

THE NEW VALUE FRONTIER



Moving Toward the Future and Creating Strategies for Growth

Annual Report 2007



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Corporate Profile

Since its founding in 1959, Kyocera (as used in this Annual Report, “Kyocera” refers to the Kyocera Group on a consolidated basis) has continuously strived to uphold its 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.” In doing so, Kyocera creates new markets and develops new products and businesses using unique technologies. As a result, Kyocera has become a leading manufacturer of diverse components, devices and equipment, as well as a provider of high-value-added services. Going forward, Kyocera will continuously seek to create new value for society using its innovative “Amoeba Management” system and “Kyocera Philosophy,” which establish “Doing what is right as a human being” as the principal criterion for all business decisions.

Based on our three basic management policies, “Practice the customer-first principle,” “Promote global management” and “Establish a highly profitable structure,” Kyocera aims to be “a creative company that continues to grow” by ensuring sustainable corporate growth. We will accomplish this by driving sales expansion and higher profitability in each business, and through the pursuit of synergies within the Group. At the same time, we seek to be respected by society for upholding the highest corporate ethics — meeting shareholders’ expectations and earning society’s trust as “The Company” that creates new value on a global scale.

Financial Highlights

Kyocera Corporation and Consolidated Subsidiaries

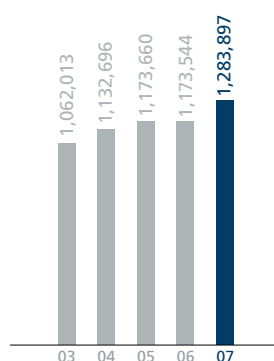
| | Years ended March 31, | | | | | |
|---|-----------------------|-------------|-------------|-------------|-------------|---------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2007 |
| Net sales | ¥ 1,062,013 | ¥ 1,132,696 | ¥ 1,173,660 | ¥ 1,173,544 | ¥ 1,283,897 | \$ 10,880,483 |
| Profit from operations | 78,950 | 104,810 | 97,660 | 99,695 | 135,102 | 1,144,932 |
| Income from continuing operations before income taxes and minority interests | 72,442 | 110,284 | 104,013 | 117,237 | 156,540 | 1,326,610 |
| Net income | 41,165 | 68,086 | 45,908 | 69,696 | 106,504 | 902,576 |
| Earnings per share: | | | | | | |
| Net income | | | | | | |
| Basic | ¥ 220.91 | ¥ 364.79 | ¥ 244.86 | ¥ 371.68 | ¥ 566.03 | \$ 4.80 |
| Diluted | 220.86 | 364.78 | 244.81 | 371.43 | 564.79 | 4.79 |
| Cash dividends declared per share: | | | | | | |
| Per share of common stock | 60.00 | 60.00 | 80.00 | 100.00 | 110.00 | 0.93 |
| Total assets | ¥ 1,635,014 | ¥ 1,794,758 | ¥ 1,745,519 | ¥ 1,931,522 | ¥ 2,130,464 | \$ 18,054,780 |
| Stockholders' equity | 1,000,207 | 1,150,453 | 1,174,851 | 1,289,077 | 1,514,560 | 12,835,255 |
| Depreciation | ¥ 64,913 | ¥ 60,745 | ¥ 58,699 | ¥ 62,942 | ¥ 70,155 | \$ 594,534 |
| Capital expenditures | 38,981 | 54,901 | 63,160 | 88,860 | 69,896 | 592,339 |

Notes: A) Yen in millions and U.S. dollars in thousands, except per share amounts.

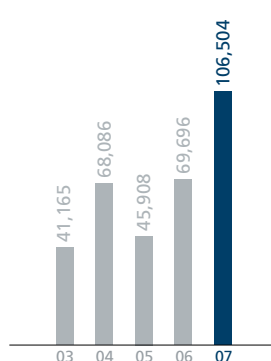
B) U.S. dollar amounts have been translated at a rate of ¥118=US\$1, the rate as of March 31, 2007.

C) In accordance with Statement of Financial Accounting Standards No.144, "Accounting for the Impairment or Disposal of Long-Lived Assets," prior years' financial statements have been retrospectively reclassified as to discontinued operations.

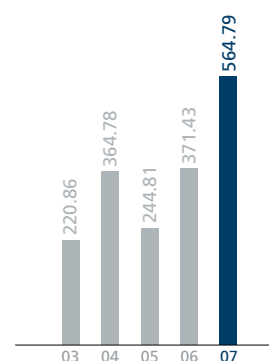
Net sales (Yen in millions)



Net income (Yen in millions)



Diluted earnings per share (Yen)



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: general conditions in the Japanese or global economy; unexpected changes in economic, political and legal conditions in China; intense competitive pressures to which our products are subject; manufacturing delays or defects resulting from outsourcing or internal manufacturing processes; various export risks which may affect the significant percentage of our revenues derived from overseas sales; the effect of foreign exchange fluctuations on our results of operations; industry demand for skilled employees; insufficient protection of our intellectual property; expenses associated with licenses we require to continue to manufacture and sell products; our research and development not producing desired results; our market or supply chains being affected by terrorism, plague, wars or similar events; earthquakes and other natural disasters affecting our headquarters and major facilities; impairment losses on investments in equity securities; and our ability to launch innovative products and otherwise meet the advancing technical requirements of our customers, particularly in the highly competitive markets for ceramics, semiconductors and electronic components. Such risks, uncertainties and other factors may cause our actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. We undertake no obligation to publicly update any forward-looking statements included in this document.