

Outline of Q&A on conference call
for the first three months ended June 30, 2012 (“the first quarter”)
(Held on August 1, 2012)

Outlook for the Second Quarter Onward

Q: Please tell us sales and profit trends for each reporting segment from the first quarter to the second quarter.

A: In the Components Business, we expect both sales and profit to increase in each reporting segment. Although there is some deviation between reporting segments, we are anticipating growth of around 10-20% compared with the first quarter.

In the Equipment Business, although the Telecommunications Equipment Group recorded a write-down on inventory in the first quarter, profit was posted in the first quarter excluding its write-down and profit is forecast to improve further in the second quarter. In the Information Equipment Group, sales and profit are forecast to dip slightly compared with the first quarter in light of the impact of exchange rates.

Overall, we expect the Components Business to drive an improvement in performance in the second quarter.

Q: Even though the yen is now expected to appreciate, full-year financial forecasts have not changed except to reflect the environmental remediation charge at AVX Corporation. Does the revision of exchange rates mean upward revisions of financial forecasts?

A: Fluctuations in exchange rates are forecast to adversely affect sales by approximately ¥20 billion and profit by approximately ¥10 billion from July onward. We did not expect to be recording an environmental remediation charge and although this charge has been reflected in the full-year financial forecast for this fiscal year, other first quarter results are roughly as expected. Also, forecast in the second quarter are generally projected to be in line with our expectations. As a result, we have not revised financial forecasts at the moment aside from the environmental remediation charge.

In the second half, despite the yen's appreciation, financial problems in Europe and fears of a slowdown in the Chinese economy, we can expect performance to improve thanks to the contribution from mega-solar power

projects in Japan.

We will formulate second half plan in August and September but will closely examine business conditions at that time. At the moment, there are no major reasons to revise forecasts upwards and there are no significant changes in conditions.

Q: Please tell us the profit forecast for the second quarter.

A: We do not disclose quarterly financial forecasts. However, we forecasted a significant increase in profit from the second half at the start of the fiscal year. Normally, demand rises from the second to the third quarter due to seasonal factors, and as a result, we are forecasting profit to increase as we move toward the second half, particularly in the Components Business.

Q: We believe Kyocera can generate profit from operations of around ¥30-35 billion per quarter. Can you reach this level in the second quarter?

A: Profit is increasing month on month and at present we are progressing in line with expectations. We are forecasting an increase in profit commensurate with the growth in sales.

Components Business

Q: In the Components Business, please tell us your expectations for growth from the first to second quarters and the difference with forecasts at the beginning of the fiscal year for the Fine Ceramic Parts Group, Semiconductor Parts Group and Electronic Device Group.

A: Sales for the Fine Ceramic Parts Group in the first quarter were about in line with or slightly above initial forecast. In the second quarter, we forecast sales to remain on par with the first quarter at the very least though we are aiming for a 10% increase. Sales for the Semiconductor Parts Group in the first quarter were higher than we forecast. We would like to aim for a 20% increase in the second quarter. Sales for the Electronic Device Group in the first quarter were in line with the initial forecast. We aim for a 10% increase in the second quarter.

Q: Other components companies seem to be experiencing slow growth in demand in the second quarter. What is the difference between Kyocera and these companies?

A: I believe one reason is that we are not disproportionately reliant on certain customers.

Q: Have ceramic packages for CMOS image sensors been affected by specific customers?

A: Kyocera has high market share in this sector and supplies a wide range of customers.

Q: What was the reason for the improvement in profit in the Electronic Device Group compared with the fourth quarter of the previous fiscal year (“previous fourth quarter”) after excluding the environmental remediation charge?

A: Profit is improving on the whole for products such as capacitors, connectors and crystal devices. Component demand bottomed out in the previous fourth quarter and set manufacturers completed inventory adjustments, driving growth in demand from the first quarter. Demand is expected to increase in the second quarter as well.

Solar Energy Business

Q: To what extent did sales in the solar energy business for the first quarter decrease compared with the previous first quarter and the previous fourth quarter? Did you record a loss?

A: Sales in the solar energy business for the first quarter decreased by 20-30% compared with the previous first quarter and by around 10-20% compared with the previous fourth quarter. Conditions have remained tough on a profit front since the second quarter of the previous fiscal year due primarily to price erosion. Demand dropped as people adopted a wait-and-see attitude due to a delay in the final decision regarding purchase prices for the feed-in-tariff scheme for renewable energy in Japan.

Q: Please tell us the domestic/overseas sales ratio and the industrial/consumer sales ratio in the first quarter for the solar energy business. Also, what is your outlook for the second quarter onward?

A: The proportion of sales was roughly the same for domestic and overseas business in the first quarter. Sales in the consumer sector were significantly higher than the industrial sector.

Although the feed-in-tariff scheme for renewable energy started in Japan in

July, the final decision on purchase conditions took longer than initially expected. As a result, the contribution to sales from mega-solar power projects in Japan was still low in the first quarter.

Sales for Japan will grow from the second quarter and we are forecasting sales to increase further in the third and fourth quarters. Accordingly, the domestic/overseas sales ratio is expected to be around 60% domestic and 40% overseas.

Q: Do you expect profitability in the solar energy business to decline as sales for mega-solar power projects increase since the consumer sector is generally more profitable than the industrial sector, which includes such projects?

A: That's not the case. It's true that competition is tough for mega-solar power projects, but we only undertake profitable projects. Also, as volume increases profitability will be improved due to the effect of sales growth. Even though prices are getting tougher in the consumer sector, profitability will not decrease in the solar energy business toward the end of the fiscal year. If production volume increases, so will profitability.

Q: What is your outlook for orders and sales in the second quarter for the solar energy business in light of conditions in June and July?

A: Orders preceded sales in June and July. Orders for mega-solar power projects in Japan gained momentum in July with the start of the feed-in tariff scheme for renewable energy. However, that does not mean we will record sales for all of these projects in the second quarter. Most projects continue for some time, specifically until March 2013, so will contribute to profit in the third and fourth quarters. Of course there will also be sufficient contribution in the second quarter, so results in the solar energy business for the second quarter will steadily improve.

Q: To what extent do you think you can grow sales in the second quarter for the solar energy business compared with the first quarter?

A: We expect growth of approximately 30-40%.

Q: How will you cope with a level of demand that exceeds supply of solar cells and modules? Will you increase production capacity?

A: Orders in the industrial sector in Japan started to gain momentum in July, so contribution to sales in the first quarter was not significant. However, we conducted make-to-stock manufacturing and increased inventory in the first quarter. Purchase price trends for the next fiscal term remain uncertain and orders might be decline sharply. As a result, we are not considering an increase in production capacity at present. We will ensure our existing facilities are in full operation to handle orders this fiscal year.

Q: Do you project profit to increase in the solar energy business as sales stay in line with expectations?

A: Profitability is expected to improve. Prices are tough due to the competition, so we will focus on profitability.

Environmental Remediation Charge at AVX Corporation

Q: Will the estimated amount for the environmental remediation charge increase further?

A: The estimate of US\$366 million was made by AVX Corporation, so nothing has been finalized yet. At the moment, I cannot comment on whether the estimated amount will increase or not.

Q: Do you think the amount of US\$366 million will be the bare minimum cost at this point in time?

A: AVX Corporation has deemed it appropriate for the charge to increase its current estimate of potential liability to US\$366 million.