

Together with Customers

Thorough application of the "Customer-First Principle"

The Kyocera Group is focused on developing valuable businesses. Based on our Customer-First Principle, we have a strict quality policy and constantly strive for improvement. This enables us to provide customers with products and services that bring full satisfaction and enjoyment. By these means we are aiming for the state of "Quality Kyocera". To realize this state, we have an established policy on quality, and are striving to raise the standard. We have also established a product safety policy. The aim of this policy is product manufacture with the highest priority placed on the global environment and product safety.

Thorough application of the "Customer-First Principle"

Kyocera Quality Policy

1. Kyocera places top priority on our environmental management and product safety systems.
2. Kyocera provides products and services to our customers that exceed their expectations by putting them first.
3. Kyocera aims to be a world leader in quality by doing every job right the first time.

To produce quality goods that fully satisfy our customers, the Kyocera Group is setting a Kyocera Quality Policy. The objective is constantly in the minds of all employees. We develop our businesses on the basis of this quality policy, and aim to become a corporation that is worthy of trust all over the world. Regarding product safety, the Kyocera Group has formulated a Product Safety Policy. Additionally, to achieve product quality based on our customers' expectations, we have set up an All-Company CS* Improvement Committee. To enable our work to give high satisfaction to customers, we are doing everything possible to ensure observance and correct application of the rules, right from the planning stages.

* CS Customer Satisfaction

Strengthening the Quality Management System

Kyocera is working to strengthen and improve its Quality Management System.

- ▣ Maintaining certification of the international standard (ISO-9001) for the Quality Management System*
- ▣ Identifying true causes of defects and taking steps to prevent recurrence of problems, using Tree Diagrams and other means, through CS Improvement Committee activities.
- ▣ Setting quality targets based on Management Direction and Quality Policy, establishing actions for achieving targets, and undertaking improvement activities.
- ▣ Sharing information

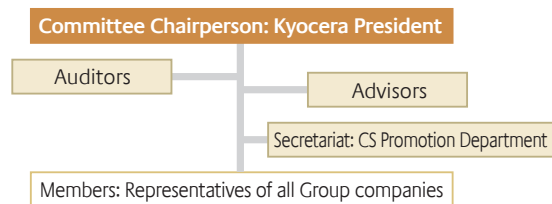
* Information on the current status of certification of international standards for the Quality Management System is shown on Page 82 of section, titled Facts & Figures.

Kyocera Group All-Company CS Improvement Committee

Practicing the Customer-First Principle is one element of the Kyocera Group's Management Direction. To become "An innovative enterprise that continues to grow," pleasing customers and earning strong trust is our most important challenge. An All-Company CS Improvement Committee meets each month to consider concrete activities toward meeting that challenge. Chaired by the Kyocera President, the committee includes representatives from domestic Kyocera Group companies.



Structure of the All-Company CS Improvement Committee



Objectives of the All-Company CS Improvement Committee

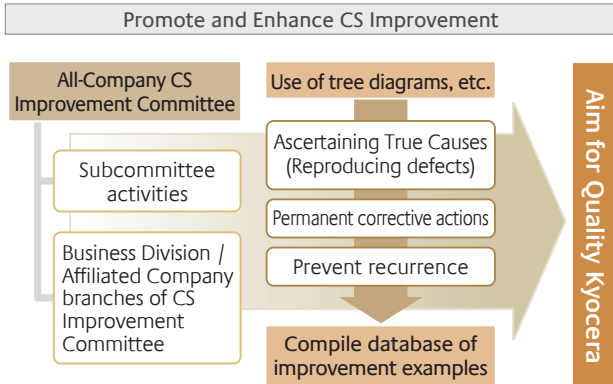
Clarifying CS indicators for each division, bringing problem areas into the open and undertaking a concentrated approach toward improvement lead to higher customer satisfaction and quality improvement. Aiming for Quality Kyocera, we are advancing with the following activities.

- ① Establishing CS indicators and raising the CS standards in each division of the Kyocera Group.
- ② Analyzing assignment and identifying "True Causes."
- ③ Preventing recurrence of "True Causes."
- ④ Achieving accurate prediction and prevention of quality problems by placing examples of improvements in a database. This enables sharing of information from individual divisions throughout the Kyocera Group.

Advancing and Strengthening CS Improvement

To reinforce Customer Satisfaction improvement efforts, subcommittee activities have been steadily enhanced since February 2007. Furthermore, improvements are being implemented in individual divisions under the leadership of corporate group general managers and company presidents. In improvement activities, tree diagrams and other means are used to reproduce defect

phenomena. We can then identify "True Causes" and prevent recurrence of defects by applying permanent countermeasures. Methods and examples of improvements are compiled into a database which is accessible throughout the Kyocera Group. This raises the problem-solving ability of the entire Kyocera Group and opens the way for realization of Quality Kyocera.



Product Safety Policy

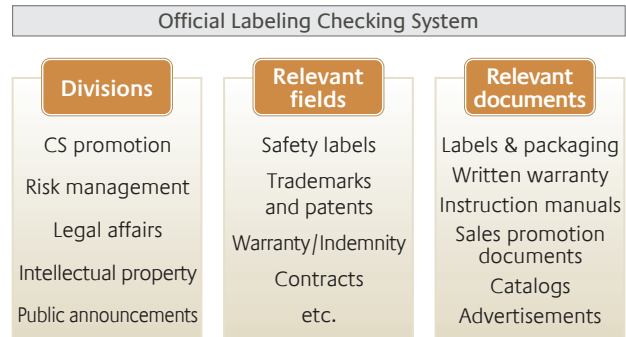
1. Kyocera is fully acquainted with the latest information related to Product Liability and Product Safety.
2. Kyocera maintains the world-leading standard of Product Safety.
3. Kyocera systematically practices Product Safety in accordance with manuals.

