THE NEW VALUE FRONTIER

Securities Code 6971

Internet Disclosure Items for Notice of the 63rd Ordinary General Meeting of Shareholders

Notes to Consolidated Financial Statements
Notes to Financial Statements
(April 1, 2016 to March 31, 2017)

KYOCERA Corporation

In the Accompanying Documents for the Notice of the 63rd Ordinary General Meeting of Shareholders, the "Notes to Consolidated Financial Statements" and "Notes to Financial Statements" are available to shareholders on the Company's website (http://global.kyocera.com/ir/s_info.html) pursuant to the provisions of laws and regulations as well as the Articles of Incorporation of the Company.

The "Notes to Consolidated Financial Statements" and "Notes to Financial Statements" are a part of the Consolidated Financial Statements and Financial Statements that were audited by Audit & Supervisory Board Members and the Accounting Auditor in preparing the Audit Reports.

Please note that this is an English translation of the Japanese original of the Internet Disclosure Items for the Notice of the 63rd Ordinary General Meeting of Shareholders of KYOCERA Corporation distributed to shareholders in Japan. The translation is prepared solely for the reference and convenience of foreign shareholders. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Notes to Consolidated Financial Statements

1. Basis of Preparation of Consolidated Financial Statements

(1) Scope of Consolidation

Number of Consolidated Subsidiaries: 218

Major Consolidated Subsidiaries: Kyocera Document Solutions Inc., AVX Corporation and Kyocera International, Inc.

A Non-Consolidated Subsidiary: Kyoto Purple Sanga Co., Ltd.

This subsidiary is excluded from the scope of consolidation because its total assets, net sales, net income attributable to shareholders of Kyocera Corporation and retained earnings, etc. are immaterial, as such, they do not hinder a rational judgment of financial position and results of operations of Kyocera when excluded from the scope of consolidation.

(2) Scope of Application of the Equity Method

Number of Non-Consolidated Subsidiaries and Affiliates Accounted for by the Equity Method: 12

Major Affiliate Accounted for by the Equity Method: Kagoshima Mega Solar Power Corporation

(3) Changes in Scope of Consolidation

Number of Increase: 15

Number of Decrease: 19

(4) Changes in Scope of Application of the Equity Method

Number of Increase: 1

Number of Decrease: 1

(5) Summary of Significant Accounting Principles

(i) Standards of Preparation of Consolidated Financial Statements

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America pursuant to the provisions of paragraph 1 of Article 120-3 of the Ordinance on Accounting of Companies of Japan. Certain disclosure and footnotes required under principles generally accepted in the United States are omitted pursuant to the provisions of paragraph 1 of Article 120 that is applied mutatis mutandis in paragraph 3 of Article 120-3.

(ii) Valuation of Inventories

Kyocera has adopted the Financial Accounting Standards Board (FASB)'s Accounting Standards Codification (ASC) 330, "Inventory." Inventories are stated at the lower of cost or market. The remaining balance of raw materials to be purchased under the long term purchase agreements are also stated at the lower of cost and net realizable value. For finished goods and work in process, cost is mainly determined by the average method. For raw materials and supplies, cost is mainly determined by the first-in, first-out method. Kyocera recognizes estimated write-down of inventories for excess, slow-moving and obsolete inventories.

(iii) Valuation of Securities

Kyocera has adopted ASC 320, "Debt and Equity Securities." Available-for-sale securities are recorded at fair value, with unrealized gains and losses excluded from income and recorded in "accumulated other comprehensive income," net of tax. Held-to-maturity securities are recorded at amortized cost. Non-marketable equity securities are recorded using the cost method based on ASC325, "Investments – Other".

(iv) Depreciation Method for Property, Plant and Equipment

Kyocera has adopted ASC 360, "Property, Plant and Equipment." Depreciation is accounted mainly by the declining balance method on estimated useful lives.

