

July 30, 2015

Conference Call Material

For the Three Months Ended June 30, 2015

Goro Yamaguchi
President and Representative Director

Today's Presentation

- 1. Financial Results for the Three Months Ended June 30, 2015**
- 2. Financial Forecast for the Year Ending March 31, 2016**
- 3. Major Initiatives for the Year Ending March 31, 2016**

- 1. Financial Results for the Three Months Ended June 30, 2015**
- 2. Financial Forecast for the Year Ending March 31, 2016**
- 3. Major Initiatives for the Year Ending March 31, 2016**

Financial Results for the Q1 of FY3/2016

— Comparison with Q1 of FY3/2015 —

(Unit: Yen in millions)

	Three months ended June 30,				Change	
	2014		2015			
	Amount	% to net sales	Amount	% to net sales	Amount	%
Net sales	334,714	100.0%	339,247	100.0%	4,533	1.4%
Profit from operations	18,782	5.6%	32,583	9.6%	13,801	73.5%
Pre-tax income	30,680	9.2%	47,010	13.9%	16,330	53.2%
Net income attributable to shareholders of Kyocera Corporation	19,467	5.8%	31,575	9.3%	12,108	62.2%
Capital expenditures	14,984	4.5%	16,014	4.7%	1,030	6.9%
Depreciation	13,562	4.1%	14,535	4.3%	973	7.2%
R&D expenses	13,050	3.9%	14,386	4.2%	1,336	10.2%
Average exchange rate (yen)	US\$	¥102	¥121			
	Euro	¥140	¥134			
Foreign currency fluctuation effect on; (compared with the previous same period)	Net sales	Approx. ¥ 8.5 billion	Approx. ¥ 20 billion			
	Pre-tax income	Approx. ¥ 3.0 billion	Approx. ¥ 3 billion			

Sales by Reporting Segment for Q1 of FY3/2016

– Comparison with Q1 of FY3/2015 –

(Unit: Yen in millions)

	Three months ended June 30,				Change	
	2014		2015			
	Amount	% of net sales	Amount	% of net sales	Amount	%
Fine Ceramic Parts Group	20,852	6.2%	22,901	6.7%	2,049	9.8%
Semiconductor Parts Group	48,464	14.5%	55,251	16.3%	6,787	14.0%
Applied Ceramic Products Group	53,809	16.1%	52,514	15.5%	-1,295	-2.4%
Electronic Device Group	66,187	19.8%	70,533	20.8%	4,346	6.6%
Components Business	189,312	56.6%	201,199	59.3%	11,887	6.3%
Telecommunications Equipment Group	38,515	11.5%	28,681	8.4%	-9,834	-25.5%
Information Equipment Group	77,482	23.2%	79,651	23.5%	2,169	2.8%
Equipment Business	115,997	34.7%	108,332	31.9%	-7,665	-6.6%
Others	41,614	12.4%	39,814	11.8%	-1,800	-4.3%
Adjustments and eliminations	-12,209	-3.7%	-10,098	-3.0%	2,111	-
Net sales	334,714	100.0%	339,247	100.0%	4,533	1.4%

Profit by Reporting Segment for Q1 of FY3/2016

– Comparison with Q1 of FY3/2015 –

(Unit: Yen in millions)

	Three months ended June 30,				Change	
	2014		2015			
	Amount	% to net sales	Amount	% to net sales	Amount	%
Fine Ceramic Parts Group	3,355	16.1%	4,199	18.3%	844	25.2%
Semiconductor Parts Group	5,655	11.7%	8,395	15.2%	2,740	48.5%
Applied Ceramic Products Group	2,820	5.2%	3,581	6.8%	761	27.0%
Electronic Device Group	7,664	11.6%	9,446	13.4%	1,782	23.3%
Components Business	19,494	10.3%	25,621	12.7%	6,127	31.4%
Telecommunications Equipment Group	-3,584	-	-6,142	-	-2,558	-
Information Equipment Group	7,603	9.8%	6,410	8.0%	-1,193	-15.7%
Equipment Business	4,019	3.5%	268	0.2%	-3,751	-93.3%
Others	642	1.5%	11,402	28.6%	10,760	-
Operating Profit	24,155	7.2%	37,291	11.0%	13,136	54.4%
Corporate and Others	6,525	-	9,719	-	3,194	49.0%
Pre-tax income	30,680	9.2%	47,010	13.9%	16,330	53.2%

Operating profit represents profit from operating activities.

Summary of Q1 FY3/ 2016

- Comparison with Q1 of FY3/2015-

1. Expanded businesses in the key markets

Components for smartphone market

Approx. **+ 50%**

- ✓ Increased sales mainly of ceramic and organic packages, MLCCs and crystal related products

Components for automotive related market

Approx. **+ 10%**

- ✓ Increased sales mainly of cutting tools and organic substrates

2. Declined sales and profit in the Telecommunications Equipment Group

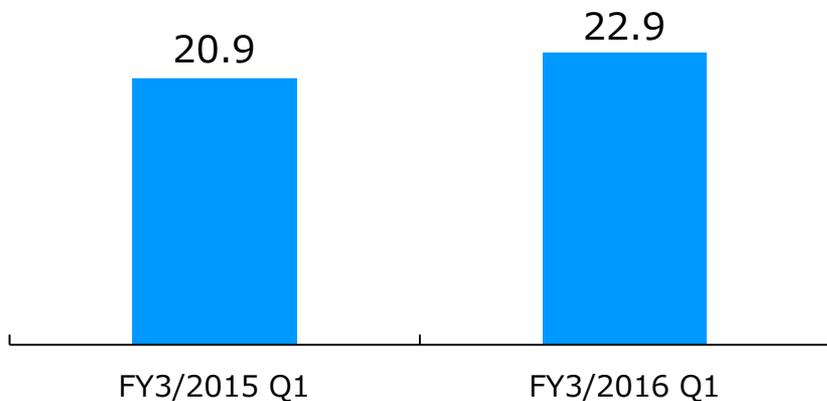
- ✓ Decreased sales volume due to cyclical off timing for new handset introductions

