Solar Energy Business Developments

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General Manager of Corporate Solar Energy Group
KYOCERA CORPORATION

September 18, 2008

Forward-Looking Statements

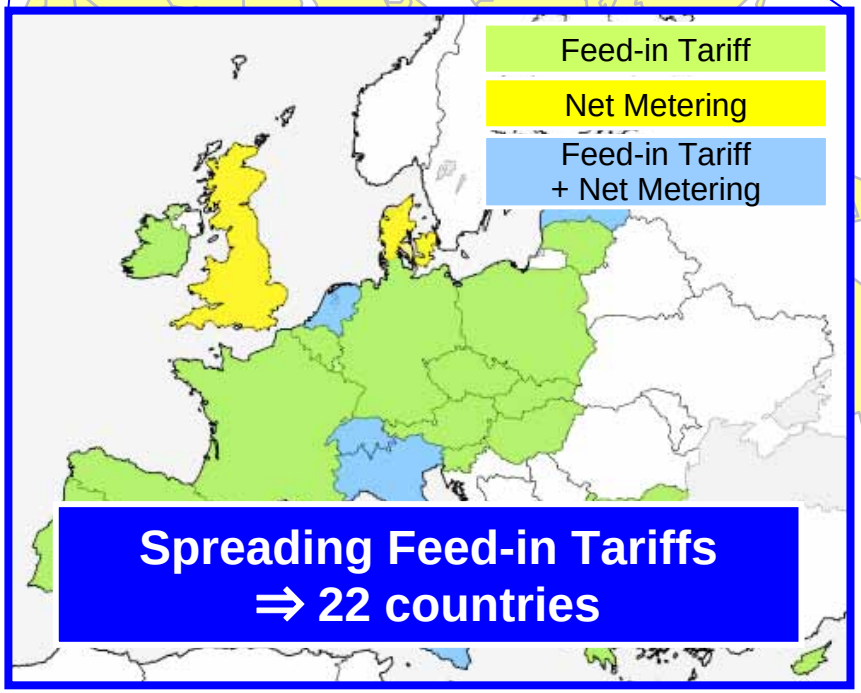
Certain of the statements made in this document are forward-looking statements (within the meaning of Section 21E of the U.S. Securities and Exchange Act of 1934), which are based on our current assumptions and beliefs in light of the information currently available to us. These forward-looking statements 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.

PV Global Market Trend

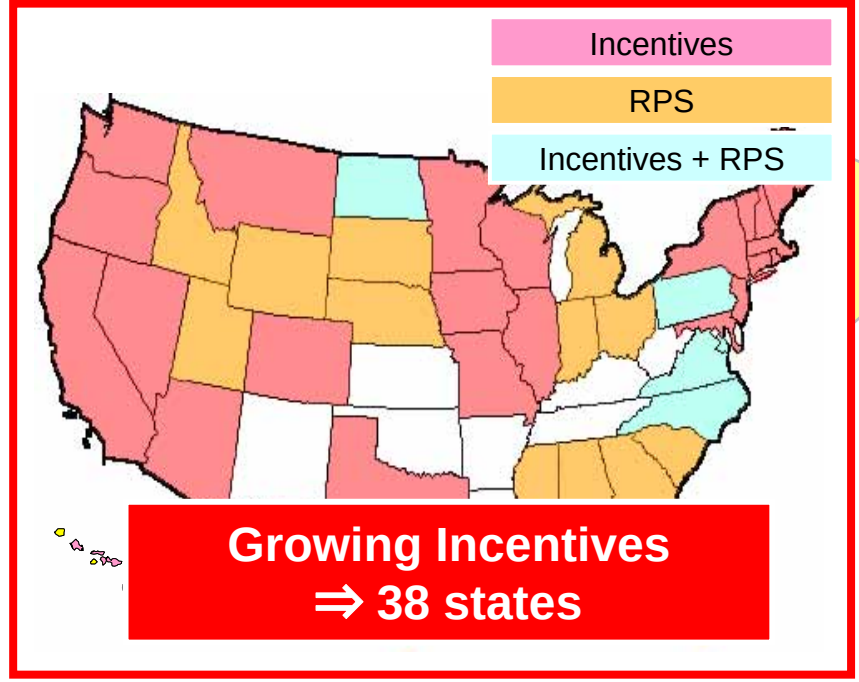
Contribution of Subsidies to Expansion of European and U.S. Markets

