

October 31, 2017

Financial Presentation

(Six Months Ended September 30, 2017)

Hideo Tanimoto
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 Six Months Ended September 30, 2017

Note: Kyocera has changed the classification of its reporting segments from FY3/2018. Business results for FY3/2017 have been reclassified in line with the change to reporting segment classifications in this document.

Financial Results for the Six Months Ended September 30, 2017

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

(Unit: Yen in millions)

	Six Months Ended September 30,				Change	
	2016		2017			
	Amount	% to net sales	Amount	% to net sales	Amount	%
Net sales	653,243	100.0%	738,345	100.0%	85,102	13.0%
Profit from operations	33,785	5.2%	69,505	9.4%	35,720	105.7%
Pre-tax income	48,578	7.4%	87,840	11.9%	39,262	80.8%
Net income attributable to Kyocera Corporation's shareholders	36,153	5.5%	61,387	8.3%	25,234	69.8%
Capital expenditures	36,042	5.5%	34,824	4.7%	-1,218	-3.4%
Depreciation	29,969	4.6%	30,912	4.2%	943	3.1%
R&D expenses	28,951	4.4%	27,450	3.7%	-1,501	-5.2%
Average exchange rate (yen)	US\$	¥ 105	¥ 111			
	Euro	¥ 118	¥ 126			
Foreign currency fluctuation effect on;(compared with the previous same period)	Net sales	Approx. ¥ -63 billion	Approx. ¥ 24 billion			
	Pre-tax income	Approx. ¥ -14 billion	Approx. ¥ 7 billion			

Posted record high first half sales and profit up significantly

Sales by Reporting Segment for the Six Months Ended September 30, 2017

- Compared with the Six Months Ended September 30, 2016 - (Unit: Yen in millions)

	Six months ended September 30,				Change	
	2016		2017			
	Amount	% of net sales	Amount	% of net sales	Amount	%
Industrial & Automotive Components Group	107,749	16.5%	131,010	17.7%	23,261	21.6%
Semiconductor Components Group	117,316	17.9%	126,881	17.2%	9,565	8.2%
Electronic Devices Group	114,165	17.5%	137,253	18.6%	23,088	20.2%
Components Business	339,230	51.9%	395,144	53.5%	55,914	16.5%
Communications Group	114,059	17.4%	123,937	16.8%	9,878	8.7%
Document Solutions Group	147,435	22.6%	172,020	23.3%	24,585	16.7%
Life & Environment Group	61,830	9.5%	52,813	7.1%	-9,017	-14.6%
Equipment & Systems Business	323,324	49.5%	348,770	47.2%	25,446	7.9%
Others	10,735	1.7%	9,319	1.3%	-1,416	-13.2%
Adjustments and eliminations	-20,046	-3.1%	-14,888	-2.0%	5,158	—
Net Sales	653,243	100.0%	738,345	100.0%	85,102	13.0%

Increased sales in both the Components Business and Equipment & Systems Business

Operating Profit by Reporting Segment for the Six Months Ended September 30, 2017 - Compared with the Six Months Ended September 30, 2016 -

(Unit: Yen in millions)

	Six months ended September 30,				Change	
	2016		2017			
	Amount	% to net sales	Amount	% to net sales	Amount	%
Industrial & Automotive Components Group	6,395	5.9%	14,752	11.3%	8,357	130.7%
Semiconductor Components Group	9,764	8.3%	17,937	14.1%	8,173	83.7%
Electronic Devices Group	13,029	11.4%	21,880	15.9%	8,851	67.9%
Components Business	29,188	8.6%	54,569	13.8%	25,381	87.0%
Communications Group	-4,830	—	2,230	1.8%	7,060	—
Document Solutions Group	12,867	8.7%	20,090	11.7%	7,223	56.1%
Life & Environment Group	-740	—	-373	—	367	—
Equipment & Systems Business	7,297	2.3%	21,947	6.3%	14,650	200.8%
Others	-1,414	—	430	4.6%	1,844	—
Operating Profit	35,071	5.4%	76,946	10.4%	41,875	119.4%
Corporate and Others	13,507	—	10,894	—	-2,613	-19.3%
Pre-tax income	48,578	7.4%	87,840	11.9%	39,262	80.8%

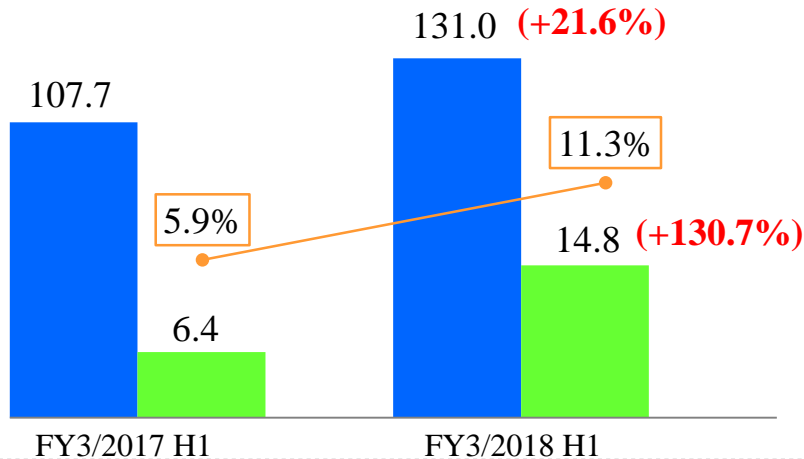
- ✓ Operating profit up significantly due to sales growth and cost reductions
- ✓ Achieved double-digit operating profit ratio in all reporting segments of the Components Business as well as Document Solutions Group

Financial Results for H1 of FY3/2018 by Reporting Segment (1)

■ Sales
 ■ Operating profit
 —●— Operating profit ratio
 () Change from H1 of FY3/2017 (%)

