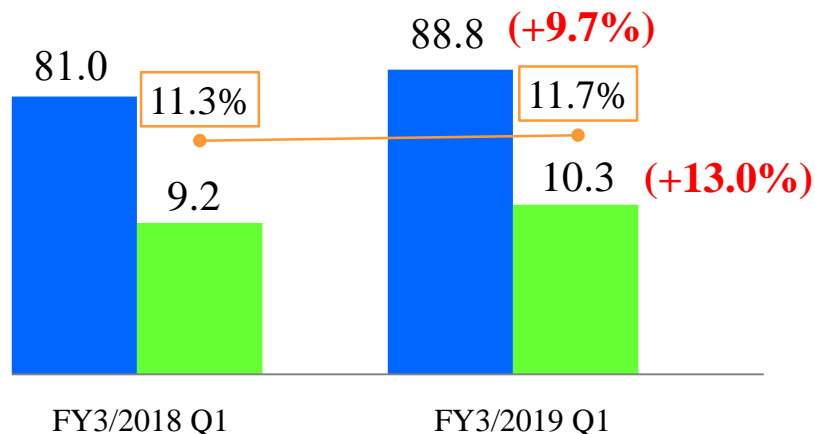
Financial Results for Q1 of FY3/2019 by Reporting Segment (3)

■ Sales revenue ■ Business profit — Business profit ratio () Change from Q1 of FY3/2018

Document Solutions Group

(Unit: Yen in billions)

<Major factors for changes>

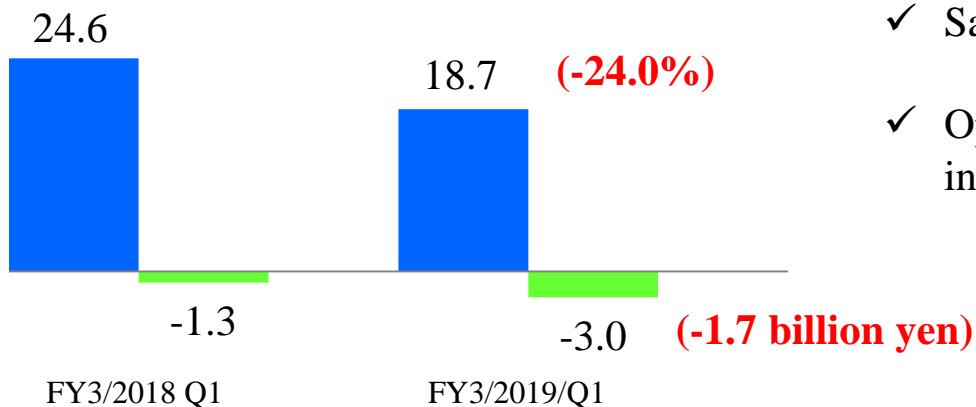


- ✓ Sales volume increased on the back of aggressive sales promotion activities
- ✓ Sales and profit were up due to the sales growth, merger and acquisition activities and the impact of exchange rates

Life & Environment Group

(Unit: Yen in billions)

<Major factors for changes>



- ✓ Sales decreased in the solar energy business
- ✓ Operating loss increased due mainly to the decline in sales and rising R&D expenses

2. Financial Forecasts for the Year Ending March 31, 2019

Financial Forecasts for the Year Ending March 31, 2019

(Unit: Yen in millions)

	Results for the year ended March 31, 2018		Forecasts for the year ending March 31, 2019		Change	
	Amount	% to sales revenue	Amount	% to sales revenue	Amount	%
Forecast unchanged						
Sales revenue	1,577,039	100.0%	1,650,000	100.0%	72,961	4.6%
Operating profit	90,699	5.8%	154,000	9.3%	63,301	69.8%
Profit before income taxes	129,992	8.2%	190,000	11.5%	60,008	46.2%
Profit attributable to owners of the parent	79,137	5.0%	134,000	8.1%	54,863	69.3%
EPS (Basic-yen)	215.22	—	368.54	—	153.32	—
Capital expenditures	86,519	5.5%	110,000	6.7%	23,481	27.1%
Depreciation	69,703	4.4%	75,000	4.5%	5,297	7.6%
R&D expenses	58,273	3.7%	70,000	4.2%	11,727	20.1%
Average exchange rate	US\$	111 yen	105 yen			
	Euro	130 yen	130 yen			

(Reference) Estimated foreign currency fluctuation effect on forecast of sales revenue and profit before income taxes for FY3/2019 compared with FY3/2018.

