

November 1, 2016

Financial Presentation

(Six Months Ended September 30, 2016)

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This is an English translation of the Japanese original. 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.

- 1. Financial Results**
for the Six Months Ended September 30, 2016
- 2. Financial Forecasts**
for the Year Ending March 31, 2017

Financial Results for the Six Months Ended September 30, 2016

- Compared with the Six Months Ended September 30, 2015 -

(Unit: Yen in millions)

	Six Months Ended Septmeber 30,				Change	
	2015		2016			
	Amount	% to net sales	Amount	% to net sales	Amount	%
Net sales	722,577	100.0%	653,243	100.0%	-69,334	-9.6%
Profit from operations	61,949	8.6%	33,785	5.2%	-28,164	-45.5%
Pre-tax income	78,000	10.8%	48,578	7.4%	-29,422	-37.7%
Net income attributable to shareholders of Kyocera Corporation	50,792	7.0%	36,153	5.5%	-14,639	-28.8%
Capital expenditures	34,615	4.8%	36,042	5.5%	1,427	4.1%
Depreciation	30,473	4.2%	29,969	4.6%	-504	-1.7%
R&D expenses	29,102	4.0%	28,951	4.4%	-151	-0.5%
Average exchange rate (yen)	US\$	¥ 122	¥ 105		¥ -17	-13.9%
	Euro	¥ 135	¥ 118		¥ -17	-12.6%
Foreign currency fluctuation effect on;(compared with the previous same period)	Net sales	Approx. ¥ 40 billion	Approx. ¥ -63 billion			
	Pre-tax income	Approx. ¥ 8 billion	Approx. ¥ -14 billion			

Sales and profit down due mainly to the impact of the yen's appreciation and a gain of approx. 12 billion yen from the sale of assets in the previous first half

Sales by Reporting Segment for the Six Months Ended September 30, 2016

- Compared with the Six Months Ended September 30, 2015 (Unit: Yen in millions)

	Six Months Ended September 30,				Change	
	2015		2016			
	Amount	% of net sales	Amount	% of net sales	Amount	%
Fine Ceramic Parts Group	46,945	6.5%	46,759	7.1%	-186	-0.4%
Semiconductor Parts Group	121,335	16.8%	117,316	18.0%	-4,019	-3.3%
Applied Ceramic Products Group	113,636	15.7%	97,906	15.0%	-15,730	-13.8%
Electronic Device Group	146,211	20.2%	135,001	20.7%	-11,210	-7.7%
Components Business	428,127	59.2%	396,982	60.8%	-31,145	-7.3%
Telecommunications Equipment Group	78,697	10.9%	64,832	9.9%	-13,865	-17.6%
Information Equipment Group	162,511	22.5%	147,435	22.6%	-15,076	-9.3%
Equipment Business	241,208	33.4%	212,267	32.5%	-28,941	-12.0%
Others	74,135	10.3%	64,108	9.8%	-10,027	-13.5%
Adjustments and eliminations	-20,893	-2.9%	-20,114	-3.1%	779	—
Net sales	722,577	100.0%	653,243	100.0%	-69,334	-9.6%

Note:

Kyocera Chemical Group, formerly included in "Others" until FY3/2016, has been reclassified and included in the "Semiconductor Parts Group" commencing from FY3/2017. Due to this change, results for H1 of FY3/2016 have been reclassified to conform to the current presentation.

Operating Profit by Reporting Segment for the Six Months Ended September 30, 2016 - Compared with the Six Months Ended September 30, 2015 -

(Unit: Yen in millions)

	Six Months Ended September 30,				Change	
	2015		2016			
	Amount	% to net sales	Amount	% to net sales	Amount	%
Fine Ceramic Parts Group	8,267	17.6%	6,132	13.1%	-2,135	-25.8%
Semiconductor Parts Group	29,602	24.4%	9,966	8.5%	-19,636	-66.3%
Applied Ceramic Products Group	8,023	7.1%	5,658	5.8%	-2,365	-29.5%
Electronic Device Group	18,411	12.6%	10,499	7.8%	-7,912	-43.0%
Components Business	64,303	15.0%	32,255	8.1%	-32,048	-49.8%
Telecommunications Equipment Group	-5,621	—	-7,160	—	-1,539	—
Information Equipment Group	12,039	7.4%	12,867	8.7%	828	6.9%
Equipment Business	6,418	2.7%	5,707	2.7%	-711	-11.1%
Others	-1,714	—	-2,908	—	-1,194	—
Operating profit	69,007	9.6%	35,054	5.4%	-33,953	-49.2%
Corporate and others	8,993	—	13,524	—	4,531	50.4%
Pre-tax income	78,000	10.8%	48,578	7.4%	-29,422	-37.7%

Notes

(1) Refer to Note on page 3.

(2) As a result of the aforementioned note(1), a gain of approximately ¥12 billion from the sale of assets was included in the “Semiconductor Parts Group” for H1 of FY3/2016.

