

**Earnings per share:**

|   |   |         |   |         |   |         |   |         |   |         |
|---|---|---------|---|---------|---|---------|---|---------|---|---------|
| Net income attributable to shareholders of Kyocera Corporation: |   |         |   |         |   |         |   |         |   |         |
| Basic   | ¥ | 333.62  | ¥ | 216.29  | ¥ | 181.18  | ¥ | 241.93  | ¥ | 315.85  |
| Diluted   |   | 333.62  |   | 216.29  |   | 181.18  |   | 241.93  |   | 315.85  |
| Weighted average number of shares outstanding:                  |   |         |   |         |   |         |   |         |   |         |
| Basic   |   | 367,034 |   | 366,902 |   | 366,884 |   | 366,872 |   | 366,864 |
| Diluted   |   | 367,034 |   | 366,902 |   | 366,884 |   | 366,872 |   | 366,864 |

**Cash dividends declared per share:**

|                            |    |      |    |      |         |         |         |
|----------------------------|----|------|----|------|---------|---------|---------|
| Per share of common stock  | ¥  | 65   | ¥  | 60   | ¥ 60    | ¥ 80    | ¥ 100   |
| Per share of common stock* | \$ | 0.79 | \$ | 0.75 | \$ 0.66 | \$ 0.78 | \$ 0.81 |

**At March 31:**

|  |   |           |   |           |             |             |             |
|--|---|-----------|---|-----------|-------------|-------------|-------------|
| Total assets                             | ¥ | 1,946,566 | ¥ | 1,994,103 | ¥ 2,282,853 | ¥ 2,636,704 | ¥ 3,021,184 |
| Long-term debt                           |   | 24,538    |   | 21,197    | 20,855      | 19,466      | 17,881      |
| Common stock                             |   | 115,703   |   | 115,703   | 115,703     | 115,703     | 115,703     |
| Kyocera Corporation shareholders' equity |   | 1,420,263 |   | 1,469,505 | 1,646,157   | 1,910,083   | 2,215,319   |
| Total equity                             |   | 1,483,359 |   | 1,534,241 | 1,714,942   | 1,987,226   | 2,303,623   |
| <b>Depreciation</b>                      | ¥ | 59,794    | ¥ | 62,374    | ¥ 63,119    | ¥ 65,760    | ¥ 62,413    |
| <b>Capital expenditures</b>              | ¥ | 70,680    | ¥ | 66,408    | ¥ 56,688    | ¥ 56,611    | ¥ 56,670    |

\*Translated into the U.S. dollars based on the exchange rates at each payment date in Japan.

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"Earnings per share" and "Cash dividends declared per share" are calculated under the assumption that the stock split undertaken by Kyocera Corporation on October 1, 2013 had been undertaken at the beginning of the year ended March 31, 2011. For details of the stock split, please refer to "Capital Stock" in Item 10.B. "Memorandum and Articles of Association" of this annual report on Form 20-F on page 76.

The following table shows the exchange rates for Japanese yen per \$1.00 based upon the noon buying rate in New York City for cash transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York:

| For the years ended March 31, | High   | Low    | Average | Period-end |
|-------------------------------|--------|--------|---------|------------|
| 2011                          | 94.68  | 78.74  | 85.71   | 82.76      |
| 2012                          | 85.26  | 75.72  | 79.00   | 82.41      |
| 2013                          | 96.16  | 77.41  | 82.96   | 94.16      |
| 2014                          | 105.25 | 92.96  | 100.15  | 102.98     |
| 2015                          | 121.50 | 101.26 | 109.75  | 119.96     |
| For most recent six months    |        |        |         |            |
| December 2014                 | 121.38 | 117.28 | 119.32  | 119.85     |
| January 2015                  | 120.20 | 116.78 | 118.25  | 117.44     |
| February 2015                 | 120.38 | 117.33 | 118.76  | 119.72     |
| March 2015                    | 121.50 | 119.01 | 120.39  | 119.96     |
| April 2015                    | 120.36 | 118.80 | 119.51  | 119.86     |
| May 2015                      | 124.18 | 119.09 | 120.80  | 123.98     |

The noon buying rate for Japanese yen on June 19, 2015 was \$1.00 = 122.70

**B. Capitalization and Indebtedness**

Not applicable.