Industrial & Automotive Components Group

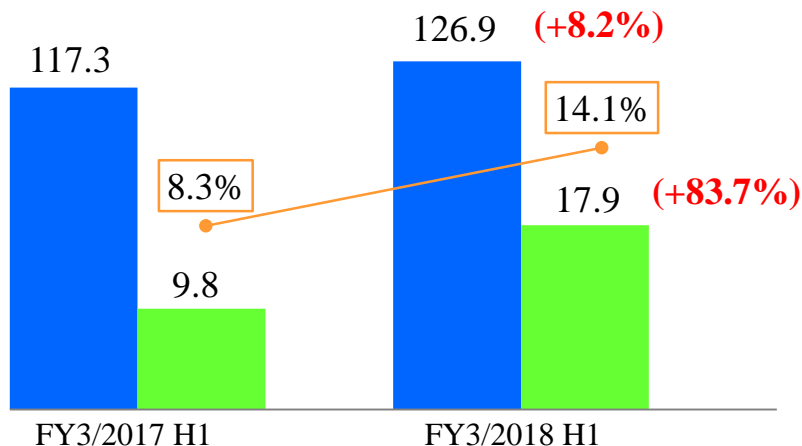
(Unit: Yen in billions) <Major factors for changes>



- ✓ Sales were up due primarily to an increase in sales of industrial tools reflecting growing demand and M&A activity coupled with an increase in sales of displays and components for semiconductor processing equipment
- ✓ Operating profit doubled due to the increase in sales and cost reductions, while the operating profit ratio improved to the double-digit level

Semiconductor Components Group

(Unit: Yen in billions) <Major factors for changes>



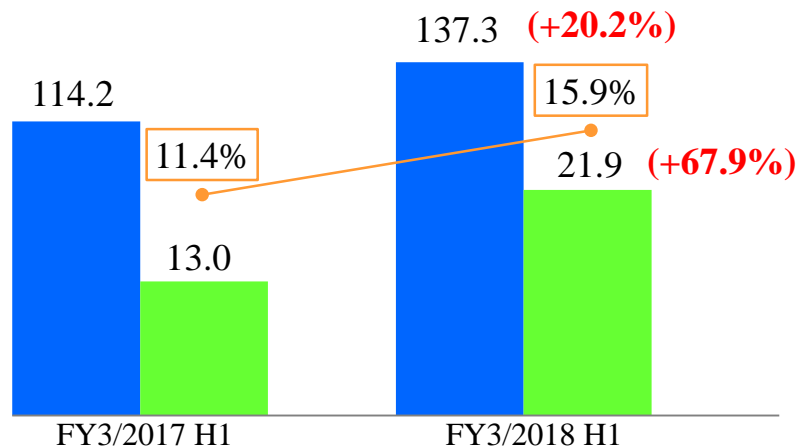
- ✓ Sales were up due to an increase in sales of ceramic packages for smartphones and organic packages for telecommunications infrastructure
- ✓ Operating profit increased substantially due to the increase in sales and cost reductions, while the operating profit ratio improved to the double-digit level

Financial Results for H1 of FY3/2018 by Reporting Segment (2)

■ Sales ■ Operating profit —●— Operating profit ratio () Change from H1 of FY3/2017 (%)

Electronic Devices Group

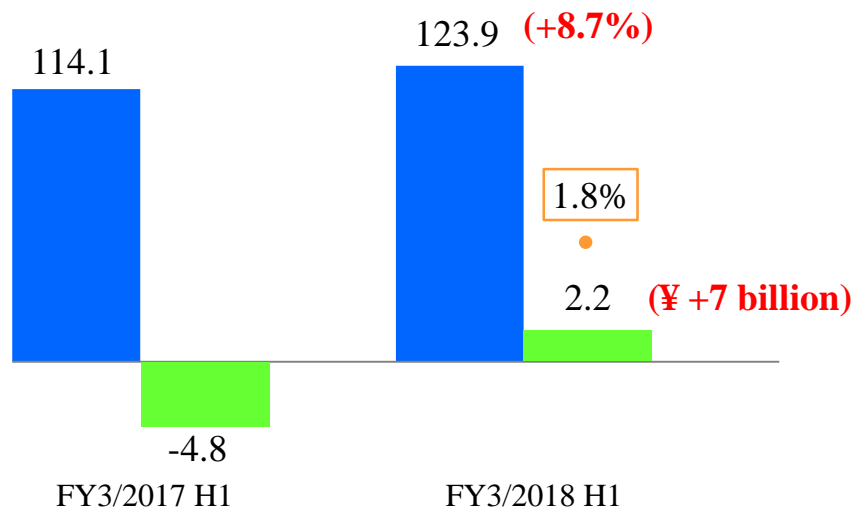
(Unit: Yen in billions) <Major factors for changes>



- ✓ Sales were up due mainly to an increase in sales for capacitors, crystal components and connectors used in smartphones and an increase in sales of printing devices for industrial equipment
- ✓ Operating profit was up significantly due to the sales growth and cost reductions

Communications Group

(Unit: Yen in billions) <Major factors for changes>



- ✓ Sales were up due to an increase in sales in the information and communications services business and an increase in sales of mobile phones for the Japanese market
- ✓ Operating profit returned to the positive due to the higher sales and a reduction of fixed costs

