Securities Code 6971

THE NEW VALUE FRONTIER

KYOCERA

Internet Disclosure Items for Notice of 60th Ordinary General Meeting of Shareholders

Notes to Consolidated Financial Statements
Notes to Financial Statements
(April 1, 2013 to March 31, 2014)

KYOCERA Corporation

Of the Accompanying Documents for the Notice of the 60th Ordinary General Meeting of Shareholders, the "Notes to Consolidated Financial Statements" and "Notes to Financial Statements" are available to shareholders on the Company's website (http://global.kyocera.com/ir/s_info.html) pursuant to the provisions of laws and regulations as well as the Articles of Incorporation of the Company.

The "Notes to Consolidated Financial Statements" and "Notes to Financial Statements" are a part of the Consolidated Financial Statements and Financial Statements that were audited by Audit & Supervisory Board Members and the Accounting Auditor in preparing the Audit Reports.

Please note that this is an English translation of the Japanese original of the Internet Disclosure Items for the Notice of the 60th Ordinary General Meeting of Shareholders of KYOCERA Corporation distributed to shareholders in Japan. The translation is prepared solely for the reference and convenience of foreign shareholders. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Notes to Consolidated Financial Statements

1. Basis of Preparation of Consolidated Financial Statements

(1) Scope of Consolidation

Number of Consolidated Subsidiaries: 217

Major Consolidated Subsidiaries: Kyocera Document Solutions Inc., AVX Corporation and Kyocera International, Inc.

A Non-Consolidated Subsidiary: Kyoto Purple Sanga Co., Ltd.

This subsidiary is excluded from the scope of consolidation because its total assets, net sales, net income attributable to shareholders of Kyocera Corporation and retained earnings, etc. are immaterial, as such, they do not hinder a rational judgment of financial position and results of operations of Kyocera when excluded from the scope of consolidation.

(2) Scope of Application of the Equity Method

Number of Non-Consolidated Subsidiaries and Affiliates Accounted for by the Equity Method: 12

Major Affiliate Accounted for by the Equity Method: Kagoshima Mega Solar Power Corporation

(3) Changes in Scope of Consolidation

Number of Increase: 12, Kyocera Circuit Solutions, Inc. and others

Number of Decrease: 12

(4) Changes in Scope of Application of the Equity Method

Number of Increase: 2

Number of Decrease: 1

(5) Summary of Significant Accounting Policies

(i) Standards of Preparation of Consolidated Financial Statements

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America pursuant to the provisions of paragraph 1 of Article 120-2 of the Ordinance on Accounting of Companies of Japan. Certain disclosure and footnotes required under principles generally accepted in the United States are omitted pursuant to the provisions of the second sentence of the same paragraph.

(ii) Valuation of Inventories

Kyocera has adopted the Financial Accounting Standards Board (FASB)'s Accounting Standards Codification (ASC) 330, "Inventory." Inventories are stated at the lower of cost or market. For finished goods and work in process, cost is mainly determined by the average method. For raw materials and supplies, cost is mainly determined by the first-in, first-out method. Kyocera recognizes estimated write-down of inventories for excess, slow-moving and obsolete inventories.

(iii) Valuation of Securities

Kyocera has adopted ASC 320, "Debt and Equity Securities." Available-for-sale securities are recorded at fair value, with unrealized gains and losses excluded from income and recorded in "accumulated other comprehensive income," net of tax. Held-to-maturity securities are recorded at amortized cost. Non-marketable equity securities are recorded using the cost method based on ASC325, "Investments – Other".

(iv) Depreciation Method for Property, Plant and Equipment

Kyocera has adopted ASC 360, "Property, Plant and Equipment." Depreciation is accounted mainly by the declining balance method on estimated useful lives.

