

To All Persons Concerned

Name of Company Listed: Kyocera Corporation
Name of Representative: Hideo Tanimoto, President and Director
(Code number: 6971, The First Section of the Tokyo Stock Exchange)
Person for Inquiry: Shoichi Aoki
Director, Managing Executive Officer and General Manager of
Corporate Management Control Group
(Tel: +81-75-604-3500)

Notice Relating to Settlement of Long-term Purchase Agreements with Hemlock

This is to advise you that Kyocera Corporation (“Kyocera”) has reached to an agreement with Hemlock Semiconductor Operations LLC and its subsidiary Hemlock Semiconductor, LLC (located in the State of Michigan; collectively, “Hemlock”) on November 28, 2018 regarding the settlement of the long-term purchase agreements for the supply of polysilicon material for solar energy.

1. Background of the settlement

Between 2005 and 2008, Kyocera entered into long-term purchase agreements with Hemlock for the supply of polysilicon material for use in its solar energy business (the “LTAs”). At this time, Kyocera agreed with Hemlock to settle the LTAs which require Kyocera to purchase a certain volume of the polysilicon material in future.

The history of the LTAs is described in “Notes to Condensed Quarterly Consolidated Financial Statements 14. Commitments (2) Long-term purchase agreements for the supply of raw materials” in the Quarterly Report (“Shihanki Hokokusho”) released on November 9, 2018.

2. Overview of the settlement

In this settlement, Kyocera agreed with the relinquishment of the advance payment already paid to Hemlock, the payment in goods to Hemlock with the polysilicon material Kyocera owns, and the settlement payment. As a result, Kyocera will account a loss of approx. 51.1 billion yen in total.

Following this settlement, the significant divergence between the market price of polysilicon material and the fixed contract price in the LTAs will be resolved. Kyocera does not plan to account additional loss based on the LTAs.

3. Impact on financial forecasts

The impact on the financial result relating to the agreement is included in the “Notice Relating to Revision of Consolidated Financial Forecasts for the Year Ending March 31, 2019” which is disclosed on November 28, 2018.

[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;
- (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) Damages on our information security systems from cyberattacks, etc. and significant costs in order to recover and maintain the systems;
- (13) Insufficient protection of our trade secrets and intellectual property rights including patents;
- (14) Expenses associated with licenses we require to continue to manufacture and sell products;
- (15) Environmental liability and compliance obligations by tightening of environmental laws and regulations;
- (16) Unintentional conflict with laws and regulations or newly enacted laws and regulations;
- (17) Our market or supply chains being affected by terrorism, plague, wars or similar events;
- (18) Earthquakes and other natural disasters affecting our headquarters and major facilities as well as our suppliers and customers;
- (19) Credit risk on trade receivables;
- (20) Fluctuations in the value of, and impairment losses on, securities and other assets held by us;
- (21) Impairment losses on property, plant and equipment, goodwill and intangible assets;
- (22) Unrealized deferred tax assets and additional liabilities for unrecognized tax benefits; and
- (23) 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.