

THE NEW VALUE FRONTIER

Securities Code 6971



Report for the Year Ended March 31, 2013

(Accompanying Documents for the 59th Ordinary General Meeting of Shareholders)

KYOCERA Corporation

Please note that this is an English translation of the Japanese original of the Report for the Year Ended March 31, 2013 of Kyocera Corporation distributed to shareholders in Japan. The translation is prepared solely for the reference and convenience of foreign shareholders. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

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Kyocera Management Philosophy

Corporate Motto

敬天愛人

“Respect the Divine and Love People”

Preserve the spirit to work fairly and honorably,
respecting people, our work, our company and our global community.

Management Rationale

To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind.

Management Philosophy

To coexist harmoniously with nature and society.
Harmonious coexistence is the underlying foundation of all our business activities as we work to create a world of abundance and peace.

Management Based on the Bonds of Human Minds

Kyocera started as a small, suburban factory, with no money, credentials or history. We had nothing to rely on but a little technology and 28 trustworthy colleagues. Since then, for the development of Kyocera, everyone has exerted their maximum efforts and managers have devoted their lives to earning the trust of employees. We wanted to be an excellent company where all employees could believe in each other – abandon selfish motives – and be truly proud to work. This has been the base of Kyocera’s management. Human minds are said to be easily changeable. Yet, there is nothing stronger than the human mind. Kyocera developed into what it is today because it is based on the bonds of human minds.

Kazuo Inamori
Chairman Emeritus

Greetings

We are pleased to present to you our Report for the Year Ended March 31, 2013 (hereinafter, “fiscal 2013” refers to the fiscal year ended March 31, 2013, with other fiscal years referred to in a corresponding manner).

With regard to the economic environment in fiscal 2013, although the U.S. economy expanded moderately, the Japanese economy weakened due to the impact of the recession in the European economy and slowdown in the Chinese economy. In terms of Kyocera’s key markets, production activities were sluggish overall in the digital consumer equipment market while in the environment and energy market demand for solar modules grew considerably in Japan. Consolidated net sales for fiscal 2013 increased compared with fiscal 2012 due to expansion in solar energy business coupled with a full-year contribution to results of a consolidated subsidiary that was newly added in fiscal 2012. Profit was down compared with fiscal 2012, however, due to the significant impact of the recording of an environmental remediation charge at a U.S. based subsidiary.

In fiscal 2014, Kyocera expects an improvement in the export environment on the back of correction to the high yen and recovery in Japanese and overseas economies. We also expect production activities to pick up in the digital consumer equipment market as well as expansion of the solar energy market.

Kyocera instituted a new management system in April 2013. We will seize opportunities offered by the turnaround in the business environment as we seek to further expand sales. We will also integrate our development, production and sales capabilities across a wide array of fields that we have accumulated over the years and strive to bolster new product development and increase market share by leveraging the comprehensive strengths of the Kyocera Group with the aim of boosting performance even further.

We would very much appreciate your continued support of the Kyocera Group as we forge ahead.

Tetsuo Kuba
Chairman of the Board and Representative Director

Goro Yamaguchi
President and Representative Director

(Accompanying Documents for the 59th Ordinary General Meeting of Shareholders)

Business Report (April 1, 2012 to March 31, 2013)

1. Current Conditions of Kyocera Corporation and its Consolidated Subsidiaries

(1) Business Progress and Results

In fiscal 2013, despite increases in public investment and personal consumption, the Japanese economy weakened due primarily to a decrease in exports reflecting a slowdown from the second quarter (July 1 to September 30, 2012) in economies overseas, particularly in Europe and Asia, and to stagnant growth in capital investment in the corporate sector. With respect to the overseas economic environment, the U.S. economy expanded moderately on the back of growth in personal consumption and recovery in housing investment. On the other hand, the European economy remained in a recessionary phase due to the lingering impact of the financial crisis. The slowdown in the Chinese economy intensified due mainly to weakening exports.

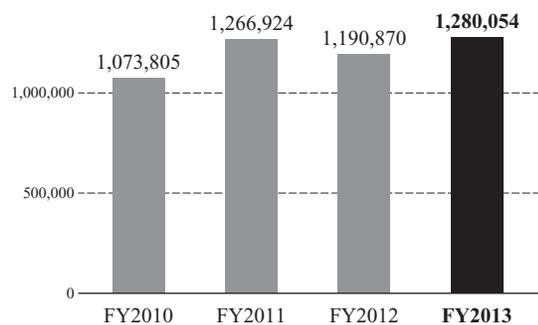
In the digital consumer equipment market, which is the principal market for Kyocera Corporation and its consolidated subsidiaries (the “Kyocera Group” or “Kyocera”), shipment volume was slow overall for conventional mobile phones, PCs and flat-screen TVs despite significant growth for smartphones and tablet PCs compared with fiscal 2012. In contrast, the solar energy market in Japan expanded substantially due primarily to growth in demand in the residential sector and a sharp increase in demand in the public and commercial sectors, which includes mega-solar power projects, as a result of the introduction of the feed-in-tariff for renewable energy in July 2012.

Average exchange rates for fiscal 2013 were ¥83 to the U.S. dollar, marking depreciation of ¥4 (approximately 5%) from ¥79 for fiscal 2012, and ¥107 to the Euro, marking appreciation of ¥2 (approximately 2%) from ¥109 for fiscal 2012. Mainly as a result of the effect of the Yen’s depreciation against the U.S. dollar, net sales and income before income taxes for fiscal 2013 were pushed up by approximately ¥21 billion and ¥2.5 billion, respectively, compared with fiscal 2012.

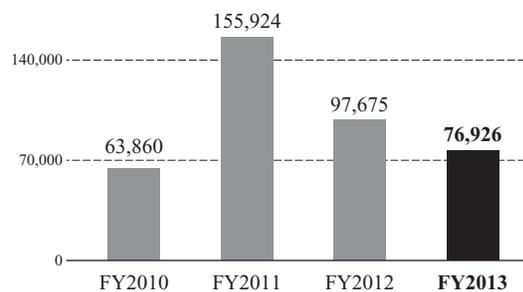
Consolidated Net Sales for fiscal 2013 increased by ¥89,184 million, or 7.5%, to ¥1,280,054 million, compared with ¥1,190,870 million for fiscal 2012, due primarily to sales growth in the Applied Ceramic Products Group and the Semiconductor Parts Group and a full-year contribution from a consolidated subsidiary newly added in fiscal 2012. Profit From Operations decreased by ¥20,749 million, or 21.2%, to ¥76,926 million, compared with ¥97,675 million for fiscal 2012 due to the recording of a charge of ¥21,300 million for environmental remediation in New Bedford Harbor, Massachusetts in the U.S. by AVX Corporation, a U.S. based subsidiary. Income Before Income Taxes decreased by ¥13,530 million, or 11.8%, to ¥101,363 million, compared with ¥114,893 million for fiscal 2012. Net Income Attributable to Shareholders of Kyocera Corporation for fiscal 2013 decreased by ¥12,884 million, or 16.2%, to ¥66,473 million, compared with ¥79,357 million for fiscal 2012.

Highlights of Consolidated Results

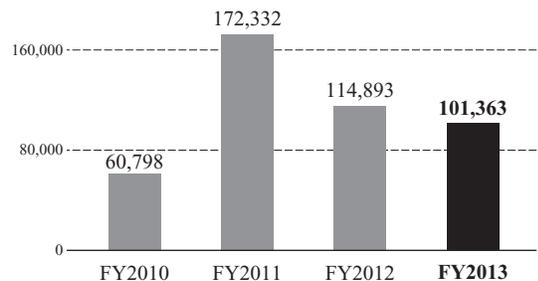
Net Sales (Yen in millions)



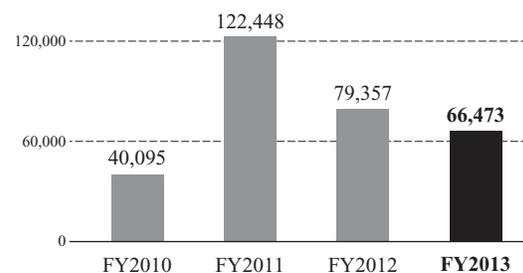
Profit from Operations (Yen in millions)



Income Before Income Taxes (Yen in millions)



Net Income Attributable to Shareholders of Kyocera Corporation (Yen in millions)



Notes:

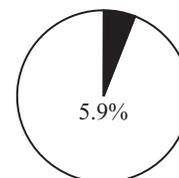
1. The amounts, numbers of shares and ratios (%) in this report are rounded to the nearest unit.
2. Graphs in this report are presented solely for reference.

Consolidated Results by Reporting Segment

Fine Ceramic Parts Group

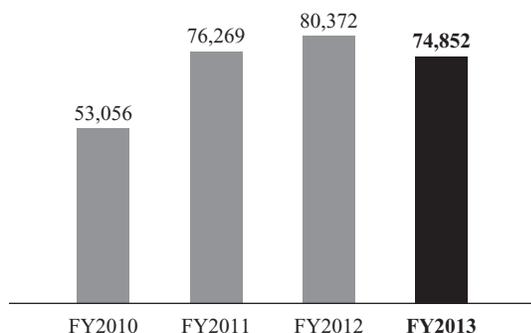
Net Sales: ¥74,852 million, down 6.9% year on year
Operating Profit: ¥7,614 million, down 39.7% year on year

Sales Composition Ratio

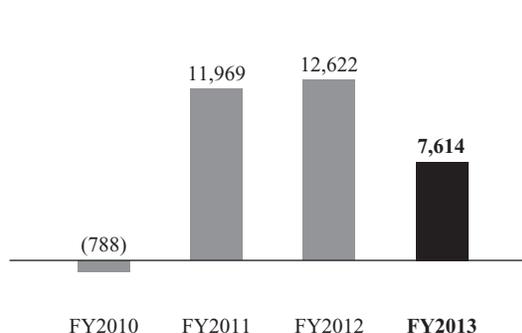


Sales in this reporting segment decreased compared with fiscal 2012 due to a year-on-year decline in component demand in the industrial machinery market, including for components for semiconductor fabrication equipment, and in the digital consumer equipment market. Operating Profit decreased compared with fiscal 2012 due mainly to the impact of the lower sales combined with a decline in product prices.

Net Sales (Yen in millions)



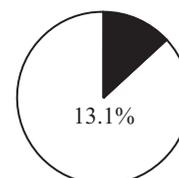
Operating Profit (Yen in millions)



Semiconductor Parts Group

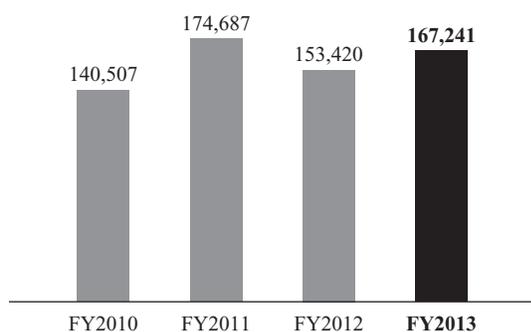
Net Sales: ¥167,241 million, up 9.0% year on year
Operating Profit: ¥30,379 million, up 9.5% year on year

Sales Composition Ratio

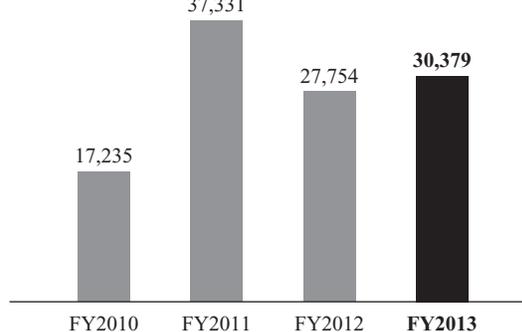


Sales and Operating Profit in this reporting segment increased compared with fiscal 2012 due to growth in demand for ceramic packages primarily for smartphones.

