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<Slide: Cover>

Today I will discuss the current condition and future business development of Kyocera Group under the theme 'Promoting Further Growth.'

Kyocera has always sought to grasp business opportunities via a business diversification strategy, thereby facilitating stable growth in operations. We have also conducted numerous mergers and acquisitions (M&A) in Japan and overseas to boost business competitiveness, culminating in solid business foundations. As manager of the finance division and executive responsible for M&A, I will discuss Kyocera's strategy from a financial perspective.

<Slide NO. 1: Forward-Looking Statements>

Please take note of the 'Forward-Looking Statements' on this slide in connection with the information to be presented today.

<Slide NO. 2: Presentation Outline>

I will begin today's presentation by introducing Kyocera Group and explaining its current global business activities. Then I will provide an overview of Kyocera's management philosophy, or more precisely, 'philosophy' regarding 'management' on which these business activities are based. As a matter of course, the strategy of each business segment is important. However, in addition, our basic management philosophy is of greatest importance to our business, as all of our businesses operate based on this philosophy.

Following that, I will present consolidated financial forecasts and key business developments to promote further growth from next fiscal year and onward.

Finally, I will explain the direction Kyocera Group is aiming for going forward as well as the roadmap to maximize corporate value from a financial standpoint.

Through this presentation, I hope you will come to understand more fully Kyocera Group's management philosophy and its planned development of future business with the goal of future growth.

<Slide NO. 3: Trend: Diversification and Sales Growth>

As some of you may not know much about Kyocera, I will begin by explaining our history.

The graph here shows diversification and sales growth trends since our founding in 1959. Sales in

our first fiscal year amounted to ¥26 million and pre-tax income was ¥3 million. Kyocera commenced operations with the manufacture and sale of a single fine ceramic part for use in the cathode-ray tube of TVs. The structural characteristics of this fine ceramic were then applied to other products, helping us to establish solid technological and business foundations in the field of fine ceramic parts while it was still a small business. Thereafter, we expanded the components business through the horizontal development of technology, leveraging the insulating properties of fine ceramics and developing the loading technology of conducting components (metallized technology) in semiconductor packages. We then launched our equipment business, which involves many of such components, and promoted the vertical integration of accumulated technologies. As a result of this kind of business diversification, we forecast consolidated net sales in the amount of ¥1,270 billion and pre-tax income in the amount of ¥148 billion for the current fiscal year ending March 31, 2007.

As a result of such diversification, Kyocera has been able to maintain stable business operations and has never recorded a loss since its establishment.

<Slide NO.4: Kyocera Group Business Development>

This is the current state of business development. As of today, Kyocera Group comprises 180 companies spanning 35 countries. Many of these were incorporated into Kyocera Group via M&A.

In order to strengthen our operating base and maintain a high profit ratio, Kyocera has always endeavored to achieve growth independently, while aggressively instituting M&A to save the time. AVX Group, shown in the upper right portion of this slide, boasts annual sales of around ¥150 billion and is a good example. Although AVX was a listed company on the New York Stock Exchange and was well respected in the field of electronic components, it chose to enter Kyocera Group as it approved of our business strategy and recognized that joining forces would enable the generation of greater synergistic effects. 30% of total shares in AVX are now publicly held and AVX has been re-listed on the New York Stock Exchange.

In pursuing acquisition of AVX, we employed a 'cross border stock-for-stock exchange.' In other words, Kyocera was the first Japanese company to conduct a cross-border triangular merger more than fifteen years ago in 1990. This type of merger is currently a hot topic of discussion in Japan. Following this acquisition, we strove to unify our management philosophies, while in terms of business methods we have learned from each other in all areas of expertise based on a philosophy termed 'Japanese Spirit, Western Knowledge.' Accordingly, AVX has retained its own management style. AVX, through its global management, currently makes a huge contribution to the Electronic Device Group of Kyocera Group for both of sales and profit.

Please also take note of KDDI Group at the bottom right of the slide. KDDI is Japan's second largest telecommunications company. Although the name KDDI (au) is widely known now, it was founded by Kyocera in 1984 as Daini Denden Inc. following liberalization of Japan's telecommunications market. Kyocera is highly committed to pursuing expansion, user-friendliness and low pricing in the Japanese telecommunications market, and its activities through KDDI have promoted expansion in this industry ever since. Kyocera is still KDDI's largest shareholder. We are also a major shareholder of Willcom, Inc., the largest PHS carrier in Japan. In addition, Kyocera supplies mobile phone handsets and base stations to KDDI and Willcom.

Kyocera has thus expanded its business base steadily on a global scale in this manner. What is the purpose of this?