(v) Goodwill and Other Intangible Assets

Kyocera has adopted ASC 350, "Intangibles – Goodwill and Other." Goodwill and intangible assets with indefinite useful lives, rather than being amortized, are tested for impairment at least annually, and also following any events and changes in circumstances that might lead to impairment. Intangible assets with definite useful lives are amortized straight line over their respective estimated useful lives to their estimated residual values, and reviewed for impairment which are accounted for under ASC 360, "Property, Plant and Equipment" whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

(vi) Accounting for Allowances and Accruals

Allowances for Doubtful Accounts:

Kyocera maintains allowances for doubtful accounts related to trade notes receivable, trade accounts receivable and finance receivables for estimated losses resulting from customers' inability to make timely payments including interest on finance receivables. Kyocera's estimates are based on various factors, including the length of past due payments, historical experience and current business environments. In circumstances where it is aware of a specific customer's inability to meet its financial obligations, a specific allowance against these amounts is provided, considering the fair value of assets pledged by the customer as collateral.

Allowances for Sales Returns:

Kyocera records an estimated sales return allowance at the time of sales based on historical return experience.

(vii) Accrued Pension and Severance Liabilities

Kyocera has adopted ASC 715, "Compensation – Retirement Benefits." Kyocera recognizes the overfunded or underfunded status of its defined benefit postretirement plans as an asset or liability, as the case may be, in the consolidated balance sheet and recognizes changes in funded status during the year as changes in comprehensive income for such year. Prior service cost is amortized by the straight-line method over the average remaining service period of employees. Actuarial gain or loss is recognized by amortizing a portion in excess of 10% of the greater of the projected benefit obligations or the market-related value of plan assets by the straight-line method over the average remaining service period of employees.

(6) Recently Adopted Accounting Standards

The accounting standards which Kyocera adopted on or after April 1, 2016 did not have material impacts on Kyocera's consolidated results of operations and financial condition.

2. Notes to Consolidated Balance Sheets

	(Yen in millions)
(1) Allowances for Doubtful Accounts Related to Assets	
Other Current Assets	¥ 103
Other Long-term Investments	13
Other Assets	1,795
(2) Accumulated Other Comprehensive Income	
Net Unrealized Gains on Securities	¥499,650
Net Unrealized Losses on Derivative Financial Instruments	(449)
Pension Adjustments	(35,362)
Foreign Currency Translation Adjustments	(16,360)
(3) Assets Pledged as Collateral	
Property, Plant and Equipment	¥ 1,418
Other Long-term Investments	1,893

*1 "Property, Plant and Equipment" is pledged against "Current Portion of Long-term Debt" and "Long-term Debt" in a total amount of ¥228 million.

*2 "Other Long-term Investments" is pledged against the loan for business finance of "Affiliates Accounted for by the Equity Method" in a total amount of ¥18,198 million.

3. Notes to Consolidated Statement of Equity

(1) Total Number of Shares Issued

Class of Shares	March 31, 2016	Increase	Decrease	March 31, 2017
	(Shares in thousands)			
Common Stock	377,619	—	—	377,619

(2) Distribution of Surplus

(i) Dividends Paid

Resolution	Class of Shares	Aggregate Amount	Per Share Amount	Record Date	Effective Date
The Ordinary General Meeting of Shareholders held on June 24, 2016	Common Stock	¥18,343 million	¥50	March 31, 2016	June 27, 2016
The Board of Directors Meeting held on October 31, 2016	Common Stock	¥18,386 million	¥50	September 30, 2016	December 5, 2016

(ii) Dividends for which the Record Date Fall in the Year ended March 31, 2017 with an Effective Date in the Year Ending March 31, 2018

Resolution	Class of Shares	Source of Dividend	Aggregate Amount	Per Share Amount	Record Date	Effective Date
The Ordinary General Meeting of Shareholders to be held on June 27, 2017	Common Stock	Retained Earnings	¥22,063 million	¥60	March 31, 2017	June 28, 2017

