

Quarterly Trends of Financial Results

1. Consolidated Financial Results

(Unit: Yen in millions)

	FY3/2013								FY3/2014				Change compared with			
	Q1		Q2		Q3		Q4		Q1		Q2		Q2 of FY3/2013		Q1 of FY3/2014	
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	%	Amount	%
Net sales	297,726	100.0%	310,705	100.0%	318,093	100.0%	353,530	100.0%	331,655	100.0%	368,008	100.0%	57,303	18.4%	36,353	11.0%
Profit from operations	-2,002	-0.7%	27,893	9.0%	25,343	8.0%	25,692	7.3%	25,398	7.7%	32,805	8.9%	4,912	17.6%	7,407	29.2%
Income before income taxes	4,727	1.6%	31,005	10.0%	33,150	10.4%	32,481	9.2%	34,813	10.5%	34,240	9.3%	3,235	10.4%	-573	-1.6%
Net income attributable to shareholders of Kyocera Corporation	6,570	2.2%	18,801	6.1%	19,599	6.2%	21,503	6.1%	22,651	6.8%	20,279	5.5%	1,478	7.9%	-2,372	-10.5%
Average exchange rate	US\$	¥80	¥79	¥81	¥92	¥99	¥99									
	Euro	¥103	¥98	¥105	¥122	¥129	¥131									

2. Net Sales by Geographic Area

(Unit: Yen in millions)

	FY3/2013								FY3/2014				Change compared with			
	Q1		Q2		Q3		Q4		Q1		Q2		Q2 of FY3/2013		Q1 of FY3/2014	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	%	Amount	%
Japan	133,111	44.7%	141,737	45.6%	138,467	43.5%	160,887	45.5%	139,118	41.9%	160,312	43.6%	18,575	13.1%	21,194	15.2%
Asia	55,527	18.7%	57,208	18.4%	59,288	18.6%	63,497	18.0%	68,243	20.6%	70,958	19.3%	13,750	24.0%	2,715	4.0%
Europe	47,166	15.8%	46,060	14.8%	48,637	15.3%	57,005	16.1%	56,282	17.0%	57,837	15.7%	11,777	25.6%	1,555	2.8%
United States of America	49,498	16.6%	51,226	16.5%	57,259	18.0%	57,049	16.1%	52,189	15.7%	61,681	16.7%	10,455	20.4%	9,492	18.2%
Others	12,424	4.2%	14,474	4.7%	14,442	4.6%	15,092	4.3%	15,823	4.8%	17,220	4.7%	2,746	19.0%	1,397	8.8%
Net sales	297,726	100.0%	310,705	100.0%	318,093	100.0%	353,530	100.0%	331,655	100.0%	368,008	100.0%	57,303	18.4%	36,353	11.0%

3. Capital Expenditures, Depreciation and R&D Expenses

(Unit: Yen in millions)

	FY3/2013								FY3/2014				Change compared with			
	Q1		Q2		Q3		Q4		Q1		Q2		Q2 of FY3/2013		Q1 of FY3/2014	
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	%	Amount	%
Capital expenditures	13,191	4.4%	13,335	4.3%	14,181	4.5%	15,981	4.5%	15,228	4.6%	13,379	3.6%	44	0.3%	-1,849	-12.1%
Depreciation	13,849	4.7%	14,835	4.8%	16,438	5.2%	17,997	5.1%	14,274	4.3%	15,599	4.2%	764	5.1%	1,325	9.3%
R&D expenses	11,745	3.9%	12,121	3.9%	11,749	3.7%	11,904	3.4%	12,193	3.7%	11,987	3.3%	-134	-1.1%	-206	-1.7%

4. Consolidated Sales and Profit by Reporting Segment

(Unit: Yen in millions)

