

Quarterly Trends of Financial Results and Full Year Forecasts

1. Financial Results

(Unit: Yen in millions)

	FY3/2013								FY3/2014						Change compared with				
	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q3 of FY3/2013		Q2 of FY3/2014		
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	%	Amount	%	
Net sales	297,726	100.0%	310,705	100.0%	318,093	100.0%	353,530	100.0%	331,655	100.0%	368,008	100.0%	371,725	100.0%	53,632	16.9%	3,717	1.0%	
Profit from operations	-2,002	-0.7%	27,893	9.0%	25,343	8.0%	25,692	7.3%	25,398	7.7%	32,805	8.9%	31,493	8.5%	6,150	24.3%	-1,312	-4.0%	
Income before income taxes	4,727	1.6%	31,005	10.0%	33,150	10.4%	32,481	9.2%	34,813	10.5%	34,240	9.3%	41,291	11.1%	8,141	24.6%	7,051	20.6%	
Net income attributable to shareholders of Kyocera Corporation	6,570	2.2%	18,801	6.1%	19,599	6.2%	21,503	6.1%	22,651	6.8%	20,279	5.5%	26,434	7.1%	6,835	34.9%	6,155	30.4%	
Average exchange rate	US\$	¥80		¥79		¥81		¥92		¥99		¥99		¥100					
	Euro	¥103		¥98		¥105		¥122		¥129		¥131		¥137					

2. Net Sales by Geographic Area

(Unit: Yen in millions)

	FY3/2013								FY3/2014						Change compared with			
	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q3 of FY3/2013		Q2 of FY3/2014	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	%	Amount	%
Japan	133,111	44.7%	141,737	45.6%	138,467	43.5%	160,887	45.5%	139,118	41.9%	160,312	43.6%	169,769	45.7%	31,302	22.6%	9,457	5.9%
Asia	55,527	18.7%	57,208	18.4%	59,288	18.6%	63,497	18.0%	68,243	20.6%	70,958	19.3%	69,271	18.6%	9,983	16.8%	-1,687	-2.4%
Europe	47,166	15.8%	46,060	14.8%	48,637	15.3%	57,005	16.1%	56,282	17.0%	57,837	15.7%	63,358	17.1%	14,721	30.3%	5,521	9.5%
United States of America	49,498	16.6%	51,226	16.5%	57,259	18.0%	57,049	16.1%	52,189	15.7%	61,681	16.7%	54,046	14.5%	-3,213	-5.6%	-7,635	-12.4%
Others	12,424	4.2%	14,474	4.7%	14,442	4.6%	15,092	4.3%	15,823	4.8%	17,220	4.7%	15,281	4.1%	839	5.8%	-1,939	-11.3%
Net sales	297,726	100.0%	310,705	100.0%	318,093	100.0%	353,530	100.0%	331,655	100.0%	368,008	100.0%	371,725	100.0%	53,632	16.9%	3,717	1.0%

3. Capital Expenditures, Depreciation and R&D Expenses

(Unit: Yen in millions)

	FY3/2013								FY3/2014						Change compared with			
	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q3 of FY3/2013		Q2 of FY3/2014	
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	%	Amount	%
Capital expenditures	13,191	4.4%	13,335	4.3%	14,181	4.5%	15,981	4.5%	15,228	4.6%	13,379	3.6%	11,251	3.0%	-2,930	-20.7%	-2,128	-15.9%
Depreciation	13,849	4.7%	14,835	4.8%	16,438	5.2%	17,997	5.1%	14,274	4.3%	15,599	4.2%	17,255	4.6%	817	5.0%	1,656	10.6%
R&D expenses	11,745	3.9%	12,121	3.9%	11,749	3.7%	11,904	3.4%	12,193	3.7%	11,987	3.3%	12,194	3.3%	445	3.8%	207	1.7%

4. Sales and Profit by Reporting Segment

(Unit: Yen in millions)

