

Kyocera Corporation Telephone Conference Call (July 30, 2009)

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<Slide 1. Financial Results of Q1 FY3/2010 - comparison with Q1 FY3/2009 - >

Let's look at consolidated results for the three months ended June 30, 2009 ("the first quarter"). Sales and profit both decreased compared with the three months ended June 30, 2008 ("the previous first quarter").

Capital expenditures for the first quarter, the third line from the bottom of the table, decreased by 68.9% compared with the previous first quarter due to significant restrictions on capital investment since the second half of the previous fiscal year in response to sharp deterioration in the business environment. As a result, depreciation, the next line item, decreased by 23.0% compared with the previous first quarter.

The next page summarizes results relative to the previous first quarter.

<Slide 2: Summary of Q1 FY3/2010 - comparison with Q1 FY3/2009 - >

First, sales and profit declined compared with the previous first quarter due to deterioration in the business environment.

In the components business, component demand was low on the whole relative to the previous first quarter, notably for digital consumer equipment, semiconductor fabrication equipment and automotive industries.

In the equipment business, sales were down in both the Telecommunications Equipment Group and the Information Equipment Group. Replacement demand for mobile phone handsets was weak in the domestic market due to the impact of installment payment plans, while sales declined in the United States due to the economic downturn. In addition, sales stagnated in the mobile phone business acquired from SANYO Electric Co., Ltd. compared with the previous first quarter, due to a significant decrease in number of models marketed and to decline in orders from the main carrier in the United States. Meanwhile, sales of

printers and multifunctional peripherals decreased due to restrictions on IT investment, particularly in the corporate sector.

Second, the yen appreciated against major currencies. Average exchange rates for the first quarter were ¥97 to the U.S. dollar and ¥133 to the Euro, representing appreciation of ¥8 and ¥30, respectively, compared with the previous first quarter. As a result, net sales and income before income taxes after translation into yen for the first quarter were, for calculation purposes, pushed down by approximately ¥19.0 billion and ¥5.5 billion, respectively.

Third, despite the extremely tough business environment, the Kyocera Group worked hard to comprehensively reduce costs across-the-board. Consequently, depreciation costs were down ¥4.5 billion, and expenses, including labor costs, were down ¥34.5 billion compared with the previous first quarter. Overall, Kyocera cut costs by approximately ¥39.0 billion compared with the previous first quarter. As mentioned in the initial guidance in the end of April, Kyocera plans to reduce depreciation by ¥16.0 billion and various expenses by ¥40.0 billion, making a total of ¥56.0 billion, for the full year. We progressed beyond internal target in the first quarter.

<Slide 3: Financial Results of Q1 FY3/2010 - comparison with Q4 FY3/2009 - >

Next, I will give a summary of results compared with the three months ended March 31, 2009 (“the previous quarter”).

Net sales remained relatively unchanged compared with the previous quarter, while significant improvements were posted in profit from operations, income before income taxes and net income attributable to shareholders of Kyocera Corporation.

As you can see in the third line from the bottom of the table, Kyocera kept in line with plans to restrict capital expenditures, which decreased by ¥2.2 billion from the previous quarter. As a result, depreciation, the second line from the bottom of the table, decreased by ¥7.1 billion compared with the previous quarter.

<Slide 4: Summary of Q1 FY3/2010 - comparison with Q4 FY3/2009 - >

First, component demand recovered rapidly and beyond expectations. Demand for parts used in digital consumer equipment and PCs rebounded swiftly in the first quarter, and as a result, the Semiconductor Parts Group and the Electronic Device Group drove sales growth in the components business.

Second, Kyocera improved profit from operations. Loss from operations was reduced considerably on account of the positive effects of higher sales in the components business, cost reductions and structural reforms. Even excluding one-off costs of approximately ¥7.5 billion such as impairment loss on goodwill and restructuring costs recorded in the previous quarter, loss from operations improved around ¥10.7 billion compared with the previous quarter, amid flat sales.

Next, I will explain the condition of each reporting segment.

<Slide 5: Quarterly Trends by Reporting Segment – Fine Ceramic Parts Group>

Let's look at the Fine Ceramic Parts Group. Sales and operating profit remained relatively unchanged compared with the previous quarter. Increases in demand for parts used in digital consumer equipment were offset by persistent stagnation in demand for parts used in industrial machineries such as parts for semiconductor fabrication equipment and automotive-related products.

