

**April 28, 2009**

# **Kyocera Corporation Financial Presentation**

## **(Year Ended March 31, 2009)**

KYOCERA Corporation

**Tetsuo Kuba**  
**President and Representative Director**

## Today's Presentation

**1. Consolidated Financial Results**  
(Year ended March 31, 2009)

**2. Consolidated Financial Forecast**  
(Year ending March 31, 2010)

---

# Consolidated Financial Results

- Year ended March 31, 2009 -

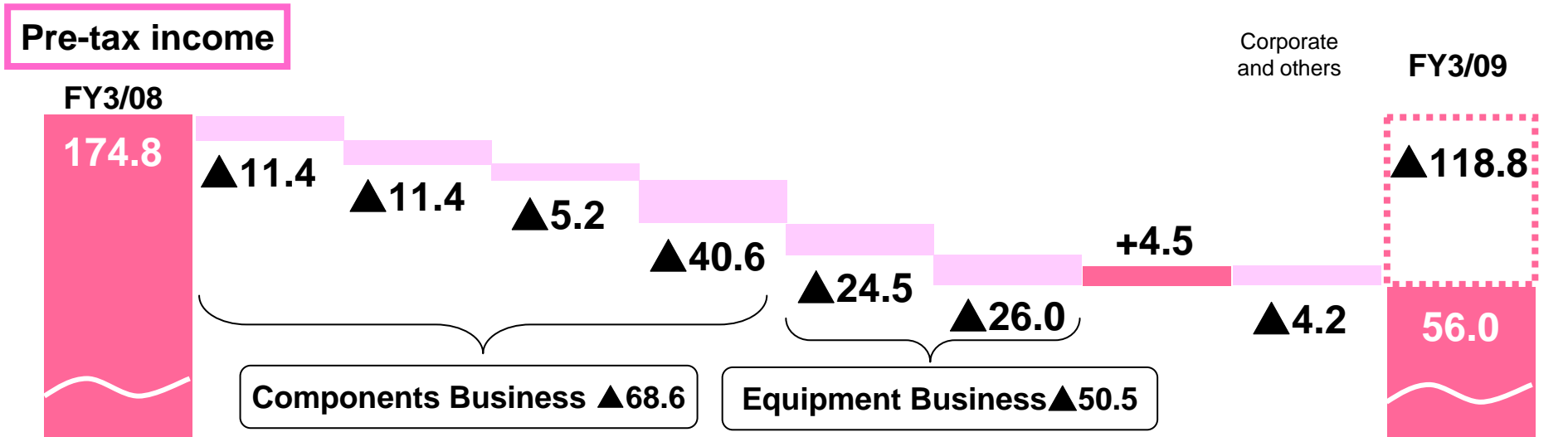
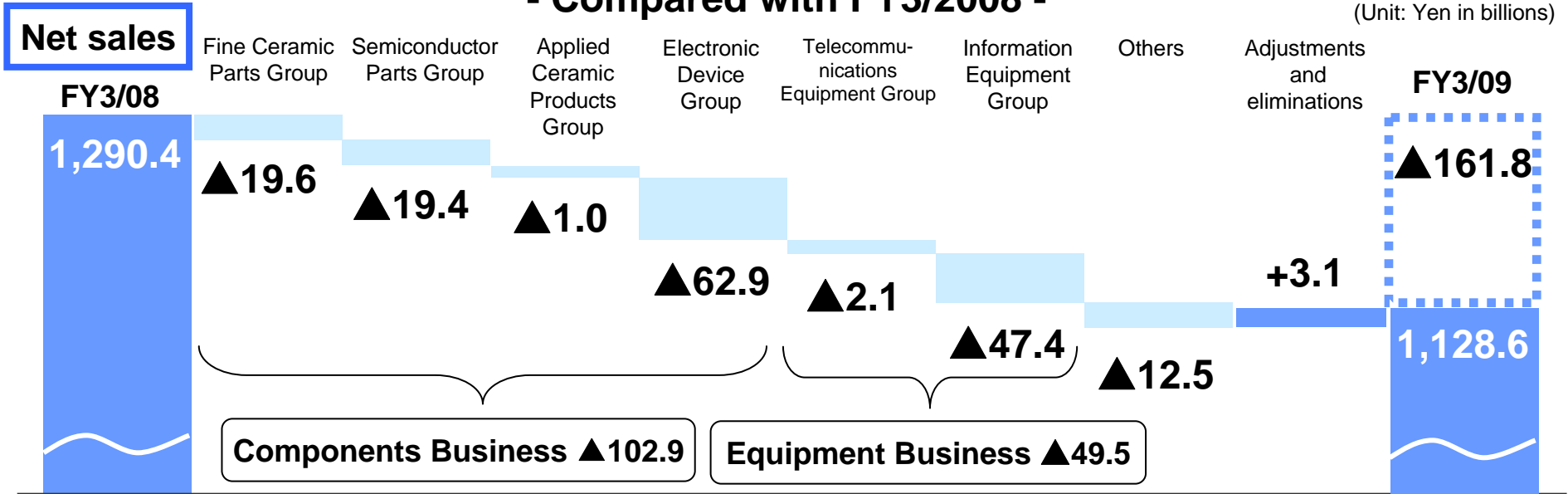
(Unit: Yen in billions)

