

Kyocera Corporation Financial Presentation

(Six Months Ended September 30, 2007)

November 2, 2007

MAKOTO KAWAMURA

President and Representative Director

Today's Presentation

Consolidated Financial Results
Six Months Ended September 30, 2007

Consolidated Financial Forecast
Year Ending March 31, 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 including 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 technical 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; holding licenses to continue to manufacture and sell certain of its products, the expense of which may adversely affects its results of operations; future initiatives and in-process research and development may not produce the desired results; events that may impact negatively on our markets or supply chain, including terrorist acts and outbreaks of diseases; the occurrence of natural disasters, such as earthquakes, in locations where our manufacturing and other key business facilities are located; and 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.

Consolidated Financial Results

- Six months ended September 30, 2007 -

(Unit: Yen in millions)

	Six months ended September 30,				% change
	2006		2007		
	Amount	% of net sales	Amount	% of net sales	
Net sales	615,390	100.0	636,560	100.0	3.4
Profit from operations	63,128	10.3	67,823	10.7	7.4
Pre-tax income	72,385	11.8	81,480	12.8	12.6
Net income	53,493	8.7	50,620	8.0	-5.4
EPS (diluted - yen)	284.14	—	267.06	—	-6.0
Capital expenditures	37,239	6.1	32,592	5.1	-12.5
Depreciation	33,682	5.5	37,291	5.9	10.7
R&D expenses	30,257	4.9	31,060	4.9	2.7
Average exchange rate (yen)		US\$: 115	Euro: 146	US\$: 119	Euro: 162
Foreign currency fluctuation effect (compared with the previous year):	net sales	¥21.8 billion		¥22.6 billion	
	pre-tax income	¥8.2 billion		¥8.9 billion	

Consolidated Financial Summary of First Half (1)

1. Historic high in interim period net sales

2. Quarterly growth in net sales and profit from operations

3. Profit from operations up from prior interim period despite increase in depreciation

- Additional depreciation of ¥7.5 billion due to revision in accounting method based on tax reforms
- One-time depreciation of ¥3.5 billion recorded in 2nd quarter (three months ended Sep. 30, 2007) for buildings, etc. exceeding useful lives

4. Increased dividends for fourth consecutive year

Consolidated Financial Summary of First Half (2)

- Consolidated Financial Results by Business -

(Unit: Yen in millions)

		Three months ended		Increase or decrease	% change
		Jun. 30, 2007	Sep. 30, 2007		
Components Business	Net Sales	162,695	170,441	7,746	4.8%
	Operating Profit	23,456	25,485	2,029	8.7%
	Operating Profit ratio	14.4%	15.0%	—	—
Equipment Business	Net Sales	127,231	123,585	-3,646	-2.9%
	Operating Profit	9,037	10,079	1,042	11.5%
	Operating Profit ratio	7.1%	8.2%	—	—
Others	Net Sales	31,628	33,649	2,021	6.4%
	Operating Profit	1,297	2,667	1,370	2.1times
	Operating Profit ratio	4.1%	7.9%	—	—

Consolidated Financial Summary of First Half (3)

1. Historic high in interim period net sales

2. Quarterly growth in net sales and profit from operations

3. Profit from operations up from prior interim period despite increase in depreciation

- Additional depreciation of ¥7.5 billion due to revision in accounting method based on tax reforms
- One-time depreciation of ¥3.5 billion recorded in 2nd quarter (three months ended Sep. 30, 2007) for buildings, etc. exceeding useful lives

4. Increased dividends for fourth consecutive year

Consolidated Financial Summary of First Half (4)

- Quarterly Trend of Profit from Operations Ratio -



Consolidated Financial Summary of First Half (5)

1. Historic high in interim period net sales

2. Quarterly growth in net sales and profit from operations

3. Profit from operations up from prior interim period despite increase in depreciation

- Additional depreciation of ¥7.5 billion due to revision in accounting method based on tax reforms
- One-time depreciation of ¥3.5 billion recorded in 2nd quarter (three months ended Sep. 30, 2007) for buildings, etc. exceeding useful lives