Europe

USA



Spreading Feed-in Tariffs
⇒ 22 countries

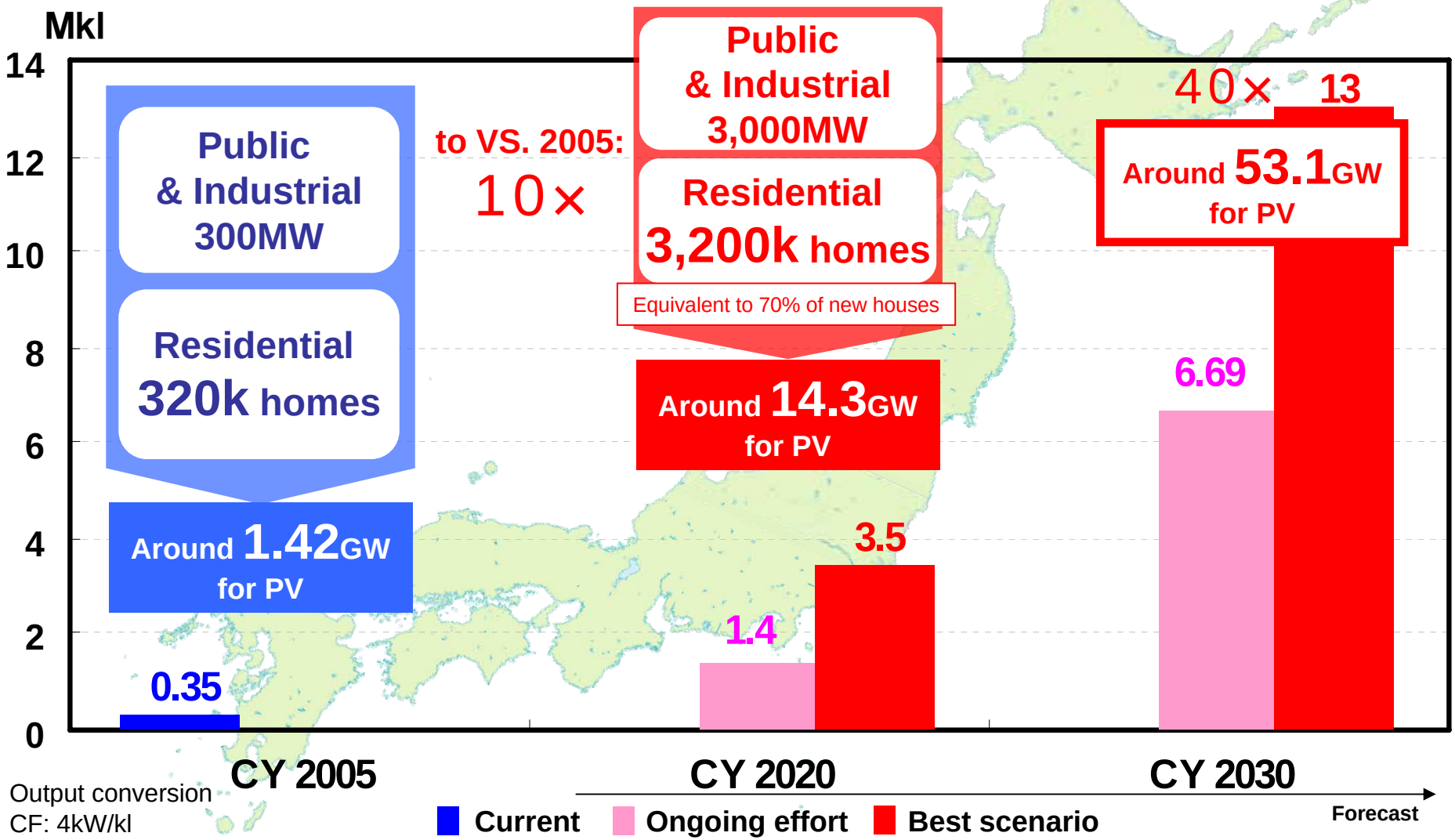


Growing Incentives
⇒ 38 states

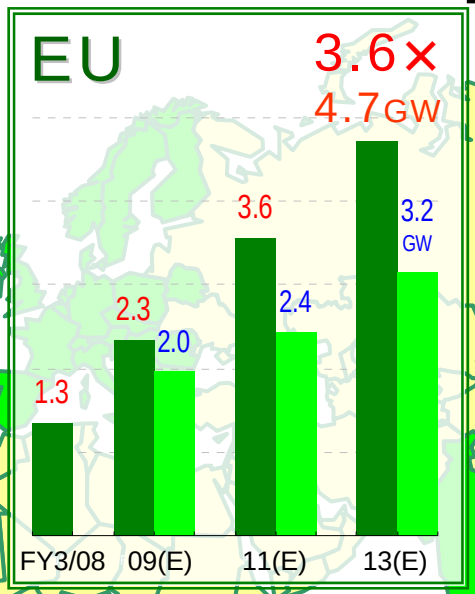
Please refer to accompanying note on page 1.

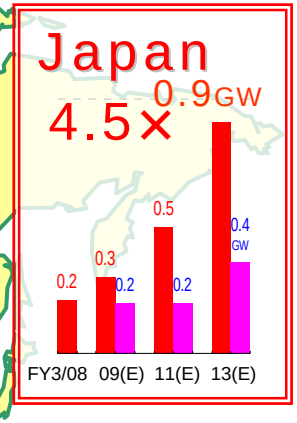
RPS: Renewables Portfolio Standard

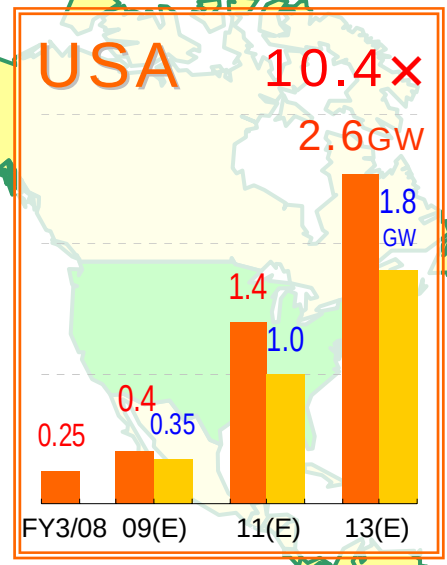
Toward the Realization of Low-Carbon Society of Japan
Photovoltaics