Financial Results by Reporting Segment

– Fine Ceramic Parts Group –

Sales

(Unit: Yen in billions)



Changes compared with Q1 of FY3/2015

Sales	¥ + 2.0 billion	+9.8%
Operating profit	¥ + 0.8 billion	+25.2%

<Major factors for changes>

- ✓ Increased sales of components for industrial machinery such as semiconductor processing equipment together with sapphire substrates for LEDs
- ✓ Increased profit along with sales expansion

Operating Profit

(Unit: Yen in billions)

Operating profit ratio(%)

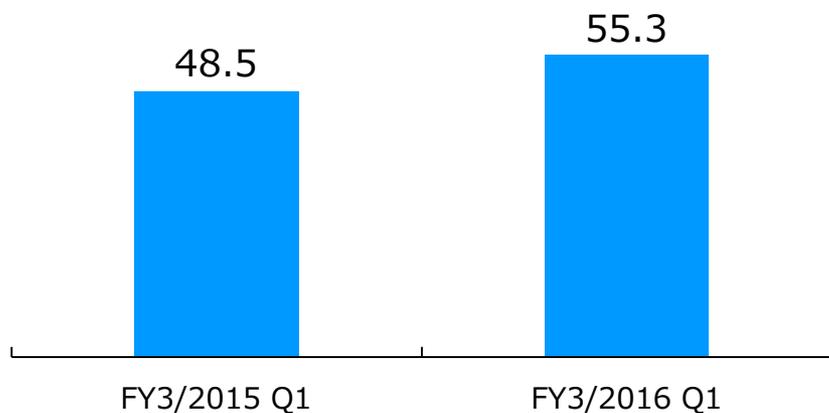


Financial Results by Reporting Segment

– Semiconductor Parts Group –

Sales

(Unit: Yen in billions)



Changes compared with Q1 of FY3/2015

Sales	¥ + 6.8 billion	+14.0%
Operating profit	¥ + 2.7 billion	+48.5%

Operating Profit

(Unit: Yen in billions)

Operating profit ratio(%)



<Major factors for changes>

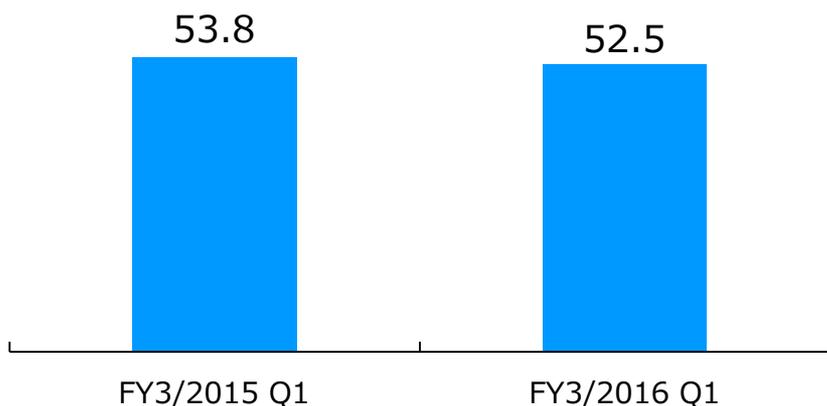
- ✓ Increased sales of ceramic and organic packages for smartphones and telecommunications infrastructure, as well as ceramic packages for LEDs.
- ✓ Increased profit along with sales expansion

Financial Results by Reporting Segment

– Applied Ceramic Products Group –

Sales

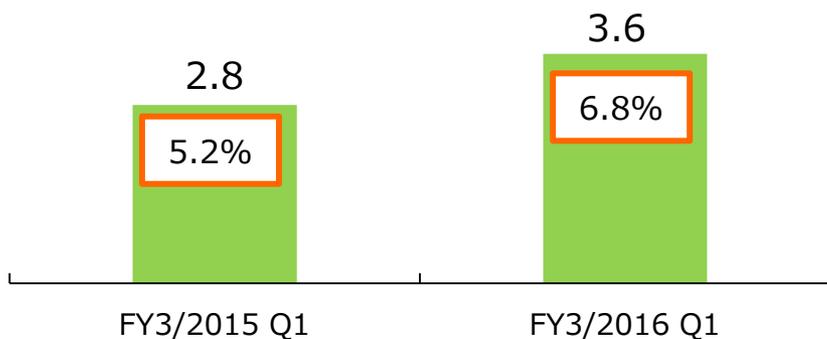
(Unit: Yen in billions)



Operating Profit

(Unit: Yen in billions)

Operating profit ratio(%)