"Safety is the utmost priority for all products made and/or sold by Kyocera. Regardless of form or function, they must not endanger a person's life or well-being, nor inflict damage on property." From that perspective, Kyocera has set a Product Safety Policy, in addition to Quality Policy. Kyocera has established Product Safety System Guidelines as a concrete code of action at all levels of corporate activity. Additionally, Guidelines for Product Safety Labeling serve as supplementary guidelines for understanding international standards relating to safety labels.

Examining Product Safety

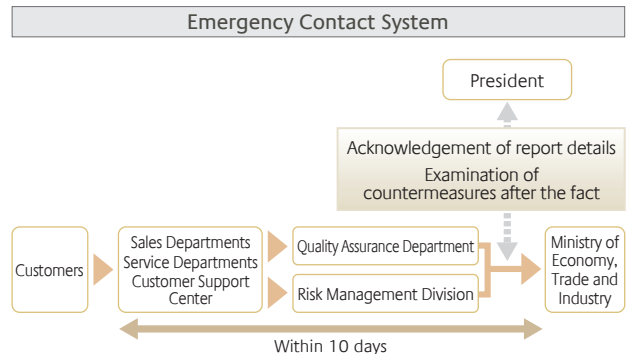
The CS Promotion Department supports activities relating to Kyocera product safety, coordinating with individual business divisions and related departments.

- Based on the Product Safety policy and the manual, we review safety of our products in each process. In accordance with the specified ways, we work on it starting with the design and development stages.
- Using Kyocera's official labeling checking system, relevant departments review user safety information such as product labels and operating instructions, to ensure observance of legal requirements and public standards.



Compliance with Consumer Products Safety Law

To ensure compliance with May 2007 revisions to the Consumer Products Safety Law, Kyocera revised its in-house reporting system and held briefings for the people responsible in each division. Kyocera has clarified emergency contacts to enable an immediate response in the case of a serious accident involving company products, and organized a system for immediate reporting of information from customers.



Replacement of battery pack for au-brand mobile phone [W42K]

The au mobile phone [W42K] is made by Kyocera, with 214,349 units in use as of March 26, 2008. It has been confirmed the battery pack used in this mobile phone may short-circuit internally while in use, if enough pressure is applied to scratch or dent it. This could result in overheating, expansion, smoking or rupture of the battery. Therefore, on March 29th 2008, all users of the [W42K] (including customers whose mobile phones did not contain the potentially hazardous battery) were informed of the matter individually in writing, and asked to return the mobile phone to have the battery replaced. A public notice and apology was placed in newspapers, and similar information was posted on the company website. We deeply regret the anxiety and inconvenience we have caused our customers.

Together with Customers

Responding to the Voices of Customers

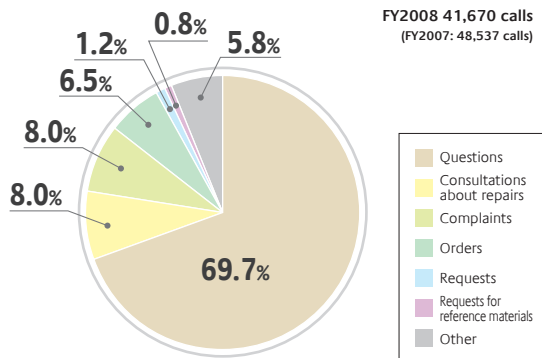
Customer Support Center

Kyocera has a Customer Support Center (Call Center) to handle matters concerning consumer products for general customers. The purpose of the Customer Support Center is to represent Kyocera in the acceptance of inquiries, complaints, and the views of customers, and to raise the level of customer satisfaction by responding promptly and precisely to problems and other matters.

The valuable information on problem areas and issues, gathered from customers is reported immediately to top management and to the relevant division. From there, steps are taken to improve products and services.

Personal information about customers is guarded and managed with strict confidentiality, in accordance with internal rules and regulations.

Break-down of Inquiries



Since the previous fiscal year, the overall number of inquiries has fallen by about 7,000. The main reasons for the fluctuations are as follows.

- Enriched information on the Kyocera website (expansion of [Frequently Asked Questions] content, etc.) has reduced inquiries
- Improved operating manuals (addition of a simplified manual for PHS, etc.) have reduced inquiries
- Improved quality of PHS has resulted in fewer inquiries and complaints
- Increased inquiries about where to buy new products from applied ceramic consumer product business

Awards for Kyocera Products

Good Design Award — “MEDIA SKIN”

In the 2007 Good Design Award competition, sponsored by the Japan Industrial Design Promotion Organization, the Good Design Gold Award was given to Kyocera for the mobile phone “MEDIA SKIN”, created by au Design Project. The award-winning MEDIA SKIN features a new sense of touch resulting from surface treatment and special paints. Additionally, MEDIA SKIN is the world's first mobile phone with a 260,000-color QVGA Organic EL display as the main display. This model allows enjoyment of beautiful One-Seg TV images and others.



MEDIA SKIN



The 6th Serai Grand Awards — “Black Cutting Board”

In the 6th Serai Grand Awards, sponsored by the publisher Shogakukan, Kyocera’s “Black Cutting Board” was awarded the “Friendly to Senior Citizens Category Award”. The black and white contrast offered by the black cutting board makes food easier to see for senior citizens and other people with impaired vision. This award was presented in view of improved utility and safety when preparing food. The sale of the cutting board began in February 2007 in limited numbers through Japan Braille Library, a social welfare organization. In view of the strong positive response, we began selling the board nationwide in June. Furthermore, this product won an Incentive Award, in The 2007 Miyako Universal Design Award competition, sponsored by Kyoto City.



The black cutting board