

August 1, 2012

# **Conference Call Material**

## **For the Three Months Ended June 30, 2012**

# Today's Presentation

**1. Financial Results  
for the Three Months Ended June 30, 2012**

**2. Financial Forecast  
for the Year Ending March 31, 2013**

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# **1. Financial Results for the Three Months Ended June 30, 2012**

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# Financial Results for the First Three Months of FY3/2013

## - Comparison with Q1 FY3/2012 -

(Unit: Yen in millions)

	Three months ended June 30,				Change	
	2011		2012			
	Amount	% of net sales	Amount	% of net sales	Amount	%
Net sales	<b>305,231</b>	<b>100.0</b>	<b>297,726</b>	<b>100.0</b>	<b>-7,505</b>	<b>-2.5</b>
Profit from operations	<b>33,313</b>	<b>10.9</b>	<b>-2,002</b>	<b>-0.7</b>	<b>-35,315</b>	<b>—</b>
Pre-tax income	<b>39,922</b>	<b>13.1</b>	<b>4,727</b>	<b>1.6</b>	<b>-35,195</b>	<b>-88.2</b>
Net income attributable to shareholders of Kyocera Corporation	<b>24,804</b>	<b>8.1</b>	<b>6,570</b>	<b>2.2</b>	<b>-18,234</b>	<b>-73.5</b>
Capital expenditures	<b>16,011</b>	<b>5.2</b>	<b>13,191</b>	<b>4.4</b>	<b>-2,820</b>	<b>-17.6</b>
Depreciation	<b>14,017</b>	<b>4.6</b>	<b>13,849</b>	<b>4.7</b>	<b>-168</b>	<b>-1.2</b>
R&D expenses	<b>11,939</b>	<b>3.9</b>	<b>11,745</b>	<b>3.9</b>	<b>-194</b>	<b>-1.6</b>
Average exchange rate (yen)	\$	¥ 82	¥ 80			
	Euro	¥ 117	¥ 103			
Foreign currency fluctuation effect on: (compared with the previous same periods)	net sales	Approx. ¥ -13 billion	Approx. ¥ -9 billion			
	pre-tax income	Approx. ¥ -3 billion	Approx. ¥ -3 billion			

## Sales by Reporting Segment of Q1 FY3/2013 - Comparison with Q1 FY3/2012 -

(Unit: Yen in millions)

■ Reporting Segment	Three months ended June 30,				Change	
	2011		2012			
	Amount	% of net sales	Amount	% of net sales	Amount	%
■ Fine Ceramic Parts Group	<b>20,515</b>	<b>6.7</b>	<b>19,069</b>	<b>6.4</b>	<b>-1,446</b>	<b>-7.0</b>
■ Semiconductor Parts Group	<b>40,775</b>	<b>13.3</b>	<b>38,400</b>	<b>12.9</b>	<b>-2,375</b>	<b>-5.8</b>
■ Applied Ceramic Products Group	<b>45,435</b>	<b>14.9</b>	<b>42,600</b>	<b>14.3</b>	<b>-2,835</b>	<b>-6.2</b>
■ Electronic Device Group	<b>59,417</b>	<b>19.5</b>	<b>69,891</b>	<b>23.5</b>	<b>10,474</b>	<b>17.6</b>
<b>Components Business</b>	<b>166,142</b>	<b>54.4</b>	<b>169,960</b>	<b>57.1</b>	<b>3,818</b>	<b>2.3</b>
■ Telecommunications Equipment Group	<b>48,949</b>	<b>16.1</b>	<b>41,521</b>	<b>14.0</b>	<b>-7,428</b>	<b>-15.2</b>
■ Information Equipment Group	<b>60,190</b>	<b>19.7</b>	<b>58,483</b>	<b>19.6</b>	<b>-1,707</b>	<b>-2.8</b>
<b>Equipment Business</b>	<b>109,139</b>	<b>35.8</b>	<b>100,004</b>	<b>33.6</b>	<b>-9,135</b>	<b>-8.4</b>
■ Others	<b>36,269</b>	<b>11.9</b>	<b>34,689</b>	<b>11.6</b>	<b>-1,580</b>	<b>-4.4</b>
Adjustments and eliminations	<b>-6,319</b>	<b>-2.1</b>	<b>-6,927</b>	<b>-2.3</b>	<b>-608</b>	<b>-</b>
<b>Net sales</b>	<b>305,231</b>	<b>100.0</b>	<b>297,726</b>	<b>100.0</b>	<b>-7,505</b>	<b>-2.5</b>

