

Financial Presentation for the Six Months Ended September 30, 2014

(Held on October 31, 2014)

Goro Yamaguchi

President and Representative Director

<Slide 1: Financial Results for First Six Months of FY3/2015 – Comparison with first six months of FY3/2014 – >

Net sales for the six months ended September 30, 2014 (“the first half”) increased by 2.1% to ¥714.3 billion compared with the same period of the previous fiscal year (“the previous first half”), marking a record high for first half results. Nonetheless, profit from operations and pre-tax income decreased despite an increase in profit in the Equipment Business, since this was insufficient to cover a decline in profit in the Components Business. In contrast, net income increased due primarily to a decrease in tax costs on the back of a lowering of the corporate tax rate in Japan.

Capital expenditures in the first half increased compared with the previous first half, mainly in the Fine Ceramic Parts Group and Information Equipment Group. Meanwhile, depreciation fell below the level of the previous first half due primarily to a decrease in the Electronic Device Group and Applied Ceramic Products Group. R&D expenses increased, mainly in the Electronic Device Group and Information Equipment Group.

As shown at the bottom of this slide, average exchange rates for the first half were ¥103 to the US dollar and ¥139 to the euro, marking depreciation of ¥4 and ¥9, respectively. As a result, sales and pre-tax income were pushed up by approximately ¥19 billion and ¥5 billion, respectively, compared with the previous first half.

<Slide 2: Sales by Reporting Segment for First Six Months of FY3/2015 – Comparison with first six months of FY3/2014 – >

In terms of sales by reporting segment, although sales were down in the Electronic Device Group and Telecommunications Equipment Group, sales increased in both the Components Business

and Equipment Business. Sales increased significantly in the Semiconductor Parts Group and Information Equipment Group in particular.

<Slide 3: Operating Profit by Reporting Segment for First Six Months of FY3/2015

– Comparison with first six months of FY3/2014 – >

In terms of operating profit by reporting segment, profit was down in the Components Business on the whole due to the impact of a decline in profit in the Applied Ceramic Products Group, while profit increased significantly in the Equipment Business year on year on the whole due to an increase in profit in the Information Equipment Group.

<Slide 4: Summary of H1 FY3/2015 Results – Comparison with H1 FY3/2014 – >

The first point refers to expansion in the Components Business.

In the telecommunications market, sales of ceramic packages and capacitors for optical telecommunications and wireless telecommunications infrastructure as well as smartphones increased in particular. In the automotive market, sales of camera modules, ceramic packages for LEDs and cutting tools increased. Sales also increased in the organic substrate business due in part to contribution from Kyocera Circuit Solutions, which joined the Kyocera Group in the second half of the previous fiscal year.

The second point refers to expansion in the Information Equipment Group. Sales of MFPs increased overseas, mainly in the Europe and Asia regions, which led to a significant gain in sales in this reporting segment. Profit was also up due to the effect of higher sales coupled with an improved product mix on the back of high sales of high-value-added products such as consumables as well as a reduction in costs. As a result, a double-digit profit ratio was recorded.

The third point refers to an increase in profit in the Electronic Device Group. Cost reductions combined with the effect of structural reforms implemented in the previous fiscal year culminated in an increase in profit despite a decline in sales. The profit ratio also improved to 12%. The results demonstrate the positive impact of measures to boost profitability that we have introduced to date.

The fourth point refers to a decline in sales and profit in the Applied Ceramic Products Group. Although the solar energy business took on large projects in the previous first half such as the one in Kagoshima Nanatsujima and in Thailand, there was only minor contribution from such large projects in the current first half. In addition, product prices have declined more than expected since entering this fiscal year due to fierce competition in Japan. As a result, sales and profit decreased in this reporting segment on the whole.

<Slide 5: Financial Results for Three Months Ended September 30, 2014 – Comparison with three months ended June 30, 2014 – >

Next, I will explain results for the three months ended September 30, 2014 (“the second quarter”) compared with the latest first quarter.

Sales and profit increased by double-digit in the second quarter, and in particular, profit from operations increased considerably at close to doubled compared with the latest first quarter.

Pre-tax income posted lower growth than profit from operations due to the recording of dividend income in the first quarter. Excluding dividend income, however, pre-tax income for the second quarter grew by more than 70%.

