

Financial Presentation for the Six Months Ended September 30, 2011

(held on October 28, 2011)

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<Today's Presentation>

I will give a summary of financial results for the six months ended September 30, 2011 ("the first half") and financial forecasts for the year ending March 31, 2012 ("fiscal 2012").

<P.1: Financial Results of H1 FY3/2012 – Comparison with H1 FY3/2011>

Page 1 shows an outline of financial results for the first half compared with the six months ended September 30, 2010 ("the previous first half").

Net sales amounted to ¥604.3 billion, down 5.2% compared with the previous first half due primarily to deterioration in the business environment. The profit level fell below the previous first half due mainly to the decline in sales coupled with the impact of the yen's appreciation.

<P.2: Summary of H1 FY3/2012 Results – Comparison with H1 FY3/2011>

This slide shows a summary of results for the first half.

The first point concerns weak demand in the digital consumer equipment market. Demand for various equipment in this market, including mobile phone handsets, was sluggish due to stagnation in European and U.S. economies as well as to the impact of the Great East Japan Earthquake. As a result, demand for components used in these equipment declined. In addition, sales of Kyocera's mobile phone handsets decreased due to slower growth in the Japanese market and a decline in sales at key customers overseas.

The second point concerns a deteriorating environment in the solar energy market. Demand in the European market in particular stagnated in line with a reduction in subsidy amounts from the government. As a result, market competition intensified and product prices dropped considerably.

The third point concerns the impact of the yen's appreciation. Average exchange rates for the first half were ¥114 to the Euro, unchanged from the previous first half, and ¥80 to the U.S. dollar, marking appreciation of ¥9 compared with the previous first half. As a result, net sales and pre-tax income were down by approximately ¥23.0 billion and ¥5.5 billion, respectively, compared with the previous first half.

Next, I will explain financial results for each reporting segment.

<P.3: Business Trends by Reporting Segment for H1 FY3/2012

– Fine Ceramic Parts Group>

First, let's look at the Fine Ceramic Parts Group. Both sales and operating profit increased steadily due to growth in demand for components for the general industrial market in addition to the LED related market, which is expanding along with increasing environmental awareness. This reporting segment succeeded in improving profitability in accord with increased revenue. The operating profit ratio for the first half was 17.3%.

<P.4: Business Trends by Reporting Segment for H1 FY3/2012

– Semiconductor Parts Group>

Next, let's turn to the Semiconductor Parts Group on page 4. Sales decreased slightly due to sluggish growth in demand for packages and substrates used in digital consumer equipment. Operating profit was down as well due to the decline in sales and the impact of the yen's appreciation. Nonetheless, this reporting segment secured an operating profit ratio for the first half of 21.9%, which was on par with the six months ended March 31, 2011 ("the previous second half") due to efforts to reduce costs and enhance productivity.

<P.5: Business Trends by Reporting Segment for H1 FY3/2012

– Applied Ceramic Products Group>

Next, let's look at the Applied Ceramic Products Group. Sales in the cutting tool business expanded steadily, such as for the automotive market, particularly in Asia. Sales in the solar energy business decreased, however, due to a significant decline in product prices worldwide owing to deterioration in the balance of supply and demand caused by weak demand in Europe, the largest market in the world. As a result, sales and operating profit for this reporting segment overall decreased.

<P.6: Business Trends by Reporting Segment for H1 FY3/2012

– Electronic Device Group>

Please turn to page 6 for an explanation of the Electronic Device Group. Both sales and operating profit decreased slightly due mainly to sluggish growth in component demand for digital consumer equipment, the yen's appreciation and a steep rise in the price of raw materials such as tantalum. Despite decreases in sales and profit compared with levels posted in the previous first half and the previous second half, this reporting segment secured an operating profit ratio of 15.2% due to cost reductions and enhanced productivity.