Net Sales (Yen in millions)



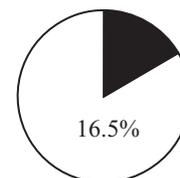
Operating Profit (Yen in millions)



Applied Ceramic Products Group

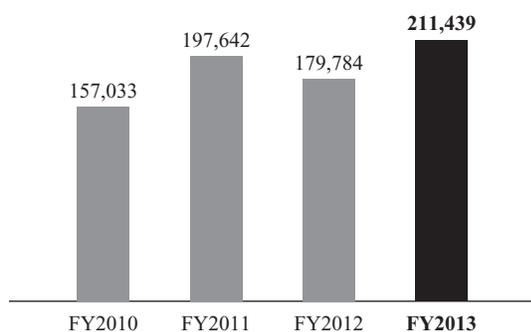
Net Sales: ¥211,439 million, up 17.6% year on year
Operating Profit: ¥17,924 million, up 177.5% year on year

Sales Composition Ratio

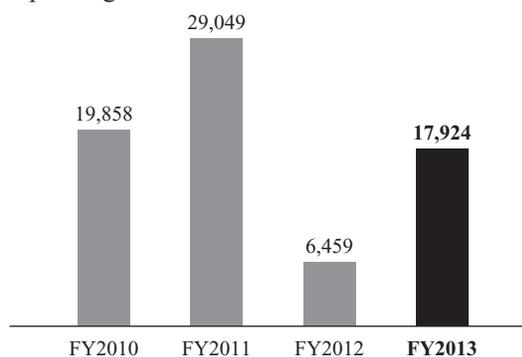


Sales in this reporting segment increased compared with fiscal 2012 due primarily to significant growth in solar energy business sales in Japan, and to increased sales in the cutting tool business. Operating Profit increased compared with fiscal 2012 due to the effect of the sales growth and cost reductions.

Net Sales (Yen in millions)



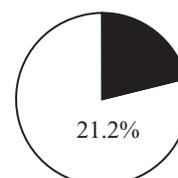
Operating Profit (Yen in millions)



Electronic Device Group

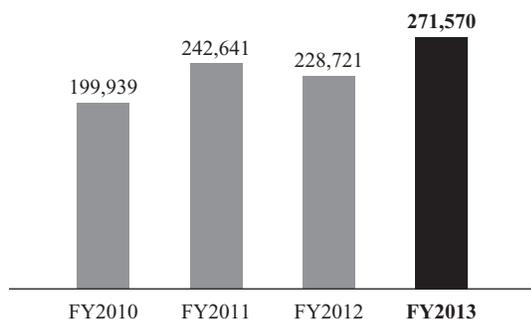
Net Sales: ¥271,570 million, up 18.7% year on year
Operating Profit (Loss): ¥(4,014) million, down ¥20,050 million year on year

Sales Composition Ratio

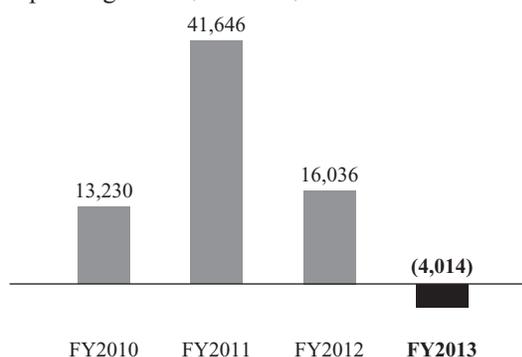


Sales in this reporting segment increased compared with fiscal 2012 due to full-year sales contribution from Kyocera Display Corporation. Operating Loss was recorded, however, due to the recording of an environmental remediation charge at AVX Corporation.

Net Sales (Yen in millions)



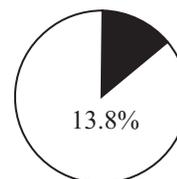
Operating Profit (Yen in millions)



Telecommunications Equipment Group

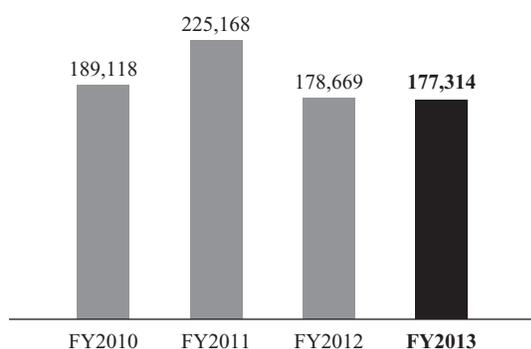
Net Sales: ¥177,314 million, down 0.8% year on year
Operating Profit: ¥1,340 million, down 8.8% year on year

Sales Composition Ratio

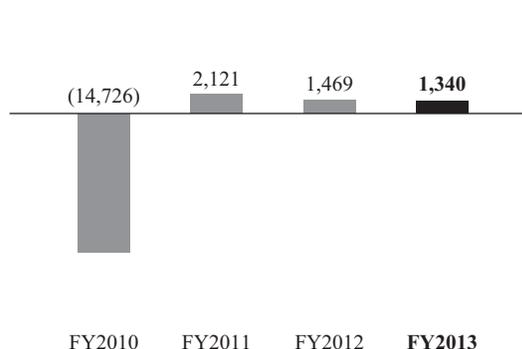


Sales increased overseas due to strong sales of mobile phones and, as a result, profitability also improved. Sales in Japan decreased, however, due to contraction in the market and the impact of intensifying competition, and as a result, Net Sales and Operating Profit in this reporting segment decreased slightly compared with fiscal 2012.

Net Sales (Yen in millions)



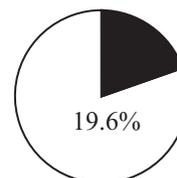
Operating Profit (Yen in millions)



Information Equipment Group

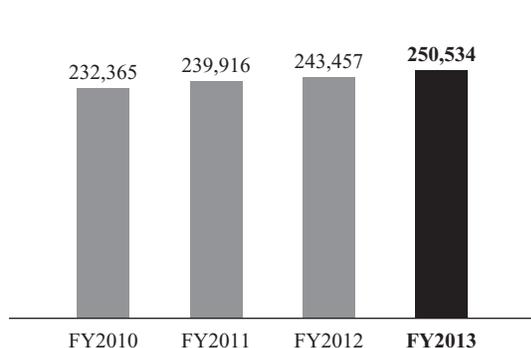
Net Sales: ¥250,534 million, up 2.9% year on year
Operating Profit: ¥21,750 million, down 26.1% year on year

Sales Composition Ratio

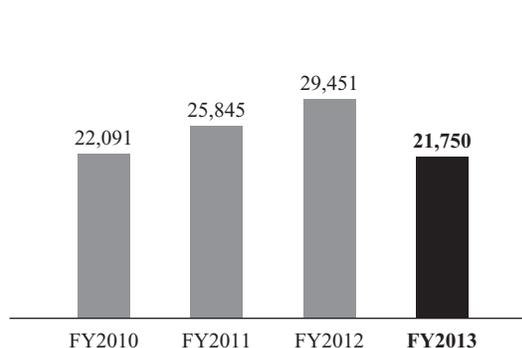


Sales in this reporting segment increased compared with fiscal 2012 due to the introduction of new products and vigorous sales promotion activities, however, Operating Profit decreased compared with fiscal 2012 due mainly to a decline in selling price and the impact of the Euro's depreciation against the Yen.

Net Sales (Yen in millions)



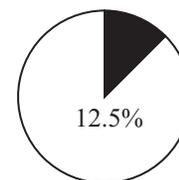
Operating Profit (Yen in millions)



Others

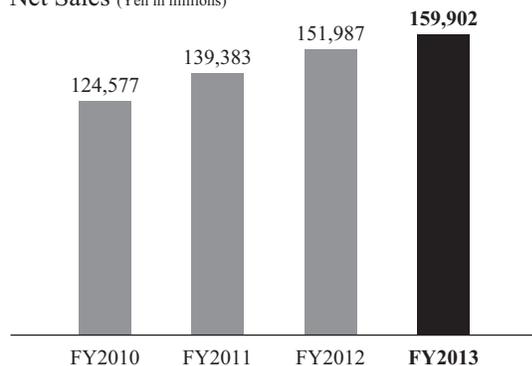
Net Sales: ¥159,902 million, up 5.2% year on year
Operating Profit: ¥10,542 million, up 30.9% year on year

Sales Composition Ratio

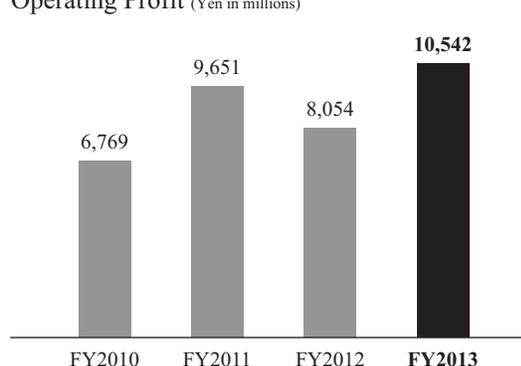


Sales and Operating Profit in this reporting segment increased compared with fiscal 2012 due primarily to an increase in sales at Kyocera Communication Systems Co., Ltd.

Net Sales (Yen in millions)



Operating Profit (Yen in millions)



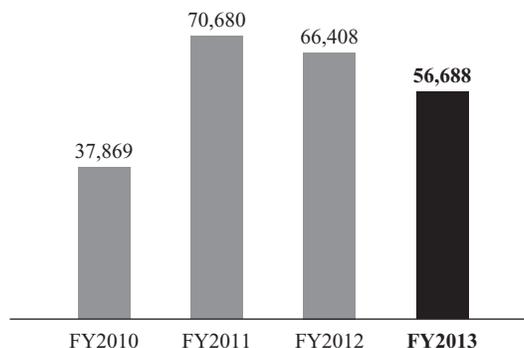
Note: The sum total of sales ratio shown on pages 4 to 7 shall not be 100% because “Adjustments and Eliminations” accounts for (2.6)% of Consolidated Net Sales in fiscal 2013.

(2) Capital Expenditures

During fiscal 2013, due to a sluggish demand in digital consumer equipment market, etc., in spite of making an investment in a new plant in Vietnam, Kyocera slowed its capital expenditures mainly in component business. As a result, capital expenditures for fiscal 2013 totaled ¥56,688 million, a decrease of ¥9,720 million, or 14.6%, compared with fiscal 2012.

Required funds for fiscal 2013 were mainly financed from internal resources.

