THE NEW VALUE FRONTIER

KYOCERA

Kyocera CSR Report

—Economic, Social and Environmental Reports—

2008

KYOCERA Corporation

The Editorial Policy

The Kyocera Group is pursuing the development of business activities to become "An innovative enterprise that continues to grow," and to help build a sustainable society. We, the Kyocera Group, are deeply grateful for the backing of our customers, employees, shareholders, investors, business associates and local communities. The support of all Kyocera Group stakeholders makes it possible for us to work toward our goals.
The purpose of this report is to highlight various Kyocera Group activities and enhance communication with all who may be interested. We hope the report will aid understanding of the Kyocera Group and promote good communication. Supplementary details and other information not contained in these pages can be accessed through our website, www.kyocera.com.
In this report, topics considered especially important for the Kyocera Group are included as feature articles.
We would like to consider your views on the work of the Kyocera Group in planning our future activities. Therefore, please spare a few minutes to complete and return the questionnaire at the back of this booklet.

Guideline References

- Ministry of the Environment
  <Environmental Report Guidelines (Fiscal Year 2007 Version)>
- GRI* *<Sustainability Reporting Guidelines, Version 3.0>*

* Abbreviation of Global Reporting Initiative. GRI is an international organization established in 1997 to draft a sustainability report framework that can be applied worldwide.

Scope of the Report

Kyocera Corporation (the stand-alone core company) and 174 subsidiaries.*
"Kyocera" in this report refers to the stand-alone unit of the Kyocera Corporation. Where the scope of the report differs from the above, it is specified.

* Not included are the 2 companies that joined the Group on April 1, 2008, 2 non-consolidated subsidiaries, and 10 affiliates.

Period Covered by the Report

FY2008 (April 1, 2007 ~ March 31, 2008)
However, certain parts of the report and its data refer to earlier matters and future expectations.

Performance information: Policies and criteria for compilation and reporting

	Policies and Criteria
Economic Performance	Drawn from the "Documents Accompanying Invitation to Attend the Regular General Meeting of Shareholders" and others.
Social Performance	Description is based on "Consumer Products Safety Law", "Law for Employment Promotion, etc. of the Disabled", "Industrial Safety and Health Law", "Subcontractor Act", and others.
Environmental Performance	Description is in accordance with environmental laws, and based on internal rules including the "Kyocera Environmental Management Standard", "Waste Material Disposal Regulations" and "PRTR Management Standard".

Previous Report

August 2007

Future Report (Planned)

June 2009

Other related materials (latest publications)

Corporate Profile (June 2008)
Financial Statements (June 2008)
Annual Report (July 2008)

Corporate Overview

(As of March 31, 2008)

Name of Company: KYOCERA Corporation
Established: April 1, 1959
Representative: President Makoto Kawamura
Capital: 115.7 billion yen
Sales: Consolidated 1,290.4 billion yen
Non-consolidated 539.3 billion yen
No. of Group companies: 189 (as at April 1st 2008)

KYOCERA Corporation:	1 company
Subsidiaries:	178
Affiliates:	10

No. of employees: Consolidated 66,496 people
Non-consolidated 13,128 people
Main business activities: 1. Components Business
- Fine Ceramic Parts Group
- Semiconductor Parts Group
- Applied Ceramic Products Group
- Electronic Devices Group

2. Equipment Business
- Telecommunications Equipment Group
- Information Equipment Group

3. Others

* Capital and Sales figures have been rounded off to the nearest 100 million yen.
* No. of employees for the consolidated group companies excludes employees of affiliates. No. of stand-alone unit employees excludes employees on loan.

Enquiries

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http://global.kyocera.com

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Environmental information was assured by an independent institution, and acknowledged with receipt of the logo to the right.
The reliability of the environmental information in this report satisfies the "Environmental Report Assurance / Registration Mark Conferral Criteria" set by the limited liability organization, The Japanese Association of Assurance Organizations for Sustainability Information (J-SUS).

Top Management Message

Corporate Motto: "Respect the Divine and Love People"

敬天愛人

Preserve the spirit to work fairly and honorably,
respecting people, our work, our company and our global community

Management Rationale:

To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind.

Management Philosophy:

To coexist harmoniously with our society, our global community, and nature. Harmonious coexistence is the underlying foundation of all our business activities as we work to create a world of prosperity and peace.

Kazuo Inamori
Founder and Chairman Emeritus

As we proceed into the 21st century, humankind is facing many problems, including ethnic conflict and terrorism, global warming and other environmental issues, and also food shortages and the depletion of scarce resources. Amid the advance of globalization, resolution of such problems is necessitating development of an international framework — a framework that is not limited to specific countries or regions, and transcends national borders.

The era giving the highest priority to economic growth based on mass production and mass consumption is over. Under these circumstances, there is growing demand for corporate activities to contribute to achievement of true globalization embracing esteem for national cultures and ethnic characteristics. Corporations are being expected to expand their functions as members of society, to contribute to the world, to solutions for global environmental problems, to improvement of the quality of life of people everywhere, and more. To begin solving the global problems, above all, corporate management must be based on the concept of harmonious coexistence, founded upon universal values common to all people. Humankind can achieve sustainable growth and development by establishing an environment-oriented society that enables all things in nature to live and coexist.

The Kyocera Group has sustained the management philosophy of "Living Together" in three basic areas: "Coexisting with our society," "Coexisting with our global community," and "Coexisting with nature." To realize this philosophy, it is important to build partnerships founded on regard for others and mutual esteem. Based on this philosophy of coexistence, the Kyocera Group aims to continue functioning as a corporate group with pure-minded consideration for people and society.

Noboru Nakamura
Chairman

Makoto Kawamura
President

The Kyocera Group is aiming to become "The Company" — a corporation that stands out among business enterprises and earns the respect of society. To reach that ultimate state, we are endeavoring to become "An innovative enterprise that continues to grow." In CSR activities also, the Kyocera Group is undertaking balanced activities from the three perspectives: business, society and environment.

Since foundation of the company, building a relationship of trust with all Kyocera Group stakeholders has always been uppermost in our minds. Therefore, to fulfill our role and responsibilities as a corporate citizen, the Kyocera Group has continued to encourage academic and cultural activities. We have worked to promote two-way communication with people of local communities and engaged in activities contributing to regions. While continuing such activities, the Kyocera Group is also actively providing education support for children who will be the next generation of leaders — for instance, by visiting schools and other facilities to give classes and talks on the environment.

The Kyocera Group is also striving to enhance environmental management. In response to growing need, we are expanding our photovoltaic cell production capability as part of our clean energy endeavors, while continuing research on raising power output efficiency. Additionally, in April 2008 we launched "6th Environment & Safety Promotion Plan". The plan is being applied throughout the Kyocera Group, in Japan and overseas. The aim is to accelerate, on a global scale, the development and spread of Earth-friendly products, and to minimize the environmental burden imposed by production bases.

We are deeply grateful for the strong support of all people who have interests in the Kyocera Group. Such support enables us to push forward with environmental management .

We will be very pleased if this Kyocera CSR Reports 2008 gives you a better understanding of our business activities. Your ongoing support of our operations is greatly appreciated, and we welcome your opinion.

Kyocera Group Management Roots

The roots of the Kyocera Group management reside in the Kyocera Philosophy, a philosophy of life based on the real-life experiences and empirical rules of Kazuo Inamori, founder of Kyocera Corporation.
With "To do what is right as a human being" as its most essential criterion, the Kyocera Philosophy expounds the significance of commitment to fair management and operation in compliance with the most fundamental human ethical and moral values and social norms.

What is the Kyocera Philosophy (Corporate Philosophy)?

Origin of Kyocera Philosophy

In 1959, Kazuo Inamori, founder of the company, established Kyoto Ceramic Co., Ltd., together with seven other colleagues and with the generous support of people around them. Starting with a meager amount of capital, the company had no imposing office building or elaborate machinery in the beginning. All it had were fellow companions who shared the joys and sorrows and formed a close bond as members of one big family. Inamori then decided to base the management of the company on this bond of human minds. This is because he believed that while human minds are extremely changeable, they are also most dependable once the minds are bonded by strong trust.
Later, Inamori encountered many difficulties in managing Kyocera, but he overcame them each time believing in the strong bond of human minds. The Kyocera Philosophy was thus born as he debated his life and work.

Members at the foundation

Basic Ideas of the Kyocera Philosophy

The Kyocera Group believes that decisions should always be made through reason and with "To do what is right as a human being" as the basic criteria to achieve compliance with public morals.
The criterion of "To do what is right as a human being" is based on the fundamental ethical and moral values of the natural goodness of human beings: "Don't be greedy," "Do not cheat people," "Do not lie," and "Be honest" are teachings we all received from our parents as a child and represent the most basic principles of a human being.
We believe that when making decisions and taking action in daily life, we should resort to the criterion of "What is universally right as a human being" and not the criterion of "What best suits our own convenience."

Three Core Elements of the Kyocera Philosophy

The Kyocera Philosophy involves the following three core elements:

1 Rules, regulations and promises as the code of corporate conduct

It includes corporate morals, which clearly show the management approach of the Kyocera Group.

2 Mindset required for a company to achieve its objectives and goals

The Kyocera Group aims to become one of the world's leading companies by conducting business activities toward the realization of its management rationale. The Kyocera Philosophy provides practical approaches and ways of thinking required to fulfill the lofty objective.

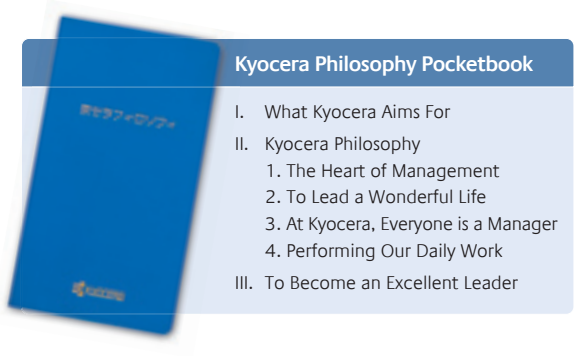
3 Factors that form a respectful corporate personality

We think that a company has a personality.
The Kyocera Philosophy defines the requirements for our corporate personality to earn the trust and respect of people across the world that goes beyond the bounds of races and nations.

Kyocera Philosophy Pocketbook

The Kyocera Group distributes a Kyocera Philosophy Pocketbook to every employee so that each and every employee can use, learn, and practice the Kyocera Philosophy on every possible occasion. The Kyocera Philosophy Pocketbook is the condensed essence of the Kyocera Philosophy with a brief explanation accompanying each item and comprises four categories ("The Heart of Management," "To Lead a Wonderful Life," "At Kyocera, Everyone is a Manager," and "Performing Our Daily Work") and 78 items.

An English edition was published in January 2007, followed by a Chinese edition in May of the same year. As in Japan, these editions are being distributed as teaching materials to enable overseas Kyocera Group employees to acquire the Kyocera Philosophy. The Kyocera Philosophy Pocketbook has been prepared not only in Japanese, but also in English and Chinese. We are planning editions for Spanish, Thai, Korean and other languages. Just as in Japan, the Pocketbook is being distributed as training material to allow overseas Kyocera Group employees to become more familiar with the Kyocera Philosophy.



Follow Truths and Principles

Since Kyocera's founding, all its corporate decisions have been based on basic truths and principles. Corporate management would neither succeed, nor be lasting, if it were unreasonable and morally unacceptable to society.

We at Kyocera do not rely on so called "business common-sense." We don't make decisions by merely following the standard practices of "most other companies."

Whether decisions are on organization, finance or distribution of earnings, basing them on the essence of the matter avoids our making mistakes – even in a foreign culture or a new economic reality we have never experienced before.

The 'Customer-First' Principle

Kyocera started out as an electronic parts manufacturer, but it was always independent, and never a subcontractor.

Being independent meant continuously producing products that met the needs of our customers. We had to be more advanced technologically than our customers, and able to earn their satisfaction in all the areas of delivery, quality, price and innovativeness.

We challenged ourselves to become totally committed to our customers' needs, even if it meant rejecting conventional concepts. "Making customers happy" is a basic value of any business, and the only way to continue earning profits.

The Result of Your Life or Work = Attitude x Effort x Ability

The outcome of our life or work is the product of three factors: attitude, effort and ability.

Effort and ability range from 0 to +100 points. As these two numbers are multiplied rather than simply added, it means that persons who exert unbeatable efforts to compensate for their only "average" ability can accomplish more than geniuses who rely just on their ability while making only a minimal efforts.

This product is further multiplied by attitude, which can range from -100 to +100. Depending on our attitude, the outcome of our work and our life can change by 180 degrees.

Thus, while ability and effort are important, it is our attitude that counts the most.

Always Be Creative

While it's important to devote your life to your chosen profession, you should not be content just doing your job. You must ask yourself daily if you are doing your best, and take actions to improve and innovate. You shouldn't just aimlessly repeat what you did yesterday.

You need to constantly ask: "Is this the right thing to do?" or "why?" in performing your day-to-day work. You must continuously think about how to improve your work. This will lead to constant innovation. Superb progress is achieved by such repetition.

<Excerpts from Kyocera Philosophy Pocketbook>

Understanding and Application

For the Kyocera Group, nothing is more important than a correct understanding of the Kyocera Philosophy, and its day-to-day application. The Kyocera Philosophy contains only natural, commonsense principles needed to achieve superb management, enjoy a wonderful life and to live correctly as a human being. However, making these principles a part of one's life is by no means easy; it requires tremendous effort. Therefore, various methods are used to disseminate and enhance understanding of the Kyocera Philosophy.

Realizing management based on the Kyocera Philosophy

For the Kyocera Group to realize the management rationale, first the correct understanding and application of the Kyocera Philosophy are essential. This applies also to "The 12 Principles of Management", "Amoeba Management" and "Kyocera Management and Accounting Principles", each of which is based on the Kyocera Philosophy. Correct understanding and application are essential for future growth and development, for employees to maintain dreams, and for the Kyocera Group to become a corporate group able to contribute to development of society.

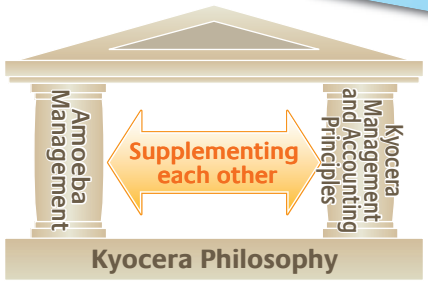
The 12 Principles of Management

The 12 Principles of Management are fundamental management rules. In other words, they do not change, regardless of any changes occurring in the business environment or conditions. They are the starting point of universal management, and represent the foundation of management.

1. Clearly state the purpose and mission of your business.
2. Set specific goals.
3. Keep a passionate desire in your hearts.
4. Strive harder than anyone else.
5. Maximize revenues and minimize expenses.
6. Pricing is management.
7. Success is determined by willpower.
8. Possess a fighting spirit.
9. Face every challenge with courage.
10. Always be creative.
11. Be kind-hearted and sincere.
12. Always be cheerful and positive.

Amoeba Management and Kyocera Management and Accounting Principles

Within the Kyocera Group, Amoeba Management and Kyocera Accounting together form the basis of business management. These two pillars of management supplement each other and build on the foundation of our corporate philosophy, the Kyocera Philosophy.



Amoeba Management

The Kyocera Group uses its own business administration method called "Amoeba Management." Amoeba Management is a method specifically developed to realize the corporate philosophy of the Kyocera Group. Under the system, the company organization is divided into small groups called "amoebas," which operate on a self-supporting basis. We believe that employees' enhanced sense of participation in management and motivation engendered by Amoeba Management constitutes the source of the Kyocera Group's strength. The small group system also serves to clarify the responsibilities of each member of the group, secure transparency in every detail, and enable a thorough check of efficiency. Amoeba Management is a system allowing thorough monitoring of efficiency for each small group. At the same time, the system clarifies responsibility and ensures transparency down to the fine details.

The Goals of Amoeba Management

1. Establishment of a market-oriented divisional accounting system
2. Fostering leaders with management awareness
3. Management by all

Kyocera Management and Accounting Principles

Accounting is integral to the management of a company as it plays the key role as the compass that leads a company to the destination. When handling accounting matter, it is important to trace them back to their essence and take appropriate measures according to our primary criterion of "To do what is right as a human being." Kyocera considers the ideal state of accounting to be showing the facts as they are, and recognizes the importance of fair and transparent management. Kyocera Management and Accounting Principles is a set of practical accounting principles designed to give a correct understanding of the realities of the company and the directions to be taken.

Kyocera Accounting Pocketbook

The Kyocera Accounting Pocketbook is thus distributed to employees. In the Kyocera Group, each employee is encouraged to understand and become familiar with Kyocera Management and Accounting Principles, and to act in accordance with its principles. We believe this is a sound foundation not just for fair accounting activities, but also for long-term development.

Kyocera Accounting Pocketbook

Introduction :
Adhere to Fundamental Rules and Principles
I. The Principle of One-to-One Correspondence
II. The Principle of Double-Checking
III. The Principle of Perfectionism
IV. The Principle of Muscular Management
V. The Principle of Continuous Improvement through Hourly Efficiency
VI. The Principle of Cash-Basis Management
VII. The Principle of Transparent Management

Accounting is management's compass

Accounting figures are like those on the instrument dials in an aircraft's cockpit. Just as a pilot flies a plane by looking at the instruments to judge altitude, speed and bearing, so do the managers of a company look at accounting figures to judge its state and navigate the way forward. If the dials on the aircraft's instrument panels are wrong, the pilot will not be able to fly the plane correctly. In the same way, if the accounting figures are off the mark, the company is likely—at the very least—to fly in the wrong direction. In other words, accounting plays the role of a compass for the company's managers. This role is pivotal to its progress, and is why accounting is so important. "Kyocera Management and Accounting Principles" can be most easily understood as a set of practical accounting measures. They are designed to enable managers to grasp the true state of the company and determine the direction in which it needs to go. A solid understanding of these accounting principles by all Kyocera employees, gained through appropriate study and its subsequent application as the basis for action, will become the sound foundation for long-term growth of the company.

<Excerpt from Kyocera Accounting Pocketbook>

Kyocera Employee's Action Guideline

To ensure the Kyocera Philosophy is reflected in diverse aspects of corporate activity, we have established a Kyocera Employee's Action Guideline. The Kyocera Employee's Action Guideline is a fundamental code of conduct for the day-to-day business activities of Kyocera Group employees.

Kyocera Employee's Action Guideline Pocketbook

In the midst of rapid globalization, sensible action and attitudes firmly based on a universal philosophy and transparent rules are keenly required of enterprises and businesspersons. We believe that an enterprise will not be able to continue its development and growth unless it, giving due consideration to the aforementioned requirements, strives to coexist and earn the solid trust of society. To broaden the understanding of guidelines for action, Kyocera has prepared a Kyocera Employee's Action Guideline Pocketbook for distribution to employees throughout the Kyocera Group.

Kyocera Employee's Action Guideline Pocketbook

【1】 Basic Attitude
【2】 Working Attitude
【3】 Spirited and Motivating Workplace
【4】 Community Activities
【5】 Relationships with Clients and External Organizations
【6】 Legal Compliance
【7】 Information Handling
【8】 Behavior in Foreign Countries
【9】 Global Environmental Protection Activities

Corporate Social Responsibility

Through its business activities, Kyocera strives not only to provide a stable life to employees, but also to fulfill its social responsibilities by pursuing adequate profits and returning them to society via tax payments and dividends to shareholders. At the same time, the company contributes to society through a variety of activities, including the promotion of global environmental protection activities and the provision of support to social and cultural activities. We ask all employees to engage diligently in the company's business with a full awareness that you are part of Kyocera, a company committed to fulfilling its social responsibilities, and to combine their active efforts to achieve the lofty goal of contributing to society by increasing profits and developing the company.

<Excerpt from Kyocera Employee's Action Guideline Pocketbook>

The Kyocera Handbook on Ethics and Manners

As a sub-text to the Kyocera Employee's Action Guideline Pocketbook, Kyocera has prepared and distributed among employees a Kyocera Ethics & Manners Handbook. This handbook contains many illustrations and examples, and clearly shows concrete actions to be taken in specific circumstances.
The handbook reviews fundamental day-to-day ethics and manners, raising awareness of their meaning and importance. By practicing them day by day, Kyocera is creating a workplace environment in which everyone can work comfortably.

Presentations and reading during the morning gathering

The morning gatherings held in workplaces each morning are not limited to reporting on daily business matters. Employees read in turn from diverse teaching materials. These include various handbooks such as the Kyocera Philosophy Pocketbook and the Kyocera Accounting Pocketbook, books and papers on the Kyocera Philosophy, and other materials. During the reading session, presentation of personal opinion on matters related to the material raises the level of understanding and shared awareness of the Kyocera Philosophy in the workplace.
In the morning gathering at the start of each month, business results of all companies and divisions are presented in detail. Disclosing the state of each company and the directions to be taken raises management transparency. Disclosure becomes the foundation for the concentration of the strengths of all employees and the advancement of business activity.


Reading in turn in the workplace

Interaction in company events & compa

In the Kyocera Group, we feel the steady development of trust relationships is vital for the progress of work. As in a family, we should be able to feel the joy of another person as our own, and to share in both the joys and sorrows. Therefore, various company events and compa are held throughout the year to give opportunities for strengthening mutual bonds. Compa are not limited to the year-end party and other customary social occasions. Compa are held after training sessions and many other events.
A compa is not simply a social gathering. It is an opportunity to enter into an in-depth discussion of work-related issues outside of the office in a more relaxed atmosphere. The aim is for employees to get to know each other better, to improve mutual understanding, and to align vectors in working towards business targets.

Main company events in a year

Jan. : New Year shrine visit
Jan. : Exchange of New Year's greetings
Jan. : First-shipment ceremony
Jan. : Statement of Kyocera Group Management Direction
Apr. : Kyocera Group Foundation Anniversary Ceremony
May : Kyocera Group International Management Meeting
Jun. : Kyocera National General Assembly of the OB Keiaikai
Jul. : Kyocera Group Sports Festival
Jul. : The China Youth Japan Friendship Tour
Aug. : Summer festivals
Sep. : Memorial Service for Deceased Kyocera Employees
Oct. : Athletics Festival
Nov. : Kyoto Prizes Award Ceremony
Nov. : Kyocera Group International Management Meeting
Dec. : Year-End Party


(Jan.) Statement of Kyocera Group Management Direction


(Apr.) Kyocera Group Foundation Anniversary Ceremony


(Oct.) Athletics Festival


A compa with everyone sitting in a circle

Reaffirmation & sharing through essays

Employees in the Kyocera Group are invited to submit a Kyocera Philosophy Essay. The purpose of the essay is to encourage employees to look back over daily work, to compare their experiences with the Philosophy and summarize them in writing, thereby reaffirming the need to put the Kyocera Philosophy into practice.