## Operating Profit by Reporting Segment of Q1 FY3/2013 - Comparison with Q1 FY3/2012 -

(Unit: Yen in millions)

■ Reporting Segment	Three months ended June 30,				Change	
	2011		2012			
	Amount	% to net sales	Amount	% to net sales	Amount	%
■ Fine Ceramic Parts Group	3,452	16.8	2,334	12.2	-1,118	-32.4
■ Semiconductor Parts Group	9,305	22.8	5,705	14.9	-3,600	-38.7
■ Applied Ceramic Products Group	4,311	9.5	1,483	3.5	-2,828	-65.6
■ Electronic Device Group	9,406	15.8	-17,503	—	-26,909	—
<b>Components Business</b>	<b>26,474</b>	<b>15.9</b>	<b>-7,981</b>	<b>—</b>	<b>-34,455</b>	<b>—</b>
■ Telecommunications Equipment Group	-741	—	-206	—	535	—
■ Information Equipment Group	7,614	12.6	5,702	9.7	-1,912	-25.1
<b>Equipment Business</b>	<b>6,873</b>	<b>6.3</b>	<b>5,496</b>	<b>5.5</b>	<b>-1,377</b>	<b>-20.0</b>
■ Others	794	2.2	1,244	3.6	450	56.7
<b>Operating profit</b>	<b>34,141</b>	<b>11.2</b>	<b>-1,241</b>	<b>—</b>	<b>-35,382</b>	<b>—</b>
Corporate gains and others	5,781	—	5,968	—	187	3.2
<b>Pre-tax income</b>	<b>39,922</b>	<b>13.1</b>	<b>4,727</b>	<b>1.6</b>	<b>-35,195</b>	<b>-88.2</b>

# Summary of Q1 FY3/2013 Financial Results

## - Comparison with Q1 FY3/2012 - (1)

(Unit: Yen in billions)

Components Business	Sales	Operating profit
Compared with Q1 FY3/2012	+3.8	-34.5

### 1. Sales up due to contribution from new subsidiaries

Sales contribution from Kyocera Unimerco A/S and Kyocera Display Corporation

### 2. Component demand down for digital consumer equipment

Despite demand continued to recover moderately, levels fell short of Q1 FY3/2012

### 3. Sales and operating profit down in solar energy business

Contraction of European market and significant price declines

### 4. Recording of one-time cost

Recorded environmental remediation charge of ¥21.3 billion at AVX Corporation

# Summary of Q1 FY3/2013 Financial Results

## - Comparison with Q1 FY3/2012 - (2)

(Unit: Yen in billions)

Equipment Business	Sales	Operating profit
Compared with Q1 FY3/2012	-9.1	-1.4

### 1. Telecommunications Equipment Group

- Sales volume down due to reorganization of models for release overseas
- Despite operating loss due to write-down of inventories, the amount of operating loss was reduced and profit was achieved on a base excluding such write-down

### 2. Information Equipment Group

- Total volume was generally flat, despite an increase in sales volume in European and U.S. markets
- Sales and operating profit down due to an impact of weak Euro



## Financial Results for the First Three Months of FY3/2013 - Comparison with Q4 FY3/2012 -

(Unit: Yen in millions)

