Financial Presentation for the year ended March 31, 2017

(Held on May 2, 2017)

Goro Yamaguchi

Chairman and Representative Director

<Initiatives from FY3/2014 to FY3/2017>

After being appointed president in April 2013, I focused primarily on two challenges with the aim of realizing high growth and high profitability, as per our management policy.

The first was to strengthen the collective capabilities of the Kyocera Group and the second was to enhance management foundations. In terms of strengthening the Group's collective capabilities, we have worked to bolster ties between Group companies and business divisions based on the idea that we are not truly maximizing our abundance of resources considering the variety of businesses and products we possess. To give an example, we have made effective use of our business experience in conducting proactive business activities for key customers as Team Kyocera in an effort to expand orders. In addition, we have been creating sales strategies by grasping sales trends in core markets on a timely basis, which has enabled us to create a framework for managing the Group's sales not only by product but also by market.

In terms of enhancing management foundations, we worked to improve profit through fundamental structural reform in our telecommunications equipment, solar energy and display businesses to address profitability issues. These reforms include a well-timed review of asset value such as goodwill and long lived assets as well as an upgrade of production system.

We also reorganized business through the merging of Group companies and other means with the aim of further accelerating management and pursuing synergies. As a result, the electronic device business started business under a new structure in April this year.

Through such initiatives, we worked to expand sales by boosting market share and recreate business foundations. Going forward, we will strive to create and realize a definitive growth scenario under the new management structure following the appointment of Hideo Tanimoto as president in April, with the aim being to accelerate further growth.

In line with this, we have reorganized our segment classifications.

<4. Change in Reporting Segment Classification>

Kyocera has changed its reporting segment classifications in light of the market in order to further clarify the business of the Kyocera Group. Reporting segments valid until the year ended March 31, 2017 are shown at left, and these have been replaced by the new reporting segments at right introduced this fiscal year.

First, the Industrial & Automotive Components Group incorporates the liquid crystal displays, cutting tools and optical components businesses into the former Fine Ceramic Parts Group. There is no change to the structure of the Semiconductor Parts Group, though it has been renamed the Semiconductor Components Group in English. The Electronic Device Group has been reorganized into the Electronic Devices Group comprising capacitors, functional devices, crystal components, connectors, AVX Corporation and printing devices. The Communications Group incorporates Kyocera Communication Systems Co., Ltd, which handles information and telecommunications services, into the former Telecommunications Equipment Group. There is no change to the structure of the Information Equipment Group, though it has been renamed the Document Solutions Group. The Life & Environment Group comprises solar energy products, medical devices, and jewelry and applied ceramic related products.

Moving ahead, we will look to expand sales and profit under the new classifications. As chairman, I will personally provide back up to President Tanimoto so that we can meet and exceed the expectations of investors with the aim of driving further development of the Kyocera Group.

Hideo Tanimoto

President and Representative Director

<6. Career Summary>

I joined Kyocera in 1982 and worked in the fine ceramics business for many years up until recently. I began as an engineer in the Sendai Plant in Kagoshima prefecture and spent around 30 years in that role, mainly in Kagoshima prefecture. I helped to promote a variety of reforms on the manufacturing floor that included development of a new production method and establishment of a mass-production line for ceramic substrates used primarily in electronic components and electronic circuits.

Up until my appointment as General Manager of the Fine Ceramics Group in 2014, I was familiar only with technology and production. Chairman Yamaguchi taught me a great deal about general management, which provided the platform for me to try to expand into new business domains.

With this as my first fiscal year as president, I will strive to deepen my understanding of Kyocera's many and varied businesses as quickly as possible and to draw up a precise scenario for growth with the aim of achieving double-digit growth on an ongoing basis for sales and pre-tax income. I ask for your support as I forge ahead to meet these goals.

I will now explain Kyocera's basic policy.

<7. Basic Policy toward Mid-Term Business Growth>

No changes have been made to Kyocera's basic policy in that we will continue aiming to achieve higher growth and higher profitability by exploiting the collective capabilities of the Kyocera Group and expanding sales in core markets.

