



**Consolidated Financial Results of Kyocera Corporation and its Subsidiaries
for the Year Ended March 31, 2018**

The consolidated financial information is prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

1. Consolidated Financial Results for the Year Ended March 31, 2018 (Fiscal 2018)

| | Net sales | | Profit from operations | | Income before income taxes | | Net income attributable to Kyocera Corporation's shareholders | |
|-------------|----------------------------------|-------|------------------------|-------|----------------------------|-------|---------------------------------------------------------------|--------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| | (% of change from previous year) | | | | | | | |
| Fiscal 2018 | 1,577,039 | 10.8 | 95,575 | (8.6) | 131,866 | (4.3) | 81,789 | (21.2) |
| Fiscal 2017 | 1,422,754 | (3.8) | 104,542 | 12.8 | 137,849 | (5.3) | 103,843 | (4.8) |

(Note) Comprehensive income:

48,650 million yen in the year ended March 31, 2018, (43.2)% of change from previous year
85,628 million yen in the year ended March 31, 2017, (22.1)% of change from previous year

| | Net income attributable to Kyocera Corporation's shareholders per share - Basic | Net income attributable to Kyocera Corporation's shareholders per share - Diluted | Ratio of net income attributable to Kyocera Corporation's shareholders' equity | Ratio of income before income taxes to total assets | Ratio of profit from operations to net sales |
|-------------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------------|
| | Yen | Yen | % | % | % |
| | Fiscal 2018 | 222.43 | 222.43 | 3.5 | 4.2 |
| Fiscal 2017 | 282.62 | 282.62 | 4.5 | 4.4 | 7.3 |

(Reference) Equity in losses of affiliates and an unconsolidated subsidiary:

(1,564) million yen in the year ended March 31, 2018 (1,377) million yen in the year ended March 31, 2017

(2) Consolidated financial condition

| | Total assets | Total equity | Kyocera Corporation's shareholders' equity | Kyocera Corporation's shareholders' equity to total assets | Kyocera Corporation's shareholders' equity per share |
|----------------|----------------|--------------|--------------------------------------------|------------------------------------------------------------|------------------------------------------------------|
| | Million yen | Million yen | Million yen | % | Yen |
| | March 31, 2018 | 3,157,077 | 2,424,506 | 2,336,246 | 74.0 |
| March 31, 2017 | 3,110,470 | 2,418,909 | 2,334,219 | 75.1 | 6,347.95 |

(3) Consolidated cash flows

| | Operating activities | Investing activities | Financing activities | Cash and cash equivalents at end of year |
|-------------|----------------------|----------------------|----------------------|------------------------------------------|
| | Million yen | Million yen | Million yen | Million yen |
| Fiscal 2018 | 158,953 | (53,128) | (51,620) | 424,938 |
| Fiscal 2017 | 164,231 | (112,089) | (47,972) | 376,195 |

2. Dividends

| | Dividends per share | | | | | Annual aggregate amount of dividends Million yen | Dividends to net income attributable to Kyocera Corporation's shareholders % | Dividends to Kyocera Corporation's shareholders' equity % |
|------------------------|----------------------|-----------------------|----------------------|----------|--------|-----------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------|
| | End of first quarter | End of second quarter | End of third quarter | Year-end | Annual | | | |
| | Yen | Yen | Yen | Yen | Yen | | | |
| Fiscal 2017 | — | 50.00 | — | 60.00 | 110.00 | 40,449 | 38.9 | 1.7 |
| Fiscal 2018 | — | 60.00 | — | 60.00 | 120.00 | 44,125 | 53.9 | 1.9 |
| Fiscal 2019 (forecast) | — | — | — | — | 120.00 | — | 32.9 | — |

(Note) Dividends per share for the year ending March 31, 2019 are forecasted to be 120 yen on an annual basis.

Instruction for Forecasts and Other Notes:

(1) Cautionary Statement for Forecasts:

With regard to forecasts set forth above, please refer to the accompanying “Cautionary Statement for Forecasts” on page 9.

(2) Presentation of Situation of Audit Procedure:

The consolidated financial information included in this Form 6-K is out of scope of audit procedure.

(3) English Translation:

This is an English translation of the Japanese original of “Consolidated Financial Results of Kyocera Corporation and its Subsidiaries for the Year Ended March 31, 2018”. 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.

(Reference) Outline of Non-Consolidated Results for Kyocera Corporation

The non-consolidated financial information is prepared in accordance with generally accepted accounting principles in Japan.

Non-consolidated Financial Results for the Year Ended March 31, 2018

(1) Non-consolidated results of operations

| | Net sales | | Profit from operations | | Recurring profit | | Net income | |
|-------------|-------------|------|------------------------|--------|------------------|--------|-------------|-------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Fiscal 2018 | 742,066 | 12.0 | (10,705) | — | 82,901 | 1.9 | 78,536 | (6.2) |
| Fiscal 2017 | 662,595 | 11.7 | 24,325 | (13.6) | 81,339 | (14.0) | 83,724 | 13.1 |

| | Net income per share - Basic | | Net income per share - Diluted | |
|-------------|------------------------------|--|--------------------------------|--|
| | Yen | | Yen | |
| Fiscal 2018 | 213.58 | | — | |
| Fiscal 2017 | 227.86 | | — | |

(2) Non-consolidated financial condition

| | Total assets | Net assets | Net assets to total assets | Net assets per share |
|----------------|--------------|-------------|----------------------------|----------------------|
| | Million yen | Million yen | % | Yen |
| March 31, 2018 | 2,422,422 | 1,917,101 | 79.1 | 5,213.65 |
| March 31, 2017 | 2,435,888 | 1,922,944 | 78.9 | 5,229.48 |

Accompanying Information

1. OUTLOOK OF BUSINESS RESULTS

(1) Business Results

[Business Results for the Year Ended March 31, 2018]

Consolidated Financial Results

For the year ended March 31, 2018 (“fiscal 2018”), sales increased in the Components Business due to strong component demand in information and communications, automotive-related and industrial machinery markets, coupled with vigorous expansion of production capacity. Sales in the Document Solutions Group also increased due to the launch of new products and aggressive sales promotion activities. Merger and acquisition activities also contributed. As a result, consolidated net sales for fiscal 2018 increased by ¥154,285 million, or 10.8%, compared with the year ended March 31, 2017 (“fiscal 2017”), to ¥1,577,039 million. This result is a record high for fiscal year sales.