(v) Goodwill and Other Intangible Assets

Kyocera has adopted ASC 350, “Intangibles–Goodwill and Other.” Goodwill and intangible assets with indefinite useful lives, rather than being amortized, are tested for impairment at least annually, and also following any events and changes in circumstances that might lead to impairment. Intangible assets with definite useful lives are amortized straight line over their respective estimated useful lives to their estimated residual values, and reviewed for impairment which are accounted for under ASC 360, “Property, Plant, and Equipment” whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

(vi) Accounting for Allowances and Accruals

Allowances for Doubtful Accounts:

Kyocera maintains allowances for doubtful accounts related to trade notes receivable, trade accounts receivable and finance receivables for estimated losses resulting from customers’ inability to make timely payments including interest on finance receivables. Kyocera’s estimates are based on various factors, including the length of past due payments, historical experience and current business environments. In circumstances where it is aware of a specific customer’s inability to meet its financial obligations, a specific allowance against these amounts is provided, considering the fair value of assets pledged by the customer as collateral. In addition, when Kyocera determines it is unable to collect receivables, Kyocera directly writes off these receivables to expenses in the period incurred.

Allowances for Sales Returns:

Kyocera records an estimated sales return allowance at the time of sales based on historical return experience.

(vii) Accrued Pension and Severance Liabilities

Kyocera has adopted ASC 715, “Compensation – Retirement Benefits.” Kyocera recognizes the overfunded or underfunded status of its defined benefit postretirement plans as an asset or liability, as the case may be, in the consolidated balance sheet and recognizes changes in funded status during the year as changes in comprehensive income for such year. Prior service cost is amortized by the straight-line method over the average remaining service period of employees. Actuarial gain or loss is recognized by amortizing a portion in excess of 10% of the greater of the projected benefit obligations or the market-related value of plan assets by the straight-line method over the average remaining service period of employees.

(6) Recently Adopted Accounting Standards

On April 1, 2013, Kyocera adopted the Financial Accounting Standards Board (FASB)’s Accounting Standards Update (ASU) No. 2011-10, “Derecognition of in Substance Real Estate – a Scope Clarification.” This accounting standard requires the reporting entity to apply the guidance in Accounting Standards Codification (ASC) 360-20, “Property, Plant, and Equipment – Real Estate Sales” to determine whether it should derecognize the in substance real estate when a parent ceases to have a controlling financial interest in a subsidiary that is in substance real estate as a result of default on the subsidiary’s nonrecourse debt. The adoption of this accounting standard did not have a material impact on Kyocera’s consolidated results of operations and financial condition.

On April 1, 2013, Kyocera adopted the FASB’s ASU No. 2012-02, “Testing Indefinite-Lived Intangible Assets for Impairment.” This accounting standard permits an entity to first assess qualitative factors to determine whether it is more likely than not that the indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform the impairment test. An entity is not required to calculate the fair value of the indefinite-lived intangible asset unless the entity determines that it is more likely than not that the indefinite-lived intangible asset is impaired. As this accounting standard did not actually change how the impairment would be calculated, the adoption of this accounting standard did not have a material impact on Kyocera’s consolidated results of operations and financial condition.

On July 17, 2013, Kyocera adopted the FASB's ASU No. 2013-10, "Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes." This accounting standard permits an entity to use the Fed Funds Effective Swap Rate (Overnight Index Swap Rate) as a U.S. benchmark interest rate for hedge accounting purposes under ASC 815, "Derivatives and Hedging," in addition to the interest rates on direct Treasury obligations of the U.S. government and the London Interbank Offered Rate. The adoption of this accounting standard did not have a material impact on Kyocera's consolidated results of operations and financial condition.

2. Notes to Consolidated Balance Sheets

	(Yen in millions)
(1) Allowances for Doubtful Accounts Related to Assets	
Other Current Assets	¥ 378
Other Assets	2,139
(2) Accumulated Other Comprehensive Income	
Net Unrealized Gains on Securities	¥293,783
Net Unrealized (Losses) on Derivative Financial Instruments	(260)
Pension Adjustments	(21,101)
Foreign Currency Translation Adjustments	(21,459)
(3) Assets Pledged as Collateral	
Property, Plant and Equipment	¥ 4,112
Other Long-Term Investments	2,125

*1 Property, Plant and Equipment is pledged against "Current Portion of Long-term Debts" and "Long-term Debts" in a total amount of ¥ 2,274 million.