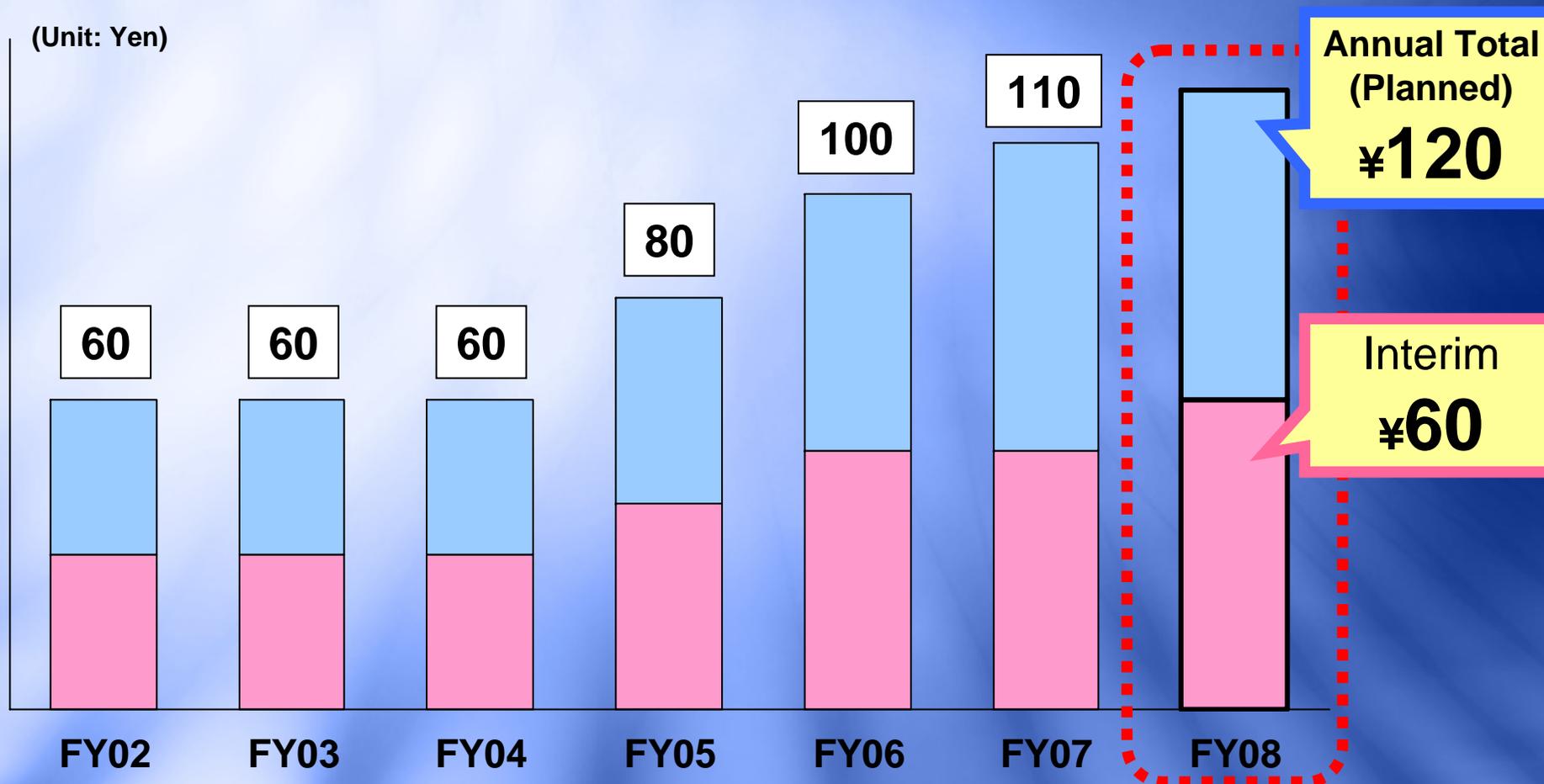
4. Increased dividends for fourth consecutive year

Consolidated Financial Summary of First Half (6)

- Trend of Dividends per Share -

Plan for total annual dividend of ¥120 in FY08

(Unit: Yen)