Net Sales	FY3/2013								FY3/2014				Change compared with			
	Q1		Q2		Q3		Q4		Q1		Q2		Q2 of FY3/2013		Q1 of FY3/2014	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	%	Amount	%
Fine Ceramic Parts Group	19,069	6.4%	19,330	6.2%	18,538	5.8%	17,915	5.1%	18,716	5.7%	19,471	5.3%	141	0.7%	755	4.0%
Semiconductor Parts Group	38,400	12.9%	44,083	14.2%	44,879	14.1%	39,879	11.3%	41,474	12.5%	45,589	12.4%	1,506	3.4%	4,115	9.9%
Applied Ceramic Products Group	42,600	14.3%	42,824	13.8%	51,302	16.1%	74,713	21.1%	61,496	18.5%	66,019	17.9%	23,195	54.2%	4,523	7.4%
Electronic Device Group	69,891	23.5%	70,924	22.8%	66,986	21.1%	63,769	18.0%	73,315	22.1%	74,136	20.2%	3,212	4.5%	821	1.1%
Components Business	169,960	57.1%	177,161	57.0%	181,705	57.1%	196,276	55.5%	195,001	58.8%	205,215	55.8%	28,054	15.8%	10,214	5.2%
Telecommunications Equipment Group	41,521	14.0%	42,812	13.8%	43,027	13.5%	49,954	14.1%	38,512	11.6%	58,045	15.8%	15,233	35.6%	19,533	50.7%
Information Equipment Group	58,483	19.6%	58,304	18.8%	61,658	19.4%	72,089	20.4%	70,713	21.3%	73,812	20.0%	15,508	26.6%	3,099	4.4%
Equipment Business	100,004	33.6%	101,116	32.6%	104,685	32.9%	122,043	34.5%	109,225	32.9%	131,857	35.8%	30,741	30.4%	22,632	20.7%
Others	34,689	11.6%	40,172	12.9%	40,148	12.6%	44,893	12.7%	38,061	11.5%	41,652	11.3%	1,480	3.7%	3,591	9.4%
Adjustments and eliminations	-6,927	-2.3%	-7,744	-2.5%	-8,445	-2.6%	-9,682	-2.7%	-10,632	-3.2%	-10,716	-2.9%	-2,972	—	-84	—
Net sales	297,726	100.0%	310,705	100.0%	318,093	100.0%	353,530	100.0%	331,655	100.0%	368,008	100.0%	57,303	18.4%	36,353	11.0%

(Unit: Yen in millions)

Operating Profit	FY3/2013								FY3/2014				Change compared with			
	Q1		Q2		Q3		Q4		Q1		Q2		Q2 of FY3/2013		Q1 of FY3/2014	
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	%	Amount	%
Fine Ceramic Parts Group	2,334	12.2%	2,201	11.4%	1,894	10.2%	1,185	6.6%	2,903	15.5%	2,859	14.7%	658	29.9%	-44	-1.5%
Semiconductor Parts Group	5,705	14.9%	8,157	18.5%	8,986	20.0%	7,531	18.9%	7,923	19.1%	8,118	17.8%	-39	-0.5%	195	2.5%
Applied Ceramic Products Group	1,483	3.5%	3,805	8.9%	4,618	9.0%	8,018	10.7%	8,041	13.1%	6,793	10.3%	2,988	78.5%	-1,248	-15.5%
Electronic Device Group	-17,503	—	5,624	7.9%	4,656	7.0%	3,209	5.0%	6,170	8.4%	8,492	11.5%	2,868	51.0%	2,322	37.6%
Components Business	-7,981	—	19,787	11.2%	20,154	11.1%	19,943	10.2%	25,037	12.8%	26,262	12.8%	6,475	32.7%	1,225	4.9%
Telecommunications Equipment Group	-206	—	1,007	2.4%	870	2.0%	-331	—	-1,406	—	1,672	2.9%	665	66.0%	3,078	—
Information Equipment Group	5,702	9.7%	5,404	9.3%	4,646	7.5%	5,998	8.3%	6,067	8.6%	4,382	5.9%	-1,022	-18.9%	-1,685	-27.8%
Equipment Business	5,496	5.5%	6,411	6.3%	5,516	5.3%	5,667	4.6%	4,661	4.3%	6,054	4.6%	-357	-5.6%	1,393	29.9%
Others	1,244	3.6%	3,101	7.7%	2,975	7.4%	3,222	7.2%	752	2.0%	1,249	3.0%	-1,852	-59.7%	497	66.1%
Operating profit	-1,241	—	29,299	9.4%	28,645	9.0%	28,832	8.2%	30,450	9.2%	33,565	9.1%	4,266	14.6%	3,115	10.2%
Corporate gains and equity in earnings of affiliates and unconsolidated subsidiaries	6,030	—	2,106	—	5,214	—	3,898	—	4,645	—	725	—	-1,381	-65.6%	-3,920	-84.4%
Adjustments and eliminations	-62	—	-400	—	-709	—	-249	—	-282	—	-50	—	350	—	232	—
Income before income taxes	4,727	1.6%	31,005	10.0%	33,150	10.4%	32,481	9.2%	34,813	10.5%	34,240	9.3%	3,235	10.4%	-573	-1.6%

5. Orders by Reporting Segment

(Unit: Yen in millions)

