

January 29, 2009

Financial Results of Nine Months ended December 31, 2008

Conference Call Material

Consolidated Financial Results

- Nine months ended December 31, 2008 -

(Unit: Yen in billions)

| | | Nine months ended December 31, | | | | % change |
|-------------------------------|-------|--------------------------------|----------------|---------------|----------------|--------------|
| | | 2007 | | 2008 | | |
| | | Amount | % to net sales | Amount | % to net sales | |
| Net sales | | 966.2 | 100.0 | 902.6 | 100.0 | -6.6 |
| Profit from operations | | 110.1 | 11.4 | 67.3 | 7.5 | -38.9 |
| Pre-tax income | | 132.0 | 13.7 | 82.4 | 9.1 | -37.6 |
| Net income | | 83.5 | 8.6 | 56.8 | 6.3 | -32.0 |
| EPS (diluted - yen) | | 440.56 | — | 300.30 | — | -31.8 |
| Average exchange rate (yen) | US\$: | ¥117 | | ¥103 | | — |
| | €: | ¥163 | | ¥151 | | — |
| Capital expenditures | | 53.7 | 5.6 | 55.2 | 6.1 | 2.9 |
| Depreciation | | 55.8 | 5.8 | 61.9 | 6.9 | 10.9 |
| R&D expenses | | 46.6 | 4.8 | 51.4 | 5.7 | 10.3 |

Consolidated Sales by Reporting Segment

- Nine months ended December 31, 2008 -

(Unit: Yen in billions)

| ■ Reporting Segment | Nine months ended December 31, | | | | % change |
|--------------------------------------|--------------------------------|--------------|--------------|--------------|-------------|
| | 2007 | | 2008 | | |
| | Amount | % of total | Amount | % of total | |
| ■ Fine Ceramic Parts Group | 61.8 | 6.4 | 52.1 | 5.8 | -15.7 |
| ■ Semiconductor Parts Group | 113.9 | 11.8 | 113.5 | 12.6 | -0.4 |
| ■ Applied Ceramic Products Group | 108.7 | 11.3 | 122.4 | 13.5 | 12.6 |
| ■ Electronic Device Group | 225.6 | 23.3 | 190.5 | 21.1 | -15.5 |
| Components Business | 510.0 | 52.8 | 478.5 | 53.0 | -6.2 |
| ■ Telecommunications Equipment Group | 168.6 | 17.4 | 169.8 | 18.8 | 0.7 |
| ■ Information Equipment Group | 206.6 | 21.4 | 175.4 | 19.4 | -15.1 |
| Equipment Business | 375.2 | 38.8 | 345.2 | 38.2 | -8.0 |
| ■ Others | 99.9 | 10.3 | 97.0 | 10.8 | -2.9 |
| Adjustments and eliminations | -18.8 | -1.9 | -18.1 | -2.0 | — |
| Net sales | 966.2 | 100.0 | 902.6 | 100.0 | -6.6 |

Consolidated Operating Profit by Reporting Segment

- Nine months ended December 31, 2008 -

(Unit: Yen in billions)

| ■ Reporting Segment | Nine months ended December 31, | | | | % change |
|------------------------------------------------------------------|--------------------------------|----------------|-------------|----------------|--------------|
| | 2007 | | 2008 | | |
| | Amount | % to net sales | Amount | % to net sales | |
| ■ Fine Ceramic Parts Group | 9.0 | 14.5 | 2.5 | 4.8 | -72.3 |
| ■ Semiconductor Parts Group | 14.7 | 12.9 | 11.9 | 10.5 | -19.4 |
| ■ Applied Ceramic Products Group | 22.8 | 21.0 | 28.0 | 22.9 | 22.7 |
| ■ Electronic Device Group | 30.5 | 13.5 | 5.1 | 2.7 | -83.1 |
| Components Business | 77.0 | 15.1 | 47.5 | 9.9 | -38.3 |
| ■ Telecommunications Equipment Group | 3.1 | 1.9 | -10.7 | — | — |
| ■ Information Equipment Group | 28.4 | 13.7 | 14.6 | 8.3 | -48.6 |
| Equipment Business | 31.5 | 8.4 | 3.9 | 1.1 | -87.5 |
| ■ Others | 6.7 | 6.7 | 15.2 | 15.7 | 126.4 |
| Operating profit | 115.2 | 11.9 | 66.7 | 7.4 | -42.1 |
| Corporate | 10.9 | — | 10.8 | — | -1.0 |
| Equity in earnings of affiliates and unconsolidated subsidiaries | 5.8 | — | 4.9 | — | -16.0 |
| Adjustments and eliminations | -0.0 | — | 0.0 | — | — |
| Pre-tax income | 132.0 | 13.7 | 82.4 | 9.1 | -37.6 |

Summary of Financial Results

- Nine months ended December 31, 2008 -

1. Rapid decline in demand from the second half of FY3/09

- 1) Reduction in production volume and inventory adjustment by digital consumer equipment manufacturers due to economic slowdown
- 2) Stagnating demand for high-end digital consumer equipment
- 3) Decreased overseas sales in the Information Equipment Group due to decline in IT investment by corporate sector