Today's Presentation

Consolidated Financial Results
Six Months Ended September 30, 2007

Consolidated Financial Forecast
Year Ending March 31, 2008

Business Outlook

- Year Ending March 31, 2008 -

Production Volume Forecast for Key Electronic Equipment

(Kyocera Forecast)

	CY2006 (Million Units)	CY2007 (Estimate) (% change from CY2006)	Background to Expanding Demand
Mobile phone handsets	980	+10%	<ul style="list-style-type: none"> • Expanding emerging-market demand • Rising replacement demand among high-value-added model in U.S. and Europe
PCs	230	+10%	<ul style="list-style-type: none"> • Increasing demand for notebook PCs coupled with new software • Expanding emerging-market demand
Digital TVs	60	+50~60%	<ul style="list-style-type: none"> • Rapid adoption of large screen, flat-panel TVs

Components Price Trend in FY3/08

ex; Ceramic capacitors (Commodities)

Expect moderate decline of around 10% compared with FY3/07

Consolidated Financial Forecast (1)

- Year Ending March 31, 2008 -

(Unit: Yen in millions)

	Year ended March 31, 2007		Year ending March 31, 2008		% change
	Amount	% of net sales	Amount	% of net sales	
	Net sales	1,283,897	100.0	1,330,000	
Profit from operations	135,102	10.5	151,000	11.4	11.8
Pre-tax income	156,540	12.2	166,000	12.5	6.0
Net income	106,504	8.3	103,000	7.7	-3.3
EPS (diluted - yen)	564.79	—	543.40	—	-3.8
Capital expenditures	69,896	5.4	81,000	6.1	15.9
Depreciation	70,155	5.5	79,000	5.9	12.6
R&D expenses	61,100	4.8	65,000	4.9	6.4

Average exchange rate (yen)		US\$: 117	Euro: 150			FY08 1st Half	FY08 2nd Half (F)
Foreign currency fluctuation effect (compared with the previous year):	net sales	¥39.6 billion		Average exchange rate (yen)	US\$:	119	110
	pre-tax income	¥15.7 billion			Euro:	162	150
				Foreign currency fluctuation effect (compared with the previous year):	net sales	¥22.6 billion	-¥26.4 billion
					pre-tax income	¥8.9 billion	-¥6.4 billion

Please refer to accompanying note on page 2.

Consolidated Financial Forecast (2)

- Year ending March 31, 2008 -

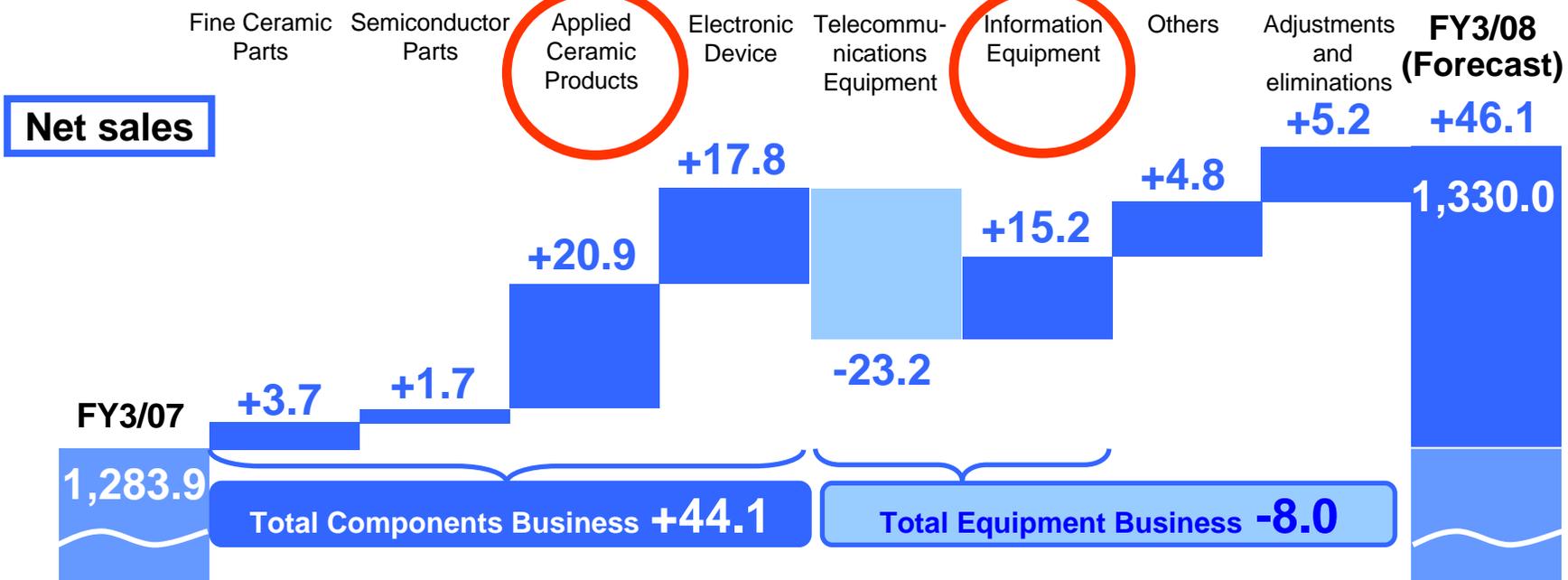
(Unit: Yen in millions)