Profit from operations decreased by ¥8,967 million, or 8.6%, to ¥95,575 million, income before income taxes decreased by ¥5,983 million, or 4.3%, to ¥131,866 million and net income attributable to Kyocera Corporation’s shareholders decreased by ¥22,054 million, or 21.2%, to ¥81,789 million, compared with fiscal 2017. These results were due to the recording of a write-down in the amount of ¥50,165 million relating to long-term purchase agreements for procurement of polysilicon material in the solar energy business, included within the Life & Environment Group, which more than offset improvements in profitability in the Components Business and the Document Solutions Group resulting from the sales growth and efforts to reduce costs and raise productivity. Tax expenses primarily resulting from amendments to U.S. tax law and incurred by subsidiaries such as our U.S. subsidiary AVX Corporation pushed down net income attributable to Kyocera Corporation’s shareholders by approximately ¥11 billion.

Average exchange rates for fiscal 2018 were ¥111 to the U.S. dollar, marking depreciation of ¥3 (2.8%), and ¥130 to the Euro, marking depreciation of ¥11 (9.2%), from fiscal 2017. As a result, net sales and income before income taxes after translation into yen for fiscal 2018 were pushed up by approximately ¥39 billion and ¥16 billion, respectively, compared with fiscal 2017.

For details regarding the write-down relating to long-term purchase agreements for procurement of polysilicon material in the solar energy business, please refer to “Consolidated Results by Reporting Segment 6) Life & Environment Group” on the following page.

| | Years ended March 31, | | | | Increase (Decrease) | |
|-------------------------------------------------------------------------------|----------------------------------------------------------------|-------|------------|-------|------------------------|--------|
| | 2017 | | 2018 | | Amount | % |
| | Amount | % | Amount | % | Amount | % |
| | (Yen in millions, except per share amounts and exchange rates) | | | | | |
| Net sales | ¥1,422,754 | 100.0 | ¥1,577,039 | 100.0 | ¥154,285 | 10.8 |
| Profit from operations | 104,542 | 7.3 | 95,575 | 6.1 | (8,967) | (8.6) |
| Income before income taxes | 137,849 | 9.7 | 131,866 | 8.4 | (5,983) | (4.3) |
| Net income attributable to Kyocera Corporation’s shareholders | 103,843 | 7.3 | 81,789 | 5.2 | (22,054) | (21.2) |
| Diluted earnings per share attributable to Kyocera Corporation’s shareholders | 282.62 | — | 222.43 | — | — | — |
| Average US\$ exchange rate | 108 | — | 111 | — | — | — |
| Average Euro exchange rate | 119 | — | 130 | — | — | — |

Consolidated Results by Reporting Segment

1) Industrial & Automotive Components Group

Core businesses were very active in this reporting segment. Sales of industrial tools increased due to growing demand in automotive-related markets and merger and acquisition activities. Sales of automotive displays also increased. In addition, sales of fine ceramic parts increased in the booming semiconductor processing equipment market. As a result of these factors, sales in this reporting segment increased compared with fiscal 2017. Operating profit increased significantly due to the growth in sales and cost reductions. The operating profit ratio improved to the double-digit level.

2) Semiconductor Components Group

Sales in this reporting segment increased compared with fiscal 2017 due mainly to an increase in sales of ceramic packages for smartphones and organic packages for automotive applications. Operating profit increased due to the sales growth and cost reductions. The operating profit ratio also improved.

3) Electronic Devices Group

Sales and profit increased in this reporting segment compared with fiscal 2017. Sales of capacitors and crystal components increased due to the launch of new products and expansion of production capacity on the back of solid demand for smartphone parts. Demand for printing devices for industrial equipment and merger and acquisition activities at AVX Corporation also contributed to this result. Operating profit increased significantly due to the sales growth coupled with the impact of new product introductions and cost reductions. The operating profit ratio also improved.

4) Communications Group

Sales and profit both increased in the information and communications services business, which provides engineering services, etc. On the other hand, profitability in the telecommunications equipment business declined due to a decline in sales of mobile phones for the U.S. market. As a result, sales in this reporting segment remained relatively unchanged and operating profit decreased compared with fiscal 2017.

5) Document Solutions Group

Sales in this reporting segment increased compared with fiscal 2017 due to an increase in sales volume resulting from the launch of new products and aggressive sales promotion activities, as well as a contribution from merger and acquisition activity. Operating profit increased significantly due to the increase in sales, cost reductions, enhanced productivity and the impact of foreign exchange rate fluctuations. The operating profit ratio improved to the double-digit level.

6) Life & Environment Group

Sales in this reporting segment decreased compared with fiscal 2017 due to downsizing of the solar energy business in the United States and lower sales in the key solar energy market of Japan. Operating loss was recorded due mainly to the recording of a write-down relating to long-term purchase agreements for procurement of polysilicon material in the solar energy business.

Kyocera has entered into long-term purchase agreements for the procurement of polysilicon material for use in its solar energy business. As a result of a decline in the profitability of such business, the net realizable value of polysilicon material was less than the purchase prices under these agreements; and pursuant to the lower of cost or net realizable value approach, Kyocera decided to record a write-down in an amount equivalent to the difference between net realizable value and purchase price.

The total amount of the write-down was ¥50,165 million, including a write-down of future material purchase commitments and the current polysilicon materials already purchased pursuant to the agreements, and the write-down was included in “cost of sales” in Kyocera’s consolidated income statements for fiscal 2018.