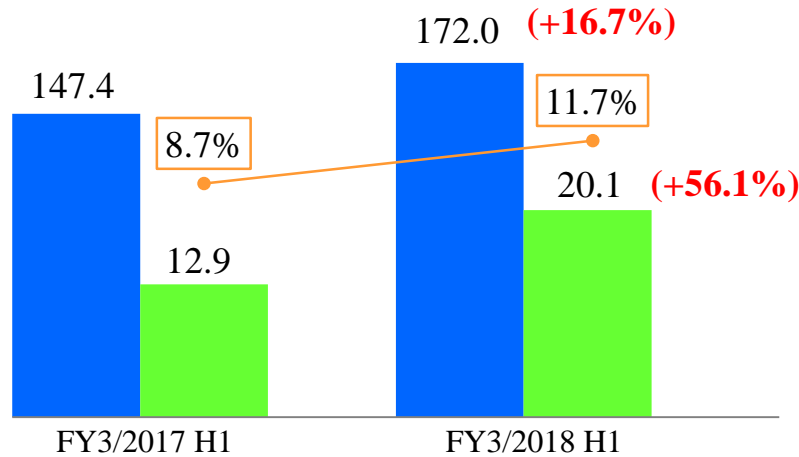
Financial Results for H1 of FY3/2018 by Reporting Segment (3)

■ Sales
 ■ Operating profit
 —●— Operating profit ratio
 () Change from H1 of FY3/2017 (%)

Document Solutions Group

(Unit: Yen in billions)

<Major factors for changes>

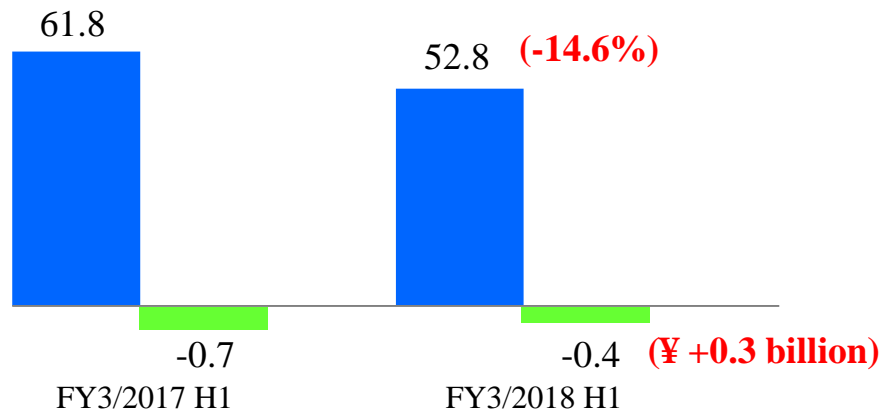


- ✓ Sales were up due primarily to an increase in sales volume on the back of launching new products and aggressive sales promotion activities coupled with the contribution of sales following M&A activity
- ✓ Operating profit increased significantly due to the sales growth, cost reductions and the impact of foreign exchange rates, while the operating profit ratio improved to the double-digit level

Life & Environment Group

(Unit: Yen in billions)

<Major factors for changes>



- ✓ Sales were down due to downsizing of the solar energy business in the United States
- ✓ Operating loss was recorded due to the sales decline and an increase in R&D expenses despite efforts to reduce costs

2. Financial Forecasts for the Year Ending March 31, 2018

Financial Forecasts for the Year Ending March 31, 2018

(Unit: Yen in millions)

	Year ended March 31, 2017		Year ending March 31, 2018 (Forecast)				Change in amount compared with (Ratio of increase)	
			Previous (May 2017)		Revised (October 2017)			
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Year ended March 31, 2017	Previous Forecast
Net sales	1,422,754	100.0%	1,500,000	100.0%	1,560,000	100.0%	137,246 (+9.6%)	60,000 (+4.0%)
Profit from operations	104,542	7.3%	120,000	8.0%	135,000	8.7%	30,458 (+29.1%)	15,000 (+12.5%)
Pre-tax income	137,849	9.7%	150,000	10.0%	170,000	10.9%	32,151 (+23.3%)	20,000 (+13.3%)
Net income attributable to Kyocera Corporation's shareholders	103,843	7.3%	105,000	7.0%	119,000	7.6%	15,157 (+14.6%)	14,000 (+13.3%)
EPS (Diluted-yen)	282.62	—	285.55	—	323.62	—	—	—
Capital expenditures	67,781	4.8%	80,000	5.3%	80,000	5.1%		
Depreciation	66,019	4.6%	75,000	5.0%	75,000	4.8%		
R&D expenses	55,411	3.9%	60,000	4.0%	60,000	3.8%		
Average exchange rate (yen)	US\$	¥108	¥108	¥111				
	Euro	¥119	¥115	¥128				
Foreign currency fluctuation effect on;(compared with the previous same period)	Net sales	Approx. ¥ -94 billion	Approx. ¥ -6.5 billion	Approx. ¥ 29.0 billion				
	Pre-tax income	Approx. ¥ -26 billion	Approx. ¥ -4.0 billion	Approx. ¥ 12.0 billion				

Notes: 1. EPS (Diluted-yen) of previous forecast for FY3/2018 is computed based on the diluted average number of shares outstanding during the three months ended June 30, 2017.

2. EPS (Diluted-yen) of revised forecast for FY3/2018 is computed based on the diluted average number of shares outstanding during the six months ended September 30, 2017.

Sales Forecast by Reporting Segment

(Unit: Yen in millions)

	Year ended March 31, 2017		Year ending March 31, 2018 (Forecast)				Change in amount compared with	
			Previous (May 2017)		Revised (October 2017)		Year ended March 31, 2017	Previous forecast
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales		
Industrial & Automotive Components Group	230,229	16.2%	246,000	16.4%	280,000	18.0%	49,771	34,000
Semiconductor Components Group	245,727	17.3%	248,000	16.5%	256,000	16.4%	10,273	8,000
Electronic Devices Group	240,798	16.9%	254,000	17.0%	289,000	18.5%	48,202	35,000
Components Business	716,754	50.4%	748,000	49.9%	825,000	52.9%	108,246	77,000
Communications Group	252,641	17.7%	269,000	17.9%	255,000	16.4%	2,359	-14,000
Document Solutions Group	324,012	22.8%	350,000	23.4%	350,000	22.4%	25,988	—
Life & Environment Group	149,207	10.5%	153,000	10.2%	139,000	8.9%	-10,207	-14,000
Equipment & Systems Business	725,860	51.0%	772,000	51.5%	744,000	47.7%	18,140	-28,000
Others	22,066	1.5%	16,000	1.0%	17,000	1.1%	-5,066	1,000
Adjustments and eliminations	-41,926	-2.9%	-36,000	-2.4%	-26,000	-1.7%	15,926	10,000
Net Sales	1,422,754	100.0%	1,500,000	100.0%	1,560,000	100.0%	137,246	60,000

