

January 30, 2020

Conference Call Material

(Nine Months Ended December 31, 2019)

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President and Representative Director

KYOCERA Corporation

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1. Financial Results for the Nine Months Ended December 31, 2019

Financial Results for the Nine Months Ended December 31, 2019

(Unit: Yen in millions)

	For the nine months ended December 31,				Change	
	2018		2019			
	Amount	% to sales revenue	Amount	% to sales revenue	Amount	%
Sales revenue	1,214,417	100.0%	1,196,885	100.0%	-17,532	-1.4%
Operating profit	60,576	5.0%	94,860	7.9%	34,284	56.6%
Profit before income taxes	104,100	8.6%	141,629	11.8%	37,529	36.1%
Profit attributable to owners of the parent	79,419	6.5%	101,265	8.5%	21,846	27.5%
Capital expenditures	85,109	7.0%	83,027	6.9%	-2,082	-2.4%
Depreciation	38,019	3.1%	45,313	3.8%	7,294	19.2%
R&D expenses	52,516	4.3%	58,908	4.9%	6,392	12.2%
Average exchange rate	US\$	111 yen	109 yen			
	Euro	129 yen	121 yen			

(Reference) Foreign currency fluctuation effect on sales revenue and profit before income taxes for the nine months ended December 31, 2019

compared with the previous same period.

Sales revenue: Approx. - 30.0 billion yen

Profit before income taxes Approx. - 10.5 billion yen

Sales: Despite contribution from M&A, component demand was down due mainly to a slowdown in the Chinese economy
Profit: Profit increased due mainly to the recording of approx. 68.5 billion yen in structural reform costs in the previous fiscal year coupled with the effects of this reform

Sales Revenue by Reporting Segment for the Nine Months Ended December 31, 2019
- Compared with the Nine Months Ended December 31, 2018 -

(Unit: Yen in millions)

	For the nine months ended December 31,				Change	
	2018		2019			
	Amount	% of sales revenue	Amount	% of sales revenue	Amount	%
Industrial & Automotive Components Group	238,394	19.6%	253,754	21.2%	15,360	6.4%
Semiconductor Components Group	193,507	16.0%	187,090	15.6%	-6,417	-3.3%
Electronic Devices Group	278,091	22.9%	248,780	20.8%	-29,311	-10.5%
Total Components Business	709,992	58.5%	689,624	57.6%	-20,368	-2.9%
Communications Group	180,632	14.9%	186,100	15.5%	5,468	3.0%
Document Solutions Group	273,835	22.5%	267,524	22.4%	-6,311	-2.3%
Life & Environment Group	58,512	4.8%	61,980	5.2%	3,468	5.9%
Total Equipment & Systems Business	512,979	42.2%	515,604	43.1%	2,625	0.5%
Others	13,355	1.1%	12,510	1.0%	-845	-6.3%
Adjustments and eliminations	-21,909	-1.8%	-20,853	-1.7%	1,056	—
Sales revenue	1,214,417	100.0%	1,196,885	100.0%	-17,532	-1.4%

Business Profit by Reporting Segment for the Nine Months Ended December 31, 2019
- Compared with the Nine Months Ended December 31, 2018 -

(Unit: Yen in millions)

	For the nine months ended December 31,				Change	
	2018		2019			
	Amount	% to sales revenue	Amount	% to sales revenue	Amount	%
Industrial & Automotive Components Group	31,213	13.1%	12,444	4.9%	-18,769	-60.1%
Semiconductor Components Group	※1 4,836	2.5%	22,998	12.3%	18,162	375.6%
Electronic Devices Group	52,920	19.0%	36,474	14.7%	-16,446	-31.1%
Total Components Business	88,969	12.5%	71,916	10.4%	-17,053	-19.2%
Communications Group	5,677	3.1%	6,937	3.7%	1,260	22.2%
Document Solutions Group	30,081	11.0%	27,498	10.3%	-2,583	-8.6%
Life & Environment Group	※2 -63,894	—	-7,340	—	56,554	—
Total Equipment & Systems Business	-28,136	—	27,095	5.3%	55,231	—
Others	1,564	11.7%	-3,133	—	-4,697	—
Total business profit	62,397	5.1%	95,878	8.0%	33,481	53.7%
Corporate and others	41,703	—	45,751	—	4,048	9.7%
Profit before income taxes	104,100	8.6%	141,629	11.8%	37,529	36.1%

