



THE NEW VALUE FRONTIER

July 30, 2020

Conference Call Material

(For the Three Months Ended June 30, 2020)

Hideo Tanimoto
President and Representative Director

KYOCERA Corporation

This is an English translation of the Japanese original. This translation is prepared for the reference and convenience solely for those who do not use Japanese. 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, 2020

Financial Results for Q1 of FY3/2021

(Unit: Yen in millions)

| | Three months ended June 30, | | | | Change | |
|--|-----------------------------|--------------------|----------------|--------------------|---------|--------|
| | 2019 | | 2020 | | | |
| | Amount | % to sales revenue | Amount | % to sales revenue | Amount | % |
| Sales revenue | 384,937 | 100.0% | 317,094 | 100.0% | -67,843 | -17.6% |
| Operating profit | 22,629 | 5.9% | 7,574 | 2.4% | -15,055 | -66.5% |
| Profit before income taxes | 45,486 | 11.8% | 30,411 | 9.6% | -15,075 | -33.1% |
| Profit attributable to owners of the parent | 32,037 | 8.3% | 22,380 | 7.1% | -9,657 | -30.1% |
| Capital expenditures | 25,821 | 6.7% | 26,458 | 8.3% | 637 | 2.5% |
| Depreciation charge of property, plant and equipment | 14,317 | 3.7% | 17,065 | 5.4% | 2,748 | 19.2% |
| R&D expenses | 18,866 | 4.9% | 17,355 | 5.5% | -1,511 | -8.0% |
| Average exchange rate | US\$ | 110 yen | 108 yen | | | |
| | Euro | 123 yen | 118 yen | | | |

(Reference) Foreign currency fluctuation effect on sales revenue and profit before income taxes for Q1 of FY3/2021 compared with the previous same period. **Sales revenue: Approx. -6.0 billion yen / Profit before income taxes: Approx. -1.5 billion yen**

Decrease in sales revenue and profit mainly due to the impact of COVID-19

Sales Revenue by Reporting Segment for Q1 of FY3/2021

- Compared with Q1 of FY3/2020 -

(Unit: Yen in millions)

| | Three months ended June 30, | | | | Change | |
|---|-----------------------------|--------------------|----------------|--------------------|----------------|---------------|
| | 2019 | | 2020 | | | |
| | Amount | % of sales revenue | Amount | % of sales revenue | Amount | % |
| Industrial & Automotive Components Group | 79,330 | 20.6% | 80,596 | 25.4% | 1,266 | 1.6% |
| Semiconductor Components Group | 57,973 | 15.1% | 56,124 | 17.7% | -1,849 | -3.2% |
| Electronic Devices Group | 83,203 | 21.6% | 61,440 | 19.4% | -21,763 | -26.2% |
| Total Components Business | 220,506 | 57.3% | 198,160 | 62.5% | -22,346 | -10.1% |
| Communications Group | ※ 64,781 | 16.8% | 49,737 | 15.7% | -15,044 | -23.2% |
| Document Solutions Group | 87,130 | 22.6% | 60,058 | 18.9% | -27,072 | -31.1% |
| Life & Environment Group | ※ 16,866 | 4.4% | 12,362 | 3.9% | -4,504 | -26.7% |
| Total Equipment & Systems Business | 168,777 | 43.8% | 122,157 | 38.5% | -46,620 | -27.6% |
| Others | 4,110 | 1.1% | 3,757 | 1.2% | -353 | -8.6% |
| Adjustments and eliminations | ※ -8,456 | -2.2% | -6,980 | -2.2% | 1,476 | - |
| Sales revenue | 384,937 | 100.0% | 317,094 | 100.0% | -67,843 | -17.6% |

※ On April 1, 2020, a domestic subsidiary Kyocera Communication Systems Co., Ltd., which is included in “Communications Group,” absorbed and merged with a domestic subsidiary Kyocera Solar Corporation, which was included in “Life & Environment Group.” As a result, “Three months ended June 30, 2019” in the above table is presented in the reporting segment after the merger.

