

Kyocera Corporation Investor Meeting (August 6, 2007)

Slide 1 / President, Makoto Kawamura

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<Slide 1: Forward-Looking Statements>

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

<Slide 2: Consolidated Financial Results – Three Months Ended June 30, 2007>

This slide shows consolidated financial results for the three months ended June 30, 2007 (the "first quarter"), as announced on July 30, 2007. Kyocera posted increases in both sales and profits in the first quarter compared with the three months ended June 30, 2006 (the "previous first quarter"), due primarily to strong growth in the Equipment Business.

Capital expenditures, shown around the middle of the table, amounted to ¥15.0 billion, down 10.0% compared with the previous first quarter. However, we plan to make aggressive investments from the three-month period ending September 31, 2007 (the "second quarter") onward to drive ongoing sales expansion. As a result, although not shown in the table, capital expenditures are forecast to reach ¥86.0 billion, the second highest in our history, for the full year period ending March 31, 2008 ("this fiscal year"), as forecast at the beginning of this fiscal year.

Depreciation in the first quarter increased by 12.9% compared with the previous first quarter to ¥16.3 billion.

<Slide 3: Consolidated Financial Summary – Three Months Ended June 30, 2007>

This slide provides a financial summary of the first quarter.

Kyocera achieved sales and profit increases in the first quarter for the seventh consecutive quarter. This was the first time we have ever exceeded ¥300.0 billion in net sales and ¥40.0 billion in pre-tax income on a first quarter basis.

Looking at each business, we recorded significant sales and profit growth in the Equipment Business. The domestic mobile phone handset business realized higher sales and profit compared with the previous first quarter on account of extremely favorable market reaction to new slim models of mobile phone handsets.

The Information Equipment Group also performed well with gains in sales and profits despite fierce competition. The main causal factors were increased sales of color MFPs released in the

fiscal year ended March 31, 2007 (the "previous fiscal year"), a higher sales ratio of color products and foreign exchange rate benefits due to the weak yen.

Profit in the Components Business was down despite higher sales on account of, among others, the following three reasons.

First, the biggest factor in the temporary stagnation in operating profit was a change in product mix. Although sales of new products increased steadily, sales of some ceramic packages as well as some automotive parts for the overseas market were down, leading to a decline in profitability.

Second, depreciation costs increased, principally as a result of Kyocera's revisions to its method of recording depreciation costs in line with taxation reforms in Japan, culminating in a total increase in depreciation of around ¥1.8 billion compared with the previous first quarter. As a result, profitability in the Components Business was pushed down by 1.1%.

Third, we recorded costs associated with the commencement of mass production of new products in our thin-film devices business, as well as costs to launch production of automotive parts in China.

Nonetheless, production of digital consumer equipment, notably mobile phone handsets, flat-panel TVs and personal computers, is expected to increase significantly from the second quarter onward. Accordingly, demand for components for use in these products is also projected to increase. We therefore forecast a considerable improvement in profitability in the Components Business.

I will now explain key initiatives for each reporting segment from the second quarter onward aimed at boosting performance.

<Slide 4: Initiatives from Second Quarter Onward (1)>

First, let's look at the Fine Ceramic Parts Group. Orders for semiconductor processing equipment were down as compared with the previous first quarter, reflecting a cyclical low. Orders are forecast to rebound at the end of the year, however. Meanwhile, demand for products for mobile phone handsets increased. Specifically, we project sales expansion in sapphire substrates for LEDs used in the backlight of mobile phone handsets and high-dielectric ceramic parts for mobile phone base stations.

In automotive parts, sales of ceramic parts for diesel engines, such as piezo stacks and ceramic glow plugs, are projected to expand, supported by the further proliferation of diesel cars, particularly in Europe. Through this, we believe we can create a profitable structure for this business model again from the second quarter.

Next, I will discuss the Semiconductor Parts Group. The main emphasis in this reporting segment is on sales expansion.

In the mobile phone handset market, which is the key sector in this reporting segment, demand for core ceramic packages such as surface mount device (SMD) packages and packages for imaging devices fell slightly short of initial projections in the first quarter due to inventory adjustments by our customers. We expect recovery in demand for these products from the second quarter onward, however, as production of mobile phone handsets is expected to increase. We also expect an increase in demand for LTCC substrates.

In organic packages, in addition to steady growth in sales of SiP substrates for mobile phone handsets, we have established a mass-production system for flip-chip packages used in game consoles, production of which is already underway. As a result, we expect an improvement in profitability in the organic package business.

By expanding sales in both the ceramic package and organic package businesses, we project an increase in revenue in the second quarter, as compared with the first quarter.

<Slide 5: Initiatives from Second Quarter Onward (2)>

I will now explain the Applied Ceramic Products Group. We are working to expand business in the major sectors of this reporting segment, namely, solar energy products and cutting tools.

Although sales in the solar energy business increased in the first quarter compared with the previous first quarter, profits stagnated. With the conclusion of the subsidy system for private housing in Japan, domestic demand for solar energy products dropped, forcing down profitability in the domestic business. Demand has been buoyant in the overseas market, however, driving a favorable sales environment. We are pushing ahead with plans to boost production capacity to achieve our production volume target for the full year of 200MW, an increase of almost 20% compared with 170MW in the previous fiscal year.