Changes compared with Q1 of FY3/2015

Sales	¥ – 1.3 billion	-2.4%
Operating profit	¥ + 0.8 billion	+27.0%

<Major factors for changes>

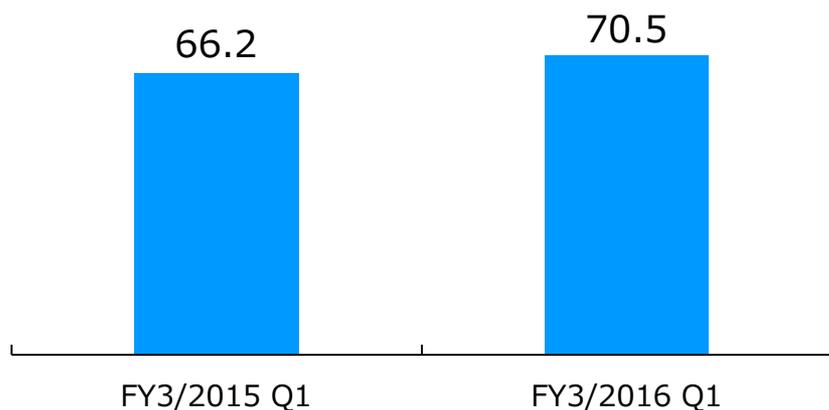
- ✓ Increased sales of cutting tool business for automotive related market
- ✓ Decreased sales of solar energy business due to lower sales in industrial market in Japan
- ✓ Increased profit by cost reductions in each business

Financial Results by Reporting Segment

– Electronic Device Group –

Sales

(Unit: Yen in billions)



Operating Profit

(Unit: Yen in billions)

Operating profit ratio(%)



Changes compared with Q1 of FY3/2015

Sales	¥ + 4.3 billion	+6.6%
Operating profit	¥ + 1.7 billion	+23.3%

<Major factors for changes>

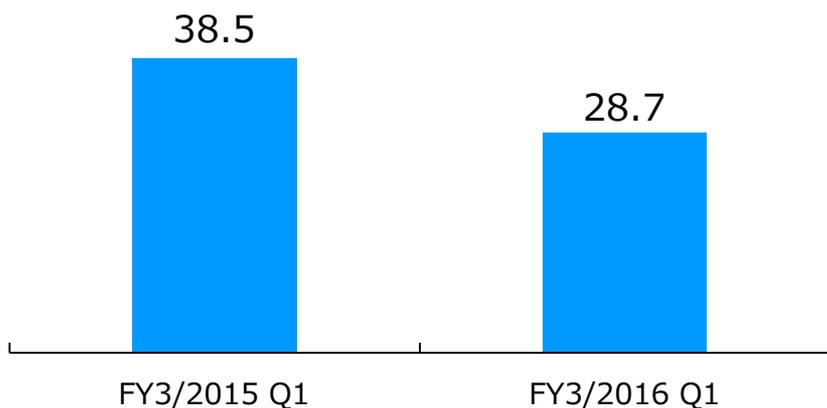
- ✓ Increased sales of components such as MLCC, connectors, and crystal components for smartphones
- ✓ Increased sales of printing devices for industrial equipment
- ✓ Increased profit due to effect of higher sales and the introduction of new products

Financial Results by Reporting Segment

– Telecommunications Equipment Group –

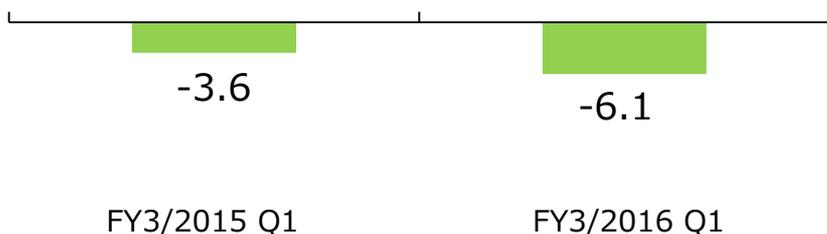
Sales

(Unit: Yen in billions)



Operating Profit

(Unit: Yen in billions)



Changes compared with Q1 of FY3/2015

Sales	¥ – 9.8 billion	– 25.5%
Operating profit	¥ – 2.5 billion	–

<Major factors for changes>

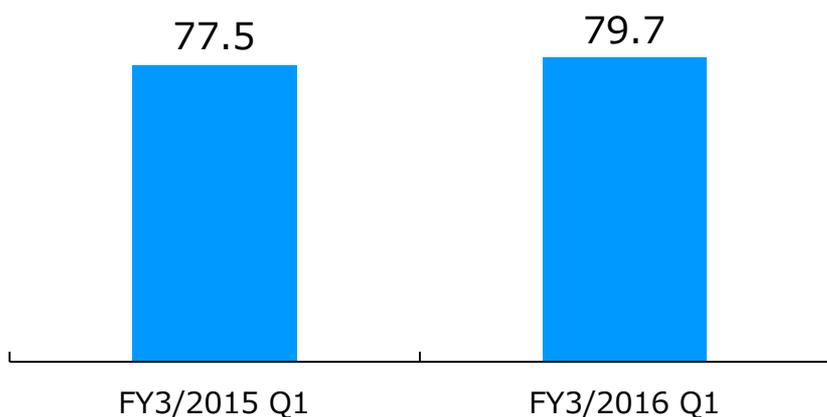
- ✓ Sales in the overseas market decreased due to a decline in sales of low-end handsets despite growth in sales of differentiated handsets
- ✓ Sales in Japan decreased caused by fewer handset launches due to product cycle timing
- ✓ Decreased profit due mainly to sales decline

Financial Results by Reporting Segment

– Information Equipment Group –

Sales

(Unit: Yen in billions)