Business Profit (Loss) by Reporting Segment for Q1 of FY3/2021

- Compared with Q1 of FY3/2020 -

(Unit: Yen in millions)

| | Three months ended June 30, | | | | Change | |
|---|-----------------------------|--------------------|---------------|--------------------|----------------|---------------|
| | 2019 | | 2020 | | | |
| | Amount | % to sales revenue | Amount | % to sales revenue | Amount | % |
| Industrial & Automotive Components Group | 4,798 | 6.0% | 1,666 | 2.1% | -3,132 | -65.3% |
| Semiconductor Components Group | 5,082 | 8.8% | 5,623 | 10.0% | 541 | 10.6% |
| Electronic Devices Group | 13,418 | 16.1% | 2,407 | 3.9% | -11,011 | -82.1% |
| Total Components Business | 23,298 | 10.6% | 9,696 | 4.9% | -13,602 | -58.4% |
| Communications Group | ※ 2,012 | 3.1% | 1,697 | 3.4% | -315 | -15.7% |
| Document Solutions Group | 8,966 | 10.3% | 1,809 | 3.0% | -7,157 | -79.8% |
| Life & Environment Group | ※ -2,555 | — | -3,834 | — | -1,279 | — |
| Total Equipment & Systems Business | 8,423 | 5.0% | -328 | — | -8,751 | — |
| Others | -910 | — | -633 | — | 277 | — |
| Total business profit | 30,811 | 8.0% | 8,735 | 2.8% | -22,076 | -71.6% |
| Corporate and others | ※ 14,675 | — | 21,676 | — | 7,001 | 47.7% |
| Profit before income taxes | 45,486 | 11.8% | 30,411 | 9.6% | -15,075 | -33.1% |

※ On April 1, 2020, a domestic subsidiary Kyocera Communication Systems Co., Ltd., which is included in “Communications Group,” absorbed and merged with a domestic subsidiary Kyocera Solar Corporation, which was included in “Life & Environment Group.” As a result, “Three months ended June 30, 2019” in the above table is presented in the reporting segment after the merger.

Summary of Financial Results for Q1 of FY3/2021

–

1. Demand declined in main markets due to COVID-19

- ✓ Automotive-related markets: Sales decreased primarily in Electronic Devices Group due to sluggish automobile production activities
- ✓ Document market: Demand for equipment and consumables decreased along with restrictions on office attendance

+

2. Increased demand for 5G and data center related components

- ✓ Semiconductor Components Group: Increased demand for ceramic packages for crystal and SAW devices for 5G compatible devices and base stations and for optical communication for data centers

+

3. Contribution of M&A in the previous fiscal year

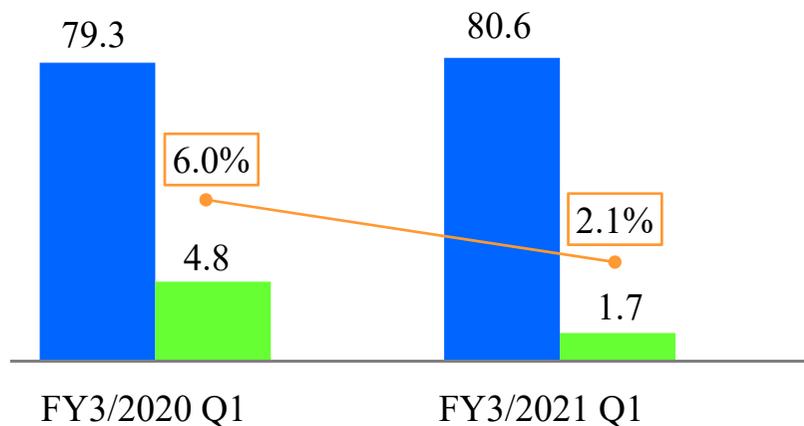
- ✓ Industrial & Automotive Components Group:
SouthernCarlson, Inc. (pneumatic/power tool sales company)
Friatec GmbH ceramics business (ceramic components manufacturing and sales company)

Financial Results for Q1 of FY3/2021 by Reporting Segment (1)

Industrial & Automotive Components Group

■ Sales revenue ■ Business profit — Business profit ratio

(Unit : Yen in billions)