**C. Reasons for the Offer and Use of Proceeds**

Not applicable.

**D. Risk Factors**

You should carefully read the risks described below before making an investment decision.

**Risks Related to Kyocera's Business****(1) Changes in the Japanese and global economy may significantly reduce demand for Kyocera's products**

Kyocera conducts business not only in Japan but also around the world and provides products for a variety of markets such as the digital consumer equipment, industrial machinery, automotive and environmental and energy-related markets. In the year ending March 31, 2016 ("fiscal 2016"), the Japanese economy is expected to head toward recovery as personal consumption and private capital investment rebound. Overseas, the European economy is expected to continue expanding moderately while the U.S. economy is forecast to continue growing steadily. However, in the event that the economies of respective countries around the world deteriorate beyond expectations, a reduction in private capital investment and a decline in personal consumption may affect production activities in Kyocera's key markets. This may in turn lead to a decline in Kyocera's business environment, consolidated results of operations, financial condition and cash flows.

[Table of Contents](#)**(2) A substantial portion of Kyocera's business activity is conducted outside Japan, exposing Kyocera to the risks of international operations**

A substantial amount of Kyocera's investment has been targeted towards expanding manufacturing and sales channels located outside Japan, such as in the United States, Europe and Asia, which includes China and Vietnam. Kyocera faces a variety of potential risks in international activities. Kyocera may encounter unexpected legal or regulatory changes due to unfavorable

political or economic factors such as control on trade, restriction on investment, restriction on repatriation and transfer pricing issue. Kyocera may also have difficulties in human resources and managing operations at its international locations. As developing and emerging markets such as Brazil, Russia, India and China, become considerably more important, Kyocera may become even more susceptible to these risks.

***(3) Since a significant percentage of Kyocera's revenues have been derived from foreign sales in recent years, various export risks may disproportionately affect its revenues***

Kyocera's sales to customers located outside Japan accounted for approximately 58% of its total revenues in fiscal 2015. Kyocera believes that overseas sales will continue to account for a significant percentage of its revenues. Therefore, the following export risks may disproportionately affect Kyocera's revenues:

- a strong yen may make Kyocera's products less attractive to foreign purchasers;
- political and economic instability or significant economic downturns may inhibit exports of Kyocera's products;
- tariffs and other barriers may make Kyocera's products less cost competitive; and
- the laws of certain foreign countries may not adequately protect Kyocera's trade secrets and intellectual property.

***(4) Currency exchange rate fluctuations could adversely affect Kyocera's financial results***

Kyocera conducts business in countries outside Japan, which exposes it to fluctuations in foreign currency exchange rates. Kyocera may enter into mainly short-term forward contract transaction to hedge this risk. Nevertheless, fluctuations in foreign currency exchange rates could have an adverse effect on its business. Fluctuations in foreign currency exchange rates may affect Kyocera's consolidated results of operations, financial condition, cash flows and the value of its foreign assets, which in turn may adversely affect reported earnings and the comparability of period-to-period results of operations. Changes in currency exchange rates may affect the relative prices at which Kyocera and foreign competitors sell products in the same market. In addition, changes in the value of the relevant currencies may affect the cost of imported items required in its operations.