Since 1990, employees in the Kyocera Group (in Japan) have been invited to submit essays each year, from December through the following January. Outstanding essays are commended. Each April, the authors of outstanding essays present their essays during the Kyocera Group Foundation Anniversary Ceremony. The ceremony is thus an opportunity for all participants to share experiences and understanding. Additionally, the best works and other commended essays are put together each year into a Kyocera Philosophy Treatise booklet. This is used to raise understanding of the Philosophy as well. Essays by employees in overseas Group companies are included in the 2007 edition.

Kyocera International, Inc., the core Kyocera company in North America, held The 5th Kyocera Management Philosophy Essay Contest in 2007. After review of submissions, three outstanding essays were commended. In 2007, the essay competition was first opened to employees in the Kyocera Beijing office and the 14 Group companies in China. Together, they account for about 30% of all Kyocera employees. The essay competition is being expanded to all Group companies around the world.

Presentation during the Kyocera Group Foundation Anniversary Ceremony

The Kyocera Group Philosophy Treatise booklet

KII Group outstanding essay award recipients

Promoting understanding through training

For individual employees to practice the Kyocera Philosophy, it is important that each person attain a correct understanding and make it a part of his or her life. Ongoing seminars about the Kyocera Philosophy are designed for all employees in the Kyocera Group, including directors, full- and part-time employees and temporary staff. In this way, the Kyocera Group endeavors to deepen understanding and spread the practice of the Kyocera Philosophy.

Each training session begins with a video of the Kyocera founder, Kazuo Inamori, talking on the session topic. This is followed by talks by executive employees and other instructors on their experiences with the Philosophy. Participants then work to improve their understanding of the Philosophy through discussions in small groups.

This kind of training is held overseas as well as in Japan. Kyocera Group employees around the world are thus undertaking business activities while sharing the Kyocera Philosophy.

Additionally, Kyocera Management Study Courses on Amoeba Management and Kyocera Management and Accounting Principles are held continually for directors and employees. These help to cultivate personnel who can contribute to further business development.

A training session

An overseas training session

Kyocera Group CSR is practice of the Kyocera Philosophy

Since the company was established, Kyocera has followed its Management Rationale, "To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind." By using "To do what is right as a human being" as the decision-making criterion, management has been based on the Kyocera Philosophy. Fairness, impartiality, justice, effort, courage, philanthropy, modesty and good faith are among the basic human attitudes we encourage. Applying these as our code of conduct in a spirit of caring for others, Kyocera has continually endeavored to contribute to our global society and human development. In other words, for the Kyocera Group, CSR is certainly not a new concept. It is none other than an application of the basis of our management – the Kyocera Philosophy. Application of the Kyocera Philosophy builds mutual trust with people who have interests in the company. Ultimately, it contributes to sustainable development of the Kyocera Group and the healthy development of society.

The Objective of CSR Activity

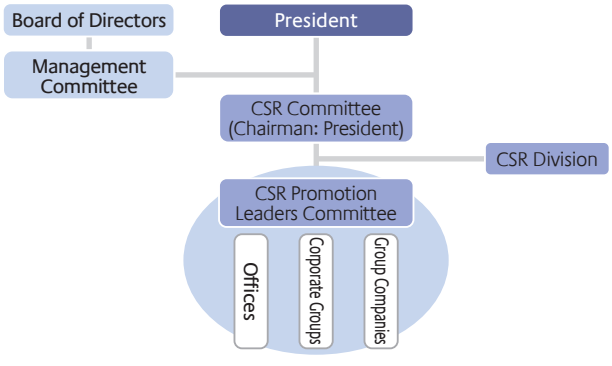
Advancing organizational CSR activities based on application of the Kyocera Philosophy builds mutual trust with people who have interests in the corporation. It forms the foundation for sustainable development of the Kyocera Group, while contributing to the healthy development of society.

CSR Activity — Matters of Priority

- Return to the Origin of the Amoeba Management System
- Strengthen Corporate Governance
- Enrich Social Contribution Activities
- Enhance Communication with All Stakeholders

CSR Promotion System

The CSR Committee and the CSR Promotion Leaders Committee have been established to advance CSR activities throughout the Kyocera Group.
The CSR Committee is an organization chaired by the President with General Managers who are involved in CSR matters as committee members. The committee considers and plans important matters relating to CSR, and promotes CSR activities for the Kyocera Group.
Furthermore, the CSR Promotion Leaders Committee is made up of Promotion Leaders appointed by divisions involved in CSR matters. The committee advances CSR activities in individual work areas.



The CSR Promotion System

The Scope of CSR Activities

The Kyocera Group is strengthening its management foundation in the area of corporate governance. The Group is aiming for well-balanced CSR activities from three perspectives: business, social and environmental.

Business Activities that Promote High Profitability

Corporations have an obligation to provide better products and services through their activities, and thereby contribute to raising the quality of life for people. They also have an obligation to give back to society some of the profits thus obtained, through taxes and other means. Increasing profits raises the stability of a corporation, and therefore raises the value that can be returned to society. This is one reason why corporations should always strive to be highly profitable.

Activities that Contribute to Society

The Kyocera Group believes creating products and services that are useful for people in diverse fields contributes to the advancement and development of humankind and society. We believe corporations are also members of this society. The Kyocera Group therefore takes an active interest in issues affecting communities and society, and endeavors to find solutions. Additionally, through arts and cultural activities, we are actively contributing to the economic and cultural development of society.

Environmental Protection Activities

Environmental problems are among the crucial issues threatening the continued existence of humankind. In acknowledgement of this situation, environmental protection activities by the Kyocera Group include the active development of environmentally friendly goods. Emissions and waste are processed so that they are returned as closely as possible to their natural state.

Highly Transparent Corporate Activity

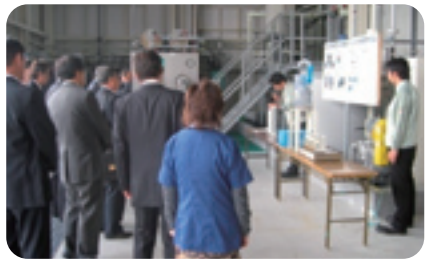
The Kyocera Group has always engaged in highly transparent business activity based on universal ethics. Furthermore, through the prompt disclosure of information, we have tried to keep society as a whole informed of the state of the Kyocera Group, and thereby enhance trust.

Promoting communication with stakeholders

— CSR Economic, Social and Environmental Report Meetings —

17 places **468 participants**

Each year since FY2005, the Kyocera Group (in Japan) has held report meetings to further stimulate communication with many stakeholders. Report meetings are held in the regions where Kyocera factories and offices are located. Residents, government representatives, customers, and representatives from other industries in the region are invited.
The meetings start with reports on activities in the areas of business, society and the environment of the Kyocera Group and the local Kyocera establishment. Participants then tour environment-related facilities such as waste water treatment plants, and inspect manufacturing processes. We are also encouraging two-way communication on Kyocera Group CSR undertakings through question-and-answer sessions, and exchange of opinion, etc. In FY2008, report meetings were held at 17 places and attended by 468 people. We will continue to hold such meetings, as part of our endeavors to spread understanding of the state of the Kyocera Group and to enhance the level of trust with Kyocera.



Main opinions and expectations expressed by participants

- "I believe events like these offer the first real opportunity for mutual understanding between local people and factories."
- "Please continue to cooperate in regional development."
- "Please work on development of technology to counter global warming."
- "I was surprised at how clean everything is after implementation of the 5S."
- "I would like to see systematization of factory tours by elementary and junior high school students."
- "These CSR report meetings are a wonderful undertaking. I would now like to see your doors opening to more of your business associates."

— CSR Report Reading Assemblies — 29 places 3,445 participants

Since FY2006, the Kyocera Group (in Japan) has held annual "CSR Report Reading Assemblies". The purpose is to build understanding of the concept and specific activities of the CSR undertaking, among employees and stakeholders who are also promoting CSR activities.
The Reading Assemblies are opportunities to further employees' understanding of CSR activities and the Kyocera Group participation in them. They are opportunities for recognizing the value of work and gaining a "sense that their work is worthwhile endeavor".
In FY2008, Reading Assemblies were held at 29 places and attended by 3,445 people. Reading Assemblies held at Kyocera headquarters are recorded on DVD for distribution to Kyocera branch offices where personnel numbers are small and holding a Reading Assembly is not practical. This enables a greater number of employees to become familiar with the content of the Reading Assemblies.

Main opinions and expectations expressed by participating employees

- "CO_2 emission reduction measures need to become aggressive and more effective."
- "I think this kind of briefing is highly productive."
- "Risk management has become a significant issue in recent years, and the reaffirmed company policy on that matter is very clear."

Feature Article No. 2

Aiming to Become a Corporation Advanced in Environmental Management

Kyocera Group Environmental Management Based on the Management Rationale

With the corporate motto, “Respect the Divine and Love People” as the foundation, all corporate activity undertaken by Kyocera since the start of the company has been based on the three pillars of “Living Together”: “Coexisting with our society,” “Coexisting with our global community,” and “Coexisting with nature.”
The starting point of management in the Kyocera Group is the Kyocera Philosophy. The Philosophy is in accordance with the most fundamental ethics, moral outlook and social norms — in other words, “To do what is right as a human being” This Philosophy as it relates to the environment has been thoroughly practiced since the beginning of the company.

The starting point of Kyocera Group environmental management — Discharge water cleaner than the recipient river

The Kyocera Group uses fine ceramic raw materials, chemical products and many other chemical substances in its manufacturing processes. When a factory discharges waste water and other fluids they apply the rule: “Before discharge, liquid wastes must be purified to a state cleaner than the waterway into which they are being released.” Using the best technology available, we do everything possible to render waste harmless. This is the belief of the Kyocera founder, Kazuo Inamori (now the Chairman Emeritus).
In accordance with this policy, following its foundation, Kyocera established and has continued to thoroughly practice Kyocera Environmental Management Standards.
These standards are far more stringent than legal or official requirements. Organization of an all-company environmental management advancement system began in 1990 with establishment of the Kyocera Green Committee. The next year, 1991, we organized the Kyocera Group Green Committee for domestic and overseas Group companies. Based on the Kyocera Environmental Charter and enacted on October 1st of that year, the entire Group began undertaking unified environmental protection activities. Since then, the entire Group has been engaged in environmental management — that is, aiming for sustainable corporate growth — while pursuing the twin goals of environmental and economic health.

Kyocera Environmental Charter
(Please refer to pages 48–49)

The Path of Kyocera Group Environmental Protection Activity

1975	Began development of solar cells
1984	Installed a 43kW solar power generation system at the Sakura Factory, Chiba Prefecture (now the Sakura Office, Chiba Prefecture)
1985	Established an environmental management division
1986	Began mass production of polycrystalline solar cells
1989	Began implementing measures for reducing use of chlorofluorocarbons
1990	Launched the Kyocera Green Committee (KCGC)
1991	Launched the Kyocera Group Green Committee (KGGC), and appointed an Environment Director Began recycling used paper, and enacted the Kyocera Environment Charter
1992	Launched “1st Environmental Protection Promotion Plan” Drafted “Kyocera Environmental Management Standards”. Introduced the “Kyocera Eco-label Certification System” Abolished use of all specified chlorofluorocarbons and other materials Began selling the world-first non-cartridge LBP, “FS-1500” Ecosys
1993	Ecosys printer becomes first OA equipment to receive Ecomark certification Began selling the industry’s first solar power generation system for household use
1994	Abolished use of methyl bromide and trichloroethylene
1995	Abolished use of tetrachloroethylene and HCFC-141b
1996	Launched “2nd Environmental Protection Promotion Plan” Established the Kyocera Award for Contribution to the Global Environment First received ISO14001 certification (Mie Factory – now the Mie Ise Plant / Kyocera Mita Corp. Tamaki Plant)
1997	Received ISO14001 certification for 9 manufacturing locations
1998	Began green procurement Completed the environment-friendly headquarters building (installed a 214kW solar power generation system)

Green Committee Task Force

Ecosys First Model FS-1500

1999	Received integrated ISO14001 certification for 6 non-manufacturing locations Launched “3rd Environmental Protection Promotion Plan” Received integrated ISO14001 certification at 42 Kyocera Group company locations Received The Grand Prize for The Global Environment Award (Fuji Sankei Group Award) Abolished use of chlorofluorocarbon substitutes
2000	Kyocera Group received integrated ISO14001 certification (expanded scope of certification) Began disclosing Environmental Reports on the internet
2001	Endorsed implementation of the Kyoto Protocol Announced support for e-mission55
2002	Launched “4th Environmental Protection Promotion Plan” Introduced environmental accounting
2003	Issued Sustainability Report (now the CSR Report) Kokubu Plant, Kagoshima Prefecture, received The 1st Japan Sustainable Management Award (Outstanding Prize for Environmental Management) Began introducing KGEMS Began presenting classes on the environment, outside the company
2004	Began Sustainability Report Meetings (now the CSR Business / Social Responsibility / Environment Report Meetings) Established an Energy Conservation Office and Environment-Friendly Product Development Section Kyocera Mita Corp. Tamaki Plant, received the 2nd Japan Sustainable Management Award (Outstanding Prize for Environmental Management)
2005	Launched “5th Environmental Protection Promotion Plan” Began Social Responsibility / Environment Report Reading Assemblies (now the CSR Report Reading Assemblies) Installed solar power generation systems, about 440kW in total, at the Ise Plant, Mie Prefecture, Yohkaichi Plant, Shiga Prefecture, Kokubu Plant, Kagoshima Prefecture, and Hayato Plant, Kagoshima Prefecture
2006	Introduced a Product Environment- Friendliness Assessment System. Installed turbo refrigerators at Yohkaichi Plant, Shiga Prefecture, Sendai Plant, Kagoshima Prefecture, Kyocera Kinseki Yamagata (Corp.), and International Golf Resort Kyocera (Corp.)
2007	Increased the number of dispatch bases to 12 for on-site external environment classes
2008	Published Ecolife Note, a booklet on environmental protection activities for the household

Kyocera Group Environmental Safety Vision

The Kyocera Group is establishing an Environmental Safety Vision based on the concept "Living Together". The Vision follows the Kyocera Environmental Charter, our fundamental philosophy on the environment, and takes a long-term view in consideration of regulations, and social trends, etc. Based on the Environmental Safety Vision, we are drafting an Environmental Safety Action Plan, that contains specific targets and plans for action. Environmental management systems set up in accordance with ISO14001 requirements are now operating at all Kyocera sites in Japan and abroad. Targets and action plans determined under the Environmental Safety Action Plan are being woven into these systems. Achievement of the targets and plans are monitored through the PDCA cycle on a monthly basis, and improvement activities are thus being advanced continuously.

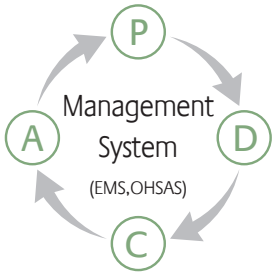
Living Together

Kyocera Environmental Charter

Environmental Safety Vision

Environmental Safety Action Plan
(Through March 2011)

6th Environment & Safety Promotion Plan
(April 2008 to March 2011)



Environmental Safety Vision

Green Products / Green Factory

Prevention of Global Warming — Reducing greenhouse gases emitted in the course of business activities, throughout product life cycles and by developing and spreading clean energy technologies.

Resources Recycling — Endeavoring to maximize resource productivity through resources conservation and reduction of the waste generation.

Environmental Conservation — Minimizing risk to environment by taking into account the entire life cycles of chemical substances.

1) Abolishing or minimizing use of specified hazardous chemical substances.
2) Thorough management of chemical substances.
3) Disclosure of all appropriate and relevant information to all interested parties.

Safety & Disaster Prevention — Striving to contribute to business management and the realization of the management rationale by ensuring all employees remain healthy in body and mind, through health care and elimination of accidents and disasters.

Perfect 5S — Raising the awareness and the sensitivity of each employee, and therefore building the foundation for becoming an enterprise worthy of the title "The Company," through Perfect 5S activities.

Green Communication

Striving to enhance communication with all stakeholders and undertaking all possible corporate activity to realize the goal of "a society that is content with what it has."

Green Management

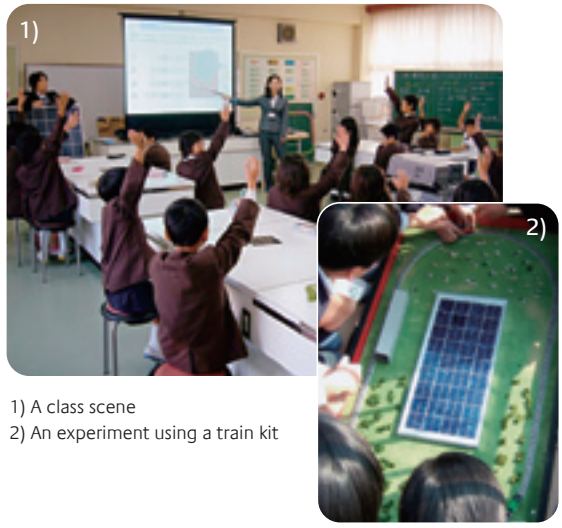
Aiming for sustainable development with the coexistence of environment and business objectives. In order to raise its environmental management to another level, Kyocera is strengthening its global environmental management system.

Classes Prepared by Kyocera Group Employees for Children
Development of Kyocera Group On-Site Environment Classes

Since February 2003, Kyocera has been conducting "On-Site Environment Classes" for children, who will take responsibility for the next era. The purpose of the classes is to deepen understanding of environmental issues, energy, and other matters in order to cultivate the spirit of consideration for the planet. In FY2008, 2,722 children took part in the classes as part of school education, raising the total number of participants to more than 5,000.

Company employees who have taken an in-house, two-night-three-day training program teach the classes. The classes are enjoyable and hands-on learning experiences for children. They utilize solar cells, Kyocera-original experimental kits and solar-powered toys as teaching materials, as well as quizzes and other learning techniques.

The Kyocera Group recognizes the importance of steadily continuing such educational activities. In FY2009, we are planning to offer classes to 6,000 children at 120 schools, in areas around the 25 Kyocera Group locations in Japan.



1) A class scene
2) An experiment using a train kit

Kyocera Group On-Site Environment Class Topics — How we communicate with children

"First, let's learn about environmental problems."

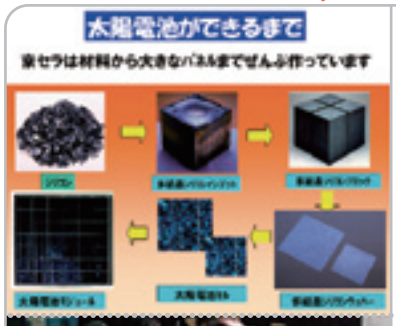
"Do you know what is happening to our planet now?"

Environmental problems are greatly related to our lives.

Experiments with solar cells!

"Using a solar car and propeller, we compare light from fluorescent and incandescent lamps, experiment with light intensity, light angles, and so on."

Everyone announces the results of their experiments.



"Have you heard about the Earth-friendly power source - solar cells?"

"Let's learn about how solar cells work, how they are made, their history, and so on."

"They are strong and won't break even if we all stand on them!"

"We can touch the solar cells and see them make electricity from light."

"Let's try a quiz on how solar cells are used around us and in the world. Do you follow?"

"Is there anything we can do? Let's start with something small!"

Kyocera receives thank-you notes from teachers at schools where classes are held, and letters from children, giving their impressions.

Children's impressions

"I understood the importance of electricity."
"I started to think about what we can do for Earth."
"Let's use more solar cells around the world." And more.

Prevention of global warming
Beginning full-scale change-over to hybrid company vehicles

The Kyocera Group is focused on more efficient use of fossil fuels and on reduction of environmental pollution by exhaust fumes. Therefore we are increasingly promoting the reduction of fuel use by vehicles, through introduction of fuel-efficient vehicles, the use of public transportation, the elimination of unnecessary engine idling, and other means. Stepping up efforts to prevent global warming, in January 2008 Kyocera began introducing hybrid company vehicles in earnest.
The hybrid vehicles being introduced within the company are for general-purpose; for use in sales activities, and for moving between factories, etc. As of March 2008, there were 194 general-purpose company vehicles in use, Fifteen of the 194 vehicles are hybrids. The remaining 179 vehicles will be replaced in turn with hybrid vehicles. On completion of the changeover, CO_2 emissions resulting from the use of vehicle fuel will have been reduced by 43.8% (204 tons/year)*.

* ・The CO_2 conversion factor uses the value stated in "Act on Promotion of Global Warming Countermeasures, Article 4" (2.32kg of CO_2 / liter).
・The value used for hybrid vehicle fuel consumption is 24km / liter.

Activities by individuals concerned about the Earth lead to environmental protection
Distributed Ecolife Note, a booklet on environmental protection activities for the household

Global warming and other global-scale environmental problems cannot be solved by the efforts of one corporation alone. They are problems common to the human race, and they must be earnestly faced by each one of us.
Therefore, in April 2008 we distributed Ecolife Note ~ Earth- and budget-friendly steps for the home to the roughly 29,500 Kyocera Group employees in Japan. Ecolife Note is a booklet on the environment, summarizing environmental protection activities we can implement at home.
The booklet was published with the aim of affirming global environmental measures that can be applied in the home, and to encourage the practice of environmental protection activities in an enjoyable manner with definite goals. In over 30 pages, Ecolife Note describes the current state of global warming in various areas of the world, global warming preventative measures undertaken by the Kyocera Group, and practical in home environmental protection activities.
In FY2009, explanatory meetings using the booklet will be held for company employees. The purpose is to unite all company employees in undertaking environmental protection activities, by further raising environmental awareness of employees and their families and by aiming for realization of Earth- and budget-friendly households.

Feature Article No. 3

Contributing to Society Through Our Main Line of Business

Solar Cells for Global Environmental Protection and Improved Quality of Life

The depletion of petroleum resources, climate change, and other global environment issues are becoming increasingly serious. Even now, some 1.6 billion people are said to be living without electricity. There are expectations that solar cells as an energy source can contribute significantly to solution of these problems. Kyocera began research and development of solar cells 33 years ago. We have established integrated production of polycrystalline silicon solar cells, covering all processes from wafers to modules. By supplying clean energy through our solar energy business, Kyocera is making a valuable contribution to global environmental protection, and to the advancement and development of human beings.