<Slide NO. 5: My View of Management>

“A company's management is merely a reflection of the prevailing philosophy and values within your organization.”

“Determine the mission of your business. No worthwhile goal in life has ever been attained without first establishing your corporate mission and vision.”

These are the words of Kyocera's founder, Kazuo Inamori. Many people believe that the sole purpose of an organization is to grow, achieve profitability and make money. These in themselves are fine, but if the purpose of this growth is not elucidated, it does not make sense to grow. If a company seeks corporate growth only on the personal wishes of its managers and without a proper management ethos, it may fail and face the risk of bankruptcy.

As "a company's management is merely a reflection of the prevailing philosophy and values within your organization," it is essential to determine the mission of any business and to share this mission with all employees. Unless the vectors of all employees are aligned to enable them to proceed in the same direction, goals cannot be attained and there is little hope for continuous corporate development.

As embodied in the words on this slide, one of our priorities is to clarify the mission and value of our business. Doing something just because another company is doing the same, or simply in pursuit of profit, cannot be a good reason for participating in the market. Such businesses are bound to fail. Kyocera always considers thoroughly the value of its businesses, and this is the biggest reason we have been able to achieve stable growth and high profitability over the years. I believe that this has become a part of Kyocera's corporate genetic makeup and it is something that we will continue in order to succeed.

<Slide NO. 6: Consolidated Financial Forecast – Year Ending March 31, 2007>

I will now explain consolidated financial forecasts for the current fiscal year ending March 31, 2007. We have already announced this forecast in January 30, 2007 and I would like to omit detailed explanation today.

Kyocera is working towards the achievement of the forecast result shown on this slide. Namely, we aim to increase net sales by 8.2% and increase each profit indicator by approximately 30% .

<Slide NO. 7: Consolidated Net Sales and Pre-tax Income Trends – FY3/03 through FY3/07 (Forecast)>

This slide shows net sales and pre-tax income over the preceding four-year period, and the full-year forecast for the current fiscal year ending March 31, 2007.

Kyocera projects higher net sales, pre-tax income and pre-tax income ratio for the current fiscal year ending March 31, 2007 than in any year since the fiscal year ended March 31, 2003.

<Slide NO. 8: Consolidated Net Sales and Pre-tax Income Trends by Reporting Segment FY3/03 through FY3/07 (Forecast)>

This slide has been divided into two parts, with the upper portion depicting the components business and the lower portion depicting the equipment business. Kyocera forecasts a pre-tax income ratio of 16.1% in the components business and 5.7% in the equipment business. As you can see on this slide, both businesses are projected to post an improvement in pre-tax income ratio as compared with the previous fiscal year ended March 31, 2006.

<Slide NO. 9: Sales and Operating Profit Forecasts by Reporting Segment – Year ending March 31, 2007>

Next, I will explain business developments aimed at promoting further growth.

The pie chart here portrays net sales and operating profit forecasts by reporting segment for the current fiscal year ending March 31, 2007. As you can see, the largest contributor to consolidated net sales and operating profit is the Electronic Device Group, shown here in red. This segment is forecast to account for 22% of total net sales and 30% of total operating profit in the current fiscal year ending March 31, 2007.

<Slide NO. 10: Strengthen Strategic Businesses – Electronic Device Group>

On this slide, you can see a breakdown of net sales in the Electronic Device Group which has great influence on total net sales of Kyocera Group. The basic strategy of this segment is to expand business through extensive and unrivalled product variety, as contrasted with other major

electronic passive component manufacturers.

The light blue portion of the bar graph represents ceramic capacitors and telecommunications modules. Although people in the securities market view these products as the core businesses of Kyocera's Electronic Device Group, in actuality they comprise only around one quarter of this segment's total sales, which is not more than 5~6% of overall Kyocera Group sales. We aim to strengthen the competitiveness of these products by focusing on the development of high-value-added items with growth potential and by cutting back our low-profit product lines.

The product lines portrayed in pink and yellow include numerous products with respect to which Kyocera commands a market leadership position. The product lines in pink include crystal devices of Kyocera Kinseki, an area in which we sit in the top grouping of the industry, tantalum capacitors of AVX, where we maintain the top market share worldwide, and advanced products for the medical and automotive markets. The product lines in yellow represent thin-film devices, such as thermal printheads, with respect to which Kyocera act as the market leader.

As shown here, we have established a unique business structure, in which we supply passive components, functional components and connectors, among others, by leveraging distinct materials technologies for variety of materials, such as ceramic, tantalum and crystal. By doing so, we can produce competitive products continuously and will work towards greater levels of business expansion and profitability.