Operating Profit

(Unit: Yen in billions)

Operating profit ratio(%)



Changes compared with Q1 of FY3/2015

Sales	¥ + 2.2 billion	+2.8%
Operating profit	¥ - 1.2 billion	-15.7%

<Major factors for changes>

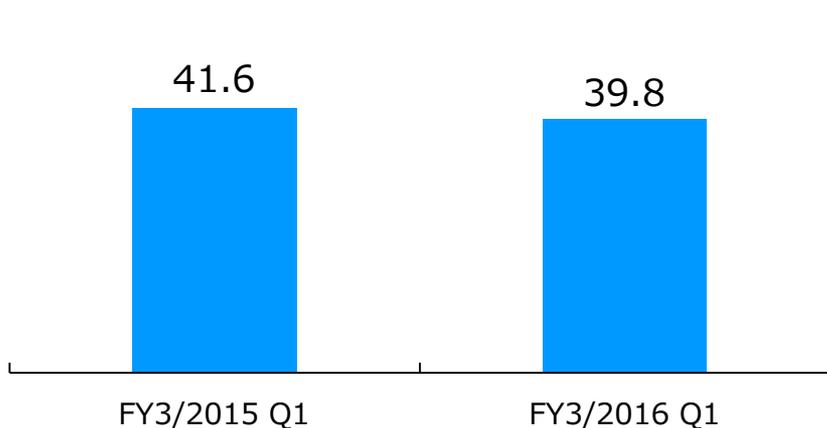
- ✓ Increased sales as a result of growth in sales volume of equipment following active efforts to expand sales
- ✓ Decreased profit due to an increase in sales promotion costs and the foreign currency fluctuation effect

Financial Results by Reporting Segment

– Others –

Sales

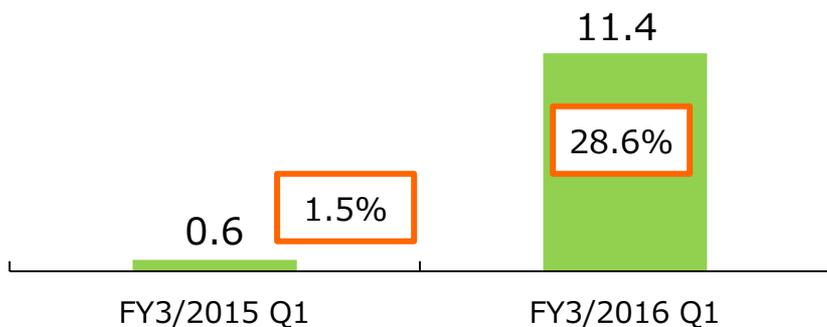
(Unit: Yen in billions)



Operating Profit

(Unit: Yen in billions)

Operating profit ratio(%)



Changes compared with Q1 of FY3/2015

Sales	¥ – 1.8 billion	– 4.3%
Operating profit	¥ + 10.8 billion	–

<Major factors for changes>

- ✓ Increased profit due to recording of a gain on sale of assets despite a sales decline

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- 2. Financial Forecast for the Year Ending March 31, 2016**
- 3. Major Initiatives for the Year Ending March 31, 2016**

Financial Forecast for the Year Ending March 31, 2016

(Unit: Yen in millions)

Unchanged	Year ended March 31, 2015		Year ending March 31, 2016		Change	
	Amount	% to net sales	Amount	% to net sales	Amount	%
Net sales	1,526,536	100.0%	1,600,000	100.0%	73,464	4.8%
Profit from operations	93,428	6.1%	160,000	10.0%	66,572	71.3%
Pre-tax income	121,862	8.0%	184,000	11.5%	62,138	51.0%
Net income attributable to shareholders of Kyocera Corporation	115,875	7.6%	120,000	7.5%	4,125	3.6%
EPS (Diluted-yen)	315.85	-	327.10	-	11.25	-
Capital expenditures	56,670	3.7%	70,000	4.4%	13,330	23.5%
Depreciation	62,413	4.1%	74,000	4.6%	11,587	18.6%
R&D expenses	55,285	3.6%	60,000	3.8%	4,715	8.5%
Average exchange rate (yen)	US\$	¥110	¥115			
	Euro	¥139	¥125			
Foreign currency fluctuation effect on; (compared with the previous same period)	Net sales	Approx. ¥ 58 billion	Approx. ¥ 1 billion			
	Pre-tax income	Approx. ¥ 7 billion	Approx. ¥ -8 billion			

Note: Forecast of EPS (Diluted-yen) is computed based on the diluted average number of shares outstanding during the three months ended June 30, 2015.

Sales Forecast by Reporting Segment

(Unit: Yen in millions)

Unchanged	Year ended March 31, 2015		Year ending March 31, 2016		Change	
	Amount	% of net sales	Amount	% of net sales	Amount	%
Fine Ceramic Parts Group	90,694	5.9%	100,000	6.3%	9,306	10.3%
Semiconductor Parts Group	217,879	14.3%	248,000	15.5%	30,121	13.8%
Applied Ceramic Products Group	277,629	18.2%	247,000	15.4%	-30,629	-11.0%
Electronic Device Group	284,145	18.6%	295,000	18.4%	10,855	3.8%
Components Business	870,347	57.0%	890,000	55.6%	19,653	2.3%
Telecommunications Equipment Group	204,290	13.4%	205,000	12.8%	710	0.3%
Information Equipment Group	332,596	21.8%	360,000	22.5%	27,404	8.2%
Equipment Business	536,886	35.2%	565,000	35.3%	28,114	5.2%
Others	172,925	11.3%	184,000	11.5%	11,075	6.4%
Adjustments and eliminations	-53,622	-3.5%	-39,000	-2.4%	14,622	-
Net sales	1,526,536	100.0%	1,600,000	100.0%	73,464	4.8%