***(5) Kyocera sells a diverse variety of products, and in each of its businesses Kyocera is subject to intense competitive pressures, including in terms of price, technological change, product development, quality and speed of delivery, and these pressures are likely to increase in the near term***

Kyocera sells a wide variety of products and, therefore, faces a broad range of competitors from large international companies to relatively small, rapidly growing and highly specialized companies. Kyocera's competitive landscape is subject to continuous change, and new and significant competitors may emerge, including competitors based in emerging markets such as China that may have competitive advantages in terms of cost structure or other factors. Kyocera has a variety of businesses in different industries while many of its competitors specialize in one or more of these business areas. As a result, Kyocera may not fund or invest in certain of its businesses to the same degree as its competitors, or these competitors may have greater financial, technical, and marketing resources available to them than the portion of its business against which they compete. While some of the factors that drive competition vary by product area, price and speed of delivery are primary factors that impact in all areas of Kyocera's business. Price pressure has been intense, and thus Kyocera predicts that its selling prices will continue to be lower than in fiscal 2015 depending partly on the demand and competition situation. In production businesses in which Kyocera develops, produces and distributes specialized parts for its customers' products, its competitive position depends significantly on being involved early in the process of creating a new product that fits its customers' needs for each business. To maintain these competitive advantages, it is critical to maintain close ties with customers so that Kyocera can ensure that it is able to meet required specifications and be the first supplier to create and deliver the product. Kyocera's gross margins may be reduced if the business environment changes in a way that Kyocera cannot maintain these important relationships with customers or its market share or if it is forced in the future to further reduce prices in response to the actions of its competitors.

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***(6) Fluctuations in the price and ability of suppliers to provide the required quantity of raw materials for use in Kyocera's production activities***

Raw materials used in the production activities of Kyocera's respective businesses are constantly subject to price fluctuations, and as such, rising raw material prices may lead to an increase in production costs. Kyocera cannot guarantee that it will be able to maintain an appropriate differential between customer prices and Kyocera's raw material and production costs at all times, which could lead to reduced profitability. Under U.S. GAAP, Kyocera has recorded a write down in the carrying value of its raw material inventory to the lower of cost or market price and may be required to undertake further write downs in the future. Such write downs are required when the cost of inventory exceeds its estimated net realizable value, which represents estimated selling prices in the ordinary course of business less reasonably predictable costs of production, disposal and transport.

Kyocera is dependent on specific suppliers for procuring certain raw materials used in Kyocera's production cycle and any excess demand on those suppliers may cause delays and disruptions in the production cycle. If a substantial interruption should occur in the supply of such raw materials, Kyocera may not be able to obtain other sources of supply in a timely fashion or at a reasonable price. A substantial increase in the price or an interruption in the supply of such raw materials may cause reduced demand for Kyocera's products.

In order to attempt to ensure stable procurement and prices for certain raw materials, Kyocera on occasion enters into long-term purchase agreements with the aim of reducing the risk associated with the procurement of such raw materials. However, considerable changes in the business environment and other factors may cause the contract price under a purchase agreement to significantly exceed the market price, or may cause the amount of such raw materials that Kyocera consumes to significantly fall short of the sales demand projections made at the time Kyocera entered into, which are thus underlying, the agreement. Such developments may adversely affect Kyocera's production costs and profitability.

Kyocera has entered into long-term purchase agreements with a few specific suppliers for purchasing polysilicon material used in its solar energy business. Under those agreements, during the year ended March 31, 2015, Kyocera purchased ¥30,644 million worth of such material and is obligated to purchase ¥209,232 million worth of such material in total by the end of December 2020. Such purchase commitments are evaluated for impairment under a similar methodology to inventory on hand. Based on the levels of reasonably projected demand and pricing, Kyocera's commitments have not been impaired, but there is the possibility it will become impaired in the future.

***(7) Manufacturing delays or defects resulting from outsourcing or internal manufacturing processes can adversely affect Kyocera's production yields and operating results***

Kyocera ordinarily outsources the fabrication of certain components and sub-assemblies of its products, often to sole source suppliers or a limited number of suppliers. Several suppliers have manufacturing processes which are very complex and require a long lead-time. Kyocera may be affected by occasional delays in obtaining components and sub-assemblies. Kyocera's production of these products will also be materially and adversely affected if Kyocera is unable to obtain high quality, reliable and timely supply of these components and sub-assemblies. In addition, any reduction in the precision of these components will cause delays and interruptions in Kyocera's production cycle.