*2 Other Long-Term Investments is pledged against the loan for business finance of Affiliates Accounted for by the Equity Method in a total amount of ¥ 23,358 million.

(4) Guarantee Obligations	
Guarantee for Debts	¥ 531

3. Notes to Consolidated Statement of Equity

(1) Total Number of Shares Issued

	(Shares in thousands)			
Class of Shares	**as of March 31, 2013**	**Increase**	**Decrease**	**as of March 31, 2014**
Common Stock	382,619	—	5,000	377,619

*1 Each number of shares is computed under the assumption that the stock split, which took effect on October 1, 2013, had been undertaken on March 31, 2013.

*2 Kyocera Corporation adopted a resolution to retire treasury stock pursuant to Article 178 of the Companies Act of Japan at its meeting of the Board of Directors held on January 29, 2014, and Kyocera Corporation retired 5,000,000 shares of its treasury stock of which type is common stock on February 12, 2014.

(2) Distribution of Surplus

(i) Dividends Paid

Resolution	Class of Shares	Aggregate Amount	Per Share Amount	Record Date	Effective Date
The Ordinary General Meeting of Shareholders held on June 26, 2013	Common Stock	¥11,006 million	¥60	March 31, 2013	June 27, 2013
The Board of Directors Meeting held on October 31, 2013	Common Stock	¥14,675 million	¥80	September 30, 2013	December 5, 2013

(ii) Dividends for which the Record Date Falls in the Year Ended March 31, 2014 with an Effective Date in the Year Ended March 31, 2015

Resolution	Class of Shares	Source of Dividend	Aggregate Amount	Per Share Amount	Record Date	Effective Date
The Ordinary General Meeting of Shareholders to be held on June 26, 2014	Common Stock	Retained Earnings	¥14,675 million	¥40	March 31, 2014	June 27, 2014

* Stock Split

At the meeting of the Board of Directors of Kyocera Corporation held on August 28, 2013, a resolution was adopted to undertake a stock split and the stock split at the ratio of two-for-one of all common stock was undertaken on October 1, 2013. Under the assumption that the stock split had been undertaken at the beginning of the year ended March 31, 2013, year-end cash dividend per share of common stock resolved at the ordinary general meeting of shareholders held on June 26, 2013 and interim dividend per share of common stock resolved at the meeting of the board of directors held on October 31, 2013 would be ¥30 and ¥40, respectively.

4. Notes to Financial Instruments

(1) Notes to Financial Instruments

Kyocera refrains from making any speculative transactions and always maintains a high level of capital liquidity to ensure the utmost stability in its fund management. Operating receivables such as notes receivable and accounts receivable are exposed to customer credit risk. Kyocera seeks to reduce this risk in accordance with its credit management policies. Kyocera is exposed to market risk, including changes in foreign currency exchange rates, interest rates and equity prices. In order to hedge against these risks, Kyocera uses derivative financial instruments. Kyocera does not hold or issue derivative financial instruments for trading purposes. Kyocera mainly enters into foreign currency forward contracts and interest rate swaps. Kyocera regularly assesses these market risks based on policies and procedures established to protect against the adverse effects of these risks and other potential exposures, primarily by reference to the market value of financial instruments.

Kyocera has marketable equity securities, debt securities and non-marketable equity securities. Kyocera is currently a major shareholder of KDDI Corporation. As of March 31, 2014, the fair value of the shares of KDDI Corporation of which Kyocera owns was ¥684,464 million.

(2) Fair Value of Financial Instruments

The fair values of financial instruments as of March 31, 2014 and methods and assumption used to estimate such fair values were as follows:

	(Yen in millions)		
	Carrying Amount	**Fair Value**	**Difference**
Assets (a)			
Short-term Investments in Debt Securities and Equity Securities	¥ 115,900	¥ 115,974	¥ 74
Long-term Investments in Debt and Equity Securities	738,212	738,214	2
Other Long-term Investments (excluding Investment in and Advances to Affiliates and an Unconsolidated Subsidiary)	11,687	11,687	—
Total	¥ 865,799	¥ 865,875	¥ 76
Liabilities (b)			
Long-term Debt (including due within one Year)	¥ 31,826	¥ 31,834	¥ 8
Total	¥ 31,826	¥ 31,834	¥ 8
Derivatives (c) (Note)			
Derivatives Designated as Hedging Instruments	¥ 9	¥ 9	¥ —
Derivatives Not Designated as Hedging Instruments	(2,001)	(2,001)	—
Total	¥ (1,992)	¥ (1,992)	¥ —

Note: Assets and Liabilities of derivative transactions are recorded in net amount. Liabilities are presented by ( ).