Capital Expenditure (Yen in millions)



(3) Management Challenges

The business environment surrounding the Kyocera Group has been harsh overall in the past few years through this fiscal year due primarily to the financial crisis and natural disasters, coupled with the Yen's sharp appreciation. Kyocera expects the business environment to pick up going forward, however, in line with gradual recovery in the global economy and correction of the extreme appreciation of the Yen. Although fierce competition is projected to continue in the global market, Kyocera intends to take full advantage of the positive turn in the business environment to drive further growth for the Kyocera Group. To achieve this, Kyocera will continue with initiatives to boost profitability, which includes persisting with efforts to reduce manufacturing costs and raise productivity, while also seeking to launch new products and cultivate new markets. Specifically, Kyocera aims to be a high-growth, highly profitable company by tackling the following challenges.

i) Expand Sales in Growth Markets

Kyocera views the information and communications market and the environment and energy market as future growth markets and will strive to further expand sales in both areas. In addition, Kyocera will leverage the comprehensive capabilities of the Kyocera Group to expand customer and sales networks and launch new products in a timely manner, particularly in these markets, as well as to promote global business development. In the information and communications market, Kyocera anticipates demand to grow for small, high-performance components in line with more advanced functionality in smartphones and increased speed in communications networks such as with LTE (Long Term Evolution). Kyocera will work to increase sales in the Components Business by releasing high performance components and expanding business areas. Efforts will also be made to increase sales in the Equipment Business by introducing attractive telecommunications equipment and information equipment that meets customer needs and by vigorously implementing sales promotion measures.

In the environment and energy market, demand for solar energy batteries is expected to continue rising, particularly in Japan. Kyocera will work to expand business in this sector, from the supply of solar cells and modules through the design, construction and maintenance of solar energy systems to power generation projects by making the most of management resources throughout the Kyocera Group. In addition, Kyocera will strive to expand sales of environment and energy related products through marketing of battery storage units and energy management systems which control energy efficiently in combination with solar energy systems.

ii) Enhance Management Foundations

Kyocera will further integrate a variety of existing products, technologies and sales networks from the components business into the equipment business as well as accelerate the creation and development of new products that meet customer needs and expand sales by leveraging the comprehensive capabilities of the Kyocera Group.

In terms of manufacturing, Kyocera aims to overcome global competition on the cost front and at the same time to strengthen services in the Asian region, where customer production sites are located by expanding production in Vietnam and India in order to reduce production costs. On the other hand, Kyocera seeks to expand production of high-value-added products and achieve increased profitability in its Japanese production by driving further advancement in production technology. Kyocera will also continuously seek opportunities to strengthen its business foundations by acquiring external management resources.

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.

(4) Four-Year Financial Summary

| | (Yen in millions except per share amount) | | | |
|--|---|--------------------|--------------------|--------------------|
| | <u>Fiscal 2010</u> | <u>Fiscal 2011</u> | <u>Fiscal 2012</u> | <u>Fiscal 2013</u> |
| Net Sales | 1,073,805 | 1,266,924 | 1,190,870 | 1,280,054 |
| Income Before Income Taxes | 60,798 | 172,332 | 114,893 | 101,363 |
| Net Income Attributable to Shareholders of Kyocera Corporation | 40,095 | 122,448 | 79,357 | 66,473 |
| Basic Earnings per Share Attributable to Shareholders of Kyocera Corporation (Yen) | 218.47 | 667.23 | 432.58 | 362.36 |
| Total Assets | 1,848,717 | 1,946,566 | 1,994,103 | 2,282,853 |
| Kyocera Corporation Shareholders' Equity | 1,345,235 | 1,420,263 | 1,469,505 | 1,646,157 |
| Kyocera Corporation Shareholders' Equity per Share (Yen) ... | 7,330.14 | 7,739.31 | 8,010.65 | 8,973.83 |

Notes:

1. The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States.
2. Basic earnings per share attributable to shareholders of Kyocera Corporation is calculated using the average number of shares in issue during each respective fiscal year and Kyocera Corporation shareholders' equity per share is calculated using the number of shares in issue excluding treasury shares at the end of each respective fiscal year.
3. Consolidated net sales for fiscal 2010 decreased compared with fiscal 2009 due to continued deterioration of the business environment until the second quarter and the impact of appreciation of the Yen, despite the recovery of the general business environment. Net income attributable to shareholders of Kyocera Corporation increased compared with fiscal 2009 due to cost-cutting measures and improved productivity, though the lower sales compared with fiscal 2009.
4. Consolidated net sales for fiscal 2011 increased compared with fiscal 2010 due to an expansion of the information and communications market despite the impact of the appreciation of the Yen. Net income attributable to shareholders of Kyocera Corporation increased compared with fiscal 2010 due to further cost-cutting measures and improved productivity, in addition to the higher sales compared with fiscal 2010.
5. Consolidated net sales for fiscal 2012 decreased compared with fiscal 2011 due to a decline in component demand for digital consumer equipment and sluggish growth in sales in the Telecommunications Equipment Group, in addition to the impact of the appreciation of the Yen. Net income attributable to shareholders of Kyocera Corporation decreased compared with fiscal 2011 due to the recording of an environmental remediation charge at AVX Corporation, a subsidiary, in addition to the lower sales compared with fiscal 2011.
6. Performance for fiscal 2013 is as stated in "(1) Business Progress and Results" on previous pages.

(5) Principal Businesses (as of March 31, 2013)

Kyocera manufactures and sells a highly diversified range of products, including components involving fine ceramic technologies and applied ceramic products, telecommunications and information equipment, etc. The principal products and businesses are as follows:

| Reporting Segment and Content of Business | Principal Product and Business |
|---|---|
| Fine Ceramic Parts Group: Kyocera widely provides ceramic components for industrial machinery, communication, computing, automotive and various other industrial sectors. | Components for Semiconductor Processing Equipment and FPD (Flat Panel Display) Manufacturing Equipment, Information & Telecommunication Components, General Industrial Machinery Components, Sapphire Substrates, and Automotive Components |
| Semiconductor Parts Group: Kyocera provides both inorganic (ceramic) and organic packages and substrates for protecting electronic components and ICs. | Ceramic Packages for Crystal and SAW Devices, CMOS/CCD Image Sensor Ceramic Packages, LSI Ceramic Packages, Wireless Communication Device Packages, Optical Communication Device Packages and Components, and Organic Multilayer Packages |
| Applied Ceramic Products Group: Kyocera provides solar energy products, cutting tools, medical and dental implants and jewelry and applied ceramic related products such as ceramic knives. | Residential and Industrial Solar Power Generating Systems, Solar Cells and Modules, Cutting Tools, Micro Drills, Medical and Dental Implants, and Jewelry and Applied Ceramic Related Products |
| Electronic Device Group: Kyocera provides various electronic components and devices in a wide range of market such as information and communications equipment, digital home appliances, and industrial machinery. | Ceramic Capacitors, Tantalum Capacitors, SAW Devices, RF Modules, EMI Filters, Clock Oscillators, Crystal Units, Ceramic Resonators, Optical Low Pass Filters, Connectors, Thermal Printheads, Inkjet Printheads, Amorphous Silicon Photoreceptor Drums, LCDs, and Touch Panels |
| Telecommunications Equipment Group: Kyocera provides smartphones, simple phones which are easy to use for the elderly, as well as PHS handsets and base stations. | Mobile Phones, PHS Related Products such as PHS Handsets and PHS Base Stations |
| Information Equipment Group: Kyocera supports improvements of customers' business circumstances through providing printers and multifunction peripherals based on "ECOSYS" concept with our unique characteristic of long life, ecological and economical, and various applications which meets customers' needs. | Monochrome and Color Printers and Multifunctional Products, Wide Format Systems, Document Solutions, Application Software, and Supplies |
| Others: Kyocera provides information and communication services, electrical insulators and molding business mainly in this reporting segment. | Information Systems & Telecommunication Services, Engineering Business, Management Consulting Business, Epoxy Molding Compounds for Semiconductor Encapsulation, Electrical Insulators, Flexible Printed Circuit Sheet Materials, Synthetic Resin Molded Parts, Realty Development Business, and LED Lighting Systems |

(6) Significant Subsidiaries (as of March 31, 2013)

| Name of Subsidiary | Amount of Capital (Yen in millions and others in thousands) | Ownership by Kyocera Corporation (%) | Principal Business |
|--|--|---|---|
| Kyocera SLC Technologies Corporation | ¥4,000 | 100.00 | Development, manufacturing and sale of organic multilayer packages and substrates |
| Kyocera Solar Corporation | ¥310 | 100.00 | Sale of solar energy products |
| Kyocera Medical Corporation | ¥2,500 | 77.00 | Development, manufacturing and sale of medical materials |
| Kyocera Connector Products Corporation | ¥400 | 100.00 | Development, manufacturing and sale of electronic devices |
| Kyocera Crystal Device Corporation | ¥16,318 | 100.00 | Development and manufacturing of electronic devices |
| Kyocera Display Corporation | ¥4,075 | 100.00 | Development, manufacturing and sale of electronic devices |
| Kyocera Document Solutions Inc. | ¥12,000 | 100.00 | Development and manufacturing of information equipments |
| Kyocera Communication Systems Co., Ltd. | ¥2,986 | 76.30 | Provision of engineering services and IT services |
| Kyocera Chemical Corporation | ¥10,172 | 100.00 | Development, manufacturing and sale of electrical insulation materials |
| Shanghai Kyocera Electronics Co., Ltd. | ¥17,321 | 100.00 | Manufacturing and sale of fine ceramic-related products and electronic devices |
| Dongguan Shilong Kyocera Co., Ltd. | HK\$472,202 | 90.00 | Manufacturing of cutting tools and thin film components |
| Kyocera (China) Sales & Trading Corporation | US\$10,000 | 90.00 | Sale of fine ceramic-related products and cutting tools |
| Kyocera (Tianjin) Solar Energy Co., Ltd. | US\$30,200 | 90.00 | Manufacturing of solar energy products |
| Kyocera Telecom Equipment (Malaysia) Sdn. Bhd. | MYR28,000 | 100.00 | Manufacturing of telecommunications equipments |
| Kyocera Asia Pacific Pte. Ltd. | US\$105 | 100.00 | Sale of fine ceramic-related products, solar energy products and electronic devices |
| Kyocera International, Inc. | US\$34,850 | 100.00 | Holding company and headquarters in North America |
| AVX Corporation | US\$1,763 | 69.06 | Development, manufacturing and sale of electronic devices |
| Kyocera Communications, Inc. | US\$10,000 | *100.00 | Sale of telecommunications equipments |
| Kyocera Fin ceramics GmbH | EURO1,687 | 100.00 | Sale of fine ceramic-related products, solar energy products and thin film components |

Asterisk (*) shows ownership by a subsidiary of Kyocera Corporation.

