

Financial Presentation for the year ended March 31, 2013

(Held on April 26, 2013)

Goro Yamaguchi

President and Representative Director

My name is Goro Yamaguchi. I was appointed President and Representative Director of Kyocera Corporation in April this year. Thank you all for your generous support.

First, I would like to briefly introduce myself. Since joining Kyocera in 1978, I have been involved in sales for the Semiconductor Parts Group. I have been always conducting business from the perspective of the customer, which enabled me to learn the importance of taking a customer-first principal.

After becoming Deputy General Manager of the Semiconductor Parts Group in 2005, I learned a great deal from Chairman Kuba, who was General Manager of this group at the time. I became General Manager of the Semiconductor Parts Group in 2009. Up until now, I have been engaged in business mainly in the digital consumer equipment market and I am confident that I know this market well. Since Kyocera's business covers a wide range of fields, however, I will strive to gain a deep understanding of all of Kyocera's operations as quickly as possible.

I will take the lead in pushing various initiatives forward to further boost the performance of the Kyocera Group and I ask for the guidance and support of everyone here today as I work to accomplish this goal. Now I would like to present an overview of financial results for the year ended March 31, 2013 ("fiscal 2013") and financial forecasts for the year ending March 31, 2014 ("fiscal 2014"), as announced yesterday.

<Slide 1: Financial Results for the Year ended March 31, 2013>

This slide shows financial results for fiscal 2013 compared with fiscal 2012, the year ended March 31, 2012 ("fiscal 2012").

Net sales for fiscal 2013 amounted to ¥1,280.1 billion, up 7.5% compared with fiscal 2012. Profit recorded a year-on-year decline due to the recording of ¥21.3 billion as environmental remediation charge at AVX Corporation, a US-based subsidiary.

As you can see at the bottom of this slide, average exchange rates for fiscal 2013 were ¥83 to the U.S. dollar, marking depreciation of ¥4, and ¥107 to the Euro, marking appreciation of ¥2, compared with fiscal 2012. Mainly as a result of the effect of the yen's depreciation against the U.S. dollar, net sales and income before income taxes for fiscal 2013 were pushed up by approximately ¥21 billion and ¥2.5 billion, respectively, compared with fiscal 2012.

Next, I will explain the condition of each reporting segment.

<Slide 2: Sales by Reporting Segment for the Year ended March 31, 2013>

Looking at sales by segment, Kyocera posted year-on-year gains in both the Components Business and the Equipment Business.

<Slide 3: Operating Profit by Reporting Segment for the Year ended March 31, 2013>

Operating profit was down in the Components Business and Equipment Business compared with fiscal 2012.

Next, I will explain the factors behind the increases and decreases in results for fiscal 2013.

<Slide 4: Summary of Financial Results for the Year ended March 31, 2013 (1)

– Components Business>

Slide 4 provides a summary of financial results for the Components Business. The graph in blue at top left shows sales and the graph in pink at the bottom shows operating profit compared with fiscal 2012. Sales in the Components Business increased by ¥82.8 billion compared with fiscal 2012 to ¥725.1 billion. This increase can be attributed to three main factors.

First, sales increased in the Electronic Device Group. Sales in this reporting segment grew by ¥42.8 billion compared with fiscal 2012. This was due primarily to a full-year sales contribution from Kyocera Display Corporation, which joined the Kyocera Group in February 2012.

Second, sales increased in the Applied Ceramic Products Group. Sales were up ¥31.7 billion on a year-on-year basis. In particular, sales grew significantly in the solar energy business mainly in the public and industrial sectors following the introduction of the feed-in tariff for renewable energy in Japan in July 2012, as well as sales increase in residential use in Japan.

Third, sales increased in the Semiconductor Parts Group. Sales were up by ¥13.8 billion in year-on-year terms. The main reason for this was growth in demand for ceramic packages used mainly in smartphones.

On the other hand, operating profit, shown at the bottom of the slide, decreased by ¥11 billion compared with fiscal 2012. AVX Corporation recorded an environmental remediation charge of ¥7.9 billion in fiscal 2012 and ¥21.3 billion in fiscal 2013. This difference of ¥13.4 billion was the key factor behind the year-on-year decrease in operating profit.

Next, I will explain the Equipment Business.

<Slide 5: Summary of Financial Results for the Year ended March 31, 2013 (2)

– Equipment Business>

Sales in the Equipment Business amounted to ¥427.8 billion, up ¥5.7 billion compared with fiscal 2012. In particular, sales in the Information Equipment Group increased by ¥7.1 billion compared with fiscal 2012. Sales of printers and multifunction peripherals increased steadily mainly in emerging and advanced countries through new product introductions and vigorous sales promotion activities.