	Year ended March 31,		Year ended March 31,		% change
	2008		2009		
	Amount	% of net sales	Amount	% of net sales	
<b>Net sales</b>	<b>1,290.4</b>	<b>100.0</b>	<b>1,128.6</b>	<b>100.0</b>	<b>-12.5</b>
<b>Profit from operations</b>	<b>152.4</b>	<b>11.8</b>	<b>43.4</b>	<b>3.8</b>	<b>-71.5</b>
<b>Pre-tax income</b>	<b>174.8</b>	<b>13.5</b>	<b>56.0</b>	<b>5.0</b>	<b>-68.0</b>
<b>Net income</b>	<b>107.2</b>	<b>8.3</b>	<b>29.5</b>	<b>2.6</b>	<b>-72.5</b>
<b>EPS (diluted - yen)</b>	<b>565.80</b>	<b>—</b>	<b>157.23</b>	<b>—</b>	<b>-72.2</b>
Average exchange rate (yen)	US\$	¥ 114	¥ 101		—
	€	¥ 162	¥ 143		—
<b>Capital expenditures</b>	<b>85.1</b>	<b>6.6</b>	<b>63.1</b>	<b>5.6</b>	<b>-25.9</b>
<b>Depreciation</b>	<b>75.6</b>	<b>5.9</b>	<b>83.8</b>	<b>7.4</b>	<b>10.8</b>
<b>R&amp;D expenses</b>	<b>61.6</b>	<b>4.8</b>	<b>65.9</b>	<b>5.8</b>	<b>7.0</b>

Amounts are rounded-off by yen in 0.1 billion. Percentages are computed based on amounts rounded-off by millions of yen.

## Consolidated Net Sales and Pre-tax Income by Reporting Segment of FY3/2009 - Compared with FY3/2008 -

(Unit: Yen in billions)



## Summary for FY3/2009 (1)

### 1. Impact of sharp decline in demand

#### Components Business

- (1) Production cutbacks and inventory adjustments by digital consumer equipment manufacturers  
 (2) Slowdown in automobile-related markets
- ➔ Decline in components business, except solar energy business

#### Equipment Business

- (1) Decreased profitability in the Telecommunications Equipment Group due to slumping sales in North America and weak replacement demand in Japan  
 (2) Reduced sales and profit in the Information Equipment Group due to lower corporate and public sector information equipment investment

### 2. Impact of yen appreciation against U.S. dollar and Euro

Total impact of exchange rate fluctuation (YoY)	Sales	Pre-tax income
	Approx. ¥ -91.0 billion	Approx. ¥ -23.0 billion

### 3. Sales and profit increased in solar energy business Production volume: Up 45% year on year

## Summary for FY3/2009 (2)

### 4. Recorded one-time gain and losses

(1) One-time gain

- Sale of real estate                                      ¥ 10.5 billion

(2) One-time losses

- Devaluation of various assets                      ¥ -16.0 billion

- Business reorganization costs                      ¥ -4.5 billion

Impact on pre-tax income:  
¥ -10.0 billion

### 5. Executed strategic investments and initiatives

(1) Solar energy business

- Started factory construction to boost production capacity

Solar cells: Yasu, Shiga Prefecture / Solar modules: Tianjin, China

(2) Telecommunications Equipment Group

- Acquired mobile phone business of SANYO Electric Co., Ltd.