Sales revenue: Approx. - 25 billion yen
 Profit before income taxes: Approx. - 6 billion yen

Note: Forecast of EPS (Basic-yen) is calculated using the average number of shares outstanding for the three months ended June 30, 2018.

Sales Revenue Forecast by Reporting Segment

(Unit: Yen in millions)

Forecast unchanged	Results for the year ended March 31, 2018		Forecasts for the year ending March 31, 2019		Change	
	Amount	% of sales revenue	Amount	% of sales revenue	Amount	%
Industrial & Automotive Components Group	287,620	18.2%	313,000	19.0%	25,380	8.8%
Semiconductor Components Group	257,237	16.3%	259,000	15.7%	1,763	0.7%
Electronic Devices Group	305,145	19.4%	345,000	20.9%	39,855	13.1%
Total Components Business	850,002	53.9%	917,000	55.6%	66,998	7.9%
Communications Group	255,535	16.2%	245,000	14.9%	-10,535	-4.1%
Document Solutions Group	371,058	23.5%	385,000	23.3%	13,942	3.8%
Life & Environment Group	112,212	7.1%	111,000	6.7%	-1,212	-1.1%
Total Equipment & Systems Business	738,805	46.8%	741,000	44.9%	2,195	0.3%
Others	18,827	1.2%	17,800	1.1%	-1,027	-5.5%
Adjustments and eliminations	-30,595	-1.9%	-25,800	-1.6%	4,795	—
Sales revenue	1,577,039	100.0%	1,650,000	100.0%	72,961	4.6%

Business Profit Forecast by Reporting Segment

(Unit: Yen in millions)

Forecast unchanged	Results for the year ended March 31, 2018		Forecasts for the year ending March 31, 2019		Change	
	Amount	% to sales revenue	Amount	% to sales revenue	Amount	%
Industrial & Automotive Components Group	31,400	10.9%	36,000	11.5%	4,600	14.6%
Semiconductor Components Group	31,049	12.1%	35,800	13.8%	4,751	15.3%
Electronic Devices Group	46,632	15.3%	48,000	13.9%	1,368	2.9%
Total Components Business	109,081	12.8%	119,800	13.1%	10,719	9.8%
Communications Group	4,440	1.7%	5,200	2.1%	760	17.1%
Document Solutions Group	40,851	11.0%	41,500	10.8%	649	1.6%
Life & Environment Group	* -55,492	—	-3,000	—	52,492	—
Total Equipment & Systems Business	-10,201	—	43,700	5.9%	53,901	—
Others	1,393	7.4%	-400	—	-1,793	—
Total business profit	100,273	6.4%	163,100	9.9%	62,827	62.7%
Corporate and others	29,719	—	26,900	—	-2,819	-9.5%
Profit before income taxes	129,992	8.2%	190,000	11.5%	60,008	46.2%

* Recorded a write-down of 50,165 million yen relating to long-term purchase agreements for procurement of polysilicon material in the solar energy business.

Initiatives from Q2 of FY3/2019 Onward (1)

1. Increase production of parts for industrial machinery and automobiles

Planned to start operation in Oct. 2018

(1) Demand continues to increase for parts in the industrial machinery market, including parts for semiconductor processing equipment (“SPE”)



Expand production capacity in anticipation of increasing demand over the medium term



Fine ceramic parts for SPE



Kagoshima Kokubu Plant #4-1 (Conceptual diagram)

(2) Demand is up for automotive parts such as camera modules



Boost production capacity at existing factories in response to steady purchase orders