Kyocera Solar Energy Business — 30 Years

Kyocera became involved in development of solar cells in 1975. In that year, we took the lead in establishment of Japan Solar Energy Corporation (JSEC), a company set up to develop solar cells. This was at the time of the oil crisis, when the world recognized a need to develop energy sources to replace oil. Determined to "contribute to the advancement of society and humankind", Kyocera anticipated a future era of clean energy. We thus set up a solar energy business with the great goal of "contributing to the happiness of people everywhere through the use of solar energy." We have continued to look beyond the short-term pursuit of profit and concentrate on business development with a long-term perspective.

In 1982, we moved away from the conventional EFG process (the technique of pulling sapphire-substrate ribbon). In view of factors such as future productivity, power generation efficiency and costs, we began production of polycrystalline silicon solar cells using a casting method. In 1986, we designed our own silicon casting equipment, and became the first company in the world to begin mass production of polycrystalline solar cells using the casting method. This is now the world's main method for producing solar cells.

In 1993, we were the first company in the industry to sell solar power generation systems for residential in Japan. Kyocera was thus a pacesetter for general household use of solar power generation systems. Today, our ECONONAVIT ii display unit further supports energy conservation activities of our customers. This unit displays in real time the quantity of power being generated and the power being used.

The first, large-scale solar system made by the EFG process, installed in Peru in 1979

The first grid-connected system in Japan installed on a general facility in Kitami City, Hokkaido, in 1991 (The solar power system is connected with the power company system)

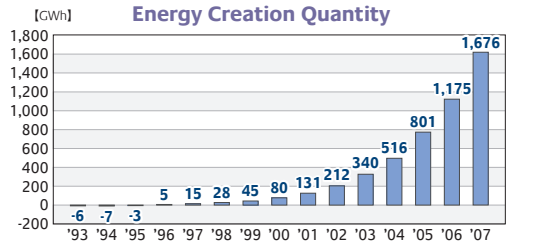
The domestic solar power generation monitor ECONONAVIT ii

Energy Creation Benefits of Solar Power Generation Systems

The "Energy Creation Benefit" is the quantity of power remaining after subtracting the power used in the manufacture of the solar power generation system*2,3 from the total power generated after installation of the system*1.

Until 1995, the total power used in the manufacturing of the system was greater than the quantity of power generated. In 1996 the break-even point was passed. By 2007, the total power generated was 1,676GWh*4. The Energy Creation Benefit is thus a cost-reduction benefit of ¥14.2 billion*5.

Assuming continuation of solar power generation, over the next 20 years the accumulated energy produced by all our solar power generation systems shipped by 2006 will amount to 15,767 GWh and a benefit of ¥134 billion. Moreover, the accumulated reduction of CO_2 will be 5,676,000 tons*6.



*1 Calculated from predicted average power generation, based on simulations conducted by Kyocera at 16 points nationwide.

*2 Calculated the quantity of power assumed used at the time of manufacture with energy payback of 2.2 years for production volume of less than 100MW in a single year (1.5 years for production volume exceeding 100MW), scale of systems: 30MW per year (installed on roofs) and useful life set at 20 years; (Source: "Study of photovoltaic power generation assessment" - FY1997 NEDO- Commissioned Report (Photovoltaic Power Generation Technology Research Association), March 1997)

*3 The estimated power consumed at the time of manufacture of solar power generation systems shipped from 1992 through 2006 is recorded in the year the manufactured products first begin generating power. (E.g.: The quantity of power used in manufacturing in 1992 may be recorded in 1993.)

*4 1GWh=1,000MWh=1,000,000kWh

*5 The electricity rate unit price used here is the Kansai Electric Power Co. Inc. high-voltage BL (other seasons) of ¥8.5/kWh, applying to large customers (at the end of March 2008).

*6 360g of CO_2 per 1kWh

Planta Solar de Salamanca, Spain

Shiki Theatre Company's
"Shiki Arts Center," Kanagawa Prefecture

Iwaki Municipal Chuodai Minami Junior
High School, Fukushima Prefecture

J-POWER Hibikinada Solar Power Plant,
Fukuoka Prefecture

Asaka Water Purification Plant,
Saitama Prefecture

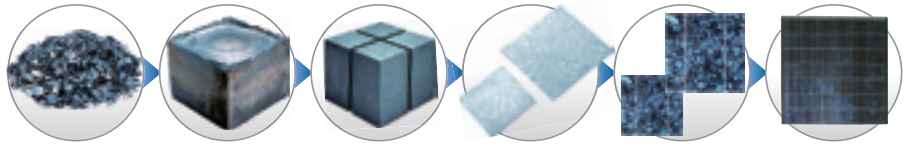
Advancing Future Technology, Based on Integrated Production Know-How, Beginning with Raw Materials

To maximize efficiency in converting sunlight into electrical energy, Kyocera has been working on raising the quality of polycrystalline silicon solar cells, on raising conversion efficiency, and on improving productivity. As a result, the authoritative German consumer products testing organization Stiftung Warentest*1 rated Kyocera's solar module KC-170GT2*2 as "Gut 1.9" (2006 May). This was the highest rank in a comparative test of 15 solar modules. In product development, Kyocera created "d.Blue," a high-efficiency polycrystalline silicon solar power cell with an irregular surface designed to reduce sunlight reflection loss. Furthermore, placing the electrodes behind the panels increased the light-receiving area of the solar cell. The 15x15.5cm cells using this "back contact technology" have achieved the world's highest level of conversion efficiency*3, at 18.5%, a world record. These developments were possible because from the beginning Kyocera has utilized integrated production, from wafers to modules. We undertake technology development for each process ourselves, and this has contributed substantially to improvement of solar cell quality, to high conversion efficiency, and to improved productivity. Kyocera is continuing to make best use of this strength and is focused on further development of new technologies. Based on the technology and trust accumulated thus far, Kyocera continues to put unremitting effort into new technologies, and business development for people and the world.

*1 Stiftung Warentest is a foundation established by the German government to independently evaluate and disclose findings on tests of diverse goods sold in the market, including foods, cosmetics and electrical appliances.
*2 Specifications for Europe
*3 As measured by Kyocera, information accurate as of February 2008.

The Stiftung Warentest Mark

Solar modules manufacturing process

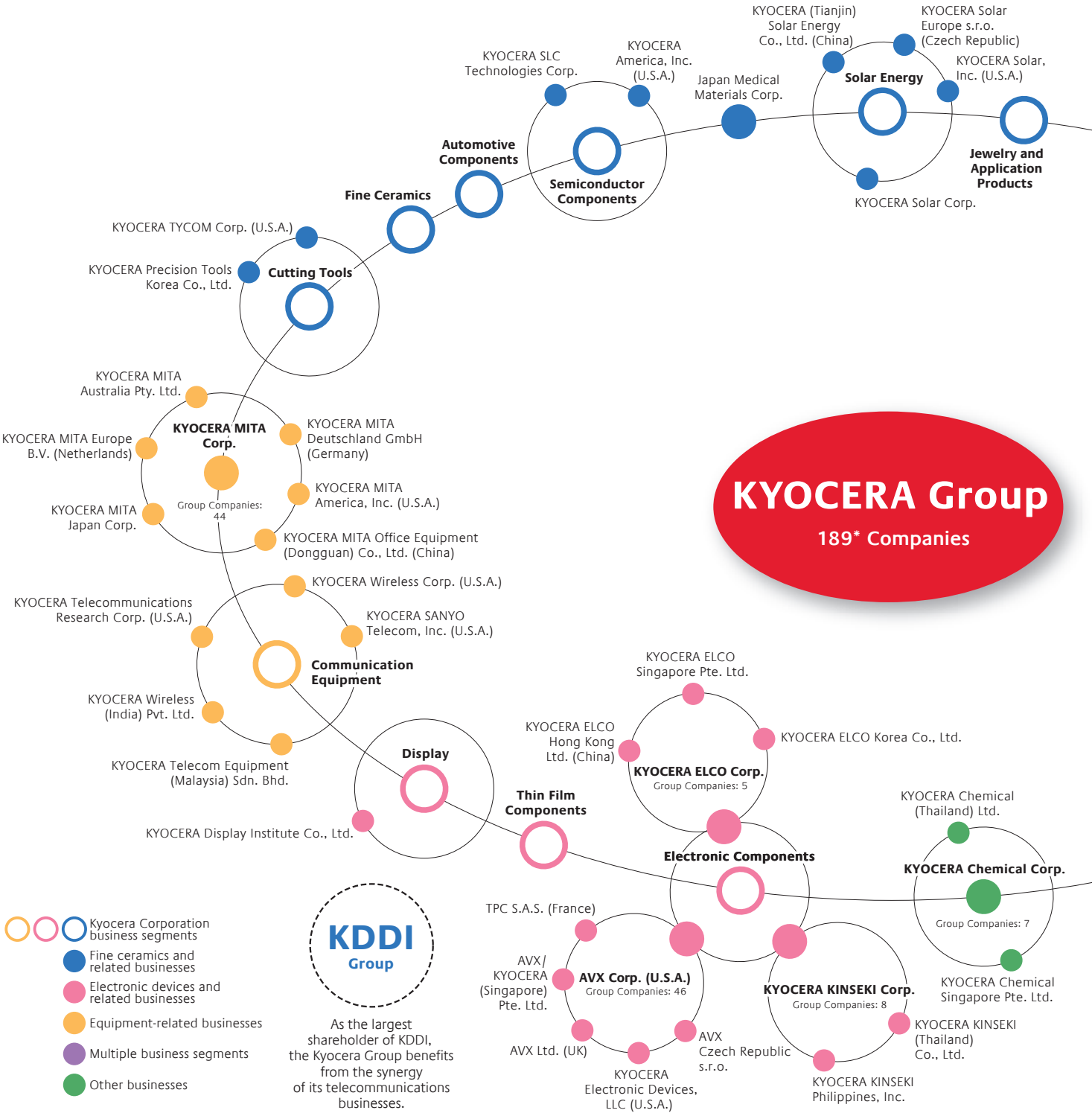


For annual solar cell production volume of 500MW in FY2011

To meet rising global demand for solar cells, Kyocera is planning to triple annual production volume from the FY2007 level, to 500MW per year in FY2011. This quantity of power generation corresponds to the power supply for about 135,000 homes in Japan (average installation capacity: 3.7kW).
To accomplish this business plan, Kyocera is arranging for the supply of silicon, the raw material for solar cells, while expanding production capacity at the four production locations, in Japan, China, the Czech Republic and Mexico.

Creating Valuable Business

Kyocera's global operations include a diverse range of products: advanced materials, components, devices, equipment, networks and services.
Such broad expertise allows Kyocera to integrate the full range of processes – from development and production to sales and logistics – within a single product line. This efficient utilization of corporate resources generates group-wide synergies that yield products of superior performance, functionality and value.
Each product-line management team aggressively develops new products and markets by integrating Kyocera Group technologies to address emerging trends.



Kyocera Group Management Direction

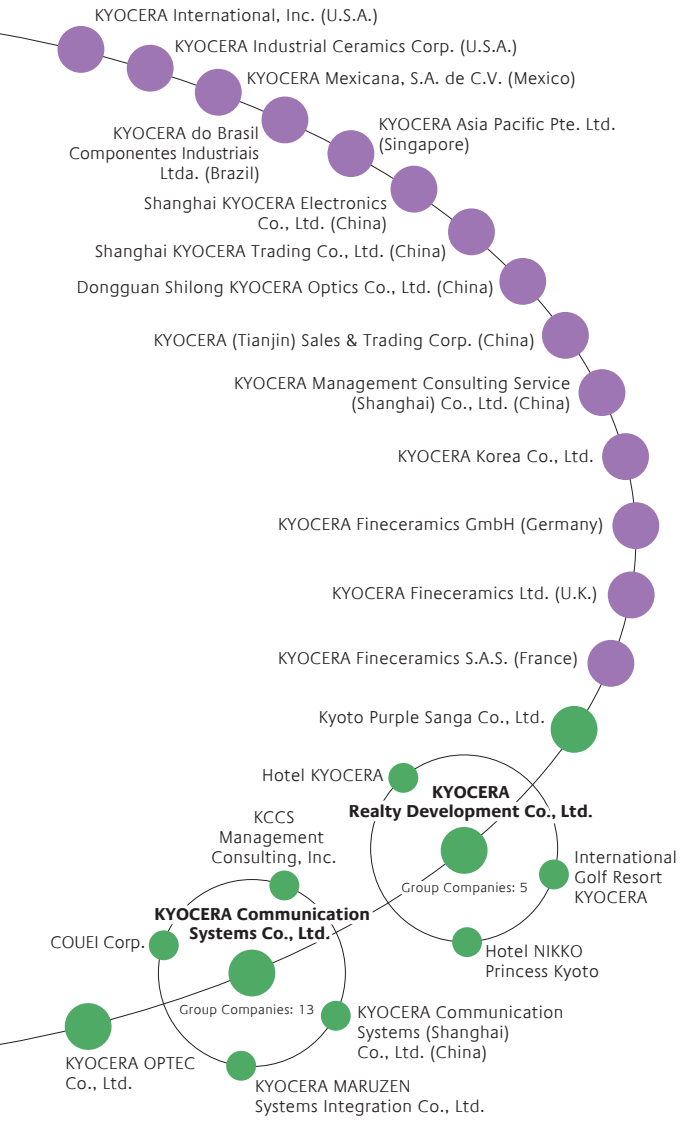
The Company

Become an innovative enterprise that continues to grow

Achieve double-digit sales growth and 15% profit ratio at the minimum

Direction

- **Practice the "Customer-First" Principle**
- **Promote Global Management**
- **Establish a Highly Profitable Business Structure**



*KYOCERA Corporation:	1 company
Subsidiaries:	178 companies
Affiliates:	10 companies
Group companies:	189

(As of April 1, 2008)

Main Group Companies – Overview of Operations

- KYOCERA MITA Corp.
  Manufacture and sale of information equipment such as copiers, printers and digital multifunctional printers
- KYOCERA Communication Systems Co., Ltd.
  Sale of communications equipment, system integration, development and sale of solution, construction & maintenance etc. of base stations for mobile wireless tele communications, and management consulting
- KYOCERA KINSEKI Corp.
  Develops, manufactures and markets crystal units, crystal applied devices and SAW devices
- KYOCERA ELCO Corp.
  Develops, manufactures, and markets electronic connectors and interconnect products including internal devices
- KYOCERA Chemical Corp.
  Manufacture and sale of electronic component materials, electrical insulating materials, synthetic resin molded parts, molding dies and machinery, etc.
- KYOCERA SLC Technologies Corp.
  Develops, manufactures and markets organic packages and substrates
- KYOCERS Solar Corp.
  Markets, installs and services solar power generating systems and products
- KYOCERA Realty Development Co., Ltd.
  Holding, management and rental of real estate; management of Hotel KYOCERA, International Golf Resort KYOCERA, and Hotel Nikko Princess Kyoto
- KYOCERA OPTEC Co., Ltd.
  Manufactures and markets lenses and precision optical products
- KYOCERA Display Institute Co., Ltd.
  Research and development of OLED display
- Japan Medical Materials Corp.
  Development, manufacture and sale of medical materials and equipment
- Kyoto Purple Sanga Co., Ltd.
  Manages "Kyoto Sanga F.C.", a professional soccer team, and markets its original items
- Shanghai KYOCERA Electronics Co., Ltd.
  Manufactures and markets electronic components, fine ceramic products and automotive components
- KYOCERA (Tianjin) Sales & Trading Corp.
  Manages and distributes Kyocera products made both in China and elsewhere
- Dongguan Shilong KYOCERA Optics Co., Ltd.
  Manufacture and sale of optics-related components, cutting tools, thin film components, display components, and applied products
- KYOCERA (Tianjin) Solar Energy Co., Ltd.
  Develops and manufactures solar modules and systems
- KYOCERA Asia Pacific Pte. Ltd.
  Markets fine ceramic-related products and electronic device-related products
- KYOCERA Fineceramics GmbH
  Markets fine ceramic products and electronic devices
- KYOCERA Solar Europe s.r.o.
  Manufactures solar modules
- KYOCERA International, Inc.
  Regional head office of North and Central American operations
- KYOCERA Wireless Corp.
  Develops, manufactures, markets and services CDMA handsets
- KYOCERA America, Inc.
  Manufactures and markets fine ceramic products
- KYOCERA Industrial Ceramics Corp.
  Manufactures and markets fine ceramic products; markets electronic devices
- KYOCERA Solar, Inc.
  Develops, manufactures, markets and services solar power systems that can operate on or off commercial power grid
- AVX Corp.
  Manufactures and markets a wide range of electronic components, including multilayer ceramic capacitors, tantalum capacitors, interconnect products and more

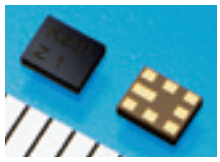
Topics of Interest 2007

The following pages introduce the Kyocera Group's topics of interest for FY2008.

Apr. 2007 — Started mass production of the industry's first 2520-size surface acoustic wave (SAW) duplexer*1 with built-in matching circuit

Kyocera developed the SD25 Series duplexer for use in mobile phones. This duplexer is among the industry's smallest*2, at 2520-size (2.5x2.0x0.8mm). It has a built-in matching circuit and outstanding filtering characteristics.

Mass production began in April, 2007.



*1 Duplexer: A component installed in the CDMA handset antenna circuit, where it separates incoming and outgoing signals.

*2 As of January 2007.

Jul. 2007 — Kyocera sponsors Seniors' Golf Tournament

Kyocera and The Ladies Professional Golfers' Association of Japan (LPGA) were the main sponsors of the "Kyocera Solar Ladies Open in Asahino". The tournament was held July 11–13, 2007, at the Asahino Country Club in Higashi-Omi City, Shiga Prefecture.

Jul. 2007 — Monochrome MFPs, winners of the Good Design Award, are released for sale

Kyocera Mita Corp. released the monochrome MFPs models, KM-4050 and KM-5050 for sale in July. In addition to the standard color scanning functions, they are equipped with large color LCD panels. These and the many other functions were carefully considered for simplicity of use. The design of the MFPs was highly rated and earned them the 50th Good Design Award in FY 2007.

Aug. 2007 — One of the world's largest solar power generating systems is installed on a soccer stadium in Switzerland

Solar modules made by Kyocera were installed on the soccer stadium Stade de Suisse Wankdorf Bern, in Bern, Switzerland. The stadium is the home ground of the BSC Young Boys, a top league team in Swiss soccer, and was a venue for Euro2008.

Sep. 2007 — Development of non-flammable single-solution varnish / coating material

Kyocera Chemical Corp. developed a non-flammable, non-hazardous varnish, with less than 1/50th the quantity of volatile organic compounds (VOCs) from conventional materials. Other varnishes are flammable, two-solution types. In contrast, the newly developed product is a non-flammable, single-solution type that needs no mixing. This low-VOC product greatly improves customer safety and work efficiency, and is eco-friendly.

Sep. 2007 — Superlarge-scale solar power generation facility built in Spain

Kyocera supplied about 70,000 solar panels for Planta Solar de Salamanca, a 13.8MW, superlarge-scale solar power facility in Salamanca City, Spain. This facility covers a total area of roughly 36 hectares. The power generated is bought by the local power company, and is enough to meet the requirements of about 5,000 households.

Sep. 2007 — The USA subsidiary AVX Corp. acquires American Technical Ceramics Corp.

To strengthen its advanced technology business (high-frequency ceramic capacitors, thin film components, etc.), AVX Corp. acquired the US electronic components manufacturer American Technical Ceramics Corp. as a subsidiary company.

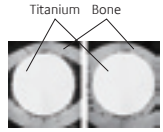
The synergistic effect of American Technical Ceramics Corp. production technology and the AVX Corp. sales network will strengthen advanced technology business.

American Technical Ceramics Corp. New York Plant

Oct. 2007 — Artificial joints with the new surface-finish technology AHFIX used in clinical applications

Japan Medical Materials Corp., Kyoto University, and Chubu University jointly developed a new technology for treatment of the metal surfaces of artificial joints. Alkaline thermal treatment of the metal surface causes it to react with body fluids inside the body, resulting in a layer of bone-like material. This process has been confirmed with animal tests and various analyses*. Artificial joints processed with the technology became available for general clinical use in late 2007.

* The process has not been confirmed in clinical applications.



Results of animal testing. Unprocessed titanium material is on the left; AHFIX-processed titanium material is on the right.
Clean bonding of bone and material, stemming from AHFIX processing, is visible on the right.

Nov. 2007 Slim One-Seg mobile phone W53K released

In November, Kyocera released the W53K, a 15.4mm mobile phone for the au-brand market. The slim One-Seg (for digital TV reception) W53K features easy-to-use functions such as one-touch dialing and easily to press "frameless keys".

Dec. 2007 Business license obtained for the 2.5GHz broadband mobile wireless access system

Wireless Broadband Planning Inc. (now UQ Communications Inc.), which was jointly established by Kyocera, KDDI Corp., Intel Corporation, East Japan Railway Company, Daiwa Securities Group Inc., and The Bank of Tokyo-Mitsubishi UFJ, acquired a business license for the 2.5GHz broadband mobile wireless access system. In advancing the business to provide customers with diverse broadband services, we aim to further develop and invigorate the information / communications market. This will contribute to development of the economy and society.

Joint press conference on the establishment of Wireless Broadband Planning Inc.

Dec. 2007 Kyoto Sanga F.C. reascend to the J1 League

In the 2007 season, Kyocera Group supported soccer team Kyoto Sanga F.C. finished 3rd in the J2 League. As a result of a strong performance in the changeover matches, the team was restored to J1 League status. With the team back in J1 after an interval of two years, supporters and fans have high hopes for progress.

©KYOTO.P.S.

Jan. 2008 Signing of final contract on takeover of Sanyo's mobile phone business

On January 21, Kyocera signed the final contract on the takeover of the mobile phone operations of Sanyo Electric Co., Ltd., by means of a corporate split. After the takeover, we will achieve integration of the management resources of Kyocera with the outstanding R&D capability, design technology and other know-how of Sanyo. To meet customer demand, we are now working on the development of attractive products giving even greater satisfaction.

"SANYO" is a registered trademark of SANYO Electric Co., Ltd.

Feb. 2008 First bidirectional link testing of 23GHz broadband wireless communication in Japan

In February, having received a license from the Kanto Bureau of Telecommunications (Ministry of Internal Affairs and Communications), the four companies; Kyocera Communication Systems Co., Ltd., Tokyo Cablevision, LCV Corp., and The Furukawa Electric Co., Ltd., began joint testing of transmissions of multichannel cable television broadcasts and high-speed internet services using wireless relay systems and the 23GHz band.

Mar. 2008 Developed the industry's smallest flexible printed circuit (FPC) connector, with 0.2mm pitch

Kyocera Elco Corp. developed the 6860 Series of low-height, space-saving 0.2mm pitch FPC connectors, with a mounting depth of 3.2mm and product height of 0.9mm. They were developed for internal connections in equipment where miniaturization and multi-functionality are required, such as mobile phones and digital cameras.