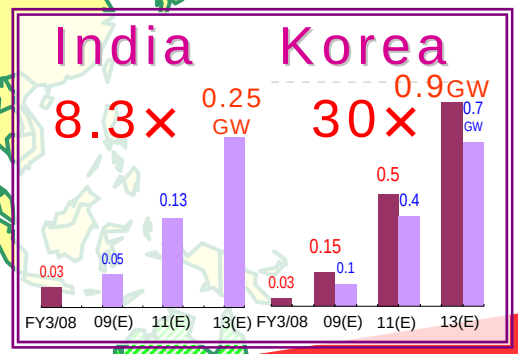


Principal Market Outlook



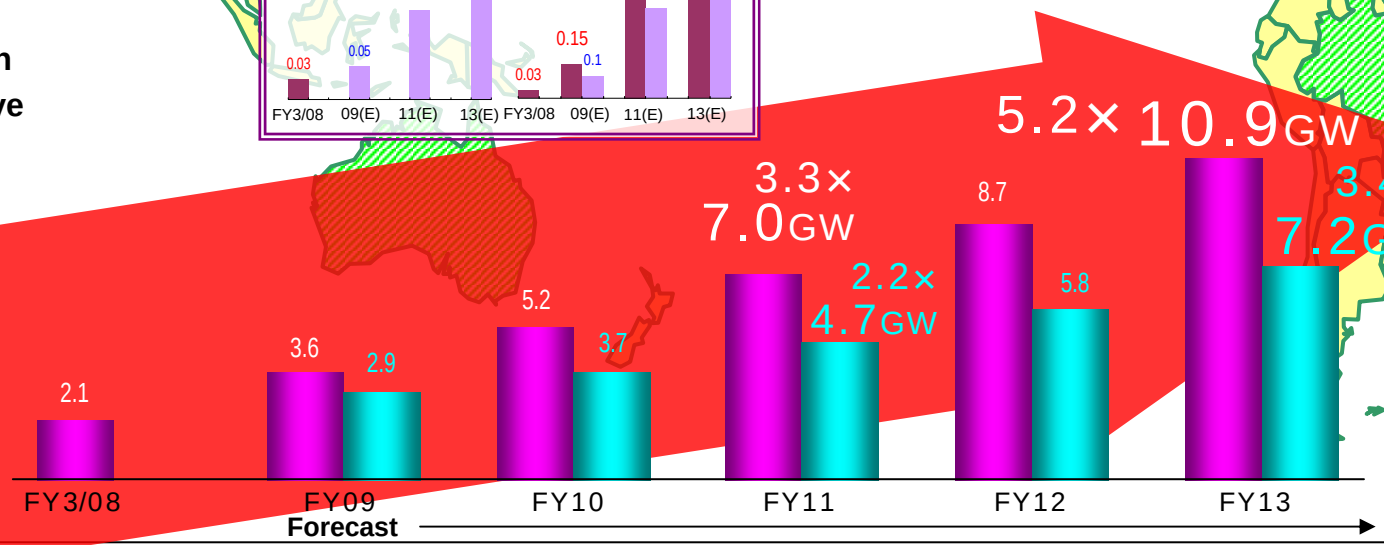






Left: Policy driven
Right: Conservative

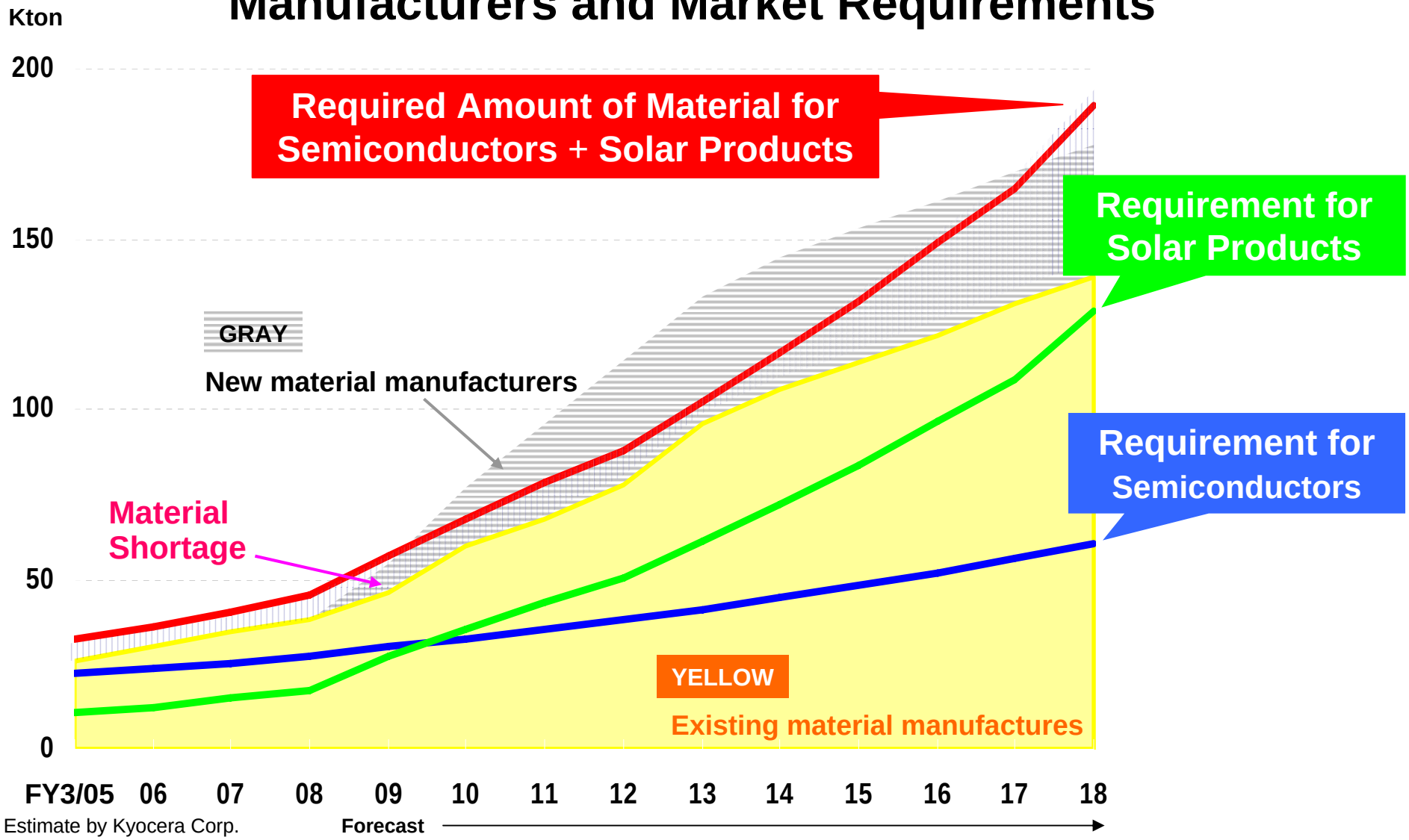
World Market Size



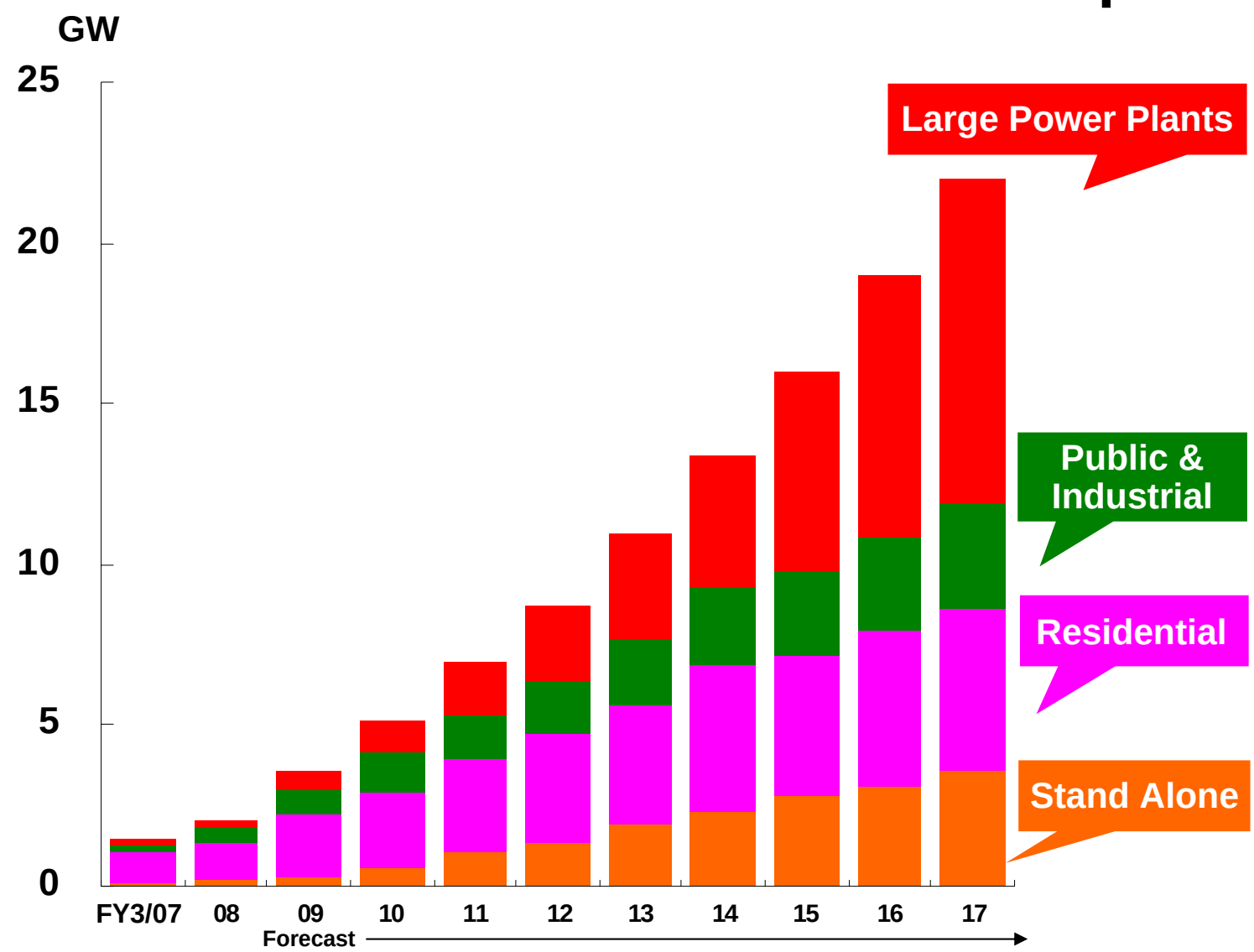