Operating Profit Forecast by Reporting Segment

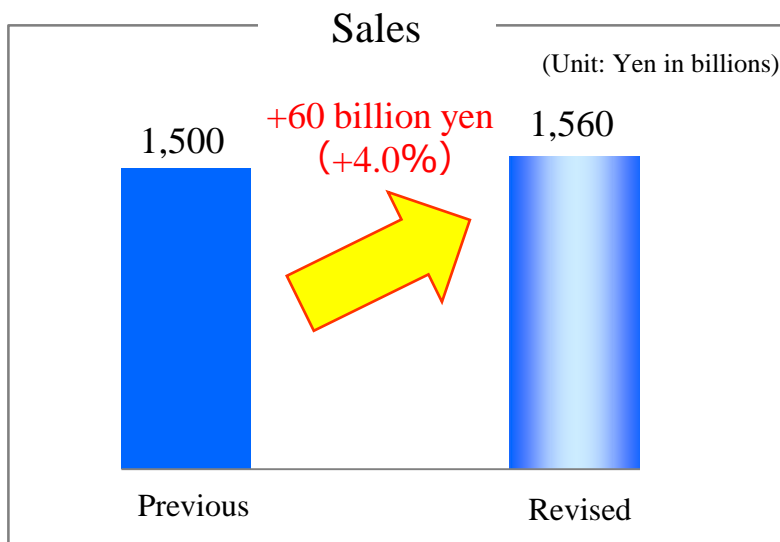
(Unit: Yen in millions)

	Year ended March 31, 2017		Year ending March 31, 2018 (Forecast)				Change in amount compared with	
			Previous (May 2017)		Revised (October 2017)		Year ended March 31, 2017	Previous forecast
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales		
Industrial & Automotive Components Group	22,442	9.7%	26,000	10.6%	30,000	10.7%	7,558	4,000
Semiconductor Components Group	25,310	10.3%	26,000	10.5%	35,000	13.7%	9,690	9,000
Electronic Devices Group	30,558	12.7%	33,000	13.0%	40,000	13.8%	9,442	7,000
Components Business	78,310	10.9%	85,000	11.4%	105,000	12.7%	26,690	20,000
Communications Group	8,528	3.4%	13,000	4.8%	1,000	0.4%	-7,528	-12,000
Document Solutions Group	28,080	8.7%	35,000	10.0%	40,000	11.4%	11,920	5,000
Life & Environment Group	1,345	0.9%	3,000	2.0%	1,000	0.7%	-345	-2,000
Equipment & Systems Business	37,953	5.2%	51,000	6.6%	42,000	5.6%	4,047	-9,000
Others	-1,759	—	-3,000	—	-1,000	—	759	2,000
Operating Profit	114,504	8.0%	133,000	8.9%	146,000	9.4%	31,496	13,000
Corporate and Others	23,345	—	17,000	—	24,000	—	655	7,000
Pre-tax income	137,849	9.7%	150,000	10.0%	170,000	10.9%	32,151	20,000

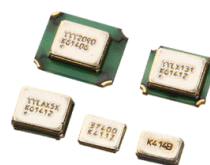
Note: "Operating profit" represents combined pre-tax income of all reporting segments.

Main Reasons for Revision to FY3/2018 Forecasts

Upswing in 1H results



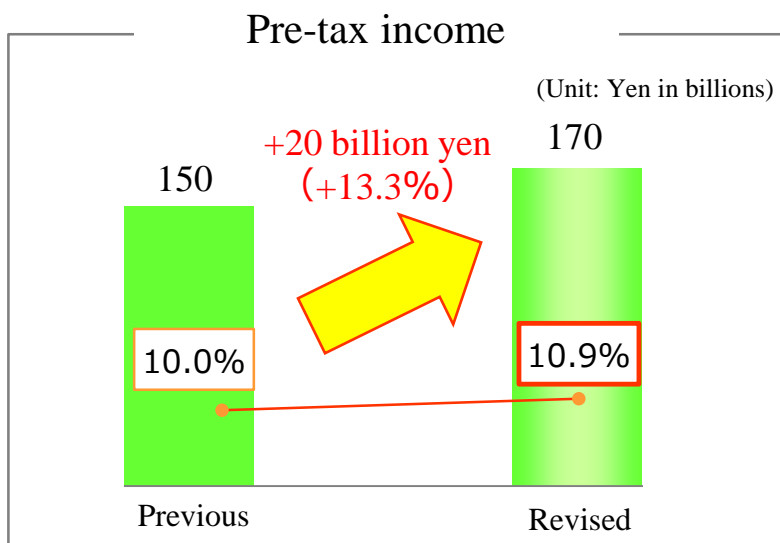
1. Component orders exceeded expectations, especially for smartphones, industrial machinery and automobiles