Expansion of Production Bases

To meet customer requirements, the Kyocera Group built seven plants in Japan during FY 2008. We will continue to strengthen cooperation with affiliated firms in the areas where the plants were built, contributing to the invigoration of local regions and development of regional economies.

Yohkaichi Plant, Shiga Prefecture
Plant 3-4

Completed November 2007

Production of components for semiconductor manufacturing equipment and LCD manufacturing equipment

Kokubu Plant, Kagoshima Prefecture
Plants 2-7, 2-8, 2-9

Completed January 2008

Production of ceramic capacitors & automotive components

Sendai Plant, Kagoshima Prefecture
Plant 19

Completed February 2008

Production of cutting tools

Kyocera Mita Corp. Tamaki Plant
Plant No. 4,
Chemical Product Development Center

Completed March 2008

Development and production of color toner-related products for printers and digital MFPs

Corporate Governance

With the Kyocera Philosophy as its foundation, the Kyocera Group maintains equity and fairness, and faces all situations with courage and conscience, and it intends to realize transparent systems for corporate governance and internal control.

Corporate Governance

Basic Policy for Corporate Governance

Definition

Structures to ensure that Directors conducting the business manage the corporation in a fair and correct manner.

Purpose

To maintain the soundness and transparency of management and to achieve fair and efficient corporate management through which the management rationale of Kyocera Group can be realized.

The Board of Directors shall inculcate the "Kyocera Philosophy," which is the basis of the management policy of Kyocera Group, into all Directors and employees working in Kyocera Group, and establish a sound corporate culture. The Board of Directors shall establish proper corporate governance through exercise of the Kyocera Philosophy.

System for Corporate Governance

The Board of Directors of the Company determines, pursuant to the basic policy described above, the below-outlined system for corporate governance of the Company, which is the core company within the Kyocera Group, to ensure that the conduct of business by the Directors is in compliance with all applicable laws and regulations and the Articles of Incorporation. The Board of Directors will constantly seek the ideal system for corporate governance and always evolve and develop its existing corporate governance system.

Organs of Corporate Governance

The Board of Directors shall establish a corporate structure in which the Corporate Auditors and the Board of Corporate Auditors will serve as organs of corporate governance pursuant to the provisions of the Articles of Incorporation, as approved by the General Meeting of Shareholders of the Company. Directors of the Company shall strictly observe the following, to ensure effective audit by the Corporate Auditors and the Board of Corporate Auditors:

① Matters relating to employees to facilitate the tasks of Corporate Auditors

- For the purpose of assisting Corporate Auditors and the Board of Corporate Auditors, Corporate Auditors offices shall be established under the Board of Corporate Auditors. Employees assigned to these offices shall fall within the jurisdiction of each Corporate Auditor.

② System for reporting to the Corporate Auditors

- In the event that any Director becomes aware of any matter that breaches or may breach any law or regulation or the Articles of Incorporation, or in the event that any Director becomes aware of any matter that may cause substantial damage to Kyocera Group, he or she shall immediately report thereon to the Board of Corporate Auditors.
- In the event that any Corporate Auditor or the Board of Corporate Auditors requests a report from any Director pursuant to the Regulations of the Board of Corporate Auditors, such Director shall comply with such request.
- Representative Directors shall cause the internal audit department to report regularly the status of the internal audit to the Corporate Auditors. In addition, upon request from the Corporate Auditors, Representative Directors shall cause any specified department(s) to report the status of their conduct of business directly to the Corporate Auditors.
- Representative Directors shall also maintain a "system for internal complaint reporting to the Board of Corporate Auditors", established by the Board of Corporate Auditors, under which employees, suppliers and customers of the Company may submit complaints directly to the Board of Corporate Auditors.

③ Other systems to ensure effective audit by the Corporate Auditors

- Representative Directors comply with the following requests from Corporate Auditors.
  a. Attendance at important meetings;
  b. Inspection of minutes of important meetings, important approval documents, and important agreements, etc.; and
  c. Meetings with Representative Directors to exchange opinions regarding management of the Company in general.

Kyocera Philosophy Education

Representative Directors of the Company shall undertake "Kyocera Philosophy Education" from time to time in order to inculcate the "Kyocera Philosophy" into the Directors, including themselves, and employees of the Kyocera Group.

Internal Controls

Basic Policy for Internal Controls

Definition

Systems to be established within the corporate organization to achieve management policy and master plans in a fair manner, in order for the Directors undertaking management of the Company to effectuate Management Rationale.

The Board of Directors of the Company shall establish internal controls through implementation of the Kyocera Philosophy.

System for Internal Controls

Under the policy as described above, the Board of Directors shall cause Representative Directors to establish the systems described below. In addition, the Board of Directors shall constantly evolve and develop such systems, seeking an ideal system of internal controls.

① Management and maintenance of information relating to conduct of business by Directors
- Establishment of the "Kyocera Disclosure Committee"
- Proper maintenance of information relating to the conduct of business by the Directors in accordance with applicable laws and regulations and the internal rules of the Company.

② Internal rules and systems relating to management of risk of loss, and systems to ensure that conduct of business by employees is in compliance with applicable laws and regulations and the Articles of Incorporation
- Establishment of a "Risk Management Department"
- Establishment of an "Employee Consultation Corner" as an internal complaint reporting system.

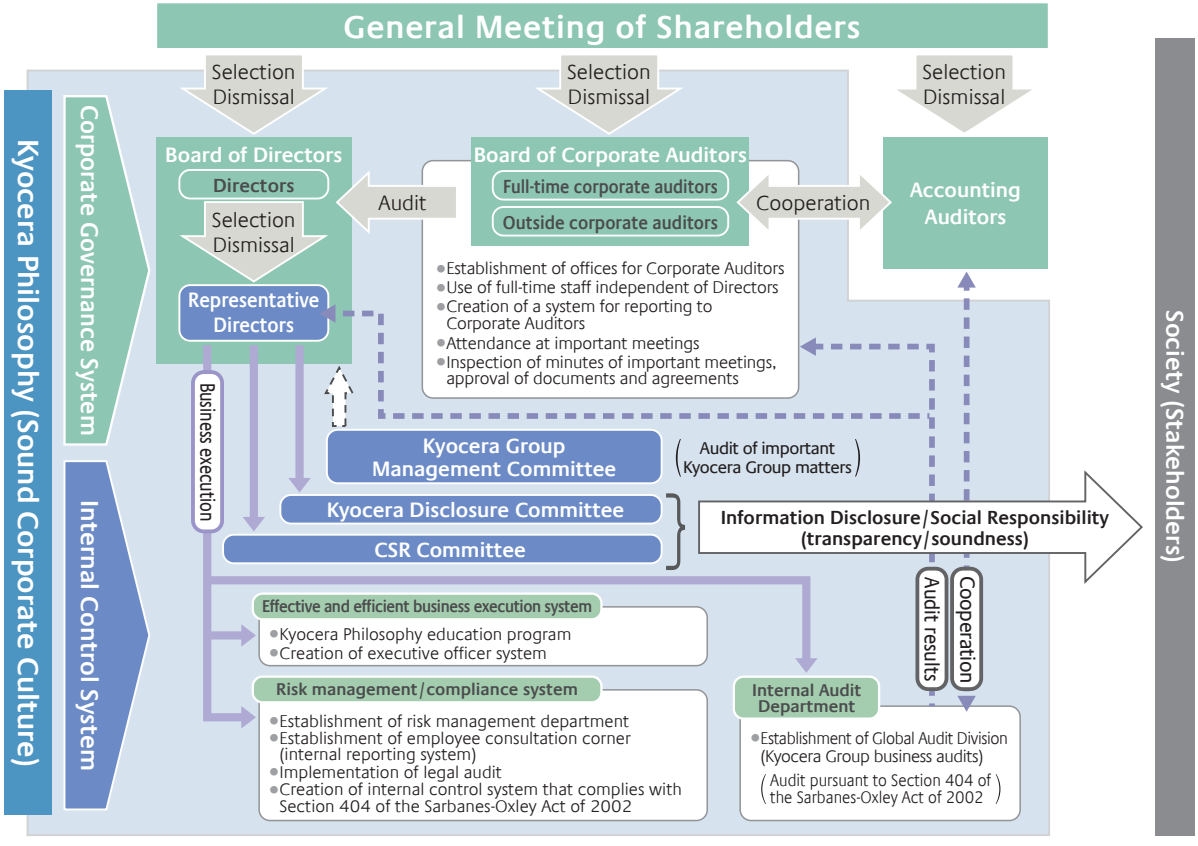
③ Systems to ensure efficient conduct of business by Directors
- Delegation of authority, clarification of related responsibility and efficient and effective conduct of business via an executive officer system
- A system for Executive Officers to report the status of their conduct of business to the Board of Directors

④ Systems to ensure appropriate conduct of business at Kyocera Group
In addition to the matters described in ① through ③ above,
- The Kyocera Group Management Committee
- An "Internal Audit Department"

Exclusion of antisocial elements

Kyocera Group policies on corporate governance and internal control include prevention of involvement of criminal elements in management activities, and the damage by such elements.

As the basis of measures for exclusion of illegal activities, the Crisis Management Manual established by the Risk Management Department clearly states: "All companies are united in confronting illegal activities with determination." Additionally, the Kyocera Employee's Action Guideline specifies "a decisive attitude based on the law" in dealing with illegal activities.

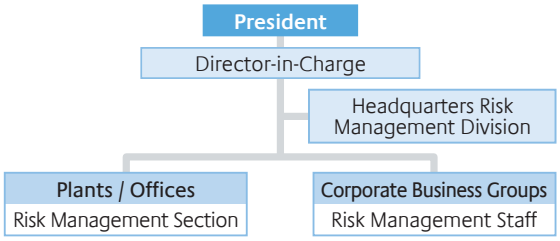


Compliance and Risk Management

Compliance System

Kyocera has prepared a Kyocera Employee's Action Guideline, so that the Kyocera Philosophy can be reflected in the diverse aspects of corporate activities. The Action Guideline sets out a code of conduct that Kyocera Group employees use as the foundation of day-to-day business activities. The Action Guideline is the basis for compliance. The Risk Management Division promotes thorough knowledge of relevant legal requirements, and organizes compliance training. From the perspective of effective management systems and self-regulation, risk management sections are being cross-divisionaly set up in each of the Kyocera Group plants and offices. Additionally, a Risk Management Staff is being appointed in each division. Kyocera Group compliance management is thus being steadily strengthened. In order to reinforce management systems for overall compliance we established an Overseas Risk Management Department within the headquarters Risk Management Division in fiscal 2008. We are now focusing on building a management system for ensuring observance of legal requirements in overseas areas of the Kyocera Group.

Corporate Compliance System



Risk Management

Amid the advance of global business development focused on realization of "An innovative enterprise that continues to grow," internal and external risks are becoming increasingly diverse. To counter risks in appropriate ways, Kyocera is promoting both risk prevention and risk countermeasures through a total risk management system. A compliance management system deals with risks under normal circumstances. Meanwhile, a emergency response system, based on a crisis management manual, deals with countermeasures for minimizing damage in the case of an emergency.

Basic Policy of Risk Management

1. Thorough legal compliance
2. High workplace morality
3. Prevention and countermeasures with a total risk management system

Normal circumstances : Compliance Management System
Emergencies : Crisis Management Manual / Emergency Response System

Audit System

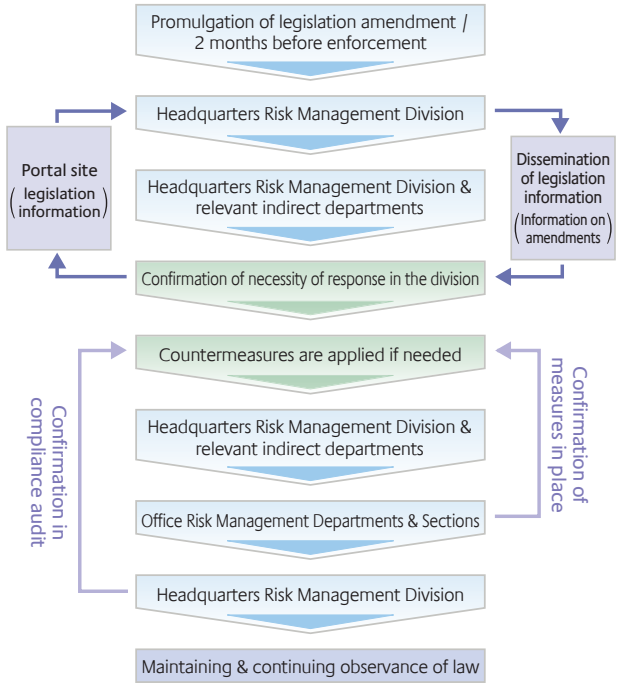
In order to monitor and assess the state of observance of the law, Kyocera is implementing audits of various company management activities. Each year, Kyocera updates an original checklist of applicable domestic laws and regulations. Self-inspections are then implemented in accordance with the checklist; prior to double-check audits by the Headquarters Audit Department. In fiscal 2008, these checks were conducted at 48 sites within the Kyocera and domestic Kyocera group companies.

An audit scene

Notification of legislation amendments and implementation of responses

To deal appropriately with amendments to legislation, legal information such as news on amendment activities is posted promptly on the Kyocera Group intranet. Each division can thus use this information as soon as it becomes available. Additionally, we have set up a system for confirming the relevant divisions are making preparations for adapting to legislation amendments and new laws. Monitoring was made even more rigorous under this system in April 2008.

Confirmation of response to legislation amendment



Compliance Training

Kyocera is implementing Compliance Training for the various levels of managerial staff. In fiscal 2008, in addition to training undertaken thus far by managerial staff, plant managers, office managers and new employees, training was also provided for managers of sales offices. Concerning specific laws, companywide training was conducted on Seminar on the Personal Information Protection Act and the Consumer Products Safety Law.

No. of People Attending Compliance Education Seminars (FY2008)

	No. of participants
Compliance seminar	465
Seminar on the Personal Information Protection Act	378

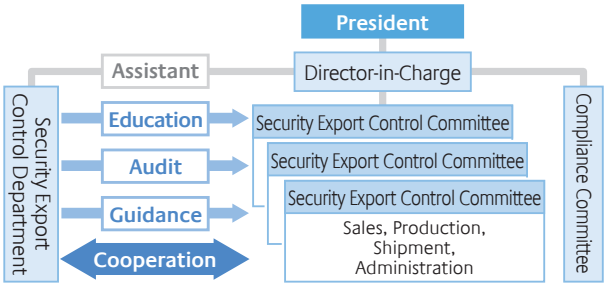
Employee Consultation Hot-line Center

Full-time and part-time employees can contact the Employee Consulting Office directly. Consulting employees are assured of protection of confidentiality. The Office is consulted on diverse matters, including doubts related to the Kyocera Employee's Action Guideline (the basis of compliance by Kyocera Group employees) and actions thought to be in violation of compliance. After examining the relevant facts, the Office undertakes corrective action in place of the employee, and steps to prevent recurrence. In fiscal 2008, there were 16 consultations. Countermeasures were completed in all cases.

Export Trade Control System

Kyocera has instituted a "Kyocera Corporation Security Export Control Regulation" and set up an Security Export Control Committee for each division. Kyocera is able to organize appropriate measures for matters relevant to diversification of products and technology, globalization, and amendments to laws. We do this through the divisional Export Security Control Committee system and the application of information including laws relating to export security. This information is provided by the Risk Management Office through the Corporate Information Reading Room and other means.

Kyocera Export Control System



Authorization as "Specified Exporter"

To ensure compliance with Customs Law and other export-related legislation, Kyocera has established "Kyocera Legislation Compliance Regulations on Specified Export Formalities".

In December 2007, Kyocera was authorized as a "Specified Exporter," in accordance with an exemption system specified in Article 67-3 of Customs Law. Similarly, Kyocera Chemical Corp. received authorization in March 2008.

Taking export freight into a bonded area is a basic requirement of customs clearance. As a result of authorization, we can now submit export declarations while the freight is sitting in factories, warehouses, or elsewhere.

Specified Exporter Authorization Certificate

Protection of Personal Information

Kyocera recognizes that personal information is important information concerning the privacy of individuals, and does everything possible to safeguard such information as one obligation to society. Instituting a Basic Policy on Protection of Personal Information, Kyocera has established a personal information management system. The Risk Management Division is responsible for administration and a Director has been appointed to take overall charge. Confidential administration ensures complete security of personal information.

Actions on Sarbanes-Oxley Act, Section 404

Kyocera shares are listed on the New York Stock Exchange. Section 404 of the Sarbanes-Oxley Act enacted in the USA in 2002 has been applied to Kyocera since fiscal 2007 (fiscal year ending March 2007).

Fiscal 2008 (fiscal year ending March 2008) was the second year of compliance with the Act. As in the previous year, Kyocera Group internal controls were assessed as being effective. We are continuing to maintain and improve internal controls.

Overview of Company Operations

Kyocera aims to be respected by society as "The Company" from the perspective of corporate ethics, while maintaining continuous sales growth and high profitability. To achieve this management vision, Kyocera's management policy is to further drive business expansion to be "an innovation enterprise that continues to grow." In order to implement this policy, Kyocera aims to increase corporate value by expanding businesses; namely by promoting efficient use of management resources and further strengthening consolidated group management.

Overview of Business Performance for the Year ended March 2008

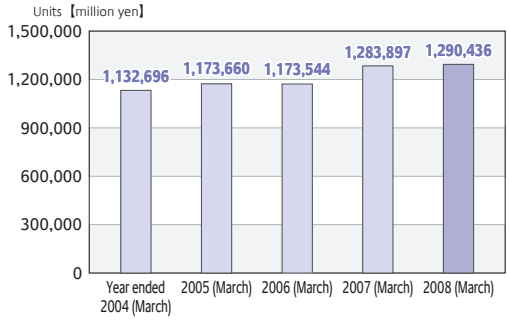
Consolidated net sales for fiscal 2008 amounted to ¥1,290,436 million, an increase of only 0.5% compared with fiscal 2007 but still marked the highest. This result can be attributed to an increase in sales in the Components Business, which more than offset a decrease in sales in the Equipment Business.

Profit from operations increased by 12.8% compared with fiscal 2007 to ¥152,420 million due to a significant increase in profit in the Equipment Business, which was partly offset by a decrease in profit in the Components Business. Depreciation increased by ¥5,475 million due primary to a comprehensive review of the value of fixed assets, triggered by the tax revision in Japan.

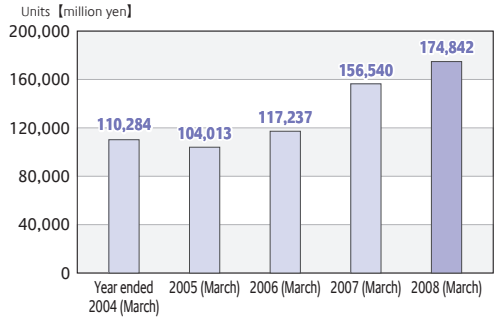
Income from continuing operations before income taxes and minority interests increased by 11.7% compared with fiscal 2007 to ¥174,842 million due to increases in equity in earnings of affiliates and unconsolidated subsidiaries and interest and dividend income. Net income increased by 0.7% compared with fiscal 2007 to ¥107,244 million.

Net Sales, Profit from Operations, Income from Continuing Operations before Income Taxes and Minority Interests, Net Income (Consolidated)

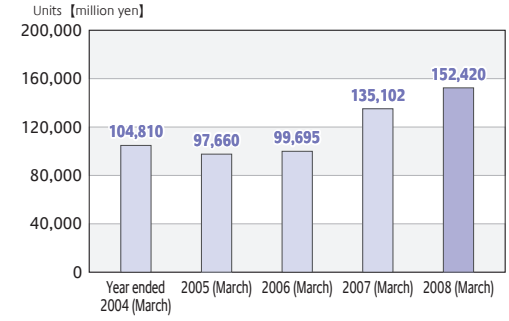
Net Sales



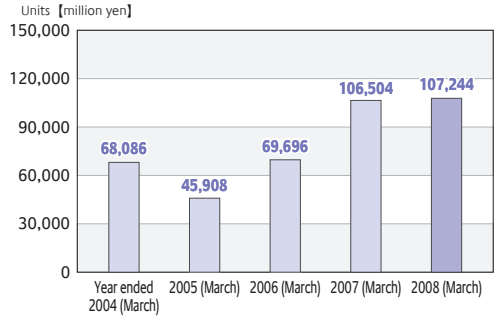
Income from Continuing Operations before Income Taxes and Minority Interests



Profit from Operations



Net Income



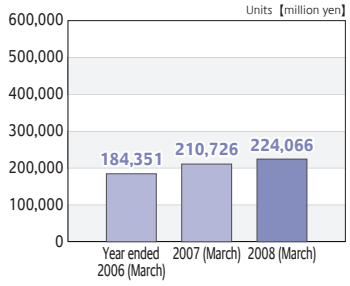
* Consolidated financial statements are prepared in accordance with U.S. accounting standards. Figures shown in this report have been rounded off.

* In fiscal 2007, KYOCERA Corporation sold its shares of KYOCERA Leasing Co., Ltd., a subsidiary engaged in financing services. As a result, business results and profit on the sale of its shares of KYOCERA Leasing Co., Ltd. for fiscal 2007 were recorded as income (or loss) from discontinued operations in accordance with accounting principles generally accepted in the USA. In keeping with the same accounting principles, results for fiscal 2004 to 2006 have been reclassified retroactively.

The State of Sales by Region

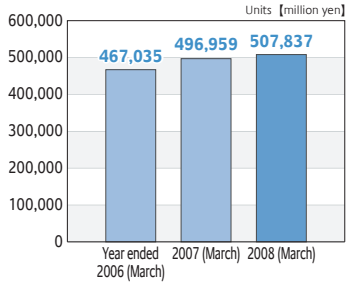
The Kyocera Group is a diverse corporate group of 187 companies* (as of March 31, 2008) with Kyocera as the core company. Cooperation and ties among the individual Group companies promote business development in countries all over the world. In addition to regional contributions which it makes with products and services, the Kyocera Group aims to contribute to employment and development in local cultures.

Europe



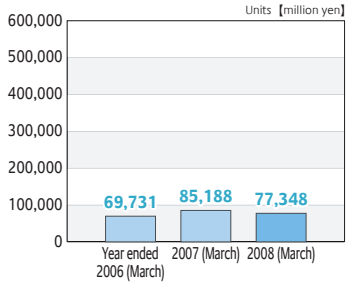
Sales increased in the Information Equipment Group and the solar energy business in the Applied Ceramic Products Group. As a result, sales in this region increased compared with fiscal 2007.