<P.7: Business Trends by Reporting Segment for H1 FY3/2012

– Telecommunications Equipment Group>

Next, let's look at the Telecommunications Equipment Group on page 7. Sales volume of PHS handsets grew in accord with an increase in the number of subscribers. However, sales in this reporting segment decreased due to a decline in sales of mobile phone handsets resulting from stagnation in the Japanese market and sluggish growth at overseas customers in addition to contraction of the low-end handset business for overseas. This reporting segment secured profit in the first half, however, due to efforts to reduce costs and by cutting back on the low-profitability handset business for overseas.

<P.8: Business Trends by Reporting Segment for H1 FY3/2012

– Information Equipment Group>

Let's turn to the Information Equipment Group on page 8. This reporting segment succeeded in steadily expanding sales volume by increasing sales in emerging markets, including China, in addition to growing sales in Europe by launching new products such as color models. Sales remained roughly on par, however, due to the impact of the yen's appreciation. Operating profit increased and the operating profit ratio improved to 13.1% as a result of efforts to reduce costs in addition to growth in sales of consumables in line with higher sales of color models.

<P.9: Business Trends by Reporting Segment for H1 FY3/2012 – Others>

Let's look at the Others reporting segment on page 9. Sales increased at Kyocera Communication Systems Co., Ltd. due to expanded ICT business concerned with the creation of corporate information systems. In addition, contribution from sales of LED lighting to Seven-Eleven Japan Co., Ltd. in the first half resulted in a steady increase in sales for this reporting segment overall. Operating profit decreased for the first half, however, due primarily to an increase in R&D expenses for new businesses.

That concludes my summary of reporting segments. Now, I will explain results for the second quarter three-month period. Please turn to page 10.

<P.10: Financial Results of Q2 FY3/2012 – Comparison with Q2 FY3/2011>

With regard to results for the second quarter, three months ended September 30, 2011, both sales and profit decreased compared with the previous second quarter ended September 30, 2010, due to deterioration in the business environment. Net income attributable to shareholders of Kyocera Corporation decreased by 31.5% compared with the previous second quarter. This was due mainly to reduced tax expenses of approximately ¥5 billion through a recognition of deferred tax assets in line with improved profitability at an overseas subsidiary.

That concludes my presentation of financial results. Next, I will explain financial forecasts for fiscal 2012. Please turn to page 11 of the handout.

<P.11: Financial Forecast – Year Ending March 31, 2012>

Kyocera revised financial forecasts for the fiscal 2012 announced in April 2011, as shown in the table on page 11, in light of results in the first half and the outlook for the economy and business environment from the third quarter onward.

Kyocera forecasts sales of ¥1,230 billion, down ¥130 billion from the previous forecast, and pre-tax income of ¥140 billion, down ¥40 billion. The pre-tax income ratio is projected to be 11.4%.

Forecasts for capital expenditure, depreciation and R&D expenses have each been revised downward from previous forecasts, as shown on this slide, in light of the business environment outlook for the second half.

**<P.12~13: Sales and Operating Profit Forecast by Reporting Segment
– Year Ending March 31, 2012>**

Financial forecasts for each reporting segment have also been revised, as shown on pages 12 and 13.

Next, I will explain factors behind revisions to the financial forecasts. Please turn to page 14.

<P.14: Main Factors behind Revisions to Forecasts for FY3/2012>

There are three key factors behind the revisions.

The first point concerns the impact of the global economic decline. Fears of an economic slowdown have heightened worldwide due to prolonged financial problems in Europe. As a result, demand in a wide range of markets such as digital consumer equipment and general industrial markets is forecast to fall short of initial projections.

The second point concerns the deteriorating environment in the solar energy market. The decline in product prices has exceeded initial projections and it will be difficult for the market to recover during the second half.

The third point concerns the impact of changes to assumed exchange rates. The yen is expected to continue appreciating against European and U.S. currencies in the second half as well. Assumed exchange rates for the second half have been revised from the previous forecast of ¥79 to ¥76 against the U.S. dollar, marking appreciation of ¥3, and from ¥112 to ¥104 against the Euro, marking appreciation of ¥8. As a result, assumed exchange rates for fiscal 2012 are ¥78 to the U.S. dollar and ¥109 to the Euro, which will drive down net sales and pre-tax income by approximately ¥53.0 billion and ¥14.5 billion, respectively, compared with the previous fiscal year.

