

July 31, 2014

Conference Call Material

For the Three Months Ended June 30, 2014

Goro Yamaguchi
President and Representative Director

KYOCERA Corporation

Financial Results for First Three Months of FY3/2015

– Comparison with first three months of FY3/2014 –

(Unit: Yen in millions)

| | Three months ended June 30, | | | | Change | |
|--|-----------------------------|----------------------|------------------------------|----------------|--------|--------|
| | 2013 | | 2014 | | | |
| | Amount | % to net sales | Amount | % to net sales | Amount | % |
| Net sales | 331,655 | 100.0% | 334,714 | 100.0% | 3,059 | 0.9% |
| Profit from operations | 25,398 | 7.7% | 18,782 | 5.6% | -6,616 | -26.0% |
| Pre-tax income | 34,813 | 10.5% | 30,680 | 9.2% | -4,133 | -11.9% |
| Net income attributable to shareholders of Kyocera Corporation | 22,651 | 6.8% | 19,467 | 5.8% | -3,184 | -14.1% |
| Capital expenditures | 15,228 | 4.6% | 14,984 | 4.5% | -244 | -1.6% |
| Depreciation | 14,274 | 4.3% | 13,562 | 4.1% | -712 | -5.0% |
| R&D expenses | 12,193 | 3.7% | 13,050 | 3.9% | 857 | 7.0% |
| Average exchange rate (yen) | US\$ | ¥ 99 | ¥ 102 | | | |
| | Euro | ¥ 129 | ¥ 140 | | | |
| Foreign currency fluctuation effect on; (compared with the previous same period) | Net sales | Approx. ¥ 36 billion | Approx. ¥ 8.5 billion | | | |
| | Pre-tax income | Approx. ¥ 7 billion | Approx. ¥ 3 billion | | | |

Sales by Reporting Segment for First Three Months of FY3/2015

– Comparison with first three months of FY3/2014 –

(Unit: Yen in millions)

| | Three months ended June 30, | | | | Change | |
|------------------------------------|-----------------------------|----------------|----------------|----------------|---------------|--------------|
| | 2013 | | 2014 | | | |
| | Amount | % of net sales | Amount | % of net sales | Amount | % |
| Fine Ceramic Parts Group | 18,716 | 5.7% | 20,852 | 6.2% | 2,136 | 11.4% |
| Semiconductor Parts Group | 41,474 | 12.5% | 48,464 | 14.5% | 6,990 | 16.9% |
| Applied Ceramic Products Group | 61,496 | 18.5% | 53,809 | 16.1% | -7,687 | -12.5% |
| Electronic Device Group | 73,315 | 22.1% | 66,187 | 19.8% | -7,128 | -9.7% |
| Components Business | 195,001 | 58.8% | 189,312 | 56.6% | -5,689 | -2.9% |
| Telecommunications Equipment Group | 38,512 | 11.6% | 38,515 | 11.5% | 3 | 0.0% |
| Information Equipment Group | 70,713 | 21.3% | 77,482 | 23.2% | 6,769 | 9.6% |
| Equipment Business | 109,225 | 32.9% | 115,997 | 34.7% | 6,772 | 6.2% |
| Others | 38,061 | 11.5% | 41,614 | 12.4% | 3,553 | 9.3% |
| Adjustments and eliminations | -10,632 | -3.2% | -12,209 | -3.7% | -1,577 | – |
| Net sales | 331,655 | 100.0% | 334,714 | 100.0% | 3,059 | 0.9% |

Sales increased mainly in the Fine Ceramic Parts, Semiconductor Parts, Information Equipment Group and Others

Operating Profit by Reporting Segment for First Three Months of FY3/2015 – Comparison with first three months of FY3/2014 –