- Reorganized development and sales systems

(3) Information Equipment Group

- Made German-based TA Triumph-Adler AG a consolidated subsidiary

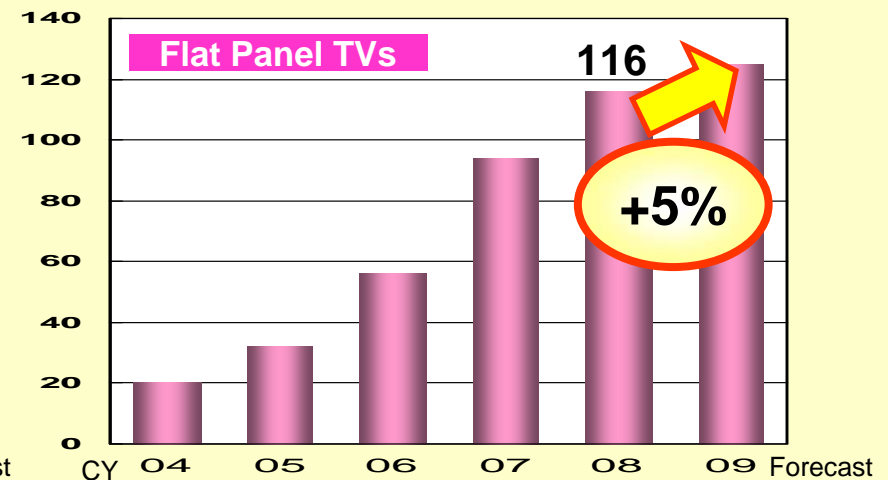
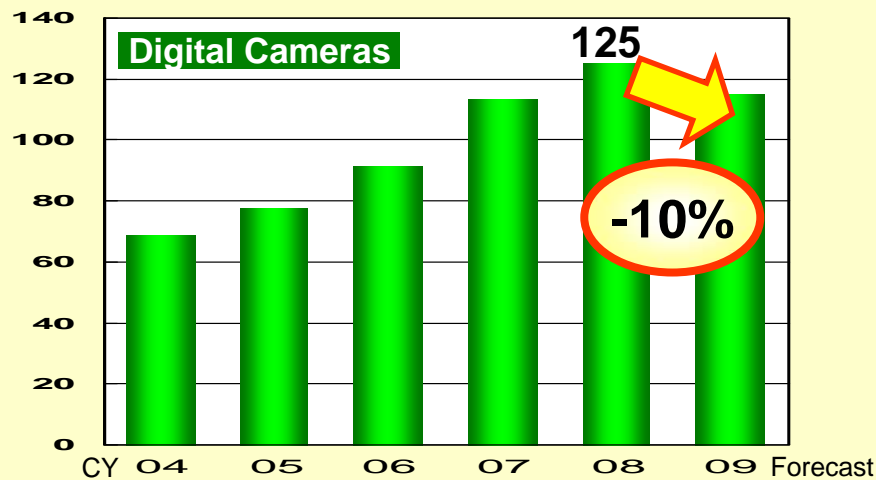
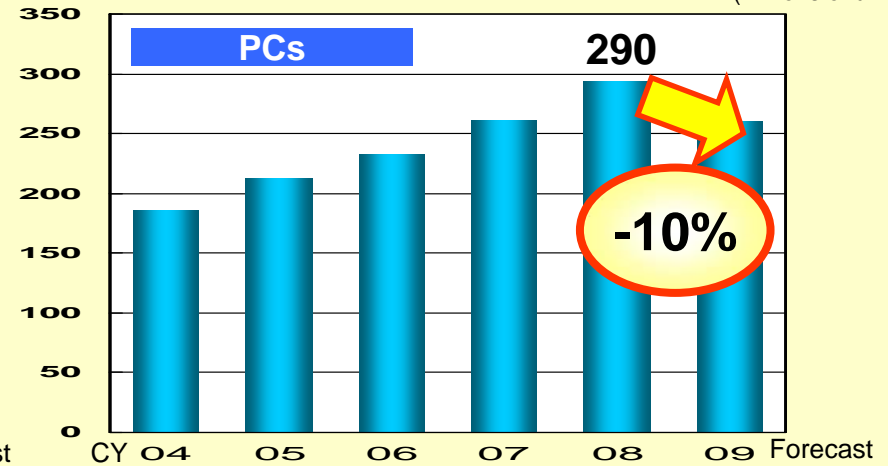
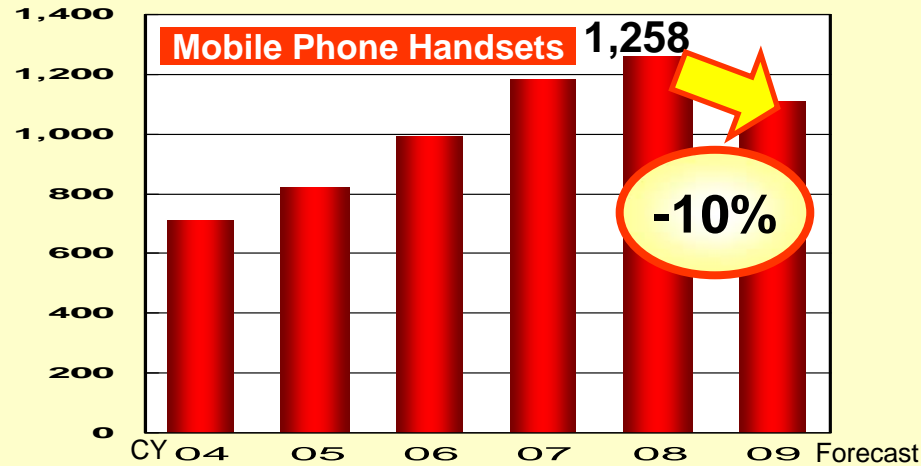
- Strengthened development, production and sales systems