(7) Principal Business Sites (as of March 31, 2013)

Japan:

Kyocera Corporation Headquarters: 6 Takeda Tobadono-cho, Fushimi-ku, Kyoto, Japan

| | |
|------------------------------|---|
| Hokkaido Kitami Plant | Kyocera SLC Technologies Corporation (Shiga) |
| Fukushima Tanagura Plant | Kyocera Solar Corporation (Kyoto) |
| Nagano Okaya Plant | Kyocera Medical Corporation (Osaka) |
| Mie Ise Plant | Kyocera Connector Products Corporation (Kanagawa) |
| Shiga Gamo Plant | Kyocera Crystal Device Corporation (Tokyo) |
| Shiga Yokaichi Plant | Kyocera Display Corporation (Tokyo) |
| Shiga Yasu Plant | Kyocera Document Solutions Inc. (Osaka) |
| Kagoshima Sendai Plant | Kyocera Document Solutions Japan Inc. (Tokyo) |
| Kagoshima Kokubu Plant | Kyocera Communication Systems Co., Ltd. (Kyoto) |
| Kagoshima Hayato Plant | Kyocera Chemical Corporation (Saitama) |
| Yokohama Office | Kyocera Optec Co., Ltd. (Tokyo) |
| R&D Center, Keihanna (Kyoto) | Kyocera Realty Development Co., Ltd. (Tokyo) |
| R&D Center, Kagoshima | Hotel Kyocera Co., Ltd. (Kagoshima) |
| | Hotel Princess Kyoto Co., Ltd. (Kyoto) |

Overseas:

Shanghai Kyocera Electronics Co., Ltd. (China)
Kyocera (Tianjin) Solar Energy Co., Ltd. (China)
Kyocera Display (Zhangjiagang) Co., Ltd. (China)
Dongguan Shilong Kyocera Co., Ltd. (China)
Kyocera (China) Sales & Trading Corporation (China)
Kyocera Document Technology (Dongguan) Co., Ltd. (China)
Kyocera Precision Tools Korea Co., Ltd. (Korea)
Kyocera Korea Co., Ltd. (Korea)
Kyocera Crystal Device (Thailand) CO., Ltd. (Thailand)
Kyocera Telecom Equipment (Malaysia) Sdn. Bhd. (Malaysia)
Kyocera Asia Pacific Pte. Ltd. (Singapore)
Kyocera International, Inc. (U.S.A.)
Kyocera Industrial Ceramics Corporation (U.S.A.)
Kyocera America, Inc. (U.S.A.)
Kyocera Solar, Inc. (U.S.A.)
Kyocera Tycom Corporation (U.S.A.)
Kyocera Communications, Inc. (U.S.A.)
AVX Corporation (U.S.A.)
Kyocera Document Solutions America, Inc.(U.S.A.)
Kyocera Document Solutions Europe B.V. (Netherlands)
Kyocera Document Solutions Deutschland GmbH (Germany)
TA Triumph-Adler GmbH (Germany)
Kyocera Fineceramics GmbH (Germany)
Kyocera Solar Europe S.R.O. (Czech Republic)
Kyocera Unimerco A/S (Denmark)

(8) Employees (as of March 31, 2013)

i) Consolidated

| <u>Reporting Segment</u> | <u>Number of Employee</u> | <u>Change from the End of Fiscal 2012</u> |
|--|---------------------------|---|
| Fine Ceramic Parts Group | 2,951 | Decrease of 59 |
| Semiconductor Parts Group | 8,843 | Increase of 63 |
| Applied Ceramic Products Group | 8,067 | Increase of 129 |
| Electronic Device Group | 24,176 | Decrease of 1,462 |
| Telecommunications Equipment Group | 4,013 | Increase of 125 |
| Information Equipment Group | 15,983 | Increase of 934 |
| Others | 6,008 | Increase of 419 |
| Headquarters | <u>1,604</u> | <u>Increase of 7</u> |
| Total | <u>71,645</u> | <u>Increase of 156</u> |

Note: The number of employees represents the total number of regular employees who work full-time.

ii) Non-consolidated

| | |
|--|----------------|
| Number of Employee | 14,786 |
| Change from the End of Fiscal 2012 | Increase of 13 |
| Average Age | 40.0 |
| Average Years of Service | 16.4 |

Note: The number of employees represents the total number of regular employees who work full-time.

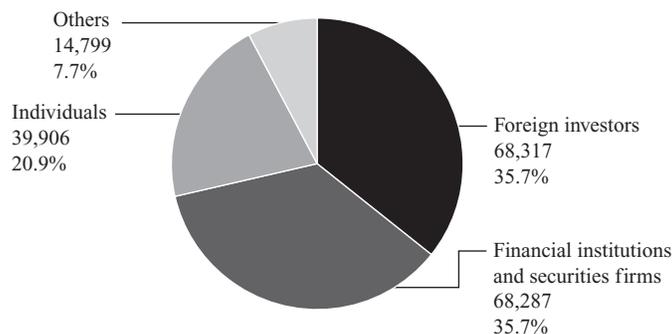
2. Shares (as of March 31, 2013)

| | |
|---|-------------|
| (1) Total Number of Shares Authorized to Be Issued: | 600,000,000 |
| (2) Total Number of Shares Issued: | 191,309,290 |
| (Of which, Number of Treasury Shares: | 7,869,470) |
| (3) Number of Shareholders: | 59,734 |
| (4) Major Shareholders (Top 10 Largest Shareholders) | |

| Name | Number of Shares Owned (Shares in thousands) | Share Ownership Ratio (%) |
|--|---|------------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 13,903 | 7.58 |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 11,863 | 6.47 |
| The Bank of Kyoto, Ltd. | 7,218 | 3.93 |
| Kazuo Inamori | 5,606 | 3.06 |
| State Street Bank and Trust Company | 5,399 | 2.94 |
| The Inamori Foundation | 4,680 | 2.55 |
| SSBT OD05 Omnibus Account – Treaty Clients | 3,574 | 1.95 |
| KI Enterprise Co., Ltd. | 3,550 | 1.94 |
| BNY GCM Client Account JPRD AC ISG (FE-AC) | 3,216 | 1.75 |
| Stock Purchase Plan for Kyocera Group Employees | 2,806 | 1.53 |

Note: Share ownership ratios are calculated after deduction of the treasury shares.

Shareholder Composition (Shares in thousands)



3. Directors and Audit & Supervisory Board Members

(1) List of Directors and Audit & Supervisory Board Members (as of March 31, 2013)

| <u>Position</u> | <u>Name</u> | <u>Duty and Important Concurrent Post</u> |
|---|---------------------|---|
| Chairman of the Board and Representative Director | Makoto Kawamura | |
| President and Representative Director | Tetsuo Kuba | President and Executive Officer |
| Vice President and Representative Director | Tatsumi Maeda | Vice President and Executive Officer General Manager of Corporate R&D Group and Corporate Solar Energy Group |
| Director | Katsumi Komaguchi | Managing Executive Officer President and Representative Director of Kyocera Document Solutions Inc. |
| Director | Yasuyuki Yamamoto | Managing Executive Officer General Manager of Corporate Communication Equipment Group |
| Director | Goro Yamaguchi | Managing Executive Officer General Manager of Corporate Semiconductor Components Group |
| Director | Ken Ishii | Managing Executive Officer General Manager of Corporate Cutting Tool Group |
| Director | Shoichi Aoki | Managing Executive Officer General Manager of Corporate Financial and Business Systems Administration Group |
| Director | Tsutomu Yamori | Managing Executive Officer General Manager of Corporate General Affairs Human Resources Group |
| Director | Yoshihito Ohta | Managing Executive Officer General Manager of Corporate Office of the Chief Executives |
| Director | John S. Gilbertson | Chairman of the Board, Chief Executive Officer and President of AVX Corporation |
| Director | John S. Rigby | Director and President of Kyocera International, Inc. |
| Full-time Audit & Supervisory Board Member | Yoshihiro Kano | |
| Full-time Audit & Supervisory Board Member | Yoshihiko Nishikawa | |
| Audit & Supervisory Board Member | Osamu Nishieda | Attorney-at-law |
| Audit & Supervisory Board Member | Yoshinari Hara | Honorary Adviser of Daiwa Securities Group Inc. |
| Audit & Supervisory Board Member | Yoshinori Yasuda | Professor, Graduate School of Environmental Studies, Tohoku University |
| Audit & Supervisory Board Member | Nichimu Inada | President and Representative Director of Family Co.,Ltd. |

Notes:

1. Important Concurrent Posts Undertaken by Directors and Audit & Supervisory Board Members in Fiscal 2013.

- (1) Messrs. Makoto Kawamura, Chairman of the Board and Representative Director, Tetsuo Kuba, President and Representative Director, Tatsumi Maeda, Vice President and Representative Director and Shoichi Aoki, Director, serve as Directors of AVX Corporation.
- (2) Mr. Makoto Kawamura, Chairman of the Board and Representative Director, serves as an Outside Director of KDDI Corporation.
- (3) Yoshihito Ohta, Director, serves as a Senior Managing Executive Officer of Japan Airlines Co., Ltd. (Retired as of March 31, 2013)
- (4) Mr. Yoshihiko Nishikawa, Audit & Supervisory Board Member, served as an Outside Audit & Supervisory Board Member of KDDI Corporation until June 20, 2012.
- (5) Mr. Yoshinari Hara, Audit & Supervisory Board Member, served as an Outside Director of NEC Corporation until June 22, 2012.

2. Important Concurrent Posts Undertaken by Outside Audit & Supervisory Board Members and their Relations with Kyocera Corporation

- (1) Kyocera Corporation engages in transactions relating to sale of products and purchase of goods with NEC Corporation where Mr. Yoshinari Hara, Audit & Supervisory Board Member used to serve as an Outside Director.
- (2) Kyocera Corporation engages in transactions relating to sale of ceramic products for research applications with Tohoku University where Mr. Yoshinori Yasuda, Audit & Supervisory Board Member serves as a professor, but there is no transaction with the Graduate School of Environmental Studies where Mr. Yoshinori Yasuda, Audit & Supervisory Board Member serves as a professor.
- (3) There is no special interest between Kyocera Corporation and Family Co.,Ltd. where Mr. Nichimu Inada, Audit & Supervisory Board Member, serves as President and Representative Director.

3. Messrs. Yoshinari Hara, Yoshinori Yasuda and Nichimu Inada are Outside Audit & Supervisory Board Members.

4. Kyocera Corporation has designated Messrs. Yoshinari Hara, Yoshinori Yasuda and Nichimu Inada as independent Audit & Supervisory Board Members as provided for in the rules of the Tokyo Stock Exchange and the Osaka Securities Exchange.

