

Kyocera Corporation Financial Presentation (April 28, 2009)

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<Contents: Today's Presentation>

Today I will explain consolidated financial results for the year ended March 31, 2009 ("fiscal 2009") and the consolidated financial forecast for the year ending March 31, 2010 ("fiscal 2010").

<Slide 1: Consolidated Financial Results – Year Ended March 31, 2009

As you can see on this slide, consolidated net sales for fiscal 2009 decreased by 12.5% compared with the year ended March 31, 2008 ("fiscal 2008") to ¥1,128.6 billion due to a decline in demand in both the components business and the equipment business resulting from sudden deterioration in the business environment, and to appreciation of the yen.

Profit from operations decreased by 71.5% compared with fiscal 2008 to ¥43.4 billion due mainly to a decrease in sales coupled with the impact of product selling price erosion.

Pre-tax income decreased by 68.0% to ¥56.0 billion and net income decreased by 72.5% to ¥29.5 billion, as compared with fiscal 2008.

As a result, diluted earnings per share were ¥157.23.

Capital expenditures, the third line from the bottom of the table, decreased by 25.9% compared with fiscal 2008 to ¥63.1 billion due to a significant reduction in capital expenditures in the fourth quarter in line with the deteriorating business environment.

<Slide 2: Consolidated Net Sales and Pre-tax Income by Reporting Segment for FY3/2009 – Compared with FY3/2008>

This slide shows year-on-year changes in net sales and pre-tax income by reporting

segment.

Except for Others, all reporting segments recorded year-on-year decreases in sales and profits for fiscal 2009.

In the components business, net sales decreased by ¥102.9 billion and pre-tax income decreased by ¥68.6 billion compared with fiscal 2008.

In the equipment business, net sales decreased by ¥49.5 billion and pre-tax income decreased by ¥50.5 billion compared with fiscal 2008.

The year-on-year decreases recorded in fiscal 2009, notably in the Electronic Device Group, were the result of the severe business environment from the second half. However, rather than merely relying on one business we have several core business pillars and promote a strategy of business diversification that focuses on the components business and the equipment business. In fiscal 2009, since the Applied Ceramic Products Group, including the solar energy business, and the Information Equipment Group made large contributions to profit, Kyocera Group as a whole achieved profitability on a full-year basis.

<Slide 3: Summary for FY3/2009 (1)>

Next I will summarize results for fiscal 2009.

First, let's look at the impact of the sharp decline in demand. In the components business, production of digital consumer equipment slumped and inventory adjustments for components continued apace. Further, a considerable slowdown in auto-related markets led to sluggish growth in the components business, excluding the solar energy business.

Profitability was down significantly in the equipment business due to stagnant sales of mobile phone handsets in North America and to weakened replacement demand in Japan in the Telecommunications Equipment Group. Additionally, sales and profits in the Information Equipment Group decreased compared with fiscal 2008 on account of restrained investment in printers and MFPs owing to economic stagnation and the financial crisis.

Second, let's turn to the impact of yen appreciation against the Euro and U.S. dollar. Net sales and pre-tax income were pushed down by ¥91.0 billion and ¥23.0 billion, respectively, compared with fiscal 2008.

Third, on a brighter note, we were able to improve performance in the solar energy business. Production volume in this business surged approximately 45% compared with fiscal 2008 on account of strong demand until the third quarter, resulting in higher sales and profits.

<Slide 4: Summary for FY3/2009 (2)>

Fourth, Kyocera recorded one-time gain and losses during fiscal 2009.

A one-time gain of ¥10.5 billion was posted in fiscal 2009 from the sale of certain items of real estate in Japan and overseas.

We also recorded a one-time loss of ¥16.0 billion associated with a devaluation of the value of various assets such as goodwill, inventories, fixed assets and securities held, as well as a one-time loss of ¥4.5 billion due mainly to business reorganization costs at overseas subsidiaries. The net result of these one-time gains and losses was a loss of ¥10.0 billion, and this produced a negative impact on pre-tax income.

Fifth and finally, we executed strategic investments and initiatives in fiscal 2009 aimed

at expanding business in the future.

In the solar energy business, we started construction of a new solar cell factory in Yasu City, Shiga Prefecture to boost production capacity. We have also started construction of a new factory wing in Tianjin, China to expand production capacity of solar modules.

In the Telecommunications Equipment Group, we acquired the mobile phone business of SANYO Electric Co., Ltd. and decided to reorganize our global development system as well as our sales system in the United States.