Within Kyocera's manufacturing facilities, minute impurities, difficulties in the production process or other factors can cause a substantial percentage of its products to be rejected or be non-functional. These factors can result in lower than expected production yields, which delay product shipments and may materially and adversely affect Kyocera's operating results. Moreover, in certain operations of which fixed cost ratio is high, decreases in production volume or capacity utilization may adversely affect Kyocera's results of operation, financial condition and cash flows.

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***(8) Shortages and rising costs of electricity may adversely affect Kyocera's production and sales activities***

As all nuclear power plant operation in Japan currently has ceased and remains at rest due to the damage and equipment failure of the nuclear power plant caused by the Great East Japan Earthquake in March 2011, Japan may have shortages and rising costs of electricity. Kyocera secures electric power supplies for emergency through equipment and centers, however Kyocera's production activity may become diminished if massive blackouts occur in the areas in which Kyocera has facilities and electricity shortages continue. Shortages of electricity in the areas in which Kyocera's suppliers and customers have main operations may also interrupt Kyocera's production and sales activities. In addition, significant rising costs of electricity may adversely affect Kyocera's results of operations, financial condition and cash flows.

***(9) Future initiatives and in-process research and development may not produce the desired results***

Kyocera intends to expand its product lines to satisfy customer demand in its target markets. Unexpected technical delays in completing these initiatives or changes to Kyocera's customers' policies could lengthen development schedules and result in lower revenues based on the products or technologies developed from these initiatives. There can be no assurance that the products derived from Kyocera's in-process research and development activities will achieve desired results and market acceptance.

***(10) Companies or assets acquired by Kyocera may require more costs than expected for integration, and may not produce returns or benefits, or bring in anticipated business opportunities***

In the course of developing its business, from time to time Kyocera considers opportunities to acquire, and undertakes the acquisition of companies or assets through mergers and acquisitions. There can be no assurance that Kyocera will be able to integrate the operations, products and personnel of the acquired companies with its own in an efficient manner. Nor can there be any assurance that Kyocera will be able to achieve operational and financial returns or benefits, or bring in new business opportunities, which it expects from the acquisition. An acquired company may not be able to manufacture products or offer services in the amounts or at the efficiency levels that Kyocera plans, and the demand for such products or services may not be at the levels that Kyocera anticipates. Failure to make the most of acquisitions and meet Kyocera's expectations could have a material adverse effect on Kyocera's business.

***(11) Industry demand for skilled employees, particularly engineering and technical personnel, exceeds the number of personnel available and we may not be able to attract and retain key personnel***

Kyocera's future success depends, in part, on its ability to attract and retain certain key personnel, including engineering, operational and management personnel. Kyocera anticipates that it will need to hire additional skilled personnel in all areas of its business. The competition for attracting and retaining these employees is intense. Because of recent intense competition for these skilled employees, Kyocera may be unable to retain its existing personnel or attract additional qualified employees in the future.

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**Risks Related to Legal Restrictions and Litigations**

***(12) Insufficient protection of Kyocera's trade secrets and patents could have a significant adverse impact on its competitive position***

Kyocera's success and competitive position depend on protecting its trade secrets and other intellectual property. Kyocera's strategy is to rely both on trade secrets and patents to protect its manufacturing and sales processes and products, but reliance on trade secrets is only an effective business practice insofar as trade secrets remain undisclosed and a proprietary product or process is not reverse engineered or independently developed. Kyocera takes certain measures to protect its trade secrets, including executing nondisclosure agreements with certain of its employees, joint venture partners, customers and suppliers. If parties breach these agreements or the measures Kyocera takes are not properly implemented, Kyocera may not have an adequate remedy. Disclosure of its trade secrets or reverse engineering of its proprietary products, processes or devices could materially affect Kyocera's business, consolidated results of operations, financial condition and cash flows.

Kyocera is actively pursuing patents on some of its inventions, but these patents may not be issued. Even if these patents are issued, they may be challenged, invalidated or circumvented. In addition, the laws of certain other countries may not protect Kyocera's intellectual property to the same extent as Japanese laws.