(Unit: Yen in millions)

| | Three months ended June 30, | | | | Change | |
|------------------------------------|-----------------------------|----------------|---------------|----------------|---------------|---------------|
| | 2013 | | 2014 | | | |
| | Amount | % to net sales | Amount | % to net sales | Amount | % |
| Fine Ceramic Parts Group | 2,903 | 15.5% | 3,355 | 16.1% | 452 | 15.6% |
| Semiconductor Parts Group | 7,923 | 19.1% | 5,655 | 11.7% | -2,268 | -28.6% |
| Applied Ceramic Products Group | 8,041 | 13.1% | 2,820 | 5.2% | -5,221 | -64.9% |
| Electronic Device Group | 6,170 | 8.4% | 7,664 | 11.6% | 1,494 | 24.2% |
| Components Business | 25,037 | 12.8% | 19,494 | 10.3% | -5,543 | -22.1% |
| Telecommunications Equipment Group | -1,406 | – | -3,584 | – | -2,178 | – |
| Information Equipment Group | 6,067 | 8.6% | 7,603 | 9.8% | 1,536 | 25.3% |
| Equipment Business | 4,661 | 4.3% | 4,019 | 3.5% | -642 | -13.8% |
| Others | 752 | 2.0% | 642 | 1.5% | -110 | -14.6% |
| Operating Profit | 30,450 | 9.2% | 24,155 | 7.2% | -6,295 | -20.7% |
| Corporate and others | 4,363 | – | 6,525 | – | 2,162 | 49.6% |
| Pre-tax income | 34,813 | 10.5% | 30,680 | 9.2% | -4,133 | -11.9% |

Profit decreased mainly in the Semiconductor Parts, Applied Ceramic Products and Telecommunications Equipment Group

Financial Results for Q1 FY3/2015 by Reporting Segment

– Comparison with Q1 of FY3/2014 –

Fine Ceramic Parts Group

(Unit: Yen in millions)

| | Three months ended June 30, | | Change | |
|------------------|-----------------------------|---------------|--------|-------|
| | 2013 | 2014 | Amount | % |
| Net sales | 18,716 | 20,852 | 2,136 | 11.4% |
| Operating profit | 2,903 | 3,355 | 452 | 15.6% |
| Profit margin | 15.5% | 16.1% | | |

✓ Increased sales in parts for general industrial machineries such as semiconductor processing equipment as well as automotive components such as camera modules.

✓ Increased profit due to sales growth.

Semiconductor Parts Group

(Unit: Yen in millions)

| | Three months ended June 30, | | Change | |
|------------------|-----------------------------|---------------|--------|--------|
| | 2013 | 2014 | Amount | % |
| Net sales | 41,474 | 48,464 | 6,990 | 16.9% |
| Operating profit | 7,923 | 5,655 | -2,268 | -28.6% |
| Profit margin | 19.1% | 11.7% | | |

✓ Increased sales due primarily to sales contribution from Kyocera Circuit Solutions, Inc.

✓ Profit decreased as a result of expected sales growth of certain organic packages being postponed to the second quarter onwards and the impact of price erosion.

Financial Results for Q1 FY3/2015 by Reporting Segment

– Comparison with Q1 of FY3/2014 –

Applied Ceramic Products Group

(Unit: Yen in millions)

| | Three months ended June 30, | | Change | |
|------------------|-----------------------------|---------------|--------|--------|
| | 2013 | 2014 | Amount | % |
| Net sales | 61,496 | 53,809 | -7,687 | -12.5% |
| Operating profit | 8,041 | 2,820 | -5,221 | -64.9% |
| Profit margin | 13.1% | 5.2% | | |

- ✓ Sales in cutting tool business increased mainly in automotive-related industry overseas.
- ✓ Sales in the solar energy business decreased due to a concentration of sales from large-scale solar projects for the commercial sectors coming in the second quarter onwards as well as a decline in selling price.

Electronic Device Group

(Unit: Yen in millions)

| | Three months ended June 30, | | Change | |
|------------------|-----------------------------|---------------|--------|-------|
| | 2013 | 2014 | Amount | % |
| Net sales | 73,315 | 66,187 | -7,128 | -9.7% |
| Operating profit | 6,170 | 7,664 | 1,494 | 24.2% |
| Profit margin | 8.4% | 11.6% | | |