5. “Position” and “Area of Responsibility and Important Concurrent Post” of Directors have been changed as of April 1, 2013, as follows:

| <u>Position</u> | <u>Name</u> | <u>Area of Responsibility and Important Concurrent Post</u> |
|--|--------------------|--|
| Chairman of the Board and Representative Director | Tetsuo Kuba | |
| Vice Chairman of the Board and Representative Director | Tatsumi Maeda | In charge of Engineering and Technology |
| President and Representative Director | Goro Yamaguchi | President and Executive Officer |
| Senior Managing Director | Katsumi Komaguchi | Senior Managing Executive Officer President and Representative Director of Kyocera Document Solutions Inc. |
| Senior Managing Director | Yasuyuki Yamamoto | Senior Managing Executive Officer General Manager of Corporate Communication Equipment Group |
| Director | Yoshihito Ohta | Managing Executive Officer General Manager of Corporate General Affairs Group |
| Director | Shoichi Aoki | Managing Executive Officer General Manager of Corporate Financial and Accounting Group |
| Advisor and Director | Makoto Kawamura | |
| Director | Tsutomu Yamori | In charge of Human Resources |
| Director | John S. Gilbertson | Chairman of the Board and Chief Executive Officer of AVX Corporation |

(2) Directors and Audit & Supervisory Board Members Retired during Fiscal 2013

Directors and Audit & Supervisory Board Members retired during fiscal 2013 are as follows:

| <u>Position as of Retirement</u> | <u>Name</u> | <u>Duty and Important Concurrent Post as of Retirement</u> | <u>Reason for Retirement</u> | <u>Retirement Date</u> |
|----------------------------------|---------------------|--|------------------------------|------------------------|
| Director | Hisao Hisaki | In charge of Corporate Development Group | Registration | Jun. 27, 2012 |
| Director | Rodney N. Lanthorne | Vice Chairman of the Board and Director of Kyocera International, Inc. | Resignation | Jun. 27, 2012 |
| Audit & Supervisory Board Member | Kazuo Yoshida | Visiting Professor, Kyoto Sangyo University | Expiration of term of office | Jun. 27, 2012 |

(3) Remuneration to Directors and Audit & Supervisory Board Members for Fiscal 2013

| | <u>Number of Persons Qualified to Receive Remuneration</u> | <u>Amount of Remuneration (Yen in millions)</u> |
|--|--|---|
| Directors | 14 | ¥325 |
| Audit & Supervisory Board Members | 7 | ¥ 73 |
| (Outside Audit & Supervisory Board Members of 7 Audit & Supervisory Board Members above) | (5) | ¥(18) |
| Total | <u>21</u> | <u>¥398</u> |

Notes:

1. The amount of remuneration to Directors does not include salaries for services as employees or Executive Officers for those Directors who serve as such.
2. As of the end of fiscal 2013, there were 12 Directors and 6 Audit & Supervisory Board Members, with 3 of the latter being Outside Audit & Supervisory Board Members. “The Number of Directors Qualified to Receive Remuneration” in the table above includes 2 Directors who retired during fiscal 2013. “The Number of Audit & Supervisory Board Members Qualified to Receive Remuneration” in the table above includes 1 Outside Audit & Supervisory Board member who retired during fiscal 2013. “The Number of Outside Audit & Supervisory Board Members Qualified to Receive Remuneration” shown in parentheses in the table above includes 1 ex-Outside Audit & Supervisory Board member who later assumed the office of Audit & Supervisory Board Member during fiscal 2013.
3. Remuneration to Directors and Audit & Supervisory Board Members was determined by the resolution adopted at the 55th Ordinary General Meeting of Shareholders, which was held on June 25, 2009, as follows:

[Aggregate Amount of Remuneration to Directors]

| | |
|-----------------------|--|
| Basic Remuneration: | No more than ¥400 million per year (not including salaries for services as employees or Executive Officers for those Directors who serve as such). |
| Bonuses to Directors: | No more than 0.2% of the Consolidated Net Income* of Kyocera Corporation for the relevant fiscal year, provided that such amount shall not exceed ¥300 million per year. |

* Pursuant to a change in U.S. accounting standards, this has been revised to “Net Income Attributable to Shareholders of Kyocera Corporation.”

[Aggregate Amount of Remuneration to Audit & Supervisory Board Members]

| | |
|---------------------|-------------------------------------|
| Basic Remuneration: | No more than ¥100 million per year. |
|---------------------|-------------------------------------|

(4) Outside Audit & Supervisory Board Members

(i) Activities of Outside Audit & Supervisory Board Members during Fiscal 2013

- (a) Mr. Yoshinari Hara attended 12 of the 14 meetings of the Board of Directors and all of the 8 meetings of the Audit & Supervisory Board which were held during fiscal 2013 and expressed his views based on his abundant knowledge from and experience in the management of a securities firm.
- (b) Mr. Yoshinori Yasuda attended 8 of the 11 meetings of the Board of Directors and all of the 5 meetings of the Audit & Supervisory Board which were held after taking office during fiscal 2013 and expressed his views based on his abundant knowledge and experience as a university professor.
- (c) Mr. Nichimu Inada attended 10 of the 11 meetings of the Board of Directors and all of the 5 meetings of the Audit & Supervisory Board which were held after taking office during fiscal 2013 and expressed his views based on his abundant knowledge from and experience in the management of a firm.

(ii) Summary of Agreements Regarding the Limitation of Liability

Kyocera Corporation has entered into an agreement with Outside Audit & Supervisory Board Members regarding the limitation of their liability for damages caused by negligence in the performance of their duties, in accordance with paragraph 1 of Article 427 of the Companies Act and Article 35 of the Articles of Incorporation of Kyocera Corporation. The amounts of liability to which they are subject to, as set under such agreements, are limited to the minimum amount of liability provided under applicable laws and regulations.

4. Accounting Auditor

(1) **Name of Accounting Auditor:** PricewaterhouseCoopers Kyoto (formerly Kyoto Audit Corporation)

Note: Effective March 1, 2013, Kyoto Audit Corporation, which audits our financial statements under the Companies Act and Financial Instruments and Exchange Law of Japan and under the U.S. Securities Exchange Act of 1934, changed its English name to “PricewaterhouseCoopers Kyoto.”

(2) **Remuneration and Other Amounts Payable to Accounting Auditor**

| | |
|---|--------------|
| Remuneration and Other Amounts Payable by Kyocera Corporation to the Accounting Auditor for the Services for Fiscal 2013 | ¥227 million |
| Total Amount of Cash and Other Financial Benefits Payable by Kyocera Group to the Accounting Auditor for the Services for Fiscal 2013 | ¥496 million |

Notes:

1. The overseas subsidiaries of Kyocera Corporation are audited by an auditing firm other than that used by Kyocera Corporation as its Accounting Auditor.
2. In the audit agreement between Kyocera Corporation and the Accounting Auditor, remuneration is determined without separately indicating amounts payable for auditing under the Companies Act and for auditing under the Financial Instruments and Exchange Law. Accordingly, ¥227 million represents the aggregate remuneration for both of these auditing services.

(3) **Policy regarding Decision to Terminate or Not to Reappoint Accounting Auditor**

In the event that the Audit & Supervisory Board determines that the Accounting Auditor is subject to any of the events provided in Paragraph 1 of Article 340 of the Companies Act, the Audit & Supervisory Board is authorized to terminate the office of such Accounting Auditor or to request the Board of Directors to consider proposing to the General Meeting of Shareholders the termination or non-reappointment of such Accounting Auditor. Should anything occur to negatively impact the qualifications or independence of the Accounting Auditor, making it unlikely that such Accounting Auditor will be able to properly perform an audit, the Board of Directors, subject to prior consent of the Audit & Supervisory Board, shall propose to the General Meeting of Shareholders a resolution to terminate or not to reappoint such Accounting Auditor.

5. System and Policy

Kyocera Corporation has adopted through its Board of Directors Meeting the “Kyocera Group Basic Policy for Corporate Governance and Internal Control” as follows:

Kyocera Group **Basic Policy for Corporate Governance and Internal Control**

Kyocera has made “Respect the Divine and Love People” its corporate motto and “To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind” its management rationale.

Kyocera always strives to maintain equity and fairness, and faces all situations with courage and conscience, and it intends to realize transparent systems for corporate governance and internal control.

Under such corporate motto and management rationale, the Board of Directors is implementing a basic policy for corporate governance and internal control as described below.

This statement of basic policy sets forth such basic policy in accordance with Paragraph 5 and Item 6 of Paragraph 4 of Article 362 of the Companies Act, and Paragraphs 1 and 3 of Article 100 of the Execution Rules of the Companies Act, which require establishment of a system to ensure that business conduct by the Directors will be in compliance with all applicable laws and regulations and the Articles of Incorporation and to ensure proper business conduct by the Company and Kyocera Group, as a whole.

I. Corporate Governance

1. Basic Policy for Corporate Governance

The Board of Directors of Kyocera Corporation defines Kyocera’s corporate governance to mean “structures to ensure that Directors conducting business manage the corporations in a fair and correct manner.”

The purpose of corporate governance is to maintain soundness and transparency of management and to achieve fair and efficient corporate management, through which Kyocera’s management rationale can be realized.

The Board of Directors shall inculcate in all Directors and employees working in the Kyocera Group the “Kyocera Philosophy,” which is the basis of Kyocera’s management policy, and establish a sound corporate culture. The Board of Directors shall establish proper corporate governance through exercise of the Kyocera Philosophy (See Note below).

Note: The “Kyocera Philosophy” is a corporate philosophy and life philosophy created through integration of the thoughts of the founder of Kyocera Corporation regarding management and life. The “Kyocera Philosophy” incorporates a wide range of matters relating to basic thoughts on management and methods of undertaking day-to-day work, based on the core criterion of “what is the right thing to do as a human being.”

2. System for Corporate Governance

The Board of Directors of Kyocera Corporation determines, pursuant to the basic policy described in 1 above, the below-outlined system for corporate governance of Kyocera Corporation, which is the core company within the Kyocera Group, to ensure that the business conduct by the Directors is in compliance with all applicable laws and regulations and the Articles of Incorporation. The Board of Directors will constantly seek the ideal system for corporate governance and always evolve and develop its existing corporate governance system.

(1) Organs of Corporate Governance

The Board of Directors shall establish a corporate structure in which the Audit & Supervisory Board Members and the Audit & Supervisory Board will serve as organs of corporate governance pursuant to the provisions of the Articles of Incorporation, as approved by the General Meeting of Shareholders of Kyocera Corporation. Directors of Kyocera Corporation shall strictly observe the following, to ensure effective audit by the Audit & Supervisory Board Members and the Audit & Supervisory Board:

- (i) Matters Relating to Employees to Facilitate the Duties of Audit & Supervisory Board Members (including Matters Relating to the Independence of such Employees from the Directors);

Representative Directors shall establish an office of the Audit & Supervisory Board Members upon their request, and shall request certain employees, nominated through prior discussion with the Audit & Supervisory Board Members, to work at such an office to assist in the duties of the Audit & Supervisory Board Members and the Audit & Supervisory Board. Such employees, while still subject to the work rules of Kyocera Corporation, shall be under the instruction and supervision of each of the Audit & Supervisory Board Members, and transfer, treatment (including evaluation) and disciplinary action relating to them shall be made only following discussion with the Audit & Supervisory Board Members.

- (ii) System for Reporting to the Audit & Supervisory Board Members by Directors and Employees and Other Systems Relating to Reporting to the Audit & Supervisory Board Members;

In the event that any Director becomes aware of any possible or actual violation of laws and regulations, or the Articles of Incorporation, or in the event that any Director becomes aware of any matter that may cause substantial damage to Kyocera, he/she shall immediately report thereon to the Audit & Supervisory Board. In addition, in the event that any Audit & Supervisory Board Member or the Audit & Supervisory Board requests a report from any Director pursuant to the Regulations of the Audit & Supervisory Board, such Director shall comply with such request.

Representative Directors shall request the internal audit department to regularly report the status of the internal audit to the Audit & Supervisory Board Members. In addition, upon request from the Audit & Supervisory Board Members, Representative Directors shall request any specified department(s) to report the status of their business conduct directly to the Audit & Supervisory Board Members. Representative Directors shall also maintain a “whistleblower system to report to the Audit & Supervisory Board,” established by the Audit & Supervisory Board, under which employees, suppliers and customers of Kyocera may directly notify the Audit & Supervisory Board of any such items.