Camera module for automobiles

Increase production mainly of camera modules for surround-view

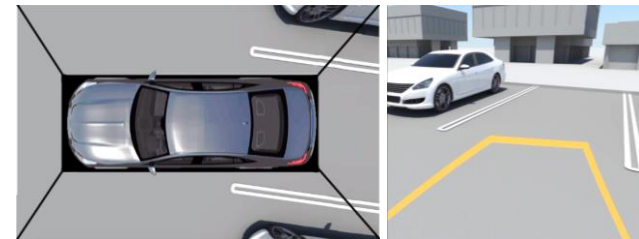


Image of surround-view

Initiatives from Q2 of FY3/2019 Onward (2)

2. Expand document solutions business

Demand is up for solutions in industrialized nations and for related equipment in emerging nations



- ✓ Expand sales of new products and solutions business
- ✓ Increase production and enhance productivity through use of new factory

Started production in July 2018



OPC* drum



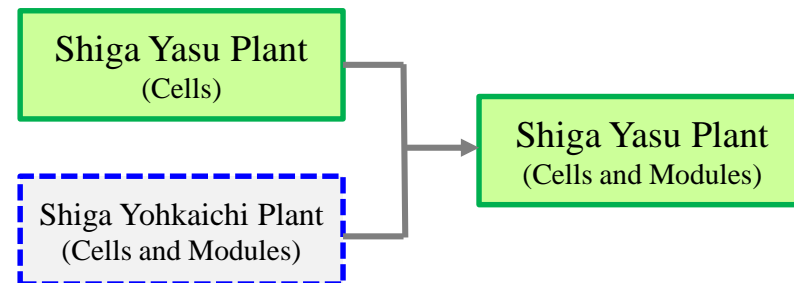
10th factory in China
(No. 2 factory for new OPC* drums)

Fully automated, from production to packaging
(Headcount reduced by 90% compared with conventional lines)

3. Restructure solar energy business

Plan to complete consolidation of production sites in 1H

Consolidate production sites into one from H2 FY2019



Completion of Share Repurchase

- ✓ **Repurchased own shares for the first time in around 10 years (previous occasion: December 2008)**
- ✓ **Repurchased approximately 1.6% of total number of shares issued, the upper limit for total amount of repurchase price**

	Outline of resolution adopted at the meeting of its Board of Directors (Held on April 26, 2018)	Outline of Repurchase of Own Shares (From April 27, 2018 to May 30, 2018)
Total number of repurchase shares	Up to 7,200,000 shares	5,951,000 shares
Total amount of repurchase price	Up to 40,000,000,000 yen	39,999,761,100 yen

(Reference : As of June, 30 2018)

Total number of shares issued :	377,618,580 shares
Number of treasury shares held by Kyocera Corporation :	15,862,303 shares

Appendix

**Comparison of consolidated results for FY3/2018
(Year ended March 31, 2018 / previous fiscal year)
following adoption of IFRS**

- **Q1 of FY3/2018 (Three months ended June 30, 2018)**
- **FY3/2018**

Comparison of Consolidated Results for Q1 of FY3/2018

(Unit: Yen in millions)

U.S.GAAP (A)			IFRS (B)			Difference in amount (B)-(A)
Accounts under U.S.GAAP	Amount	% to net sales	Accounts under IFRS	Amount	% to sales revenue	
Net sales	345,162	100.0%	Sales reveue	345,162	100.0%	0
Profit from operations	31,167	9.0%	Operating profit	31,260	9.1%	93
Income before income taxes	49,260	14.3%	Profit before income taxes	49,353	14.3%	93
Net income attributable to Kyocera Corporation's shareholders	34,981	10.1%	Profit attributable to owners of the parent	35,026	10.1%	45

Comparison of Consolidated Results for Q1 of FY3/2018

- Business Profit by Reporting Segment -

(Unit: Yen in millions)