2. Decreased profit in the Telecommunications Equipment Group

- Flat sales despite the acquisition of SANYO's mobile phone handsets business
- Decreased profitability due to sales decline in both Japanese and overseas markets

3. Yen appreciation against the U.S. dollar and the Euro

| Impact of currency fluctuations on | Net sales | Pre-tax income |
|---------------------------------------------------------------------------------|---------------------------|---------------------------|
| (compared with the nine months ended Dec. 31, 2007; the "previous nine months") | Approx. -68.0 billion yen | Approx. -16.5 billion yen |

4. Increased sales and profit in the Applied Ceramic Products Group

- Production volume of solar cells and modules increased by 40% compared with the previous nine months

Consolidated Financial Forecast

- Year ending March 31, 2009 -

(Unit: Yen in billions)

| | Year ended March 31, 2008 | | Year ending March 31, 2009 | | | | % change to the previous | |
|-----------------------------------|------------------------------|-------------------|----------------------------------|-------------------|---------------------------------|-------------------|-----------------------------|----------|
| | | | Previous forecast (Oct. 2008) | | Revised forecast (Jan. 2009) | | | |
| | Amount | % of net sales | Amount | % of net sales | Amount | % of net sales | nine months | forecast |
| Net sales | 1,290.4 | 100.0 | 1,240.0 | 100.0 | 1,120.0 | 100.0 | -13.2 | -9.7 |
| Profit from operations | 152.4 | 11.8 | 74.0 | 6.0 | 25.0 | 2.2 | -83.6 | -66.2 |
| Pre-tax income | 174.8 | 13.5 | 94.0 | 7.6 | 40.0 | 3.6 | -77.1 | -57.4 |
| Net income | 107.2 | 8.3 | 56.0 | 4.5 | 20.0 | 1.8 | -81.4 | -64.3 |
| EPS (diluted - yen) | 565.80 | — | 295.19 | — | 105.80 | — | -81.3 | -64.2 |
| Average exchange rate (yen) | US\$: | ¥114 | ¥101 | | ¥100 | | — | — |
| | €: | ¥162 | ¥141 | | ¥143 | | — | — |
| Capital expenditures | 85.1 | 6.6 | 78.0 | 6.3 | 63.0 | 5.6 | -26.0 | -19.2 |
| Depreciation | 75.6 | 5.9 | 87.0 | 7.0 | 84.5 | 7.5 | 11.8 | -2.9 |
| R&D expenses | 61.6 | 4.8 | 74.0 | 6.0 | 69.0 | 6.2 | 12.0 | -6.8 |

Consolidated Sales Forecast by Reporting Segment

- Year ending March 31, 2009 -

(Unit: Yen in billions)

| ■ Reporting Segment | Year ended March 31, 2008 | | Year ending March 31, 2009 | | | | % change to the previous | |
|--------------------------------------|------------------------------|--------------|----------------------------------|--------------|---------------------------------|--------------|-----------------------------|--------------|
| | | | Previous forecast (Oct. 2008) | | Revised forecast (Jan. 2009) | | nine months | forecast |
| | Amount | % of total | Amount | % of total | Amount | % of total | | |
| ■ Fine Ceramic Parts Group | 81.3 | 6.3 | 70.0 | 5.7 | 62.0 | 5.5 | -23.7 | -11.4 |
| ■ Semiconductor Parts Group | 154.5 | 12.0 | 144.0 | 11.6 | 133.0 | 11.9 | -13.9 | -7.6 |
| ■ Applied Ceramic Products Group | 149.9 | 11.6 | 174.0 | 14.0 | 150.0 | 13.4 | 0.0 | -13.8 |
| ■ Electronic Device Group | 294.2 | 22.8 | 250.0 | 20.2 | 229.0 | 20.5 | -22.2 | -8.4 |
| Components Business | 680.0 | 52.7 | 638.0 | 51.5 | 574.0 | 51.3 | -15.6 | -10.0 |
| ■ Telecommunications Equipment Group | 220.8 | 17.1 | 250.0 | 20.1 | 215.0 | 19.2 | -2.6 | -14.0 |
| ■ Information Equipment Group | 276.7 | 21.5 | 239.0 | 19.3 | 226.0 | 20.2 | -18.3 | -5.4 |
| Equipment Business | 497.6 | 38.6 | 489.0 | 39.4 | 441.0 | 39.4 | -11.4 | -9.8 |
| ■ Others | 138.5 | 10.7 | 138.0 | 11.1 | 128.0 | 11.4 | -7.6 | -7.2 |
| Adjustments and eliminations | -25.6 | -2.0 | -25.0 | -2.0 | -23.0 | -2.1 | — | — |
| Net sales | 1,290.4 | 100.0 | 1,240.0 | 100.0 | 1,120.0 | 100.0 | -13.2 | -9.7 |