## **2. Consolidated Financial Forecast (Year ending March 31, 2010)**

---

# Forecast for Production Volume of Key Electronic Equipment in CY2009

(Millions of units)



**Forecast year-on-year decline in production volume of mobile phone handsets, PCs and digital cameras**

<Kyocera forecasts>



# Consolidated Financial Forecast

## - Year ending March 31, 2010 -

(Unit: Yen in billions)

	Year ended March 31,		Year ending March 31,		% change
	2009		2010		
	Amount	% of net sales	Amount	% of net sales	
<b>Net sales</b>	<b>1,128.6</b>	<b>100.0</b>	<b>1,040.0</b>	<b>100.0</b>	<b>-7.8</b>
<b>Profit from operations</b>	<b>43.4</b>	<b>3.8</b>	<b>44.0</b>	<b>4.2</b>	<b>1.3</b>
<b>Pre-tax income</b>	<b>56.0</b>	<b>5.0</b>	<b>57.0</b>	<b>5.5</b>	<b>1.8</b>
<b>Net income</b>	<b>29.5</b>	<b>2.6</b>	<b>34.0</b>	<b>3.3</b>	<b>15.2</b>
<b>EPS (diluted - yen)</b>	<b>157.23</b>	<b>—</b>	<b>181.18</b>	<b>—</b>	<b>15.2</b>
<b>Capital expenditures</b>	<b>63.1</b>	<b>5.6</b>	<b>43.0</b>	<b>4.1</b>	<b>-31.8</b>
<b>Depreciation</b>	<b>83.8</b>	<b>7.4</b>	<b>68.0</b>	<b>6.5</b>	<b>-18.8</b>
<b>R&amp;D expenses</b>	<b>65.9</b>	<b>5.8</b>	<b>58.0</b>	<b>5.6</b>	<b>-12.0</b>
Average exchange rate (yen)		US\$: ¥ 101	€: ¥ 143	US\$: ¥ 92	€ ¥ 123
Foreign currency fluctuation effect on: (compared with the previous fiscal year)	net sales	¥ -91 billion		¥ -78 billion	
	pre-tax income	¥ -23 billion		¥ -24 billion	

Please refer to forward-looking statements on the final page.