		Year ended March 31, 2007	Year ending March 31, 2008	% change
Components Business	Net Sales	650,877	695,000	6.8%
	Operating Profit	104,708	108,000	3.1%
	Operating Profit ratio	16.1%	15.5%	—
Equipment Business	Net Sales	519,964	512,000	-1.5%
	Operating Profit	34,261	41,000	19.7%
	Operating Profit ratio	6.6%	8.0%	—
Others	Net Sales	137,235	142,000	3.5%
	Operating Profit	6,881	6,000	-12.8%
	Operating Profit ratio	5.0%	4.2%	—

Consolidated Financial Forecast by Reporting Segment

- Compared with FY3/07 -

(Unit: Yen in billions)



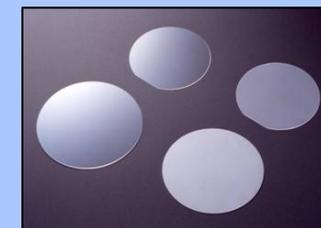
Please refer to accompanying note on page 2.

Commencing in FY3/08, the "Optical Equipment Group," previously a separate reporting segment, has been reclassified into "Others."

Initiatives from Second Half Onward (1)

Fine Ceramic Parts

- ◆ Expand sales of sapphire substrates for LEDs and dielectric ceramic parts for base stations in line with continued global growth in mobile phone demand
- ◆ Push forward with initiatives to drive continuing business expansion



Sapphire Substrates for LEDs

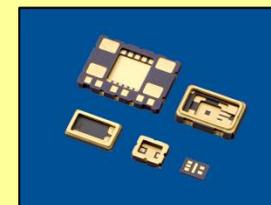
Semiconductor Parts

Ceramic Packages

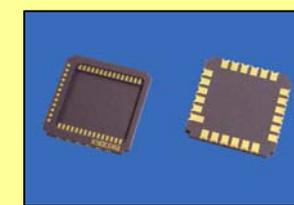
- ◆ Expand sales of packages for mobile phone handsets
- ◆ Cultivate new markets

Organic Packages

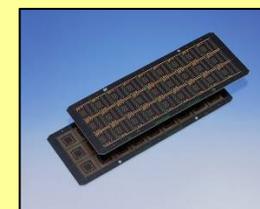
- ◆ Expand sales of SiP substrates for mobile phone handsets
- ◆ Expand sales of packages for ASICs



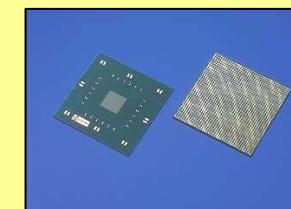
SMD Packages



CCD/CMOS Packages



SiP Substrates



ASICs Packages

Initiatives from Second Half Onward (2)

Applied Ceramic Products - Solar Energy Business -

- ◆ Increase production of solar modules by 25% in second half relative to first half
- ◆ Increase large domestic orders for industrial application in second half
- ◆ Plan to expand production to 500MW in FY3/11
- ◆ Strengthen initiatives toward higher conversion efficiency
Ongoing development of back contact, cell surface processing technology