Net Sales by Reporting Segment

| | Years ended March 31, | | | | Increase (Decrease) | |
|------------------------------------------|-----------------------|--------------|-------------------|--------------|------------------------|-------------|
| | 2017 | | 2018 | | Amount | % |
| | Amount | % | Amount | % | | |
| | (Yen in millions) | | | | | |
| Industrial & Automotive Components Group | ¥ 230,229 | 16.2 | ¥ 287,620 | 18.2 | ¥ 57,391 | 24.9 |
| Semiconductor Components Group | 245,727 | 17.3 | 257,237 | 16.3 | 11,510 | 4.7 |
| Electronic Devices Group | 240,798 | 16.9 | 305,145 | 19.4 | 64,347 | 26.7 |
| Total Components Business | 716,754 | 50.4 | 850,002 | 53.9 | 133,248 | 18.6 |
| Communications Group | 252,641 | 17.7 | 255,535 | 16.2 | 2,894 | 1.1 |
| Document Solutions Group | 324,012 | 22.8 | 371,058 | 23.5 | 47,046 | 14.5 |
| Life & Environment Group | 149,207 | 10.5 | 112,212 | 7.1 | (36,995) | (24.8) |
| Total Equipment & Systems Business | 725,860 | 51.0 | 738,805 | 46.8 | 12,945 | 1.8 |
| Others | 22,066 | 1.5 | 18,827 | 1.2 | (3,239) | (14.7) |
| Adjustments and eliminations | (41,926) | (2.9) | (30,595) | (1.9) | 11,331 | — |
| Net sales | <u>¥1,422,754</u> | <u>100.0</u> | <u>¥1,577,039</u> | <u>100.0</u> | <u>¥154,285</u> | <u>10.8</u> |

Operating Profit (Loss) by Reporting Segment

| | Years ended March 31, | | | | Increase (Decrease) | |
|---------------------------------------------------------------------------------------|-----------------------|------------|------------------|------------|------------------------|--------------|
| | 2017 | | 2018 | | Amount | % |
| | Amount | %* | Amount | %* | | |
| | (Yen in millions) | | | | | |
| Industrial & Automotive Components Group | ¥ 22,442 | 9.7 | ¥ 32,557 | 11.3 | ¥ 10,115 | 45.1 |
| Semiconductor Components Group | 25,310 | 10.3 | 32,476 | 12.6 | 7,166 | 28.3 |
| Electronic Devices Group | 30,558 | 12.7 | 47,285 | 15.5 | 16,727 | 54.7 |
| Total Components Business | 78,310 | 10.9 | 112,318 | 13.2 | 34,008 | 43.4 |
| Communications Group | 8,528 | 3.4 | 5,061 | 2.0 | (3,467) | (40.7) |
| Document Solutions Group | 28,080 | 8.7 | 41,141 | 11.1 | 13,061 | 46.5 |
| Life & Environment Group | 1,345 | 0.9 | (55,010) | — | (56,355) | — |
| Total Equipment & Systems Business | 37,953 | 5.2 | (8,808) | — | (46,761) | — |
| Others | (1,759) | — | 1,621 | 8.6 | 3,380 | — |
| Operating profit | 114,504 | 8.0 | 105,131 | 6.7 | (9,373) | (8.2) |
| Corporate gains and Equity in earnings of affiliates and an unconsolidated subsidiary | 24,636 | — | 28,460 | — | 3,824 | 15.5 |
| Adjustments and eliminations | (1,291) | — | (1,725) | — | (434) | — |
| Income before income taxes | <u>¥ 137,849</u> | <u>9.7</u> | <u>¥ 131,866</u> | <u>8.4</u> | <u>¥ (5,983)</u> | <u>(4.3)</u> |

* % to net sales of each corresponding segment

Note: Kyocera has changed the classification of its reporting segments from the year ended March 31, 2018. Business results for the year ended March 31, 2017 have been reclassified in line with the change to reporting segment classifications.

[Consolidated Forecasts for the Year Ending March 31, 2019]

In the year ending March 31, 2019 (“fiscal 2019”), we expect the information and communications market, automotive-related markets and the semiconductor industry markets to remain favorable. We expect an increase in demand for high-performance components for these markets, and proactive efforts to expand production capacity since fiscal 2018, as well as merger and acquisition activities are expected to contribute to sales in fiscal 2019.

We also expect an increase in profit due to sales growth and production cost reductions, as well as enhanced productivity through use of AI and robots.

In light of these forecasts, Kyocera projects financial results for fiscal 2019 as shown in the table below.

Assumed exchange rates for fiscal 2019 are ¥105 to the U.S. dollar, marking appreciation of ¥6 (5.4%) compared with ¥111 for fiscal 2018, and ¥130 to the Euro, unchanged for fiscal 2018.

As Kyocera plans to voluntarily adopt IFRS from the three months ending June 30, 2018, forecasts for fiscal 2019 is made in accordance with IFRS.

| | Results for the year ended March 31, 2018 | | Forecasts for the year ending March 31, 2019 | | Increase (Decrease) | |
|-------------------------------------------------------------------------------|----------------------------------------------------------------|-------|----------------------------------------------------|-------|------------------------|------|
| | U.S.GAAP | | IFRS | | | |
| | Amount | % | Amount | % | Amount | % |
| | (Yen in millions, except per share amounts and exchange rates) | | | | | |
| Net sales | ¥1,577,039 | 100.0 | ¥1,650,000 | 100.0 | ¥ 72,961 | 4.6 |
| Profit from operations | 95,575 | 6.1 | 154,000 | 9.3 | 58,425 | 61.1 |
| Income before income taxes | 131,866 | 8.4 | 190,000 | 11.5 | 58,134 | 44.1 |
| Net income attributable to Kyocera Corporation’s shareholders | 81,789 | 5.2 | 134,000 | 8.1 | 52,211 | 63.8 |
| Diluted earnings per share attributable to Kyocera Corporation’s shareholders | 222.43 | — | 364.42 | — | — | — |
| Average US\$ exchange rate | 111 | — | 105 | — | — | — |
| Average Euro exchange rate | 130 | — | 130 | — | — | — |

Note: Forecast of diluted earnings per share attributable to Kyocera Corporation’s shareholders is computed based on the diluted average number of shares outstanding during the year ended March 31, 2018.