In line with steady demand for cutting tools in automotive-related and construction machinery markets in Japan, Kyocera will take an aggressive stance toward launching new products as a means to expand sales. Particular efforts will be made to increase sales in the core markets of China and South East Asia.

Next, let me discuss the Electronic Device Group.

We expect steady growth in the production of digital consumer equipment, in accord with demand over the Christmas selling season and Chinese New Year. We are currently increasing production of ceramic capacitors in Japan to meet this demand in line with our original plans at the beginning of this fiscal year.

We are constructing a building exclusively for manufacture of capacitors at the Kagoshima Kokubu Plant, with production slated to begin in January next year. Although production in this new facility will partly contribute to enhanced performance this fiscal year, it won't be until next

year that we will realize its full contribution. Until then, we will work to improve efficiency and increase manufacturing quantity at existing production sites. By the end of this fiscal year, we plan to increase production capacity by around 20% compared with the end of the previous fiscal year, achieved mainly through enhanced capacity of existing lines.

In crystal-related devices, we will strive to expand sales of crystal oscillators in the 2520 and 3225 sizes in particular to meet continued expansion in the production of mobile phone handsets and digital consumer equipment from the second quarter onward spurred by growth in their respective markets.

<Slide 6: Initiatives from Second Quarter Onward (3)>

Let's move on to the Equipment Business.

First, I will discuss the Telecommunications Equipment Group. This slide shows three measures we will take from the second quarter onward to boost profitability in this business, namely strengthening business at "au" and Willcom, improving profitability at Kyocera Wireless Corporation (KWC) and reinforcing our domestic infrastructure business.

Finally, I will touch on the Information Equipment Group. We will push forward with new product introductions of color MFPs to stimulate replacement demand in the monochrome market and expand sales. We plan to launch around 20 new models this fiscal year, with half of these being color models. We will keep working to increase sales and profits in this reporting segment by increasing the proportion of color models.

We will release the latest monochrome MFPs in the European Union, including Eastern Europe, and the BRICs, to shift away from low-speed models and expand sales of mid to high-speed models. By centralizing distribution operations into our European Logistics Center, we seek to improve logistics efficiency and increase customer satisfaction by shortening delivery time.

That concludes my presentation on strategies in each reporting segment from the second quarter.

<Slide 7: Consolidated Financial Forecast – Year Ending March 31, 2008>

Kyocera aims to achieve the consolidated financial forecasts for this fiscal year shown on this slide by implementing the initiatives I have just explained.

There are no changes to the forecasts for this fiscal year from those as announced in April this year.

<Slide 8: Consolidated Net Sales and Pre-tax Income Trends – FY3/04 through FY3/08 (Forecast)>

Kyocera forecasts a pre-tax income ratio of 12.5% for this fiscal year. Our goal is to achieve “continuous sales expansion and a high profit ratio” and we will keep working to boost

profitability going forward so we can realize this goal.

<Slide 9: “Create New Value” to Promote Growth>

To achieve continuous sales expansion and a high profit ratio, we will strive from this fiscal year to "create new value" in addition to our reinstatement of the Amoeba Management System. In the final part of my presentation I will discuss the progress of business developments aimed at "creating new value".

<Slide 10: “Creating New Value” (1) Expand Solar Energy Business>

First, I will discuss the solar energy business.

In this business, we plan to increase production volume to 500MW by the year ending March 2011. This figure is approximately three times the volume produced in the previous fiscal year. By increasing production volume, we can realize the benefits of economies of scale to raise profitability.

This slide shows expansion plans for production capacity over the medium term. We will make investment in a total amount of ¥30.0 billion, in the Shiga Plant to increase production of solar cells and in each of our four plants worldwide to increase production of solar modules. As you can see from this slide, demand is rapidly increasing, particularly in Europe and North America, so we will keep striving to expand production of solar modules in these regions.

<Slide 11: "Creating New Value" (2) Start SOFC Field Tests>

Let me move on to another business development: our field tests for the solid oxide fuel cell (SOFC).

We aim to launch this product in the year ending March 31, 2009 ("fiscal 2009") and have been working with Osaka Gas Co., Ltd. on field tests of the SOFC for household use since November 2005. The results of these experiments have been announced step by step.

In pursuit of commercial application of this SOFC co-generation system, it has been decided to begin experimental studies from this fiscal year at New Energy Foundation (NEF) with the assistance of the New Energy and Industrial Technology Development Organization (NEDO), an independent Japanese governmental entity. As compared to previous field tests conducted independently by manufacturers, this new move demonstrates the full backing of the Japanese government for the field tests. With manufacturer and government working together, we have entered a new stage along the path to commercialization of the SOFC.

Kyocera is currently expanding solar energy business sales in its environmental product sector. Alongside this, the market release of the SOFC, which will contribute to reduction in home CO2

emissions, will create a new business pillar in the environmental product sector.

<Slide 12: “Create New Value” to Promote Growth>

In other strategic businesses, we will also continue to promote new initiatives to expand revenues. I will explain these efforts to "create new value" in other businesses at a later date, when they are ready to be released.

This concludes my presentation for today. I ask for your continued support of Kyocera. Thank you for your attention.