Net Sales	FY3/2013								FY3/2014						Change compared with			
	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q3 of FY3/2013		Q2 of FY3/2014	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	%	Amount	%
Fine Ceramic Parts Group	19,069	6.4%	19,330	6.2%	18,538	5.8%	17,915	5.1%	18,716	5.7%	19,471	5.3%	20,742	5.6%	2,204	11.9%	1,271	6.5%
Semiconductor Parts Group	38,400	12.9%	44,083	14.2%	44,879	14.1%	39,879	11.3%	41,474	12.5%	45,589	12.4%	52,459	14.1%	7,580	16.9%	6,870	15.1%
Applied Ceramic Products Group	42,600	14.3%	42,824	13.8%	51,302	16.1%	74,713	21.1%	61,496	18.5%	66,019	17.9%	68,339	18.4%	17,037	33.2%	2,320	3.5%
Electronic Device Group	69,891	23.5%	70,924	22.8%	66,986	21.1%	63,769	18.0%	73,315	22.1%	74,136	20.2%	68,844	18.5%	1,858	2.8%	-5,292	-7.1%
Components Business	169,960	57.1%	177,161	57.0%	181,705	57.1%	196,276	55.5%	195,001	58.8%	205,215	55.8%	210,384	56.6%	28,679	15.8%	5,169	2.5%
Telecommunications Equipment Group	41,521	14.0%	42,812	13.8%	43,027	13.5%	49,954	14.1%	38,512	11.6%	58,045	15.8%	51,221	13.8%	8,194	19.0%	-6,824	-11.8%
Information Equipment Group	58,483	19.6%	58,304	18.8%	61,658	19.4%	72,089	20.4%	70,713	21.3%	73,812	20.0%	77,025	20.7%	15,367	24.9%	3,213	4.4%
Equipment Business	100,004	33.6%	101,116	32.6%	104,685	32.9%	122,043	34.5%	109,225	32.9%	131,857	35.8%	128,246	34.5%	23,561	22.5%	-3,611	-2.7%
Others	34,689	11.6%	40,172	12.9%	40,148	12.6%	44,893	12.7%	38,061	11.5%	41,652	11.3%	43,464	11.7%	3,316	8.3%	1,812	4.4%
Adjustments and eliminations	-6,927	-2.3%	-7,744	-2.5%	-8,445	-2.6%	-9,682	-2.7%	-10,632	-3.2%	-10,716	-2.9%	-10,369	-2.8%	-1,924	—	347	—
Net sales	297,726	100.0%	310,705	100.0%	318,093	100.0%	353,530	100.0%	331,655	100.0%	368,008	100.0%	371,725	100.0%	53,632	16.9%	3,717	1.0%

(Unit: Yen in millions)

Operating Profit	FY3/2013								FY3/2014						Change compared with			
	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q3 of FY3/2013		Q2 of FY3/2014	
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	%	Amount	%
Fine Ceramic Parts Group	2,334	12.2%	2,201	11.4%	1,894	10.2%	1,185	6.6%	2,903	15.5%	2,859	14.7%	2,722	13.1%	828	43.7%	-137	-4.8%
Semiconductor Parts Group	5,705	14.9%	8,157	18.5%	8,986	20.0%	7,531	18.9%	7,923	19.1%	8,118	17.8%	8,915	17.0%	-71	-0.8%	797	9.8%
Applied Ceramic Products Group	1,483	3.5%	3,805	8.9%	4,618	9.0%	8,018	10.7%	8,041	13.1%	6,793	10.3%	7,982	11.7%	3,364	72.8%	1,189	17.5%
Electronic Device Group	-17,503	—	5,624	7.9%	4,656	7.0%	3,209	5.0%	6,170	8.4%	8,492	11.5%	6,578	9.6%	1,922	41.3%	-1,914	-22.5%
Components Business	-7,981	—	19,787	11.2%	20,154	11.1%	19,943	10.2%	25,037	12.8%	26,262	12.8%	26,197	12.5%	6,043	30.0%	-65	-0.2%
Telecommunications Equipment Group	-206	—	1,007	2.4%	870	2.0%	-331	—	-1,406	—	1,672	2.9%	1,604	3.1%	734	84.4%	-68	-4.1%
Information Equipment Group	5,702	9.7%	5,404	9.3%	4,646	7.5%	5,998	8.3%	6,067	8.6%	4,382	5.9%	6,663	8.7%	2,017	43.4%	2,281	52.1%
Equipment Business	5,496	5.5%	6,411	6.3%	5,516	5.3%	5,667	4.6%	4,661	4.3%	6,054	4.6%	8,267	6.4%	2,751	49.9%	2,213	36.6%
Others	1,244	3.6%	3,101	7.7%	2,975	7.4%	3,222	7.2%	752	2.0%	1,249	3.0%	1,478	3.4%	-1,497	-50.3%	229	18.3%
Operating profit	-1,241	—	29,299	9.4%	28,645	9.0%	28,832	8.2%	30,450	9.2%	33,565	9.1%	35,942	9.7%	7,297	25.5%	2,377	7.1%
Corporate gains and equity in earnings of affiliates and unconsolidated subsidiaries	6,030	—	2,106	—	5,214	—	3,898	—	4,645	—	725	—	5,491	—	277	5.3%	4,766	657.4%
Adjustments and eliminations	-62	—	-400	—	-709	—	-249	—	-282	—	-50	—	-142	—	567	—	-92	—
Income before income taxes	4,727	1.6%	31,005	10.0%	33,150	10.4%	32,481	9.2%	34,813	10.5%	34,240	9.3%	41,291	11.1%	8,141	24.6%	7,051	20.6%

