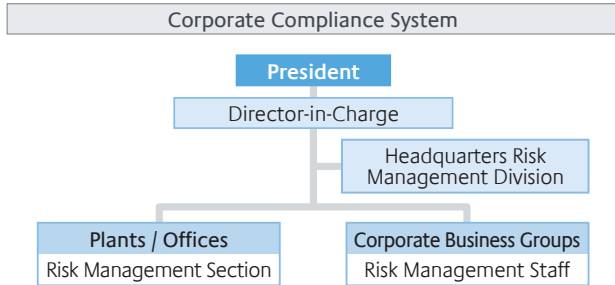


Corporate Governance

Compliance and Risk Management

Compliance System

Kyocera has prepared a Kyocera Employee's Action Guideline, so that the Kyocera Philosophy can be reflected in the diverse aspects of corporate activities. The Action Guideline sets out a code of conduct that Kyocera Group employees use as the foundation of day-to-day business activities. The Action Guideline is the basis for compliance. The Risk Management Division promotes thorough knowledge of relevant legal requirements, and organizes compliance training. From the perspective of effective management systems and self-regulation, risk management sections are being cross-divisionally set up in each of the Kyocera Group plants and offices. Additionally, a Risk Management Staff is being appointed in each division. Kyocera Group compliance management is thus being steadily strengthened. In order to reinforce management systems for overall compliance we established an Overseas Risk Management Department within the headquarters Risk Management Division in fiscal 2008. We are now focusing on building a management system for ensuring observance of legal requirements in overseas areas of the Kyocera Group.



Risk Management

Amid the advance of global business development focused on realization of "An innovative enterprise that continues to grow," internal and external risks are becoming increasingly diverse. To counter risks in appropriate ways, Kyocera is promoting both risk prevention and risk countermeasures through a total risk management system. A compliance management system deals with risks under normal circumstances. Meanwhile, a emergency response system, based on a crisis management manual, deals with countermeasures for minimizing damage in the case of an emergency.

Basic Policy of Risk Management

1. Thorough legal compliance
2. High workplace morality
3. Prevention and countermeasures with a total risk management system

Normal circumstances : Compliance Management System
 Emergencies : Crisis Management Manual / Emergency Response System

Audit System

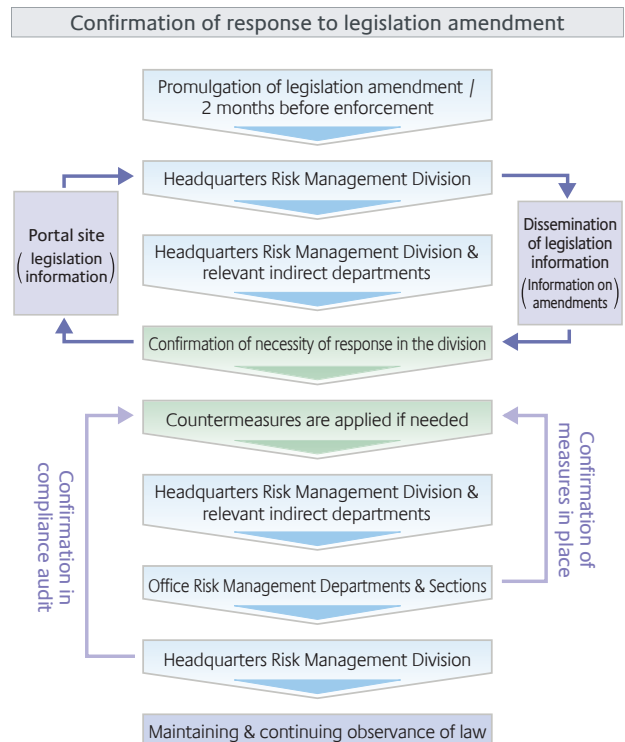
In order to monitor and assess the state of observance of the law, Kyocera is implementing audits of various company management activities. Each year, Kyocera updates an original checklist of applicable domestic laws and regulations. Self-inspections are then implemented in accordance with the checklist; prior to double-check audits by the Headquarters Audit Department. In fiscal 2008, these checks were conducted at 48 sites within the Kyocera and domestic Kyocera group companies.



