

Major content of Q&A in conference call
relating to the three months ended June 30, 2008 (this first quarter)
(held on July 30, 2008)

【General】

Q1: May we understand that there is no revision in the forecast for each reporting segment at this time?

A1: Based on internal targets, we have determined that the forecast for each reporting segment need not be revised in light of current circumstances.

【Telecommunications Equipment Group】

Q2: Please give us a breakdown of financial results in the Telecommunications Equipment Group for the first quarter.

A2:

	Sales	Operating profit or loss
Mobile phone handsets related business	67.5 billion yen	-0.4 billion yen
Communication system equipment related business	8.5 billion yen	1.6 billion yen

The mobile phone handset business and the communication system equipment related business originally held by Kyocera Corporation was able to record a profit within Japan.

The mobile phone handset business of SANYO Electric Co., Ltd. (SANYO) acquired during this first quarter and the mobile phone handset business of Kyocera Wireless Corp. (KWC) in North America, which was a part of Kyocera's original telecommunications equipment business, recorded a loss.

Q3: Please comment on the outlook of the mobile phone handset business for the second half of this fiscal year ending March 31, 2009 (this "fiscal year").

A3: The challenge in the second half of this fiscal year and onward is to improve profitability of the mobile phone handset business acquired from SANYO, as well as that of KWC.

With respect to the business acquired from SANYO, we have set the goal of strengthening its business foundation throughout the full period of this fiscal year. Such goal was set even prior to the closing of the acquisition. Specific actions therefor have been taken to jointly purchase materials and components and to integrate development and sales divisions.

With respect to KWC, support from Japan is being provided with respect to development, with the goal of making KWC profitable.

Q4: Please tell us the level of improvement in profit at KWC during this first quarter compared with the three months ended June 30, 2007 (the “previous first quarter”).

A4: Unfortunately, the loss for this first quarter was on a par with the previous first quarter.

Q5: What was the extent of improvement in the mobile phone handset business in the Japanese market? Please tell us the amount of improvement.

A5: Profit from the mobile phone handset business in the Japanese market, originally held by Kyocera, increased significantly. Although we do not disclose the specific amount, it increased by approximately 60% compared with the previous first quarter.

Q6: Please comment on the outlook for the business environment following the second quarter of this fiscal year and onward.

A6: As to the Japanese mobile phone handset market, we forecast that the business environment is going to become more severe due to the adverse impact of the introduction of installment payment plans. Business environment in the overseas market is getting severe, however, we forecast that there is some room for internal improvement to overcome the worsening business environment.

【Information Equipment Group】

Q7: Is it reasonable to consider that the Information Equipment Group will generate larger profit in the second half of this fiscal year because the business plan of this reporting segment puts emphasis on such second half?

A7: This segment generally tends to record larger sales in the second quarter (three months from July to September) and fourth quarter (three months from January to March) of each fiscal year, and this tendency is expected to continue in this fiscal year. We think the most important issue for this reporting segment in the second half of this fiscal year will be U.S. market conditions. Although no slowdown of the economy in the European market has yet appeared, we are concerned that it may occur at any time.

With respect to the product line up, our problem is that our shift to color models is behind, compared with our competitors. We plan to introduce color printers and MFPs this coming fall.

Q8: Please comment on the outlook for the business environment surrounding the Information Equipment Group following the second quarter of this fiscal year and onward.

A8: The business environment for printers and MFPs targeted at corporate customers will worsen significantly if these buyers continue to restrain their capital investment. We expect that the situation in the U.S. market will not change in the second quarter of this fiscal year and that the U.S. market will be continued to be a key to business performance.

In respect of the European market, where printers are our major products, we are uncertain about the situation. We forecast, however, that sales in the second quarter of this fiscal year will increase compared with this first quarter.

Q9: What impact on profit is expected if sales can not achieve the consolidated financial forecasts for this reporting segment?

A9: We believe there will be some impact on profit.

【Semiconductor Parts Group】

Q10: Both sales and profit improved by double digits in the Semiconductor Parts Group. Please describe the performance by product.

A10: During this first quarter, approximately 80% of sales related to ceramic semiconductor packages, and the remaining 20% related to organic semiconductor packages.

Sales of ceramic related products increased by more than 10%, and sales of organic products increased by 30%.

For ceramic related products, on the back of advancement in the functions of mobile phone handsets, sales of LTCC substrates and surface mounted packages for electronic device are growing. On the other hand, we are concerned about an increase in the inventory level of digital still cameras in terms of sales of CCD and CMOS packages.

For organic related products, sales of ASIC packages for servers and routers are increasing.

【Applied Ceramic Products Group】

Q11: Sales in the Applied Ceramic Products Group are on par, and its profit is slightly down, compared with the fourth quarter of the previous fiscal year. Please describe the situation with respect to each business in this reporting segment.

A11: Sales from each business in this reporting segment were on a par with those in the fourth quarter of the previous fiscal year. The decrease in profit in this reporting segment was due to the poor performance of the cutting tools business, which was adversely impacted by the rising price of raw materials.

Q12: What changes do you expect in the solar energy business going forward?

A12: Its business performance in this first quarter was better than expected. The major reason for this better-than-expected performance is that we had expected a decline in selling price as a consequence of a decrease in the Feed-In-Tariff (FIT) policy in Germany, but such decline actually did not take place. Regarding sales for this fiscal year, we expect sales in the fourth quarter will increase by approximately 20% compared with this first quarter.

We expect that we can maintain profitability as we will be able to procure silicon materials at below the spot price under long term procurement contracts for this fiscal year. As a result, we expect that profit will remain at the same level as this first quarter even taking into account capital investment and depreciation costs.

Q13: What do you expect to be the impact on the solar energy market of the change in subsidy policies.

A13: The FIT policy in Germany will have a large impact on the subsidy policies of other countries. There is a proposal to decrease the purchase price of electricity by approximately 25% within the next three years. This proposal has yet to be concluded. We expect that we can reduce our production costs by 25% within the next three years in response to such 25% decrease in the purchase price of electricity over the same period.

No specific plan has yet been proposed with respect to subsidy policy in Japan. We will welcome, however, any subsidy policy that may be adopted, which will lead to an expansion of the overall market.

【"Others"】

Q14: You have explained that the low profit in "Others" segment is due to an increase in costs. Was this a one time cost?

A14: The increase in costs was temporary. This reporting segment consists of many small businesses, and if costs for these businesses increase, the overall business performance of this reporting segment will be impacted.