Estimate by Kyocera Corp.

Please refer to accompanying note on page 1.

Comparison between Expansion Plans of Material Manufacturers and Market Requirements

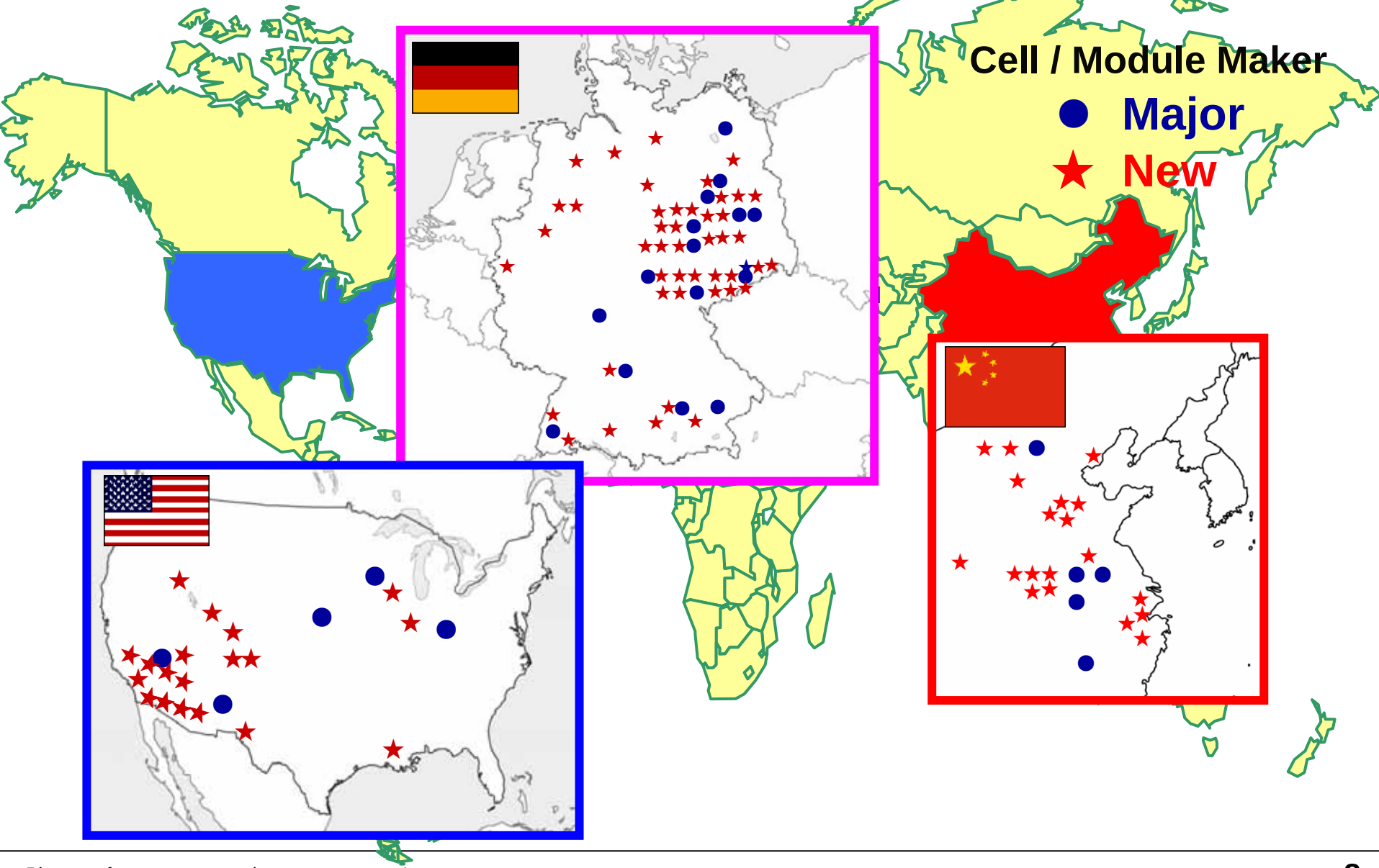


Demand Forecast in Four Principal Markets



Estimate by Kyocera Corp.