Net Sales by Reporting Segment

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

Operating Profit (Loss) by Reporting Segment

| | Results for the year ended March 31, 2018 | | Forecasts for the year ending March 31, 2019 | | Increase (Decrease) | |
|------------------------------------------|-------------------------------------------------|------|----------------------------------------------------|------|------------------------|------|
| | U.S.GAAP | | IFRS | | | |
| | Amount | %* | Amount | %* | Amount | % |
| | (Yen in millions) | | | | | |
| Industrial & Automotive Components Group | ¥ 32,557 | 11.3 | ¥ 36,000 | 11.5 | ¥ 3,443 | 10.6 |
| Semiconductor Components Group | 32,476 | 12.6 | 35,800 | 13.8 | 3,324 | 10.2 |
| Electronic Devices Group | 47,285 | 15.5 | 48,000 | 13.9 | 715 | 1.5 |
| Total Components Business | 112,318 | 13.2 | 119,800 | 13.1 | 7,482 | 6.7 |
| Communications Group | 5,061 | 2.0 | 5,200 | 2.1 | 139 | 2.7 |
| Document Solutions Group | 41,141 | 11.1 | 41,500 | 10.8 | 359 | 0.9 |
| Life & Environment Group | (55,010) | — | (3,000) | — | 52,010 | — |
| Total Equipment & Systems Business | (8,808) | — | 43,700 | 5.9 | 52,508 | — |
| Others | 1,621 | 8.6 | (400) | — | (2,021) | — |
| Operating profit | 105,131 | 6.7 | 163,100 | 9.9 | 57,969 | 55.1 |
| Corporate and others | 26,735 | — | 26,900 | — | 165 | 0.6 |
| Income before income taxes | ¥ 131,866 | 8.4 | ¥ 190,000 | 11.5 | ¥ 58,134 | 44.1 |

* % to net sales of each corresponding segment

Note: Cautionary Statement for Forecasts

Certain of the statements made in this document are forward-looking statements, which are based on our current assumptions and beliefs in light of the information currently available to us. These forward-looking statements involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors include, but are not limited to the following:

- (1) General conditions in the Japanese or global economy;
- (2) Unexpected changes in economic, political and legal conditions in countries where we operate;
- (3) Various export risks which may affect the significant percentage of our revenues derived from overseas sales;
- (4) The effect of foreign exchange fluctuations on our results of operations;
- (5) Intense competitive pressures to which our products are subject;
- (6) Fluctuations in the price and ability of suppliers to provide the required quantity of raw materials for use in our production activities;
- (7) Manufacturing delays or defects resulting from outsourcing or internal manufacturing processes;
- (8) Shortages and rising costs of electricity affecting our production and sales activities;
- (9) The possibility that future initiatives and in-process research and development may not produce the desired results;
- (10) Companies or assets acquired by us not produce the returns or benefits, or bring in business opportunities;
- (11) Inability to secure skilled employees, particularly engineering and technical personnel;
- (12) 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; and
- (22) Changes in accounting principles.

Due to such risks, uncertainties and other factors, our actual results, performance, achievements or financial condition may be substantially different from any future results, performance, achievements or financial condition expressed or implied by these forward-looking statements. We undertake no obligation to publicly update any forward-looking statements included in this document.

(2) Financial Condition

Consolidated Cash Flows

Cash and cash equivalents at March 31, 2018 increased by ¥48,743 million to ¥424,938 million from ¥376,195 million at March 31, 2017.

i) Cash flows from operating activities

Net cash provided by operating activities for fiscal 2018 decreased by ¥5,278 million to ¥158,953 million from ¥164,231 million for fiscal 2017. This was due mainly to a decrease in net income, which exceeded cash flow adjustments related to an increase in accrued income taxes.

ii) Cash flows from investing activities

Net cash used in investing activities for fiscal 2018 decreased by ¥58,961 million to ¥53,128 million from ¥112,089 million for fiscal 2017. This was due mainly to a decrease in purchases of held-to-maturity securities, which was partly offset by an increase in payments for acquisitions of businesses.

iii) Cash flows from financing activities

Net cash used in financing activities for fiscal 2018 increased by ¥3,648 million to ¥51,620 million from ¥47,972 million for fiscal 2017. This was due mainly to an increase in dividends paid.

Consolidated Cash Flows

| | Years ended March 31, | | Increase (Decrease) |
|--------------------------------------------------------------|-----------------------|----------|------------------------|
| | 2017 | 2018 | |
| | (Yen in millions) | | |
| Cash flows from operating activities | ¥ 164,231 | ¥158,953 | ¥ (5,278) |
| Cash flows from investing activities | (112,089) | (53,128) | 58,961 |
| Cash flows from financing activities | (47,972) | (51,620) | (3,648) |
| Effect of exchange rate changes on cash and cash equivalents | (1,995) | (5,462) | (3,467) |
| Net increase in cash and cash equivalents | 2,175 | 48,743 | 46,568 |
| Cash and cash equivalents at beginning of year | 374,020 | 376,195 | 2,175 |
| Cash and cash equivalents at end of year | ¥ 376,195 | ¥424,938 | ¥ 48,743 |

(3) Basic Profit Distribution Policy and Dividends for the Year Ended March 31, 2018 and for the Year Ending March 31, 2019

i) Basic profit distribution policy

Kyocera Corporation believes that the best way to increase corporate value and meet shareholders' expectations is to improve future consolidated performance on an ongoing basis.

Kyocera Corporation therefore has adopted a principal guideline that dividend amounts be within a range based on net income attributable to Kyocera Corporation's shareholders on a consolidated basis, and has set its dividend policy to maintain a payout ratio of around 40% of consolidated net income attributable to Kyocera Corporation's shareholders. In addition, Kyocera Corporation determines dividend amounts based on an overall assessment, taking into account various factors including the amount of capital expenditures necessary for medium-to-long-term corporate growth.