Japan

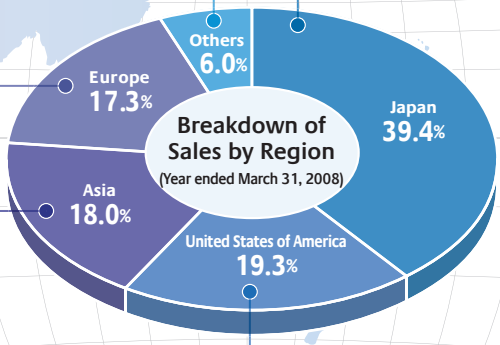


Sales increased compared with fiscal 2007 due mainly to increase in sales in the Semiconductor Parts Group and Kyocera Communication Systems, Co., Ltd.

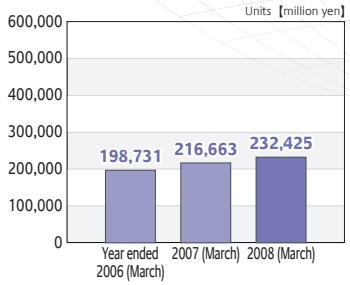
Others



Although sales in the Information Equipment Group in Latin America and Middle East increased, sales in the Telecommunication Equipment Group in Latin America and Oceania declined. As a result, overall sales in this region decreased compared with fiscal 2007.

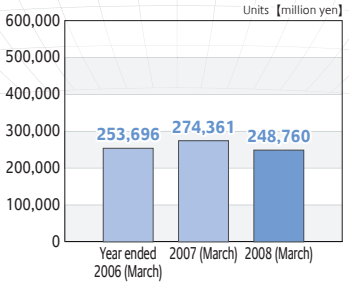


Asia



Sales increased compared with fiscal 2007 due to sales growth in the Electronic Device Group.

United States of America



Sales decreased compared with fiscal 2007 due mainly to a decline in sales in the Telecommunications Equipment Group.

*KYOCERA Corporation:	1 company
Subsidiaries:	176 companies
Affiliates:	10 companies
Total:	187 companies

(As of March 31, 2008)

The State of Operations by Segment

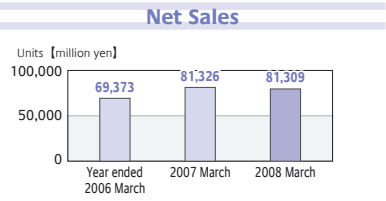
1. Components Business

Fine Ceramic Parts Group

Sales of parts for diesel engines for automobiles, sapphire substrates for LEDs and dielectric parts for mobile phone base stations all increased. However, there was a decrease in demand for components for semiconductor processing equipment, one of the core products in this reporting segment, due to a decrease in capital investment in the semiconductor industry. As a result, sales in this reporting segment remained level with fiscal 2007. Operating profit decreased compared with fiscal 2007 due primarily to an increase in depreciation.

Net Sales	¥81,309 million	Down ¥17 million from previous fiscal year
Operating Profit	¥11,167 million	Down 28.8% from previous fiscal year

- Information & Telecommunication Components
- Sapphire Substrates
- Components for Semiconductor Processing Equipment
- Components for LCD Manufacturing Equipment
- Automotive Components
- General Industrial Ceramic Components



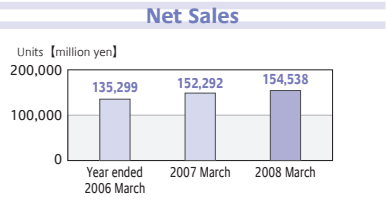
Sapphire substrate for LEDs

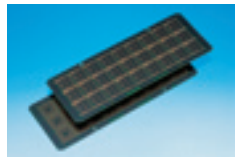
Semiconductor Parts Group

Sales of surface mount device (SMD) ceramic packages for electronic components, ceramic packages for image sensors and organic packages increased. Sales of parts for optical telecommunications devices decreased, however, leading to only a slight increase in overall net sales in this reporting segment compared with fiscal 2007. Although losses shrank substantially in the organic package business, over all operating profit in this reporting segment decreased due to an increase in depreciation coupled with a decline in selling prices.

Net Sales	¥154,538 million	Up 1.5% from previous fiscal year
Operating Profit	¥20,027 million	Down 9.8% from previous fiscal year

- Surface Mount Device (SMD) Ceramic Packages
- CCD/CMOS Sensor Ceramic Packages
- LSI Ceramic Packages
- Wireless Communication Device Packages
- Optical Communication Device Packages and Components
- Organic Multilayer Packages and Substrates





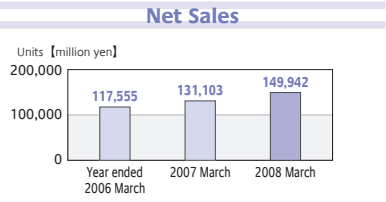
Organic Package
(System-in-a-Package Substrates)

Applied Ceramic Products Group

Both net sales and operating profit increased significantly in this reporting segment compared with fiscal 2007 due to considerable growth in sales in the solar energy business in overseas markets, notably Europe, and to an increase in sales in the cutting tools business.

Net Sales	¥149,942 million	Up 14.4% from previous fiscal year
Operating Profit	¥32,655 million	Up 46.2% from previous fiscal year

- Residential and Industrial Solar Power Generating Systems
- Solar Cells and Modules
- Cutting Tools
- Micro Drills
- Jewelry and Application Products
- Medical and Dental Implants



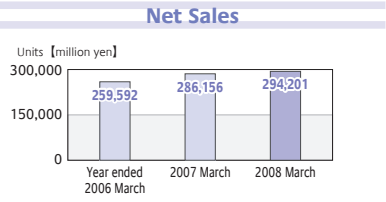
Solar Power
Generation System

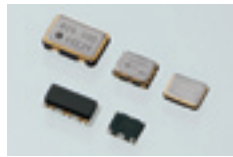
Electronic Device Group

Demands for capacitors and timing devices have decreased since the start of calendar year 2008. Production of digital consumer equipment was solid throughout fiscal 2008, however, resulting in increased over all net sales in this reporting segment compared with fiscal 2007. Operating profit decreased, however, due to a decline in selling prices, etc.

Net Sales	¥294,201 million	Up 2.8% from previous fiscal year
Operating Profit	¥36,524 million	Down 17.9% from previous fiscal year

- Ceramic Capacitors
- Tantalum Capacitors
- Timing Devices
  (Temperature Compensated Crystal Oscillators (TCXOs), Crystal Units, Ceramic Resonators)
- Surface Acoustic Wave (SAW) Filters
- RF Modules
- Connectors
- Thermal Printheads
- LED Printheads
- Amorphous Silicon Photoreceptor Drums
- Liquid Crystal Displays





Timing Devices

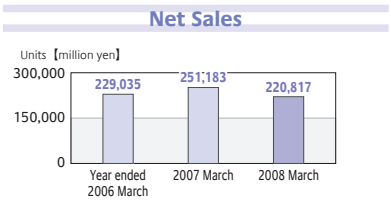
2. Equipment Business

Telecommunications Equipment Group

Despite strong sales in the mobile phone handset business in Japan, a slow sales overseas culminated in a decline in overall sales in this reporting segment compared with fiscal 2007. Operating profit increased significantly compared with fiscal 2007, however, due to a reduction in production costs in the domestic mobile phone handset business, and improved profitability in the PHS related business as a result of concentrating management resources in Japan.

Net Sales	¥220,817 million	Down 12.1% from previous fiscal year
Operating Profit	¥6,786 million	Up ¥6,495 million from previous fiscal year

- CDMA Mobile Phone Handsets
- Personal Handy Phone System (PHS) Related Products
  (PHS Mobile Phone Handsets, PHS Base Stations, High Speed Wireless Data Transmission Systems)



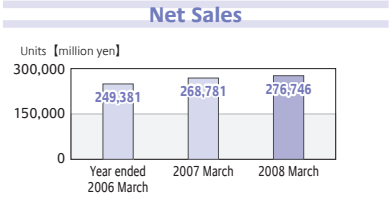
Mobile phone handset [W61K]

Information Equipment Group

Sales in this reporting segment increased due to sales growth in printers, particularly in Europe, spurred by aggressive new product introductions and enhanced sales activities. Operating profit increased significantly compared with fiscal 2007 on account of new product introductions and increased sales of consumables in addition to the positive effect of yen depreciation against the Euro.

Net Sales	¥276,746 million	Up 3.0% from previous fiscal year
Operating Profit	¥39,538 million	Up 16.4% from previous fiscal year

- ECOSYS Printer
- Copying Machines
- Multifunction Peripheral



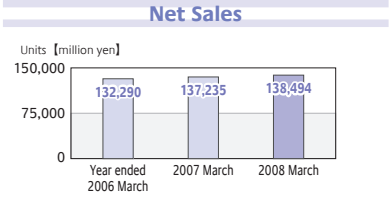
Color digital MFP
KM-C2525E

3. Others

Both net sales and operating profit increased in this reporting segment compared with fiscal 2007 due to expanded net sales and operating profit at Kyocera Communication Systems Co., Ltd. and improved profitability in the optical related business.

Net Sales	¥138,494 million	Up 0.9% from previous fiscal year
Operating Profit	¥9,635 million	Up 40.0% from previous fiscal year

- Telecommunication Engineering Business
- Information and Communication Technology Business
- Management Consulting Business
- Chemical Materials for Electronic Components, Electrical Insulators, Molded Products
- Optical Components
- Hotel Business
- Realty Development Business
- Insurance Agent and Travel Agent Business



D@TA Center
[Kyocera Communication Systems Co., Ltd.]

Note: From fiscal 2008, the"Optical Equipment Group," previously an independent reporting segment, has been reclassified into "Others." Accordingly, net sales and operating profit or loss for fiscal 2005, 2006 and 2007 have been retroactively reclassified pursuant to the same standard.

Together with Customers

The Kyocera Group is focused on developing valuable businesses. Based on our Customer-First Principle, we have a strict quality policy and constantly strive for improvement. This enables us to provide customers with products and services that bring full satisfaction and enjoyment. By these means we are aiming for the state of "Quality Kyocera". To realize this state, we have an established policy on quality, and are striving to raise the standard.
We have also established a product safety policy. The aim of this policy is product manufacture with the highest priority placed on the global environment and product safety.

Thorough application of the "Customer-First Principle"

Kyocera Quality Policy

1. Kyocera places top priority on our environmental management and product safety systems.
2. Kyocera provides products and services to our customers that exceed their expectations by putting them first.
3. Kyocera aims to be a world leader in quality by doing every job right the first time.

To produce quality goods that fully satisfy our customers, the Kyocera Group is setting a Kyocera Quality Policy. The objective is constantly in the minds of all employees. We develop our businesses on the basis of this quality policy, and aim to become a corporation that is worthy of trust all over the world. Regarding product safety, the Kyocera Group has formulated a Product Safety Policy. Additionally, to achieve product quality based on our customers' expectations, we have set up an All-Company CS* Improvement Committee. To enable our work to give high satisfaction to customers, we are doing everything possible to ensure observance and correct application of the rules, right from the planning stages.

* CS …… Customer Satisfaction

Strengthening the Quality Management System

Kyocera is working to strengthen and improve its Quality Management System.

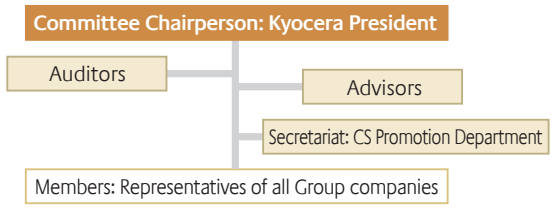
- Maintaining certification of the international standard (ISO-9001) for the Quality Management System*
- Identifying true causes of defects and taking steps to prevent recurrence of problems, using Tree Diagrams and other means, through CS Improvement Committee activities.
- Setting quality targets based on Management Direction and Quality Policy, establishing actions for achieving targets, and undertaking improvement activities.
- Sharing information

* Information on the current status of certification of international standards for the Quality Management System is shown on Page 82 of section, titled Facts & Figures.

Kyocera Group All-Company CS Improvement Committee

Practicing the Customer-First Principle is one element of the Kyocera Group's Management Direction. To become "An innovative enterprise that continues to grow," pleasing customers and earning strong trust is our most important challenge. An All-Company CS Improvement Committee meets each month to consider concrete activities toward meeting that challenge. Chaired by the Kyocera President, the committee includes representatives from domestic Kyocera Group companies.

Structure of the All-Company CS Improvement Committee



Objectives of the All-Company CS Improvement Committee

Clarifying CS indicators for each division, bringing problem areas into the open and undertaking a concentrated approach toward improvement lead to higher customer satisfaction and quality improvement. Aiming for Quality Kyocera, we are advancing with the following activities.

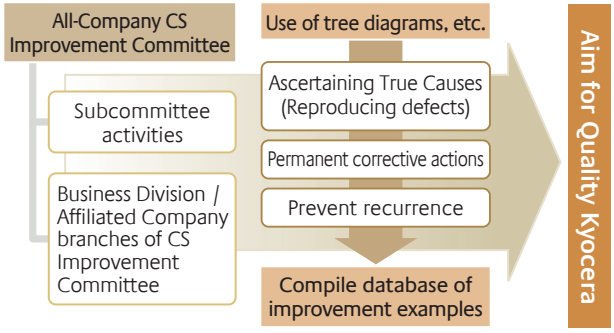
① Establishing CS indicators and raising the CS standards in each division of the Kyocera Group.
② Analyzing assignment and identifying "True Causes."
③ Preventing recurrence of "True Causes."
④ Achieving accurate prediction and prevention of quality problems by placing examples of improvements in a database. This enables sharing of information from individual divisions throughout the Kyocera Group.

Advancing and Strengthening CS Improvement

To reinforce Customer Satisfaction improvement efforts, subcommittee activities have been steadily enhanced since February 2007. Furthermore, improvements are being implemented in individual divisions under the leadership of corporate group general managers and company presidents. In improvement activities, tree diagrams and other means are used to reproduce defect

phenomena. We can then identify "True Causes" and prevent recurrence of defects by applying permanent countermeasures. Methods and examples of improvements are compiled into a database which is accessible throughout the Kyocera Group. This raises the problem-solving ability of the entire Kyocera Group and opens the way for realization of Quality Kyocera.

Promote and Enhance CS Improvement



Product Safety Policy

1. Kyocera is fully acquainted with the latest information related to Product Liability and Product Safety.
2. Kyocera maintains the world-leading standard of Product Safety.
3. Kyocera systematically practices Product Safety in accordance with manuals.

"Safety is the utmost priority for all products made and/or sold by Kyocera. Regardless of form or function, they must not endanger a person's life or well-being, nor inflict damage on property." From that perspective, Kyocera has set a Product Safety Policy, in addition to Quality Policy. Kyocera has established Product Safety System Guidelines as a concrete code of action at all levels of corporate activity. Additionally, Guidelines for Product Safety Labeling serve as supplementary guidelines for understanding international standards relating to safety labels.

Examining Product Safety

The CS Promotion Department supports activities relating to Kyocera product safety, coordinating with individual business divisions and related departments.

- Based on the Product Safety policy and the manual, we review safety of our products in each process. In accordance with the specified ways, we work on it starting with the design and development stages.
- Using Kyocera's official labeling checking system, relevant departments review user safety information such as product labels and operating instructions, to ensure observance of legal requirements and public standards.

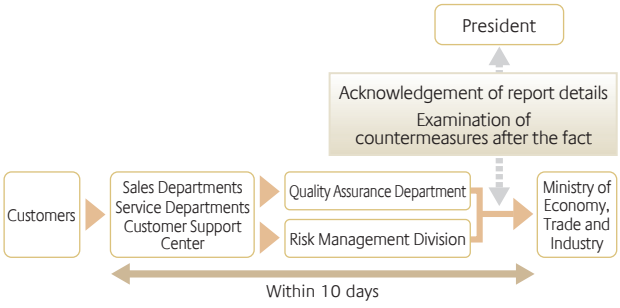
Official Labeling Checking System

Divisions	Relevant fields	Relevant documents
CS promotion	Safety labels	Labels & packaging
Risk management	Trademarks and patents	Written warranty
Legal affairs	Warranty/Indemnity	Instruction manuals
Intellectual property	Contracts	Sales promotion documents
Public announcements	etc.	Catalogs
		Advertisements

Compliance with Consumer Products Safety Law

To ensure compliance with May 2007 revisions to the Consumer Products Safety Law, Kyocera revised its in-house reporting system and held briefings for the people responsible in each division. Kyocera has clarified emergency contacts to enable an immediate response in the case of a serious accident involving company products, and organized a system for immediate reporting of information from customers.

Emergency Contact System



Replacement of battery pack for au-brand mobile phone [W42K]

The au mobile phone [W42K] is made by Kyocera, with 214,349 units in use as of March 26, 2008. It has been confirmed the battery pack used in this mobile phone may short-circuit internally while in use, if enough pressure is applied to scratch or dent it. This could result in overheating, expansion, smoking or rupture of the battery.

Therefore, on March 29th 2008, all users of the [W42K] (including customers whose mobile phones did not contain the potentially hazardous battery) were informed of the matter individually in writing, and asked to return the mobile phone to have the battery replaced. A public notice and apology was placed in newspapers, and similar information was posted on the company website.

We deeply regret the anxiety and inconvenience we have caused our customers.

Together with Customers

Responding to the Voices of Customers

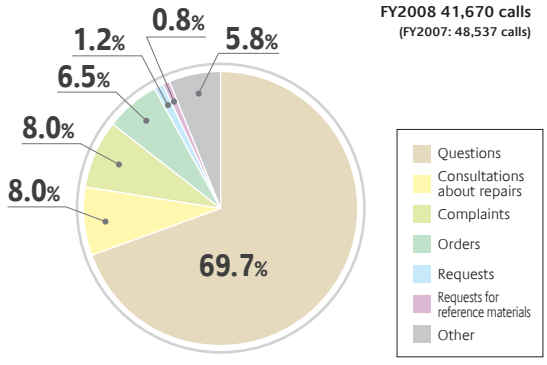
Customer Support Center

Kyocera has a Customer Support Center (Call Center) to handle matters concerning consumer products for general customers. The purpose of the Customer Support Center is to represent Kyocera in the acceptance of inquiries, complaints, and the views of customers, and to raise the level of customer satisfaction by responding promptly and precisely to problems and other matters.

The valuable information on problem areas and issues, gathered from customers is reported immediately to top management and to the relevant division. From there, steps are taken to improve products and services.

Personal information about customers is guarded and managed with strict confidentiality, in accordance with internal rules and regulations.

Break-down of Inquiries



Since the previous fiscal year, the overall number of inquiries has fallen by about 7,000. The main reasons for the fluctuations are as follows.

- Enriched information on the Kyocera website (expansion of [Frequently Asked Questions] content, etc.) has reduced inquiries
- Improved operating manuals (addition of a simplified manual for PHS, etc.) have reduced inquiries
- Improved quality of PHS has resulted in fewer inquiries and complaints
- Increased inquiries about where to buy new products from applied ceramic consumer product business

Awards for Kyocera Products

Good Design Award — "MEDIA SKIN"

In the 2007 Good Design Award competition, sponsored by the Japan Industrial Design Promotion Organization, the Good Design Gold Award was given to Kyocera for the mobile phone "MEDIA SKIN", created by au Design Project. The award-winning MEDIA SKIN features a new sense of touch resulting from surface treatment and special paints. Additionally, MEDIA SKIN is the world's first mobile phone with a 260,000-color QVGA Organic EL display as the main display. This model allows enjoyment of beautiful One-Seg TV images and others.

MEDIA SKIN

The 6th Serai Grand Awards — "Black Cutting Board"

In the 6th Serai Grand Awards, sponsored by the publisher Shogakukan, Kyocera's "Black Cutting Board" was awarded the "Friendly to Senior Citizens Category Award". The black and white contrast offered by the black cutting board makes food easier to see for senior citizens and other people with impaired vision. This award was presented in view of improved utility and safety when preparing food. The sale of the cutting board began in February 2007 in limited numbers through Japan Braille Library, a social welfare organization. In view of the strong positive response, we began selling the board nationwide in June. Furthermore, this product won an Incentive Award, in The 2007 Miyako Universal Design Award competition, sponsored by Kyoto City.

The black cutting board

"To provide opportunities for the material and intellectual growth of all our employees, and, through our joint efforts, contribute to the advancement of society and humankind" is the Management Rationale of the Kyocera Group. In our quest to achieve this Rationale, we constantly strive to optimize our organization. Kyocera is setting up personnel and education systems necessary to develop and train employees, while actively undertaking measures for improved safety and the prevention of accidents or disaster. Optimizing our organization gives employees a sense of pride in their company and the feeling that their work is worthwhile.

Personnel Matters

The "material and intellectual growth" targeted by the Management Rationale encompasses more than simply economic stability and prosperity. It embraces an enrichment of the spirit – something to live for and a sense of doing worthwhile work – through self-fulfillment. To achieve the Management Rationale, our personnel systems are adaptable to the characteristics and societal norms of individual countries. Such systems must be able to adapt to diverse values and the changing environment of an aging society, in addition to the changing labor environment that stems from mobility of employment and globalization of corporate activity.

The Personnel Vision

To work continually on innovation of various personnel measures. To create a workplace climate in which all employees can take pride in the company and feel that their work is worthwhile, while sharing both hardships and joys. To thereby contribute to achieving the Management Rationale.

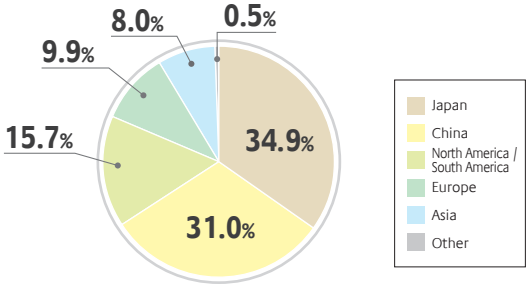
Respect for Human Rights

The Kyocera Group forbids forced labor and child labor, and does not discriminate on the basis of gender, age, religion, race, nationality or physical features. Our human rights policy reflects international standards such as the UN's Universal Declaration of Human Rights and the International Labor Organization's (ILO's) fundamental conventions on human rights. The Kyocera Group employs and appoints diverse peoples, with emphasis on humanity and ability.

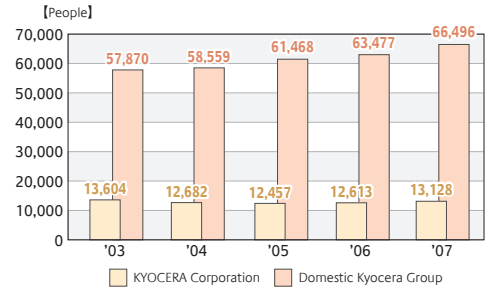
Adapting to Globalization

About two-thirds of Kyocera Group employees are working outside of Japan. Almost all were hired in the country or region where they work. 'Harmony & Unity' is a basic principle of the Kyocera Group operations outside of Japan. We have pursued this philosophy consistently since our first overseas office opened in 1968 (USA). Therefore, many local people are employed and are active in management in overseas operations.