(iii) Other Systems to Ensure Effective Audit by the Audit & Supervisory Board Members;

In the event that Representative Directors are requested by any Audit & Supervisory Board Member to effectuate any of the following matters, as necessary to establish a system to ensure effective audit by the Audit & Supervisory Board Members, Representative Directors shall comply with such request:

- a. Attendance at important meetings;
- b. Inspection of minutes of important meetings, important approval documents and important agreements, etc.; and
- c. Meetings with Representative Directors to exchange opinions regarding management of Kyocera Corporation in general.

(2) Kyocera Philosophy Education

Representative Directors of Kyocera Corporation shall undertake “Kyocera Philosophy Education” from time to time in order to inculcate in the Directors (including themselves) and Kyocera’s employees the “Kyocera Philosophy.”

II. Internal Controls

1. Basic Policy for Internal Controls

The Board of Directors of Kyocera Corporation defines Kyocera’s internal controls to mean “systems to be established within the corporate organization to achieve management policy and master plans in a fair manner, in order for the Directors to undertake management of Kyocera Corporation to effectuate management policy.” The Board of Directors of Kyocera Corporation will establish internal controls through implementation of the “Kyocera Philosophy.”

2. System for Internal Controls

Under the policy as described in 1 above, the Board of Directors shall request Representative Directors to establish the systems described below. In addition, the Board of Directors shall constantly evolve and develop such systems, seeking an ideal system of internal controls.

(1) Management and Maintenance of Information Relating to Business Conduct by Directors;

Representative Directors shall establish the “Kyocera Disclosure Committee” as a system for making timely and appropriate disclosure of information and for properly maintaining information relating to the business conduct by the Directors in accordance with applicable laws and regulations and the internal rules of Kyocera Corporation.

(2) Internal Rules and Systems Relating to Management of Risk of Loss, and Systems to Ensure that Business Conduct by Employees is in Compliance with Applicable Laws and Regulations and the Articles of Incorporation;

Representative Directors shall create a risk management department in order to establish Kyocera’s risk management system. Representative Directors shall also establish systems to undertake necessary actions from time to time.

Representative Directors shall establish an office for “employee counseling” as an internal function of the whistleblower policy within the Kyocera Group that enables employees to report any possible or actual violation of laws and regulations, the Articles of Incorporation, or other internal rules. The office of employee counseling shall take appropriate corrective actions, if necessary, with respect to reports received in accordance with the Whistleblower Protection Act.

(3) Systems to Ensure Efficient Business Conduct by Directors;

Representative Directors shall clearly delegate certain authority and related responsibility to Executive Officers by establishing an Executive Officer system to achieve efficient and effective business conduct. Representative Directors shall request the Executive Officers to report the status of their business conduct, and, accordingly, a system shall be maintained under which Representative Directors can verify whether business is being conducted efficiently.

(4) System to Ensure Appropriate Business Conduct at the Kyocera Group;

In addition to the matters described in (1) through (3) above, as a system to ensure the appropriate business conduct at the Kyocera Group, Representative Directors shall establish the Kyocera Group Management Committee. Such Committee shall discuss important matters relating to the Kyocera Group and receive reports relating thereto. Representative Directors shall also establish an internal audit department in order to regularly conduct audits to evaluate the appropriateness of business conduct at the Kyocera Group.

The current status of the preparedness of systems relating to internal control is as follows:

- (i) The “Kyocera Code of Conduct” was established in June 2000.
- (ii) The “Risk Management Division” was established in September 2000 in order to create a thorough system to ensure compliance with laws and regulations and internal rules.
- (iii) The “Kyocera Management Committee,” which was renamed the “Kyocera Group Management Committee” in August 2002, was established in January 2001.
- (iv) The “Kyocera Disclosure Committee” was established in April 2003.
- (v) The “Employee Counseling Office” was established in April 2003 as a function of the whistleblower reporting system.
- (vi) The Executive Officer System was introduced in June 2003 to improve management efficiency.
- (vii) The “Global Audit Division,” which was reorganized by the merger of “Risk Management Division” and renamed the “Corporate Global Audit Division” later in April 2010, was established in May 2005 to undertake internal audits, and it regularly conducts audits of Kyocera’s businesses, and reports the results of such audits to the Directors and Audit & Supervisory Board Members of Kyocera Corporation. It also serves as a mechanism for meeting the requirements of Article 404 of the Sarbanes-Oxley Act of the United States of America.

Consolidated Balance Sheets

| | (Yen in millions) | | |
|---|-------------------|-------------------|------------------------|
| | March 31, | | Increase (Decrease) |
| | 2012 | 2013 | |
| Current assets: | | | |
| Cash and cash equivalents | ¥ 273,288 | ¥ 305,454 | ¥ 32,166 |
| Short-term investments in debt and equity securities | 47,175 | 43,893 | (3,282) |
| Other short-term investments | 158,765 | 179,843 | 21,078 |
| Trade notes receivables | 19,349 | 27,061 | 7,712 |
| Trade accounts receivables | 225,578 | 268,927 | 43,349 |
| Less allowances for doubtful accounts and sales returns | (4,583) | (4,705) | (122) |
| Inventories | 270,336 | 296,450 | 26,114 |
| Advance payments | 68,685 | 65,812 | (2,873) |
| Deferred income taxes | 45,049 | 47,349 | 2,300 |
| Other current assets | 40,961 | 38,299 | (2,662) |
| Total current assets | <u>1,144,603</u> | <u>1,268,383</u> | <u>123,780</u> |
| Non-current assets: | | | |
| Investments and advances: | | | |
| Long-term investments in debt and equity securities | 372,779 | 506,490 | 133,711 *1 |
| Other long-term investments | 19,098 | 12,661 | (6,437) |
| Total investments and advances | <u>391,877</u> | <u>519,151</u> | <u>127,274</u> |
| Property, plant and equipment: | | | |
| Land | 60,600 | 61,808 | 1,208 |
| Buildings | 301,911 | 323,014 | 21,103 |
| Machinery and equipment | 719,146 | 788,692 | 69,546 |
| Construction in progress | 17,035 | 13,546 | (3,489) |
| Less accumulated depreciation | (838,155) | (918,236) | (80,081) |
| Total property, plant and equipment | <u>260,537</u> | <u>268,824</u> | <u>8,287</u> |
| Goodwill | 89,039 | 103,425 | 14,386 |
| Intangible assets | 49,653 | 54,583 | 4,930 |
| Other assets | 58,394 | 68,487 | 10,093 |
| Total non-current assets | <u>849,500</u> | <u>1,014,470</u> | <u>164,970</u> |
| Total assets | <u>¥1,994,103</u> | <u>¥2,282,853</u> | <u>¥288,750</u> |

Remarks:

*1 Long-term investments in equity securities increased due mainly to increases in the market value of equity securities.

Note: The consolidated balance sheets and the consolidated statements of income for the year ended March 31, 2012, indications of increase (decrease) of amounts and remarks are presented solely for reference.

| | (Yen in millions) | | |
|--|-------------------|-------------------|------------------------|
| | March 31, | | Increase (Decrease) |
| | 2012 | 2013 | |
| Current liabilities: | | | |
| Short-term borrowings | ¥ 4,062 | ¥ 3,135 | ¥ (927) |
| Current portion of long-term debt | 10,610 | 9,817 | (793) |
| Trade notes and accounts payable | 102,699 | 111,249 | 8,550 |
| Other notes and accounts payable | 60,993 | 52,018 | (8,975) |
| Accrued payroll and bonus | 49,880 | 52,420 | 2,540 |
| Accrued income taxes | 13,496 | 22,214 | 8,718 |
| Other accrued liabilities | 29,940 | 39,135 | 9,195 |
| Other current liabilities | 29,368 | 36,642 | 7,274 |
| Total current liabilities | <u>301,048</u> | <u>326,630</u> | <u>25,582</u> |
| Non-current liabilities: | | | |
| Long-term debt | 21,197 | 20,855 | (342) |
| Accrued pension and severance liabilities | 32,441 | 36,322 | 3,881 |
| Deferred income taxes | 90,179 | 146,229 | 56,050 *1 |
| Other non-current liabilities | 14,997 | 37,875 | 22,878 *2 |
| Total non-current liabilities | <u>158,814</u> | <u>241,281</u> | <u>82,467</u> |
| Total liabilities | <u>459,862</u> | <u>567,911</u> | <u>108,049</u> |
| Kyocera Corporation shareholders' equity: | | | |
| Common stock | 115,703 | 115,703 | — |
| Additional paid-in capital | 162,617 | 163,062 | 445 |
| Retained earnings | 1,324,052 | 1,368,512 | 44,460 |
| Accumulated other comprehensive income | (81,639) | 50,138 | 131,777 *3 |
| Treasury stock, at cost | (51,228) | (51,258) | (30) |
| Total Kyocera Corporation shareholders' equity | <u>1,469,505</u> | <u>1,646,157</u> | <u>176,652</u> |
| Non-controlling interests | <u>64,736</u> | <u>68,785</u> | <u>4,049</u> |
| Total equity | <u>1,534,241</u> | <u>1,714,942</u> | <u>180,701</u> |
| Total liabilities and equity | <u>¥1,994,103</u> | <u>¥2,282,853</u> | <u>¥288,750</u> |

Remarks:

- *1 Deferred income taxes increased due to increases in the market value of equity securities.
- *2 Other Non-current liabilities increased due mainly to the recording of an environmental remediation charge at AVX Corporation, a U.S. based subsidiary.
- *3 Foreign currency translation adjustment included in accumulated other comprehensive income increased as a result of the effect of the Yen's depreciation, in addition to a change in net unrealized gains on securities that increased due mainly to increases in the market value of equity securities.

Consolidated Statements of Income

| | (Yen in millions) | | |
|--|-----------------------|------------|------------------------|
| | Years Ended March 31, | | Increase (Decrease) |
| | 2012 | 2013 | |
| Net sales | ¥1,190,870 | ¥1,280,054 | ¥ 89,184 |
| Cost of sales | 870,143 | 952,350 | 82,207 |
| Gross profit | 320,727 | 327,704 | 6,977 |
| Selling, general and administrative expenses | 223,052 | 250,778 | 27,726 *1 |
| Profit from operations | 97,675 | 76,926 | (20,749) |
| Other income (expenses): | | | |
| Interest and dividend income | 13,966 | 14,666 | 700 |
| Interest expense | (2,042) | (1,890) | 152 |
| Foreign currency transaction gains, net | 4,533 | 5,136 | 603 |
| Gains on sales of securities, net | 337 | 4,542 | 4,205 |
| Other, net | 424 | 1,983 | 1,559 |
| Total other income (expenses) | 17,218 | 24,437 | 7,219 |
| Income before income taxes | 114,893 | 101,363 | (13,530) |
| Income taxes | 30,135 | 34,012 | 3,877 |
| Net income | 84,758 | 67,351 | (17,407) |
| Net income attributable to noncontrolling interests | (5,401) | (878) | 4,523 |
| Net income attributable to shareholders of Kyocera Corporation | ¥ 79,357 | ¥ 66,473 | ¥(12,884) |

Remarks:

- *1 Selling, general and administrative expenses increased due mainly to the recording of an environmental remediation charge at AVX Corporation, a U.S. based subsidiary.