	Three months ended				Change	
	March 31, 2012		June 30, 2012			
	Amount	% of net sales	Amount	% of net sales	Amount	%
Net sales	<b>305,481</b>	<b>100.0</b>	<b>297,726</b>	<b>100.0</b>	<b>-7,755</b>	<b>-2.5</b>
Profit from operations	<b>9,302</b>	<b>3.0</b>	<b>-2,002</b>	<b>-0.7</b>	<b>-11,304</b>	<b>—</b>
Pre-tax income	<b>12,289</b>	<b>4.0</b>	<b>4,727</b>	<b>1.6</b>	<b>-7,562</b>	<b>-61.5</b>
Net income attributable to shareholders of Kyocera Corporation	<b>7,247</b>	<b>2.4</b>	<b>6,570</b>	<b>2.2</b>	<b>-677</b>	<b>-9.3</b>
Capital expenditures	<b>14,964</b>	<b>4.9</b>	<b>13,191</b>	<b>4.4</b>	<b>-1,773</b>	<b>-11.8</b>
Depreciation	<b>17,215</b>	<b>5.6</b>	<b>13,849</b>	<b>4.7</b>	<b>-3,366</b>	<b>-19.6</b>
R&D expenses	<b>10,441</b>	<b>3.4</b>	<b>11,745</b>	<b>3.9</b>	<b>1,304</b>	<b>12.5</b>
Average exchange rate (yen)	\$	<b>¥ 79</b>	<b>¥ 80</b>			
	Euro	<b>¥ 104</b>	<b>¥ 103</b>			

## Sales by Reporting Segment of Q1 FY3/2013 - Comparison with Q4 FY3/2012 -

(Unit: Yen in millions)

■ Reporting Segment	Three months ended				Change	
	March 31, 2012		June 30, 2012		Amount	%
	Amount	% of net sales	Amount	% of net sales		
■ Fine Ceramic Parts Group	19,026	6.2	19,069	6.4	43	0.2
■ Semiconductor Parts Group	35,687	11.7	38,400	12.9	2,713	7.6
■ Applied Ceramic Products Group	46,184	15.1	42,600	14.3	-3,584	-7.8
■ Electronic Device Group	63,361	20.8	69,891	23.5	6,530	10.3
<b>Components Business</b>	<b>164,258</b>	<b>53.8</b>	<b>169,960</b>	<b>57.1</b>	<b>5,702</b>	<b>3.5</b>
■ Telecommunications Equipment Group	42,101	13.8	41,521	14.0	-580	-1.4
■ Information Equipment Group	64,490	21.1	58,483	19.6	-6,007	-9.3
<b>Equipment Business</b>	<b>106,591</b>	<b>34.9</b>	<b>100,004</b>	<b>33.6</b>	<b>-6,587</b>	<b>-6.2</b>
■ Others	40,722	13.3	34,689	11.6	-6,033	-14.8
Adjustments and eliminations	-6,090	-2.0	-6,927	-2.3	-837	-
<b>Net sales</b>	<b>305,481</b>	<b>100.0</b>	<b>297,726</b>	<b>100.0</b>	<b>-7,755</b>	<b>-2.5</b>

## Operating Profit by Reporting Segment of Q1 FY3/2013 - Comparison with Q4 FY3/2012 -

(Unit: Yen in millions)