4. Notes to Financial Instruments

(1) Notes to Financial Instruments

Kyocera refrains from making any speculative transactions and always maintains a high level of capital liquidity to ensure the utmost stability in its fund management. Operating receivables such as notes receivable and accounts receivable are exposed to customer credit risk. Kyocera seeks to reduce this risk in accordance with its credit management policies. Kyocera is exposed to market risk, including changes in foreign currency exchange rates, interest rates and equity prices. In order to hedge against these risks, Kyocera uses derivative financial instruments. Kyocera does not hold or issue derivative financial instruments for trading purposes. Kyocera mainly enters into foreign currency forward contracts and interest rate swaps. Kyocera regularly assesses these market risks based on policies and procedures established to protect against the adverse effects of these risks and other potential exposures, primarily by reference to the market value of financial instruments.

Kyocera has marketable equity securities, debt securities and non-marketable equity securities. Kyocera is currently a major shareholder of KDDI Corporation. As of March 31, 2017, the fair value of the shares of KDDI Corporation of which Kyocera owns was ¥979,151 million.

(2) Fair Value of Financial Instruments

The fair values of financial instruments as of March 31, 2017 and methods and assumption used to estimate such fair values were as follows:

	(Yen in millions)		
	Carrying Amount	Fair Value	Difference
Assets (a)			
Short-term Investments in Debt Securities	¥ 84,703	¥ 84,713	¥ 10
Long-term Investments in Debt and Equity Securities	1,130,756	1,130,552	(204)
Other Long-term Investments (excluding Investment in and Advances to Affiliates and Unconsolidated Subsidiaries)	16,383	16,383	—
Total	¥ 1,231,842	¥ 1,231,648	¥ (194)
Liabilities (b)			
Long-term Debt (including due within one Year)	¥ 24,644	¥ 24,644	—
Total	¥ 24,644	¥ 24,644	—
Derivatives (c) (Note)			
Derivatives Designated as Hedging Instruments	¥ 52	¥ 52	—
Derivatives Not Designated as Hedging Instruments	(2,352)	(2,352)	—
Total	¥ (2,300)	¥ (2,300)	—

Note: Assets and liabilities of derivative transactions are recorded in net amount. Liabilities are presented by (   ).

(a) For investments with active markets, fair value is estimated based on quoted market prices. For non-marketable equity securities, it is not practicable to estimate fair value of non-marketable equity securities because of the lack of market price and difficulty in estimating fair value without incurring excessive cost. In addition, Kyocera did not identify any events or changes in circumstances that may have had a significant adverse effect on these investments. The aggregate carrying amount of the investments included in the above table as of March 31, 2017 was ¥15,852 million.

(b) Fair value is estimated by discounting cash flows, using current interest rates for instruments with similar terms and remaining maturities at the end of the fiscal year.

(c) Fair value is estimated based on quotes from financial institutions at the end of the fiscal year.

Cash and cash equivalents, other short-term investments, trade notes receivable, trade accounts receivable, short-term borrowings, trade notes and accounts payable, and other notes and accounts payable approximate fair value because of the short maturity of these instruments.

5. Notes to per Share Information

(1) Kyocera Corporation Shareholders' Equity per Share		¥6,347.95
(2) Earnings per Share Attributable to Shareholders of Kyocera Corporation	Basic	¥ 282.62
	Diluted	¥ 282.62

6. Note to Significant Subsequent Event

Kyocera Corporation made a resolution for a liquidation of Kyocera Telecom Equipment (Malaysia) Sdn. Bhd., which is wholly owned subsidiary at the meeting of Board of Directors held on May 1, 2017.

(1) Reason of the liquidation

Kyocera aimed to optimize production bases in the Telecommunications Equipment Group. As a result, it made the resolution for the liquidation of Kyocera Telecom Equipment (Malaysia) Sdn. Bhd.

(2) Outline of the subsidiary which will be liquidated

- Name : Kyocera Telecom Equipment (Malaysia) Sdn. Bhd.
- Address : Lot 7646 Mukim Of Plentong, 81750 Masai, Johor, Malaysia
- Capital : MYR28,000,000 (as of March 31, 2017)
- Business : Manufacture of Telecommunications Equipment

(3) Schedule of the liquidation

The liquidation will be conducted when necessary legal procedures will be completed in accordance with the local laws and regulations.