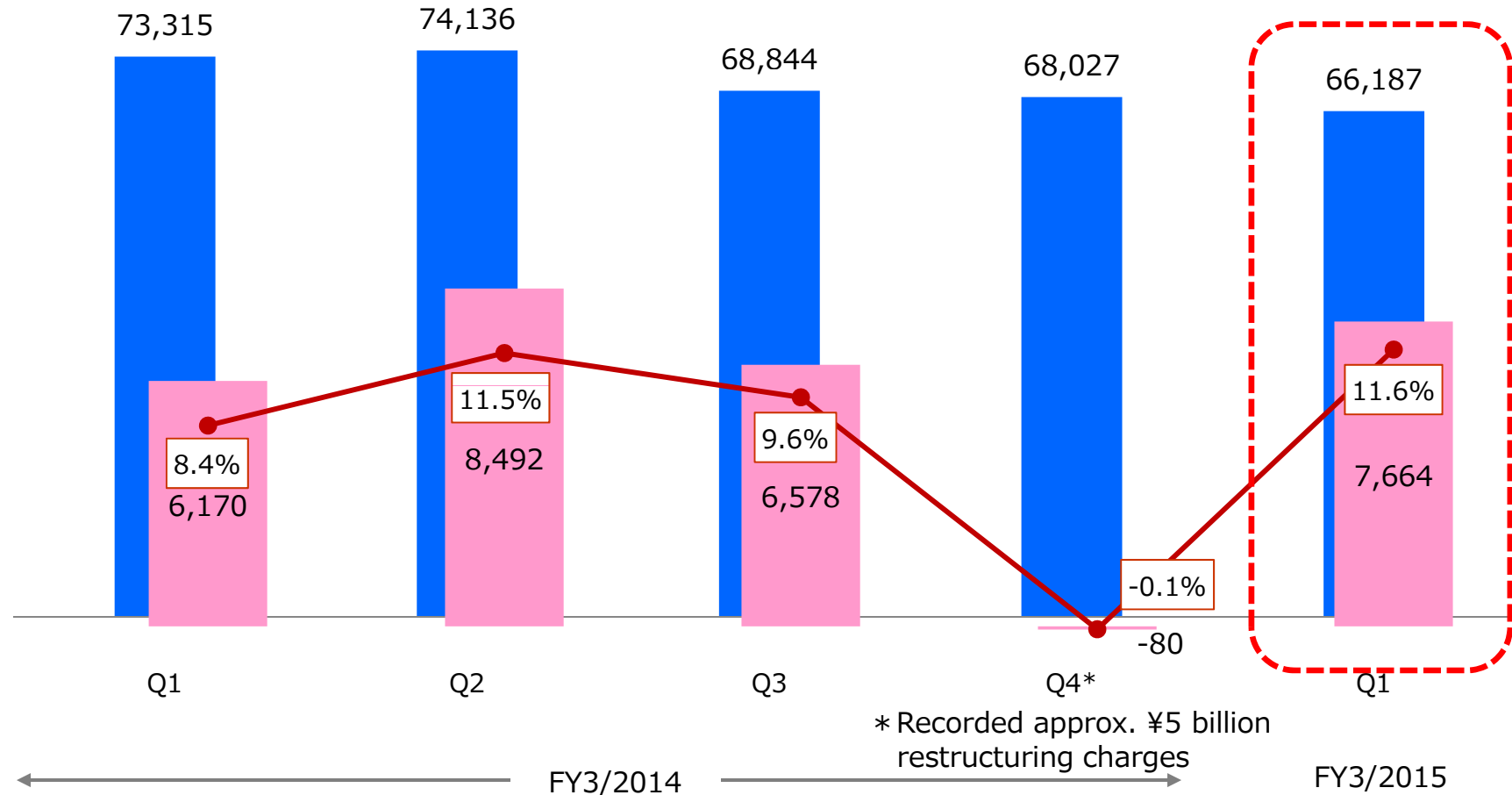
- ✓ Decreased sales affected by structural reforms implemented in FY3/2014 to withdraw from the touch panel business for consumer equipment.
- ✓ Increased profit resulting from effects of structural reforms and cost reductions.