5. Orders by Reporting Segment

(Unit: Yen in millions)

	FY3/2013								FY3/2014						Change compared with			
	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q3 of FY3/2013		Q2 of FY3/2014	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	%	Amount	%
Fine Ceramic Parts Group	19,650	6.3%	19,300	5.7%	18,197	5.5%	17,081	5.1%	19,447	5.6%	19,911	5.3%	20,304	5.5%	2,107	11.6%	393	2.0%
Semiconductor Parts Group	41,201	13.1%	46,177	13.8%	40,404	12.2%	38,676	11.6%	43,751	12.6%	45,642	12.2%	50,142	13.6%	9,738	24.1%	4,500	9.9%
Applied Ceramic Products Group	43,421	13.9%	60,982	18.2%	67,556	20.4%	61,085	18.3%	66,517	19.2%	70,415	18.7%	67,796	18.5%	240	0.4%	-2,619	-3.7%
Electronic Device Group	72,989	23.3%	70,909	21.2%	65,434	19.8%	65,508	19.6%	75,877	21.9%	72,952	19.4%	69,507	18.9%	4,073	6.2%	-3,445	-4.7%
Components Business	177,261	56.6%	197,368	58.9%	191,591	57.9%	182,350	54.6%	205,592	59.3%	208,920	55.6%	207,749	56.5%	16,158	8.4%	-1,171	-0.6%
Telecommunications Equipment Group	45,234	14.4%	46,895	14.0%	46,329	14.0%	42,748	12.8%	42,312	12.2%	62,138	16.6%	51,017	13.9%	4,688	10.1%	-11,121	-17.9%
Information Equipment Group	58,471	18.7%	58,341	17.4%	61,469	18.6%	72,263	21.6%	71,275	20.6%	73,785	19.6%	76,960	20.9%	15,491	25.2%	3,175	4.3%
Equipment Business	103,705	33.1%	105,236	31.4%	107,798	32.6%	115,011	34.4%	113,587	32.8%	135,923	36.2%	127,977	34.8%	20,179	18.7%	-7,946	-5.8%
Others	38,625	12.3%	40,597	12.1%	40,590	12.2%	47,970	14.3%	38,056	11.0%	43,468	11.6%	43,688	11.9%	3,098	7.6%	220	0.5%
Adjustments and eliminations	-6,471	-2.0%	-8,188	-2.4%	-8,997	-2.7%	-11,018	-3.3%	-10,635	-3.1%	-12,557	-3.4%	-11,809	-3.2%	-2,812	—	748	—
Total	313,120	100.0%	335,013	100.0%	330,982	100.0%	334,313	100.0%	346,600	100.0%	375,754	100.0%	367,605	100.0%	36,623	11.1%	-8,149	-2.2%

6. Number of Employees

(As of the end of each quarter)

	FY3/2013				FY3/2014		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total	72,121	73,101	71,535	71,645	71,209	70,466	71,077
Japan	25,525	25,423	25,438	25,809	25,652	25,610	26,260
Outside Japan	46,596	47,678	46,097	45,836	45,557	44,856	44,817

7. Financial Forecasts

(Unit: Yen in millions)

	FY3/2013		FY3/2014 Forecast				Change compared with			
			Previous		Revised		FY3/2013		Previous forecast	
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	%	Amount	%
Net sales	1,280,054	100.0%	1,430,000	100.0%	1,430,000	100.0%	149,946	11.7%	0	0.0%
Profit from operations	76,926	6.0%	140,000	9.8%	115,000	8.0%	38,074	49.5%	-25,000	-17.9%
Income before income taxes	101,363	7.9%	150,000	10.5%	138,000	9.7%	36,637	36.1%	-12,000	-8.0%
Net income attributable to shareholders of Kyocera Corporation	66,473	5.2%	96,000	6.7%	84,500	5.9%	18,027	27.1%	-11,500	-12.0%