	Three months ended June 30, 2017				Difference in amount (B)-(A)
	U.S.GAAP (A)		IFRS (B)		
	Amount	% to net sales	Amount	% to sales revenue	
Industrial & Automotive Components Group	6,386	10.4%	6,103	10.0%	-283
Semiconductor Components Group	8,005	13.2%	7,651	12.6%	-354
Electronic Devices Group	8,599	13.6%	8,427	13.4%	-172
Total Components Business	22,990	12.4%	22,181	12.0%	-809
Communications Group	1,158	2.0%	1,002	1.8%	-156
Document Solutions Group	9,237	11.4%	9,160	11.3%	-77
Life & Environment Group	-1,203	—	-1,310	—	-107
Total Equipment & Systems Business	9,192	5.7%	8,852	5.4%	-340
Others	466	8.9%	412	7.9%	-54
Total business profit	32,648	9.5%	31,445	9.1%	-1,203
Corporate and others	16,612	—	17,908	—	1,296
Profit before income taxes	49,260	14.3%	49,353	14.3%	93

Note: "Profit before income taxes" is an account item under IFRS. The figure on the same line item represents "Income before income taxes" under U.S.GAAP.

Comparison of Consolidated Results for FY3/2018

(Unit: Yen in millions)

U.S.GAAP (A)			IFRS (B)			Difference in amount (B)-(A)
Accounts under U.S.GAAP	Amount	% to net sales	Accounts under IFRS	Amount	% to sales revenue	
Net sales	1,577,039	100.0%	Sales reveue	1,577,039	100.0%	0
Profit from operations	95,575	6.1%	Operating profit	90,699	5.8%	* -4,876
Income before income taxes	131,866	8.4%	Profit before income taxes	129,992	8.2%	-1,874
Net income attributable to Kyocera Corporation's shareholders	81,789	5.2%	Profit attributable to owners of the parent	79,137	5.0%	-2,652

* Main impact on profit from operations: an increase in pension expenses

Comparison of Consolidated Results for FY3/2018 - Business Profit by Reporting Segment -

(Unit: Yen in millions)

	Year ended March 31, 2018				Difference in amount (B)-(A)
	U.S.GAAP (A)		IFRS (B)		
	Amount	% to net sales	Amount	% to sales revenue	
Industrial & Automotive Components Group	32,557	11.3%	31,400	10.9%	-1,157
Semiconductor Components Group	32,476	12.6%	31,049	12.1%	-1,427
Electronic Devices Group	47,285	15.5%	46,632	15.3%	-653
Total Components Business	112,318	13.2%	109,081	12.8%	-3,237
Communications Group	5,061	2.0%	4,440	1.7%	-621
Document Solutions Group	41,141	11.1%	40,851	11.0%	-290
Life & Environment Group	-55,010	—	-55,492	—	-482
Total Equipment & Systems Business	-8,808	—	-10,201	—	-1,393
Others	1,621	8.6%	1,393	7.4%	-228
Total business profit	105,131	6.7%	100,273	6.4%	-4,858
Corporate and others	26,735	—	29,719	—	2,984
Profit before income taxes	131,866	8.4%	129,992	8.2%	-1,874

Note: "Profit before income taxes" is an account item under IFRS. The figure on the same line item represents "Income before income taxes" under U.S.GAAP.

Cautionary Statements with respect to Forward-Looking Statements

Certain of the statements made in this document are forward-looking statements, 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 our 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) Damages on our information security systems from cyberattacks, etc. and significant costs in order to recover and maintain the systems;
- (13) Insufficient protection of our trade secrets and intellectual property rights including patents;
- (14) Expenses associated with licenses we require to continue to manufacture and sell products;
- (15) Environmental liability and compliance obligations by tightening of environmental laws and regulations;
- (16) Unintentional conflict with laws and regulations or newly enacted laws and regulations;
- (17) Our market or supply chains being affected by terrorism, plague, wars or similar events;
- (18) Earthquakes and other natural disasters affecting our headquarters and major facilities as well as our suppliers and customers;
- (19) Credit risk on trade receivables;
- (20) Fluctuations in the value of, and impairment losses on, securities and other assets held by us;
- (21) Impairment losses on property, plant and equipment, goodwill and intangible assets;
- (22) Unrealized deferred tax assets and additional liabilities for unrecognized tax benefits; and
- (23) Changes in accounting principles.

Due to such risks, uncertainties and other factors, our actual results, performance, achievements or financial condition may be substantially 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.