Overseas Solar Photovoltaic (PV) System Manufacturers



Market Conditions: Overview

Expansion of subsidy policies

+

Increase in production of material

||

Rapid increase in number of manufacturers

Europe, US, Korea, etc.
⇒ **Continuous market growth**

Increase in production volume by existing manufacturers + new entrants
⇒ **Stabilization of supply and price**

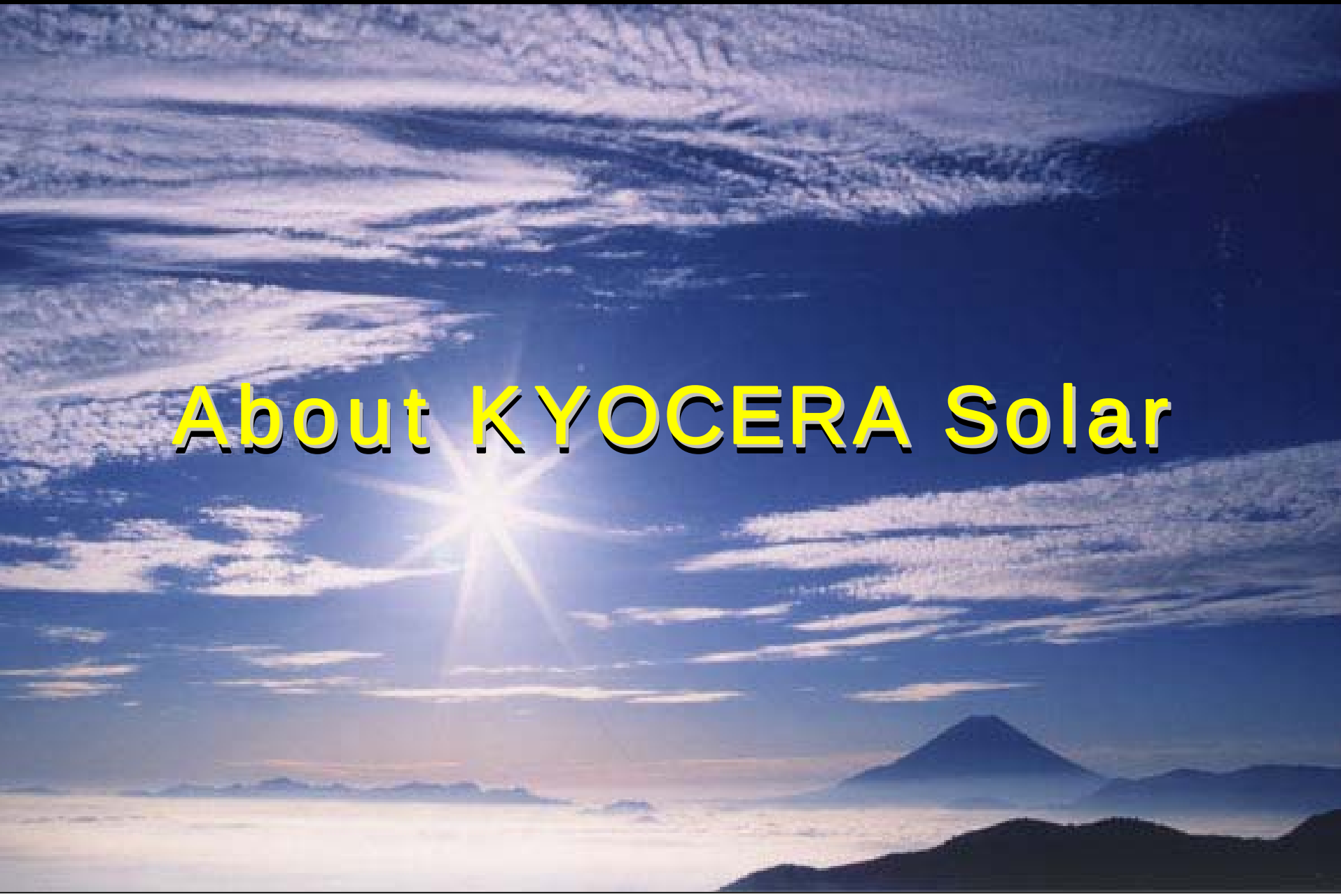
＞ 300 Companies

EEG* in Germany: reexamination of buyback price of feed-in tariff
annual decrease rate 5% ⇒ 8～10%

