

Kyocera Corporation Investor Meeting in Hong Kong (Nov. 30, 2006)

Vice Chairman and Representative Director, Masahiro Umemura

<Slide 1: Presentation Outline>

I will begin by introducing Kyocera Group and explaining the results of the six months ended September 30, 2006, the first half of fiscal 2007 ("this first half"). Then I'll provide an overview and detailed strategy of both our components business and equipment business, a full-year forecast for the year ending March 31, 2007 (fiscal March 2007) and an explanation of the Kyocera Group's management policy. I hope this will give you a greater understanding of Kyocera Group.

<Slide 2: Forward-Looking Statements>

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

<Slide 3: History of Kyocera Group>

Kyocera Group was inaugurated 47 years ago in 1959 as a manufacturer of fine ceramic parts for TVs. Since then, we have expanded the "components business" into semiconductor parts, electronic devices and solar energy segments, through the horizontal development of our fine ceramic technology, the core technology of Kyocera Group.

To deliver stable and sustainable growth going forward, however, Kyocera recognized the need to possess multiple core businesses. Thus, in 1979, we entered into the "equipment business," consisting of telecommunications equipment and information equipment, by way of mergers and acquisitions. By accumulating and fully utilizing group technologies from the components business in the areas of materials, components and devices, the information equipment business was able to develop and provide a unique and highly creative range of printers that were distinctly different from their competitors. In the telecommunications equipment business, we established several telecommunications carriers as Kyocera Group companies in Japan, including KDDI, and we aimed to grow based on a vertical integration strategy by supplying handsets and base stations to these companies.

Kyocera aims to promote "diversification." To achieve this, Kyocera believes that each business within the components and equipment segments should be highly competitive as a specialized manufacturer in its respective field. In addition, each business should rank among the top three manufacturers in its respective field. Together, the businesses that make up the components and

equipment segments comprise what is known as Kyocera Group.

To achieve the above-mentioned aims, each business unit strives to satisfy customer needs by always being original and innovative. We make clear objective to become a creative company.

<Slide 4: Kyocera Group Business Development>

At present, the Kyocera Group is comprised of more than 180 companies located in approximately 40 countries worldwide with more than 60,000 employees. We intend to continue to implement management strategies that create high added value so that each company in Kyocera Group will continue to grow.

<Slide 5: Consolidated Financial Results (1)>

This slide shows the consolidated financial results for this first half. As you can see from the percentage changes indicated in the right column of the table, net sales increased by 13.5% compared with the same period in the previous fiscal year (the "previous first half"). Profit from operations increased by 87.0%, pre-tax income increased by 63.3%, and net income increased 2.2 times compared with the previous first half.

Two non-operating factors behind our significant increase in net income were: 1) a gain of ¥5.2 billion from our sale of shares in Kyocera Leasing Co., Ltd., an enterprise engaged in financial services, in August 2006, which was recorded as income on discontinued operations; and 2) tax refunds from the Japanese tax authority in the amount of ¥4.3 billion due to the partial withdrawal of the correction disposition related to a transfer pricing adjustment.

<Slide 6: Consolidated Financial Results (2)>

Net sales in the components business grew 14.6% in this first half compared with the previous first half, due to a favorable market environment in which demand for mobile phone handsets and digital consumer products expanded. Operating profit in the components business in this first half increased by 52.9% compared with the previous first half, with a 15.6% operating margin.

Net sales in the equipment business increased 13.7% compared with the previous first half, owing to aggressive new product introductions. Operating profit improved considerably from a loss of ¥160 million recorded in the previous first half to a profit of ¥13.6 billion.

<Slide 7: Consolidated Net Sales and Pre-tax Income Trends>

This graph shows consolidated net sales, pre-tax income and the pre-tax income ratio for each six-month period commencing with the fiscal year ended March, 2005 (fiscal March 2005). The pre-tax-income ratio bottomed out at 6.7% in the second half of fiscal March 2005, improving to

11.8% in this first half.

Next, I will explain current conditions and future business developments in the components and equipment businesses. I will start with the components business.

<Slide 8: Components Business: Breakdown of Net Sales and Operating Profit>

Net sales in the components business for this first half amounted to ¥318.5 billion, constituting 52% of total Kyocera Group sales. Operating profit in the components business totaled ¥49.8 billion. The operating profit ratio achieved in each of the four components business segments reached or exceeded 15%; and net sales and operating profit in each segment reveal a nicely balanced foundation for the components business.

<Slide 9: Components Business: Net Sales and Operating Profit Trends (1)>

This graph shows net sales and operating profit trends in the components business since fiscal March 2005. We have steadily improved the operating profit ratio, shown by the line graph, achieving 15.6% in the first half. This first half result surpasses Kyocera Group's immediate target of 15%.

I will now discuss the outlook and challenges relating to each principle business segment within the components business during the second half of the year ending March 31, 2007 ("this second half").