Recorded losses in:

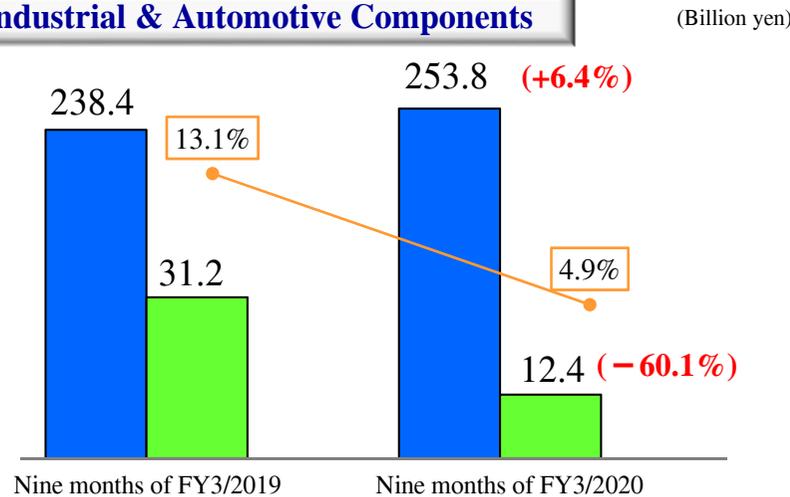
※1 Organic materials business: approx. 16.2 billion yen impairment loss relating to machinery, equipment and goodwill;

※2 Solar energy business: approx. 52.3 billion yen settlement expenses relating to long-term purchase agreements for procurement of polysilicon material.

Performance by Reporting Segment for the Nine Months Ended December 31, 2019 (1)

■ Sales revenue ■ Business profit — Business profit ratio () Change from the previous year

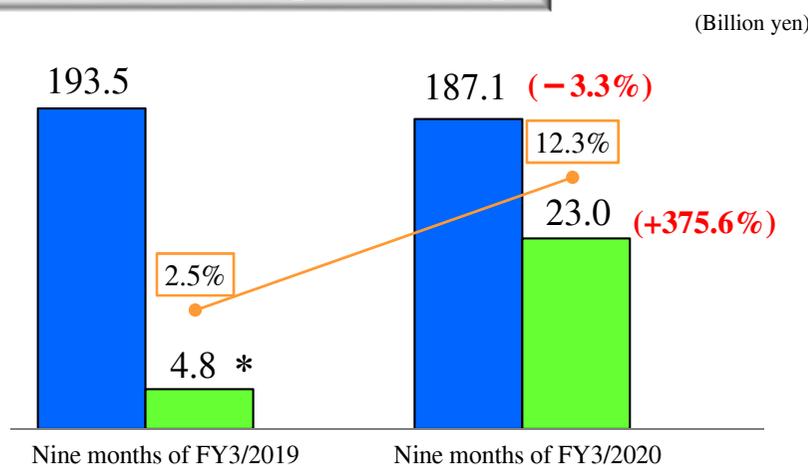
Industrial & Automotive Components



<Factors behind change>

- + Increase in sales in industrial tools business based on contribution from M&A
- Decrease in sales of automotive parts such as displays and semiconductor processing equipment parts, etc.
- Profit down due mainly to lower sales and increased depreciation associated with a high capital investment up until the previous fiscal year

Semiconductor Components Group



<Factors behind change>

- Sales down due primarily to a slowdown in the Chinese economy
- + The organic materials business became profitable after recording 16.2 billion yen on structural reforms in the previous fiscal year, which resulted in a decline in fixed costs this fiscal year

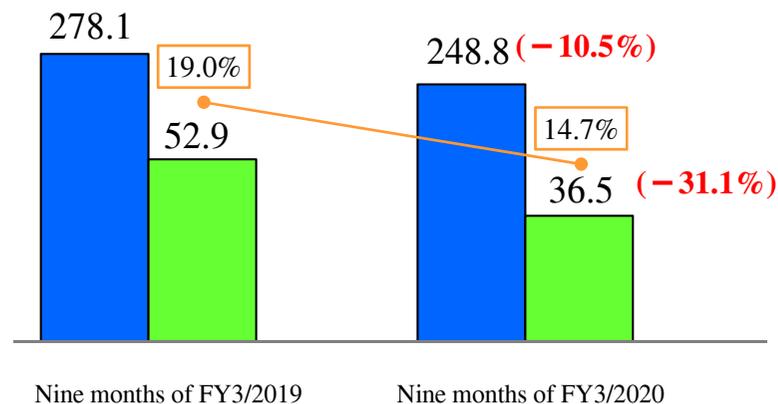
* Recorded one-time loss of approx. 16.2 billion yen