Consolidated Statement of Equity (April 1, 2012 to March 31, 2013)

| (Yen in millions and shares in thousands) | | | | | | | | |
|--|--------------|----------------------------|-------------------|--|----------------|--|---------------------------|--------------|
| (Number of Shares Outstanding) | Common Stock | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Income | Treasury Stock | Kyocera Corporation Shareholders' Equity | Non-controlling Interests | Total Equity |
| Balance, March 31, 2012 (183,444) | ¥115,703 | ¥162,617 | ¥1,324,052 | ¥(81,639) | ¥(51,228) | ¥1,469,505 | ¥64,736 | ¥1,534,241 |
| Comprehensive income: | | | | | | | | |
| Net income for the year | | | 66,473 | | | 66,473 | 878 | 67,351 |
| Change in net unrealized gains on securities | | | | 94,513 | | 94,513 | 64 | 94,577 |
| Change in net unrealized gains on derivative financial instruments | | | | 2 | | 2 | 6 | 8 |
| Change in pension adjustments | | | | (11,111) | | (11,111) | (566) | (11,677) |
| Change in foreign currency translation adjustments | | | | 48,648 | | 48,648 | 6,820 | 55,468 |
| Total comprehensive income for the year | | | | | | 198,525 | 7,202 | 205,727 |
| Cash dividends paid to Kyocera Corporation's shareholders | | | (22,013) | | | (22,013) | | (22,013) |
| Cash dividends paid to noncontrolling interests | | | | | | | (2,229) | (2,229) |
| Purchase of treasury stock (4) | | | | | (30) | (30) | | (30) |
| Reissuance of treasury stock (0) | | 0 | | | 0 | 0 | | 0 |
| Stock option plan of subsidiaries | | 80 | | | | 80 | 32 | 112 |
| Other | | 365 | | (275) | | 90 | (956) | (866) |
| Balance, March 31, 2013 (183,440) | ¥115,703 | ¥163,062 | ¥1,368,512 | ¥ 50,138 | ¥(51,258) | ¥1,646,157 | ¥68,785 | ¥1,714,942 |

Consolidated Cash Flows (For reference only)

| | (Yen in millions) | |
|--|-----------------------|----------|
| | Years ended March 31, | |
| | 2012 | 2013 |
| Cash flow from operating activities | 109,065 | 109,489 |
| Cash flow from investing activities | (56,051) | (66,142) |
| Cash flow from financing activities | (50,769) | (31,431) |
| Effect of exchange rate changes on cash and cash equivalents | (2,428) | 20,250 |
| Net increase (decrease) in cash and cash equivalents | (183) | 32,166 |
| Cash and cash equivalents at the beginning of the year | 273,471 | 273,288 |
| Cash and cash equivalents at the end of the year | 273,288 | 305,454 |

Balance Sheets

| | (Yen in millions) | |
|---|-------------------|-------------------|
| | March 31, | |
| | 2012 | 2013 |
| Current assets: | | |
| Cash and bank deposits | ¥ 116,151 | ¥ 170,581 |
| Trade notes receivable | 4,863 | 4,338 |
| Trade accounts receivable | 144,210 | 199,521 |
| Marketable securities | 142,870 | 80,020 |
| Finished goods and merchandise | 20,871 | 24,069 |
| Work in process | 31,907 | 28,090 |
| Raw materials and supplies | 31,961 | 30,698 |
| Advance payments | 66,254 | 63,601 |
| Prepaid expenses | 553 | 245 |
| Deferred income taxes | 13,483 | 15,276 |
| Short-term loans to subsidiaries | 18,343 | 12,855 |
| Other accounts receivable | 10,975 | 5,382 |
| Refundable income tax | 168 | 180 |
| Other | 1,378 | 1,475 |
| Allowances for doubtful accounts | (171) | (218) |
| Total current assets | <u>603,816</u> | <u>636,113</u> |
| Non-current assets: | | |
| Tangible fixed assets: | | |
| Buildings | 34,466 | 31,364 |
| Structures | 1,836 | 1,630 |
| Machinery and equipment | 32,369 | 33,938 |
| Vehicles | 23 | 17 |
| Tools, furniture and fixtures | 16,108 | 15,999 |
| Land | 35,550 | 35,172 |
| Leased assets | 237 | 1,306 |
| Construction in progress | 8,685 | 3,399 |
| Total tangible fixed assets | <u>129,274</u> | <u>122,825</u> |
| Intangible assets: | | |
| Goodwill | 3,386 | 731 |
| Patent rights | 1,518 | 1,729 |
| Trademark | 286 | 13 |
| Design right | 1 | 1 |
| Software | 606 | 506 |
| Leased assets | 30 | 20 |
| Other | 1,850 | 194 |
| Total intangible assets | <u>7,677</u> | <u>3,194</u> |
| Investments and other assets: | | |
| Investments in securities | 371,356 | 517,391 |
| Investments in subsidiaries and affiliates | 267,296 | 269,954 |
| Investments in subsidiaries and affiliates other than equity securities | 52,964 | 56,614 |
| Long-term loans to employees | 4 | 3 |
| Long-term loans to subsidiaries | 20,020 | 37,363 |
| Impaired loans | 2,185 | 1,688 |
| Long-term prepaid expenses | 1,344 | 1,058 |
| Security deposits | 1,093 | 1,082 |
| Prepaid pension and severance expenses | — | 1,154 |
| Other | 2,166 | 101 |
| Allowances for doubtful accounts | (224) | (245) |
| Total investments and other assets | <u>718,204</u> | <u>886,163</u> |
| Total non-current assets | <u>855,155</u> | <u>1,012,182</u> |
| Total assets | <u>¥1,458,971</u> | <u>¥1,648,295</u> |

Note: The balance sheets and statements of income for the year ended March 31, 2012 are presented solely for reference.

| | (Yen in millions) | |
|---|-------------------|-------------------|
| | March 31, | |
| | 2012 | 2013 |
| Current liabilities: | | |
| Trade accounts payable | ¥ 50,606 | ¥ 60,326 |
| Short-term borrowing from subsidiaries | 35,630 | 40,200 |
| Lease obligations | 94 | 191 |
| Other payables | 38,351 | 25,827 |
| Accrued expenses | 9,145 | 10,766 |
| Income taxes payables | 1,174 | 11,072 |
| Advance received | 245 | 203 |
| Deposits received | 3,802 | 2,344 |
| Accrued bonuses | 13,011 | 13,270 |
| Accrued bonuses for directors | 164 | 133 |
| Product warranty reserves | 2,122 | 2,342 |
| Allowances for sales returns | 191 | 327 |
| Other | 1,630 | 2,177 |
| Total current liabilities | <u>156,165</u> | <u>169,178</u> |
| Non-current liabilities: | | |
| Long-term borrowing from subsidiaries | 2,000 | — |
| Lease obligations | 195 | 1,217 |
| Long-term accounts payable | 407 | 283 |
| Deferred income taxes | 74,909 | 129,807 |
| Accrued pension and severance costs | 1,131 | — |
| Product warranty reserves | 3,895 | 2,918 |
| Asset retirement obligations | 262 | 262 |
| Other | 110 | 92 |
| Total non-current liabilities | <u>82,909</u> | <u>134,579</u> |
| Total liabilities | <u>239,074</u> | <u>303,757</u> |
| Net assets: | | |
| Shareholders' equity: | | |
| Common stock | 115,703 | 115,703 |
| Capital surplus: | | |
| Additional paid-in capital | 192,555 | 192,555 |
| Other capital surplus | 487 | 487 |
| Total capital surplus | <u>193,042</u> | <u>193,042</u> |
| Retained earnings: | | |
| Legal reserves | 17,207 | 17,207 |
| Other retained earnings: | 768,864 | 799,377 |
| Reserve for special depreciation | 842 | 884 |
| General reserve | 717,137 | 745,137 |
| Unappropriated retained earnings | 50,885 | 53,356 |
| Total retained earnings | <u>786,071</u> | <u>816,584</u> |
| Treasury stock, at cost | (51,228) | (51,258) |
| Total shareholders' equity | <u>1,043,588</u> | <u>1,074,071</u> |
| Difference of appreciation and conversion | | |
| Net unrealized gains on other securities | 176,309 | 270,467 |
| Total net assets | <u>1,219,897</u> | <u>1,344,538</u> |
| Total liabilities and net assets | <u>¥1,458,971</u> | <u>¥1,648,295</u> |

Statements of Income

| | (Yen in millions) | |
|--|-----------------------|----------|
| | Years Ended March 31, | |
| | 2012 | 2013 |
| Net sales | ¥570,310 | ¥596,112 |
| Cost of sales | 485,358 | 501,137 |
| Gross profit | 84,952 | 94,975 |
| Selling, general and administrative expenses | 67,253 | 66,738 |
| Profit from operations | 17,699 | 28,237 |
| Non-operating income: | | |
| Interest and dividend income | 43,677 | 32,734 |
| Foreign currency transaction gains, net | 4,583 | 3,398 |
| Other non-operating income | 3,132 | 2,212 |
| Total non-operating income | 51,392 | 38,344 |
| Non-operating expenses: | | |
| Interest expense | 144 | 144 |
| Other non-operating expenses | 1,704 | 1,848 |
| Total non-operating expenses | 1,848 | 1,992 |
| Recurring profit | 67,243 | 64,589 |
| Non-recurring gain: | | |
| Gain on sale of tangible fixed assets | 809 | 753 |
| Gain on sale of securities | 310 | 4,301 |
| Other | 85 | — |
| Total non-recurring gain | 1,204 | 5,054 |
| Non-recurring loss: | | |
| Loss on sale and disposal of tangible fixed assets | 474 | 181 |
| Losses on impairment of securities | 1,107 | 655 |
| Other | 466 | 5 |
| Total non-recurring loss | 2,047 | 841 |
| Income before income taxes | 66,400 | 68,802 |
| Income taxes – current | 6,691 | 16,139 |
| Income taxes – deferred | 9,881 | 136 |
| Net income | ¥ 49,828 | ¥ 52,527 |