In the Information Equipment Group, we consolidated TA Triumph-Adler AG, a German-based sales company, in order to strengthen sales capabilities. We also established an R&D Center in Japan, enabling us to concentrate R&D bases in one location and therefore reduce R&D costs and streamline R&D systems. On a manufacturing front, we concentrated equipment production bases into China and concentrated toner production at a Japanese plant.

That concludes my explanation of financial results for fiscal 2009.

<Slide 5: Forecast for Production Volume of Key Electronic Equipment in CY2009>

First, I will explain the outlook for the business environment, which is the basis for our financial forecasts.

Global production volume in 2009 of key electronic equipment, which is a core market for Kyocera's components business, is forecast to decrease by approximately 10% on a year-on-year basis for mobile phones, PCs and digital cameras. Although global production volume of flat panel TVs is forecast to grow approximately 5%, this still equates to negative growth in value terms. With respect to component price trends in fiscal 2010, we forecast prices to decline by around 15% on a full-year basis for ceramic capacitors, for instance,

which is quite moderate relative to the 25% declines reported in fiscal 2009.

<Slide 6: Consolidated Financial Forecast – Year Ending March 31, 2010>

This slide shows financial forecasts for fiscal 2010. As I mentioned earlier, the global economic downturn is expected to continue, with production of key electronic equipment stagnating. As a result, we are forecasting a tough business environment for both the components business and the equipment business.

In the lower part of the slide you can see assumed exchange rates. In fiscal 2010, the yen is forecast to be ¥92 against the U.S. dollar and ¥123 against the Euro, marking appreciation of ¥9 and ¥20, respectively, compared with fiscal 2009. As a result, net sales and pre-tax income are expected to be pushed down by approximately ¥78 billion and ¥24 billion, respectively, compared with fiscal 2009.

Amid such an outlook, net sales for fiscal 2010 are forecast to decline on a year-on-year basis. Kyocera endeavors to reduce costs including cutting back capital expenditures and various costs. In addition, as we do not see one-time losses in fiscal 2010, profit from operations and pre-tax income are up slightly, and net income is to increase by 15.2% compared with fiscal 2009.

Next I will explain the market outlook and challenges by reporting segment.

<Slide 7: Outlook and Challenges by Reporting Segment for FY3/2010 (1)>

[Fine Ceramic Parts Group]

I will begin with the Fine Ceramic Parts Group.

Kyocera forecasts sales of ¥50.0 billion and operating profit to break even in this reporting segment.

In terms of market outlook, it is still unclear when demand will recover in parts for

semiconductor fabrication equipment and automotive parts. We therefore project the level of demand in fiscal 2010 to be below that of fiscal 2009. In contrast, the cycle of inventory adjustments for parts used in consumer equipment such as mobile phone handsets, PCs and digital cameras has come full circle, so demand is expected to recover.

In fiscal 2010, we will make major cutbacks in capital expenditures, promote comprehensive cost reductions and focus on improving profitability under tough conditions where it is difficult to expand sales.

In addition, we will strengthen activities to cultivate new products in order to expand the potential scope of orders, particularly in high-growth industries such as environment and energy market and the medical equipment market.

[Semiconductor Parts Group]

Let's turn to the Semiconductor Parts Group.

Kyocera forecasts sales of ¥110.0 billion and operating profit of ¥4.0 billion in this reporting segment.

Although orders have rebounded for parts used in consumer equipment upon completion of inventory adjustments, we project recovery in demand for parts used in servers to take longer. When demand does recover, Kyocera will leverage its high market share and strive to secure orders by swiftly meeting customer requirements, particularly in SMD packages for electronic components and packages for CCD/CMOS image sensors.

We will also strive to expand orders of organic packages for game consoles.

<Slide 8: Outlook and Challenges by Reporting Segment for FY3/2010 (2)>

[Applied Ceramic Products Group]

Kyocera forecasts sales of ¥158.0 billion and operating profit of ¥18.0 billion in this reporting segment.

In fiscal 2010, the world production volume for solar cells is expected to decline by approximately 10% year-on-year due to a temporary slowdown in the European market, despite expansion of subsidy policies by national governments, notably in the United States and Japan. Recovery in demand in auto-related markets, which are key markets for cutting tools, is expected to take some time.

In such a market environment, Kyocera will seek to ensure profitability in the solar energy business by promoting cost reductions and enhancing price competitiveness through an integrated production system from ingots to modules. We will also cultivate new markets in the areas of automobiles and large plants, by leveraging the benefits provided through high quality and reliability.

In the cutting tools business, we will work to comprehensively reduce costs and to strengthen new product development aimed at enhancing profitability.

[Electronic Device Group]

Let's look at the Electronic Device Group.

Kyocera forecasts sales of ¥185.0 billion and operating profit of ¥2.0 billion in this reporting segment.