No. of Employees by Region (As of March 31, 2008)



No. of Employees (As of March 31, 2008)



Approach to Labor-Management Relations

At Kyocera, great emphasis is put on building relationships based on trust and heart-to-heart bonds among employees. Labor-management relations at Kyocera go beyond the generally accepted idea of harmony between management and labor. At Kyocera, the basis of the relations is "coaxial labor and management," where perspectives are shared on the same level. Such relations are stimulated and sustained through unity in participation in sporting events, summer festivals and many other kinds of events.

Regulations Review Project

In 2005, labor and management jointly launched the Regulations Review Project. Environments change with the times, and the needs and lifestyles of employees diversify. Amid these changes, labor and management work together on broad reviews of regulations, to ensure current criteria and standards are appropriate, fair and impartial.

Labor & Management Conference

At Kyocera, conference attended by representatives of both labor and management is held monthly in each factory and office. Participants in these conference examine the labor conditions of employees and workplace environments. They engage actively in discussion and exchange opinions on areas to be improved, and other issues.

Kyocera Group Sports Festival

Sports Festival is a notable event jointly sponsored by labor and management. It is held each year with the aim of building mutual trust and solidarity through competition and victory celebrations. The 30th Sports Festival was held in 2007. Having won in regional preliminaries, 32 teams engaged in heated competition at the sports grounds in the Yohkaichi and Gamou Plants, Shiga Prefecture.

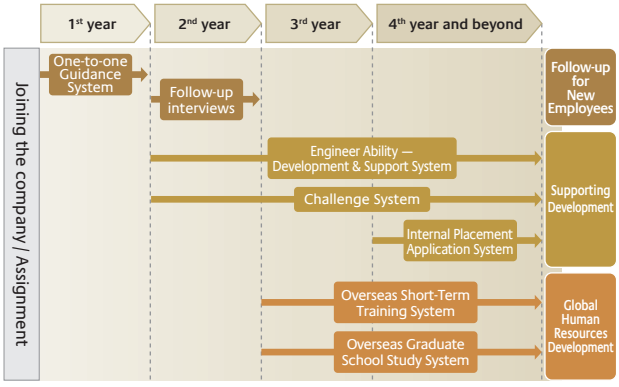
Together with Employees

Approaches to raising workplace vitality

Since FY2007, Kyocera has conducted opinion survey all employees. The survey focus on the level of satisfaction with the work and workplace atmosphere, the management situation, the sense of trust in the company, and suggestions for improvements, etc. Results are analyzed for each organizational unit, allowing for the diagnosis of the "vitality level" in each workplace. Using results as one reference indicator, workplace leaders take the lead in improvement activities for heightening workplace vitality.

Development of Human "Assets"

Kyocera regards human resources as human "assets" and supports activities enabling employees to raise awareness of personal development and their contribution in the workplace. The greater part of personal growth is realized through work. From that viewpoint, Kyocera is striving to build a workplace environment where each employee can work cheerfully and energetically, and on drawing out individual distinctive qualities to their maximum extent. Kyocera aims to match the ideas and ambitions of employees with the business requirements of the company, thereby realizing employee growth and company development simultaneously. The flowchart below illustrates the development of human assets.



One-to-One Guidance System (Supporting Growth of New Employees)

Coaches are selected to take responsibility for the education of each new employee. They give detailed guidance and advice, while building communication through regular meetings and other means. Additionally, each employee meets with the Human Resources Department Staff. New employees can thus receive advice from several perspective. Human Resources Department then conduct follow-up interviews in the second year of employment.

Challenge System (Supervisor/Subordinate Interview System)

Once each year, interviews are held between supervisors and subordinates for the purpose of sharing individual work targets and skill development. With a clear understanding of his or her functions, each employee can concentrate independently on the work and skill development. Supervisors, by heeding subordinate feedback, can thus smooth the way for continuously raising ability to reach goals and accomplish business affairs as an organization.

Internal Placement Application System

When divisions anticipate the need for an addition of personnel for new operations, expansion of operations, or other purposes, this system enables employees throughout the company to apply for placement. The diverse business fields of the Kyocera Group are open to employees in accordance with the aspirations of the individual. The aim is to offer advancement to employees possessing drive and ambition.

Skill Development Support System for engineers

In January 2008, we introduced a support system to help engineers independently raise their levels of expertise.
This system specifies the ideal state of an engineer for each job category and grade, while clarifying the corresponding required skill standard (specific requirements & levels).
On that basis, the system is also a mechanism for supporting independent efforts at development by engineers.
Specifically, the system repeats the PDCA cycle, in which engineers set annual targets for raising expertise, and endeavor to develop their abilities through work, and training, etc. The results are then checked. When the results show a certain standard has been reached, the engineer receives grade certification, offers to undertake activities in new fields, and so on. This mechanism raises the motivation of engineers, and consequently improves the engineering capability of the organization as a whole.

Target function levels and grades

Level	Grade
Equivalent to industry authority	Executive Researcher / Executive Engineer
Equivalent to in-house authority	Senior Researcher / Senior Engineer
Possesses broad & in-depth expertise	Chief Researcher / Chief Engineer
Possesses definite expertise	Associate Researcher / Associate Engineer

Overseas Training Systems

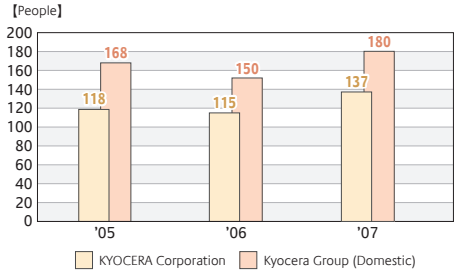
Kyocera has an Overseas Short-Term Training System and an Overseas Graduate School Study System. The objective of these systems is to cultivate human resources who can function on the global stage. The systems were established in 1984, and 102 people have been sent abroad for study since then. In fiscal 2008, seven employees were sent overseas for short-term training. Kyocera is thus cultivating employees with improved language skills, the ability to obtain up-to-date knowledge and technology that can only be acquired abroad, and a sense of international awareness.

A Balance of Work and Life

Measures for Child Care and Nursing

To support the coexistence of work and home life, in FY1992 Kyocera introduced a child-care leave system. In FY2006, we introduced a short-time work system for pregnant employees, and employees raising children through the third year of elementary school. Moreover, Kyocera has established a family nursing care leave system that surpasses legal requirements. This system allows employees to take a maximum of one year off work to nurse family members in need.

No. of Employees Taking Child Care Leave



Promoting Woman in the Workplace

Promoting the role of women in the workplace is an important management issue. In January 2006, Kyocera set up a Positive Action Promotion Committee chaired by the personnel director, and Women's Activity Promotion Committees. While increasing the number of female employees and broadening job options for women, Kyocera is building a system to improve the balance of work and life, through introduction of the short-time work system and other measures.

Return-to-Work System

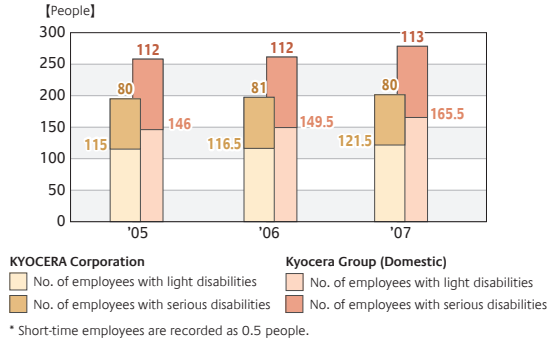
In December 2007, Kyocera introduced a system whereby people who left the company due to marriage, childbirth, child-rearing, nursing care or other unavoidable reasons can return to work as regular employees. This system expands the options for working when thinking about plans for life, and supports realization of a balance of work and life for individual employees.

Offering Employment Opportunities to Match Diverse Needs

Employing People with Disabilities

Kyocera actively promotes an environment that supports the employment of people with disabilities and makes it easier for them to work. Each employee is assigned to a workplace upon consideration of aptitude, the nature of the work, and other matters. As of March 2008, the ratio of people with disabilities, employed by Kyocera, was 2.0%. This surpasses the legally required ratio (1.8%). Kyocera will continue to actively provide employment opportunities for people with disabilities.

No. of Employees with Disabilities

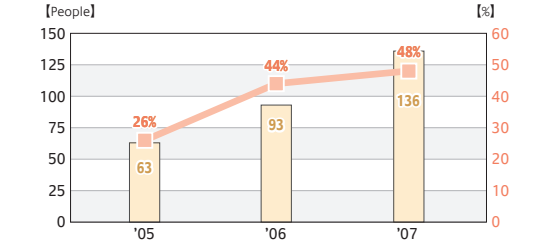


* Short-time employees are recorded as 0.5 people.

Senior Employee System (Re-Employment System)

In fiscal 2002, Kyocera introduced a system for offering re-employment to employees approaching retirement at the age of 60 years. This system satisfies the needs of both employees and Kyocera. For employees reaching regular retirement age, it offers economic stability and the chance to continue with meaningful work. Meanwhile, continued application of acquired abilities and skills contributes to further development of the company and perpetuation of corporate climate and culture.

Senior Employee Contract Workers



* Re-employment rate = No. of people newly re-employed in current fiscal year / No. of retiring employees in current fiscal year

Together with Employees

Employee Education

Since foundation of the company, Kyocera has practiced management based on the Kyocera Philosophy. The Kyocera Philosophy is the driving force behind Kyocera's development and it is essential that the Philosophy continues to be passed on correctly to employees. Therefore, study of the Philosophy is the cornerstone of training in the Kyocera Group. Employees systematically study the fundamental ideas contained in the Philosophy and the management methods embodying those ideas. By spreading the yields of Philosophy study throughout Japan and abroad, the Kyocera Group cultivates human resources who can contribute to the advancement and development of humankind and society.

Kyocera Management Research Institute

The Education Rationale

The Education Rationale is based on Kyocera's Management Rationale. Kazuo Inamori, the founder of Kyocera, devised the Management Rationale as the fundamental approach of Kyocera after thinking long and carefully about "why a company exists." The goal of the Education Rationale is to cultivate human resources who can contribute to achieving the Management Rationale.

The Kyocera Group cultivates highly capable human resources who acquire the Kyocera Philosophy and contribute to the advancement and development of humankind and society, while pursuing the global development of Kyocera and the happiness of all employees through earnest efforts and a focus on creativity.

Education Objectives

To achieve the Education Rationale, the Kyocera Group has set five Education Objectives. To achieve these objectives, an education system corresponding to each of the five has been constructed.

1. Spreading the Kyocera Philosophy among all employees (Philosophy Education)
2. Cultivating executives with high-level management skills (Management Education)
3. Cultivating human resources with job skills that meet specific qualifications (Skills-specific Training)
4. Cultivating human resources with high-level specialized knowledge and high technological skills (Technical Training)
5. Cultivating professional human resources for specialized job types (Job-specific Training)

Restructuring the Engineer Training System

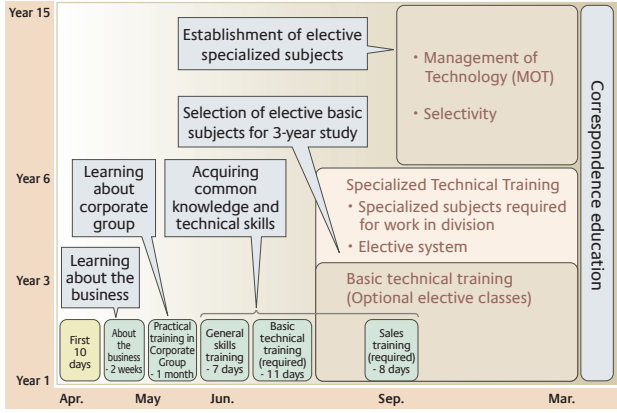
Training Type		Top Management	Mid-level Employee	Employee	Part-time Employee
Philosophy Education	Inside Japan	Director & Executive Philosophy Training	Supervisor & Assistant Supervisor Philosophy Training	Employee Philosophy Training	Part-time Employee Training
	Outside of Japan	Top Management Seminars	Middle Management Seminars	Employee Philosophy Training	
Management Education		Kyocera Management Studies Course			
		Plant Manager & Division General Manager Training	Sales Manager Training		
			HA*		
Skill-specific Training		Management Skills Training / Administrative Skills Training	Supervisory / Leader Skills Training / Advanced General Skills Training	General Skills Training	
Technical Training			Management of Technology (MOT) / Specialized Technical Training / Basic Technical Training		
Job-specific Training			Product Manufacture Skills Training		
			Sales Dept. / Administrative Dept. Training		
Other Training		Research Task Reports / Chinese Language Studies / Correspondence Education / e-Learning / etc.			

* HA: Human Assessment

Restructuring the Engineer Training System

Engineer training policy is: "To cultivate creative and innovative professional human resources, possessing high-level specialized knowledge, and high-level technical skills, covering all areas of business — manufacturing, engineering, development, sales, and administration". Based on this policy, we have established a new engineer training program. Under this program, new employees attend Basic Technical Training by their third year, followed by Specialized Technical Training by their sixth year. From their seventh year to the 15th year, engineers learn how to apply their expertise in management, through Management of Technology studies.

Engineer Training System



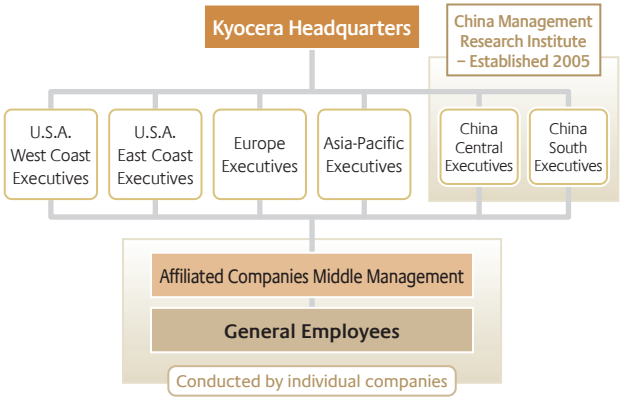
Developing Philosophy Education Overseas

The Kyocera Group is developing wide-ranging businesses all over the world. We aim to rise above differences in language, race, religion and diversity of values, and to share the Kyocera Philosophy among all employees as the foundation of the Kyocera Group's Management Rationale. Establishing the Kyocera Philosophy as a part of life generates a sense of fulfillment for each employee, and a sense that their work is worthwhile. This in turn strengthens the business foundation.

Through globalization of the education program, ongoing Philosophy education has been conducted in the Kyocera Group outside of Japan twice each year since fiscal 2004.

Specifically, Top Management Philosophy Seminars are held regularly for the senior general manager level, and Middle Management Philosophy Seminars are held for leaders in the mid-level employee class.

Of these, the number of participants in the Top Management Philosophy Seminars increases with each seminar. The seminars are extremely important opportunities for senior management to study the Philosophy. From FY 2008, accounting courses called "The Kyocera Management and Accounting Principles" are being offered as a fresh topic for study. In addition to the above training courses, we have also introduced Amoeba Management Training Seminars to further understanding and promote introduction of Amoeba Management.



Plant Manager / Office Manager / Sales Manager Training

Beginning in 2006, four-day training courses have been held for plant and office managers in the Kyocera Group in Japan. The purpose of the courses is to help plant and office managers raise the awareness and acquire the knowledge needed for smooth management of factories and offices. Additionally in 2007 these courses were held for newly appointed plant and office managers.

Training was also introduced for sales office managers. The training began with review of the matters in which plant, office and sales managers need to be involved. Based on specific and detailed division of duties, the courses clarified the mission, functions, and responsibilities of each category of manager. At the same time, the managers studied matters of business execution essential to accomplishment of their duties. These courses help to raise the awareness and business execution ability of plant, office, and sales managers to the same level and to align vectors in the Kyocera Group on running of plants and offices.

FY 2008 Education Results

In FY 2008, as many as 64,197 employees in Japan and abroad attended training courses in the Philosophy and other areas.

Courses in Philosophy education have been held continually since FY 2003. Regular and systematic training is implemented at all levels of employment, from top management to part-timers, with the aim of sharing, spreading and sustaining the Kyocera way of thinking.

Training has been enriched by expanding participation in the Kyocera Management Studies Course. Employees study Amoeba Management (a business management method unique to Kyocera) and Kyocera Management and Accounting Principles.

No. of Employee Training Course Participants (FY 2008)

Name of Course	Philosophy Education		Management Training	Skills-specific Training	Technical Training	Total
	Inside Japan	Outside of Japan				
No. of Course Participants in 2007*	20,608	13,466	22,501	3,646	3,976	64,197

* Results above refer to training conducted by training departments in Kyocera.

Together with Employees

Safety & Health / Fire & Disaster Prevention

Provision of a safe and healthy work environment is a major requirement for achieving the material and intellectual growth of employees, as set out in the Management Rationale. Therefore, the Kyocera Group actively promotes safety and health alongside disaster prevention activities, while concentrating on building a corporate climate embodying the concept of "Safety First."

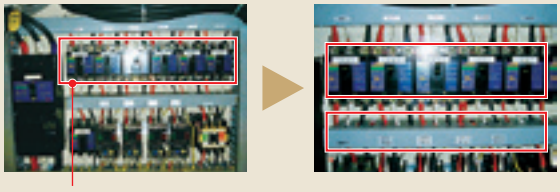
Introduction & Operation of OHSAS18001

To eradicate work-related accidents and realize "a workplace environment where employees can function safely and with peace of mind," Kyocera is working towards obtaining Occupational Health and Safety Management System (OHSAS18001) certification. Obtaining certification is not the goal. Kyocera considers the measures needed for acquiring certification to be extremely important. Therefore, a year before beginning operation of the system, we began concentrating on improvement of the workplace environment. These improvements included revision of the standard operating procedures, implementation of basic education and training in occupational safety and health, thorough implementation of 5S activities, vitalization of KYT (Risk-Perception Training), workplace inspections, and the sharing of information on potentially dangerous incidents.

In FY2008, there were about 16,000 standard operating procedures, based on the OHSAS18001 system. Risk assessment has subsequently revealed risks difficult to detect in day-to-day safety activities. As a result of implementation of fundamental countermeasures to such risks, all production plants in the Kyocera Group inside Japan (excluding newly added affiliate companies) received certification in October 2007.

OHSAS Improvement – Example No. 1

Measure for preventing electric shock



Electric shock has been prevented by installing covers over terminals presenting a hazard during inspection.

OHSAS Improvement – Example No. 2

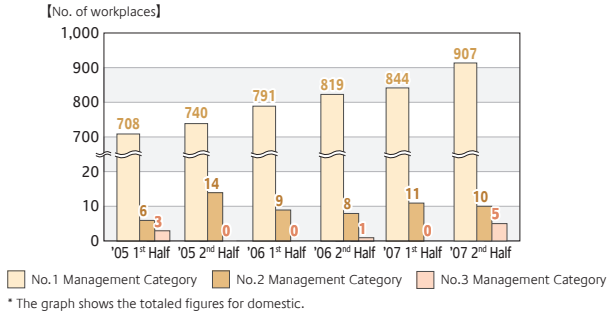
Measure for preventing back injury

Carts with adjustable height were introduced for use in moving heavy components used at worksites. This has eliminated the lifting work for heavy loads.

Creating a Comfortable Work Environment

The Kyocera Group (Domestic) actively promotes a work environment in which employees can work safely, in health and in comfort. Regarding concentrations of chemical substances and other materials in the work environment, the Group has set its standards at less than 1/10th of the concentrations permitted by law. The Kyocera Group standards are close to the lowest numerical detection limits of measuring equipment. Work environment tests in FY2008 showed that there were no No. 3 Management Category workplaces in Kyocera Corporation (no workplaces required mandatory improvements). There were five No. 3 Management Category workplaces in certain affiliate companies. We have already begun work on countermeasures, and expect completion of improvements early in FY2009.

Work Environment Test Results



* The graph shows the totaled figures for domestic.

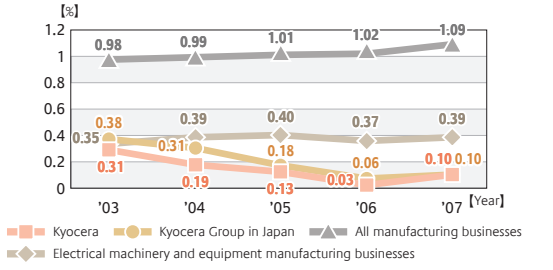
Further planned introductions of OHSAS18001

Implementation of the system at non-production locations in the Kyocera Group in Japan will begin in FY2009. An external certification body will examine the system in operation in July 2008. We are also planning certification of companies newly added to the Kyocera Group. Outside of Japan, the system is already in operation at two locations. At other sites, we are steadily revising standard operating procedures and undertaking risk assessments, starting in FY2009.

Results of Safety Measures

In 2007, the rate of absence from work due to work-related injury in both Kyocera Corporation and the Kyocera Group in Japan was 0.10. This rate is better than for all manufacturing businesses as well as for electrical machinery and equipment manufacturing businesses. On the other hand, compared with the previous year, the rates of absence have risen in both Kyocera Corporation and the Kyocera Group in Japan. This was due to automobile-related accidents, accidents occurring while commuting, and so on.

Frequency of Work-Related Injuries



* Rate of absence due to work-related injury = $\frac{\text{No. of work-related injury absences}}{\text{Total working hours}} \times 1{,}000{,}000$

Emergency Lifesaving System

The Kyocera Group in Japan is installing AED units (Automated External Defibrillators) in offices. They will enable emergency lifesaving treatment should an employee or visiting customer suffer cardiac arrest. As of the end of March 2008, 50 AED units have been installed, and more than 1,500 people have completed training in use of an AED. In September 2007, the value of AEDs was demonstrated when a precious life was saved. An employee at Kyocera's Sendai Plant in Kagoshima Prefecture suffered a heart attack, but was revived with an AED and heart massage.