(a) For investments with active markets, fair value is estimated based on quoted market prices. For non-marketable equity securities, it is not practicable to estimate fair value of non-marketable equity securities because of the lack of market price and difficulty in estimating fair value without incurring excessive cost. In addition, Kyocera did not identify any events or changes in circumstances that may have had a significant adverse effect on these investments. The aggregate carrying amount of the investments included in the above table as of March 31, 2014 was ¥11,563 million.

(b) Fair value is estimated by discounting cash flows, using current interest rates for instruments with similar terms and remaining maturities at the end of the fiscal year.

(c) Fair value is estimated based on quotes from financial institutions at the end of the fiscal year.

Cash and cash equivalents, other short-term investments, trade notes receivable, trade accounts receivable, short-term borrowings, and trade notes and accounts payable, and other notes and accounts payable approximate fair value because of the short maturity of these instruments.

5. Notes to per Share Information

(1)	Kyocera Corporation Shareholders' Equity per Share		¥5,206.48
(2)	Earnings per Share Attributable to Shareholders of Kyocera Corporation	Basic	¥ 241.93
		Diluted	241.93

* At the meeting of the Board of Directors of Kyocera Corporation held on August 28, 2013, a resolution was adopted to undertake a stock split and the stock split at the ratio of two-for-one of all common stock was undertaken on October 1, 2013. "Net income attributable to shareholders of Kyocera Corporation per share-Basic" and "Net income attributable to shareholders of Kyocera Corporation per share-Diluted" are computed under the assumption that the stock split had been undertaken at the beginning of the year ended March 31, 2014 in accordance with the standard related to earnings per share.

6. Other Note

AVX corporation (AVX), a U.S. based subsidiary, has been identified by the United States Environmental Protection Agency (EPA), state governmental agencies or other private parties as a potentially responsible party (PRP) under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or equivalent state or local laws for clean-up and response costs associated with certain sites at which remediation is required with respect to prior contamination. Because CERCLA or such state statutes authorize joint and several liability, the EPA or state regulatory authorities could seek to recover all clean-up costs from any one of the PRPs at a site despite the involvement of other PRPs. At certain sites, financially responsible PRPs other than AVX also are, or have been, involved in site investigation and clean-up activities. AVX believes that any liability resulting from these sites will be apportioned between AVX and other PRPs.

To resolve its liability at the sites at which AVX has been named a PRP, AVX has entered into various administrative orders and consent decrees with federal and state regulatory agencies governing the timing and nature of investigation and remediation. As is customary, the orders and decrees regarding sites where the PRPs are not themselves implementing the chosen remedy contain provisions allowing the EPA to reopen the agreement and seek additional amounts from settling PRPs in the event that certain contingencies occur, such as the discovery of significant new information about site conditions.

In 1991, in connection with a consent decree finally approved in 1992 (1992 Consent Decree), AVX paid ¥8,878 million ($66 million), plus interest, toward the environmental conditions at, and remediation of, New Bedford Harbor in the Commonwealth of Massachusetts (the harbor) in a settlement with the United States, the EPA and the Commonwealth of Massachusetts (the Governments), subject to reopener provisions, including a reopener if certain remediation costs for the site exceed ¥13,442 million ($130.5 million).

On April 18, 2012, the EPA issued a Unilateral Administrative Order (UAO) directing AVX to perform certain remedial actions for the harbor clean-up pursuant to the reopener provisions.