Profit Forecast by Reporting Segment

(Unit: Yen in millions)

Unchanged	Year ended March 31, 2015		Year ending March 31, 2016		Change	
	Amount	% to net sales	Amount	% to net sales	Amount	%
Fine Ceramic Parts Group	16,134	17.8%	18,000	18.0%	1,866	11.6%
Semiconductor Parts Group	33,971	15.6%	39,000	15.7%	5,029	14.8%
Applied Ceramic Products Group	3,159	1.1%	19,000	7.7%	15,841	501.5%
Electronic Device Group	34,372	12.1%	43,000	14.6%	8,628	25.1%
Components Business	87,636	10.1%	119,000	13.4%	31,364	35.8%
Telecommunications Equipment Group	-20,212	-	3,000	1.5%	23,212	-
Information Equipment Group	34,569	10.4%	36,000	10.0%	1,431	4.1%
Equipment Business	14,357	2.7%	39,000	6.9%	24,643	171.6%
Others	6,848	4.0%	15,000	8.2%	8,152	119.0%
Operating profit	108,841	7.1%	173,000	10.8%	64,159	58.9%
Corporate and others	13,021	-	11,000	-	-2,021	-15.5%
Pre-tax income	121,862	8.0%	184,000	11.5%	62,138	51.0%

Operating profit represents profit from operating activities.

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Major Initiatives for FY3/2016

Expand Sales of Components for Smartphones

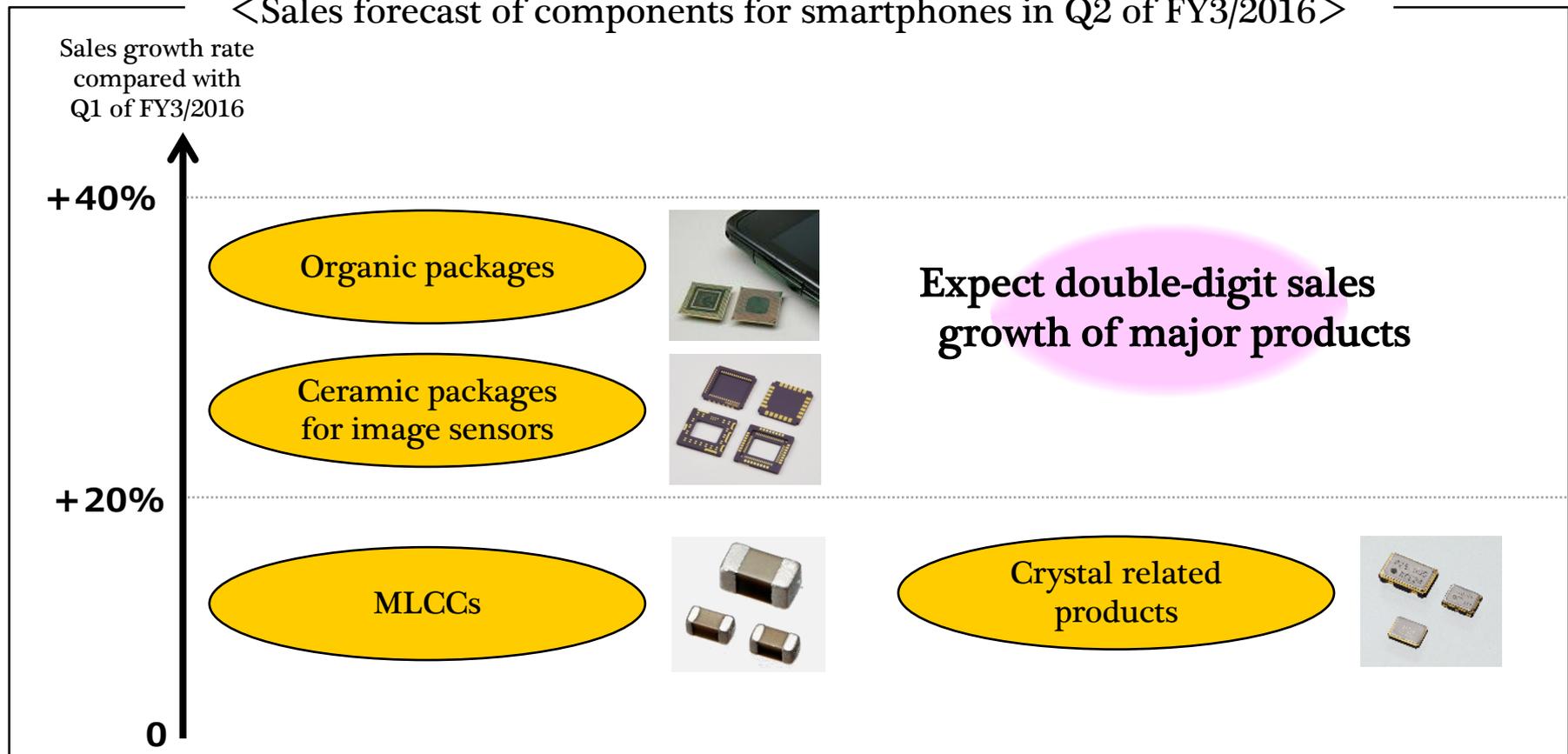
Expand Business in the Environment and Energy Market