Crystal devices



Camera modules



2. Production capacity bolstered significantly since previous fiscal year



Ultra-small, high-capacity ceramic capacitors



Semiconductor processing equipment parts

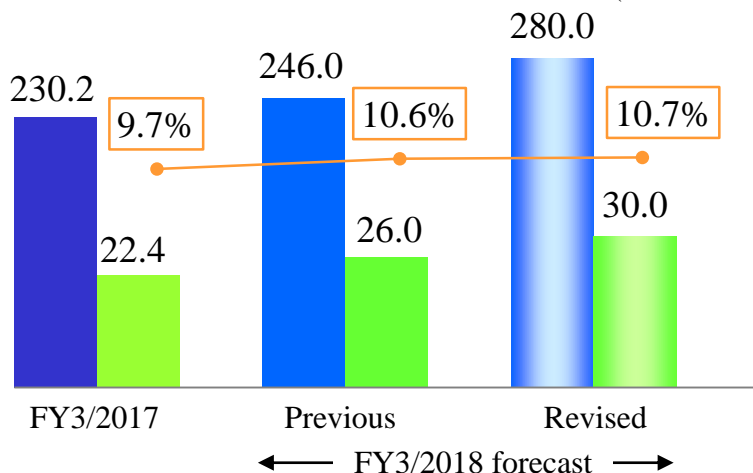
3. Enhanced profitability in each business by reducing costs and boosting productivity

Financial Forecasts of FY3/2018 by Reporting Segment (1)

■ Sales ■ Operating profit —●— Operating profit ratio

Industrial & Automotive Components Group

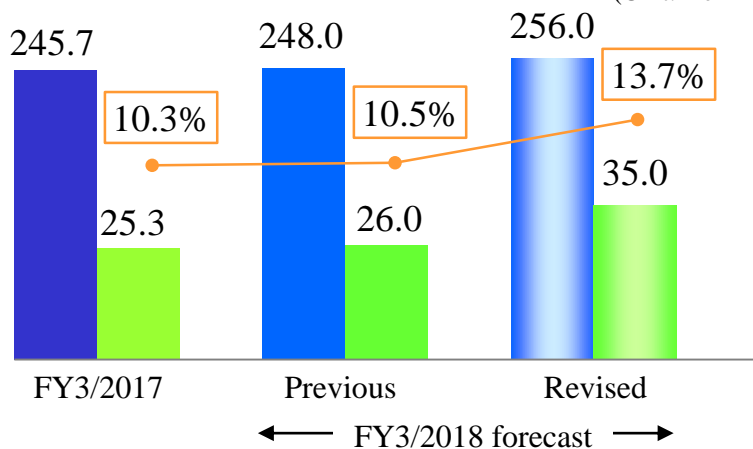
(Unit: Yen in billions)



- ✓ Sales and profit projected to exceed previous fiscal year and previous forecast due to an increase in demand, particularly for parts used in industrial machinery and automotive-related markets

Semiconductor Components Group

(Unit: Yen in billions)

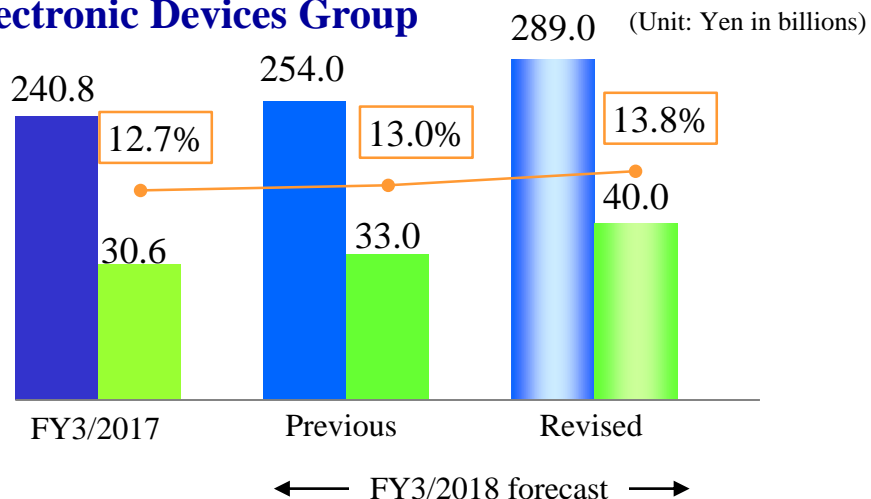


- ✓ Sales and profit projected to exceed previous fiscal year and previous forecast due to an increase in sales of ceramic packages for smartphones and organic packages for telecommunications infrastructure
- ✓ Operating profit ratio projected to increase due to higher sales and cost reductions

Financial Forecasts of FY3/2018 by Reporting Segment (2)

■ Sales ■ Operating profit ● Operating profit ratio

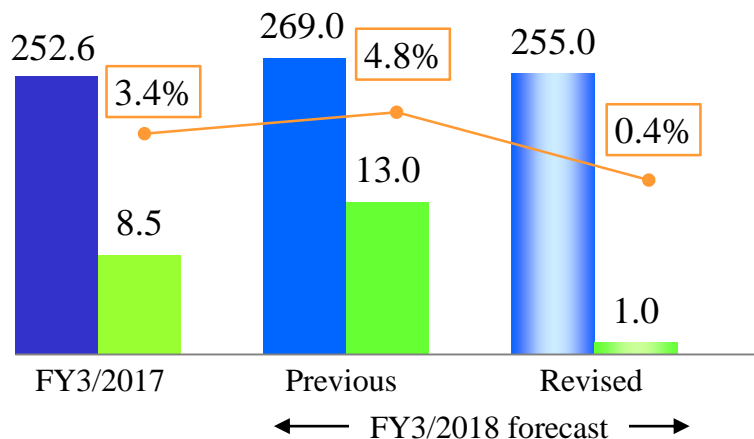
Electronic Devices Group



- ✓ Sales and profit projected to exceed previous fiscal year and previous forecast due to an increase in sales of capacitors, crystal components and connectors for smartphones and an increase in demand for printing devices used in industrial equipment

Communications Group

(Unit: Yen in billions)