<8. Management Policy and Major Initiatives>

My management policy will be to "Expand existing businesses by extensive cost reductions" and "Create new businesses by strengthening internal and external collaboration." First, with regard to expanding existing businesses, I believe it is necessary to enhance cost competitiveness by thoroughly reducing costs as a means to increase market share. To achieve this, in addition to cutting costs via process reform, we will work to improve operational efficiency through the proactive use of robots, IT (Information Technology) and AI (Artificial Intelligence) so that we can double productivity.

Second, with regard to creating new businesses by strengthening internal and external collaboration, we will strive to integrate in-house technologies and reinforce technological synergies toward new product development.

We will also actively utilize external resources to create new businesses, which will include pursuing M&A as well as various business alliances with external entities. Through these initiatives, we aim to realize ¥2 trillion in sales early on.

<9. Financial Results for the Year Ended March 31, 2017>

Next, I will explain financial results for the year ended March 31, 2017 ("fiscal 2017").

<10. Financial Results for the Year Ended March 31, 2017>

Net sales for fiscal 2017 amounted to ¥1,422.8 billion, down ¥56.9 billion from the year ended March 31, 2016 ("fiscal 2016"), primarily as the yen's appreciation pushed down results by approximately ¥94 billion. Even though sales fell short of the previous year's total, profit from operations increased by ¥11.9 billion to ¥104.5 billion due to the effects of comprehensive cost reductions. In addition, although a gain on the sale of an asset in the amount of approximately ¥12 billion was recorded in fiscal 2016 also saw impairment losses on goodwill and long lived assets in the amount of approximately ¥18 billion along with other costs. Pre-tax income decreased by ¥7.7 billion to ¥137.8 billion year on year due to the recording of a gain on the sale of an asset in the amount of approximately ¥20 billion in fiscal 2016. Net income decreased by ¥5.2 billion to ¥103.8 billion.

<11. Sales by Reporting Segment for the Year Ended March 31, 2017>

This slide shows a comparison of sales by reporting segment in fiscal 2017 compared with fiscal 2016. The decline in sales was due primarily to lower sales in the Equipment Business.

<12. Operating Profit by Reporting Segment for the Year Ended March 31, 2017>

Operating profit increased in both the Components Business and the Equipment Business. In particular, an increase in profit in the Equipment Business made a significant contribution.

<13. Summary of FY3/2017 Results – Components Business –>

The following slides provide an outline of sales at the top and operating profit at the bottom. First, in the Components Business, sales were down slightly year on year due to a decline in sales in the Applied Ceramic Products Group following lower revenue in the solar energy business, despite sales growth in the Fine Ceramic Parts Group and the Semiconductor Parts Group.

Operating profit remained roughly unchanged due to the effect of cost reductions, despite the negative impact of the yen's appreciation. In addition, the previous fiscal year saw expenses that included impairment losses on goodwill and long lived assets in the Electronic Device Group in addition to the gain on sale of an asset in the Semiconductor Parts Group.

<14. Summary of FY3/2017 Results – Equipment Business– >

Sales decreased in the Equipment Business due to a decline in sales volume in line with a review of product strategy for the Telecommunications Equipment Group.

On the other hand, operating profit increased due to a turnaround to profitability on account of a shift to high-durability models following a review of product strategy and to the effects of structural reform that included integration of production and development sites for the Telecommunications Equipment Group coupled with a reduction in costs in the Information Equipment Group.

<15. Financial Forecasts for the Year Ending March 31, 2018>

Next, I will explain financial forecasts for the year ending March 31, 2018 ("fiscal 2018").

<16. Financial Forecasts for the Year Ending March 31, 2018>

In fiscal 2018, we expect that smartphones will become more sophisticated and proliferation of the Internet of Things (IoT) will accelerate in the information and communications market. At the same time, we expect that production activities will be brisk in automotive-related markets and the semiconductor industry markets. Kyocera will actively work to expand sales in these buoyant markets. We will also make efforts to further boost profitability by continuing to work to reduce costs in the solar energy business and the telecommunications equipment business, which underwent structural reform in fiscal 2017, including reorganization of production systems.