An audit scene

Notification of legislation amendments and implementation of responses

To deal appropriately with amendments to legislation, legal information such as news on amendment activities is posted promptly on the Kyocera Group intranet. Each division can thus use this information as soon as it becomes available. Additionally, we have set up a system for confirming the relevant divisions are making preparations for adapting to legislation amendments and new laws. Monitoring was made even more rigorous under this system in April 2008.



Compliance Training

Kyocera is implementing Compliance Training for the various levels of managerial staff. In fiscal 2008, in addition to training undertaken thus far by managerial staff, plant managers, office managers and new employees, training was also provided for managers of sales offices. Concerning specific laws, companywide training was conducted on Seminar on the Personal Information Protection Act and the Consumer Products Safety Law.

No. of People Attending Compliance Education Seminars (FY2008)

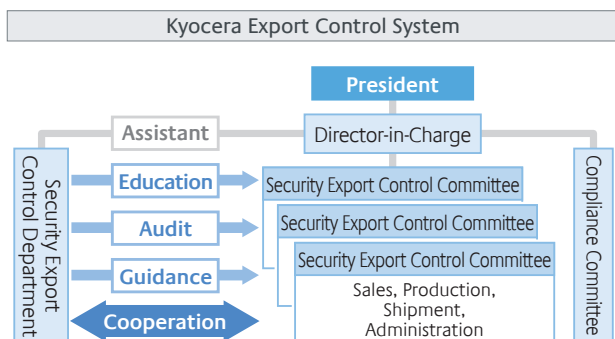
	No. of participants
Compliance seminar	465
Seminar on the Personal Information Protection Act	378

Employee Consultation Hot-line Center

Full-time and part-time employees can contact the Employee Consulting Office directly. Consulting employees are assured of protection of confidentiality. The Office is consulted on diverse matters, including doubts related to the Kyocera Employee's Action Guideline (the basis of compliance by Kyocera Group employees) and actions thought to be in violation of compliance. After examining the relevant facts, the Office undertakes corrective action in place of the employee, and steps to prevent recurrence. In fiscal 2008, there were 16 consultations. Countermeasures were completed in all cases.

Export Trade Control System

Kyocera has instituted a "Kyocera Corporation Security Export Control Regulation" and set up an Security Export Control Committee for each division. Kyocera is able to organize appropriate measures for matters relevant to diversification of products and technology, globalization, and amendments to laws. We do this through the divisional Export Security Control Committee system and the application of information including laws relating to export security. This information is provided by the Risk Management Office through the Corporate Information Reading Room and other means.



Authorization as "Specified Exporter"

To ensure compliance with Customs Law and other export-related legislation, Kyocera has established "Kyocera Legislation Compliance Regulations on Specified Export Formalities".

In December 2007, Kyocera was authorized as a "Specified Exporter," in accordance with an exemption system specified in Article 67-3 of Customs Law. Similarly, Kyocera Chemical Corp. received authorization in March 2008.

Taking export freight into a bonded area is a basic requirement of customs clearance. As a result of authorization, we can now submit export declarations while the freight is sitting in factories, warehouses, or elsewhere.



Specified Exporter Authorization Certificate

Protection of Personal Information

Kyocera recognizes that personal information is important information concerning the privacy of individuals, and does everything possible to safeguard such information as one obligation to society. Instituting a Basic Policy on Protection of Personal Information, Kyocera has established a personal information management system. The Risk Management Division is responsible for administration and a Director has been appointed to take overall charge. Confidential administration ensures complete security of personal information.

Actions on Sarbanes-Oxley Act, Section 404

Kyocera shares are listed on the New York Stock Exchange. Section 404 of the Sarbanes-Oxley Act enacted in the USA in 2002 has been applied to Kyocera since fiscal 2007 (fiscal year ending March 2007).

Fiscal 2008 (fiscal year ending March 2008) was the second year of compliance with the Act. As in the previous year, Kyocera Group internal controls were assessed as being effective. We are continuing to maintain and improve internal controls.