***(13) Kyocera may require licenses to continue to manufacture and sell certain of its products, the expense of which may adversely affect its results of operations***

From time to time Kyocera has received, and may receive in the future, notice of claims of infringement of other parties' proprietary rights and licensing offers to commercialize third party's patent rights. Accordingly, Kyocera cannot assure that:

- infringement claims (or claims for indemnification resulting from infringement claims) will not be asserted against Kyocera,
- future assertions against Kyocera will not result in an injunction against the sale of infringing or allegedly infringing products or otherwise significantly impair its business and results of operations; or

Kyocera will not be required to obtain licenses, the expense of which may adversely affect its results of operations.

***(14) Changes in our environmental liability and compliance obligations may adversely impact our operations***

Kyocera is subject to various environmental laws and regulations in Japan and the other countries, which are related to greenhouse gas mitigation, air emissions, wastewater discharges, the handling, disposal and remediation of hazardous substances, wastes and certain chemicals used or generated in our manufacturing process, health, safety and property preservations of employees and community residents, labeling or other notifications with respect to the content or other aspects of our processes, products or packaging, restrictions on the use of certain materials in or on design aspects of our products or product packaging, and responsibility for disposal of products or product packaging. As well as our current operations, these laws and regulations can be applied to our past operations and may be applicable to the past operations of businesses acquired from other companies even if such operations occurred before our acquisitions. In addition, these laws and regulations which are applied to Kyocera can be more stringent or the scope of the laws and regulations can be broadened in the future due to factors including global climate change. With respect to greenhouse gas mitigation in particular, international emissions trading regime may be created based on the result of the intergovernmental dialogue on global climate change. Kyocera establishes reserves for specifically identified potential environmental liabilities when such liabilities are probable and can be reasonably estimated. In case we fail to comply with such laws and regulations, we could be required by the relevant governmental organizations to pay penalty costs or remediation compensation. Furthermore, we may make voluntary payments to compensate for environmental problems if we deem such compensation to be necessary. The cost obligations noted above may adversely affect Kyocera's results of operations, financial condition and cash flows.

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***(15) Kyocera is subject to various other laws and regulations***

Kyocera may unintentionally come into conflict with laws and regulations and face legal proceedings, including litigation and regulatory actions, although Kyocera believes that it is substantially in compliance with applicable laws and regulations in the countries and areas in which Kyocera operates. If laws and regulations are unexpectedly changed or introduced, Kyocera's business operations may be limited and continuance may become difficult. If Kyocera faces enormous legal costs related to litigation and regulatory actions, Kyocera's business operations may become significantly limited and Kyocera's results of operations, financial condition and cash flows may be negatively affected.

**Risks Related to Disasters or Unpredictable Events**

***(16) Kyocera's markets or supply chains may be adversely affected by terrorism, outbreaks of disease, wars or similar events***

Kyocera, as a global company, has been expanding its business worldwide. At the same time, we may be exposed to risks from terrorism, outbreaks of disease, war and other similar events. In the case that those events occur, Kyocera's operating activities would be suspended. Furthermore, there would be delay, disorder or suspension in Kyocera's R&D, manufacturing, sales and services. If such delay or disruption occurs and continues for a long period of time, Kyocera's business, consolidated results of operations, financial condition and cash flows may be adversely affected.

***(17) Kyocera's headquarters and major facilities as well as its suppliers and customers may suffer the devastating effects of earthquakes and other disasters***