On October 10, 2012, the Governments and AVX announced that they had reached a settlement with respect to the EPA's ongoing clean-up of the harbor. That agreement is set forth in a Supplemental Consent Decree (Supplemental CD) that modifies certain provisions of the 1992 Consent Decree, including elimination of the Governments' right to invoke any clean-up reopener provisions in the future. Under the terms of the settlement, AVX was obligated to pay ¥37,324 million ($366.25 million), plus interest computed from August 1, 2012, in three installments over a two-year period for use by the Governments to complete the clean-up of the harbor. The settlement also required the EPA to withdraw the UAO. The United States District Court (the Court) approved the settlement and entered the Supplemental CD on September 19, 2013.

On October 18, 2013, AVX paid the initial settlement installment of ¥13,335 million ($133.35 million), plus accrued interest of ¥395 million ($3.95 million). On March 26, 2014, AVX prepaid a second settlement installment of ¥11,414 million ($110.82 million), plus accrued interest of ¥85 million ($0.82 million) on the remaining settlement amount through that date. In accordance with the terms of the Supplemental CD, AVX is obligated to pay ¥12,575 million ($122.08 million) plus interest on September 21, 2015. AVX has the option to prepay any portion of the remaining settlement balance at any time prior to the due dates of the remaining installments.

AVX and Kyocera recorded a charge with respect to this matter in the amount of ¥7,900 million ($100 million) for the year ended March 31, 2012, and ¥21,300 million ($266.25 million) for the year ended March 31, 2013, which are included in selling, general and administrative expenses in the consolidated statements of income. As of March 31, 2014, AVX and Kyocera have recorded a liability of the amount of the third payment in accordance with Supplemental CD.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

(1) Standards and Methods of Valuation of Assets

Held-to-Maturity Securities:	Amortized cost method (straight-line method)
Investments in Subsidiaries and Affiliates:	Cost determined by the moving average method
Other Securities:	
Marketable:	Based on market price as of the balance sheet date (unrealized gains and losses on such securities are reported in net assets, and cost is determined by the moving average method)
Non-marketable:	Cost determined by the moving average method
Derivative Financial Instruments:	Mark-to-market method
Inventories:	Cost determined based on acquisition costs with adjustment by write-down taking into consideration decline of profitability
Finished Goods, Merchandise and Work-in-process:	Cost of finished goods and work in process is mainly determined by the average cost method. Cost of merchandise is determined mainly by the last purchase method.
Raw Materials and Supplies:	Raw materials and supplies, except those for telecommunications equipment, are valued at cost, with cost being determined by the last purchase method. Raw materials for telecommunications equipment are valued at cost, with cost being determined by the first-in, first-out method.

(2) Depreciation of Non-current Assets

Tangible Fixed Assets (except for Leased Assets):	Depreciation is computed at rates based on the estimated useful lives of assets using the declining-balance method. The principal estimated useful lives are as follows: Buildings and structures: 2 years – 33 years Machinery and equipment, and Tools, furniture and fixtures: 2 years – 10 years
Intangible Fixed Assets (except for Leased Assets):	Amortization is computed using the straight-line method based on, in the case of some patents, the depreciation period set by Kyocera Corporation, and, in the case of software for its own use, the useful life thereof in Kyocera Corporation (2 years).
Leased Assets	Straight-line method, using lease periods as the estimated useful lives of such assets.
Long-term Prepaid Expenses:	Amortization is computed using the straight-line method based on the estimated useful lives of assets.

(3) Accounting for Allowances and Accruals

Allowances for Doubtful Accounts:	In anticipation of uncollectible accounts receivable, Kyocera Corporation provides allowances for doubtful accounts, for general accounts receivable, based on the past actual ratio of losses on bad debts; and, for certain specific doubtful accounts receivable, based on estimates of uncollectible amounts pursuant to analysis of individual receivables.
Accrued Bonuses for Employees:	In order to prepare for bonuses to employees, accrued bonuses are provided based on the amounts expected to be paid, which are determined based on actual payments made in the previous fiscal year.
Accrued Bonuses for Directors:	In order to prepare for bonuses to Directors, accrued bonuses are provided based on the amounts expected to be paid.
Warranty Reserves:	Warranty reserves are provided to prepare for the cost of after sales service for telecommunications equipment and applied ceramic products based upon the amounts expected to be paid, which are determined taking into account actual payments made in the past, etc.
Allowances for Sales Returns:	Allowances for sales returns are provided to prepare for losses from write-off of products as a result of product returns based on the past actual return ratio of unaccepted products multiplied by the amount of the uninspected products at the end of the fiscal year.
Accrued Pension and Severance Costs:	In order to prepare for provision of retirement benefits to employees, accrued pension and severance costs are recognized based on projected benefit obligations and plan assets as of the balance sheet date. Unrecognized prior year service cost is amortized over the estimated average remaining service period of employees using the straight-line method. Actuarial gains or losses are amortized over the estimated average remaining service period of employees using the straight-line method following the year in which they are incurred. The exceeding amounts are provided as prepaid pension and severance expenses since plan assets exceeded projected benefit obligations as of the balance sheet date.