<Slide 10: Outlook and Challenges for Key Segments (1) -Semiconductor Parts Group>

Revenue from the ceramic package business expanded in this first half, due to increased sales of surface-mount device packages for electronic components and image-sensor packages for mobile phone handsets and digital cameras. We also achieved sales growth in packages for optical communication devices, reflecting rising investment in optical communication infrastructure. Due to increased manufacturing capacity utilization ratio at our Chinese plants reflecting increased demand, and cost reductions resulting from improved productivity, Kyocera expanded profitability in this segment. We aim to continue boosting sales and profits in the ceramic package business in this second half

In the organic package business, shown at the bottom of the slide, sales of System-in-a-Package (SiP) substrates for use in digital cameras and mobile phone handsets increased. We forecast sales of these products to continue growing strongly in this second half.

On the other hand, sales of organic packages for state-of-the-art game consoles fell below expectations, and this will be a major issue in this second half. Specifically, we were delayed in establishing a high-quality, mass-production line for state-of-the-art game console packages at a

new Kyocera plant, which caused us to fall short in both production volume and sales in the first half. To overcome this problem, we are seeking to improve our process engineering capabilities and strengthen our process control system in this second half. By doing so, we will be able to establish more stable high quality mass-production lines.

<Slide 11: Outlook and Challenges for Key Reporting Segments (2) -Electronic Device Group >

Next, let's look at the Electronic Device Group and focus on the capacitor and crystal device businesses.

Orders for capacitors in Asia were strong in this first half, and we foresee increasing demand in this second half as well. We are expanding production capacity for capacitors in response to increasing demand. In addition to benefiting from increased demand for commodity products, we were able to increase sales of high-value-added components in this first half, and we expect this to continue in this second half. We raised productivity at our manufacturing bases outside of Japan, including China and the Czech Republic, in this first half. In this second half, we plan to increase product variety at our plants in China and further utilize our manufacturing bases outside of Japan.

Key products in the crystal-related area include crystal units and Temperature Compensated Crystal Oscillators, or "TCXOs," which oscillate at a standard frequency for mobile phone handsets. Sales of these products expanded in this first half, and we plan to increase sales of smaller 2520-sized crystal units and TCXOs, in which we currently hold the leading global market share, in this second half. We also improved productivity at the Japanese plants of Kyocera Kinseki Corporation, and will seek further improvements in this second half.

<Slide 12: Net Sales and Operating Profit Trends (2)>

Kyocera forecasts the strong performance of its components business to continue in this second half. As you can see in the graph, we will strive to further improve net sales and operating profit in this second half, aiming for an operating profit ratio of 16.0%.

<Slide 13: Medium-term Strategy for Components Business>

Next, I will explain the medium-term strategy of the components business.

Kyocera intends to expand its components business by fully utilizing the three core competencies shown on this slide.

First, we will strengthen new product development by further advancing our traditional material technologies, including those relating to fine ceramics, which will keep us ahead of the

competition.

With the foundations of these fundamental technologies firmly in place, we can make effective use of the unique expertise held within Kyocera Group in the areas of fine ceramics, organic materials, crystal materials and polycrystalline silicon to supply new high-value-added products to growing markets.

Second, we will take advantage of our strong market position to launch new products and to further expand market share.

Specifically, we will leverage our advantageous position to further advance existing close relationships with customers and create new products and markets. We aim to expand the ceramic components businesses particularly in the semiconductor fabrication and medical equipment fields.

Third, we will enhance cost competitiveness by fully utilizing our global production bases in such regions as China.

In addition to increasing product variety at our plant in Shanghai, which has become a key production site for Kyocera Group, we will utilize the production network of AVX Corporation for electronic devices in Tianjin (China), the Czech Republic and El Salvador to ensure that the Electronic Device Group remains perfectly poised to cope with growing demand. This will help increase competitiveness.

That concludes my explanation of the components business strategy. Let's turn to the equipment business.

<Slide 14: Equipment Business – Breakdown of Net Sales>

Sales in the equipment business for this first half amounted to ¥247.7 billion, or 40% of total Kyocera Group sales. The equipment business is mainly comprised of the Telecommunications Equipment Group and the Information Equipment Group.

Kyocera promotes a strategy of diversification as a means for driving continuous corporate growth in a changing business environment. We are fully utilizing all Kyocera Group management resources, including components technologies, to help develop the equipment business. We are putting our focus on wireless communication equipment and information equipment such as printers and digital multifunctional products.

<Slide 15: Equipment Business: Net Sales and Operating Profit Trends (1)>

Kyocera has undertaken structural reforms of its mobile phone subsidiary in the United States and

its camera business over the past two years to improve profitability. The positive effects of these reforms have helped put equipment business “in the black” for the second half of the previous fiscal year and in this first half.

Today I will explain our initiatives in the Telecommunications Equipment Group outside of Japan, aimed at boosting profitability from this second half onward.