Net income attributable to shareholders of KYOCERA CORPORATION is computed in the same manner as for net income for the year ending March 31, 2010.

## Outlook and Challenges by Reporting Segment for FY3/2010 (1)

### Fine Ceramic Parts Group

(Yen in billions)	FY3/10 forecast	YoY change
Sales	50.0	-11.7
Operating profit	0.0	0.2

#### Outlook

- Slow recovery in demand for semiconductor fabrication equipment parts and automotive parts
- End to inventory adjustment in parts for consumer equipment

#### Challenges

- Reduce capital expenditures
- Improve profitability by reducing costs
- Aggressively cultivate new markets

### Semiconductor Parts Group

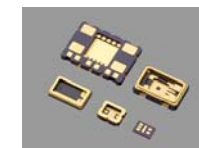
(Yen in billions)	FY3/10 forecast	YoY change
Sales	110.0	-25.1
Operating profit	4.0	-4.7

#### Outlook

- End to inventory adjustment in parts for consumer equipment
- Slow recovery in demand for parts for servers

#### Challenges

- Expand orders of ceramic packages by leveraging high market share
- Expand orders for organic packages used in game consoles



## Outlook and Challenges by Reporting Segment for FY3/2010 (2)

### Applied Ceramic Products Group

(Yen in billions)	FY3/10 forecast	YoY change
Sales	<b>158.0</b>	<b>9.1</b>
Operating profit	<b>18.0</b>	<b>-9.5</b>

#### Outlook

- Solar energy: World market down 10% YoY  
(Production volume basis)
- Cutting tools: Continued stagnation in auto-related markets

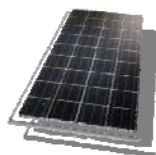
#### Challenges

<Solar energy business>

- Reduce costs through integrated production system
- Cultivate markets by leveraging high quality  
(Automobiles, Large plants)

<Cutting tools>

- Promote cost reductions



### Electronic Device Group

(Yen in billions)	FY3/10 forecast	YoY change
Sales	<b>185.0</b>	<b>-46.3</b>
Operating profit	<b>2.0</b>	<b>6.1</b>

#### Outlook

- End to inventory adjustment in parts for consumer equipment

#### Challenges

- Improve profitability by reducing costs
- Enhance productivity
- Launch new products

## Outlook and Challenges by Reporting Segment for FY3/2010 (3)

### Telecommunications Equipment Group

(Yen in billions)	FY3/10 forecast	YoY change
Sales	<b>200.0</b>	<b>-18.8</b>
Operating profit	<b>-6.0</b>	<b>11.7</b>

#### Outlook

- Continued weak demand for mobile handsets in Japan and U.S.
- Commencement of next-generation telecommunication services in Japan

#### Challenges

- Pursue synergies through new structures
  - 1) Improve development efficiency and cut R&D costs by effectively utilizing resources
  - 2) Strengthen sales competency by integration of sales and marketing divisions in North America
  - 3) Reduce material costs
- Pursue new business opportunities (LTE, WiMAX, etc.)

### Information Equipment Group

(Yen in billions)	FY3/10 forecast	YoY change
Sales	<b>234.0</b>	<b>4.7</b>
Operating profit	<b>11.0</b>	<b>-2.5</b>

#### Outlook

- Harsh business environment continues due to suppressed information technology investment

#### Challenges

- Expand product line-up of printers and MFPs
- Gain high-volume users
- Strengthen sales in Europe by utilizing networks of TA