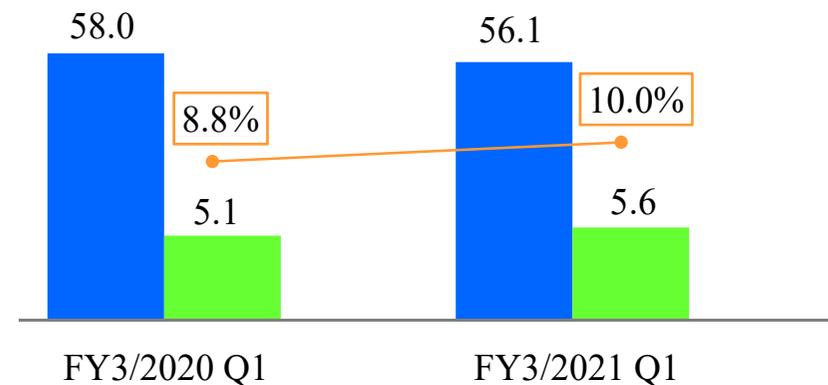
<Major reasons for change>

- ⊕ Increased sales of industrial tools due to contributions from M&A activity in the previous fiscal year
- ⊖ Decreased sales of automotive-related components such as automotive cameras and cutting tools
- ⊖ Decreased business profit due to lower sales of automotive-related components and increase in costs particularly in depreciation charge

Semiconductor Components Group

■ Sales revenue ■ Business profit — Business profit ratio

(Unit : Yen in billions)

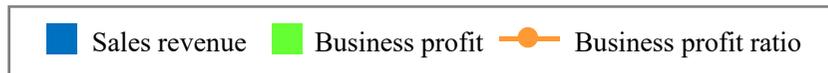


<Major reasons for change>

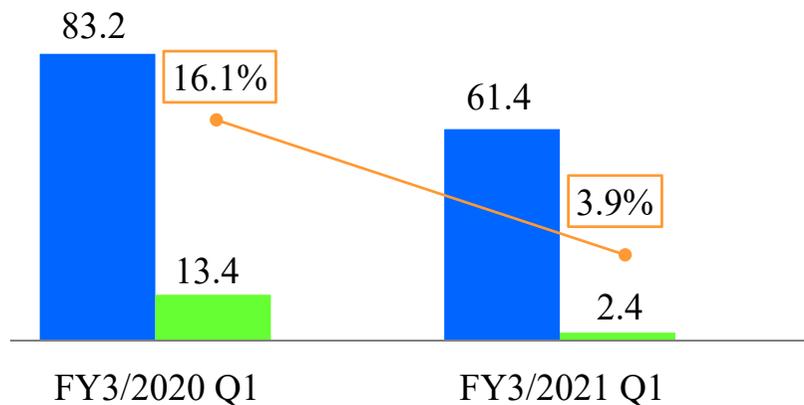
- ⊕ Ceramic packages for use in 5G capable smartphones and communication infrastructure remained solid
- ⊖ Decreased sales of organic multilayer substrates for automotive
- ⊕ Business profit increased due to cost reductions

Financial Results for Q1 of FY3/2021 by Reporting Segment (2)

Electronic Devices Group



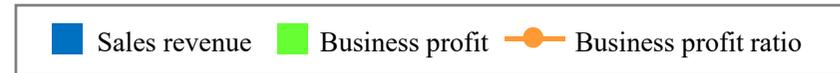
(Unit : Yen in billions)



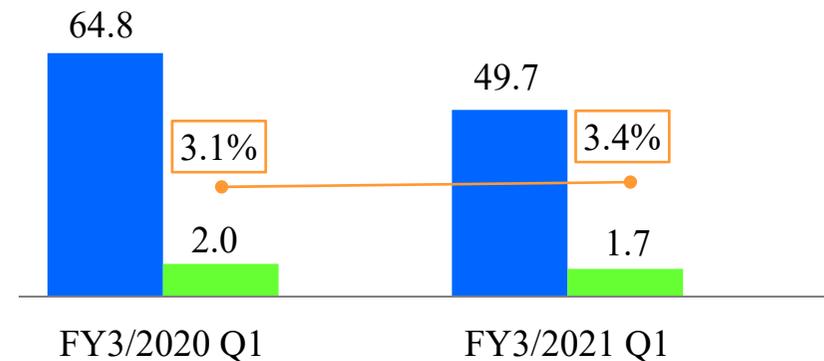
<Major reasons for change>

- Decreased sales of AVX Corporation, which was affected by automotive-related markets
- Business profits decreased due mainly to lower sales

Communications Group



(Unit : Yen in billions)