(4) Impact on its consolidated results of operations and financial condition

The estimated amount in gain or loss relating to the liquidation is being calculated currently, however, Kyocera considers that this will not have material impacts on its consolidated results of operations and financial condition.

7. Other Note

Litigation of Long-term Purchase Agreements

Between 2005 and 2008, Kyocera entered into four long-term purchase agreements (the "LTAs"), principally governed by Michigan law, with Hemlock Semiconductor Operations LLC and its subsidiary Hemlock Semiconductor, LLC (collectively, "Hemlock") for the supply of polysilicon material for use in its solar energy business. As of March 31, 2017, there was a remaining balance of ¥148,552 million of polysilicon material to be purchased under the LTAs by December 31, 2020, of which ¥41,398 million is prepaid.

After the LTAs were signed, the price of polysilicon material in the world market significantly declined, thus a significant divergence between the market price of polysilicon material and the fixed contract price in the LTAs arose. In light of these circumstances, Kyocera requested Hemlock to modify the contract terms including its price and quantity, and Kyocera sued Hemlock contending that the LTAs are illegal and unenforceable because of Hemlock's alleged abuse of a superior position, which is prohibited under Japanese Antitrust Law. Taking into consideration these condition, Kyocera withheld to order the polysilicon material for the amount stated under the LTAs during the year ended December 31, 2016 ("the 2016 amount"), which is ¥29,660 million in total.

As a result, Hemlock issued an invoice for the amount equal to the difference between the 2016 amount and applicable advanced payment, which was due for payment by Kyocera on February 15, 2017. As Kyocera contends that it has the right to cure a default by purchasing the 2016 amount within a certain period from the issuance of the default notice, Kyocera has accounted for its rights and obligations under the LTAs, and has recorded ¥29,660 million as other current asset for the 2016 amount and ¥21,793 million as other account payable for the amount equal to the difference between the 2016 amount and applicable advanced payment in the consolidated balance sheet as of March 31, 2017.

Kyocera also placed an order for purchasing the 2016 amount on February 15, 2017 in order to secure the right to cure the default.

In addition, Kyocera considered the obligation to purchase polysilicon material through 2020 in its analysis based on lower of cost and net realizable value approach taking into consideration the anticipated selling price of the applicable solar products and concluded no loss was incurred as of March 31, 2017.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

(1) Standards and Methods of Valuation of Assets

Held-to-Maturity Securities:	Amortized cost method (straight-line method)
Investments in Subsidiaries and Affiliates:	Cost determined by the moving average method
Other Securities:	
Marketable:	Based on market price as of the balance sheet date (unrealized gains and losses on such securities are reported in net assets, and cost is determined by the moving average method)
Non-marketable:	Cost determined by the moving average method
Derivative Financial Instruments:	Mark-to-market method
Inventories:	Cost determined based on acquisition costs with adjustment by write-down taking into consideration decline of profitability
Finished Goods, Merchandise and Work-in-process:	Cost of finished goods and work in process is mainly determined by the average cost method. Cost of merchandise is determined by the first-in, first-out method or the last purchase method. Cost of merchandise has been determined by the last purchase method until fiscal 2016, however, merchandise in the certain business newly added due to the integration of subsidiaries is determined by the first-in, first-out method from fiscal 2017.
Raw Materials and Supplies:	Raw materials and supplies, except those for telecommunications equipment, are valued at cost, with cost being determined by the last purchase method. Raw materials for telecommunications equipment are valued at cost, with cost being determined by the first-in, first-out method.