Meanwhile, operating profit decreased by ¥7.8 billion. This was due primarily to a year-on-year decrease of ¥7.7 billion in operating profit in the Information Equipment Group caused by intensifying market competition, which led to a decline in selling prices. In addition, the weak Euro also had an impact.

Next, I will explain the management initiatives implemented in fiscal 2013.

<Slide 6: Initiatives Implemented in the Year ended March 31, 2013>

The first initiative was to strengthen production base. Kyocera Document Solutions Inc. started production of information equipment in Vietnam in October 2012. Going forward, we aim to expand production for emerging nations, where demand is expected to grow, and at the same time further reduce costs.

The second initiative was to strengthen businesses through M&As.

First, in the Electronic Device Group, we expanded LCD and tantalum capacitor businesses. Kyocera Display Corporation, which had high market share in the automotive LCD market, joined the Kyocera Group in February 2012, and contributed to increased sales and profit throughout the year.

In addition, in the tantalum capacitor business, AVX Corporation acquired the tantalum business of Nichicon Corporation in February this year. By bringing in the product lines, we expanded our product line-up including small-size products and forecast further business expansion in this sector.

In the Information Equipment Group, we worked to strengthen software development and expand sales network. Kyocera Document Solutions made Germany-based software development company a subsidiary in order to strengthen the capability of software development and to expand customer base. We also acquired Texas based office equipment sales business to establish our direct sales network in the middle of the United States, and expanded sales networks.

In Others, Kyocera Communication Systems Co., Ltd. acquired Motex Inc., which commands high market share in IT security business in Japan. Going forward, we will promote business expansion in the Asian market by utilizing technological expertise.

That concludes my summary of financial results for fiscal 2013. Next, I will explain financial forecasts for fiscal 2014.

<Slide 7: Management Policy for the Year ending March 31, 2014>

First, I will explain Kyocera's management policy.

We expect the yen to continue depreciating and the economy to recover in Japan and overseas in fiscal 2014. We will strive to achieve our management policy to aim to be a high growth, highly profitable company by seizing opportunities and expanding sales offered by the turnaround in the business environment.

The three points shown on this slide outline our concrete sales expansion measures.

First, we will exploit the Kyocera Group's collective capabilities. By integrating the wide range of products and technologies held within the Kyocera Group, from the Components Business to the Equipment Business, we will introduce products that enhance the added value of existing products and also work to create new products.

In addition, we will strive to expand the sales network by leveraging the relationships of trust I built up during my time in sales.

Second, we will seek to increase market share. In order to achieve this, I believe we need to take a customer-first principle and meet all customer requirements. We will pursue cost reductions and raise competitiveness, not only for high-end products, in order to develop products in the volume zone, where the market is biggest, which will enable us to increase sales.

Third, we will strengthen new product development. We will take the customer's perspective and aim to develop new products that meet needs, making sure that these products are launched in a timely manner.

Next, I will explain the major initiatives for fiscal 2014.

<Slide 8: Major Initiatives (1): Expand Sales in Growing Markets>

The first initiative is to expand sales in growing markets. Kyocera views the information and communication market and the environment and energy market as growing markets. We will try to further expand sales in both of these markets.

In the information and communication market, we expect demand to increase for small, high-performance components in line with enhanced sophistication in smartphones and increased speed in communication networks such as LTE. Kyocera will launch high-performance components and expand business in new domains in order to increase sales in the Components Business.

In the Equipment Business, we aim to expand sales channels in overseas markets. In the Telecommunications Equipment Group, we will start sales to new carriers in North America to expand overall sales. In the Information Equipment Group, we will work to cultivate new markets including emerging countries, and expand sales.

Next, in the environment and energy market, we seek to expand sales of environmental and energy related products by leveraging the collective capabilities of the Kyocera Group. In the solar energy business, we expect demand to increase in Japan during fiscal 2014 as well. Kyocera will strive to further expand business by utilizing the management resources within the Kyocera Group from the supply of solar modules to the design, construction and maintenance of solar power systems and up to power generation business.

Also, we will incorporate a power storage system and an energy management system that

efficiently regulates energy into the solar power system for the market. Through this and other measures, we aim to increase sales of environmental and energy related products.

<Slide 9: Major Initiatives (2): Strengthen Business Foundation Overseas>

The second initiative is to strengthen the business foundation overseas.

Kyocera will commence production at two new bases overseas in fiscal 2014 in order to promote further cost reductions and meet rising demand going forward.

First, we will start production at a new plant in Vietnam in the Components Business. We have already started producing information equipment in Vietnam and will also start production in the Components Business at a new plant in that country in summer of 2013. At this plant, we plan to commence production of such products as ceramic packages and connectors.

Second, we will start production at a new plant in India. Starting in this summer, we plan to commence production of cutting tools for the automotive industry and various industrial machinery, where demand is growing locally.