■ Reporting Segment	Three months ended				Change	
	March 31, 2012		June 30, 2012		Amount	%
	Amount	% to net sales	Amount	% to net sales		
■ Fine Ceramic Parts Group	3,004	15.8	2,334	12.2	-670	-22.3
■ Semiconductor Parts Group	5,460	15.3	5,705	14.9	245	4.5
■ Applied Ceramic Products Group	-772	—	1,483	3.5	2,255	—
■ Electronic Device Group	-5,861	—	-17,503	—	-11,642	—
<b>Components Business</b>	<b>1,831</b>	<b>1.1</b>	<b>-7,981</b>	<b>—</b>	<b>-9,812</b>	<b>—</b>
■ Telecommunications Equipment Group	658	1.6	-206	—	-864	—
■ Information Equipment Group	6,844	10.6	5,702	9.7	-1,142	-16.7
<b>Equipment Business</b>	<b>7,502</b>	<b>7.0</b>	<b>5,496</b>	<b>5.5</b>	<b>-2,006</b>	<b>-26.7</b>
■ Others	2,522	6.2	1,244	3.6	-1,278	-50.7
<b>Operating profit</b>	<b>11,855</b>	<b>3.9</b>	<b>-1,241</b>	<b>—</b>	<b>-13,096</b>	<b>—</b>
Corporate gains and others	434	—	5,968	—	5,534	—
<b>Pre-tax income</b>	<b>12,289</b>	<b>4.0</b>	<b>4,727</b>	<b>1.6</b>	<b>-7,562</b>	<b>-61.5</b>

# Summary of Q1 FY3/2013 Results

- Comparison with Q4 FY3/2012 -

(Unit: Yen in billions)

	Sales	Operating profit
Components Business	+5.7	-9.8
Equipment Business	-6.6	-2.0

## 1. Component demand up for digital consumer equipment

Moderate increase in component demand due to progress in inventory adjustments

## 2. Sales and profit down in the Information Equipment Group

Sales volume down mainly in European market

## 3. Recording of one-time cost

Recorded environmental remediation charge at AVX Corporation:

¥21.3 billion in Q1 FY3/2013

¥ 7.9 billion in Q4 FY3/2012

## **2. Financial Forecast for the Year Ending March 31, 2013**

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## Financial Forecast of FY3/2013

(Unit: Yen in millions)

	Year ended March 31, 2012		Year ending March 31, 2013 (Forecast)				Changes in amount compared with	
	Amount	% of net sales	Previous (April 2012)		Revised (August 2012)		Year ended March 31, 2012	Previous forecast
			Amount	% of net sales	Amount	% of net sales		
Net sales	1,190,870	100.0	1,370,000	100.0	1,370,000	100.0	179,130	—
Profit from operations	97,675	8.2	140,000	10.2	118,700	8.7	21,025	-21,300
Pre-tax income	114,893	9.6	151,200	11.0	129,900	9.5	15,007	-21,300
Net income attributable to shareholders of Kyocera Corporation	79,357	6.7	96,000	7.0	86,400	6.3	7,043	-9,600
EPS attributable to shareholders of Kyocera Corporation (diluted-yen)	432.58	—	523.30	—	470.99	—	38.41	-52.31
Capital expenditures	66,408	5.6	70,000	5.1	70,000	5.1	3,592	—
Depreciation	62,374	5.2	73,000	5.3	73,000	5.3	10,626	—
R&D expenses	45,559	3.8	55,000	4.0	55,000	4.0	9,441	—
Average exchange rate (yen)	US\$: ¥79	€: ¥ 109	US\$: ¥80	€: ¥ 105	US\$: ¥79	€: ¥97		
Foreign currency fluctuation effect on: (compared with the previous fiscal year; billion yen)	net sales	Approx. ¥ -40		Approx. ¥ -0.5		Approx. ¥ -22		
	pre-tax income	Approx. ¥ -10		Approx. ¥ -1.5		Approx. ¥ -12		

Forecast of earnings per share attributable to shareholders of Kyocera Corporation is computed based on the diluted average number of shares outstanding during the three months ended June 30, 2012.  
Please refer to forward-looking statements on the final page.