(2) Depreciation of Non-current Assets

Tangible Fixed Assets (except for Leased Assets):	Depreciation is computed at rates based on the estimated useful lives of assets using the declining-balance method. The principal estimated useful lives are as follows: Buildings and structures: 2 years – 33 years Machinery and equipment, and tools, furniture and fixtures: 2 years – 10 years
Intangible Fixed Assets (except for Leased Assets):	Amortization is computed using the straight-line method. Software for internal use is calculated based on the usable period of two years.
Leased Assets:	Straight-line method, using lease periods as the estimated useful lives of such assets.

(3) Accounting for Allowances and Accruals

Allowances for Doubtful Accounts:	In anticipation of uncollectible accounts receivable, Kyocera Corporation provides allowances for doubtful accounts, for general accounts receivable, based on the past actual ratio of losses on bad debts; and, for certain specific doubtful accounts receivable, based on estimates of uncollectible amounts pursuant to analysis of individual receivables.
Accrued Bonuses for Employees:	In order to prepare for bonuses to employees, accrued bonuses are provided based on the amounts expected to be paid, which are determined based on actual payments made in the previous fiscal year.
Accrued Bonuses for Directors:	In order to prepare for bonuses to Directors, accrued bonuses are provided based on the amounts expected to be paid.
Warranty Reserves:	Warranty reserves are provided to prepare for the cost of after sales service for telecommunications equipment and applied ceramic products based upon the amounts expected to be paid, which are determined taking into account actual payments made in the past, etc.
Allowances for Sales Returns:	Allowances for sales returns are provided to prepare for losses from write-off of products as a result of product returns based on the past actual return ratio of unaccepted products multiplied by the amount of the uninspected products at the end of the fiscal year.
Accrued Pension and Severance Costs:	In order to prepare for provision of retirement benefits to employees, accrued pension and severance costs are recognized based on projected benefit obligations and plan assets as of the balance sheet date. Unrecognized prior year service cost is amortized over the estimated average remaining service period of employees using the straight-line method. Actuarial gains or losses are amortized over the estimated average remaining service period of employees using the straight-line method following the year in which they are incurred. The exceeding amounts are provided as prepaid pension and severance expenses since plan assets exceeded projected benefit obligations as of the balance sheet date.

(4) Other Significant Policies

Consumption Taxes:	Consumption taxes withheld upon sale and consumption taxes paid for purchases of goods and services are not included in the amounts of the respective revenue and cost or expense items in the accompanying statements of income.

2. Notes to Balance Sheets:

(1) Assets Pledged as Collateral and Secured Liabilities

1. Assets Pledged as Collateral

Investments in subsidiaries and affiliates: ¥2,125 million

2. Secured Liabilities

Loan from financial institutions to Kagoshima Mega Solar Power Corporation: ¥18,198 million

* All investor of Kagoshima Mega Solar Power Corporation pledge their investments as collateral for this loan.

(2) Accumulated Depreciation of Tangible Fixed Assets: ¥539,307 million

(3) Guarantee Obligations

Keep-well Letters and Guidance for Management:

Keep–well Letter Requested Party	Amount Covered	Subject of Keep-well Letter
Kyocera Realty Development Co., Ltd.	¥228 million	Guidance for repayment of loans from financial institutions
Kyoto Purple Sanga Co., Ltd.	400 million	Guidance for repayment of loans from financial institutions
Total	¥628 million	

(4) Receivables from Subsidiaries and Affiliates, and Payables to Subsidiaries and Affiliates (except Amounts Separately Presented)

Current Receivables	¥ 78,241 million
Long-term Receivables	36,410 million
Current Payables	73,996 million
Long-term Payables	25 million

3. Notes to Statements of Income:

Transactions with Subsidiaries and Affiliates:

Operational Transactions:	
Net Sales	¥256,446 million
Purchases	67,106 million
Selling, General and Administrative Expenses	5,274 million
Non Operational Transactions	26,460 million