Improve Profitability of the Telecommunications Equipment Group

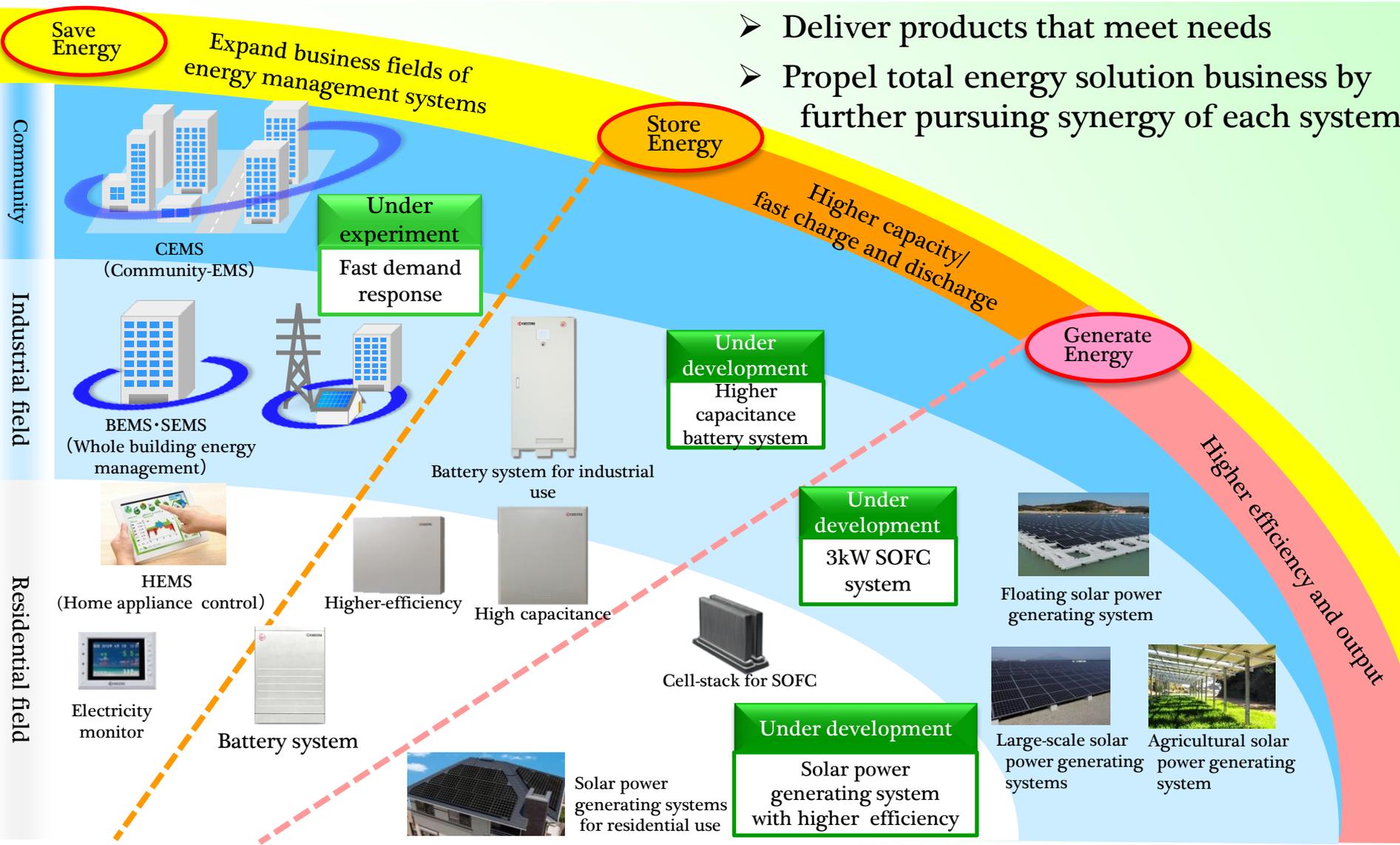
Expand Sales of Components for Smartphones

Aim to gain market share through sales expansion mainly of new products

<Sales forecast of components for smartphones in Q2 of FY3/2016>



Expand Business in the Environment and Energy Market

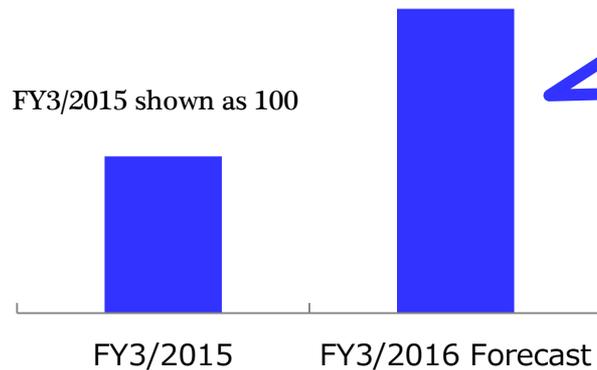


- Deliver products that meet needs
- Propel total energy solution business by further pursuing synergy of each system

Improve Profitability of the Telecommunications Equipment Group

1. Expand sales of high value added products of differentiated handsets

<Sales volume of differentiated handsets>



Compared with FY3/2015
Approx. 2x increase



World's first smartphone featuring seawater resistance
TORQUE G02

2. Expand new businesses

M2M modules :