TA=Triumph-Adler AG

# Major Challenges

- Year ending March 31, 2010 -

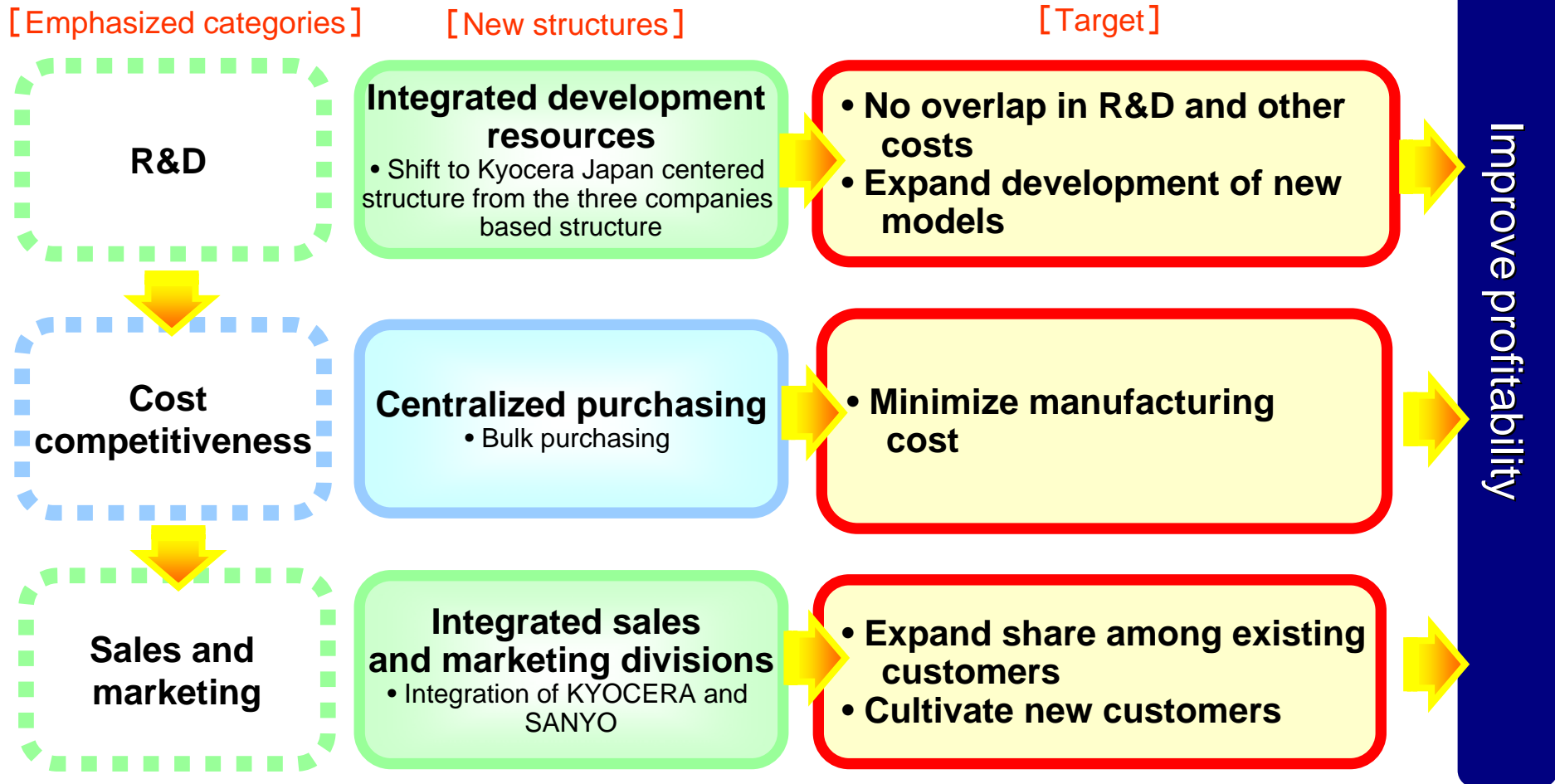
**1. Improve profitability in the Telecommunications Equipment Group**