## Sales Forecast by Reporting Segment of FY3/2013

**No revision from April 2012**

(Unit: Yen in millions)

■ Reporting Segment	Year ended March 31, 2012		Year ending March 31, 2013 (Forecast)		Change
	Amount	% of net sales	Amount	% of net sales	Amount
■ Fine Ceramic Parts Group	80,372	6.7	90,000	6.6	9,628
■ Semiconductor Parts Group	153,420	12.9	180,000	13.1	26,580
■ Applied Ceramic Products Group	179,784	15.1	220,000	16.1	40,216
■ Electronic Device Group	228,721	19.2	310,000	22.6	81,279
<b>Components Business</b>	<b>642,297</b>	<b>53.9</b>	<b>800,000</b>	<b>58.4</b>	<b>157,703</b>
■ Telecommunications Equipment Group	178,669	15.0	180,000	13.1	1,331
■ Information Equipment Group	243,457	20.4	259,000	18.9	15,543
<b>Equipment Business</b>	<b>422,126</b>	<b>35.4</b>	<b>439,000</b>	<b>32.0</b>	<b>16,874</b>
■ Others	151,987	12.8	160,000	11.7	8,013
Adjustments and eliminations	-25,540	-2.1	-29,000	-2.1	-3,460
<b>Net sales</b>	<b>1,190,870</b>	<b>100.0</b>	<b>1,370,000</b>	<b>100.0</b>	<b>179,130</b>

# Operating Profit Forecast by Reporting Segment of FY3/2013

(Unit: Yen in millions)

■ Reporting Segment	Year ended March 31, 2012		Year ending March 31, 2013 (Forecast)				Changes in amount compared with	
			Previous (April 2012)		Revised (August 2012)		Year ended March 31, 2012	Previous forecast
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales		
■ Fine Ceramic Parts Group	12,622	15.7	14,100	15.7	14,100	15.7	1,478	—
■ Semiconductor Parts Group	27,754	18.1	32,600	18.1	32,600	18.1	4,846	—
■ Applied Ceramic Products Group	6,459	3.6	17,000	7.7	17,000	7.7	10,541	—
■ Electronic Device Group	16,036	7.0	27,000	8.7	5,700	1.8	-10,336	-21,300
<b>Components Business</b>	<b>62,871</b>	<b>9.8</b>	<b>90,700</b>	<b>11.3</b>	<b>69,400</b>	<b>8.7</b>	<b>6,529</b>	<b>-21,300</b>
■ Telecommunications Equipment Group	1,469	0.8	9,000	5.0	9,000	5.0	7,531	—
■ Information Equipment Group	29,451	12.1	29,500	11.4	29,500	11.4	49	—
<b>Equipment Business</b>	<b>30,920</b>	<b>7.3</b>	<b>38,500</b>	<b>8.8</b>	<b>38,500</b>	<b>8.8</b>	<b>7,580</b>	<b>—</b>
■ Others	8,054	5.3	10,000	6.3	10,000	6.3	1,946	—
<b>Operating profit</b>	<b>101,845</b>	<b>8.6</b>	<b>139,200</b>	<b>10.2</b>	<b>117,900</b>	<b>8.6</b>	<b>16,055</b>	<b>-21,300</b>
Corporate and others	13,048	—	12,000	—	12,000	—	-1,048	—
<b>Pre-tax income</b>	<b>114,893</b>	<b>9.6</b>	<b>151,200</b>	<b>11.0</b>	<b>129,900</b>	<b>9.5</b>	<b>15,007</b>	<b>-21,300</b>

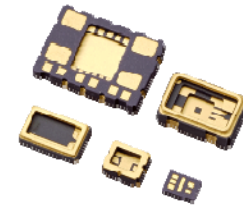
Operating profit represents profit from operating activities.  
Please refer to forward-looking statements on the final page.



## Key Initiatives from Q2 FY3/2013 onward

### 1. Increase sales of components for digital consumer equipment

Secure component demand, particularly for smartphones



### 2. Expand sales in solar energy business

Increase orders for solar modules for industrial use in Japan, spurred by the start of the new feed-in-tariff for renewable energy



### 3. Expand sales in the Telecommunications Equipment Group

Enhance product line-up in Japan and overseas

## 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 lists: (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 a strong yen, 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 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.