Kyocera Corporation also has adopted policies to ensure a sound financial basis, and, for such purpose, it sets aside other general reserves in preparation for the creation of new businesses, cultivation of new markets, development of new technologies and acquisition, as necessary, of outside management resources to achieve sustainable corporate growth.

ii) Dividends for the year ended March 31, 2018

Pursuant to the basic policy set forth above and based on full-year performance for the year ended March 31, 2018, Kyocera Corporation will distribute a year-end dividend for the year ended March 31, 2018 in the amount of 60 yen per share. When aggregated with the interim dividend in the amount of 60 yen per share, the total annual dividend will be 120 yen per share, 10 yen increase as compared with the year ended March 31, 2017.

iii) Dividend forecast for the year ending March 31, 2019

Dividend amounts for the year ending March 31, 2019 will be decided pursuant to the basic policy set forth above. At present, Kyocera Corporation forecasts a total annual dividend in the amount of 120 yen per share, based on its financial forecast for the year ending March 31, 2019.

2. BASIC RATIONALE FOR SELECTION OF ACCOUNTING STANDARD

Kyocera plans to voluntarily adopt IFRS to its consolidated financial statements in place of the current U.S. GAAP from the three months ending June 30, 2018 in order to further enhance its management control on a global basis.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

| | March 31, | | | | Increase (Decrease) |
|---------------------------------------------------------|-------------|-------|-------------|-------|------------------------|
| | 2017 | | 2018 | | |
| | Amount | % | Amount | % | |
| (Yen in millions) | | | | | |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | ¥ 376,195 | | ¥ 424,938 | | ¥ 48,743 |
| Short-term investments in debt securities | 84,703 | | 38,023 | | (46,680) |
| Other short-term investments | 212,668 | | 158,779 | | (53,889) |
| Trade notes receivables | 28,370 | | 26,072 | | (2,298) |
| Trade accounts receivables | 291,485 | | 331,570 | | 40,085 |
| Less allowances for doubtful accounts and sales returns | (5,593) | | (5,490) | | 103 |
| Inventories | 331,155 | | 364,875 | | 33,720 |
| Other current assets | 119,714 | | 137,849 | | 18,135 |
| Total current assets | 1,438,697 | 46.3 | 1,476,616 | 46.8 | 37,919 |
| Non-current assets: | | | | | |
| Investments and advances: | | | | | |
| Long-term investments in debt and equity securities | 1,130,756 | | 1,050,537 | | (80,219) |
| Other long-term investments | 22,246 | | 25,858 | | 3,612 |
| Total investments and advances | 1,153,002 | 37.0 | 1,076,395 | 34.1 | (76,607) |
| Property, plant and equipment: | | | | | |
| Land | 59,963 | | 62,141 | | 2,178 |
| Buildings | 351,431 | | 363,714 | | 12,283 |
| Machinery and equipment | 841,973 | | 880,918 | | 38,945 |
| Construction in progress | 14,097 | | 23,996 | | 9,899 |
| Less accumulated depreciation | (1,000,860) | | (1,029,845) | | (28,985) |
| Total property, plant and equipment | 266,604 | 8.6 | 300,924 | 9.5 | 34,320 |
| Goodwill | 110,470 | 3.5 | 144,268 | 4.6 | 33,798 |
| Intangible assets | 61,235 | 2.0 | 80,186 | 2.5 | 18,951 |
| Other assets | 80,462 | 2.6 | 78,688 | 2.5 | (1,774) |
| Total non-current assets | 1,671,773 | 53.7 | 1,680,461 | 53.2 | 8,688 |
| Total assets | ¥ 3,110,470 | 100.0 | ¥ 3,157,077 | 100.0 | ¥ 46,607 |

| | March 31, | | | | Increase (Decrease) |
|--------------------------------------------------|--------------------|--------------|--------------------|--------------|------------------------|
| | 2017 | | 2018 | | |
| | Amount | % | Amount | % | |
| (Yen in millions) | | | | | |
| LIABILITIES AND EQUITY | | | | | |
| Current liabilities: | | | | | |
| Short-term borrowings | ¥ 191 | | ¥ 145 | | ¥ (46) |
| Current portion of long-term debt | 8,235 | | 9,293 | | 1,058 |
| Trade notes and accounts payable | 129,460 | | 149,734 | | 20,274 |
| Other notes and accounts payable | 60,881 | | 66,970 | | 6,089 |
| Accrued payroll and bonus | 62,868 | | 68,664 | | 5,796 |
| Accrued income taxes | 15,707 | | 19,436 | | 3,729 |
| Other accrued liabilities | 51,062 | | 50,727 | | (335) |
| Other current liabilities | 36,257 | | 55,017 | | 18,760 |
| Total current liabilities | <u>364,661</u> | <u>11.7</u> | <u>419,986</u> | <u>13.3</u> | <u>55,325</u> |
| Non-current liabilities: | | | | | |
| Long-term debt | 16,409 | | 20,237 | | 3,828 |
| Accrued pension and severance liabilities | 31,720 | | 28,723 | | (2,997) |
| Deferred income taxes | 258,859 | | 223,530 | | (35,329) |
| Other non-current liabilities | 19,912 | | 40,095 | | 20,183 |
| Total non-current liabilities | <u>326,900</u> | <u>10.5</u> | <u>312,585</u> | <u>9.9</u> | <u>(14,315)</u> |
| Total liabilities | <u>691,561</u> | <u>22.2</u> | <u>732,571</u> | <u>23.2</u> | <u>41,010</u> |
| Kyocera Corporation's shareholders' equity: | | | | | |
| Common stock | 115,703 | | 115,703 | | — |
| Additional paid-in capital | 165,230 | | 165,125 | | (105) |
| Retained earnings | 1,638,116 | | 1,675,780 | | 37,664 |
| Accumulated other comprehensive income | 447,479 | | 411,980 | | (35,499) |
| Common stock in treasury stock, at cost | (32,309) | | (32,342) | | (33) |
| Total Kyocera Corporation's shareholders' equity | <u>2,334,219</u> | <u>75.1</u> | <u>2,336,246</u> | <u>74.0</u> | <u>2,027</u> |
| Noncontrolling interests | 84,690 | 2.7 | 88,260 | 2.8 | 3,570 |
| Total equity | <u>2,418,909</u> | <u>77.8</u> | <u>2,424,506</u> | <u>76.8</u> | <u>5,597</u> |
| Total liabilities and equity | <u>¥ 3,110,470</u> | <u>100.0</u> | <u>¥ 3,157,077</u> | <u>100.0</u> | <u>¥ 46,607</u> |