<Slide 6: Quarterly Trends by Reporting Segment – Semiconductor Parts Group>

In the Semiconductor Parts Group, demand for ceramic packages for crystal and SAW devices, and ceramic packages for CCD/CMOS image sensors, mainly used in digital consumer equipment such as mobile phone handsets and digital cameras, rebounded swiftly compared with the previous quarter. In addition, in the organic package business, demand for mobile phone handsets recovered. As a result, Sales and profit both increased substantially.

<Slide 7: Quarterly Trends by Reporting Segment – Applied Ceramic Products Group>

In the Applied Ceramic Products Group, sales were up in solar energy business thanks to a brisk domestic market, stimulated by the government's subsidy policies, and to moderate

recovery in overseas markets. Although operating profit was negatively affected by continued stagnation in cutting tool business and intensifying price competition in solar energy business, this reporting segment in total recorded profit.

<Slide 8: Quarterly Trends by Reporting Segment – Electronic Device Group>

In Electronic Device Group, sales increased owing to recovery in demand for capacitors, crystal related products and connectors for digital consumer equipment and PC related markets, relative to the previous quarter.

Operating loss was reduced significantly due to an improvement in capacity utilization rate on account of demand recovery together with the effects of cost reductions.

<Slide 9: Quarterly Trends by Reporting Segment – Telecommunications Equipment Group>

Sales were down in the Telecommunications Equipment Group due to a decline in quantities of handsets and base stations. Operating loss was steadily reduced in line with plans despite the decrease in sales due to the positive effects of structural reforms implemented in the previous quarter and reduction in expenses through the reorganization of development system.

<Slide 10: Quarterly Trends by Reporting Segment – Information Equipment Group>

Let's turn to the Information Equipment Group. Despite harsh business environment with restrictions to IT investments by users, sales remained almost flat due to aggressive new product introductions. Operating profit improved, however, to ¥2.1 billion for the first quarter, due to the positive effects of cost reductions through the integration of R&D and production, an initiative executed in the previous fiscal year.

<Slide 11: Quarterly Trends by Reporting Segment – Others>

In "Others" reporting segment, sales were down due primarily to declines in the ICT(Information and Communication Technologies) business and the telecommunications engineering business of Kyocera Communication Systems Co., Ltd. This reporting segment broke even in operating profit due in partly to improved sales and profit on account of recovery in demand for materials for electronic components at Kyocera

Chemical Corporation.

That concludes my explanation of first quarter results.

<Slide 12: Financial Forecast - Year ending March 31, 2010 >

Finally, I will explain consolidated financial forecasts for the year ending March 31, 2010 (“fiscal 2010”).

There are no changes to the financial forecasts for fiscal 2010 announced on April 27, 2009.

In the components business, despite some uncertainty over whether the recovery in demand will continue in the second half, we expect the effects of economy-boosting packages by various governments and new product introductions such as digital consumer equipment for year-end provide will lead expansion in production at set makers, albeit moderate. In line with this, Kyocera forecasts a recovery trend in component demand as well.

We forecast steady growth in solar energy business overseas, despite continued price competition, due to economic recovery and an easing of financial insecurity. United States in particular, we expect solar energy market to revitalize with the actual commencement of government policy so-called the Green New Deal from the second quarter onwards. In addition, the Japanese market is projected to expand rapidly going forward owing to the effects of governmental subsidies. In response, we seek to expand business through efforts to augment our sales network, particularly by vigorously developing our franchise network, including via strategic business alliances.

In the Telecommunications Equipment Group, we intend to improve business performance by expanding sales overseas through earnest efforts to increase the number of new models in the second half and pursuing synergies in marketing and R&D.

In the Information Equipment Group, although we expect restrictions on IT investment in the corporate sector to continue throughout the fiscal year, we aim to expand sales through

ongoing and aggressive new product launches and by leveraging ties with dealers in various countries. Specifically, we will make effective use of the European sales channel of Triumph Adler AG, which was made into a subsidiary, to continue efforts in this key market. In addition, we will continue to expand sales in booming Asia through acquisition of the document equipment distribution subsidiaries of Chungho ComNet Co., Ltd. in South Korea as announced on July 16. By these initiatives, we will strive to expand sales and profit.

Despite continuation of the harsh business environment, Kyocera will make Group-wide efforts to maximize sales and minimize costs in order to enhance profitability and achieve our full-year financial forecasts for the year ending March 31, 2010.