<Slide 10: Major Initiatives (3): Strengthen Business Foundation in Japan>

The third initiative is to strengthen the business foundation in Japan. We will work to expand production in Japan by leveraging Kyocera's technological advantages.

First, we will expand into the volume zone. In the organic package business, we will expand facilities at a plant in Kyoto ahead of full-scale entry into the flip-chip chip scale packaging substrates business for smartphones, where the market demands smaller and thinner products. Currently, our main product is the high-end flip-chip ball grid array package used mainly in servers, and we intend to expand products for digital consumer equipment, where growth is forecast going forward, and further grow the organic package business. We will establish a production system that can secure high profitability even for products developed for the volume zone, where price competition is

fierce, by leveraging our advanced production technology capabilities. We plan to start production at the new building in summer of 2014.

Second, we will increase production of high-value-added products. In the Information Equipment Group, we will expand a toner factory in Mie Prefecture, Japan. Demand for color toner is forecast to grow further in line with increased demand for color machines. We will enable the mass-production of toner, which requires advanced technological capabilities, by strengthening capacity at production sites in Japan. We plan to start construction of the new building in fiscal 2014 and begin operations in June 2014.

Production expansion at the Japanese sites will contribute to performance from fiscal 2015 and in the meantime we will enhance production technology capabilities to create a production system aimed at driving future growth so that we can steadily secure high profitability even through the Japanese production.

Next, I will explain financial forecasts for fiscal 2014.

<Slide 11: Financial Forecast of FY3/2014>

This slide shows financial forecasts for fiscal 2014 compared with results for fiscal 2013. We aim to achieve a record-high sales as well as a double-digit profit from operations ratio and pre-tax income ratio in fiscal 2014.

Kyocera forecasts net sales of ¥1.4 trillion, an increase of 9.4% compared with fiscal 2013.

Profit from operations is forecast to be ¥140 billion, marking a significant year-on-year increase of 82%, while the operating margin is projected to be 10% due to initiatives to enhance profitability in each business in addition to the effect of sales growth. Income before income taxes is projected to be ¥150 billion, up 48% from fiscal 2013, while the pre-tax income ratio to be 10.7%.

As a result, net income for fiscal 2014 is forecast to amount to ¥96 billion, an increase of 44.4% compared with fiscal 2013.

As mentioned earlier, we will make capital expenditures to expand production sites in Japan and overseas aimed at growing business going forward. Capital expenditures are forecast to increase by 32.3% compared with fiscal 2013. In line with this, depreciation is projected to increase by 17.2% compared with fiscal 2013.

As you can see at the bottom of this slide, average exchange rates for fiscal 2014 are forecast to be ¥95 to the U.S. dollar, marking depreciation of ¥12, and ¥123 to the Euro, marking depreciation of ¥16, compared with fiscal 2013.

Next, I will explain initiatives in each reporting segment toward achieving these financial forecasts.

<Slide 12: Financial Forecasts by Reporting Segment for FY3/2014

– Fine Ceramic Parts Group>

First, let's look at the Fine Ceramic Parts Group. Sales are shown at the top and operating profit and operating profit ratio are shown at the bottom of the slide.

Sales are forecast to increase by 10.2% to ¥82.5 billion and operating profit is forecast to increase by 57.6% to ¥12 billion compared with fiscal 2013. The operating profit ratio is projected to be 14.5%.

We will work to expand sales by launching new components for the industrial machinery market such as semiconductor fabrication equipment as well as by increasing share of automotive parts such as camera modules and heaters for oxygen sensors.

Operating profit is expected to increase significantly on the back of efforts to comprehensively reduce costs, which includes streamlining production processes, in

addition to the effect of sales growth.

<Slide 13: Financial Forecasts by Reporting Segment for FY3/2014

– Semiconductor Parts Group>

In the Semiconductor Parts Group, sales are forecast to increase by 15.1% to ¥192.5 billion and operating profit is forecast to increase by 18.5% to ¥36 billion compared with fiscal 2013. The operating profit ratio is projected to be 18.7%.

We will work to expand sales and profit by increasing sales of packages mainly for smartphones. In particular, we are projecting full-fledged recovery in the digital consumer equipment market from the second quarter and expect an increase in demand in line with this to contribute significantly to growth in sales and profit.

Operating profit is forecast to increase compared with fiscal 2013 on the back of efforts to expand production at a new plant in Vietnam and reduce costs in each business.

<Slide 14: Financial Forecasts by Reporting Segment for FY3/2014

– Applied Ceramic Products Group>

In the Applied Ceramic Products Group, sales are forecast to increase by 7.4% to ¥227 billion and operating profit is forecast to increase by 33.9% to ¥24 billion compared with fiscal 2013. The operating profit ratio is projected to be 10.6%.