<Slide NO. 11: Focus Market: Environmental Preservation>

From here, I will describe business development in the environmental preservation market, which is a key strategic market for Kyocera. This market is not only important for its high growth potential but also from the viewpoint of Kyocera's management rationale, which is to 'contribute to the advancement of society and humankind.' In the 21st century, we believe that companies must heed the call of society to consider and indeed contribute to the enhancement of the earth's environment. From that viewpoint, this market holds a great deal of significance.

I will now explain some of the concrete initiatives we are implementing in this market.

<Slide NO. 12: Solar Photovoltaic (PV) Market Forecast>

As shown here, the global photovoltaic market is growing at an average annual rate of 38% due to global warming and recognition of the finite nature of oil resources. By 2010, the scale of the market is expected to expand around fivefold relative to 2005. The highest growth rate in the world is forecast to be recorded in European countries including Germany, Spain and Italy. In the U.S. market, certain states are beginning to take a proactive stance toward the introduction of solar power generating systems.

<Slide NO. 13: Solar Business Strength #1: Integrated Production System>

In the high-growth-potential solar energy business, Kyocera's major competitive advantage is an integrated production line from ingot production to the creation of high-conversion-efficiency cells and modules, and this is something that competitors have difficulty emulating. Through this integrated production line, we are able to reduce costs in all processes and to realize enhanced quality management. As a result, we can create cells that boast the world's highest conversion efficiency while also securing high profitability.

<Slide NO. 14: Solar Business Strength #2: Global Production >

To produce solar energy products responsive to global demand and promote cost reduction, we have established a quadripartite production framework (Japan, Czech Republic, Tianjin in China and Mexico). Using this quadripartite production framework, we can launch products to meet customer needs in a timely manner and reduce logistics costs through assembly of modules in local plants.

<Slide NO. 15: Initiatives for Solar Energy Business>

To ensure further expansion of the solar energy business to contribute to humankind and society in the future, we will continue to implement the challenges shown on this slide.

First, let's look at the major challenge we are facing in this business, which, as you all may know, concerns a shortage of silicon, the principal material. Kyocera unfortunately has to deal with material procurement issues through the first half of the following fiscal year ending March 31, 2008. Nonetheless, from the second half of the following fiscal year ending March 31, 2008, we expect to be able to secure amounts in alignment with our production plans, so we will be able to increase capacity to keep pace with demand.

Second, we will strive to produce thinner cells as we expect that material prices will continue to rise. We are working to increase the proportion of thinner cells in our total product mix and to enhance R&D for production of even thinner cells.

Third, we have a plan to expand production capacity substantially. As of March 31, 2010, we aim to boost our production capacity to at least 500MW/year, more than double the capacity for the current fiscal year ending March 31, 2007.

Fourth, demand is expected to rise in this market from a medium- to long-term perspective, we are promoting the development of more efficient production methods and new materials in order to increase sales further.

<Slide NO. 16: Sales Trends of Diesel Engine Cars in Europe>

Next, let's look at the automotive parts business.

Developments in the automotive industry in the 20th century and the convenience that these developments brought were spectacular. It is now necessary, however, to turn our attention to the burden on the earth's environment caused by automobiles in the 21st century. Kyocera has expanded its businesses mainly by producing IT related products. For future growth, however, Kyocera will make the automotive parts business an additional key business by making effective use of its unique technologies to promote more environmentally friendly vehicles and thereby to grasp major opportunities in the automotive market.

An example is shown on this slide. Unit sales of automobiles have already peaked in Europe, while the proportion of fuel-efficient diesel cars continues to increase year-on-year. Due to high environmental consciousness in Europe and strict regulations on car exhaust emissions, the common rail system is becoming increasingly popular with its benefits reducing exhaust emissions. As a result, demand for diesel cars has been increasing.

The yellow line graph shown here represents the proportion of diesel cars equipped with common rail systems. As you can see, the proportion has been growing on a year-on-year basis. Kyocera supplies piezo stacks for these systems and glow plugs for ignition systems.

<Slide NO. 17: Piezo Stacks for Common Rail and Glow Plugs>

This diagram is the structure of a common rail system. As shown in this diagram, the common rail is a pressure container containing high-pressure fuel. An array of injectors with piezo stacks is connected thereto, through which fuel injection is made with precise control of timing and amount of fuel. Piezo stacks are piezoelectric devices that enable precise control of fuel injection. The glow plug, shown at bottom right, helps ensure optimum fuel combustion during ignition in diesel engines.