<Major reasons for change>

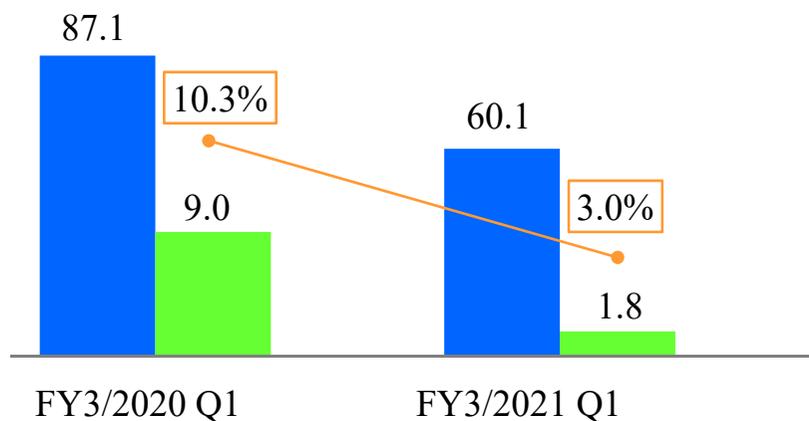
- Decreased sales of mobile phone
- Decreased sales in the engineering business
- + Business profit margin remained at the same level as in the previous first quarter as a result of cost reduction efforts

Financial Results for Q1 of FY3/2021 by Reporting Segment (3)

Document Solutions Group

■ Sales revenue ■ Business profit — Business profit ratio

(Unit : Yen in billions)



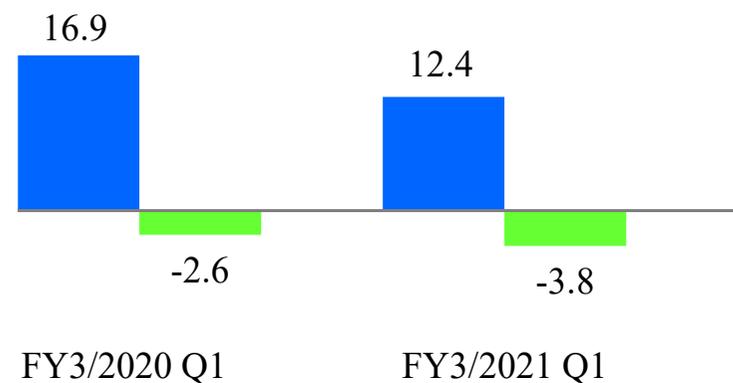
<Major reasons for change>

- + Increased demand for document solution services
- Decreased demand for printers, MFPs, and consumables resulting from restrictions on office attendance

Life & Environment Group

■ Sales revenue ■ Business profit — Business profit ratio

(Unit : Yen in billions)



<Major reasons for change>

- Decreased sales of solar power generation systems in the smart energy business*

*On April 1, 2020, the “solar energy business” was renamed to the “smart energy business.”

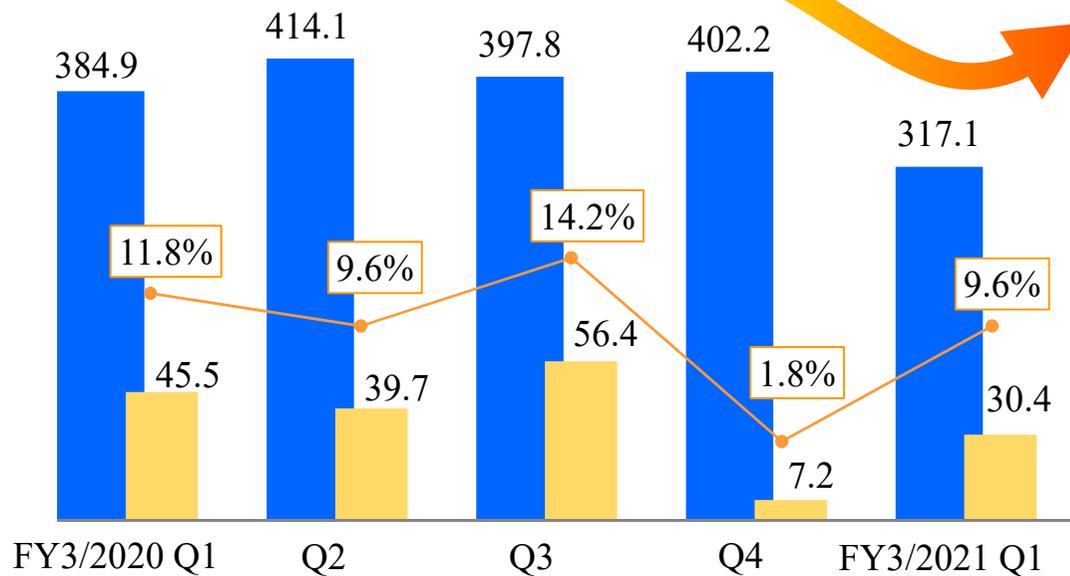
2. Financial Forecasts for the Year Ending March 31, 2021