4. Notes to Statement of Changes in Net Assets

Number and Class of Treasury Shares as of March 31, 2017

Common Stock	9,906 thousand shares

5. Notes to Accounting for Effects of Income Taxes

The Main Components of the Deferred Tax Assets and Deferred Tax Liabilities

	(Yen in millions)
(i) Current:	
Deferred Tax Assets:	
Accrued Bonuses	¥ 5,248
Temporary and Prepaid Payment	4,245
Other Payables and Accrued Expenses	4,132
Write-down of Inventories	3,986
Accrued Enterprise Tax	753
Others	1,499
Total Deferred Tax Assets	19,863
Deferred Tax Liabilities:	
Reserve for Special Depreciation	(130)
Total Deferred Tax Liabilities	(130)
Deferred Tax Assets, Net	¥ 19,733
(ii) Non-current:	
Deferred Tax Assets:	
Depreciation and Amortization	¥ 18,751
Loss on Impairment of Investments in Subsidiaries and Affiliates	11,793
Adjustment to Book Value of Investments in Subsidiaries	2,032
Deferred Assets	1,247
Long-term Payables	470
Others	1,462
Sub-total of Deferred Tax Assets	35,755
Valuation Allowances	(13,969)
Total Deferred Tax Assets	21,786
Deferred Tax Liabilities:	
Net Unrealized Gain on Other Securities	(294,989)
Prepaid Pension and Severance Expenses	(2,819)
Gain on Revaluation of Land	(865)
Reserve for Special Depreciation	(327)
Others	(39)
Total Deferred Tax Liabilities	(299,039)
Deferred Tax Liabilities, Net	¥(277,253)

6. Notes to Fixed Assets Used Under Finance Leases

Some fixed assets used under finance leases, consisting principally of manufacturing equipment and computers, are off balance sheet.

7. Notes Concerning Related Party Transactions

(Yen in millions)

Relationship	Name of Entity	Percentage of Voting rights held	Relationship with the Entity	Substance of Transactions	Amount of Transactions	Item	Outstanding Transaction amounts as of March 31, 2017
Subsidiary	Kyocera Display Corporation	100%	Extension of Loan Interlocking Officers	Extension of Loan	¥11,700	Long-term loans to subsidiaries	¥31,900

Note: Conditions of the loans have been reasonably determined, taking into account market interest rates, etc.

8. Notes to per Share Information

(1) Net Assets per Share: ¥5,229.48
(2) Earnings per Share: ¥ 227.86

9. Material Subsequent Events

Merger of Kyocera Medical Corporation, Kyocera Crystal Device Corporation and Kyocera Connector Products Corporation

Kyocera Medical Corporation, Kyocera Crystal Device Corporation and Kyocera Connector Products Corporation, which were wholly owned consolidated subsidiaries of Kyocera Corporation, were merged into Kyocera Corporation on April 1, 2017.

(1) Overview of Transactions

(i) Scope of Business Transferred

Kyocera Medical Corporation
Design, development, manufacture and sales of medical equipment and business as a total medical materials manufacturer

Kyocera Crystal Device Corporation
Development, manufacture and sale of crystal components

Kyocera Connector Products Corporation
Development, manufacture and sale of connectors

(ii) Date of Business Combinations

April 1, 2017

(iii) Legal Method of Business Combinations

In the mergers, Kyocera Corporation was a surviving company, and Kyocera Medical Corporation, Kyocera Crystal Device Corporation and Kyocera Connector Products Corporation were dissolved.

(iv) Name of the Company after Business Combinations

Kyocera Corporation

(v) Objective of Transactions

The purpose of the restructuring was to establish stronger business structure by consolidating the extensive management resources of the four companies, and to further expand these businesses by enhancing new product development capability, by improving productivity through the sharing of manufacturing technologies, and by expanding sales through the consolidation of marketing divisions taking advantage of the broadened product line-up.

(2) Content of Accounting Treatment

It was treated as a transaction under common control in accordance with the “Accounting Standard for Business Combination” (Accounting Standard Board of Japan Statement (ASBJ) No.21, September 13, 2013) and the “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No.10, September 13, 2013).