Financial Results for the Three Months Ended September 30, 2016

- Compared with the Three Months Ended June 30, 2016 - (Unit: Yen in millions)

	Three Months Ended				Change	
	June 30, 2016		September 30, 2016		Amount	%
	Amount	% to net sales	Amount	% to net sales		
Net sales	319,985	100.0%	333,258	100.0%	13,273	4.1%
Profit from operations	12,270	3.8%	21,515	6.5%	9,245	75.3%
Pre-tax income	24,798	7.7%	23,780	7.1%	-1,018	-4.1%
Net income attributable to shareholders of Kyocera Corporation	17,453	5.5%	18,700	5.6%	1,247	7.1%
Capital expenditures	17,208	5.4%	18,834	5.7%	1,626	9.4%
Depreciation	14,424	4.5%	15,545	4.7%	1,121	7.8%
R&D expenses	15,269	4.8%	13,682	4.1%	-1,587	-10.4%
Average exchange rate (yen)	US\$	¥ 108	¥ 102		¥ -6	-5.6%
	Euro	¥ 122	¥ 114		¥ -8	-6.6%
Foreign currency fluctuation effect on;(compared with the June quarter)	Net sales	—	Approx. ¥ -12 billion			
	Pre-tax income	—	Approx. ¥ -4 billion			

- Profit from operations up significantly due to sales growth and cost reductions
- Pre-tax income down as a dividend income from KDDI etc. was recorded in June quarter

Sales by Reporting Segment for the Three Months Ended September 30, 2016 - Compared with the Three Months Ended June 30, 2016 -

(Unit: Yen in millions)

	Three Months Ended				Change	
	June 30, 2016		September 30, 2016			
	Amount	% of net sales	Amount	% of net sales	Amount	%
Fine Ceramic Parts Group	22,513	7.0%	24,246	7.3%	1,733	7.7%
Semiconductor Parts Group	56,005	17.5%	61,311	18.4%	5,306	9.5%
Applied Ceramic Products Group	45,557	14.3%	52,349	15.7%	6,792	14.9%
Electronic Device Group	65,243	20.4%	69,758	20.9%	4,515	6.9%
Components Business	189,318	59.2%	207,664	62.3%	18,346	9.7%
Telecommunications Equipment Group	34,134	10.7%	30,698	9.2%	-3,436	-10.1%
Information Equipment Group	74,939	23.4%	72,496	21.8%	-2,443	-3.3%
Equipment Business	109,073	34.1%	103,194	31.0%	-5,879	-5.4%
Others	30,837	9.6%	33,271	10.0%	2,434	7.9%
Adjustments and eliminations	-9,243	-2.9%	-10,871	-3.3%	-1,628	—
Net sales	319,985	100.0%	333,258	100.0%	13,273	4.1%

Operating Profit by Reporting Segment for the Three Months Ended September 30, 2016 - Compared with the Three Months Ended June 30, 2016 -

(Unit: Yen in millions)

	Three Months Ended				Change	
	June 30, 2016		September 30, 2016			
	Amount	% to net sales	Amount	% to net sales	Amount	%
Fine Ceramic Parts Group	2,359	10.5%	3,773	15.6%	1,414	59.9%
Semiconductor Parts Group	4,585	8.2%	5,381	8.8%	796	17.4%
Applied Ceramic Products Group	1,526	3.3%	4,132	7.9%	2,606	170.8%
Electronic Device Group	5,211	8.0%	5,288	7.6%	77	1.5%
Components Business	13,681	7.2%	18,574	8.9%	4,893	35.8%
Telecommunications Equipment Group	-5,551	—	-1,609	—	3,942	—
Information Equipment Group	5,851	7.8%	7,016	9.7%	1,165	19.9%
Equipment Business	300	0.3%	5,407	5.2%	5,107	—
Others	-2,573	—	-335	—	2,238	—
Operating profit	11,408	3.6%	23,646	7.1%	12,238	107.3%
Corporate and others	13,390	—	134	—	-13,256	-99.0%
Pre-tax income	24,798	7.7%	23,780	7.1%	-1,018	-4.1%

Summary of Financial Results for the Three Months Ended September 30, 2016

- Compared with the Three Months Ended June 30, 2016 -

1. Sales up in Components Business in core markets

Information and communications market:

Demand up for high-share components for smartphones

Automotive-related markets:

- Demand up for camera modules and diesel engine parts
- Introduction of new display products

Solar energy market:

Sales up in public and commercial sectors in the Japanese market

2. Profitability up due to internal improvements

Telecommunications Equipment Group:

Loss reduced through cost reductions and structural reform

Information Equipment Group:

Profit up through improvement in productivity, etc.