Average exchange rates for the second quarter were ¥104 to the US dollar, marking depreciation of ¥2, and ¥138 to the euro, marking appreciation of ¥2, compared with the first quarter.

<Slide 6: Sales by Reporting Segment for Three Months Ended September 30, 2014 – Comparison with three months ended June 30, 2014 – >

Sales increased in every reporting segment in the second quarter compared with the first quarter and double-digit growth in sales was posted in both the Components Business and Equipment Business.

<Slide 7: Operating Profit by Reporting Segment for Three Months Ended September 30, 2014 – Comparison with three months ended June 30, 2014 – >

As with sales, operating profit increased in every reporting segment in the second quarter compared with the first quarter. In particular, increased profit in the Semiconductor Parts Group, Electronic Device Group, Telecommunications Equipment Group and Information Equipment Group made strong contributions.

As a result, operating profit for the entire Kyocera Group was ¥38.4 billion and the profit ratio improved to 10.1%.

<Slide 8: Summary of Q2 FY3/2015 Results – Comparison with Q1 FY3/2015 – >

Next, I will summarize results for the second quarter. Sales and profit increased in all reporting segments and operating profit surged approximately 60%.

The first reason for the increase in results lies with growth in sales in key markets. Sales increased significantly in various sectors such as for smartphones in terms of ceramic packages for CMOS image sensors and for crystal and SAW devices in the Semiconductor Parts Group, and connectors and capacitors in the Electronic Device Group.

In industrial markets including automotive sector, sales of cutting tools and camera modules grew and sales of semiconductor processing equipment parts increased strongly.

The second point refers to increased sales and profit in the Telecommunications Equipment Group. Sales increased considerably on account of contribution from sales of Kyocera's distinctive new products, including "TORQUE" for au in Japan as well as "BRIGADIER" equipped with the sapphire shield display for Verizon and "Hydro Life" for T-Mobile overseas. In addition, there was a turnaround to profitability due to the increase in sales coupled with the effect of cost reductions.

The third point refers to a sales increase in the Information Equipment Group. Sales of printers and MFPs increased, mainly in Europe, and profit grew markedly.

The fourth point refers to expansion in demand for solar energy. Sales increased in the solar energy business due to full-fledged sales contribution in the industrial sector in Japan from the second quarter.

<Slide 9: Financial Forecast for the Year Ending March 31, 2015>

Next, I will explain financial forecasts. No changes have been made to the full-year sales and profit forecasts announced in April.

Also, no changes have been made to forecasts for capital expenditures and R&D expenses. However, depreciation has been revised down by ¥6 billion compared with the forecast made in April since the implementation period for capital expenditures has been delayed on the whole relative to initial plans.

Kyocera has revised its forecasts of average exchange rates for the full year as shown at the bottom of this slide to ¥104 to the US dollar in light of first half results and second half outlook. Average exchange rates for the second half are projected to be ¥105 to the US dollar and ¥135 to the euro.

<Slide 10: Sales Forecast by Reporting Segment for the Year Ending March 31, 2015>

No changes have been made to sales forecasts by reporting segment made in April.

<Slide 11: Operating Profit Forecast by Reporting Segment for the Year Ending March 31, 2015>

Kyocera has revised full-year operating profit forecasts upwards for the Fine Ceramic Parts Group and Electronic Device Group due to an expected increase in profitability on the back of cost reductions compared with projections made in April. In contrast, the forecast has been revised downwards in the Applied Ceramic Products Group compared with the April

projection due mainly to a higher-than-expected sales promotion costs for residential sector in Japan as well as fiercer competition in the solar energy business.

Next, I will explain initiatives in the second half for each reporting segment.

<Slide 12: Forecast by Reporting Segment for the Year Ending March 31, 2015

– Fine Ceramic Parts Group – >

The graphs at left indicate six-month results for reporting segments starting from the previous fiscal year, including forecast for the current fiscal year. The upper graph shows sales and the lower graph shows operating profit and profit ratio. The table at top right shows second half forecasts compared with first half results in terms of amount and percentage.