<Slide 16: Outlook and Challenges for Key Reporting Segments (3)>

Kyocera Wireless Corp. (KWC) continued to generate an operating loss in the first quarter of this fiscal year, but recorded an operating profit in the second quarter due to steady growth in new-model sales volumes, reduction of inventories through structural reform and the effect of cost reductions.

In this first half, KWC introduced a variety of new models, including the uniquely designed handset shown on the left of this slide. KWC aims to increase shipments of new models for the Christmas selling season to ensure profits in this second half.

<Slide 17: Equipment Business: Net Sales and Operating Profit Trends (2)>

This graph shows sales and operating profit trends in the equipment business since fiscal March 2005. We aim to achieve the immediate target of an operating profit ratio of 7.2% in this second half by increasing profitability in the Telecommunications Equipment Group, as I just mentioned.

<Slide 18: Medium-term Strategy for Equipment Group>

Kyocera will promote three initiatives to drive growth in the equipment business over the medium term, as shown on this slide.

First, Kyocera will work closely and utilize its relationships with KDDI, a Japanese mobile-phone carrier, in which Kyocera is the largest shareholder, and WILLCOM Inc., a PHS carrier, in which Kyocera holds a 30% stake, and will launch new products in a timely fashion and expand sales. By supplying handsets and base stations, we will support the development of these two companies, which will bring growth opportunities to Kyocera Group.

Second, we will expand the equipment business by launching differentiated products created through internal technological synergies with our components business. Specifically, the Information Equipment Group has been developing multifunctional products and printers for which cartridge replacement is unnecessary, meaning that simple toner replacement is enough to keep them operating, which will help minimize running costs. This feature is the direct result of a

unique amorphous-silicon imaging drum that is mass-produced by the Electronic Device Group. Through such innovations, we have created a business model based on our ECOSYS concept that differentiates us from the competition. Kyocera can deliver numerous benefits to both users and dealers by way of this unique product strategy created through the synergy between the Electronic Device Group and the Information Equipment Group, which is enabling us to expand this business.

Thanks to these features, our products have been honored as No. 1 awards in the various countries such as the U.S., Germany and China. In China, J.D. Power Asia Pacific, Inc. has recognized our multifunctional products for providing the highest customer satisfaction in major cities in China in this year. Kyocera's products, based on the long-life ECOSYS concept coupled with outstanding customer service, are highly regarded and recognized by the market worldwide.

Third, Kyocera aims to raise efficiency by integrating group-wide management resources in such areas as research and development technologies and to shorten product development lead-times. Specifically, in the Telecommunications Equipment Group, Kyocera has increased efficiency in development and production by consolidating the previously separate mobile communications equipment business and the PHS business in this August. In the mobile phone business, we will facilitate joint efforts between our telecommunications operations in Japan, the U.S. and India to strengthen R&D and increase raw materials purchasing power to reduce costs.

<Slide 19: Consolidated Net Sales and Pre-tax Income Trends>

Next, I am going to explain our consolidated financial forecast of Kyocera Group.

This slide shows consolidated net sales and pre-tax income for the past five fiscal years and forecast for the fiscal year ending March 2007 (fiscal March 2007). We are targeting net sales of ¥1,250.0 billion, pre-tax income of ¥148.0 billion and a pre-tax income ratio of 11.8% for fiscal March 2007. EPS for fiscal March 2007 is expected to be ¥509.9 yen, 2.3 times the level of ¥220.9 for the fiscal year ended March 31, 2003.

<Slide 20: Boost Asset Efficiency to Raise Corporate Value>

The Kyocera Group aims to improve profitability and boost asset efficiency to raise corporate value.

In concrete terms, we will work to increase profitability by maximizing added value per hour, using our "Amoeba Management System," in which profit is managed at the small-group level, which we call "amoeba". At the same time, we will boost asset efficiency and reduce invested capital through quicker collection of trade receivables, optimizing inventory volumes and

increasing the efficiency of fixed assets, including capital expenditures. Through these measures, we intend to raise corporate value.

<Slide 21: Kyocera Group Management Strategy>

Kyocera Group seeks to drive corporate growth in the future by implementing the following three basic policies, which are determined by President Kawamura this year: practicing the “customer-first” principle; promoting global management; and establishing highly profitable operations.

As a specific measure to build highly profitable operations, we are putting more focus on and aim to further strengthen the “Amoeba Management Systems” which has been in operation since our inception, by returning to the fundamentals of this system. By doing so, we can vitalize our development, production and sales operations, thus strengthening “operational excellence.” This will also allow us to strengthen “executional excellence,” or the ability to achieve goals without fail.

Kyocera, since its founding, has managed its operations based on a clear management principle, which is “to provide opportunities for the material and intellectual growth of all employees, and through joint effort, contribute to the advancement of society and humankind.” By setting this objective, Kyocera has achieved continuous corporate growth. Based on this key management principle, we will promote the strategies of both the components and equipment businesses, and strive to become “a creative company that continues to grow,” thereby meeting the expectations of investors and our shareholders.