Kyocera's headquarters and major facilities including plants, sales offices and R&D centers are located not only in Japan but also all over the world. It might be inevitable that Kyocera would suffer from natural disasters such as earthquakes, typhoons, tsunamis, heavy rains, floods, heavy snow or other disasters, as well as manmade disasters such as a major industrial accident affecting one of our facilities. For instance, if a strong earthquake affected Kyocera's employees, R&D or manufacturing facilities, Kyocera's operating activities would be suspended and manufacturing and shipment would be delayed. Kyocera may also incur a great amount of expenses, such as repair expenses for the damaged machines or facilities. In addition, if the social and economic infrastructure suffers from adverse damages, traffic disturbance and electric power outages could occur and they may affect Kyocera's supply chains or manufacturing operations. Furthermore, Kyocera may be unable to obtain raw materials if our suppliers sustain damage and Kyocera may also face difficulties shipping its products if its customers sustain damage. Those damages set forth above, as well as any resulting general economic slowdown and lower consumption levels, may have a material adverse effect on Kyocera's consolidated results of operations, financial condition and cash flows.

**Risks Related to Financial and Accounting**

***(18) Kyocera may be exposed to credit risk on trade receivables due to its customers' worsening financial condition***

Kyocera maintains allowances for doubtful accounts related to trade receivables for estimated losses resulting from customers' inability to make timely payments. However, trade receivables in the ordinary operating activity are not covered by collateral or credit insurance. Therefore, if customers with whom Kyocera has substantial accounts receivable face difficulty in making payments due to economic downturn and if Kyocera is forced to write off those receivables, Kyocera's consolidated results of operations, financial condition and cash flows may be affected.

***(19) Kyocera may have to incur impairment losses on its investments in debt and equity securities***

Kyocera holds investments in equity securities of companies not affiliated with us, which we generally hold on a long-term position for business relationship purposes. A substantial portion of these investments consists of shares of common stock of public companies in Japan, such as financial institutions and other companies including KDDI Corporation, a Japanese telecommunication service provider. Kyocera Corporation's equity interest in KDDI Corporation was 12.76% as of March 31, 2015. If there are certain declines in the fair value, i.e., the market price, of the shares of these companies, and it determines that such declines are other-than-temporary, Kyocera will need to record an impairment loss. For some of the equity securities Kyocera owns, including the shares of KDDI Corporation, Kyocera intends to keep its ownership at the current level in light of the importance of its business relationships with the issuers of these equity securities. For other equity securities in its portfolio, although, with periodical check, Kyocera may dispose of some securities which lack merit for Kyocera, market conditions may not permit us to do so at the time, speed or price we may wish.

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***(20) Kyocera may have to incur impairment losses on long-lived assets, goodwill and intangible assets***

Kyocera has many long-lived assets, goodwill and intangible assets. Long-lived assets and intangible assets with definite

useful lives are tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Goodwill and intangible assets with indefinite useful lives, rather than being amortized, are tested for impairment at least annually, and also following any events and changes in circumstances that might lead to impairment.

In case the above assets are considered to be impaired, a loss on impairment is recognized based on the amount by which the carrying value exceeds the fair value of these assets. Such losses on impairment may materially affect Kyocera's consolidated results of operations and financial condition.

***(21) Deferred tax assets may not be realized or additional liabilities for unrecognized tax benefits may be required.***

Kyocera records valuation allowances against deferred tax assets based on the estimated future taxable income and feasible tax planning strategies to adjust their carrying amounts when we believe it is more likely than not that the assets will not be realized. If future taxable income is lower than expected due to future market conditions or poor operating results, significant adjustments to deferred tax assets may be required.

Kyocera records liabilities for unrecognized tax benefits based on the premise of being subject to income tax examination by tax authorities, when it is more likely than not that tax benefits associated with tax positions will not be sustained. Actual results, such as settlements with tax authorities, may differ from Kyocera's recognition.

***(22) Changes in accounting standards may adversely impact our results of operations and financial condition.***

Adoptions of new accounting standards, or changes in accounting standards may have an effect on Kyocera's consolidated results of operations and financial condition. In addition, if Kyocera modifies its accounting software or information systems to introduce changes in accounting standards, certain investments or expenses may be required.