10. Other Notes

Merger of Kyocera Circuit Solutions, Inc. and Kyocera Chemical Corporation

Kyocera Circuit Solutions, Inc. and Kyocera Chemical Corporation, both of which were wholly owned consolidated subsidiaries of Kyocera Corporation, were merged into Kyocera Corporation on April 1, 2016.

(1) Overview of Transactions

(i) Scope of Business Transferred

Kyocera Circuit Solutions, Inc.
Development, manufacturing and sale of organic packages and multilayer printed wiring boards for semiconductor devices

Kyocera Chemical Corporation
Development, manufacturing and sale of materials for semiconductor and chemical materials

(ii) Date of Business Combinations

April 1, 2016

(iii) Legal Method of Business Combinations

In the mergers, Kyocera Corporation was a surviving company, and Kyocera Circuit Solutions, Inc. and Kyocera Chemical Corporation were dissolved.

(iv) Name of the Company after Business Combinations

Kyocera Corporation

(v) Objective of Transactions

The purpose of the restructuring was to improve efficiency by integrating these businesses of the two companies with Kyocera Corporation, and to enhance the development of new products and markets, and to further expand these businesses through pursuit of synergistic effects.

(2) Content of Accounting Treatment

It was treated as a transaction under common control in accordance with the “Accounting Standard for Business Combination” (Accounting Standard Board of Japan Statement (ASBJ) No.21, September 13, 2013) and the “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No.10, September 13, 2013).

Absorption – type corporate split regarding sales of photovoltaic power generation equipment from Kyocera Solar Corporation

The business unit engaged in the sale of photovoltaic power generation equipment was separated by means of a corporate split from Kyocera Solar Corporation, a wholly owned consolidated subsidiary of Kyocera Corporation, engaged in the sale of photovoltaic power generation equipment and contracting relating to photovoltaic power generation systems for the Japanese market, and such business unit was succeeded to by Kyocera Corporation.

(1) Overview of Transaction

(i) Scope of Business Transferred

Sale of photovoltaic power generation equipment

(ii) Date of Business Combination

April 1, 2016

(iii) Legal Method of Business Combination

This was a "split-type corporate split," in which Kyocera Corporation was the succeeding company, and Kyocera Solar Corporation, an existing wholly-owned subsidiary of Kyocera Corporation, was the splitting company. Because Kyocera Solar Corporation was a wholly-owned subsidiary of Kyocera Corporation and the method of corporate split was a "split-type corporate split," no allocation of new shares was made in the corporate split.

(iv) Name of the Company after Business Combination

Kyocera Corporation

(v) Objective of Transaction

The purpose of the restructuring was to improve efficiency by integrating the business unit engaged in the sale of photovoltaic power generation systems of Kyocera Solar Corporation with Kyocera Corporation, and to enhance the development of new markets, and to further expand these businesses through pursuit of synergistic effects.

(2) Content of Accounting Treatment

It was treated as a transaction under common control in accordance with the "Accounting Standard for Business Combination" (Accounting Standard Board of Japan Statement (ASBJ) No.21, September 13, 2013) and the "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10, September 13, 2013).

Merger of Nihon Inter Electronics Corporation

Nihon Inter Electronics Corporation ("NIEC"), which was a consolidated subsidiary of Kyocera Corporation, was merged into Kyocera Corporation on August 1, 2016.

(1) Overview of Transaction

(i) Scope of Business Transferred

Development, manufacturing and sale of power semiconductors

(ii) Date of Business Combination

August 1, 2016

(iii) Legal Method of Business Combination

In the merger, Kyocera Corporation was a surviving company, and NIEC was dissolved.

(iv) Name of the Company after Business Combination

Kyocera Corporation

(v) Objective of Transaction

The purpose of the restructuring was to further expand power semiconductor business by deploying Kyocera Corporation's personnel, technology and funds, in order to strengthen the management platform.

(2) Content of Accounting Treatment

It was treated as a transaction under common control in accordance with the "Accounting Standard for Business Combination" (Accounting Standard Board of Japan Statement (ASBJ) No.21, September 13, 2013) and the "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10, September 13, 2013).