*EEG= Erneuerbare-Energien-Gesetz

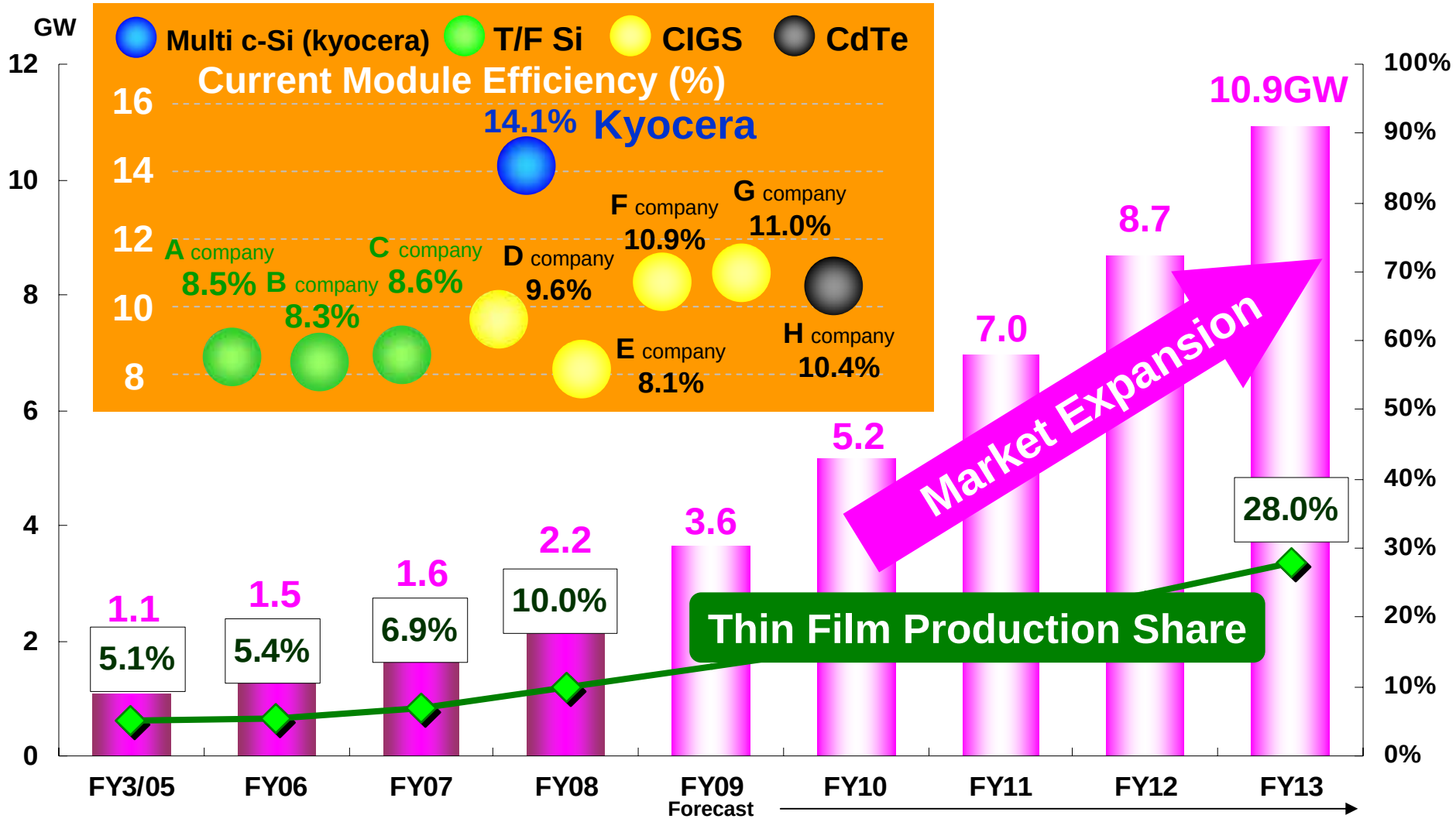
Beginning of "intense competition era"

Gain comprehensive competitive advantages:
"cost competitiveness, technologies for development and quality"



About KYOCERA Solar

Technology Market Trend

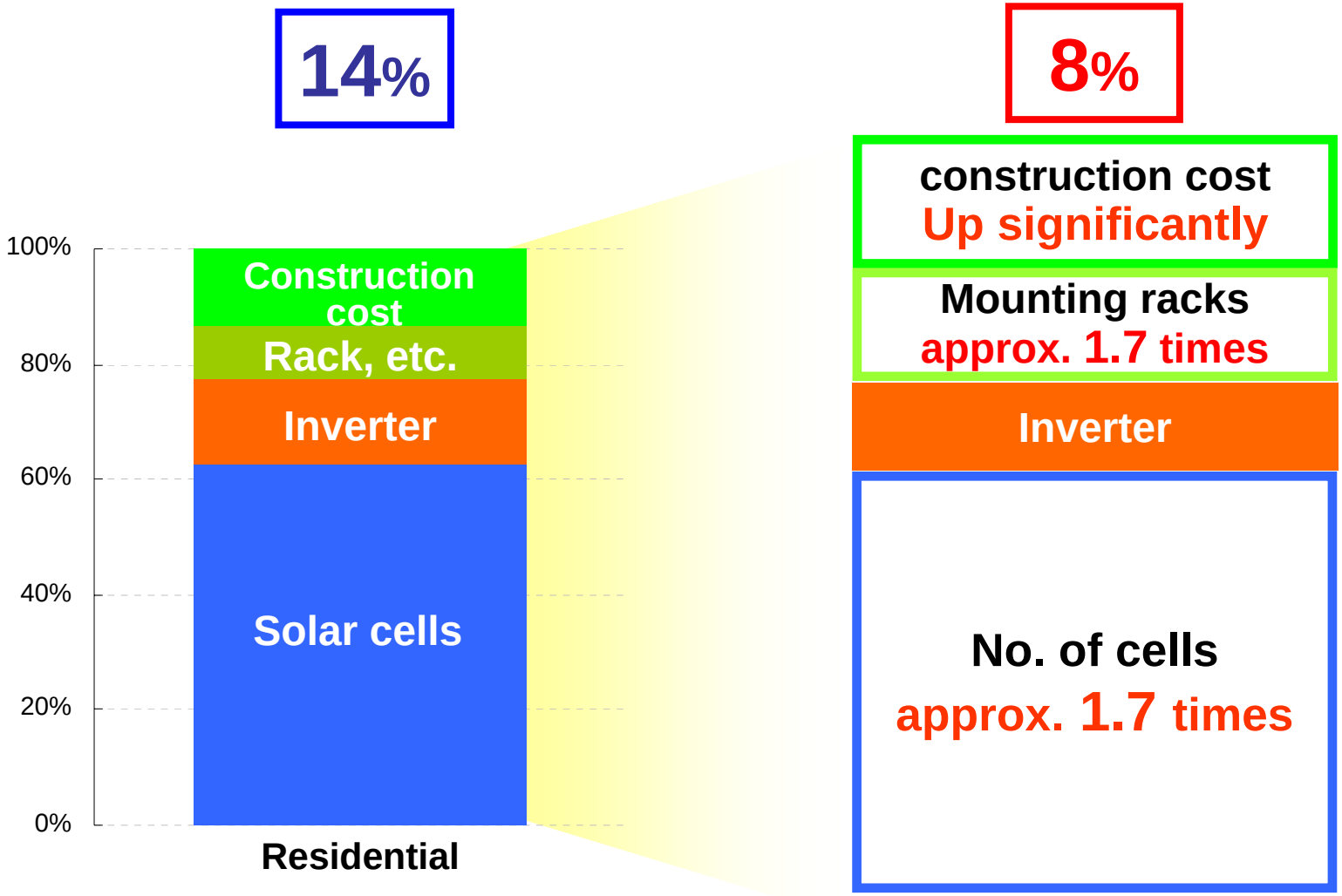


Multi c-Si or Thin-film ? Total cost, long-tern reliability•••

Please refer to accompanying note on page 1.

SOURCE: PV News, Lux Research

Influence of conversion efficiency on Solar System Costs



Multi c-Si or Thin-film ? Total cost, long-tern reliability•••

Please refer to accompanying note on page 1.