At present, overall demand for electronic components has recovered to a level higher than initially projected upon completion of inventory adjustments for consumer equipment.

Our biggest challenge is to improve profitability in this reporting segment, and we will employ various initiatives in fiscal 2010 to achieve this. Besides reducing costs, particularly material costs, we will strive to enhance productivity through a review of production lines and by improving yield rates. We will also aggressively invest management resources to strengthen new product development and strive to release new products ahead of the competition, namely miniature high-capacitance capacitors and timing devices.

That concludes my explanation of the outlook for the components business. Let's turn to the outlook for the equipment business.

<Slide 9: Outlook and Challenges by Reporting Segment for FY3/2010 (3)>

[Telecommunications Equipment Group]

Kyocera forecasts sales of ¥200.0 billion and operating loss of ¥6.0 billion in this reporting segment.

Replacement demand is expected to weaken in the mobile phone handset markets of both Japan and the United States. In contrast, the data communications market in Japan is forecast to expand with the commencement of new commercial services suitable for next-generation communication systems such as WiMAX.

Kyocera completed reorganization of its development system in this reporting segment in fiscal 2009. By integrating the development systems for North America and Japan, we aim to increase efficiency and cut costs in development. Kyocera Communications Inc. (KCI), a sales subsidiary newly established in the United States, comprises the combined sales and marketing functions from Kyocera Wireless Corp. (KWC) and SANYO. Through the mutual use of the sales networks of both companies, KCI can bolster its sales competencies and secure new orders. We will also make the most of economies-of-scale in purchasing and seek to cut costs, especially for materials.

Going forward, we will strive to continuously provide new products that meet market needs by seizing the opportunities created through recent business reorganization.

In addition, we will vigorously implement initiatives in the new markets of WiMAX and LTE with the objective of expanding sales.

[Information Equipment Group]

Kyocera forecasts sales of ¥234.0 billion and operating profit of ¥11.0 billion in this

reporting segment.

The harsh business environment is projected to continue in fiscal 2010 as companies and government offices suppress investment in printers and MFPs due to the impact of the global economic downturn and financial crisis.

In this reporting segment, we will expand our range of ECOSYS printers and our range of MFPs under the newly launched TASKalfa brand. We will work to expand our market share despite the current recession by promoting the benefits of our printers and MFPs in terms of “ecology” and “economy” since they significantly reduce the need for component replacement on account of long-life technology. In particular, we will focus on securing users with high-volume printing needs.

Kyocera will also utilize the sales network of newly consolidated TA Triumph-Adler AG, by way of its direct sales system, and expand solutions-oriented marketing activities in Europe to reinforce sales.

Further, by increasing the ratio of color products, we can increase the proportion of highly profitable consumables, and therefore boost profitability.

<Slide 10: Major Challenges – Year Ending March 31, 2010>

This slide presents major challenges to be undertaken in fiscal 2010. I will explain each item in the order shown.

<Slide 11: Improve Profitability in the Telecommunications Equipment Group>

Our first major challenge is to improve profitability in the Telecommunications Equipment Group.

We are currently rebuilding the business structure of the Telecommunications Equipment Group, with the top priority being to resolve issues unique to Kyocera. In concrete terms, the major challenges are to strengthen R&D, cost competitiveness, and sales and marketing in the

mobile phone handset business for the North American market. In April 2009, we started implementing previously determined measures to achieve these objectives through the new structure.

First, we integrated technical resources to strengthen R&D and created a centralized structure for product development from three distinct structures operated by Kyocera, SANYO and KWC. This has enabled us to eliminate overlaps in R&D and other costs, and to increase our ability to respond to various customer product needs by expanding the number of models we develop.

In terms of boosting cost competitiveness, we aim to reduce material costs and minimize manufacturing costs by establishing a centralized purchasing system.

On a sales and marketing front, we integrated sales and marketing departments in Japan and overseas. This will enable us to increase our product line-up and provide a greater variety of models, including SANYO models for KWC customers, and therefore expand share with existing customers. It will also offer opportunities to cultivate new customers.

Through these initiatives, we can swiftly improve profitability in the Telecommunications Equipment Group.

<Slide 12: Business Development in Environment and Energy Markets – Solar Energy Business>

Our second challenge is to expand business in environment and energy markets.

Demand is expected to decrease significantly, particularly in Europe, due to the economic downturn, and as such, the global market for solar cells is forecast to decline on a year-on-year basis in fiscal 2010. However, the solar cell market is expected to continue growing in key countries outside Europe on account of various governments subsidy systems.

I believe there will be a turnaround to global market growth from fiscal 2011, so we will continue increasing production capacity of solar cells in fiscal 2010 and beyond.