Performance by Reporting Segment for the Nine Months Ended December 31, 2019 (2)

■ Sales revenue ■ Business profit — Business profit ratio () Change from the previous year

Electronic Devices Group

(Billion yen)

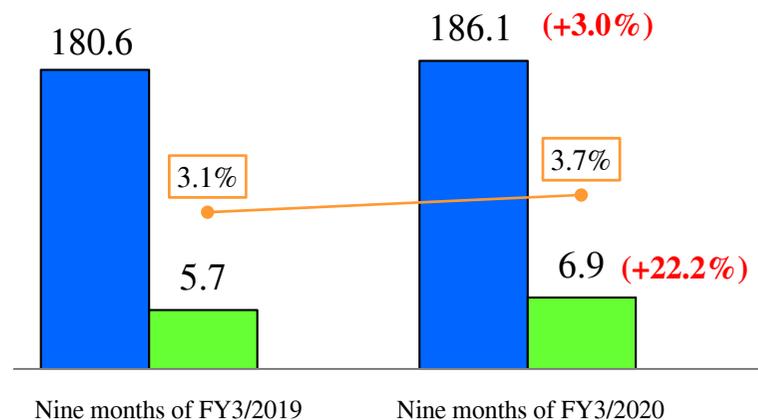


<Factors behind change>

- Sales and profit of AVX Corporation declined due primarily to continued inventory adjustments in the distribution channel owing to a slowdown in the global economy and to sluggish demand in automotive-related markets

Communications Group

(Billion yen)



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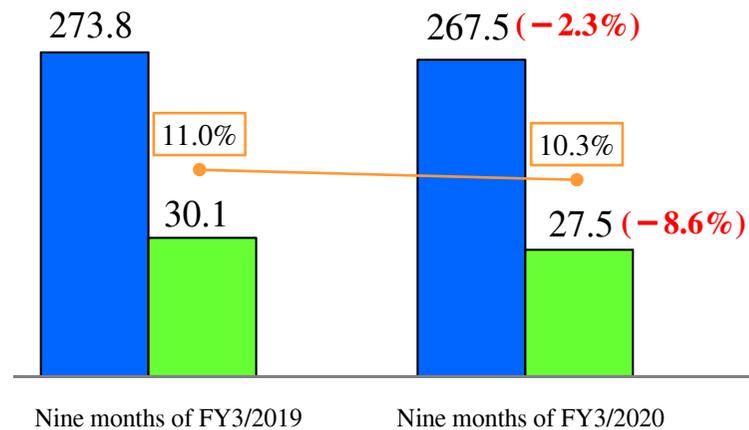
- + Sales increased mainly in the engineering services of the information and communications services business
- + Profit increased due mainly to a cost reduction in the telecommunications equipment business

Performance by Reporting Segment for the Nine Months Ended December 31, 2019 (3)

■ Sales revenue ■ Business profit — Business profit ratio () Change from the previous year

Document Solutions Group

(Billion yen)

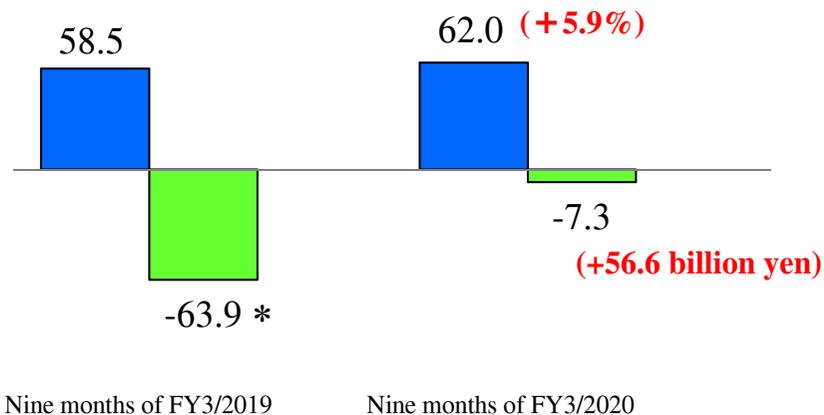


<Factors behind change>

- Despite the contribution from M&A conducted in the previous fiscal year, sales and profit decreased due to the yen's appreciation
- + Maintained a profit margin of 10% by enhancing productivity and reducing costs