SOURCE: PV News, Lux Research

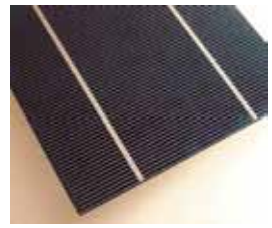
Cost competitiveness: Improvement of conversion efficiencies

Silicon

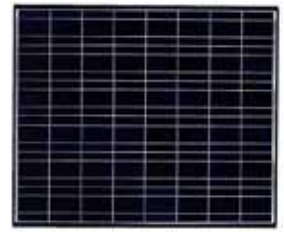
Casting

Cutting

Wafer slicing



Solar cells



Solar modules

	Casting	Cutting	Wafer slicing	Solar cells	Solar modules
Improvement of conversion efficiencies	○ Improvement of crystalline quality Impurity contamination measures	○ Optimization of slicing conditions Thinner wafers Improvement in quality of sliced material	○ Passivation Reactive Ion Etching (RIE) technology High sheet resistance emitters Improvement of contact metal	○ Optimization of material Optimization of fabrication process	

Vertical integration ⇒ Aims to maximize conversion efficiencies with optimization in all production phases

Cost competitiveness: Productivity

1. Higher cell efficiencies

Approx. 17% improvement from current power output

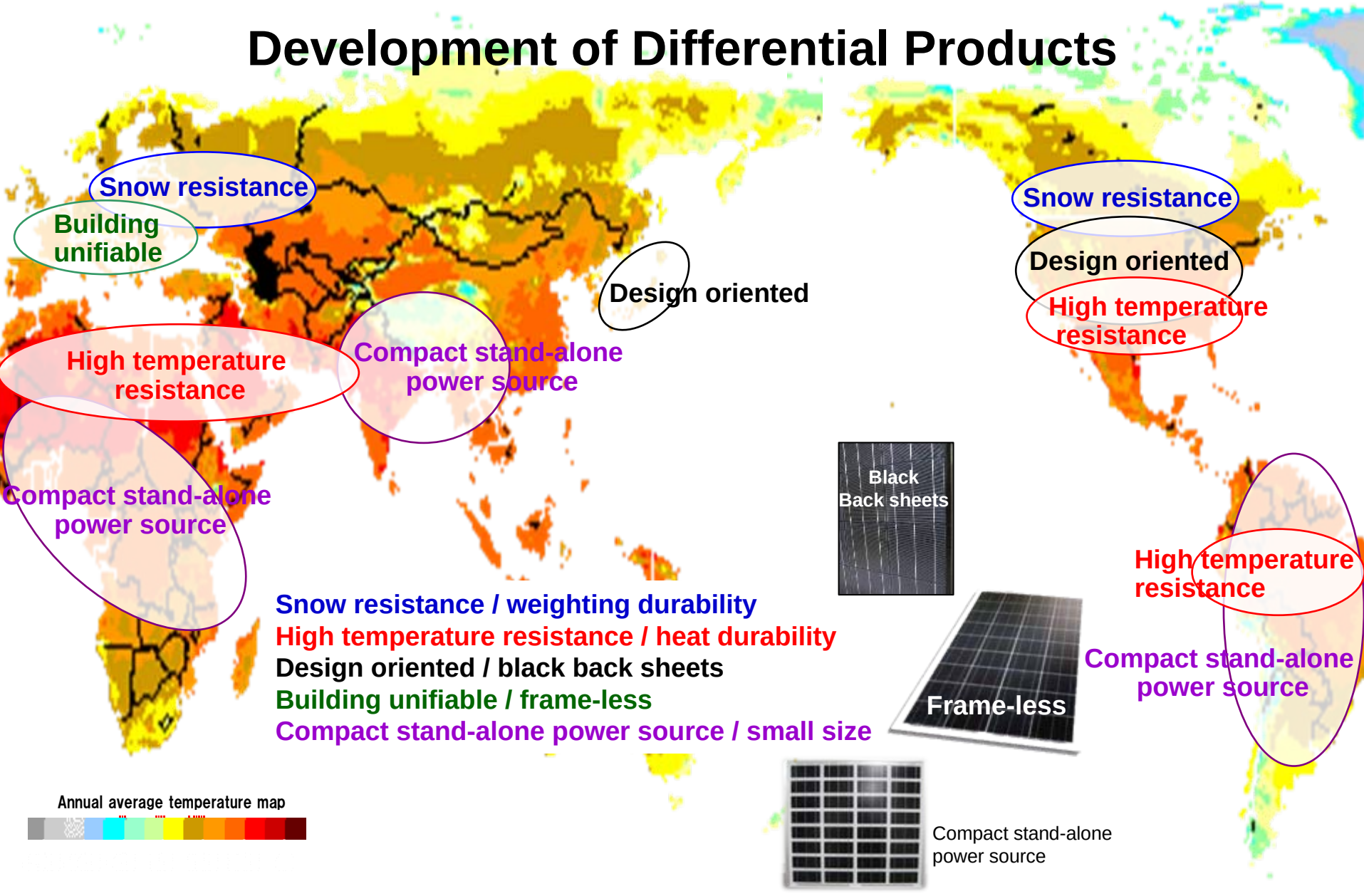
	FY3/05	FY09	FY10	
Conversion efficiencies	15.7%	16.5%	16.5%	17.5%	Target 18.5%
Power output	3.67W/cell	3.86W/cell	4.06W/cell	4.26W/cell	4.50W/cell
Technologies	2BB	3BB	Lager Cell (156mm square)	Back Contact	Higher efficiencies for Back Contact