Financial Trends of Electronic Device Group

Operating profit ratio improved to 11.6%; highest in past 5 quarters

■ Net sales ■ Operating profit ● Operating profit ratio

(Unit: Yen in millions)



Financial Results for Q1 FY3/2015 by Reporting Segment

– Comparison with Q1 of FY3/2014 –

Telecommunications Equipment Group

(Unit: Yen in millions)

| | Three months ended June 30, | | Change | |
|------------------|-----------------------------|---------------|--------|------|
| | 2013 | 2014 | Amount | % |
| Net sales | 38,512 | 38,515 | 3 | 0.0% |
| Operating profit | -1,406 | -3,584 | -2,178 | - |
| Profit margin | - | - | | |

✓ Although sales remained flat, loss was recorded due to postponed new model introductions to the second quarter.

Information Equipment Group

(Unit: Yen in millions)

| | Three months ended June 30, | | Change | |
|------------------|-----------------------------|---------------|--------|-------|
| | 2013 | 2014 | Amount | % |
| Net sales | 70,713 | 77,482 | 6,769 | 9.6% |
| Operating profit | 6,067 | 7,603 | 1,536 | 25.3% |
| Profit margin | 8.6% | 9.8% | | |

✓ Increased sales of MFPs through sales expansion and aggressive market cultivation.

✓ Significantly increased profit due to sales growth and the effect of cost reductions.

Financial Results for Q1 FY3/2015 by Reporting Segment – Comparison with Q1 of FY3/2014 –

Others

(Unit: Yen in millions)

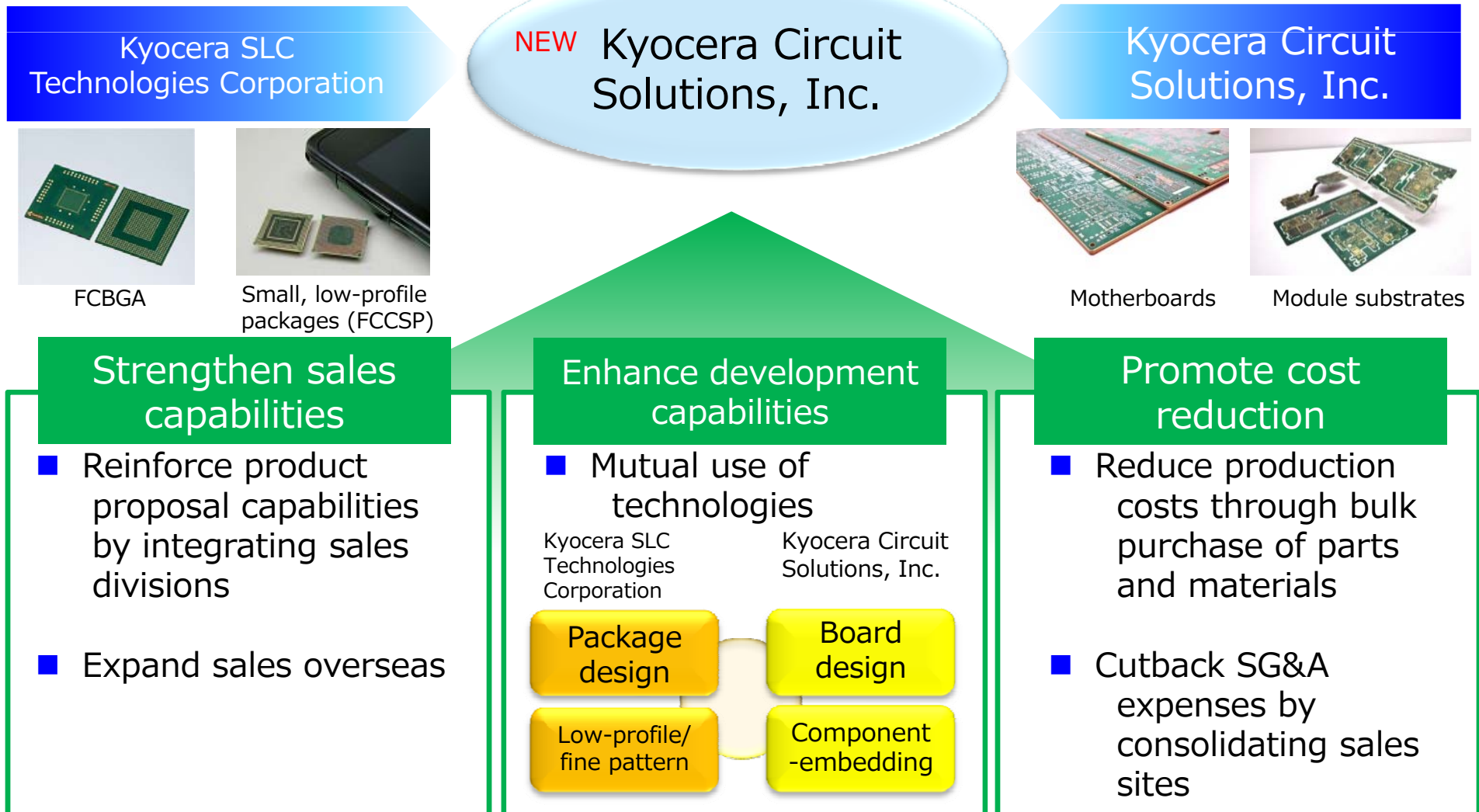
| | Three months ended June 30, | | Change | |
|------------------|-----------------------------|---------------|--------|--------|
| | 2013 | 2014 | Amount | % |
| Net sales | 38,061 | 41,614 | 3,553 | 9.3% |
| Operating profit | 752 | 642 | -110 | -14.6% |
| Profit margin | 2.0% | 1.5% | | |