Telematics and utility companies' smart-meter use



M2M modules



Telematics Modules

Cultivate healthcare market:

Introduce wearable device and application for smartphones exclusively to support services of life style related disease



Wearable device

Transmit vital data



Data management

Acquired Share of Nihon Inter Electronics Corporation

【Nihon Inter Electronics Corporation】

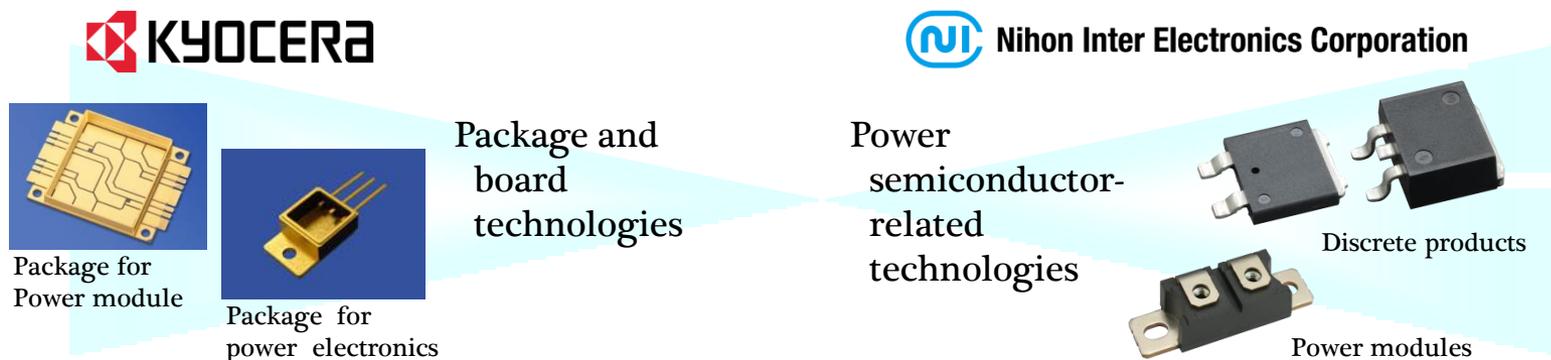
- Listing: 2nd Section of TSE (Code: 6974)
- FY3/2015 results Sales: ¥22.6 billion
Profit from operations: ¥1.1 billion

《 Outline of Tender Offer 》

- Period: July 31, 2015 to August 28, 2015
- Price: ¥197 per share
- Minimum no. of shares to be acquired:
54,197,524 shares

Objectives

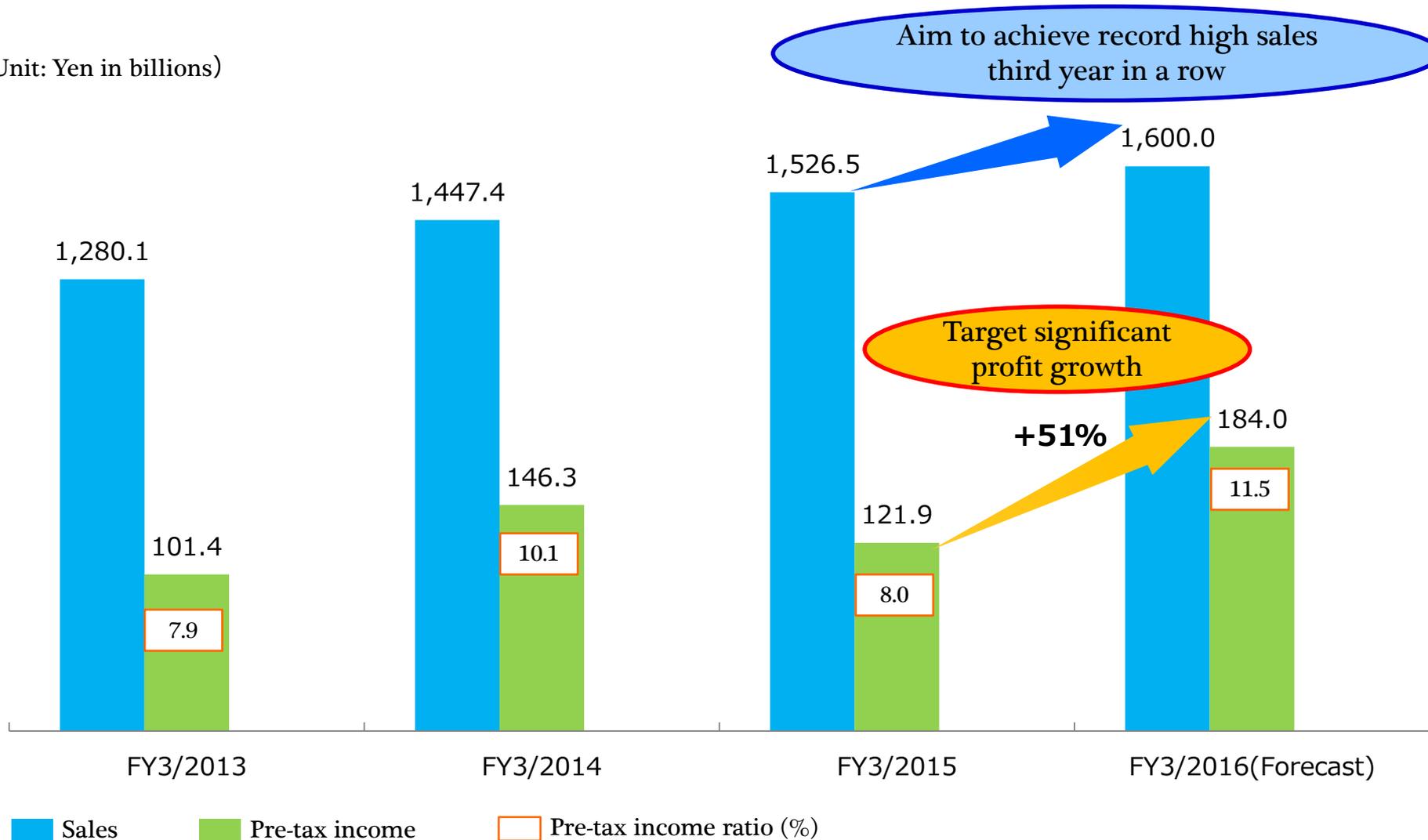
- 1 Expand power electronics business:
Industrial equipment and auto-related markets
- 2 Enhance product development capability through sharing of technologies