2. Thinner cells

FY3/05	06	07	08	09•••
240 / 200μm			180μm	Further advancement of thinner cells

Productivity improvement of approx. 40% compared to FY3/05

Development of Differential Products

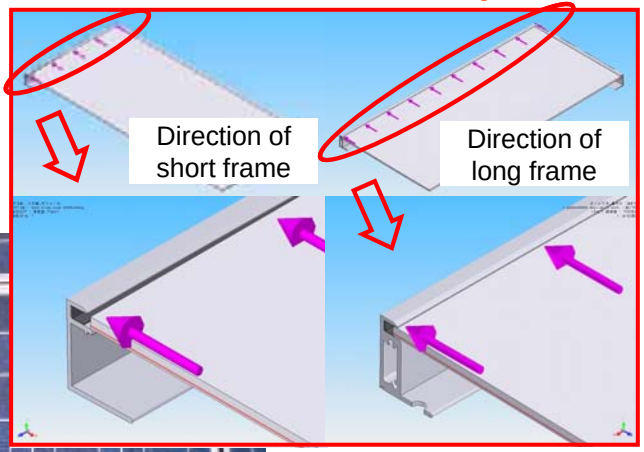


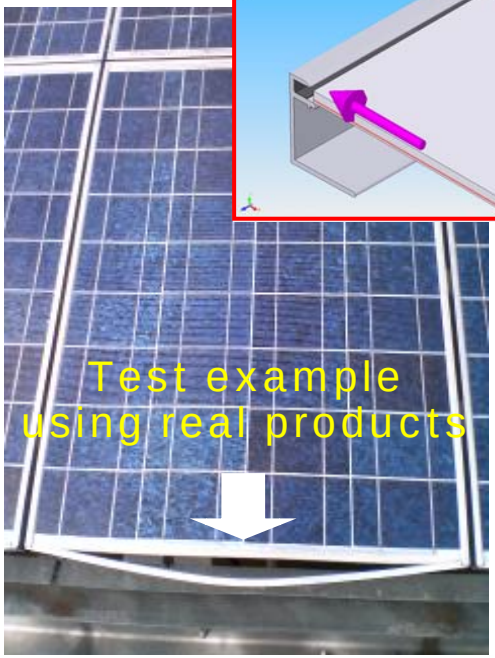
Snow resistance / weighting durability
High temperature resistance / heat durability
Design oriented / black back sheets
Building unifiable / frame-less
Compact stand-alone power source / small size

PV Modules for 5400Pa

Objective: Snow resistance (5400Pa)
Challenges: Frame strength
Module durability

Snow load analysis

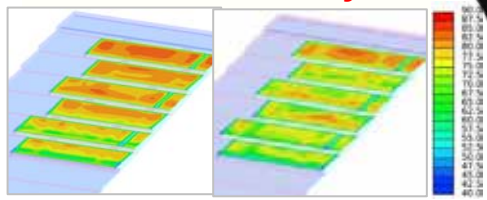




Black Modules

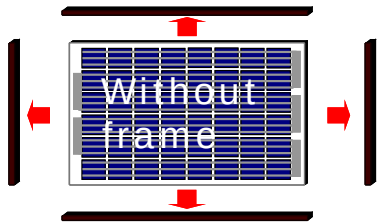
Objective: Better appearance
Challenges: High temperature resistance

TEMP. Analysis



Frameless Modules

Objective: Compatibility for various installation methods
Challenges: Metal fitting reliability

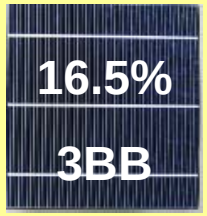


Development of Solar Modules

FY3/05 ····· FY09 FY10

Target

Cell



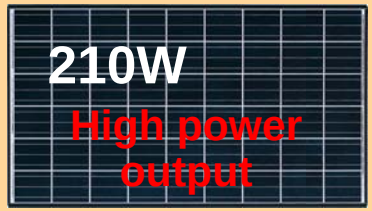
180μm

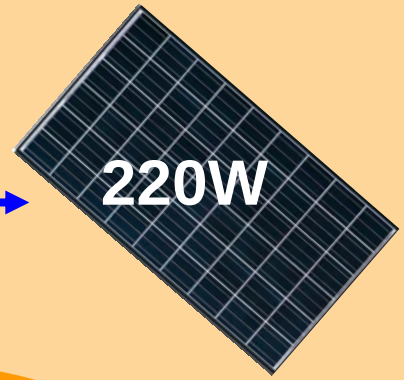
156mm×156mm

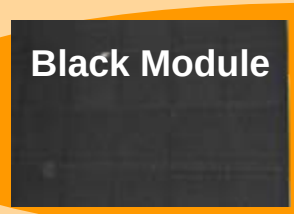
Back Contact

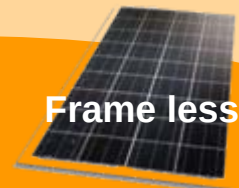
Module

175W









Snow resistance (5400Pa)

No.1 Quality Evaluation in Germany

**in 15 Makers

STIFTUNG WARENTEST

GUT (1,9)

Im Test: 15 Solarmodule
Ermittelt am Produkt KC170GT-2

test® 5/2006

www.test.de

(Best: 1.0, Worst: 6.0)

Evaluation Items	
	Output
	Durability
	Reliability
	Installation

Quality is
True “DIFFERENTIATION”

KYOCERA
with THE QUALITY

Major Characteristics Required of Solar Cells

- **Reduce total system cost, including installation cost**
- **Stable long term output (high reliability)**

1. Costs

Factor with biggest impact on costs, ⇒ Conversion efficiency

Kyocera's back contact cells: 18.5%

VS thin-film 8~11%

2. Long-term reliability

Kyocera's multi-crystalline cells:
Over 20 years of testing and evaluation

VS thin-film ??

Multi-crystalline solar cells or thin-film solar cells ?

Kyocera's Production Expansion Plan of PV Systems

Back Contact Cell

High Efficiency
18.5%

650MW
550MW
500MW
400MW
300MW

California Solar Initiatives

Amendment to EEG in Germany

EEG in Germany

Residential subsidies in Japan (until FY06)

700
600
500
400
300
200
100
0

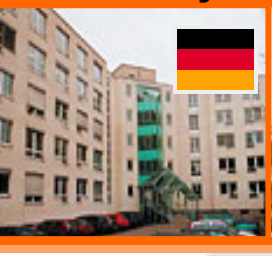
FY 3/92 93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10 11 12

Forecast

Please refer to accompanying note on page 1.

KYOCERA

Germany | Singapore | China | South Korea | Japan | Australia | USA







Brazil

8 sales bases worldwide

"Sales network built on long-term relationships of trust"
"Anticipating customer needs"

Germany
Czech Republic
Beijing
S-Korea
Kyocera
Tianjin
Japan
USA
Mexico
Singapore
Australia
Brazil

Ise 150MW/yr
Plant construction completed

Mexico 240MW/yr
Plant construction completed

4 production bases worldwide

"Market-oriented module design"

"Production where markets are"
"Quick delivery"


Czech Republic


China


Japan / Ise


Yohkaichi


Mexico

THE NEW VALUE FRONTIER