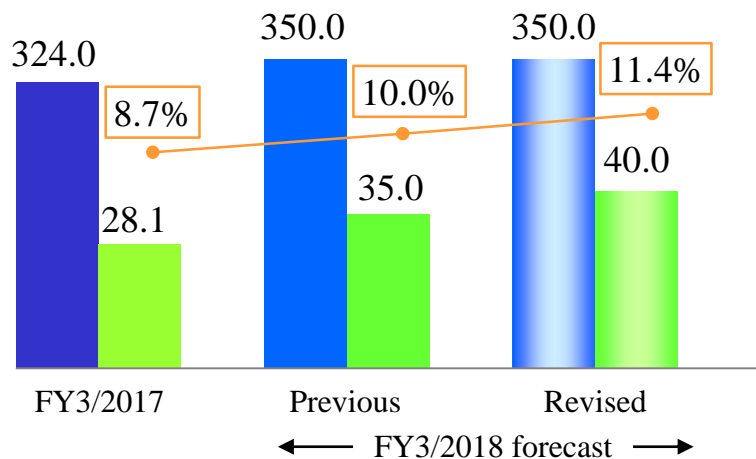
- ✓ Profit forecast to decrease compared with the previous fiscal year due primarily to the impact of lower sales of mobile phones for North America despite a forecast of increased sales on the back of sales growth in handsets for Japan and telecommunications modules
- ✓ Sales and profit forecast to decrease compared with previous forecast since sales of handsets for North America are short of projections made at the start of the fiscal year

Financial Forecasts of FY3/2018 by Reporting Segment (3)

■ Sales ■ Operating profit ● Operating profit ratio

Document Solutions Group

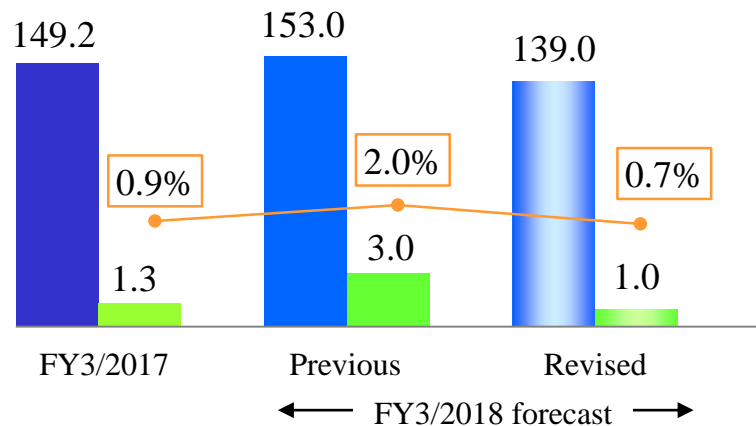
(Unit: Yen in billions)



- ✓ Sales and profit forecast to increase compared with the previous fiscal year due to sales growth in new products
- ✓ Profit forecast to increase compared with the previous forecast due to cost reductions and the effects of the yen's depreciation

Life & Environment Group

(Unit: Yen in billions)



- ✓ Sales and profit projected to decrease compared with the previous fiscal year and the previous forecast since sales in the solar energy business are short of projections made at the start of the fiscal year

Initiatives to Expand Sales (1) Increase Production Capacity (I)

Aggressive investment to increase production of components for semiconductor processing equipment (SPE)

- Increased demand for SPE
- Greater need for ceramics in structural parts due to enhanced sophistication

High temp

Plasma enhanced

Lighter

High precision

US Washington plant new wing online

Operations: Apr. 2017

Production up two-fold in components for SPE



Kagoshima Kokubu Plant

Started building new factory

Operations: Oct. 2018 (planned)

Production up two-fold in components for SPE



Initiatives to Expand Sales (1) Increase Production Capacity (Ⅱ)

Increase production and promote full automation for toner containers and photoreceptor drums

■ **Factory No.7 at the Tamaki Plant, Mie**
Started production in June 2017

■ **China factory OPC drum factory No.2**
Plan to start operation in May 2018



Production capacity by 2-fold by 2020

Production capacity by 2.5-fold by 2020



Toner container

No.7 factory production line

OPC※drum

Conceptual drawing of factory No.2

Initiatives to Expand Sales (2) Expand Business Area through M&A (I)

- Promote Diversification in Industrial Tool business -

Concluded basic agreement to acquire power tool business of Ryobi Limited




Impact drivers



Circular saws



Grinders



Hedge clippers

[Outline of Agreement]

Target business	Manufacturing and sales operations of Ryobi's power tool business
Expected date of acquisition	January 2018
Outline of share acquisition	Kyocera to acquire 80% of shares in a company to be established by incorporation-type company split that will assume Ryobi's power tool business.
Main objectives	(1) Expand product lineup (2) Strengthen power tool business in Japan and Asia markets

Initiatives to Expand Sales (2) Expand Business Area through M&A (II)
- Promote Diversification in Industrial Tool Business -

Create structure as comprehensive tool maker



(Joined Group in Augst 2017)

(Plans to join Group in January 2018)

Cutting tools

Pneumatic tools

Power tools



Handle from cutting tools to pneumatic and power tools

Automotive-
related market

Construction
market

General industrial
market

Initiatives to Expand Sales (2) Expand Business Area through M&A (III)

- Expand Automotive Sensors Business in AVX Corporation -

Our sensors and control modules help improve automotive safety and comfort

Target business	Transportation, Sensing & Control division (“TS&C”) from TT Electronics PLC
Main business	Development, manufacture and sale of sensors, LED modules, control modules, etc.
TS&C sales	Approx. 35 billion yen (FY12/2016)
Joined Group	October 2017
Main objectives	<ul style="list-style-type: none"> Expand product portfolio by adding devices, including sensors for temperature, position and speed Continue sales growth in Europe and expand in NAFTA & Asia automotive market