✓ Increased sales due mainly to sales expansion at Kyocera Communication Systems Co., Ltd.

✓ Profit unchanged due to an increase in costs including R&D expenses.

Strengthen Organic Substrate Business

Merge two subsidiaries in October 2014



Roll Out Global Concept Model

Full-fledged launch of ruggedized TORQUE series in Japanese market

TORQUE®



Released on July 25, 2014

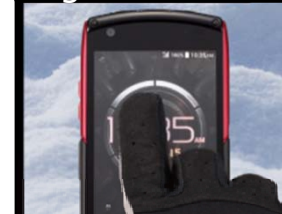
Features of TORQUE

1. Ruggedized

Clear durability tests set by Pentagon

2. Stable operability under grueling condition

Can use with glove



Can use with wet screen



3. Includes Smart Sonic Receiver

Incorporates unique technology ensuring clear sound in noisy places

Financial Forecast for the Year Ending March 31, 2015

(Unit: Yen in millions)

| 〔Forecast Unchanged〕 | Year ended March 31, 2014 | | Year ending March 31, 2015 | | Change | |
|---|------------------------------|-----------------------|-------------------------------|----------------|---------|-------|
| | Amount | % to net sales | Amount | % to net sales | Amount | % |
| Net sales | 1,447,369 | 100.0% | 1,580,000 | 100.0% | 132,631 | 9.2% |
| Profit from operations | 120,582 | 8.3% | 135,000 | 8.5% | 14,418 | 12.0% |
| Pre-tax income | 146,268 | 10.1% | 158,000 | 10.0% | 11,732 | 8.0% |
| Net income attributable to shareholders of Kyocera Corporation | 88,756 | 6.1% | 97,000 | 6.1% | 8,244 | 9.3% |
| EPS attributable to shareholders of Kyocera Corporation | 241.93 | - | 264.40 | - | 22.47 | - |
| Capital expenditures | 56,611 | 3.9% | 64,000 | 4.1% | 7,389 | 13.1% |
| Depreciation | 65,760 | 4.5% | 71,000 | 4.5% | 5,240 | 8.0% |
| R&D expenses | 48,830 | 3.4% | 54,000 | 3.4% | 5,170 | 10.6% |
| Average exchange rate (yen) | US\$ | ¥100 | ¥100 | | | |
| | Euro | ¥134 | ¥137 | | | |
| Foreign currency fluctuation effect on;(compared with the previous fiscal year) | Net sales | Approx. ¥ 140 billion | Approx. ¥ 5 billion | | | |
| | Pre-tax income | Approx. ¥ 29 billion | Approx. ¥ 2 billion | | | |

Notes: 1. Forecast of "EPS attributable to shareholders of Kyocera Corporation" is computed based on the diluted average number of shares outstanding during the three months ended June 30, 2014.