Solar power plant in Spain

Electronic Devices

- ◆ Expand sales through increased production to meet buoyant demand in third quarter
(Ceramic capacitors, Crystal oscillators, SAW filters)
- ◆ Carve out core markets (Digital consumer products, various wireless applications, peripheral devices for high-speed semiconductor)
- ◆ Strengthen new product development (Increase proportion of new products)
- ◆ Strengthen ties between the Equipment Business



Initiatives from Second Half Onward (3)

Telecommunications Equipment

- ◆ Expand sales in domestic mobile phone handset business by releasing new CDMA1XWIN handsets
- ◆ Achieve profitability at KWC in second half
- ◆ Strengthen domestic PHS handset business



KPC680

EV-DO Rev.A capable
3.1Mbps download speed



W53K

15.4mm slim
with "One-Seg"
capability

Information Equipment

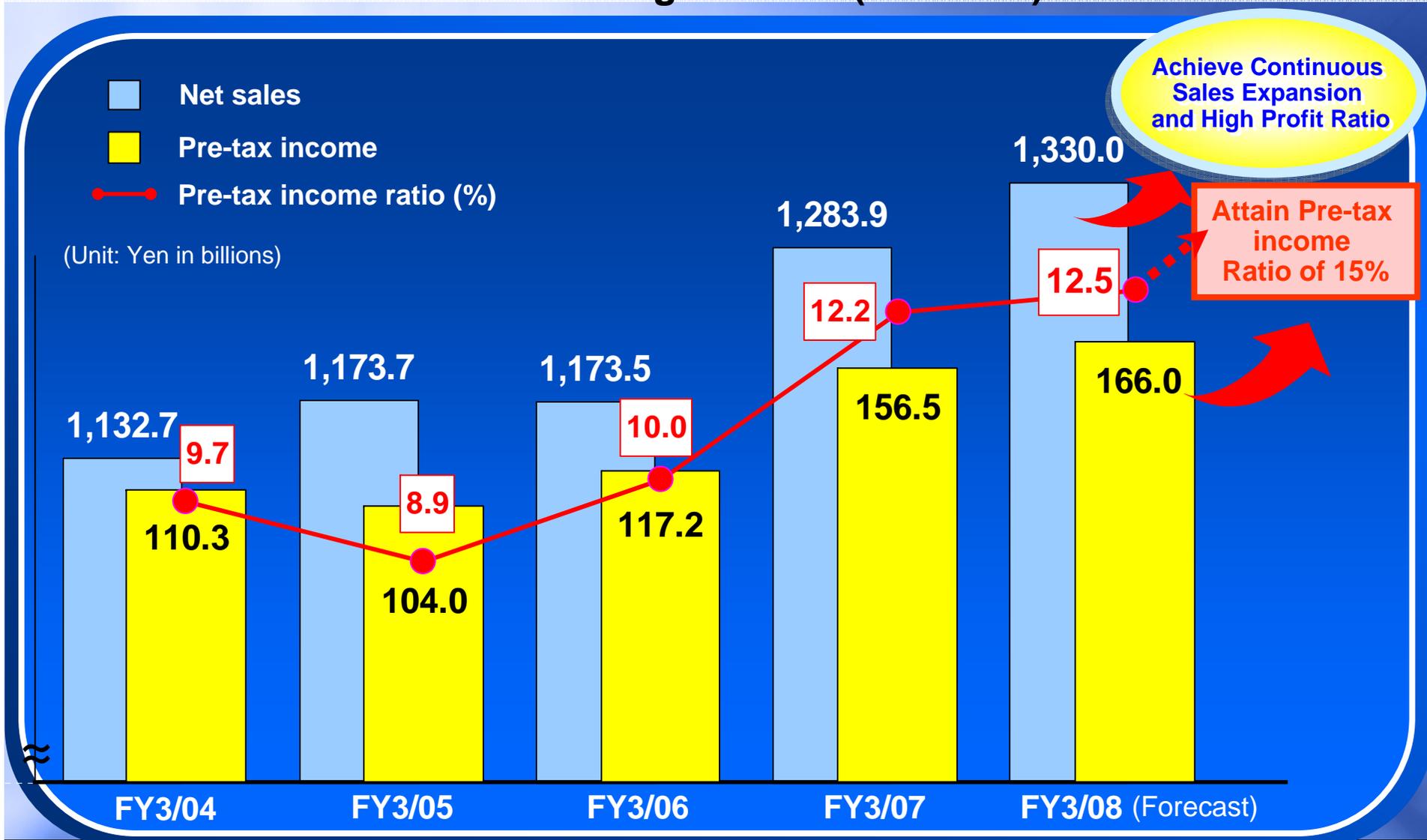
- ◆ Continually launch new color printers and MFPs
- ◆ Strengthen competitiveness in color consumables with new toner factory
- ◆ Boost sales of monochrome devices in Eastern Europe and BRICs
- ◆ Raise customer satisfaction through efficient integrated logistics utilizing unification of European Logistics Center