In the Fine Ceramic Parts Group, continued growth in core products is expected to drive expansion, with sales forecast to increase 10.5% and operating profit forecast to increase 14% for the reporting segment on the whole compared with the first half.

In particular, demand is projected to continue expanding for automotive related parts such as glow plugs and parts for industrial machineries. We will do our best to drive sales growth in these core products and cost reductions.

<Slide 13: Forecast by Reporting Segment for the Year Ending March 31, 2015

– Semiconductor Parts Group – >

In the Semiconductor Parts Group, Kyocera forecasts double-digit increases in both sales and profit compared with the first half.

Sales of ceramic packages for CMOS sensors and for crystal and SAW devices used in smartphones are forecast to increase in the third quarter. In addition, sales of ceramic packages for optical and wireless telecommunications infrastructure in China and sales of organic FCBGA packages are forecast to increase.

Kyocera consolidated two domestic subsidiaries into one company in the organic substrate business in October 2014. We will pursue synergies in production and sales, and strive to accelerate management to cultivate new customers and push ahead with proposals of new products.

We also aim to further reduce costs by increasing production at our plant in Vietnam.

<Slide 14: Forecast by Reporting Segment for the Year Ending March 31, 2015

– Applied Ceramic Products Group – >

In the Applied Ceramic Products Group, sales are forecast to increase by 43% and operating profit is forecast to surge approximately 60% compared with the first half.

In the solar energy business, sales are expected to expand significantly compared with the first half due to a shift to full-scale construction for commercial mega-solar projects in the second half on the back of seasonal factors. In addition, we will work to increase sales of multicrystalline and monocrystalline modules as well as systems such as energy storage systems and Home Energy Management Systems (HEMS) in the residential sector.

Although it is difficult to make future forecasts in the solar energy market in Japan due to the fact that five electric power companies have suspended grid access, it has been reported that the government will make a decision on this matter by the end of the year. In spite of this impact, a large number of projects have already gained approval for grid access with certain power companies while efforts will be made to achieve sales forecasts by introducing measures to expand sales in the residential sector.

In the cutting tool business, we forecast sales to increase steadily, mainly for the automotive industry, beginning with Asia.

We also aim to increase profit compared with the first half by driving sales growth and improving profitability through cost reductions in each business despite an increase in sales

promotion cost in the solar energy business.

<Slide 15: Forecast by Reporting Segment for the Year Ending March 31, 2015

– Electronic Device Group – >

In the Electronic Device Group, Kyocera is forecasting an increase in sales of 9.6% compared with the first half due to an increase in sales of connectors and crystal related products for digital consumer equipment such as smartphones and to growth in demand for components for industrial machineries.

Moreover, we are projecting a double-digit increase in profit through efforts to boost profitability in the capacitor, crystal component and display businesses in particular.

<Slide 16: Forecast by Reporting Segment for the Year Ending March 31, 2015

– Telecommunications Equipment Group – >

In the Telecommunications Equipment Group, we are forecasting an increase of approximately 24% in sales in the second half compared with the first half as well as a significant improvement in profit of ¥10.9 billion.

Despite a loss of ¥1.3 billion in the first half, as I mentioned earlier the contribution from new models helped us drive improvement in profit ratio to over 4% in the second quarter.

In the second half, we plan to release more new models than we did in the first half in both Japan and overseas and we will work to enhance profitability by boosting the ratio of new products. In overseas business, we will strive to make business foundations more stable by further strengthening our customer base through continued cultivation of major new customers.

<Slide 17: Forecast by Reporting Segment for the Year Ending March 31, 2015

– Information Equipment Group – >

In the Information Equipment Group, we are forecasting an increase of 12.5% in sales in the second half. However, we are also forecasting the yen to strengthen by ¥4 against the euro in the second half compared with the first half as well as increases in sales promotion costs and depreciation costs. In addition, we are projecting a conservative forecast prompted by concerns over an economic slowdown in the core European market. Therefore, we forecast a decrease of ¥0.9 billion in operating profit compared with the first half.

In the second half we will introduce new models of printers and MFPs as well as further promote sales expansion activities with a view to increasing overall sales.

In addition, we will work to reduce costs by making greater use of our plant in Vietnam and by promoting standardization of platforms.