Outlook for the Year Ending March 31, 2021

Expect businesses to recover commencing from Q2 of FY3/2021 as assumed at the beginning of FY3/2021

<Quarterly trends in business results>

(Unit : Yen in billions)



Outlook for FY3/2021 Q2 (compared with FY3/2021 Q1)

- Demand in automotive-related market to bottom out
- Demand for 5G-related products to increase due to seasonality
- Demand for document solutions to recover

■ Sales revenue ■ Profit before income taxes ● Profit before income taxes ratio (%)

Financial Forecasts for FY3/2021

(Unit: Yen in millions)

| Forecasts unchanged | Year ended March 31, 2020 | | Year ending March 31, 2021 | | Change | |
|--|---------------------------|--------------------|----------------------------|--------------------|---------|--------|
| | Amount | % to sales revenue | Amount | % to sales revenue | Amount | % |
| Sales revenue | 1,599,053 | 100.0% | 1,500,000 | 100.0% | -99,053 | -6.2% |
| Operating profit | 100,193 | 6.3% | 75,000 | 5.0% | -25,193 | -25.1% |
| Profit before income taxes | 148,826 | 9.3% | 120,000 | 8.0% | -28,826 | -19.4% |
| Profit attributable to owners of the parent | 107,721 | 6.7% | 88,000 | 5.9% | -19,721 | -18.3% |
| EPS (Basic-yen) | 297.36 | — | 242.80 | — | -54.56 | — |
| Capital expenditures | 106,003 | 6.6% | 100,000 | 6.7% | -6,003 | -5.7% |
| Depreciation charge of property, plant and equipment | 62,413 | 3.9% | 75,000 | 5.0% | 12,587 | 20.2% |
| R&D expenses | 79,241 | 5.0% | 80,000 | 5.3% | 759 | 1.0% |
| Average exchange rate | US\$ | 109 yen | 105 yen | | | |
| | Euro | 121 yen | 115 yen | | | |

(Reference) Estimated Foreign currency fluctuation effect on sales revenue and profit before income taxes for the year ending March 31, 2021 compared with the previous fiscal year.

Sales revenue: Approx. -36 billion yen / Profit before income taxes: Approx. -11.5 billion yen

Note: Forecast of EPS (Basic-yen) is calculated using the average number of shares outstanding for the three months ended June 30, 2020.

Sales Revenue Forecasts by Reporting Segment for FY3/2021 - Compared with FY3/2020 -

(Unit: Yen in millions)

| Forecasts unchanged | Year ended March 31, 2020 | | Year ending March 31, 2021 | | Change | |
|---|------------------------------|-----------------------|-------------------------------|-----------------------|----------------|--------------|
| | Amount | % of sales revenue | Amount | % of sales revenue | Amount | % |
| Industrial & Automotive Components Group | 341,093 | 21.3% | 300,000 | 20.0% | -41,093 | -12.0% |
| Semiconductor Components Group | 247,228 | 15.5% | 239,000 | 15.9% | -8,228 | -3.3% |
| Electronic Devices Group | 324,113 | 20.3% | 328,000 | 21.9% | 3,887 | 1.2% |
| Total Components Business | 912,434 | 57.1% | 867,000 | 57.8% | -45,434 | -5.0% |
| Communications Group | ※ 270,818 | 17.0% | 259,000 | 17.3% | -11,818 | -4.4% |
| Document Solutions Group | 359,915 | 22.5% | 320,000 | 21.3% | -39,915 | -11.1% |
| Life & Environment Group | ※ 73,747 | 4.6% | 67,000 | 4.5% | -6,747 | -9.1% |
| Total Equipment & Systems Business | 704,480 | 44.1% | 646,000 | 43.1% | -58,480 | -8.3% |
| Others | 16,737 | 1.0% | 22,000 | 1.5% | 5,263 | 31.4% |
| Adjustments and eliminations | ※ -34,598 | -2.2% | -35,000 | -2.4% | -402 | — |
| Sales revenue | 1,599,053 | 100.0% | 1,500,000 | 100.0% | -99,053 | -6.2% |

※ On April 1, 2020, a domestic subsidiary Kyocera Communication Systems Co., Ltd., which is included in “Communications Group,” absorbed and merged with a domestic subsidiary Kyocera Solar Corporation, which was included in “Life & Environment Group.” As a result, “Year ended March 31, 2020” in the above table is presented in the reporting segment after the merger.