Color MFP
KM-C4035E

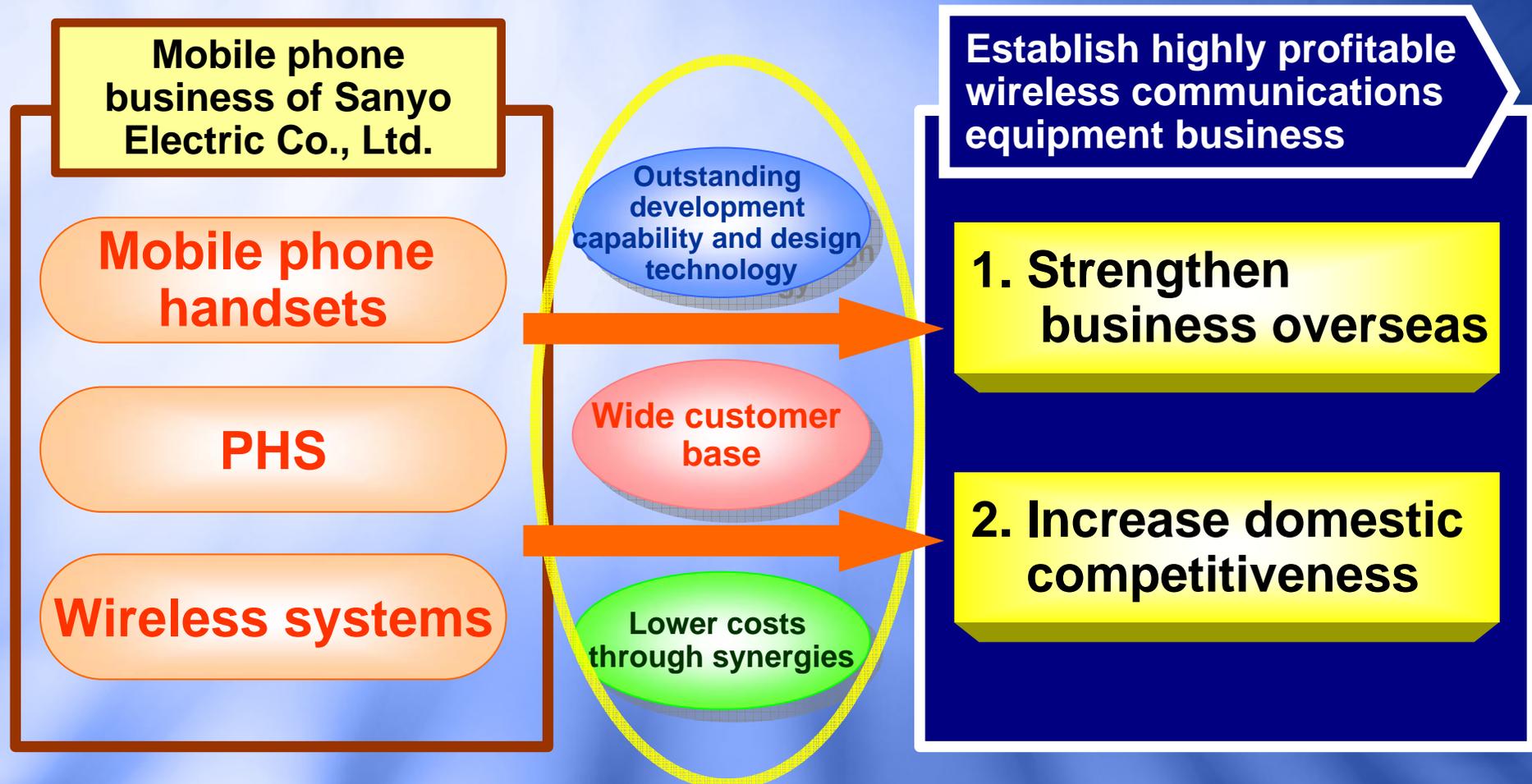
Consolidated Net Sales and Pre-tax Income Trends