AN AVX GROUP COMPANY

Sensors



Emission temp. sensors



DEF/AdBlue sensors



Chassis height sensors

Control Modules



Control of LED main headlight modules



Inverter & control modules



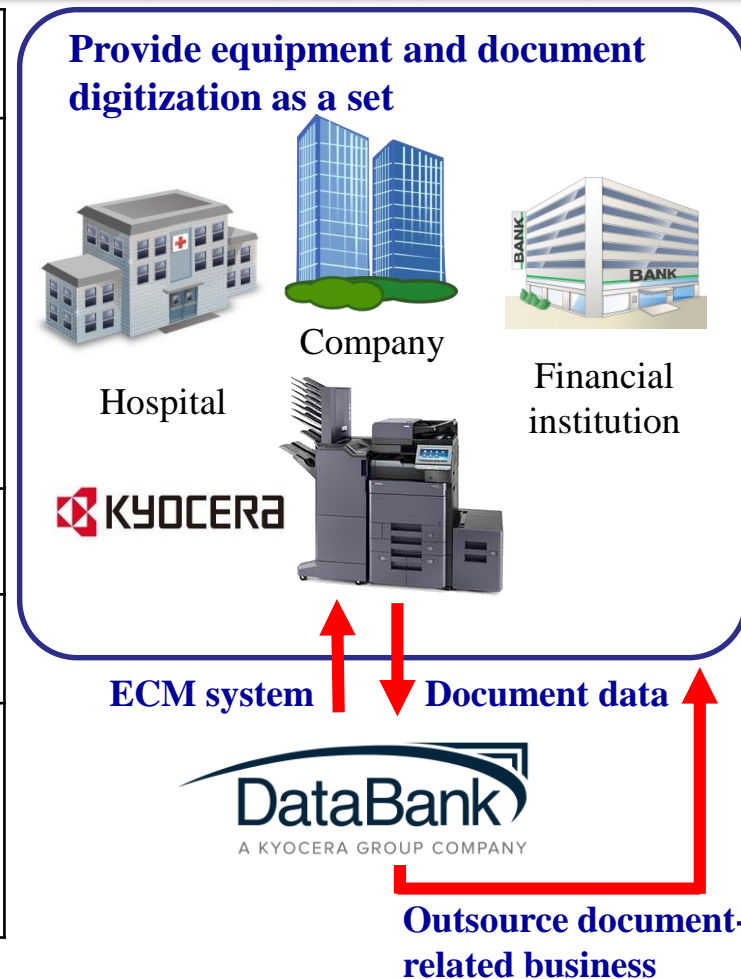
Electronic pump control

Initiatives to Expand Sales (2) Expand Business Area through M&A (IV)

- Strengthen Documents Solutions Group -

Reinforce business expansion as a total document solutions provider

Acquired company	US-based DataBank IMX, LLC
Business outline	<p>^{*1}</p> <ul style="list-style-type: none"> ECM business Solutions realizing data integration, efficient management and workflow automation <p>^{*2}</p> <ul style="list-style-type: none"> Document BPO business Provide outsourcing services for document-related business
Sales	Approx. 10 billion yen (FY12/2016)
Date acquired	August 2017
Main objectives	<ul style="list-style-type: none"> Create new business model by integrating MFP/printer business with ECM/document BPO business Strengthen services in US market



※1 ECM : Enterprise Contents Management ※2 BPO : Business Process Outsourcing

Management Policy

Expand existing business through major cost reductions

Reduce costs through process reform

Double productivity via AI, robots, etc.

AI Laboratory (Yokohama Nakayama Office)

- ✓ Provide tools using AI to business divisions
- ✓ Amass and provide knowhow on big data analysis and management

Robot Utilization Center (Osaka Daito Office)

- ✓ Support use of robots in business divisions
- ✓ Conduct robot utilization tests, etc.

Create new business by boosting ties inside and outside company

Strengthen internal tech synergies

- ✓ Established Medical Development Center
Integrates Group's medical and healthcare resources to swiftly create new business



Medical Development Center (Shiga Yasu Plant)