Average exchange rate	US\$	¥83	¥98	¥101
	Euro		¥107	¥130

(Unit: Yen in millions)

	FY3/2013		FY3/2014 Forecast				Change compared with			
			Previous		Revised		FY3/2013		Previous forecast	
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	%	Amount	%
Capital expenditures	56,688	4.4%	75,000	5.2%	55,000	3.8%	-1,688	-3.0%	-20,000	-26.7%
Depreciation	63,119	4.9%	74,000	5.2%	66,000	4.6%	2,881	4.6%	-8,000	-10.8%
R&D expenses	47,519	3.7%	52,000	3.6%	52,000	3.6%	4,481	9.4%	0	0.0%

8. Financial Forecasts by Reporting Segment

(Unit: Yen in millions)

Net Sales	FY3/2013		FY3/2014 Forecast				Change compared with			
			Previous		Revised		FY3/2013		Previous forecast	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	%	Amount	%
Fine Ceramic Parts Group	74,852	5.9%	82,500	5.8%	79,000	5.5%	4,148	5.5%	-3,500	-4.2%
Semiconductor Parts Group	167,241	13.1%	199,000	13.9%	187,000	13.1%	19,759	11.8%	-12,000	-6.0%
Applied Ceramic Products Group	211,439	16.5%	257,000	18.0%	271,000	18.9%	59,561	28.2%	14,000	5.4%
Electronic Device Group	271,570	21.2%	282,000	19.7%	283,000	19.8%	11,430	4.2%	1,000	0.4%
Components Business	725,102	56.7%	820,500	57.4%	820,000	57.3%	94,898	13.1%	-500	-0.1%
Telecommunications Equipment Group	177,314	13.8%	193,000	13.5%	185,000	12.9%	7,686	4.3%	-8,000	-4.1%
Information Equipment Group	250,534	19.6%	290,000	20.3%	300,000	21.0%	49,466	19.7%	10,000	3.4%
Equipment Business	427,848	33.4%	483,000	33.8%	485,000	33.9%	57,152	13.4%	2,000	0.4%
Others	159,902	12.5%	173,000	12.1%	171,000	12.0%	11,098	6.9%	-2,000	-1.2%
Adjustments and eliminations	-32,798	-2.6%	-46,500	-3.3%	-46,000	-3.2%	-13,202	—	500	—
Net sales	1,280,054	100.0%	1,430,000	100.0%	1,430,000	100.0%	149,946	11.7%	0	0.0%

(Unit: Yen in millions)

Operating Profit	FY3/2013		FY3/2014 Forecast				Change compared with			
			Previous		Revised		FY3/2013		Previous forecast	
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales	Amount	%	Amount	%
Fine Ceramic Parts Group	7,614	10.2%	13,000	15.8%	10,500	13.3%	2,886	37.9%	-2,500	-19.2%
Semiconductor Parts Group	30,379	18.2%	32,000	16.1%	30,900	16.5%	521	1.7%	-1,100	-3.4%
Applied Ceramic Products Group	17,924	8.5%	29,600	11.5%	29,600	10.9%	11,676	65.1%	0	0.0%
Electronic Device Group	-4,014	—	28,000	9.9%	22,100	7.8%	26,114	—	-5,900	-21.1%
Components Business	51,903	7.2%	102,600	12.5%	93,100	11.4%	41,197	79.4%	-9,500	-9.3%
Telecommunications Equipment Group	1,340	0.8%	5,000	2.6%	1,900	1.0%	560	41.8%	-3,100	-62.0%
Information Equipment Group	21,750	8.7%	25,000	8.6%	25,900	8.6%	4,150	19.1%	900	3.6%
Equipment Business	23,090	5.4%	30,000	6.2%	27,800	5.7%	4,710	20.4%	-2,200	-7.3%
Others	10,542	6.6%	6,400	3.7%	5,200	3.0%	-5,342	-50.7%	-1,200	-18.8%
Operating profit	85,535	6.7%	139,000	9.7%	126,100	8.8%	40,565	47.4%	-12,900	-9.3%
Corporate and others	15,828	—	11,000	—	11,900	—	-3,928	—	900	—
Income before income taxes	101,363	7.9%	150,000	10.5%	138,000	9.7%	36,637	36.1%	-12,000	-8.0%

Note: 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) 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 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 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 the possibility that 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.