Note: Accumulated other comprehensive income is as follows:

| | March 31, | | | | Increase (Decrease) |
|-----------------------------------------------------------|------------------|---|------------------|---|------------------------|
| | 2017 | | 2018 | | |
| | Amount | % | Amount | % | |
| (Yen in millions) | | | | | |
| Net unrealized gains on securities | ¥ 499,650 | | ¥ 459,559 | | ¥(40,091) |
| Net unrealized losses on derivative financial instruments | (449) | | (407) | | 42 |
| Pension liability adjustment | (35,362) | | (29,261) | | 6,101 |
| Foreign currency translation adjustments | (16,360) | | (17,911) | | (1,551) |
| Total | <u>¥ 447,479</u> | | <u>¥ 411,980</u> | | <u>¥(35,499)</u> |

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

| | Years ended March 31, | | | | Increase | |
|---------------------------------------------------------------------|-----------------------|-------|------------|-------|------------|--------|
| | 2017 | | 2018 | | (Decrease) | |
| | Amount | % | Amount | % | Amount | % |
| (Yen in millions and shares in thousands, except per share amounts) | | | | | | |
| Net sales | ¥1,422,754 | 100.0 | ¥1,577,039 | 100.0 | ¥154,285 | 10.8 |
| Cost of sales | 1,049,472 | 73.8 | 1,200,911 | 76.1 | 151,439 | 14.4 |
| Gross profit | 373,282 | 26.2 | 376,128 | 23.9 | 2,846 | 0.8 |
| Selling, general and administrative expenses | 268,740 | 18.9 | 280,553 | 17.8 | 11,813 | 4.4 |
| Profit from operations | 104,542 | 7.3 | 95,575 | 6.1 | (8,967) | (8.6) |
| Other income (expenses): | | | | | | |
| Interest and dividend income | 32,364 | 2.3 | 40,498 | 2.6 | 8,134 | 25.1 |
| Interest expense | (901) | (0.0) | (1,395) | (0.1) | (494) | — |
| Foreign currency transaction gains (losses), net | 1,278 | 0.1 | (827) | (0.1) | (2,105) | — |
| Gains on sales of securities, net | 193 | 0.0 | 1,629 | 0.1 | 1,436 | 744.0 |
| Other, net | 373 | 0.0 | (3,614) | (0.2) | (3,987) | — |
| Total other income (expenses) | 33,307 | 2.4 | 36,291 | 2.3 | 2,984 | 9.0 |
| Income before income taxes | 137,849 | 9.7 | 131,866 | 8.4 | (5,983) | (4.3) |
| Income taxes | 28,442 | 2.0 | 46,881 | 3.0 | 18,439 | 64.8 |
| Net income | 109,407 | 7.7 | 84,985 | 5.4 | (24,422) | (22.3) |
| Net income attributable to noncontrolling interests | (5,564) | (0.4) | (3,196) | (0.2) | 2,368 | — |
| Net income attributable to Kyocera Corporation's shareholders | ¥ 103,843 | 7.3 | ¥ 81,789 | 5.2 | ¥(22,054) | (21.2) |
| Per share information: | | | | | | |
| Net income attributable to Kyocera Corporation's shareholders: | | | | | | |
| Basic | ¥ 282.62 | | ¥ 222.43 | | | |
| Diluted | ¥ 282.62 | | ¥ 222.43 | | | |
| Average number of shares of common stock outstanding: | | | | | | |
| Basic | 367,428 | | 367,709 | | | |
| Diluted | 367,428 | | 367,709 | | | |

Note:
Basic earnings per share attributable to Kyocera Corporation's shareholders was computed based on the average number of shares of common stock outstanding during each period, and diluted earnings per share attributable to Kyocera Corporation's shareholders was computed based on the diluted average number of shares of stock outstanding during each period.

Consolidated Statements of Comprehensive Income

| | <u>Years ended March 31,</u> | | <u>Increase (Decrease) Amount</u> |
|-------------------------------------------------------------------------|------------------------------|---------------|-------------------------------------------|
| | <u>2017</u> | <u>2018</u> | |
| | <u>Amount</u> | <u>Amount</u> | <u>Amount</u> |
| | (Yen in millions) | | |
| Net income | ¥109,407 | ¥ 84,985 | ¥(24,422) |
| Other comprehensive income—net of taxes | | | |
| Net unrealized losses on securities | (17,597) | (40,087) | (22,490) |
| Net unrealized gains on derivative financial instruments | 45 | 27 | (18) |
| Pension liability adjustment | 7,252 | 6,428 | (824) |
| Foreign currency translation adjustments | (13,479) | (2,703) | 10,776 |
| Total other comprehensive income | (23,779) | (36,335) | (12,556) |
| Comprehensive income | 85,628 | 48,650 | (36,978) |
| Comprehensive income attributable to noncontrolling interests | (4,066) | (2,398) | 1,668 |
| Comprehensive income attributable to Kyocera Corporation's shareholders | ¥ 81,562 | ¥ 46,252 | ¥(35,310) |