2. "EPS attributable to shareholders of Kyocera Corporation" is computed under the assumption that the stock split at the ratio of two-for-one of all common stock, which took effect on October 1, 2013, had been undertaken at the beginning of the year ended March 31, 2014.

Sales Forecast by Reporting Segment

(Unit: Yen in millions)

| 〔Forecast Unchanged〕 | Year ended March 31, 2014 | | Year ending March 31, 2015 | | Change | |
|------------------------------------|------------------------------|----------------|-------------------------------|----------------|----------------|--------------|
| | Amount | % of net sales | Amount | % of net sales | Amount | % |
| Fine Ceramic Parts Group | 80,020 | 5.5% | 91,000 | 5.7% | 10,980 | 13.7% |
| Semiconductor Parts Group | 187,891 | 13.0% | 224,000 | 14.2% | 36,109 | 19.2% |
| Applied Ceramic Products Group | 272,795 | 18.9% | 303,000 | 19.2% | 30,205 | 11.1% |
| Electronic Device Group | 284,322 | 19.6% | 291,000 | 18.4% | 6,678 | 2.3% |
| Components Business | 825,028 | 57.0% | 909,000 | 57.5% | 83,972 | 10.2% |
| Telecommunications Equipment Group | 186,749 | 12.9% | 205,000 | 13.0% | 18,251 | 9.8% |
| Information Equipment Group | 307,848 | 21.3% | 335,000 | 21.2% | 27,152 | 8.8% |
| Equipment Business | 494,597 | 34.2% | 540,000 | 34.2% | 45,403 | 9.2% |
| Others | 173,137 | 11.9% | 178,000 | 11.3% | 4,863 | 2.8% |
| Adjustments and eliminations | -45,393 | -3.1% | -47,000 | -3.0% | -1,607 | - |
| Net sales | 1,447,369 | 100.0% | 1,580,000 | 100.0% | 132,631 | 9.2% |

Operating Profit Forecast by Reporting Segment

(Unit: Yen in millions)

| 〔Forecast Unchanged〕 | Year ended March 31, 2014 | | Year ending March 31, 2015 | | Change | |
|------------------------------------|------------------------------|----------------|-------------------------------|----------------|---------------|--------------|
| | Amount | % to net sales | Amount | % to net sales | Amount | % |
| Fine Ceramic Parts Group | 11,836 | 14.8% | 13,700 | 15.1% | 1,864 | 15.7% |
| Semiconductor Parts Group | 31,889 | 17.0% | 33,600 | 15.0% | 1,711 | 5.4% |
| Applied Ceramic Products Group | 33,501 | 12.3% | 30,300 | 10.0% | -3,201 | -9.6% |
| Electronic Device Group | 21,160 | 7.4% | 28,900 | 9.9% | 7,740 | 36.6% |
| Components Business | 98,386 | 11.9% | 106,500 | 11.7% | 8,114 | 8.2% |
| Telecommunications Equipment Group | 1,437 | 0.8% | 8,300 | 4.0% | 6,863 | 477.6% |
| Information Equipment Group | 28,193 | 9.2% | 33,500 | 10.0% | 5,307 | 18.8% |
| Equipment Business | 29,630 | 6.0% | 41,800 | 7.7% | 12,170 | 41.1% |
| Others | 6,276 | 3.6% | 6,400 | 3.6% | 124 | 2.0% |
| Operating profit | 134,292 | 9.3% | 154,700 | 9.8% | 20,408 | 15.2% |
| Corporate and others | 11,976 | - | 3,300 | - | -8,676 | -72.4% |
| Pre-tax income | 146,268 | 10.1% | 158,000 | 10.0% | 11,732 | 8.0% |

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) Decline in demand for our products due to sluggish economic conditions in Japan and worldwide;
- (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 our business activities;
- (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 amendments to laws and regulations or newly enacted laws and regulations may limit our business operations;
- (15) Events that may negatively impact our markets or supply chain, including plague, terrorist acts, international disputes and conflicts, etc. 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.