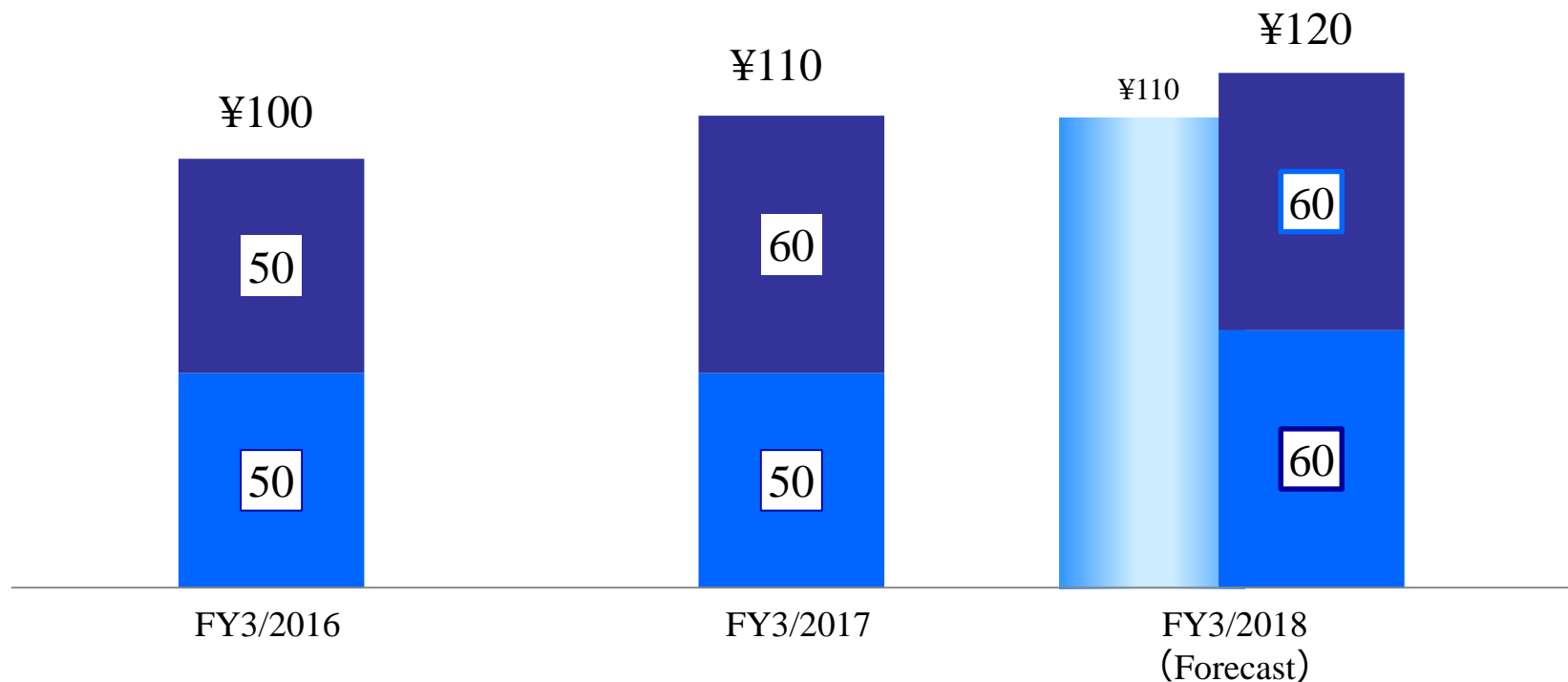
Utilize external resources

- ✓ Collaborate with Toshiba Materials Co., Ltd. on development and manufacturing of ceramic parts using new materials

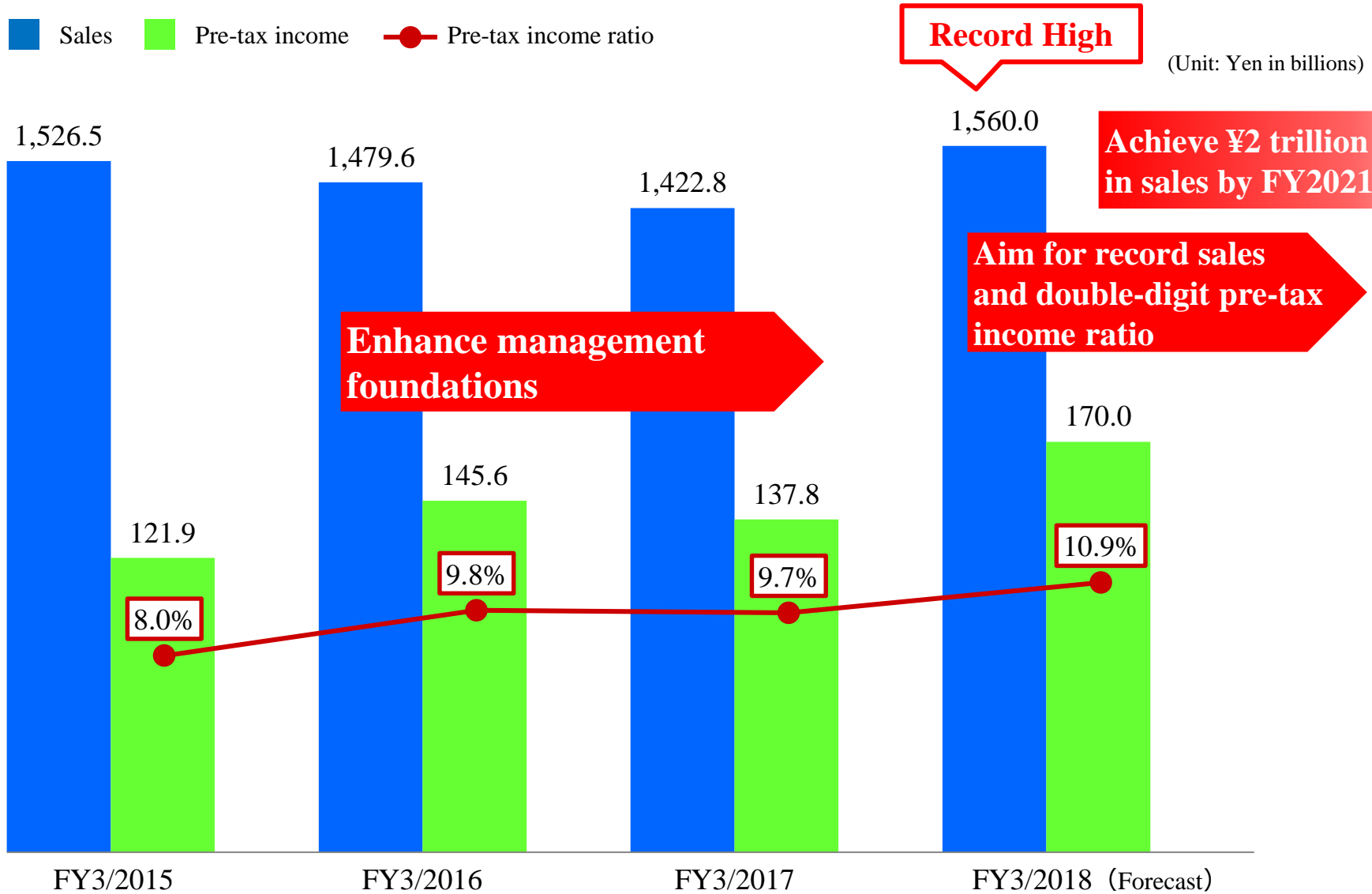
Dividend Forecast

FY3/2018 dividend forecast revised upward

- Year-end Dividend per share (yen)
- Interim Dividend per share (yen)
- Dividend forecast at the beginning of each fiscal year (yen)



Trend of Sales and Pre-tax Income



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.