**2. Expand business in the environment and energy market**

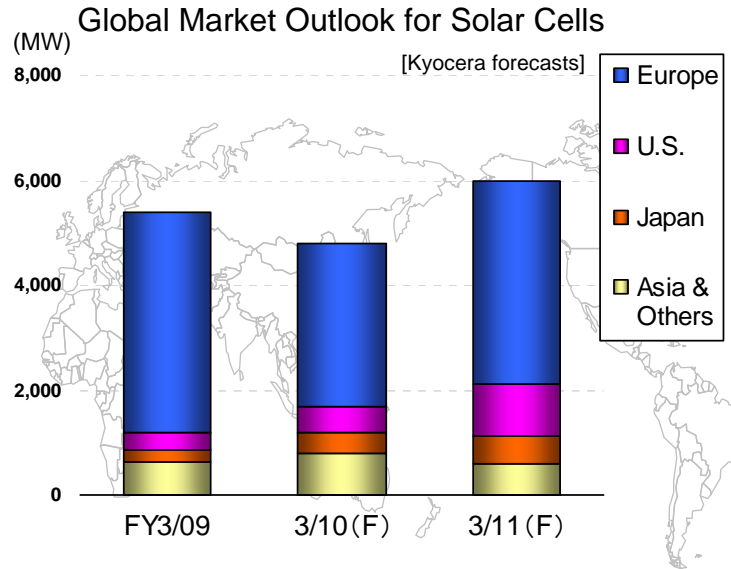
**3. Implement measures to improve profitability**

# Improve Profitability in the Telecommunications Equipment Group

## Pursue synergies



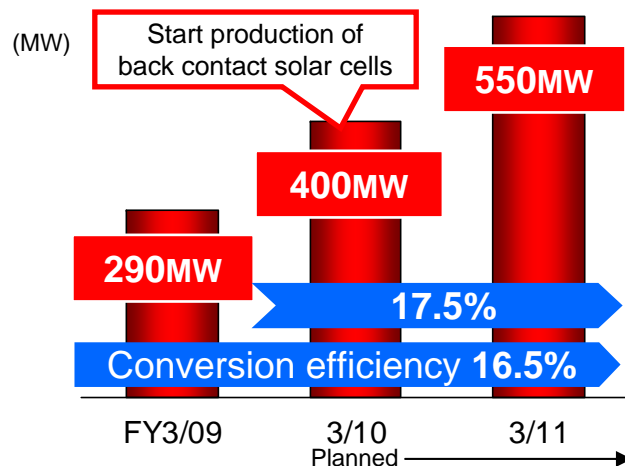
## Business Development in Environment and Energy Markets - Solar Energy Business -



**1) Strengthen product development and cost competitiveness through advanced production technology**

- Commence mass production of back contact cells
- Pursue highly sophisticated products at low cost through integrated production system