Kyocera's piezo stack uses one-sixth the amount of palladium, an expensive precious metal, relative to those of other companies, to achieve lower costs. In addition, Kyocera has developed ceramic glow plugs through the application of unique ceramic technology. Our ceramic glow plugs possess the world's highest endurance performance and enhanced combustion efficiency due to greater immediate heating properties of their heating core, the heating component of the glow plugs. As a result, these products are extremely competitive.

<Slide NO. 18: Expand Applications for Automotive Cameras>

Here I will introduce automotive cameras, another product of Kyocera that contributes to automotive safety. It is expected that in the future between six and ten cameras will be mounted

on every automobile with the goal of improving vision for safety. We are leveraging our past experience as a camera maker in incorporating our lens and design technologies into these automotive cameras. We aim to increase sales of automotive cameras in the coming years.

<Slide NO. 19: Strengthen Strategic Businesses>

Faced with automotive market requirements, which means industry trends toward “minimizing environmental burden,” “promoting safety” and “improving comfort and convenience,” Kyocera can provide products that meet a wide range of customer needs.

<Slide NO. 20: Further Expand Automotive Components Business>

In addition to the products just mentioned, we expect to increase sales of Electronic Control Units (ECUs), which can be as small as one-third the size of the equivalent components using glass epoxy substrates, and peltier modules, which are semiconductor elements enabling precise temperature control at low power consumption. Sales of these products are projected to quadruple by the fiscal year ending March 31, 2010 relative to the previous fiscal year ended March 31, 2006. They are therefore viewed as key growth drivers in the automotive components business.

<Slide NO. 21: Information Equipment Strategy>

I will now discuss the information equipment business.

Our strategy in this business is to realize both ecological and economic advantages through our ECOSYS concept, which achieves long-life design via a unique amorphous-silicon imaging drum. Such innovation enables us to deliver benefits to both users and dealers and thus to differentiate ourselves from the competition.

<Slide NO. 22: Initiatives in Information Equipment Business>

Kyocera is executing the three initiatives shown on this slide aimed at improving profitability in this business.

First, we seek to increase the proportion of color machines. Our ECOSYS concept – acclaimed for providing high quality and low running costs – is popular in the market and both dealers and users anticipate expansion of our color ECOSYS model line up. We will further increase the proportion of color models, and expand sales and profit of this business.

Second, we will cultivate new markets, such as Eastern Europe and BRICs.

Third, we will strengthen our development system. We are currently pushing ahead with the establishment of a new 20 floor R&D center, so we can further enhance the efficiency of our technical development.

Based on our ECOSYS concept, which differentiates us from our competitors, Kyocera aims to expand this business.

<Slide NO. 23: Roadmap to becoming "The Company">

I'd like to return now to my explanation of Kyocera Group's strategies. Kyocera has set itself a lofty goal to become 'The Company,' or one of the ideal and superior companies worldwide. This is a roadmap towards becoming The Company from a financial perspective, as conceived by myself. First, our most important challenge is to improve profitability (profit/loss management) while adhering to our Kyocera Philosophy, management philosophy, way to live and ethics. We aim to improve both our growth ratio and pre-tax income ratio, with a specific target of 15% or higher in the profit to sales ratio.

Next, it is necessary to promote muscular management (balance sheet management). We can save substantial cash by increasing the turnover rate of capital investment, inventories and accounts receivable, etc. through appropriate management. Minimizing investment capital costs is a key to considerably improving profitability.

As a result, we will be able to improve overall corporate strength, as measured by comprehensive assessment of our income statement and balance sheet, thereby adding value to the corporation. Kyocera refers to this phenomenon EVE (enterprise value enhancement). We are currently working hard to increase corporate value by promoting it on a global basis.

As a corporate value increases, our financial base will become stronger. This will allow us to make requisite investments in a timely manner and achieve our goals of further growth and expansion.

The recent effectiveness of Japan's newly adopted Corporation Act will facilitate the use of triangular merger structures by Japanese companies. As mentioned above, Kyocera carried out such merger in 1990 through an extremely complex process when it acquired AVX. The Corporation Act will enable us to bring value-adding companies into Kyocera Group using cash or stock-for-stock exchanges, leading to further increases in corporate value. In order to make such acquisitions, we will need to manage Kyocera to constantly increase our corporate value and to maintain conditions which ensure that shares of Kyocera will be evaluated fairly by the market. Through this roadmap, Kyocera can move steadily ahead to become The Company from a financial perspective.

<Slide: Thank you>

That concludes my brief presentation on management philosophy, future potential and initiatives to increase corporate value through global business development. I hope for your continued

support.

Thank you very much for your attention.