First, we will strive to increase sales in Japan in the solar energy business. The purchase price for public and industrial use solar power is expected to decline by 10% year-on-year. Nonetheless, the markets for residential use as well as public and industrial use solar power are both forecast to expand, and as such, we will do what we can to expand sales in these areas. Also, we will work to increase profit in both businesses through the effect of sales growth and by reducing costs.

In this reporting segment, we are forecasting an increase in sales and profit in the

cutting tool business. We will strive to increase earnings by expanding sales in advanced nations in addition to emerging nations where demand growth is forecast.

<Slide 15: Financial Forecasts by Reporting Segment for FY3/2014

– Electronic Device Group>

Sales in the Electronic Device Group are forecast to increase by 3.8% to ¥282 billion and operating profit is forecast to increase significantly by ¥32.2 billion to ¥28.2 billion compared with fiscal 2013. The operating profit ratio is projected to be 10%.

Operating profit and the operating profit ratio expressed by the pink dotted line exclude the environmental remediation charge at AVX Corporation. The challenge in this reporting segment is to improve profitability. In fiscal 2014, we will re-examine products with low profitability and focus on products with high added value. As a result, although sales will hover in the single-digit growth range, we will prioritize enhancing profitability and first seek to improve the profit ratio to the double-digit level, which would be equivalent to the level posted in fiscal 2012, ended March 31, 2012.

<Slide 16: Financial Forecasts by Reporting Segment for FY3/2014

– Telecommunications Equipment Group>

In the Telecommunications Equipment Group, sales are forecast to increase by 7.7% to ¥191 billion and operating profit is forecast to increase by ¥5.1 billion to ¥6.4 billion compared with fiscal 2013. The operating profit ratio is projected to be 3.4%.

As I explained earlier when I discussed initiatives for fiscal 2014, we aim to increase sales mainly by expanding sales channels in overseas markets.

In particular, in the North American market we plan to start introducing products to new customers in the first half of fiscal 2014 in addition to expanding sales of smartphones to existing customers. Through these and other measures we will work to further expand sales overseas.

In addition, we are forecasting an increase in profitability through cost reductions and the effect of the yen's depreciation coupled with higher sales in overseas business.

<Slide 17: Financial Forecasts by Reporting Segment for FY3/2014

– Information Equipment Group>

Sales in the Information Equipment Group are forecast to increase by 11.8% to ¥280 billion and operating profit is forecast to increase by 28.7% to ¥28 billion compared with fiscal 2013. The operating profit ratio is projected to be 10.0%.

Despite expectations of continued fierce price competition, Kyocera will work to expand sales by actively releasing new products and expanding sales areas.

-We will also strive to further boost profitability by expanding production at a plant in Vietnam and are projecting an increase in earnings due to the effect of the yen's depreciation.

<Slide 18: Financial Forecasts by Reporting Segment for FY3/2014 – Others>

In Others, sales are forecast to increase by 10.1% to ¥176 billion while operating profit is forecast to decrease by 18.4% to ¥8.6 billion compared with fiscal 2013.

We are forecasting engineering business to expand at Kyocera Communication Systems Co., Ltd., a key subsidiary in this reporting segment. Also, we expect revenue to increase by expanding sales of a power storage system and an energy management system that efficiently regulates energy.

On the other hand, we forecast operating profit to decrease compared with fiscal 2013 in line with an increase in costs associated with the development of new technologies and new products for the future.

That concludes my presentation of financial forecasts by reporting segment.

<Slide 19: Achieve Financial Forecasts for FY3/2014>

This graph shows net sales, pre-tax income and the pre-tax income ratio trends from fiscal 2012 to fiscal 2014.

The historic high for net sales stands at ¥1,290.4 billion, which was posted in fiscal 2008. By steadily implementing the initiatives I have just spoken about, we aim to set a new record for net sales and achieve a double-digit pre-tax income ratio in fiscal 2014.

Finally, I will explain the dividend forecast for fiscal 2014.

<Slide 20: Dividend Forecast for FY3/2014>

This graph shows the annual dividend per share from fiscal 2012, including the dividend forecast for fiscal 2014.

Kyocera has always endeavored to enhance shareholder return. We aim to make it more attractive to invest in Kyocera and to increase our shareholder base, and to this end, have changed our dividend policy to aim for a consolidated payout ratio from the traditional 20-25% to a level exceeding 30% from fiscal 2014. We forecast the annual dividend, which is tied directly to performance, to increase by ¥40 compared with fiscal 2013 to ¥160 for fiscal 2014.

That concludes the financial outlook for fiscal 2014. Kyocera will strive as a group to improve performance and meet the expectations of all shareholders and investors. I ask for your continued support going forward.

Thank you very much for your attention.