The current floods in Thailand have inflicted minimal direct damage on Kyocera's production sites in that country. Indirectly, there are concerns over the impact in various industries, and we will do our best to ascertain the effect on our business results by continuing to keep a close eye on the status of our business partners.

<P.15: Emphasized Initiatives in H2 FY3/2012>

The management environment surrounding Kyocera has become very difficult. As such, we will implement the emphasized initiatives shown on this slide in the second half with the aim of achieving the financial forecasts we have just announced.

An important challenge is to secure profit despite forecast sluggish growth in demand in major markets and yen appreciation. We expect the current economic decline to be prolonged and therefore recognize the need to strengthen our corporate structure by comprehensively reducing costs and improving productivity.

We will implement concrete initiatives to reduce expenses in all areas of our operations. In particular, we will aim to reduce procurement costs. For our Japanese sites, we will leverage the advantages of the strong yen and expand procurement of components and materials from overseas. For our overseas sites, we will further reduce costs by expanding procurement from local component and material makers.

In addition, we will work to increase efficiency in the production system and enhance productivity at each site in Japan and overseas. We will intensify and transfer production operations worldwide, while at the same time flexibly allocating human resources in accord with production trends. We will also shorten production processes and promote automation.

The second emphasized initiative will be to expand business in the information and communication market and cultivate new markets. In the second half, we will focus on genuine business expansion of smartphones in the Japanese market and expanding sales of information equipment in emerging markets.

<P.16: Expand Business in Information and Communication Market (1)>

To begin with, we will introduce the first au “DIGNO” smartphone for Japan in December 2011, which signals our genuine expansion of smartphones into the Japanese market. “DIGNO” is the brand name for smartphones made by Kyocera and incorporates our desire to be a valuable, top-class partner for our customers. Going forward, we will actively promote the expansion of smartphones using the “DIGNO” brand.

The smartphone is compatible with WiMAX and includes a high-definition organic EL display. It is also the thinnest waterproof smartphone at au.

Kyocera has been supplying mobile phone handsets to au in Japan for years. From the second half, we will begin supplying handsets to Softbank Mobile Corp. We will expand the “HONEY BEE” brand, which has been a major hit among the young adult segment in the area of PHS handsets, into the smartphone sector. We will strive to increase sales of mobile phone handsets by starting to supply products to a new carrier.

Kyocera will work to secure Japanese demand in the second half by launching two new smartphones under the “DIGNO” and “HONEY BEE” brands.

<P.17: Expand Business in Information and Communication Market (2)>

The second point concerns expanding sales of information equipment in emerging markets. This includes enhancing our product line-up and expanding our sales channel to steadily secure demand and thus increase sales.

In terms of enhancing product line-up, we will develop products to meet demand specifically for emerging countries in order to increase sales. This means we will launch modestly priced products that include only the most basic functions. Additionally, we will expand high-quality products that suit office supplies of local manufacturers such as printing paper as well as the characteristics of the region such as climate.

With regard to expanding the sales channel, we are implementing various initiatives in a wide range of countries including the BRICs.

In August 2011, we acquired the sales operations for office equipment from a local company in India. By doing so, we were able to expand Kyocera’s sales and service networks to all of India.

We also established a sales company in Russia in October 2011. We will team up with local distributors and work to expand sales.

Elsewhere, we will increase the number of sales companies in China and cultivate distributors in Brazil, Eastern Europe, the Middle East and Africa with the aim of expanding business.

Through these initiatives, Kyocera seeks to genuinely expand sales of information equipment in emerging markets in the second half.

Although the business environment remains uncertain in the second half, we will proceed with the initiatives I have explained today and aim to achieve our financial forecasts for fiscal 2012.