Kyocera's Solar Cells Production Plan

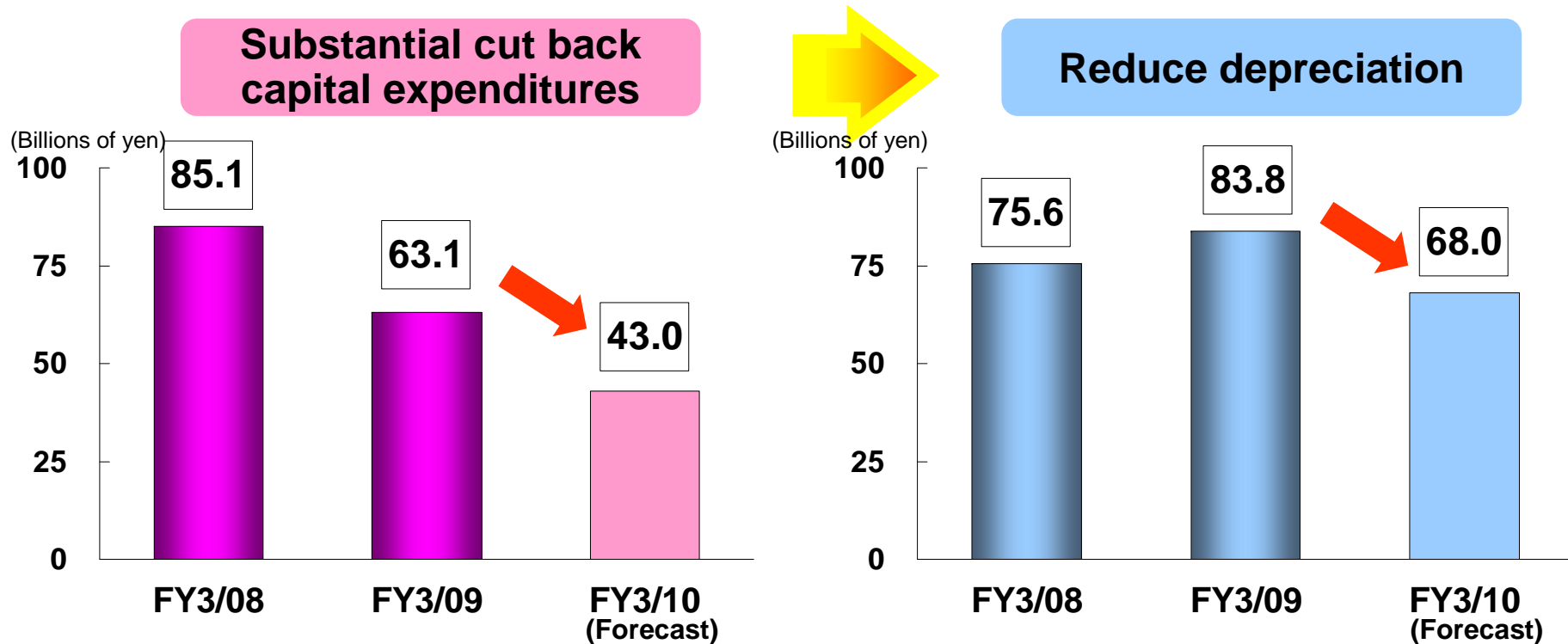


**2) Pursue product development leveraging high quality and long-life reliability**

- Expand modules for automobiles
- Introduce modules for large plants

# Implement Measures to Improve Profitability

## 1. Reduce depreciation in FY3/2010 by ¥16 billion year on year



## 2. Reduce overhead costs in FY3/2010 by ¥40 billion year on year



# Kyocera Group Management Policy

**Be “a creative company that continues to grow”**



**Establish highly profitable structure**

**Expand business in core markets**

Information and telecommunications

Environment and energy

**Strengthen existing businesses**

**Pursue synergies**

**Bolster development of new products & technologies**

**Establish sturdy financial foundations**

**Implement “Kyocera Philosophy” and “Amoeba Management System”**

# 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 economic conditions in our markets, which are primarily Japan, North America, Europe and Asia, particularly China; unexpected changes in economic, political and legal conditions in China; our ability to develop, launch and produce innovative products, including meeting quality and delivery standards, and our ability to otherwise meet the advancing technological requirements of our customers, particularly in the highly competitive markets for ceramics, semiconductor parts and electronic components; manufacturing delays or defects resulting from outsourcing or internal manufacturing processes which may adversely affect our production yields and operating results; factors that may affect our exports, including a strong yen, political and economic instability, difficulties in collection of accounts receivable, decrease in cost competitiveness of our products, increases in shipping and handling costs, difficulty in staffing and managing international operations and inadequate protection of our intellectual property; changes in exchange rates, particularly between the yen and the U.S. dollar and euro, respectively, in which we make significant sales; inability to secure skilled employees, particularly engineering and technical personnel; insufficient protection of our trade secrets and patents; our continuing to hold licenses to manufacture and sell certain of our products; the possibility that future initiatives and in-process research and development may not produce the desired results; the possibility that companies or assets acquired by us may require more cost than expected for integration, and may not produce the returns or benefits, or bring in business opportunities, which we expect; events that may impact negatively on our markets or supply chain, including terrorist acts and outbreaks of disease; the occurrence of natural disasters, such as earthquakes, in locations where our manufacturing and other key business facilities are located; the possibility of future tightening of environmental laws and regulations in Japan and other countries which may increase our environmental liability and compliance obligations; fluctuations in the value of, and impairment losses on, securities and other assets held by us; and changes in accounting principles. 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.

THE NEW VALUE FRONTIER