Statement of Changes in Net Assets

| | <u>(Yen in millions)</u> |
|--|--------------------------|
| | <u>Years Ended</u> |
| | <u>March 31, 2013</u> |
| Shareholders' equity | |
| Common stock | |
| Balance, March 31, 2012 | ¥115,703 |
| Changes in net assets | |
| Total changes in net assets | — |
| Balance, March 31, 2013 | <u>115,703</u> |
| Capital surplus | |
| Additional paid-in capital | |
| Balance, March 31, 2012 | 192,555 |
| Changes in net assets | |
| Total changes in net assets | — |
| Balance, March 31, 2013 | <u>192,555</u> |
| Other capital surplus | |
| Balance, March 31, 2012 | 487 |
| Changes in net assets | |
| Reissuance of treasury stock | 0 |
| Total changes in net assets | 0 |
| Balance, March 31, 2013 | <u>487</u> |
| Total capital surplus | |
| Balance, March 31, 2012 | 193,042 |
| Changes in net assets | |
| Reissuance of treasury stock | 0 |
| Total changes in net assets | 0 |
| Balance, March 31, 2013 | <u>193,042</u> |
| Retained earnings | |
| Legal reserves | |
| Balance, March 31, 2012 | 17,207 |
| Changes in net assets | |
| Total changes in net assets | — |
| Balance, March 31, 2013 | <u>17,207</u> |
| Other retained earnings | |
| Reserve for special depreciation | |
| Balance, March 31, 2012 | 842 |
| Changes in net assets | |
| Reversal of reserve for special depreciation | 42 |
| Total changes in net assets | 42 |
| Balance, March 31, 2013 | <u>884</u> |

| | <u>(Yen in millions)</u> |
|--|--------------------------|
| | <u>Years Ended</u> |
| | <u>March 31, 2013</u> |
| General reserve | |
| Balance, March 31, 2012 | 717,137 |
| Changes in net assets | |
| Reversal of general reserve | <u>28,000</u> |
| Total changes in net assets | <u>28,000</u> |
| Balance, March 31, 2013 | <u>745,137</u> |
| Unappropriated retained earnings | |
| Balance, March 31, 2012 | 50,885 |
| Changes in net assets | |
| Reversal of reserve for special depreciation | (42) |
| Appropriation of general reserve | (28,000) |
| Dividends | (22,013) |
| Net income | <u>52,527</u> |
| Total changes in net assets | <u>2,471</u> |
| Balance, March 31, 2013 | <u>53,356</u> |
| Total retained earnings | |
| Balance, March 31, 2012 | 786,071 |
| Changes in net assets | |
| Dividends | (22,013) |
| Net income | <u>52,527</u> |
| Total changes in net assets | <u>30,513</u> |
| Balance, March 31, 2013 | <u>816,584</u> |

| | <u>(Yen in millions)</u> |
|--|--------------------------|
| | <u>Years Ended</u> |
| | <u>March 31, 2013</u> |
| Treasury stock | |
| Balance, March 31, 2012 | (51,228) |
| Changes in net assets | |
| Purchase of treasury stock | (30) |
| Reissuance of treasury stock | 0 |
| Total changes in net assets | <u>(30)</u> |
| Balance, March 31, 2013 | <u>(51,258)</u> |
| Total Shareholders' equity | |
| Balance, March 31, 2012 | 1,043,588 |
| Changes in net assets | |
| Dividends | (22,013) |
| Net income | 52,527 |
| Purchase of treasury stock | (30) |
| Reissuance of treasury stock | 0 |
| Total changes in net assets | <u>30,483</u> |
| Balance, March 31, 2013 | <u>1,074,071</u> |
| Difference of appreciation and conversion | |
| Net unrealized gains on other securities | |
| Balance, March 31, 2012 | 176,309 |
| Changes in net assets | |
| Net change in items other than shareholders' equity | <u>94,158</u> |
| Total changes in net assets | <u>94,158</u> |
| Balance, March 31, 2013 | <u>270,467</u> |
| Total unrealized gains (losses) on appreciation and conversion | |
| Balance, March 31, 2012 | 176,309 |
| Changes in net assets | |
| Net change in items other than shareholders' equity | <u>94,158</u> |
| Total changes in net assets | <u>94,158</u> |
| Balance, March 31, 2013 | <u>270,467</u> |
| Total net assets | |
| Balance, March 31, 2012 | 1,219,897 |
| Changes in net assets | |
| Dividends | (22,013) |
| Net income | 52,527 |
| Purchase of treasury stock | (30) |
| Reissuance of treasury stock | 0 |
| Net change in items other than shareholders' equity | <u>94,158</u> |
| Total changes in net assets | <u>124,641</u> |
| Balance, March 31, 2013 | <u>¥1,344,538</u> |

Copy of Audit Report of Accounting Auditors on Consolidated Financial Statements

Independent Auditors' Report (English Translation)

May 23, 2013

To the Board of Directors of Kyocera Corporation

PricewaterhouseCoopers Kyoto

Naoki Akiyama, CPA [Seal]
Engagement Partner
Akihiro Kajita, CPA [Seal]
Engagement Partner
Toru Tamura, CPA [Seal]
Engagement Partner

We have audited, pursuant to paragraph 4 of Article 444 of the Companies Act of Japan, the consolidated financial statements, which consist of the consolidated balance sheet, the consolidated statement of income, the consolidated statement of equity and the notes to the consolidated financial statements, of Kyocera Corporation (hereinafter referred to as the "Company") for the fiscal year from April 1, 2012 to March 31, 2013.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with accounting principles generally accepted in the United States of America pursuant to the provisions of paragraph 1 of Article 120-2 of the Corporate Calculation Rules of Japan. This responsibility includes implementing and maintaining internal controls deemed necessary by management for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risk of material misstatement in the consolidated financial statements, whether due to fraud or error. In making such risk assessment, the auditor considers the Company's internal controls relevant to the preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of March 31, 2013 and the consolidated results for the year then ended in conformity with accounting principles generally accepted in the United States of America pursuant to the provisions of paragraph 1 of Article 120-2 of the Corporate Calculation Rules of Japan.

Other Matters

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Copy of Audit Report of Accounting Auditors

Independent Auditors' Report (English Translation)

May 23, 2013

To the Board of Directors of Kyocera Corporation

PricewaterhouseCoopers Kyoto

Naoki Akiyama, CPA [Seal]
Engagement Partner
Akihiro Kajita, CPA [Seal]
Engagement Partner
Toru Tamura, CPA [Seal]
Engagement Partner

We have audited, pursuant to paragraph 2-1 of Article 436 of the Companies Act of Japan, the financial statements, which consist of the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the supplementary schedules thereto, of Kyocera Corporation (hereinafter referred to as the "Company") for its 59th fiscal year from April 1, 2012 to March 31, 2013.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements and supplementary schedules thereof that give a true and fair view in accordance with accounting principles generally accepted in Japan. This responsibility includes implementing and maintaining internal controls deemed necessary by management for the preparation and fair presentation of financial statements and supplementary schedules thereto that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and supplementary schedules thereof are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and supplementary schedules thereto. The procedures selected depend on the auditor's judgment, including assessment of the risk of material misstatement in the financial statements and supplementary schedules thereto, whether due to fraud or error. In making such risk assessment, the auditor considers the Company's internal controls relevant to the preparation of financial statements and supplementary schedules thereto that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and supplementary schedules thereof.

We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements and supplementary schedules thereto present fairly, in all material respects, the financial position of the Company as of March 31, 2013 and the results for the year then ended in conformity with accounting principles generally accepted in Japan.

Other Matters

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Copy of Audit Report of Audit & Supervisory Board

Audit Report (English Translation)

The Audit & Supervisory Board (hereinafter referred to as “the Board”), based on audit reports prepared by each Audit & Supervisory Board Member (hereinafter referred to as “Board Member”) related to the execution of duties of Directors during the 59th fiscal year from April 1, 2012 to March 31, 2013, hereby reports its results of audit after deliberations, as the unanimous opinion of all Board Members, as follows:

1. Audit Methods by Individual Board Members and by the Board

The Board established auditing policies, auditing plans and role sharing for the fiscal year and received audit reports from each Board Member on the execution of his auditing activities and the result thereof. In addition, it received reports on the execution of duties from Directors, etc. and from the Accounting Auditors, and, when necessary, requested their explanations regarding such reports.

In accordance with the auditing standards for Board Members set by the Board, each Board Member communicated with Directors, the Corporate Global Audit Division of the internal audit department which includes the Global Audit Division and the Global Risk Management Division, etc., and employees of Kyocera Corporation (hereinafter referred to as the “Company”) and endeavored to gather information and create an improved environment for auditing, according to the auditing policies, auditing plans and role sharing for the fiscal year. Board Members also attended the meetings of the Board of Directors and other important meetings, received reports from Directors, the Corporate Global Audit Division and employees of the Company on business execution, and, when necessary, requested their explanations regarding those reports. Board Members also inspected documents related to important decisions and examined operations and assets at the Company’s head office, plants, major operational establishments and sales offices. In addition, Board Members had regular meetings with the Chairman of the Board and Representative Director and the President and Representative Director of the Company and exchanged opinions and information on issues, etc. with respect to auditing. Board Members also received reports on the status of maintenance and operations from Directors, the Corporate Global Audit Division and employees of the Company, and, when necessary, requested their explanations and expressed opinions regarding the content of the resolution of the Board of Directors with respect to the development and maintenance of a system to ensure that the execution of duties by Directors as described in the business report shall be in compliance with laws and regulations and with the Company’s Articles of Incorporation and other systems required by paragraphs 1 and 3 of Article 100 of the Ordinance for Enforcement of the Companies Act as being necessary for ensuring the appropriateness of the Company’s operations, and the systems (internal control systems) established under such resolution.

With respect to the internal control systems regarding financial reporting, Board Members received reports on the evaluation of such internal control systems and the auditing condition from Directors, etc. and from PricewaterhouseCoopers Kyoto, and, when necessary, requested their explanations regarding those reports.

With respect to subsidiaries, Board Members received reports on auditing condition of subsidiaries from their Board Members, etc. at the regular meetings with them and facilitated communications with Directors of them too, and, when necessary, attended important meetings, received reports on business, requested explanations and expressed opinions. Based on the foregoing methods, Board Members reviewed the business report for the fiscal year and the supplementary schedules.

In addition, Board Members monitored and examined whether the Accounting Auditors maintained their independence and performed their audits in an appropriate manner, and received reports from the Accounting Auditors on the execution of their duties and, when necessary, requested their explanations regarding those reports. Board Members also received notification from the Accounting Auditors that they have taken steps to improve the “system for ensuring appropriate execution of their duties” (matters set forth in the items of Article 131 of the Ordinance on Accounting of Companies) in compliance with the “Quality Control Standards Relating to Auditing” (adopted by the Business Accounting Council on October 28, 2005), etc. and, when necessary, requested their explanations regarding such notification. Based on the foregoing methods, Board Members reviewed the financial statements (balance sheet, statement of income, statement of changes in net assets and notes to financial statements) for the fiscal year and supplementary schedules thereto as well as consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of equity and notes to consolidated financial statements).

2. Results of Audit

(1) Result of the Audit of the Business Report, etc.

- (i) The business report and the supplementary schedules thereto fairly present the condition of the Company in accordance with Japanese laws and regulations and the Articles of Incorporation of the Company.
- (ii) There has been neither unfair conduct nor any material violation of Japanese law and regulation or the Articles of Incorporation of the Company in connection with the execution of duties of the Directors.
- (iii) The content of the resolution by the Board of Directors regarding internal control systems is due and proper. Furthermore, nothing has arisen that requires comment on the description in the business report and the Directors’ execution with respect to the internal control systems, including financial reporting.

(2) Result of the Audit of Financial Statements and Supplementary Schedules Thereto

The methods and results of the audit by the Accounting Auditors, PricewaterhouseCoopers Kyoto are due and proper.

(3) Result of the Audit of Consolidated Financial Statements

The methods and results of the audit by the Accounting Auditors, PricewaterhouseCoopers Kyoto are due and proper.

May 28, 2013

Audit & Supervisory Board
Kyocera Corporation

Yoshihiro Kano [Seal]
Full-time Audit & Supervisory Board Member
Yoshihiko Nishikawa [Seal]
Full-time Audit & Supervisory Board Member
Osamu Nishieda [Seal]
Audit & Supervisory Board Member
Yoshinari Hara [Seal]
Audit & Supervisory Board Member
Yoshinori Yasuda [Seal]
Audit & Supervisory Board Member
Nichimu Inada [Seal]
Audit & Supervisory Board Member

Note: Messrs. Yoshinari Hara, Yoshinori Yasuda and Nichimu Inada are Outside Audit & Supervisory Board Members as specified in Item 16 of Article 2 and Paragraph 3 of Article 335 of the Companies Act.