Kyocera's strategy in the solar energy business is to stay true to our policy of providing products of high quality with guaranteed reliability.

We will develop products based on world-class technological capabilities, and commence production of back contact solar cells in fiscal 2010. With back contact cells, placing the electrodes behind the panels increases the light-receiving area of the solar cell, thereby boosting conversion efficiency to 17.5%. We will continue to promote product differentiation using this technology.

Further, we are pursuing ongoing cost reductions in production through an integrated system that enables production of highly sophisticated products at a lower cost. To this end, we are working to maintain our profitability amid extremely competitive times.

We are also expanding applications for solar modules and will introduce modules for automobiles and large plants, leveraging the benefits of long-life reliability and high quality.

Despite a temporary slowdown in the market during fiscal 2010, solar energy market will continue to grow over the medium term. We are confident that our differentiation strategy based on high quality and reliability will allow us to outstrip the fierce competition and expand business.

In addition, Kyocera will endeavor to create new products and expand product line in environment and energy markets such as solid oxide fuel cells (SOFCs) for residential use and LED lighting which are under development.

<Slide 13: Implement Measures to Improve Profitability>

Next I will explain the third major challenges – to reduce costs and enhance profitability in fiscal 2010.

In response to sudden deterioration in the business environment since October last year, Kyocera established a special project team that has devised various measures to cut costs from short-term and medium- to long-term perspectives. In fiscal 2010, Kyocera forecasts

that it will reduce overall costs by approximately ¥56 billion compared with fiscal 2009 on a Group-wide basis.

As you can see on this slide, we will reduce capital expenditures in fiscal 2010 by ¥20 billion year-on-year. As a result, depreciation in fiscal 2010 is expected to be ¥16 billion lower than fiscal 2009.

We have been executing amoeba management, which aims at minimizing various costs. We seek to further strengthen amoeba management and trim all costs at the level of small business units. Accordingly, we plan to reduce costs, including personnel costs, by approximately ¥40 billion year-on-year.

Of that total, we aim to cut personnel costs by approximately ¥20 billion year-on-year. Our basic policy is to maintain regular employees and not reduce headcount in Japan. However, we have implemented a “zero overtime” system, salary cuts for management and adjustment of operating days, and expect to achieve cost reductions through natural attrition and business reorganization overseas.

Through these major challenges that I have covered, we aim to achieve net sales of ¥1.04 trillion and pre-tax income of ¥57 billion in fiscal 2010.

<Slide 14: Kyocera Group Management Policy>

I will now explain Kyocera Group management policy.

Kyocera Group implements the “Kyocera Philosophy” and practices its unique “Amoeba Management System,” which has been the driving force for growth since our earliest days. This has helped us create sturdy financial foundations, providing us the opportunity to strengthen existing businesses, pursue synergies and bolster development of new products and technologies, and therefore promote growth throughout Kyocera Group.

In terms of strengthening existing businesses, we encourage the effective utilization of management resources in all business spheres, and establish development, production and

sale systems in the most appropriate regions. This enables us to reinforce competitiveness in each business. Additionally, each employee is encouraged to be innovative and work fervently toward improving operations for better results.

Kyocera also pursues group synergies to the greatest extent possible by linking a wide range of management resources organically. We leverage the competitive advantages provided by our diversification strategy in each of R&D, manufacturing and sales, and work to clearly identify market trends and customer needs in order to deliver unique products and services that lead to the creation of valuable businesses.

Kyocera also seeks to bolster development of new products and technologies. To improve performance over the medium to long term, we will refine R&D themes and concentrate management resources to make sure we always create innovative new products and technologies that become future business pillars.

Through these three measures, we aim to establish a highly profitable structure that can generate profit even in a tough business environment where sales expansion is difficult. To drive growth throughout Kyocera Group, we aim to expand business in core markets. In specific terms, we will strengthen existing businesses in information and communication markets, which comprise approximately 70% of total group sales, and make the most of new business opportunities to steadily expand sales. We also intend to create businesses in environment and energy markets, which are viewed as future growth markets.

By implementing these measures and working as a unified whole in Kyocera Group, we aim to be “a creative company that continues to grow.”

Finally, Kyocera made major changes to its group management structure on April 1, 2009. Specifically, we promoted younger personnel who will lead us into the next era to directors or executive officers of key Kyocera business segments, or subsidiaries. In order to overcome

the current adversity as a unified group and improve business performance, it is necessary to increase decision-making speed without being bound by established practices. This will enable more agile business execution throughout Kyocera Group and accelerate operations.

I ask for your continued support as we strive to achieve our goals.

That concludes my presentation. Thank you for your attention.