(3) Consolidated Statements of Changes in Equity

| Number of shares outstanding | Common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive income | Treasury stock | Kyocera Corporation's shareholders' equity | Noncontrolling interests | Total equity |
|------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------|----------------------|-------------------------------------------------|-------------------|-----------------------------------------------------|-----------------------------|-----------------|
| | (Yen in millions and shares in thousands) | | | | | | | |
| Balance at March 31, 2016 (366,857) | ¥115,703 | ¥162,844 | ¥1,571,002 | ¥ 469,803 | ¥(35,088) | ¥ 2,284,264 | ¥ 89,498 | ¥2,373,762 |
| Comprehensive income: | | | | | | | | |
| Net income | | | 103,843 | | | 103,843 | 5,564 | 109,407 |
| Other comprehensive income | | | | (22,281) | | (22,281) | (1,498) | (23,779) |
| Total comprehensive income | | | | | | 81,562 | 4,066 | 85,628 |
| Cash dividends paid to Kyocera Corporation's shareholders | | | (36,729) | | | (36,729) | | (36,729) |
| Cash dividends paid to noncontrolling interests | | | | | | | (3,204) | (3,204) |
| Purchase of treasury stock (4) | | | | | (25) | (25) | | (25) |
| Reissuance of treasury stock (0) | | 2 | | | 2 | 4 | | 4 |
| Stock option plan of subsidiaries | | 189 | | | | 189 | 71 | 260 |
| Acquisition of noncontrolling interests with the consolidated subsidiary merger (859) | | 2,232 | | | 2,802 | 5,034 | (6,474) | (1,440) |
| Other | | (37) | | (43) | | (80) | 733 | 653 |
| Balance at March 31, 2017 (367,712) | ¥115,703 | ¥165,230 | ¥1,638,116 | ¥ 447,479 | ¥(32,309) | ¥ 2,334,219 | ¥ 84,690 | ¥2,418,909 |
| Comprehensive income: | | | | | | | | |
| Net income | | | 81,789 | | | 81,789 | 3,196 | 84,985 |
| Other comprehensive income | | | | (35,537) | | (35,537) | (798) | (36,335) |
| Total comprehensive income | | | | | | 46,252 | 2,398 | 48,650 |
| Cash dividends paid to Kyocera Corporation's shareholders | | | (44,125) | | | (44,125) | | (44,125) |
| Cash dividends paid to noncontrolling interests | | | | | | | (4,182) | (4,182) |
| Purchase of treasury stock (4) | | | | | (33) | (33) | | (33) |
| Reissuance of treasury stock (0) | | 1 | | | 0 | 1 | | 1 |
| Stock option plan of subsidiaries | | 273 | | | | 273 | 104 | 377 |
| Other | | (379) | | 38 | | (341) | 5,250 | 4,909 |
| Balance at March 31, 2018 (367,708) | ¥115,703 | ¥165,125 | ¥1,675,780 | ¥ 411,980 | ¥(32,342) | ¥ 2,336,246 | ¥ 88,260 | ¥2,424,506 |

(4) Consolidated Statements of Cash Flows

| | <u>Years ended March 31,</u> | |
|-----------------------------------------------------------------------------------|------------------------------|------------------|
| | <u>2017</u> | <u>2018</u> |
| | (Yen in millions) | |
| Cash flows from operating activities: | | |
| Net income | ¥ 109,407 | ¥ 84,985 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 77,445 | 82,804 |
| Provision for doubtful accounts and loss on bad debts | 566 | 356 |
| Write-down of inventories | 9,215 | 28,721 |
| Deferred income taxes | (8,389) | (10,913) |
| Gains on sales of securities, net | (193) | (1,639) |
| (Gains) losses on sales of property, plant and equipment, net | (1,142) | 164 |
| Foreign currency adjustments | 4,160 | 7,380 |
| Change in assets and liabilities: | | |
| Increase in receivables | (30,035) | (29,547) |
| Increase in inventories | (16,349) | (49,132) |
| (Increase) decrease in other current assets | 9,023 | (4,419) |
| Increase in notes and accounts payable | 3,524 | 9,854 |
| Increase (decrease) in accrued income taxes | (7,370) | 10,991 |
| Increase in other current liabilities | 17,560 | 12,971 |
| Increase (decrease) in other non-current liabilities | (5,045) | 10,139 |
| Other, net | 1,854 | 6,238 |
| Net cash provided by operating activities | <u>164,231</u> | <u>158,953</u> |
| Cash flows from investing activities: | | |
| Payments for purchases of available-for-sale securities | (2) | (3,712) |
| Payments for purchases of held-to-maturity securities | (146,832) | (30,135) |
| Payments for purchases of other securities | (2,646) | (6,911) |
| Proceeds from sales of available-for-sale securities | 237 | 2,438 |
| Proceeds from maturities of held-to-maturity securities | 132,501 | 102,679 |
| Acquisitions of businesses, net of cash acquired | (19,673) | (75,322) |
| Payments for purchases of property, plant and equipment | (66,901) | (84,195) |
| Payments for purchases of intangible assets | (5,810) | (7,194) |
| Proceeds from sales of property, plant and equipment | 3,416 | 1,886 |
| Acquisition of time deposits and certificate of deposits | (454,998) | (420,556) |
| Withdrawal of time deposits and certificate of deposits | 449,747 | 466,962 |
| Other, net | (1,128) | 932 |
| Net cash used in investing activities | <u>(112,089)</u> | <u>(53,128)</u> |
| Cash flows from financing activities: | | |
| Decrease in short-term borrowings, net | (4,729) | (3,240) |
| Proceeds from issuance of long-term debt | 9,778 | 13,203 |
| Payments of long-term debt | (11,177) | (12,771) |
| Dividends paid | (39,982) | (47,936) |
| Purchases of noncontrolling interests | (1,942) | (454) |
| Other, net | 80 | (422) |
| Net cash used in financing activities | <u>(47,972)</u> | <u>(51,620)</u> |
| Effect of exchange rate changes on cash and cash equivalents | <u>(1,995)</u> | <u>(5,462)</u> |
| Net increase in cash and cash equivalents | 2,175 | 48,743 |
| Cash and cash equivalents at beginning of year | 374,020 | 376,195 |
| Cash and cash equivalents at end of year | <u>¥ 376,195</u> | <u>¥ 424,938</u> |

(5) Basis of Preparation of Consolidated Financial Statements

i) Scope of consolidation:

| | | |
|---------------------------------------------------------|-----|----------------------------------------------------------------------------------------------|
| Number of consolidated subsidiaries | 252 | Kyocera Document Solutions Inc. AVX Corporation Kyocera International, Inc. and others |
| Number of affiliates accounted for by the equity method | 12 | |

ii) Changes in scope of consolidation:

Consolidated subsidiaries:

| | |
|--------------------|----|
| Number of increase | 63 |
| Number of decrease | 29 |

iii) Summary of significant accounting policies

Kyocera's consolidated financial statements are prepared in conformity with U.S. GAAP.

iv) Recently Adopted Accounting Standards

The accounting standards which Kyocera adopted on or after April 1, 2017 did not have material impacts on Kyocera's consolidated results of operations, financial condition and cash flows.