Life & Environment Group

(Billion yen)



<Factors behind change>

- + Sales increased mainly in the solar energy business
- + Loss was reduced due primarily to a reduction in costs in the solar energy business on a base excluding the one-time loss of 52.3 billion yen recorded in the previous fiscal year

* Recorded one-time loss of approx. 52.3 billion yen

2. Financial Forecasts for the Year Ending March 31, 2020

Financial Forecasts for the Year Ending March 31, 2020 (Unit: Yen in millions)

	Results for the year ended March 31, 2019		Forecasts for the year ending March 31, 2020				Change in amount compared with (Ratio of increase/decrease)	
			Previous (October 2019)		Revised (January 2020)			
	Amount	% to sales revenue	Amount	% to sales revenue	Amount	% to sales revenue	Year ended March 31, 2019	Previous forecast
Sales revenue	1,623,710	100.0%	1,700,000	100.0%	1,625,000	100.0%	1,290 (0.1%)	-75,000 (-4.4%)
Operating profit	94,823	5.8%	140,000	8.2%	118,000	7.3%	23,177 (24.4%)	-22,000 (-15.7%)
Profit before income taxes	140,610	8.7%	180,000	10.6%	165,000	10.2%	24,390 (17.3%)	-15,000 (-8.3%)
Profit attributable to owners of the parent	103,210	6.4%	125,000	7.4%	117,000	7.2%	13,790 (13.4%)	-8,000 (-6.4%)
EPS-Basic (yen)	284.94	—	345.21	—	※ 323.02	—	38.08	-22.19
Capital expenditures	117,049	7.2%	120,000	7.1%	110,000	6.8%	-7,049	-10,000
Depreciation	51,524	3.2%	65,000	3.8%	65,000	4.0%	13,476	0
R&D expenses	69,927	4.3%	80,000	4.7%	80,000	4.9%	10,073	0
Average exchange rate	US\$	111 yen	105 yen	108 yen				
	Euro	128 yen	120 yen	120 yen				

(Reference) Estimated foreign currency fluctuation effect on forecast of sales revenue and profit before income taxes for the year ending March 31, 2020 compared with the year ended March 31, 2019.

Sales revenue: Approx. - 42.0 billion yen
Profit before income taxes Approx. - 14.0 billion yen

Revised forecast due mainly to the prolonged global economic slowdown and sluggish demand in automotive-related markets

※ Revised forecast of EPS-Basic (yen) is calculated using the average number of shares outstanding for the nine months ended December 31, 2019. Please refer to “Cautionary Statements with respect to Forward-Looking Statements” on the last page.

Sales Revenue Forecast by Reporting Segment for the Year Ending March 31, 2020

(Unit: Yen in millions)

	Results for the year ended March 31, 2019		Forecasts for the year ending March 31, 2020				Change in amount compared with	
			Previous (October 2019)		Revised (January 2020)		Year ended March 31, 2019	Previous forecast
	Amount	% of sales revenue	Amount	% of sales revenue	Amount	% of sales revenue		
Industrial & Automotive Components Group	314,339	19.4%	362,000	21.3%	343,500	21.1%	29,161	-18,500
Semiconductor Components Group	249,217	15.3%	248,000	14.6%	241,500	14.9%	-7,717	-6,500
Electronic Devices Group	364,827	22.5%	338,000	19.9%	328,500	20.2%	-36,327	-9,500
Total Components Business	928,383	57.2%	948,000	55.8%	913,500	56.2%	-14,883	-34,500
Communications Group	252,067	15.5%	266,000	15.6%	253,000	15.6%	933	-13,000
Document Solutions Group	375,147	23.1%	397,000	23.4%	375,500	23.1%	353	-21,500
Life & Environment Group	80,114	5.0%	98,000	5.8%	92,000	5.7%	11,886	-6,000
Total Equipment & Systems Business	707,328	43.6%	761,000	44.8%	720,500	44.4%	13,172	-40,500
Others	17,190	1.0%	15,600	0.9%	16,500	1.0%	-690	900
Adjustments and eliminations	-29,191	-1.8%	-24,600	-1.5%	-25,500	-1.6%	3,691	-900
Sales revenue	1,623,710	100.0%	1,700,000	100.0%	1,625,000	100.0%	1,290	-75,000