AED training course

6th Environment & Safety Promotion Plan Goals

Name of Plan	Goal Content	Scope*1	Reference or Index	Goal FY2009 First Half	Goal FY2009 Second Half	Goal FY2010 First Half	Goal FY2010 Second Half	Goal FY2011 First Half	Goal FY2011 Second Half	Long-term Goal (FY2018)
Safety & Health Promotion Plans	1. Work-Related Injury Reduction Plan									
	(a) Reduction of work-related injuries	KYOCERA Corporation	Frequency of work-related injuries in 2007	50% reduction		75% reduction		Zero cases		Zero cases
		Domestic/Overseas						87.5% reduction		
	(b) Reinforcing workplace supervision system by increasing personnel qualified in safety and disaster prevention issues	KYOCERA Corporation /Domestic	No. of personnel required by law	10% increase		30% increase		50% increase		—
	(c) Accident-free commendation system	KYOCERA Corporation /Domestic	5 commendation levels (500 days to 2500 days)	Introduced in the Kyocera Group (Domestic)		—		—		—
	(d) Introducing risk assessment in overseas Kyocera Group	Overseas	—	Introduced at model bases	Introduced at all overseas production plants	Ongoing operation				—
	2. Promotion Plan for Creating Comfortable Workplace Environment									
	(a) Setting independent standard for workplace environment management	KYOCERA Corporation /Domestic	Chemical substances (less than 1/10th of legal standard) Noisy operations (constantly 80dB)	Application of independent management standards		—		—		—
	(b) Strengthening management and introducing improvements at workplaces handling chemical substances	KYOCERA Corporation /Domestic	—	Implementation of workplace improvements (dust)				Ongoing		—
				—		Implementation of workplace improvements (organic solvents)				
				Enhancing worker health education for supervisors and workers						
	(c) Strengthening management and introducing Improvements at noisy workplaces	KYOCERA Corporation /Domestic	—	Improvements at Nos. 2 & 3 Management Category workplaces, reinforcing administration, enhancing worker health education for workers in noisy environments						—
				—		Time restrictions for hazardous work at No. 3 Management Category workplaces				
	3. Mental Health Promotion Plan									
	(a) Reducing unscheduled leave-taking	KYOCERA Corporation /Domestic	No. of people commencing leave in FY2008 due to mental health problems	5% reduction		10% reduction		15% reduction		50% reduction
	(b) Enhancing mental healthcare	KYOCERA Corporation /Domestic	—	Enhancing supervisor training (2 hr/year) & general employee training (1 hr/year)						—
Fire & Disaster Prevention Promotion Plan	1. Reducing fire & explosive accidents	KYOCERA Corporation /Domestic	No. of fires and explosions	1 case		Zero cases		Zero cases		Zero cases
	(a) Strengthening standards for storage of dangerous materials (strengthening internal standards)	KYOCERA Corporation	Workplaces storing dangerous materials at less than the small-stock quantity specified by Kyocera Corporation in-house standards (0.02~0.2 times the specified quantity) hold no more than is required for use in a single week.	30%+ conformity		60%+ conformity		100% conformity		—
		Domestic		—		30%+ conformity		60%+ conformity		100% conformity (FY2012)
	(b) Strengthening requirements for installation of automatic fire alarms	KYOCERA Corporation /Domestic	Buildings or no. of rooms legally exempt from need to install automatic fire alarms	Countermeasures completed: 30%+		Countermeasures completed: 60%+		Countermeasures completed: 100%		—
	2. Implementation of earthquake measures									
	(a) Setting fixation standards for machinery and equipment	KYOCERA Corporation	—	Establish standards & countermeasures		Countermeasures completed: 20%		Countermeasures completed: 40%		Countermeasures completed: 100% (FY2014)
		Domestic				—		Countermeasures completed: 20%		Countermeasures completed: 100% (FY2015)
	(b) Installation of emergency equipment	KYOCERA Corporation	—	Establishment of standards		Emergency equipment installation		—		—
		Domestic				—		Emergency equipment installation		—

*1 Scope: Kyocera Corporation / Domestic = Kyocera Group companies in Japan / Overseas = Kyocera Group companies outside Japan.

Together with Shareholders and Investors

The Kyocera Group is striving to improve the transparency of business activities. At the same time, we are working for the prompt, appropriate and fair disclosure of information to shareholders, investors and all others who have interests in the corporation.

General Meeting of Shareholders

Kyocera regards the "General Meeting of Shareholders," the highest decision-making organ of a corporation, as an important opportunity to communicate with shareholders and strives for its openness.
The report we send to our shareholders is designed for clear understanding, and includes photographs, graphs and other reference information such as explanations of end-of-year figures. Furthermore, we strive to ensure that the opinions of many shareholders are reflected in management by sending out the notices of the meeting of shareholders earlier than the legally required time as well as making voting rights exercisable via the internet. Additionally, since 2007, we have held a social gathering after the General Meeting of Shareholders, for better communication of shareholders and Kyocera directors.

Reports to Shareholders

Proactive Disclosure

The Kyocera Group presents financial statements and other information for which disclosure is legally required through the corporate website. Aside from presentation of the required information, the Kyocera Group proactively undertakes timely disclosure of diverse information, from stock prices to the latest news, and much more. The Investor Relations page on the Kyocera website has earned Kyocera recognition as a Daiwa Investor Relations Excellent IR Website for four consecutive years.

Profit Distribution

Kyocera has set a dividend policy focused on linkage between consolidated results and dividend payout. Specifically, the benchmark for the consolidated dividend payout ratio is 20% to 25%. Dividend payouts are determined from an overall perspective, taking into consideration funding needed for medium- to long-term corporate growth. Based on this dividend policy, the full-year payout for the year ended March 2007 was raised from 100 yen per share to 110.

Assessment of Socially Responsible Investment (SRI)

Socially Responsible Investment (SRI) has been expanding in recent years. Under SRI, in addition to financial analysis, investment vehicle selection is based on a corporation's social fairness and ethics, consideration for the environment and human rights, and other assessments of social responsibility. The Kyocera Group is proceeding with diverse measures to fulfill social responsibilities of the corporation. This stance is highly acclaimed and has earned the Group selection as an investment benchmark stock.

Main SRI Indices and Funds (also Eco-funds) in which Kyocera is Included

Overseas SRI index

- Ethibel Sustainability Index (As of November 13, 2007)

Domestic SRI (Eco) funds

- Daiwa Eco-fund (As of February 20, 2008)
- Global Warming Prevention - Related-Shares Fund "Chikyuryoku" (As of June 20, 2007)
- AIG/Resona Japan CSR Fund "Seijitsu-no-mori" (As of March 17, 2008)
- Daiwa SRI Fund (As of May 21, 2007)
- Eco-Fund (As of October 15, 2007)
- Asahi Life SRI Social Contribution Fund "Asu no Hane" (As of September 20, 2007)
- Fukoku SRI (Socially Responsible Investment) Fund (As of April 21, 2008)
- Mitsubishi UFJ SRI Fund "Family Friendly" (As of November 20, 2007)
- Morningstar SRI Index Open "Tsunagari" (As of July 17, 2007)
- Eco-Partners "Midori no Tsubasa" (As of January 28, 2008)
- Eco-Balance "Umi to Sora" (As of September 25, 2009)
- AIG/Hirogin Japan Share CSR Fund "Class G" (As of March 10, 2008)

IR Activities in Japan and Abroad

In addition to listing of shares on the Tokyo Stock Exchange and Osaka Stock Exchange, Kyocera has listed American Depository Receipts (ADR) on the New York Stock Exchange. The Kyocera Group actively discloses information to shareholders and investors in Japan and abroad. A wide range of information can be accessed through the Kyocera website at the URL below.
URL http://global.kyocera.com/ir/index.html

Together with Business Associates

Procurement departments are windows for business associates. We must constantly be wary of buyer's logic, or the logic of the party in a stronger position. To consistently engage in fair purchasing activities, we have adopted the following rationale: "Purchasing is Company's face. Be fair always Let's become a reliable and valuable Purchasing Group by gratitude toward others, humble reflection to our behaviors and additionally best efforts all the times"

Relations with Business Associates

Kyocera regards business associates as "valued partners" and places great importance on growing together and on mutual improvement achieved through learning from each other. With business associates actively suggesting diverse improvements, for instance, both parties are applying knowledge and insight toward bettering the quality, environment, delivery time and cost. Additionally, to foster a better understanding of Kyocera's basic approach to business transactions, we actively visit suppliers and use various opportunities to build communication. In this way, we build partnerships based on mutual trust.

Supplier Selection Policy

Kyocera adheres to the Supplier Selection Policy outlined below. If a new supplier seeks to conduct business with Kyocera, that prospective supplier is asked for a report giving a general overview of the company, and to complete a Questionnaire about Environment-Related Activities. The supplier is assessed and selected or denied based on these materials and various findings as established in the Supplier Selection Policy. Similarly, established suppliers are periodically surveyed, assessed and reviewed.

- Whether the fundamental thinking of the Kyocera Group is understood.
- Whether the thinking of the business operator and the management rationale of the prospective supplier are acceptable to Kyocera.
- Whether the company aims to improve management ability, technological strength and manufacturing ability; and whether business management is appropriate and stable in terms of scale and finances. (e.g.: VA/VE* proposal strength)
- Whether the company is generally outstanding, in such areas as quality, price, delivery time, service response, etc. (e.g.: ISO 9000 series or equivalent quality management systems; lead-time reduction activity)
- Whether the company is seriously involved in global environmental conservation activity (e.g.: ISO 14001 certification)

* VA: Value Analysis
VE: Value Engineering

Supplier Seminars

Each year, business associates are invited to supplier seminars at Kyocera. The purpose is to give suppliers a better understanding of the Management Direction, business policies and other facets of the Kyocera Group, and to appeal for even greater cooperation in the future. In FY2008, the number of seminar days was increased to enable participation by greater numbers of suppliers. Nine seminars were held at two venues, in Yokohama and Kyoto. They were attended by 863 people representing 571 companies. During the seminars, top management explained the Management Direction, future goals, measures for dealing with management issues, as well as policies of the procurement departments and details of business development in the various business fields. A social gathering held after each seminar provides an ideal opportunity for exchange of opinion with business associates and for building relationships based on trust.

▶ Main Responses from Participating Business Associates

- "I was very interested in learning about market trends and new product development."
- "The explanation on growth forecasts was very useful."
- "I was very impressed by the attitude of the general manager — the confidence with which he is engaging in business plans."
- "I would like to see these held in other regions every few years, combined with plant tours."
- "The meeting was attended by people from plant production departments as well as the headquarters procurement department. Information exchange was therefore especially useful."

Together with Society

The Kyocera Group continues to develop new technologies and provide high-quality, high-performance products. Our corporate activities are guided by the rationale of "Contribute to the advancement of society and humankind." Recognizing that a corporation is a public institution, the Kyocera Group will continue to work actively not just in business, but also in contributing to society in diverse ways.

Supporting Academic Advancement and Research

Support for The Kyoto Prizes

The Inamori Foundation established the Kyoto Prizes in 1984 based upon the belief of Kyocera's founder, Kazuo Inamori, that, "a human being has no higher calling than to strive for great good of humanity and the world." Organized by the Inamori Foundation, the Kyoto Prizes are international awards honoring the achievements of individuals or groups in three categories: Advanced Technology, Basic Sciences, and Arts & Philosophy. Kyocera actively supports this event.

The Presentation Ceremony at the Kyoto International Conference Hall

The 23rd Kyoto Prize Laureates (FY2008)

Advanced Technology Category

Field: Materials Science and Engineering

Dr. Hiroo Inokuchi
Pioneering and Fundamental Contributions to Organic Molecular Electronics

Basic Sciences Category

Field: Earth and Planetary Sciences, Astronomy and Astrophysics

Dr. Hiroo Kanamori
Elucidation of Physical Processes of Earthquakes and Its Application to Hazard Mitigation

Arts and Philosophy Category

Field: Theater, Cinema

Pina Bausch
A choreographer who has broken down the boundaries between dance and theater and pioneered a new direction for theatrical art

Established the "Kyocera Chair of Management Philosophy" at Kyoto University

The "Kyocera Chair of Management Philosophy" was established in the Kyoto University Graduate School of Management, in April 2007. The purpose is to systematize management philosophy, which had not been theorized, and cultivate researchers. The "Kyocera Chair of Management Philosophy" supports the steady output of business people possessing a universal philosophy of management and corporate ethics.

Supported establishment of the Nanostructures Research Laboratory

The Japan Fine Ceramics Center engages in research, testing and evaluation relating to fine ceramics. The Nanostructures Research Laboratory was opened in the Center in April 2007. The nucleus technology of the laboratory is nanostructural analysis and evaluation of materials amassed by the Center. Functions of the laboratory include microstructural analysis using electron microscopes, computational materials design using first-principle calculations, and advancement of cutting-edge R&D. Kyocera helped finance establishment of the laboratory.

Nanostructures Research Laboratory, in Nagoya City (the building standing front-right)

Donation of the Kyocera Collection "British Parliamentary Documents"

The history of British parliament (from the 19th century) is set out in 12,836 volumes containing 8 million pages. The "British Parliamentary Documents" are regarded as being among the most valuable reference materials for research on the modern history of the world. In 1998, they were presented to the National Museum of Ethnology in Japan as the Kyocera Collection. In 2006, the collection was transferred to the Center for Integrated Area Studies (CIAS) in Kyoto University.

The "British Parliamentary Documents" stored in Kyoto University

Opening of the Kyocera Museum of Fine Ceramics

The Kyocera Museum of Fine Ceramics was opened in 1998, on completion of the new Kyocera headquarters building. The purpose of the museum is to contribute to further development of fine ceramic technology and the industry by displaying the process by which Kyocera developed its fine ceramic technology over the years. The museum includes a Materials Reference Room with a collection of books and reference materials on fine ceramics. A similar facility was opened in Kokubu Plant, Kagoshima Prefecture, in 2001.

The Kyocera Museum of Fine Ceramics

Supporting Culture and Arts

Opening of the Kyocera Museum of Art

In 1998, the Kyocera Museum of Art opened on the first floor of the headquarters building. The museum was established as part of Kyocera's cultural activities, and to support development of regional culture. Admission is free of charge. The permanent display includes copper engravings from Picasso's "347 Series," Japanese-style paintings by Kaii Higashiyama, Ikuo Hirayama and others, Western-style paintings by Ryuzaburo Umehara, Gentaro Koito and others, sculptures by Toshio Yodoi and Shinya Nakamura, and Qianlong glassware from China. A special exhibition "Prayers ... Shinya Nakamura: Sculpting the Inner Spirit" was held from April through June in 2007. Greatly enjoyed by many people, the exhibition featured important works by Shinya Nakamura, including "Jun-da" — a group of sculptures on display for the first time.

The "Jun-da" group on display in the special exhibition

Donation of a Kamakura-period verse manuscript to Saiku Historical Museum

Following the discovery of the ancient manuscript "Suketsunebon Saiku Nyougo-shu," in February 2008 the subsidiary company Kyocera Mita donated funds for purchase of the manuscript to Saiku Historical Museum in Mie Prefecture. The manuscript is a collection of verse connected with the historic site Saiku, and has value equivalent to a national important cultural property.

The ancient manuscript "Suketsunebon Saiku Nyougo-shu"

Support for a musical presented by the Shiki Theatre Company

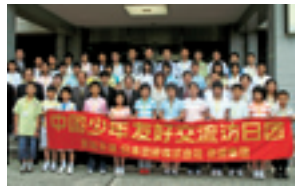
"Yuta to Fushigi na Nakamatachi [Yuta and His Mysterious Companions]" was a musical presented by the Shiki Theatre Company. Set on the theme of bullying, the musical aimed to teach children about the importance of life and of a sympathetic heart for others, learned through relations with other people in society. Kyocera supported performances nationwide in 2007.

The brochure of the musical

International Exchange & Cooperation

Friendly Exchange Mission for Chinese Children to Visit Japan

Kyocera believes that young people who experience different cultures develop a better worldview and can become strong, broad-minded leaders. This is the aim of inviting Chinese children to visit Japan. In 2007, the 10th year of this activity, 40 children from Dongguan City and Guiyang City came to Japan. After a courtesy call at the Chinese Embassy, they visited Kyoto, Kagoshima and other places, and deepened their understanding of Japan.



Support for Japan Bowl 2007

Sponsored by The Japan-America Society of Washington DC, the Japan Bowl is a competition on Japanese language and culture for high school students throughout the United States. In supporting the competition, Kyocera aims to make the study of Japan and Japanese language more enjoyable for American high school students, and to stimulate the desire to learn more about Japan. Kyocera is supporting this activity to further invigorate cultural exchange between Japan and the USA.

Competition of Japan Bowl

Local Community Activities

Donation of a solar power generation system to an elementary school

Sponsored by Kyocera and Kyocera Solar Corporation, the "Kyocera Solar: Ladies Open in Asahino" was held in July 2007. In commemoration of the event, the two companies donated a solar power generation system and solar power system models for use in science experiments, to Higashi-Omi City Gamou Nishi Elementary School.

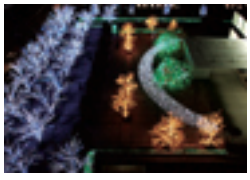
Together with Society

Commendation received at the 2007 Japan National Council Social Welfare Rally

Kyocera has held a year-end fund-raising campaign each year since 1963. Donations by employees and by Kyocera companies are used for the benefit of regional communities. At Kagoshima Sendai Plant part of the money raised is placed in the Kyocera Welfare Fund. This is donated to the Satsuma Sendai City Social Welfare Council. In 2007 also, the donation was for the cost of purchasing a special vehicle for transporting people with disabilities. This activity by Sendai Plant was recognized with presentation of a commendation during the "Japan National Council Social Welfare Rally: Commemorating the 60th Anniversary of Child Welfare Act", held in November 2007.

Christmas lighting

Each year since relocation of the headquarters to Fushimi Ward, Kyoto City, in 1998, headquarters building lights have been coordinated for Christmas season illumination. In 2007, some 170,000 LED lights were arranged on trees and turf in the public space, on the theme "Forest Illuminated by Snowfall." The illumination was greatly enjoyed by many local people, as a poetic touch to the end of the year.



Summer festivals at plants and offices

This event was first held in 1972 at Shiga Plant, with the aim of opening up the corporation to the public. Since then, local people have been invited to plants and offices throughout Japan for summer festivals. They have become customary and popular events enjoyed by many locals. In 2007, about 40,000 people took part in festivals at 18 locations in Japan.

The summer festival at Kagoshima Sendai Plant

Supporting Sports / Other Activities

Supporting Kyoto Sanga F.C.

In 1994, Kyocera supported establishment of the soccer team Kyoto Purple Sanga (now Kyoto Sanga F.C.). Kyocera concurred with the J-League's "100-Year Vision" to realize a community-based professional sports club. We understand local corporations have a responsibility to support efforts that add vitality to the communities they serve. Therefore, the Kyocera Group continues to cooperate with local administrations and influential corporations in supporting the team.

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Promoting and Supporting Youth Soccer

Kyocera supports youth soccer with the aim of promoting local sports activities and the healthy development of young people, in both body and mind. In Kyoto, Kyocera supports the Sanga Cup Kyoto Youth Soccer Championships. Elementary school children from all over the prefecture take part. Additionally, Kyocera supports youth soccer schools coached by Kyoto Sanga F.C. professional coaches and others, in Kyoto, Kagoshima and other areas.

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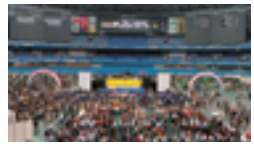
Support for Dream Festival 2007

Dream Festival 2007, the greatest event in the "Yume - Hoshino Sports Juku" led by Senichi Hoshino, was held in Kyocera Dome Osaka in December 2007. With the theme "Restoring Parent-Child Bonds," the Dream Festival aimed at formation of a bright Japanese society through promotion of sports. Kyocera concurred with the aim and supported the event.



The stadium enlivened with 23,000 participants.

Other Main Contributions (FY 2008)

Supporting Academic Advancement and Research

- Support for Kyoto International Culture Forum 2007

Supporting Culture and Arts

- Support for the 28th Kirishima International Music Festival
- Support for the 2007 Saito Kinen Festival in Matsumoto

Supporting International Exchange & Education

- Support for the 12th Youngsters' Science Festival in Kyoto

Local Community Activities

- Supported the event "People's Stages" in the 2007 Kyoto Art Festival
- Support for the light pageant "Twinkle Joyo"

Supporting Sports Activities

- Donated for the 19th All-Japan Wheelchair Rider Ekiden
- Donated to the Sports Fund Foundation

Disaster Relief

The Kyocera Group provides support for people affected by devastating natural disasters. In 2007, financial aid was extended to disaster victims as outlined below.

- Donated to the Niigata Prefecture Chuetsuoki Earthquake Relief Fund

Main Social Contribution Activities to Date

Social contribution activities began in earnest 10 years after the company was founded, while Kyocera was still a small business. The company donated three grand pianos and scholarship funds to three elementary and junior high schools in Gamou Town in Shiga Prefecture (now Higashi-Omi City, in Shiga Prefecture), where the headquarters and factory were then located. Since then, Kyocera has endeavored to meet its responsibilities as a member of society through various activities that contribute to local communities and society.

1959 ● Foundation of Kyoto Ceramic Co., Ltd.

1963 ● Began contributions to an annual Year-end Fundraising Campaign

1969 ● Donated scholarship funds to Gamou Town in Shiga Prefecture, and three grand pianos to elementary and junior high schools

● Established the Inamori Scholarship Fund in the Kagoshima University Department of Engineering

1970 ● Donated grand pianos and electronic pianos to Kagoshima Municipal Nishida Elementary School, Shiga Prefecture Hino Junior High School, and other schools

1974 ● Donated musical instruments to 10 elementary and junior high schools in Kokubu City, Kagoshima Prefecture (now Kirishima City, Kagoshima Prefecture)

1976 ● Established the Kyocera Children's Overseas Study Tour, with the aim of cultivating strong international awareness. By 2000, 860 people had visited the U.S.A. in 25 tours

1978 ● Established a Japan Study Tour for children of company employees in the U.S.A., to promote international exchange. By 2002, 514 people had visited Japan in 25 tours

1979 ● Donated color televisions to 10 elementary schools in Yamashina Ward, Kyoto City

1980 ● Donated a grand piano to Horikawa Senior High School in Kyoto City

1981 ● Collaborated in establishing the Reizeike Shiguretei Bunko (Collection), for preservation of Meigetsuki, written by Fujiwara-no-Teika

1983 ● Kyocera donated a 6kW solar power generation system to Kankoi Village in Pakistan, thereby contributing to an improved quality of life in this non-electrified village (Solar is used to light all homes, and power communal well pumps)

● Contributed to improvement of quality of life in Sukatani Village, a village in Indonesia not on the power grid, with donation of a 1.6kW solar power generation system (Used for lighting in the village clinic, refrigeration of medicine, well pumps)

1984 ● Supported the establishment of the Inamori Foundation. The Foundation's purpose is to honor and support creative activities that further the development of science and civilization or the spiritual growth and enlightenment of humankind, and to contribute to the peace and prosperity of humanity

● Donated the multipurpose "Inamori Hall" to the Kyoto Prefecture trade fair center's Pulse Plaza

● Endowed Kyocera Distinguished Professorships at MIT and Case Western Reserve University in the United States

1985 ● Supported management of the Kyoto Prize award ceremonies, an international awards event established by the Inamori Foundation in the same year

● Co-sponsored the "Contemporary Japanese Painting Exhibition" with Wacoal Corporation. The purpose of the exhibition was to contribute to the building of amicable international relations by introducing Japanese painting abroad and promoting international exchange of arts and culture. Over two years, the exhibition was presented in seven cities in five countries, both in Europe and the United States

● Established the KYOCERA Corporation Chair at Washington State University, USA

● Established a Kyocera Welfare Fund for the Sendai City Social Welfare Council, in Sendai City, Kagoshima Prefecture (now Satsuma Sendai City, Kagoshima Prefecture)

1987 ● Set up the Kyoto Conference Foundation with local companies, aiming for the fusion of Kyoto's business sectors and academic circles

1988 ● Supported construction of the Pavilion for Japanese Art, in the Los Angeles County Museum

1989 ● Supported the establishment of the Association for Corporate Support of the Arts, Japan to further the awareness and spread of art and cultural activities

1990 ● Sent relief supplies to refugees, following break-up of the Soviet Union

1991 ● Contributed to UK-Japanese cultural exchange by supporting landscaping of the Kyoto Garden in London

1992 ● Supported preservation of Sugimoto Residence, a merchant townhouse listed by Kyoto City as an Important Tangible Cultural Property

1993 ● Cooperated in the Heian Shrine Restoration Project (on the centennial of shrine construction)

1994 ● Agreeing with the spirit of the J-League's "100-year vision," and in response to local residents' wishes, Kyocera supported the establishment and management of the Kyoto Purple Sanga professional soccer team (now Kyoto Sanga F.C.)