<Slide 18: Forecast by Reporting Segment for the Year Ending March 31, 2015

– Others – >

In the Others reporting segment, we are expecting to expand sales, mainly at Kyocera Communication Systems and Kyocera Chemical, and to boost profit by reducing costs.

That concludes my explanation of initiatives for the second half.

<Slide 19: Future Initiatives (1)>

Next, I will explain future initiatives in the ceramic package business, organic substrate business, Electronic Device Group and automotive related markets, which are core to the growth of the Kyocera Group over the medium term.

First, in the ceramic package business, we are faced with a number of market requirements for packages going forward as shown in the lower left of this slide such as to be smaller, lower profile and multilayered etc.

In terms of future initiatives, we will aim to increase share in existing markets, as shown on the right of this slide. In particular, we will pursue a shift from organic materials to ceramics for CMOS sensors used in telecommunications terminals. We will leverage the features of ceramics, namely heat dissipation, low profile and high rigidity and look to expand application in smartphones, where the use of organic materials has become widespread.

Also, with regard to telecommunications infrastructure, investment in 4G LTE is increasing in China, and in line with this, demand for optical packages and packages for wireless telecommunications is growing significantly on the back of higher speed in data communications. We aim to make the most of this demand to increase sales.

One further initiative will be to cultivate new markets, as shown at left. Notably, we will strive to expand business in the automotive, LED and medical markets. In the automotive market, we will work to expand packages for sensors and ECU substrates. We will also do our best to increase sales of LED packages by grabbing opportunities for growth in headlamps for automobiles and lighting.

Kyocera's ceramic package business already commands high market share, but we aim to further strengthen this business by not settling for our position as the current No. 1 manufacturer.

<Slide 20: Future Initiatives (2)>

Next, we aim to expand the organic substrate business by maximizing synergies through the business integration conducted in October 2014 and strengthening management foundations.

By consolidating sales divisions, as shown in the lower left of this slide, we can provide one-stop solutions for organic substrates to customers in Japan and overseas, from packages to motherboards, as a means to expand business. In particular, we position the telecommunications terminal, telecommunications infrastructure and automotive fields as key fields and implement measures in these fields.

In addition, we are optimizing our production system, as shown in the upper right of this slide, and to this end, we completed the introduction of new equipment to a new plant wing in Ayabe, Kyoto in the first half. Going forward, we will transfer and concentrate production of products such as FCCSPs currently being produced at a plant in Yasu, Shiga into this new plant and aim to enhance productivity with the state-of-the-art equipment.

Further, we will seek to enhance management efficiency by integrating various systems with a view to strengthening business management, as shown in the lower right of this slide.

<Slide 21: Future Initiatives (3)>

Next, let's look at the Electronic Device Group. This graph shows increasing and decreasing sales in core product domains compared with the previous year on the horizontal axis and increasing and decreasing profit on the vertical axis. The blue colored boxes represent sales and profit results in the year ended March 31, 2014 and the yellow colored boxes represent forecasts for the current fiscal year.

In the year ended March 31, 2014, shown in blue, sales decreased relative to the previous year in the three businesses of Kyocera's electronic components, displays and crystal components at left of graph due to the implementation of structural reforms. In addition, profit decreased in displays and crystal components. With regard to forecasts for the fiscal year, shown in yellow, Kyocera projects a significant increase in profit in all three businesses.

Going forward, we will aim to increase profitability, which has been a focus of late, and strive to boost sales by releasing high-value-added products and strategically cultivating new customers and markets.

<Slide 22: Future Initiatives (4)>

In automotive related markets, we established a project team in the first half that transects the Kyocera Group and are pushing ahead with strategic initiatives that include developing new products and pursuing new customers as well as bolstering the added value of products.

We aim to achieve ¥300 billion in sales by the year ending March 31, 2017 as a medium-term target and will seek to expand businesses with Tier 1 manufacturers and automotive manufacturers.

<Slide 23: Management Objectives>

Kyocera will strive to boost share in existing products and to strengthen new product development and new market cultivation by thoroughly reducing costs and utilizing external management resources, including M&As, based on the collective strengths of the Kyocera Group. As a result, we aim to achieve double-digit sales growth on an annual basis and more than 10% in pre-tax income ratio.