	FY3/2013								FY3/2014				Change compared with			
	Q1		Q2		Q3		Q4		Q1		Q2		Q2 of FY3/2013		Q1 of FY3/2014	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	%	Amount	%
Fine Ceramic Parts Group	19,650	6.3%	19,300	5.7%	18,197	5.5%	17,081	5.1%	19,447	5.6%	19,911	5.3%	611	3.2%	464	2.4%
Semiconductor Parts Group	41,201	13.1%	46,177	13.8%	40,404	12.2%	38,676	11.6%	43,751	12.6%	45,642	12.2%	-535	-1.2%	1,891	4.3%
Applied Ceramic Products Group	43,421	13.9%	60,982	18.2%	67,556	20.4%	61,085	18.3%	66,517	19.2%	70,415	18.7%	9,433	15.5%	3,898	5.9%
Electronic Device Group	72,989	23.3%	70,909	21.2%	65,434	19.8%	65,508	19.6%	75,877	21.9%	72,952	19.4%	2,043	2.9%	-2,925	-3.9%
Components Business	177,261	56.6%	197,368	58.9%	191,591	57.9%	182,350	54.6%	205,592	59.3%	208,920	55.6%	11,552	5.9%	3,328	1.6%
Telecommunications Equipment Group	45,234	14.4%	46,895	14.0%	46,329	14.0%	42,748	12.8%	42,312	12.2%	62,138	16.6%	15,243	32.5%	19,826	46.9%
Information Equipment Group	58,471	18.7%	58,341	17.4%	61,469	18.6%	72,263	21.6%	71,275	20.6%	73,785	19.6%	15,444	26.5%	2,510	3.5%
Equipment Business	103,705	33.1%	105,236	31.4%	107,798	32.6%	115,011	34.4%	113,587	32.8%	135,923	36.2%	30,687	29.2%	22,336	19.7%
Others	38,625	12.3%	40,597	12.1%	40,590	12.2%	47,970	14.3%	38,056	11.0%	43,468	11.6%	2,871	7.1%	5,412	14.2%
Adjustments and eliminations	-6,471	-2.0%	-8,188	-2.4%	-8,997	-2.7%	-11,018	-3.3%	-10,635	-3.1%	-12,557	-3.4%	-4,369	—	-1,922	—
Total	313,120	100.0%	335,013	100.0%	330,982	100.0%	334,313	100.0%	346,600	100.0%	375,754	100.0%	40,741	12.2%	29,154	8.4%

6. Number of Employees

(As of the end of each quarter)

	FY3/2013				FY3/2014	
	Q1	Q2	Q3	Q4	Q1	Q2
Total	72,121	73,101	71,535	71,645	71,209	70,466
Japan	25,525	25,423	25,438	25,809	25,652	25,610
Outside Japan	46,596	47,678	46,097	45,836	45,557	44,856

7. Consolidated Financial Forecasts

(Unit: Yen in millions)

	FY3/2013		FY3/2014 Forecast				Change Compared with			
			Previous		Revised		FY3/2013		Previous	
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	%	Amount	%
Net sales	1,280,054	100.0%	1,400,000	100.0%	1,430,000	100.0%	149,946	11.7%	30,000	2.1%
Profit from operations	76,926	6.0%	140,000	10.0%	140,000	9.8%	63,074	82.0%	—	—
Income before income taxes	101,363	7.9%	150,000	10.7%	150,000	10.5%	48,637	48.0%	—	—
Net income attributable to shareholders of Kyocera Corporation	66,473	5.2%	96,000	6.9%	96,000	6.7%	29,527	44.4%	—	—

Average exchange rate	US\$	¥83	¥96	¥98
	Euro	¥107	¥124	¥130

(Unit: Yen in millions)

	FY3/2013		FY3/2014 Forecast				Change Compared with			
			Previous		Revised		FY3/2013		Previous	
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	%	Amount	%
Capital expenditures	56,688	4.4%	75,000	5.4%	75,000	5.2%	18,312	32.3%	—	—
Depreciation	63,119	4.9%	74,000	5.3%	74,000	5.2%	10,881	17.2%	—	—
R&D expenses	47,519	3.7%	52,000	3.7%	52,000	3.6%	4,481	9.4%	—	—

8. Consolidated Financial Forecasts by Reporting Segment

(Unit: Yen in millions)