In light of these forecasts, we are projecting net sales of ¥1.5 trillion in fiscal 2018, an increase of 5.4% year on year. Profit from operations is projected to be ¥120 billion, up 14.8%, with pre-tax income forecast at ¥150 billion, up 8.8%, and net income at ¥105 billion, up 1.1%.

Assumed exchange rates for fiscal 2018 are ¥108 to the U.S. dollar, unchanged from fiscal 2017, and ¥115 to the Euro, marking appreciation of ¥4 compared with ¥119 for fiscal 2017.

<17. Sales Forecast by Reporting Segment>

These tables use the new reporting segment classifications introduced this fiscal year and figures for the previous fiscal year have been reclassified to conform with this. We forecast sales growth in each of the segments for fiscal 2018.

<18. Operating Profit Forecast by Reporting Segment>

Operating profit is forecast to increase in each reporting segment with projections of enhanced profitability as well.

Next, I will explain financial forecasts for each reporting segment.

<19. Financial Forecasts by Reporting Segment (1)>

First, in the Industrial & Automotive Components Group, sales are forecast to increase by 6.9% to ¥246 billion and operating profit is forecast to increase by 15.9% to ¥26 billion compared with fiscal 2017. The forecast for sales growth stems from an expected sales increase in core products in line with brisk production activities in the semiconductor processing equipment and automotive-related markets. Operating profit is projected to increase due to sales growth in high-value-added products.

Next, in the Semiconductor Components Group, sales are forecast to increase slightly to ¥248 billion and operating profit is forecast to increase by 2.7% to ¥26 billion compared with fiscal 2017. Sales are projected to increase overall in this reporting segment due to sales growth in ceramic packages for communications infrastructure and smartphones, despite a forecast decline in sales in the organic materials business following a review of product line-up. Operating profit is projected to increase due to improvement in product mix and cost reductions.

<20. Financial Forecasts by Reporting Segment (2)>

In the Electronic Devices Group, sales are forecast to increase by 5.5% to ¥254 billion and operating profit is forecast to increase by 8% to ¥33 billion compared with fiscal 2017. We are forecasting growth in sales and profit on the back of increasing sales of electronic components for smartphones and printing devices for industrial equipment.

In the Communications Group, sales are forecast to increase by 6.5% to ¥269 billion and operating profit is forecast to surge 52.4% to ¥13 billion compared with fiscal 2017. Kyocera will work to increase sales through new product introductions for mobile phones and sales growth in ICT and engineering business. Operating profit is forecast to increase following sales growth and improvement in profitability in telecommunications equipment business.

<21. Financial Forecasts by Reporting Segment (3)>

In the Document Solutions Group, sales are forecast to increase by 8% to ¥350 billion and operating profit is forecast to increase by 24.6% to ¥35 billion compared with fiscal 2017. We are projecting sales to increase on the back of active sales expansion of new products and by expanding solutions business. Operating profit is forecast to increase due to the effect of sales growth coupled with cost reductions and enhanced productivity.

In the Life & Environment Group, sales are forecast to increase by 2.5% to ¥153 billion and operating profit is forecast to increase by approximately 2.5-fold to ¥3 billion compared with fiscal 2017. We are projecting this increase on the back of expansion in sales of solar power generating related business in Japan and Asia coupled with sales growth in the medical devices business. Operating profit is projected to increase due to sales growth and comprehensive cost reductions.

<22. Dividend Forecast>

Kyocera forecasts a total annual dividend of ¥110 per share for fiscal 2017 based on financial results and our dividend policy, marking an increase of ¥10 compared with fiscal 2016. Dividends are forecast to be at the same level of ¥110 per share in fiscal 2018. Going forward, we will work to further enhance profit return to shareholders.

<23. Trend of Sales and Pre-tax Income>

This slide shows trends for sales and pre-tax income since fiscal 2014. In the most recent two years we have worked to strengthen management foundations, which has included implementation of fundamental structural reform. We aim to further grow sales and profit from this fiscal year and we are currently striving to bolster manufacturing. First, we will work throughout the entire Group to achieve the financial forecasts for this fiscal year.