Business Profit Forecast by Reporting Segment for the Year Ending March 31, 2020

(Unit: Yen in millions)

	Results for the year ended March 31, 2019		Forecasts for the year ending March 31, 2020				Change in amount compared with	
			Previous (October 2019)		Revised (January 2020)		Year ended March 31, 2019	Previous forecast
	Amount	% to sales revenue	Amount	% to sales revenue	Amount	% to sales revenue		
Industrial & Automotive Components Group	38,450	12.2%	21,000	5.8%	16,000	4.7%	-22,450	-5,000
Semiconductor Components Group	※ ¹ 10,932	4.4%	30,900	12.5%	28,000	11.6%	17,068	-2,900
Electronic Devices Group	66,926	18.3%	50,000	14.8%	44,500	13.5%	-22,426	-5,500
Total Components Business	116,308	12.5%	101,900	10.7%	88,500	9.7%	-27,808	-13,400
Communications Group	10,393	4.1%	10,000	3.8%	10,000	4.0%	-393	0
Document Solutions Group	43,528	11.6%	41,300	10.4%	38,500	10.3%	-5,028	-2,800
Life & Environment Group	※ ² -67,016	—	-6,400	—	-9,000	—	58,016	-2,600
Total Equipment & Systems Business	-13,095	—	44,900	5.9%	39,500	5.5%	52,595	-5,400
Others	660	3.8%	-5,500	—	-4,500	—	-5,160	1,000
Total business profit	103,873	6.4%	141,300	8.3%	123,500	7.6%	19,627	-17,800
Corporate and Others	36,737	—	38,700	—	41,500	—	4,763	2,800
Profit before income taxes	140,610	8.7%	180,000	10.6%	165,000	10.2%	24,390	-15,000

Recorded losses in:

※¹ Organic materials business: approx. 16.2 billion yen impairment loss relating to machinery, equipment and goodwill;

※² Solar energy business: approx. 52.3 billion yen settlement expenses relating to long-term purchase agreements for procurement of polysilicon material.

Business Environment Outlook for FY2021/3

~FY2020/3

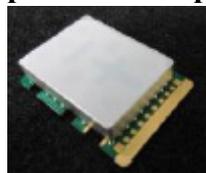
FY2021/3

Continued adjustments in automotive-related and industrial machinery markets

- Recovery expected for semiconductor industry
- Further increase in demand of **5G-related products**

Expand 5G-related business mainly by bolstering production capacity and developing new products

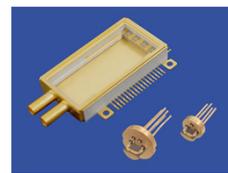
Industrial & Automotive Components Group



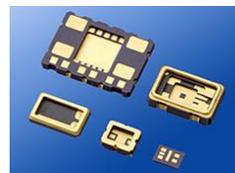
Ceramic filters for 5G base stations*

*New company established in December 2019
Started mass-production at Kyocera-Ube RF TEC Corporation

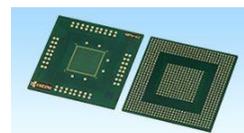
Semiconductor Components Group



Ceramic packages for optical communication



Ceramic packages for crystal and SAW devices

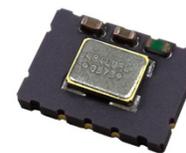


Plastic packages

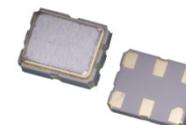
Electronic Devices Group



MLCC



TCXO



VCXO

Communications Group



5G-related devices and terminals

KCCS
Exceed. Succeed.

Telecommunications engineering business

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 financial instruments held by us;
- (21) Impairment losses on property, plant and equipment, goodwill and intangible assets;
- (22) Uncertainty over income tax and deferred tax assets; 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.