**Other Risks**

***(23) As a holder of ADSs, you will have fewer rights than a shareholder has and you will have to act through the depositary to exercise those rights***

The rights of shareholders under Japanese law to take various actions, including voting their shares, receiving dividends and distributions, bringing derivative actions, examining a company's accounting books and records and exercising appraisal rights, are available only to holders of record. Because the depositary, through its custodian agents, is the record holder of the shares underlying the ADSs, only the depositary can exercise those rights in connection with the deposited shares. The depositary will make efforts to vote the shares underlying your ADSs as instructed by you and will pay to you the dividends and distributions collected from us. However, in your capacity as an ADS holder, you will not be able to bring a derivative action, examine our accounting books and records or exercise appraisal rights through the depositary.

***(24) Rights of shareholders under Japanese law may be more limited than under the law of other jurisdictions***

Our Articles of Incorporation, Regulations of the Board of Directors, Regulations of the Audit & Supervisory Board and the Companies Act of Japan govern our corporate affairs. Legal principles relating to such matters as the validity of corporate procedures, directors' and officers' fiduciary duties and shareholders' rights may be different from those that would apply if we were a U.S. company. Shareholders' rights under Japanese law may not be as extensive as shareholders' rights under the laws of the United States. You may have more difficulty in asserting your rights as a shareholder than you would as a shareholder of a U.S. corporation. In addition, Japanese courts may not be willing to enforce liabilities against us in actions brought in Japan which are based upon the securities laws of the United States or any U.S. state.

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***(25) Because of daily price range limitations under Japanese stock exchange rules, you may not be able to sell your shares of our Common Stock at a particular price on any particular trading day, or at all***

Stock prices on Japanese stock exchanges are determined on a real-time basis by the equilibrium between bids and offers. These exchanges are order-driven markets without specialists or market makers to guide price formation. To prevent excessive volatility, these exchanges set daily upward and downward price fluctuation limits for each stock, based on the previous day's closing price. Although transactions may continue at the upward or downward limit price if the limit price is reached on a particular trading day, no transactions may take place outside these limits. Consequently, an investor wishing to sell at a price above or below the relevant daily limit may not be able to sell his or her shares at such price on a particular trading day, or at all.

***(26) Our shareholders of record on a record date may not receive the dividend they anticipate***

The customary dividend payout practice of publicly listed companies in Japan may significantly differ from the practice widely followed in foreign markets. Our dividend payout practice is no exception. The declaration and payment of annual dividends requires the approval of shareholders of our common stock at the annual general meeting of shareholders held in June of each year. Our board of directors decides and submits a proposal for an annual dividend declaration a few weeks before the annual general meeting. If the shareholders' approval is given, the annual dividend payment is made to shareholders of record as of the record date for such payment, which is March 31, whether or not the shareholders are still holding shares after such record date. The declaration and payment of interim dividends is decided by our board of directors and does not require the approval of shareholders. The interim dividend payment is made to shareholders of record as of the record date for such payment, which is September 30, whether or not the shareholders are still holding shares after such record date. Shareholders of record as of the applicable record date may sell shares in the market after the record date with the anticipation of receiving a certain dividend payment. However, the date of declaration of interim dividends is decided by our board, and the declaration of annual dividends is approved by our shareholders only in June, based upon a proposal submitted by our board. As such, we may have announced a dividend forecast before the applicable record date; but, in making a decision on the dividend declaration, neither our shareholders nor our board of directors are legally bound by such forecast. Therefore, our shareholders of record on the record dates for interim or annual dividends may not receive the dividend they anticipate.

***(27) Foreign exchange fluctuations may affect the dollar value of our ADSs and dividends payable to holders of our ADSs***

Market prices for our ADSs may fall if the value of the yen declines against the U.S. dollar. In addition, the U.S. dollar amount of cash dividends and other cash payments made to holders of our ADSs would be reduced if the value of the yen declines against the U.S. dollar.

***(28) We believe Kyocera Corporation was not a passive foreign investment company (PFIC) in fiscal 2015. However this conclusion is a factual determination that is not free from doubt, and accordingly, there can be no assurances in this regard. Moreover this is a factual determination that is made annually, and thus may be subject to change. If Kyocera***