Business Profit (Loss) Forecasts by Reporting Segment for FY3/2021 - Compared with FY3/2020 -

(Unit: Yen in millions)

| Forecasts unchanged | Year ended March 31, 2020 | | Year ending March 31, 2021 | | Change | |
|---|------------------------------|-----------------------|-------------------------------|-----------------------|----------------|---------------|
| | Amount | % to sales revenue | Amount | % to sales revenue | Amount | % |
| Industrial & Automotive Components Group | 15,813 | 4.6% | 13,000 | 4.3% | -2,813 | -17.8% |
| Semiconductor Components Group | 30,511 | 12.3% | 30,000 | 12.6% | -511 | -1.7% |
| Electronic Devices Group | 31,744 | 9.8% | 34,000 | 10.4% | 2,256 | 7.1% |
| Total Components Business | 78,068 | 8.6% | 77,000 | 8.9% | -1,068 | -1.4% |
| Communications Group | ※ 11,259 | 4.2% | 9,000 | 3.5% | -2,259 | -20.1% |
| Document Solutions Group | 34,489 | 9.6% | 30,000 | 9.4% | -4,489 | -13.0% |
| Life & Environment Group | ※ -10,965 | — | -14,000 | — | -3,035 | — |
| Total Equipment & Systems Business | 34,783 | 4.9% | 25,000 | 3.9% | -9,783 | -28.1% |
| Others | -4,484 | — | -6,000 | — | -1,516 | — |
| Total business profit | 108,367 | 6.8% | 96,000 | 6.4% | -12,367 | -11.4% |
| Corporate and others | ※ 40,459 | — | 24,000 | — | -16,459 | -40.7% |
| Profit before income taxes | 148,826 | 9.3% | 120,000 | 8.0% | -28,826 | -19.4% |

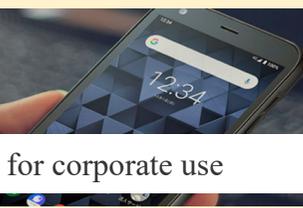
※ On April 1, 2020, a domestic subsidiary Kyocera Communication Systems Co., Ltd., which is included in “Communications Group,” absorbed and merged with a domestic subsidiary Kyocera Solar Corporation, which was included in “Life & Environment Group.” As a result, “Year ended March 31, 2020” in the above table is presented in the reporting segment after the merger.

Initiatives from Q2 of FY3/2021 Onward: Communication Group

Expand B-to-B business

Kyocera's corporate mobile terminal solutions based on the concept of "secured, long-usage, and comfortable"

Secured



Strengthening security for corporate use

Long-usage



Durability and reliability for safe and long-term usage

Comfortable



Provide solutions that enable operating efficiency

Deploy in various industries

Education and learning support

Wholesaler and retailer

Construction

Medical and welfare

Significantly reduce the operational burden on our corporate customers

Commenced in July

Kyocera Mobile Support Service

- Support the introduction of mobile device solutions
- One-stop support for kitting, delivery, repairs and recycling
- Provide consistently in Japan