Net Sales	FY3/2013		FY3/2014 Forecast				Change Compared with			
			Previous		Revised		FY3/2013		Previous	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	%	Amount	%
Fine Ceramic Parts Group	74,852	5.9%	82,500	5.9%	82,500	5.8%	7,648	10.2%	—	—
Semiconductor Parts Group	167,241	13.1%	192,500	13.8%	199,000	13.9%	31,759	19.0%	6,500	3.4%
Applied Ceramic Products Group	211,439	16.5%	227,000	16.2%	257,000	18.0%	45,561	21.5%	30,000	13.2%
Electronic Device Group	271,570	21.2%	282,000	20.1%	282,000	19.7%	10,430	3.8%	—	—
Components Business	725,102	56.7%	784,000	56.0%	820,500	57.4%	95,398	13.2%	36,500	4.7%
Telecommunications Equipment Group	177,314	13.8%	191,000	13.6%	193,000	13.5%	15,686	8.8%	2,000	1.0%
Information Equipment Group	250,534	19.6%	280,000	20.0%	290,000	20.3%	39,466	15.8%	10,000	3.6%
Equipment Business	427,848	33.4%	471,000	33.6%	483,000	33.8%	55,152	12.9%	12,000	2.5%
Others	159,902	12.5%	176,000	12.6%	173,000	12.1%	13,098	8.2%	-3,000	-1.7%
Adjustments and eliminations	-32,798	-2.6%	-31,000	-2.2%	-46,500	-3.3%	-13,702	—	-15,500	—
Net sales	1,280,054	100.0%	1,400,000	100.0%	1,430,000	100.0%	149,946	11.7%	30,000	2.1%

(Unit: Yen in millions)

Operating Profit	FY3/2013		FY3/2014 Forecast				Change Compared with			
			Previous		Revised		FY3/2013		Previous	
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	%	Amount	%
Fine Ceramic Parts Group	7,614	10.2%	12,000	14.5%	13,000	15.8%	5,386	70.7%	1,000	8.3%
Semiconductor Parts Group	30,379	18.2%	36,000	18.7%	32,000	16.1%	1,621	5.3%	-4,000	-11.1%
Applied Ceramic Products Group	17,924	8.5%	24,000	10.6%	29,600	11.5%	11,676	65.1%	5,600	23.3%
Electronic Device Group	-4,014	—	28,200	10.0%	28,000	9.9%	32,014	—	-200	-0.7%
Components Business	51,903	7.2%	100,200	12.8%	102,600	12.5%	50,697	97.7%	2,400	2.4%
Telecommunications Equipment Group	1,340	0.8%	6,400	3.4%	5,000	2.6%	3,660	273.1%	-1,400	-21.9%
Information Equipment Group	21,750	8.7%	28,000	10.0%	25,000	8.6%	3,250	14.9%	-3,000	-10.7%
Equipment Business	23,090	5.4%	34,400	7.3%	30,000	6.2%	6,910	29.9%	-4,400	-12.8%
Others	10,542	6.6%	8,600	4.9%	6,400	3.7%	-4,142	-39.3%	-2,200	-25.6%
Operating profit	85,535	6.7%	143,200	10.2%	139,000	9.7%	53,465	62.5%	-4,200	-2.9%
Corporate and others	15,828	—	6,800	—	11,000	—	-4,828	-30.5%	4,200	61.8%
Income before income taxes	101,363	7.9%	150,000	10.7%	150,000	10.5%	48,637	48.0%	—	—

Note: 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 economic conditions in our markets, which are primarily Japan, North America, Europe and Asia;
- (2) Economic, political and legal conditions and unexpected changes therein in countries or areas where we operate;
- (3) Factors that may affect our exports, including the yen's appreciation, political and economic instability, customs, and inadequate protection of our intellectual property;
- (4) Fluctuation in exchange rates that may affect the value of our foreign assets or the prices of our products;
- (5) Intensified competition in product pricing, technological innovation, R&D activities, product quality and speed of delivery;
- (6) Manufacturing delays or defects resulting from outsourcing or internal manufacturing processes;
- (7) Shortages and rising costs of electricity affecting our production and sales activities;
- (8) The possibility that expansion of production capacity and in-process R&D activities may not produce the desired results;
- (9) The possibility that companies or assets acquired by us may not produce the returns or benefits, or bring in business opportunities, which we expect;
- (10) Inability to secure skilled employees, particularly engineering and technical personnel;
- (11) The possibility of divulgence of our trade secrets and infringement of our intellectual property rights;
- (12) The possibility that we may receive notice of claims of infringement of other parties' intellectual property rights and claims for royalty payments;
- (13) Increases in our environmental liability and in costs and expenses required to observe obligations imposed by environmental laws and regulations in Japan and other countries;
- (14) Unintentional conflict with laws and regulations, or the possibility that newly enacted laws and regulations may limit our business operations.
- (15) Events that may negatively impact our markets or supply chain, including terrorist acts, plague, war and similar events;
- (16) Earthquakes and other related natural disasters affecting our operational facilities and our markets or supply chain, as well as social and economic infrastructure;
- (17) Exposure to difficulties in collection of trade receivables due to customers' worsening financial condition;
- (18) The possibility of recognition of impairment losses on investment securities held by us due to declines in their value;
- (19) The possibility that we may record impairment losses on long-lived assets, goodwill and intangible assets;
- (20) The possibility that deferred tax assets may not be realized or additional liabilities for unrecognized tax benefits may be incurred; and
- (21) 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.