- 3 Expand overseas sales of products of Nihon Inter Electronics Corporation through Kyocera sales channels

Achieve Sustainable Sales and Profit Growth

(Unit: Yen in billions)



[Appendix] Financial Results for the Q1 of FY3/2016

— Comparison with Q4 of FY3/2015 —

(Unit: Yen in millions)

	Three months ended				Change	
	March 31, 2015		June 30, 2015			
	Amount	% to net sales	Amount	% to net sales	Amount	%
Net sales	424,844	100.0%	339,247	100.0%	-85,597	-20.1%
Profit from operations	3,206	0.8%	32,583	9.6%	29,377	916.3%
Pre-tax income	7,195	1.7%	47,010	13.9%	39,815	553.4%
Net income attributable to shareholders of Kyocera Corporation	41,904	9.9%	31,575	9.3%	-10,329	-24.6%
Capital expenditures	14,854	3.5%	16,014	4.7%	1,160	7.8%
Depreciation	17,549	4.1%	14,535	4.3%	-3,014	-17.2%
R&D expenses	14,867	3.5%	14,386	4.2%	-481	-3.2%
Average exchange rate (yen)	US\$	¥119	¥121			
	Euro	¥134	¥134			
Foreign currency fluctuation effect on; (compared with the previous quarter)	Net sales	—	Approx. ¥ 3.0 billion			
	Pre-tax income	—	Approx. ¥ 0.5 billion			

[Appendix] Sales by Reporting Segment for Q1 of FY3/2016

– Comparison with Q4 of FY3/2015 –

(Unit: Yen in millions)

	Three months ended				Change	
	March 31, 2015		June 30, 2015			
	Amount	% of net sales	Amount	% of net sales	Amount	%
Fine Ceramic Parts Group	24,566	5.8%	22,901	6.7%	-1,665	-6.8%
Semiconductor Parts Group	58,318	13.7%	55,251	16.3%	-3,067	-5.3%
Applied Ceramic Products Group	88,296	20.8%	52,514	15.5%	-35,782	-40.5%
Electronic Device Group	71,095	16.8%	70,533	20.8%	-562	-0.8%
Components Business	242,275	57.1%	201,199	59.3%	-41,076	-17.0%
Telecommunications Equipment Group	57,944	13.6%	28,681	8.4%	-29,263	-50.5%
Information Equipment Group	90,852	21.4%	79,651	23.5%	-11,201	-12.3%
Equipment Business	148,796	35.0%	108,332	31.9%	-40,464	-27.2%
Others	49,749	11.7%	39,814	11.8%	-9,935	-20.0%
Adjustments and eliminations	-15,976	-3.8%	-10,098	-3.0%	5,878	-
Net sales	424,844	100.0%	339,247	100.0%	-85,597	-20.1%

[Appendix] Profit by Reporting Segment for Q1 of FY3/2016

– Comparison with Q4 of FY3/2015 –

(Unit: Yen in millions)

	Three months ended				Change	
	March 31, 2015		June 30, 2015			
	Amount	% to net sales	Amount	% to net sales	Amount	%
Fine Ceramic Parts Group	4,967	20.2%	4,199	18.3%	-768	-15.5%
Semiconductor Parts Group	9,354	16.0%	8,395	15.2%	-959	-10.3%
Applied Ceramic Products Group	-6,411	-	3,581	6.8%	9,992	-
Electronic Device Group	6,091	8.6%	9,446	13.4%	3,355	55.1%
Components Business	14,001	5.8%	25,621	12.7%	11,620	83.0%
Telecommunications Equipment Group	-16,989	-	-6,142	-	10,847	-
Information Equipment Group	9,137	10.1%	6,410	8.0%	-2,727	-29.8%
Equipment Business	-7,852	-	268	0.2%	8,120	-
Others	2,753	5.5%	11,402	28.6%	8,649	314.2%
Operating Profit	8,902	2.1%	37,291	11.0%	28,389	318.9%
Corporate and Others	-1,707	-	9,719	-	11,426	-
Pre-tax income	7,195	1.7%	47,010	13.9%	39,815	553.4%

Forward-Looking Statements

Certain of the statements made in this document are forward-looking statements (within the meaning of Section 21E of the U.S. Securities and Exchange Act of 1934), 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 Kyocera's 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;
- (22) changes in accounting principles;

Such risks, uncertainties and other factors may cause our actual results, performance, achievements or financial condition to be materially 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.