Consolidated Operating Profit Forecast by Reporting Segment

- Year Ending March 31, 2009 -

(Unit: Yen in billions)

| ■ Reporting Segment | Year ended March 31, 2008 | | Year ending March 31, 2009 | | | | % change to the previous | |
|--------------------------------------|------------------------------|-------------------|----------------------------------|-------------------|---------------------------------|----------------|-----------------------------|----------|
| | | | Previous forecast (Oct. 2008) | | Revised forecast (Jan. 2009) | | nine months | forecast |
| | Amount | % to net sales | Amount | % to net sales | Amount | % to net sales | | |
| ■ Fine Ceramic Parts Group | 11.2 | 13.7 | 3.8 | 5.4 | -2.5 | — | — | — |
| ■ Semiconductor Parts Group | 20.0 | 13.0 | 16.0 | 11.1 | 5.0 | 3.8 | -75.0 | -68.8 |
| ■ Applied Ceramic Products Group | 32.7 | 21.8 | 34.2 | 19.7 | 26.0 | 17.3 | -20.4 | -24.0 |
| ■ Electronic Device Group | 36.5 | 12.4 | 9.0 | 3.6 | -5.0 | — | — | — |
| Components Business | 100.4 | 14.8 | 63.0 | 9.9 | 23.5 | 4.1 | -76.6 | -62.7 |
| ■ Telecommunications Equipment Group | 6.8 | 3.1 | -17.3 | — | -20.0 | — | — | — |
| ■ Information Equipment Group | 39.5 | 14.3 | 19.0 | 7.9 | 15.0 | 6.6 | -62.1 | -21.1 |
| Equipment Business | 46.3 | 9.3 | 1.7 | 0.3 | -5.0 | — | — | — |
| ■ Others | 9.6 | 7.0 | 15.5 | 11.2 | 13.0 | 10.2 | 34.9 | -16.1 |
| Operating profit | 156.3 | 12.1 | 80.2 | 6.5 | 31.5 | 2.8 | -79.9 | -60.7 |
| Corporate and others | 18.5 | — | 13.8 | — | 8.5 | — | -54.1 | -38.4 |
| Pre-tax income | 174.8 | 13.5 | 94.0 | 7.6 | 40.0 | 3.6 | -77.1 | -57.4 |

Factors in Revising Forecasts for FY3/09 (compared with the previous forecasts)

■ Deteriorating business environment from the second half of FY3/09

- Slowdown in global economy more severe than the previous forecast
- Market conditions (digital consumer equipment, automotive, information equipment, etc.) in the forth quarter (1~3/09) will sharply worsen compared with the third quarter (10~12/08)

■ One-off costs and impairment in the second half of FY3/09 : - 20.0 billion yen (previous forecast : -4.0 billion yen)

| | Third quarter (10~12/08) | Forth quarter (1~3/09) |
|----------------------------------------------------------------------------|--------------------------------|---------------------------------|
| Revaluation of various assets (Securities, goodwill, inventories, etc.) | Approx. 3.0 billion yen | Approx. 14.5 billion yen |
| Reorganization costs of business structure, etc. | Approx. 0.5 billion yen | Approx. 2.0 billion yen |
| Total | Approx. 3.5 billion yen | Approx. 16.5 billion yen |

Index1 : Supplementary Materials regarding Exchange Rate Fluctuation in FY3/09

1. Foreign currency fluctuation effect (Compared with the previous year)

| | Year ended March 31, 2008 | Year ending March 31, 2009 | |
|----------------|------------------------------|----------------------------------|---------------------------------|
| | | Previous forecast (Oct. 2008) | Revised forecast (Jan. 2009) |
| | Amount | Amount | |
| net sales | ¥5.9 | ¥-105.8 | Approx. ¥ -97.0 |
| pre-tax income | ¥7.5 | ¥-33.0 | Approx. ¥ -24.0 |

2. Trends of average exchange rates for FY3/09

| | Q1 | Q2 | Q3 | Q4 (forecasts) |
|------|------|------|------|-------------------|
| US\$ | ¥105 | ¥108 | ¥96 | ¥91 |
| € | ¥163 | ¥162 | ¥127 | ¥119 |

Index2: Breakdown of the Telecommunications Equipment Group in FY3/09

(Unit: Yen in billions)

| 【 Sales 】 | Nine months | Full-year forecasts |
|---------------------------------------------|---------------|---------------------|
| Mobile phone handsets business | Approx. 150.0 | Approx. 190.0 |
| Telecommunication system equipment business | Approx. 20.0 | Approx 25.0 |
| Segment total | 169.8 | 215.0 |

(Unit: Yen in billions)

| 【 Operating profit 】 | Nine months | Full-year forecasts |
|---------------------------------------------|---------------|---------------------|
| Mobile phone handsets business | Approx. -10.0 | -20.0 |
| Telecommunication system equipment business | Approx. -0.5 | 0.0 |
| Segment total | -10.7 | -20.0 |

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.