(6) Segment Information

i) Reporting segments:

| | Years ended March 31, | | Increase (Decrease) | |
|------------------------------------------|-----------------------|----------|------------------------|--------|
| | 2017 | 2018 | Amount | % |
| | Amount | Amount | Amount | % |
| (Yen in millions) | | | | |
| Depreciation and amortization: | | | | |
| Industrial & Automotive Components Group | ¥ 12,464 | ¥ 15,504 | ¥ 3,040 | 24.4 |
| Semiconductor Components Group | 17,216 | 17,535 | 319 | 1.9 |
| Electronic Devices Group | 16,667 | 20,230 | 3,563 | 21.4 |
| Communications Group | 6,460 | 6,532 | 72 | 1.1 |
| Document Solutions Group | 14,867 | 12,954 | (1,913) | (12.9) |
| Life & Environment Group | 6,367 | 6,128 | (239) | (3.8) |
| Others | 1,539 | 1,336 | (203) | (13.2) |
| Corporate | 1,865 | 2,585 | 720 | 38.6 |
| Total | ¥ 77,445 | ¥ 82,804 | ¥ 5,359 | 6.9 |
| Capital expenditures: | | | | |
| Industrial & Automotive Components Group | ¥ 11,793 | ¥ 21,184 | ¥ 9,391 | 79.6 |
| Semiconductor Components Group | 16,411 | 15,820 | (591) | (3.6) |
| Electronic Devices Group | 19,095 | 26,512 | 7,417 | 38.8 |
| Communications Group | 1,836 | 4,813 | 2,977 | 162.1 |
| Document Solutions Group | 6,891 | 6,013 | (878) | (12.7) |
| Life & Environment Group | 6,185 | 5,454 | (731) | (11.8) |
| Others | 921 | 1,346 | 425 | 46.1 |
| Corporate | 4,649 | 5,377 | 728 | 15.7 |
| Total | ¥ 67,781 | ¥ 86,519 | ¥ 18,738 | 27.6 |
| Research and Development: | | | | |
| Industrial & Automotive Components Group | ¥ 10,728 | ¥ 10,571 | ¥ (157) | (1.5) |
| Semiconductor Components Group | 3,743 | 3,550 | (193) | (5.2) |
| Electronic Devices Group | 9,297 | 10,898 | 1,601 | 17.2 |
| Communications Group | 2,953 | 3,849 | 896 | 30.3 |
| Document Solutions Group | 21,674 | 22,259 | 585 | 2.7 |
| Life & Environment Group | 3,157 | 4,268 | 1,111 | 35.2 |
| Others | 3,859 | 2,878 | (981) | (25.4) |
| Total | ¥ 55,411 | ¥ 58,273 | ¥ 2,862 | 5.2 |

(Note 1) Kyocera has changed the classification of its reporting segments from the year ended March 31, 2018. Business results for the year ended March 31, 2017 have been reclassified in line with the change to reporting segment classifications.

(Note 2) With regard to Reporting segment information of Net sales and Income before income taxes, please refer to the accompanying "1.OUTLOOK OF BUSINESS RESULTS (1) Business Results *Consolidated Results by Reporting Segment*" on page 5.

ii) Geographic segments (Net sales by geographic area) :

| | Years ended March 31, | | | | Increase (Decrease) | |
|--------------------------|-----------------------|--------------|-------------------|--------------|------------------------|-------------|
| | 2017 | | 2018 | | Amount | % |
| | Amount | % | Amount | % | | |
| | (Yen in millions) | | | | | |
| Japan | ¥ 598,639 | 42.1 | ¥ 614,043 | 38.9 | ¥ 15,404 | 2.6 |
| Asia | 304,013 | 21.4 | 363,649 | 23.1 | 59,636 | 19.6 |
| Europe | 235,355 | 16.5 | 312,669 | 19.8 | 77,314 | 32.8 |
| United States of America | 228,968 | 16.1 | 224,791 | 14.3 | (4,177) | (1.8) |
| Others | 55,779 | 3.9 | 61,887 | 3.9 | 6,108 | 11.0 |
| Net sales | <u>¥1,422,754</u> | <u>100.0</u> | <u>¥1,577,039</u> | <u>100.0</u> | <u>¥154,285</u> | <u>10.8</u> |

(7) Earnings per Share

With regard to earnings per share, please refer to “Consolidated Financial Results of Kyocera Corporation and its Subsidiaries for the Year Ended March 31, 2018” on page 1 and “3. CONSOLIDATED FINANCIAL STATEMENTS (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income” on page 14.

(8) Material Subsequent Event

Repurchase of Own Shares

Kyocera Corporation has resolved at a meeting of its Board of Directors held on April 26, 2018 to undertake a repurchase of its own shares under the provisions of the Articles of Incorporation of the Company pursuant to Article 165, Paragraph 2 of the Companies Act of Japan.

1. Reason for repurchase of own shares

The repurchase of own shares is intended to facilitate flexible capital strategies in the future, such as stock swaps.

2. Details of matters relating to the repurchase

| | |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Type of shares to be repurchased | Common stock |
| Total number of shares to be repurchased | Up to 7,200,000 shares (Percentage to total number of shares issued excluding treasury shares: 1.96 %) |
| Total amount of repurchase price | Up to 40 billion yen |
| Period of repurchase | From April 27, 2018 to September 20, 2018 |
| Method of repurchase | Market purchases through the Tokyo Stock Exchange |

(9) Cautionary Statement for Premise of a Going Concern

Not Applicable