- FY3/04 through FY3/08 (Forecast) -



Strengthen Telecommunications Equipment Group

Enhance Kyocera Group's core business



Consolidated Sales Forecast by Reporting Segment

(Unit: Yen in millions)

■ Reporting segment	Year ended March 31, 2007		Year ending March 31, 2008				% change to FY2007
			Previous forecast (April 2007)		Revised forecast (October 2007)		
	Amount	% of total	Amount	% of total	Amount	% of total	
■ Fine Ceramic Parts Group	81,326	6.3	85,000	6.4	85,000	6.4	4.5
■ Semiconductor Parts Group	152,292	11.9	157,000	11.8	154,000	11.6	1.1
■ Applied Ceramic Products Group	131,103	10.2	144,000	10.8	152,000	11.4	15.9
■ Electronic Device Group	286,156	22.3	290,000	21.8	304,000	22.9	6.2
Components Business	650,877	50.7	676,000	50.8	695,000	52.3	6.8
■ Telecommunications Equipment Group	251,183	19.6	265,000	19.9	228,000	17.1	-9.2
■ Information Equipment Group	268,781	20.9	274,000	20.6	284,000	21.4	5.7
Equipment Business	519,964	40.5	539,000	40.5	512,000	38.5	-1.5
■ Others	137,235	10.7	140,000	10.5	142,000	10.7	3.5
Adjustments and eliminations	-24,179	-1.9	-25,000	-1.8	-19,000	-1.5	—
Total net sales	1,283,897	100.0	1,330,000	100.0	1,330,000	100.0	3.6

Consolidated Operating Profit Forecast by Reporting Segment

(Unit: Yen in millions)

■ Reporting segment	Year ended March 31, 2007		Year ending March 31, 2008				% change to FY2007
			Previous forecast (April 2007)		Revised forecast (October 2007)		
	Amount	profit ratio (%)	Amount	profit ratio (%)	Amount	profit ratio (%)	
■ Fine Ceramic Parts Group	15,677	19.3	16,000	18.8	13,500	15.9	-13.9
■ Semiconductor Parts Group	22,210	14.6	24,000	15.3	21,000	13.6	-5.4
■ Applied Ceramic Products Group	22,334	17.0	27,000	18.8	29,000	19.1	29.8
■ Electronic Device Group	44,487	15.5	46,000	15.9	44,500	14.6	0.0
Components Business	104,708	16.1	113,000	16.7	108,000	15.5	3.1
■ Telecommunications Equipment Group	291	0.1	6,000	2.3	2,000	0.9	587.3
■ Information Equipment Group	33,970	12.6	35,000	12.8	39,000	13.7	14.8
Equipment Business	34,261	6.6	41,000	7.6	41,000	8.0	19.7
■ Others	6,881	5.0	7,000	5.0	6,000	4.2	-12.8
Operating profit	145,850	11.4	161,000	12.1	155,000	11.7	6.3
Corporate and others	10,690	—	5,000	—	11,000	—	2.9
Pre-tax income	156,540	12.2	166,000	12.5	166,000	12.5	6.0

Notes for Consolidated Financial Results

During first half of fiscal year ended March 31, 2007, Kyocera sold its shares in Kyocera Leasing Co., Ltd., a subsidiary engaged in financing services. For this reason, business results of Kyocera Leasing Co., Ltd. and profit on sales of the shares in Kyocera Leasing Co., Ltd. have been recorded as income from discontinued operations in conformity with accounting principles generally accepted in the U.S. Consequently, some figures for the fiscal years from 2003 to 2006 have been retrospectively reclassified.

THE NEW VALUE FRONTIER

