

Kyocera Corporation Telephone Conference Call (August 1, 2013)

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<P.1: Financial Results for the First Three Months of FY3/2014

-Comparison with Q1 FY3/2013- >

Page 1 shows financial results for the three months ended June 30, 2013 (“the first quarter”) compared with the three months ended June 30, 2012 (“the previous first quarter”).

Sales and profit increased in the first quarter compared with the previous first quarter.

Net sales increased by 11.4% to ¥331.7 billion compared with the previous first quarter due in part to sales growth in the Components Business and the Equipment Business as well as to the effect of the yen’s depreciation.

Profit increased significantly due mainly to the effect of increased sales and enhanced productivity in the Components Business as well as the recording of a charge of ¥21.3 billion for environmental remediation in New Bedford Harbor, Massachusetts in the United States by AVX Corporation, a U.S.-based consolidated subsidiary, in the previous first quarter.

As you can see in the bottom part of the table, average exchange rates for the first quarter were ¥99 to the U.S. dollar, marking depreciation of ¥19, and ¥129 to the Euro, marking depreciation of ¥26, as compared with the previous first quarter. As a result of these exchange rate fluctuations, net sales and income before income taxes were pushed up by approximately ¥36 billion and ¥7 billion, respectively, compared with the previous first quarter.

Next, I will explain results by reporting segment.

<P.2: Sales by Reporting Segment of Q1 FY3/2014 -Comparison with Q1 FY3/2013- >

Page 2 shows sales by reporting segment.

Sales decreased in the Telecommunications Equipment Group, shown in the middle part of the table, in the first quarter, due to a decline in sales in Japan. In contrast, sales in the Applied Ceramic Products Group and the Information Equipment Group, circled in red, increased significantly compared with the previous first quarter. As a result, consolidated net sales posted double-digit growth.

<P.3: Operating Profit by Reporting Segment of Q1 FY3/2014

-Comparison with Q1 FY3/2013- >

Next, please turn to the table for operating profit by reporting segment on page 3.

Although profit decreased in the Telecommunications Equipment Group, as shown in the middle part of the table, compared with the previous first quarter due to a decline in sales, operating profit increased overall due to a significant improvement in profit in the Applied Ceramic Parts Group and the Electronic Device Group.

Next, I will explain the three reporting segments that the increases in sales and profit for the first quarter can mainly be attributed to. Please turn to page 4 of the handout.

<P.4: Summary of Q1 FY3/2014 Financial Results -Comparison with Q1 FY3/2013->

First, sales and profit were up in the Applied Ceramic Products Group. In the solar energy business, sales increased considerably due to an increase in demand in the public and industrial sectors in Japan, including mega-solar power projects, as well as in the residential sector.

Sales increased in the cutting tool business due in part to recovery in demand for the automotive market and contribution from new product introductions.

Operating profit was up around 5.4-fold compared with the previous first quarter due to an increase in sales in both the solar energy and cutting tool businesses. The operating profit ratio improved significantly to 13.1%.

Second, sales and profit were up in the Electronic Device Group. This was due to an increase in sales of various capacitors, including small, high capacitance capacitors and tantalum capacitors, and connectors, for digital consumer equipment such as smartphones, as well as to the effect of the yen's depreciation.

Operating profit improved significantly compared with the previous first quarter due to the absence of an environmental remediation charge of ¥21.3 billion as recorded in the previous first quarter and the effect of a reduction in costs.

Third, sales and profit were up in the Information Equipment Group. Sales volumes of printers and MFPs increased in Asia and Europe due to the introduction of new products, active market cultivation and sales expansion activities. The yen's depreciation also had an effect, with these factors driving a significant increase in sales compared with the previous first quarter.

Please turn to page 5 of the handout.

<P.5: Quarterly Trends of Sales and Pre-tax Income>

This graph shows quarterly trends for sales, pre-tax income and the pre-tax income ratio from the first quarter of the previous fiscal year. The pink and red dotted lines represent figures on a base excluding the environmental remediation charge at AVX for the previous first quarter.

Sales, shown in blue, have been on an upward trend since the previous fiscal year despite a decrease compared with the fourth quarter at the end of the previous fiscal year.

Pre-tax income has also been on the rise, with the pre-tax income ratio for the first quarter amounting to 10.5% having recovered to the double-digit level.

That concludes my summary of financial results for the first quarter. Next, I will explain financial forecasts for the year ending March 31, 2014 ("fiscal 2014"). Please turn to page 6 of the handout.

<P.6: Financial Forecast for the Year ending March 31, 2014>

Let's begin by looking at the outlook for the business environment from the second quarter onward. First, in the information and communications market, the market environment for digital consumer equipment is forecast to improve from the second quarter onward. In particular, we forecast sales to increase for ceramic packages, capacitors and connectors for smartphones.

Second, in the solar energy market, demand for solar energy products for residential use and industrial use is projected to increase in Japan, continuing on from the first quarter. In response to increasing demand, we will bolster production capacity in a timely manner and steadily grasp opportunities to expand business and drive growth.

Third, in other industrial markets, we are forecasting an increase in demand mainly for semiconductor fabrication equipment parts in line with growth in capital investment by semiconductor manufacturers.

In the automotive market, demand for automotive-related parts including cutting tools is expected to increase on the back of a projected increase in production volume in Asia and the United States.

As just described, demand in key markets is forecast to increase from the second quarter onward, although in the macro environment uncertain factors remain such as trends in European and Chinese economies.

Next, please turn to page 7 of the handout.

<P.7: Financial Forecast of FY3/2014>

There is no change to the financial forecasts for fiscal 2014 announced in April based on this business environment outlook.

Kyocera has revised its full-year exchange rate forecasts for fiscal 2014 from ¥95 to ¥96 against the U.S. dollar and from ¥123 to ¥124 against the Euro in light of results in the first quarter, although exchange rate forecasts from the second quarter onward have not changed from the initial projections of ¥95 to the U.S. dollar and ¥123 to the Euro.

Kyocera will aim to expand each business by continuing to strengthen new product development and increase market share through the collective capabilities of the Kyocera Group and also aim to achieve record high sales by achieving the financial forecasts for the fiscal 2014.