(4) Other Significant Policies

Consumption Taxes:	Consumption taxes withheld upon sale and consumption taxes paid for purchases of goods and services are not included in the amounts of the respective revenue and cost or expense items in the accompanying statements of income.

2. Notes to Balance Sheets

(1) Assets Pledged as Collateral and Secured Liabilities

1. Assets Pledged as Collateral

   Investments in subsidiaries and affiliates: ¥2,125 million

2. Secured Liabilities

   Loan from financial institutions to Kagoshima Mega Solar Power Corporation: ¥23,358 million

   * All investors of Kagoshima Mega Solar Power Corporation pledge their investments as collateral for this loan.

(2) Accumulated Depreciation of Tangible Fixed Assets and Accumulated Impairment Losses: ¥448,588 million

(3) Guarantee Obligations

Principal Debtor	Amount Guaranteed	Subject of Guarantee
Kyoto Broadcasting System Company Limited	¥ 66 million	Loan from financial institutions
Total	¥ 66 million	

Keep-well Letters and Guidance for Management:

Keep–well Letter Requested Party	Amount Covered	Subject of Keep-well Letter
Kyocera Realty Development Co., Ltd.	¥492 million	Guidance for repayment of loans from financial institutions
Kyoto Purple Sanga Co., Ltd.	400 million	Guidance for repayment of loans from financial institutions
Total	¥892 million	

(4) Receivables from Affiliates and Payables to Affiliates (except Amounts Separately Presented)

Current Receivables	¥132,228 million
Long-term Receivables	31,890 million
Current Payables	67,939 million
Long-term Payables	55 million

3. Notes to Statements of Income

Transactions with Affiliates:

Operational Transactions:	
Net Sales	¥359,193 million
Purchases	121,780 million
Selling, General and Administrative Expenses	4,056 million
Non Operational Transactions:	30,554 million

4. Notes to Statement of Changes in Net Assets

Number and Class of Treasury Shares:

	(Shares in thousands)			
	As of March 31, 2013	Increase	Decrease	As of March 31, 2014
Common Stock	7,869	7,883	5,000	10,752
Total	7,869	7,883	5,000	10,752

* 1. Kyocera Corporation undertook a stock split at the ratio of two-for-one of all common stock on October 1, 2013.

* 2. Increase of 7,883 thousand treasury shares include 7,869 thousand shares due to stock split and 14 thousand shares due to shareholders' requests for purchase of shares not constituting one unit.

* 3. Decrease of 5,000 thousand treasury shares include 5,000 thousand shares due to retirement of treasury stock based on a resolution adopted at the meeting of the Board of Directors and 0 thousand shares due to shareholders' requests for sale of shares not constituting one unit.

5. Notes to Accounting for Effects of Income Taxes

(1) The main components of the deferred tax assets and deferred tax liabilities are as follows:

	(Yen in millions)
(i) Current:	
Deferred Tax Assets:	
Accrued Bonuses	¥ 4,833
Write-down of Inventories	3,530
Other Payables and Accrued Expenses	2,928
Temporary and Prepaid Payment	838
Warranty Reserves	725
Others	1,527
Total Deferred Tax Assets	14,381
Deferred Tax Liabilities:	
Reserve for Special Depreciation	(221)
Total Deferred Tax Liabilities	(221)
Deferred Tax Assets, Net	¥ 14,160
(ii) Non-current:	
Deferred Tax Assets:	
Depreciation and Amortization	¥ 18,925
Losses on Impairment of Investment in Securities	5,892
Adjustment to Book Value of Investments in Subsidiaries	5,621
Warranty Reserves	799
Others	1,911
Sub-total of Deferred Tax Assets	33,148
Valuation Allowances	(11,503)
Total Deferred Tax Assets	21,645
Deferred Tax Liabilities:	
Net Unrealized Gain on Other Securities	(240,811)
Prepaid Pension and Severance Expenses	(1,688)
Reserve for Special Depreciation	(679)
Others	(56)
Total Deferred Tax Liabilities	(243,234)
Deferred Tax Liabilities, Net	¥(221,589)

(2) Changes to the amount of deferred tax assets and liabilities in accordance with the revision of the corporate tax rate

In accordance with the law “Partial Amendment of the Income Tax Act, etc.” (Law No.10 of 2014) in Japan on March 31, 2014, special reconstruction corporation tax will not be imposed from the annual reporting periods commencing on and after April 1, 2014. As a result of such amendments, the effective Japanese statutory corporate tax rate of 38% previously applied for calculation of the amount of deferred tax assets and deferred tax liabilities has been reduced to 36% with respect to temporary differences to be realized during the annual reporting periods commencing on and after April 1, 2014. As a result of such amendments, the net amount of deferred tax assets of Kyocera Corporation as of March 31, 2014 has decreased by ¥947 million, while the deferred portion of income tax expenses has increased by ¥947 million.

6. Notes to Fixed Assets Used Under Finance Leases

Some fixed assets used under finance leases, consisting principally of manufacturing equipment and computers, are off balance sheet.

7. Notes to per Share Information

1. Net Assets per Share: ¥4,200.99
2. Earnings per Share: ¥ 176.54

* Kyocera Corporation undertook a stock split at the ratio of two-for-one of all common stock on October 1, 2013. This stock split had been undertaken at the beginning of the year ended March 31, 2014.

8. Material Subsequent Events

On April 1, 2014, Kyocera Corporation split off the marketing and sales division of its crystal components, and transferred this business to Kyocera Crystal Device Corporation (KCD), a wholly-owned consolidated subsidiary that specialized in the development and manufacture of crystal components.

(1) Overview of Transaction

(i) Scope of Business Transferred
Marketing and sales division for crystal components

(ii) Date of Business Combinations
April 1, 2014

(iii) Legal Method of Business Combinations
Absorption–type Company Split, by which Kyocera Corporation was split, and KCD, a wholly–owned consolidated subsidiary of Kyocera Corporation, became the succeeding company.

(iv) Name of the Company after Business Combinations
Kyocera Crystal Device Corporation

(v) Objective of Corporate Split

Demand for crystal components, one of the key components for digital consumer equipment such as smartphones, is expected to grow in the communication and auto-related markets in the future. Kyocera Corporation aims to further expand its crystal components business through KCD's succession to the marketing and sales division of the crystal components business of Kyocera Corporation, and through enhancement of the cooperation between the development and production and the marketing and sales divisions, which will enable more accurate and timely identification of market needs and more appropriate response thereto.

(2) Content of Accounting Treatment

It was treated as a transaction under common control in accordance with the "Accounting Standard for Business Combination" (Accounting Standard Board of Japan Statement (ASBJ) No.21, September 13, 2013) and the "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures"(ASBJ Guidance No.10, September 13, 2013).

(3) Information Related to Additional Acquisition of Subsidiary Shares

(i) Assets and Liabilities Succeeded by the Succeeding Company (KCD), and Acquisition Cost of Subsidiary Shares Acquired by Kyocera Corporation

Current Assets	¥6,735 million
Fixed Assets	4 million
Current Liabilities	3,519 million
Acquisition Cost of Subsidiary Shares	3,220 million

(ii) Allocation of Shares

As the corporate split was made between Kyocera Corporation and its wholly–owned consolidated subsidiary, Kyocera Corporation and KCD have agreed that one share of KCD was issued and allocated to Kyocera Corporation.