Financial Forecasts for the Year Ending March 31, 2017 (“Fiscal 2017”)

(Unit: Yen in millions)

Unchanged	Year ended March 31, 2016		Year ending March 31, 2017		Change	
	Amount	% to net sales	Amount	% to net sales	Amount	%
Net sales	1,479,627	100.0%	1,520,000	100.0%	40,373	2.7%
Profit from operations	92,656	6.3%	110,000	7.2%	17,344	18.7%
Pre-tax income	145,583	9.8%	130,000	8.6%	-15,583	-10.7%
Net income attributable to shareholders of Kyocera Corporation	109,047	7.4%	85,000	5.6%	-24,047	-22.1%
EPS (Diluted-yen)	297.24	—	231.52	—	-65.72	—
Capital expenditures	68,933	4.7%	87,000	5.7%	18,067	26.2%
Depreciation	65,853	4.5%	78,000	5.1%	12,147	18.4%
R&D expenses	58,755	4.0%	64,000	4.2%	5,245	8.9%

			Previous (July 2016)	Revised (October 2016)
Average exchange rate (yen)	US\$	¥ 120	¥ 106	¥ 104
	Euro	¥ 133	¥ 117	¥ 115

Note: Forecast of EPS (Diluted-yen) is computed based on the diluted average number of shares outstanding during the six months ended September 30, 2016.

Sales Forecast by Reporting Segment for Fiscal 2017

(Unit: Yen in millions)

Unchanged	Year ended March 31, 2016		Year ending March 31, 2017		Change	
	Amount	% of net sales	Amount	% of net sales	Amount	%
Fine Ceramic Parts Group	95,092	6.4%	101,000	6.7%	5,908	6.2%
Semiconductor Parts Group	236,265	16.0%	237,000	15.6%	735	0.3%
Applied Ceramic Products Group	247,516	16.7%	263,000	17.3%	15,484	6.3%
Electronic Device Group	290,902	19.7%	304,000	20.0%	13,098	4.5%
Components Business	869,775	58.8%	905,000	59.6%	35,225	4.0%
Telecommunications Equipment Group	170,983	11.6%	152,000	10.0%	-18,983	-11.1%
Information Equipment Group	336,308	22.7%	344,000	22.6%	7,692	2.3%
Equipment Business	507,291	34.3%	496,000	32.6%	-11,291	-2.2%
Others	146,897	9.9%	154,000	10.1%	7,103	4.8%
Adjustments and eliminations	-44,336	-3.0%	-35,000	-2.3%	9,336	—
Net sales	1,479,627	100.0%	1,520,000	100.0%	40,373	2.7%

Note:

Kyocera Chemical Group, formerly included in “Others” until FY3/2016, has been reclassified and included in the “Semiconductor Parts Group” commencing from FY3/2017. Due to this change, results for FY3/2016 have been reclassified to conform to the current presentation.

Operating Profit Forecast by Reporting Segment for Fiscal 2017

(Unit: Yen in millions)

Unchanged	Year ended March 31, 2016		Year ending March 31, 2017		Change	
	Amount	% to net sales	Amount	% to net sales	Amount	%
Fine Ceramic Parts Group	15,745	16.6%	15,000	14.9%	-745	-4.7%
Semiconductor Parts Group	42,232	17.9%	26,000	11.0%	-16,232	-38.4%
Applied Ceramic Products Group	16,386	6.6%	20,000	7.6%	3,614	22.1%
Electronic Device Group	10,974	3.8%	38,000	12.5%	27,026	246.3%
Components Business	85,337	9.8%	99,000	10.9%	13,663	16.0%
Telecommunications Equipment Group	-4,558	—	4,200	2.8%	8,758	—
Information Equipment Group	27,106	8.1%	23,000	6.7%	-4,106	-15.1%
Equipment Business	22,548	4.4%	27,200	5.5%	4,652	20.6%
Others	-1,722	—	-6,000	—	-4,278	—
Operating profit	106,163	7.2%	120,200	7.9%	14,037	13.2%
Corporate and others	39,420	—	9,800	—	-29,620	-75.1%
Pre-tax income	145,583	9.8%	130,000	8.6%	-15,583	-10.7%

Notes:

(1) Refer to Note on page 10.

(2) As a result of the aforementioned note(1), a gain of approximately ¥12 billion from the sale of assets was included in the “Semiconductor Parts Group” for FY3/2016.

“Operating profit” represents combined pre-tax income of all reporting segments.

Please refer to forward-looking statements on the final page.

Major Initiatives to Achieve Full Year Forecasts for Fiscal 2017

1. Components Business

Boost sales of products for period of peak demand

Applied Ceramic Products Group:

Expand sales in solar energy business in the Japanese market

Electronic Device Group:

Expand sales of inkjet printheads for industrial machinery market and displays for automotive market

2. Equipment Business

Expand sales via new products and improve profitability through structural reform

Telecommunications Equipment Group:

- Launch a series of new products
- Improve profitability through effects of structural reform

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.