* Compatible with high-quality Wi-Fi® tablets and high durability smartphones



High-quality Wi-Fi® tablet
KC-T302DT/ZU

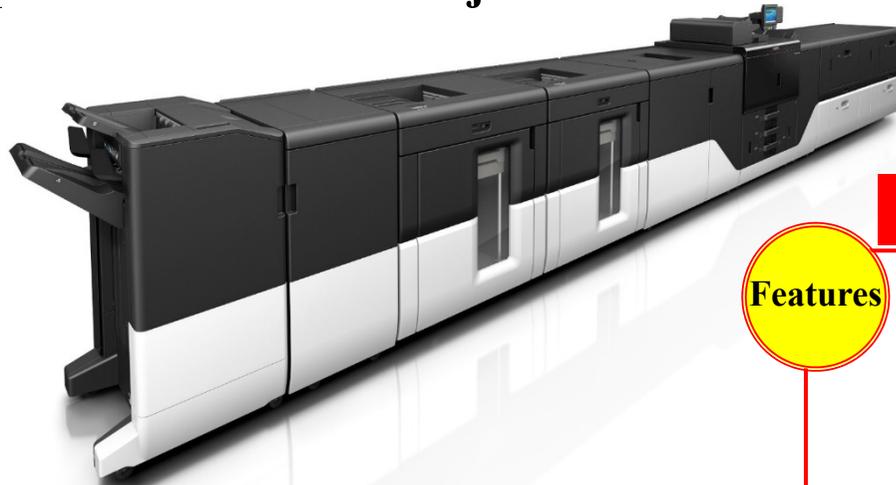


High-durability smartphone
DURA FORCE® PRO

Initiatives from Q2 of FY3/2021 Onward: Document Solutions Group

Expand business domains

● Expand commercial inkjet business



TASKalfa Pro 15000c

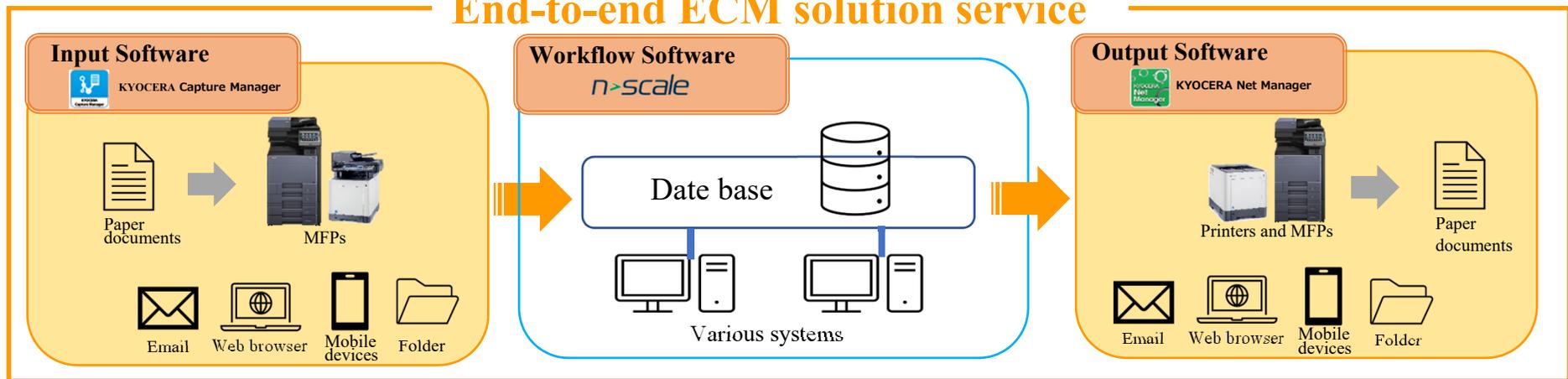
Respond to diversifying on-demand printing

Features

- **High productivity**
 - High-speed output of 150 pages per minute
 - Capable of nonstop printing of up to 9,000 pages per hour
- **Outstanding image quality**
 - Uses uniquely developed ink with excellent light stability and water resistance
 - Stable image quality with little image degradation

● Expand solution business

End-to-end ECM solution service



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 or export;
- (3) The effect of foreign exchange fluctuations on our results of operations;
- (4) Intense competitive pressures to which our products are subject;
- (5) Fluctuations in the price and ability of suppliers to provide the required quantity of raw materials for use in our production activities;
- (6) Manufacturing delays or defects resulting from outsourcing or internal manufacturing processes;
- (7) The possibility that future initiatives and in-process research and development may not produce the desired results;
- (8) Companies or assets acquired by us not produce the returns or benefits, or bring in business opportunities;
- (9) Inability to secure skilled employees;
- (10) Damages on our information security systems from cyberattacks, etc. and significant costs in order to recover and maintain the systems;
- (11) Insufficient protection of our trade secrets and intellectual property rights including patents;
- (12) Expenses associated with licenses we require to continue to manufacture and sell products;
- (13) Unintentional conflict with laws and regulations or newly enacted laws and regulations;
- (14) Environmental liability and compliance obligations by tightening of environmental laws and regulations;
- (15) Inability to respond to global climate change problems or delay in such response, which may lead to increased costs and negatively impact our corporate brands;
- (16) Our market or supply chains being affected by plague, infectious diseases, terrorism, 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 financial instruments held by us;
- (20) Impairment losses on property, plant and equipment, goodwill and intangible assets;
- (21) Uncertainty over income tax and deferred tax assets; and
- (22) Changes in accounting standards.

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.