1995 ● Supported research into the oldest civilization in China, with commencement of support for the Japan-China Yangtze River Civilization Survey

1996 ● Supported installation of a telescope at the Las Campanas Observatory in Chile through a donation to the Carnegie Institution of Washington in the U.S.

1997 ● Contributed to sustaining and developing friendly relations between Japan and China by launching the China Youth Japan Friendship Tour, through which children in China are invited to visit Japan

1998 ● To promote cultural awareness, Kyocera opened the Kyocera Museum of Art as a place where people can enjoy diverse artistic assets; and the Kyocera Museum of Fine Ceramics to aid researchers and students who are or will be responsible for the development of fine ceramic technology. Both facilities are located in the new headquarters building

1999 ● Established a Kyocera Management Studies Course in Kagoshima University's Department of Engineering

2000 ● Established the Inamori Kyocera Western Provinces Development Scholarship Fund. The purpose of the fund is to provide financial assistance in China's western provinces for university students needing economic support, and to cultivate people who will become involved in development of the provinces or in science and technology

2001 ● Held the U.S.- Japan Leadership Forum jointly with CSIS (the Center for Strategic and International Studies), USA, for world experts to discuss the ideal leadership

2003 ● As a sponsor, Kyocera supported the Third World Water Forum, held in Kyoto to discuss the serious water problems of the world

2004 ● Supported the Special Olympics World Winter Games, a venue for people with intellectual disabilities to share the emotions and joys of challenging enhancement of physical abilities

2005 ● Supported the establishment of the Inamori Academy of Management & Technology at Kagoshima University. This academy was developed from the Kyocera Management Studies Course in the Department of Engineering, but is accessible to all departments

● Collaborated in establishing the Kazuo Inamori School of Engineering at Alfred University (Alfred, NY, U.S.A.), to support further academic development and research in ceramics. Alfred University receives high acclaim worldwide for its education and research in ceramics

2006 ● Contributed to electrification of Doujiaxian cun, Lanzhou City, in China's Gansu Province by donating a solar power generation system. Solar power improves the quality of life for village residents by powering their lighting and audio equipment

Green Management

Since its founding, Kyocera has been implementing comprehensive activities such as environmental preservation, energy saving, global warming prevention, resource conservation, and development of global environment preservation products based on the corporate motto "Respect the Divine and Love People" and management rationale "To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and mankind." The Kyocera Environmental Charter was established on October 1, 1991 in order to contribute to global environment preservation even more positively and continuously.

Kyocera Environmental Charter

Established: October 1, 1991
Revised: January 1, 2006 (Latest revision)

I Preface

Technological progress and economic development in the industrialized countries have given rise to affluent societies with high standards of living. At the same time, they have led to the mass consumption of natural resources and mass discharge of chemical substances – which, in turn, now threaten to destroy the earth's ecosystem. In addition, explosive population growth and widespread poverty in developing countries have aggravated these environmental problems with large-scale deforestation. The social and economic activities of both advanced and developing countries are intertwined, and with all parties intent on greater material consumption, nature's recuperative powers have been exceeded. As a result, the Earth's natural capacity for recycling has been damaged on a global scale.

One of our major premises up to this time – that the earth's ecosystem is infinitely large – is now being rejected in favor of the idea that the Earth is a closed ecosystem. Such a change in view affects the very foundation of mankind's existence and demands a re-evaluation of the quality and quantity of the products used by mankind. This, in turn, will lead to a fundamental change in the industrial/technological system within which such products are manufactured.

In the course of history, mankind has witnessed three eras of rapid development: the Agricultural Revolution, the Industrial Revolution and the Information Revolution. It is generally felt that the current environmental movement will someday be regarded as mankind's fourth era of rapid development: the Environmental Revolution.

Our future thus requires new policy goals. These should state that development and economic growth may be pursued only when proper consideration is given to the balance between nature and society. In view of the fact that small acts by each of the more than six billion people on this planet could result in complete environmental destruction, it is essential to establish a basic philosophy of coexistence and co-prosperity between the developed and developing countries, between business and government, and between individuals and societies. All must be viewed as participants in the stewardship of "Mother Earth," not as opposing forces with conflicting interests.

The greatest responsibility for promoting the Environmental Revolution lies with the advanced countries. In particular, businesses in such countries play a vital role, as they control production technologies and are directly engaged in industrial activities.

II Basic Management Philosophy

In accordance with our corporate motto – "Respect the Divine and Love People" – Kyocera has long complied with its management philosophy: "To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind." We try to conduct business in harmony with the life-giving force of our universe.

Kyocera had early insight into the mindset that today's global environmental problem demands of every business enterprise. This mindset implies that business should uphold the dignity of man and contribute to the sustainable development of human society.

Based on the management philosophy stated above, Kyocera and its domestic and overseas affiliates will adopt comprehensive measures of environmental preservation – including energy conservation, global warming prevention, resource conservation, the development of environmentally friendly products, and improvements that contribute to global environmental protection in a sustainable manner.

III Environmental Management Policies

In the course of business activities, Kyocera will take a serious view of global environmental protection in compliance with the Company's basic management philosophy, stated above, and will emphasize the following points:

1. Compliance with internal environmental standards that make global environmental protection our first priority;
2. Most efficient utilization of resources and development of innovative processing technologies;
3. Development of Earth-friendly products in two categories: (A) Environmental Improvement Products that will make a positive contribution and improve the global environment; and (B) Environmentally Gentle Products, that will impose a reduced impact on the global environment.
4. Cooperation with government environmental policies, and participation in or support of social contribution activities.

Ⅳ Environmental Management Objectives

1. In order to minimize impact on the natural environment and any harmful effects on the ecosystem, Kyocera will establish and comply with internal standards which are more stringent than those specified by applicable international agreements, or the regulations of regions where the Company's facilities are located.
2. At all levels, Kyocera will scientifically study and evaluate the effects of business activities on the environment, and then take the necessary protective measures.
3. Kyocera will develop processing technologies and production facilities that will have maximum resource and energy efficiency in all production activities. At the same time, the Company will aim to reduce raw material and chemical consumption in all processes.
4. Kyocera will promote in-house energy conservation activities, such as more efficient use of electricity and fossil fuels, the introduction of high efficiency equipment, and the reutilization of thermal energy. At the same time, the Company will promote measures for global warming prevention.
5. Kyocera intends to purchase recyclable materials which contribute to resource conservation while maximizing resource-utilization efficiency by establishing recycling systems for wastewater and waste materials. The Company will take aggressive steps to recycle, decontaminate and reduce the volume of all waste.
6. Kyocera will increase its research, development and production of "Environmental Improvement Products" that make a positive contribution to the enhancement of the global environment.
7. Kyocera will increase its research, development and production of "Environmentally Gentle Products" that are gentle to the Earth and place a lighter burden on the environment at every stage of production, sales, distribution, consumption and disposal.
8. Kyocera will promote the "greening" (forestation) of its facilities in an organized effort to create grounds which are lush and inviting. At the same time, the Company will participate in and support social contribution activities.

Ⅴ Internal Organization

1. Establishment of a Green Committee
   (1) In order to comply with the Kyocera management philosophy, which makes global environmental protection a priority, and to review internal environmental policy measures, Kyocera will establish a "Green Committee" consisting of the president and corporate division managers.
   (2) Kyocera will establish the following subcommittees of the Green Committee: an "Environmental Preservation Section," which will aggressively promote global environmental preservation; an "Energy Conservation and Global Warming Prevention Section," which will promote energy saving and measures for global warming prevention; a "Resource Conservation Section," which will promote effective utilization of resources; and a "Global Environmental Products Section," which will promote the development of products which make a positive contribution to the environment and/or impose a reduced overall environmental burden.
2. Environmental Compliance Organization
   (1) Kyocera will appoint Environmental Director(s) from its top management team, and establish both an "Environmental and Safety Management Committee" and an environmental organization to take charge of all environmental matters for the entire Kyocera Group. In addition, Kyocera will facilitate and simultaneously establish an internal system for assigning environmental and safety responsibilities to a designated person.
   (2) For the purpose of environmental management, an "Environmental and Safety Compliance Committee" consisting of staff from production departments and environmental specialists will be established at each facility or corporate division as the need arises.
3. Preparation of Environmental Rules
   Kyocera will prepare environmental and safety control manuals and rules to encourage complete implementation of environmental protection measures.
4. Environmental Audit
   (1) To ensure compliance with legal and governmental environmental regulations, and internal environmental standards, an internal audit team and various sections reporting to the Green Committee will conduct audits on both a regular and an "as needed" basis.
   (2) The Environmental Director, Corporate Division Manager, Facility Manager and Environmental Specialists will implement an independent auditing system regarding environmental protection at both the headquarters and each facility.

Ⅵ Application

The Kyocera Environmental Charter will be applied to Kyocera Corporation's facilities and to its domestic and overseas affiliates.

Green Management

Environmental Management Promotion System

Kyocera established the Kyocera Green Committee and Kyocera Group Green Committee (KGGC), to allow the entire Kyocera Group to prepare for the promotion of environmental protection activities based on the Kyocera Environmental Charter.

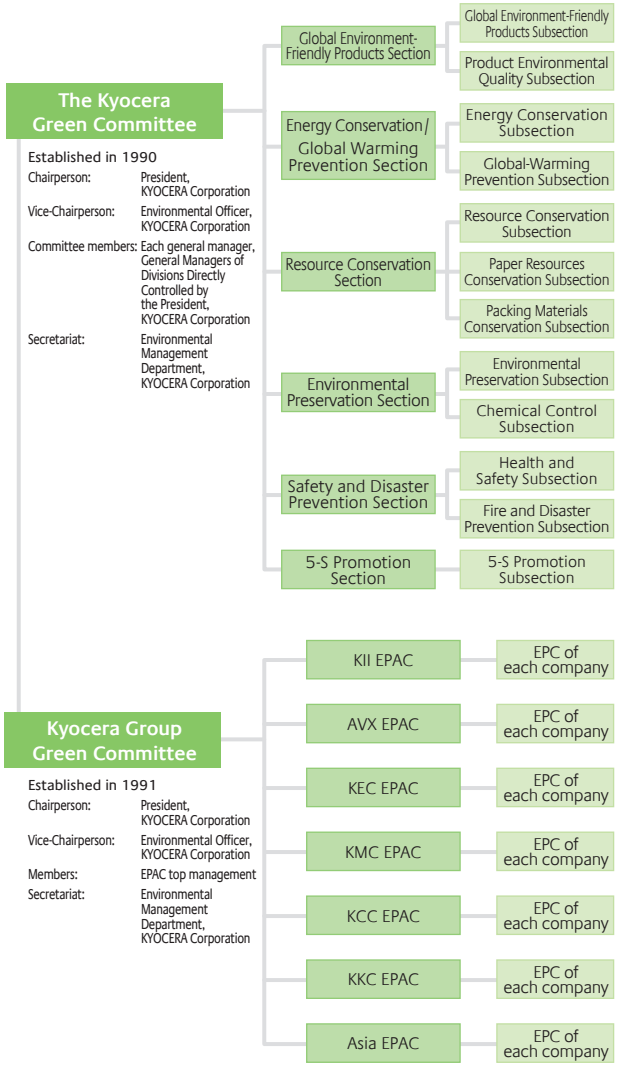
The Kyocera Green Committee, consisting of the president as chairperson and the department managers as members, is the supreme decisions-making body in the environmental field for Kyocera group companies. The charter of the Kyocera Green Committee is to determine an environmentally-safe vision, as well as, targets, measures, and action plans for the Kyocera group. Matters of concern are reviewed by each subordinate special committee as well as the board. The subordinate special committees and the board are organized to tackle comprehensive themes through specific actions. Such themes include global environmental products, energy conservation and the prevention of global warming. Other related themes that they address are resource conservation, environmental conservation, safety and disaster prevention and complying with 5-S promotion.

The Kyocera Group Green Committee was set up to spread the vision and targets determined by the Kyocera Green Committee among the Kyocera group companies. The Kyocera Group Green Committee periodically reviews the challenges of each group company and exchange opinions. The KGGC also supports deployment of voluntary activities adopted by each area. Targets and action plans determined by the Kyocera Green Committee are broken down in the Environmental Management System based on the ISO 14001 Standard. The Plan Do Act Check (PDCA) cycle is applied monthly, under the organization control shown on the next page, in order to spread continuous environmental conservation activities. Kyocera adopted and applied an Environmental Management System in 1996 when the ISO Standard was established. Kyocera has built such systems in the following four categories and now deploy and apply them at all 381 locations at home and abroad.

Number of Locations Applying the Environmental Management System (as of March 2008)

Kyocera Group Integrated Environment & Safety Management System	210
Environmental Management System (Individual certification)	44
Self-certification Environmental Management System (AVX Group)	44
KGEMS*	83
Total	381

*KGEMS stands for Kyocera Group Environmental Management System, and is Kyocera's own self-certification system, closely based on the ISO 14001 Standard.



EPAC: Environmental Protection Assurance Committee

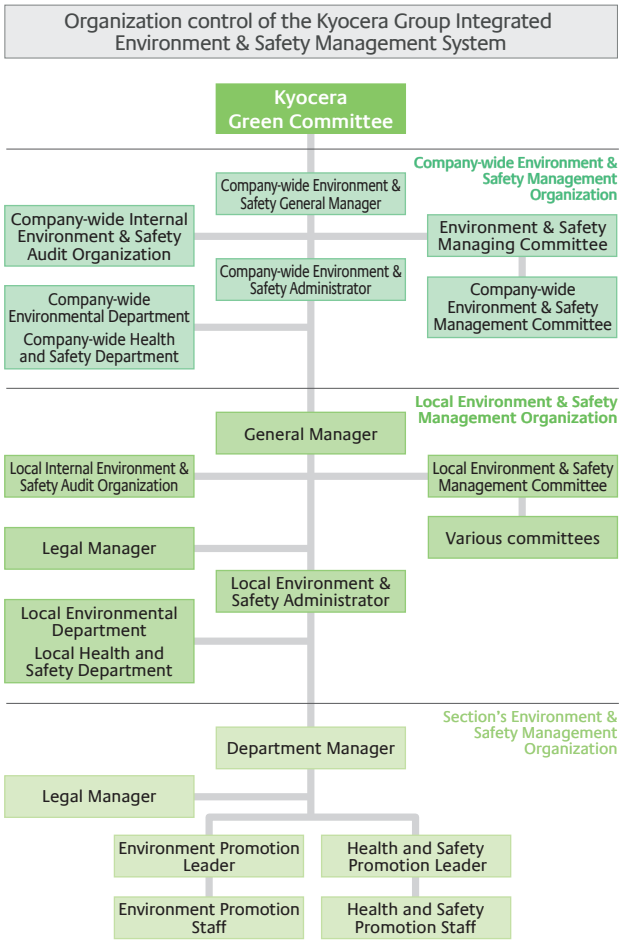
EPAC guides and supports each group company's Environmental Protection Committee (EPC) in promoting environmental conservation activities based on the Kyocera Environmental Charter. In order to promote environmental protection activities for the entire group, the EPAC also conducts audits in cooperation with each EPC. There are seven EPACs.

- KII (KYOCERA International, Inc.) Group
- AVX (AVX Corp.) Group
- KEC (KYOCERA ELCO Corp.) Group
- KMC (KYOCERA MITA JAPAN Corp.) Group
- KCC (KYOCERA Chemical Corp.) Group
- KKC (KYOCERA KINSEKI Corp.) Group
- Asia (others, mainly in Asia) Group

EPC: Environmental Protection Committee

An Environmental Protection Committee is set up at each group company. Each EPC independently makes, conducts and evaluates activity plans and periodically releases a report to EPAC.

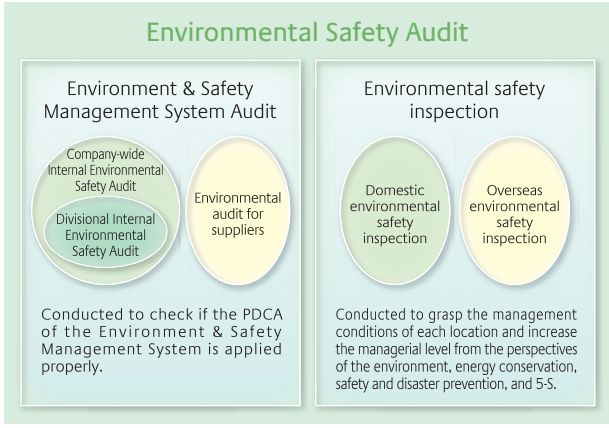
In the Kyocera group (domestic), the targets and measures determined by the Kyocera Green Committee are applied and regulated through the Kyocera Group Integrated Environment & Safety Management System.



Deliberation at the Environment & Safety Managing Committee

Environmental Safety Audit

The Kyocera Group periodically conducts two roughly classified environmental safety audits as shown in the figure below.



Environment & Safety Management System Audit

In the Kyocera Group Integrated Environment & Safety Management System, a Company-wide Internal Environmental Safety Audit and a Divisional Internal Environmental Safety Audit are performed at each division and office. The pupose of the audits is to examine the effectiveness of the internal audit and the work performance relating to the Environement & Safety Management System. An auditor from another office/division conducts the audit.

These audit results are reported to the office managers and the company-wide environmental safety manager. Corrective actions are taken immedialtely. The results and corrective actions are reflected in the review and improvement of the Environment & Safety Management System.

Furthermore, Kyocera is assessed by an external certification organization every year. In FY 2008, we had three observation items for ISO 14001, and three for OHSAS 18001, but the overall evaluation showed improvement in our Environmental Safety Management System. The observation items have been improved.

Audit for certification

Green Management

Environmental Safety Inspection

The Kyocera Group annually performs self-inspection of its environmental safety management system for the purpose of grasping the environmental safety management state of each office and improving the management level.
In FY 2008, we inspected a total of 13 domestic locations during Environmental Awareness Month (June) and Safety and Disaster Prevention Month (October). We also inspected 11 overseas locations in the three regions shown below.

Overseas environmental safety inspection

Inspection meeting in the Eastern Europe region

Site inspection in the North American region

Environmental Education

Under the Kyocera Group Integrated Environment & Safety Management System, environmental education is provided, helping our employees to understand the significance of working on environmental conservation activities and the role each person plays at each division to raise overall environmental awareness.
Also, internal training seminars are regularly provided to train internal environmental safety auditors, who play a prominent role in continuously improving the management system. Those who pass the end-of-seminar test are certified as internal environmental safety auditors.
In FY 2008, 76 internal environmental safety auditors and 13 chief internal environmental safety auditors passed the test. At present, 593 employees are actively working as internal environmental safety auditors.

Number of Personnel Completing Environmental Training (FY 2008)

Classification of education	Course name	The number of trained personnel
Education by hierarchy	Education for new employees	1,840
	Education for section chiefs	589
Education by function	Education for office managers	13
	Education for local environmental managers	4
	Education for personnel responsible for local environmental departments	13
	Education for department managers	99
	Education for environmental enhancement leaders	91
	Education for environmental enhancing personnel	133
Education for personnel engaging in specific environmental jobs		16,909
Education for employees of in-plant resident companies		300
Education for vendor companies		1,657
Total		21,648

Promotion of Kyocera Group Environmental Awareness Month

Specifying each June as Kyocera Group Environmental Awareness Month, the Kyocera Group (domestic) undertakes various efforts for the purpose of raising environmental awareness and enhancing environmental management and conservation activities in each division.
In FY 2008, under the theme, "Take action against global warming", each division conducted its own activities such as environmental safety inspections, environmental patrols by each office manager, the presentation of small environmental measures at morning meetings, safety and disaster prevention, and 5-S promotion. We also received 456 environmental posters and 17,401 environmental slogans from employees. We give awards for these excellent contributions and use them in annual awareness campaigns that go on display to the entire group.

Best Slogan of FY 2008

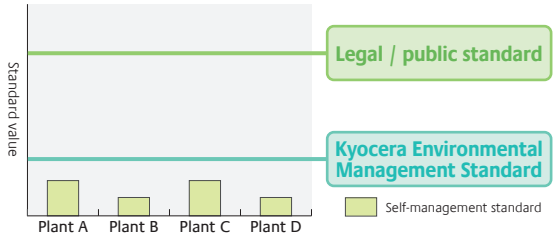
Avoid disposal, waste creation and useless use.
Your strong awareness will save the earth.
Be the world's eco-leader!!

Environmental Posters

Environmental Risk Management

Kyocera Environmental Management Standard

Kyocera established a Kyocera Environmental Management Standard that is more stringent than legal and public regulations require, while each office specifies still stricter self-imposed standards in order to assure thorough management. As a result of introducing various types of new environment-related equipment and improving performance to meet or surpass the self-management standard, the state of Kyocera's environmental management is steadily improving.



Examples of Kyocera Environmental Management Standard (Extracted from a total of 44 water-related substances)

Item	Unit	Water Pollution Control Law	Kyocera Environmental Management Standard	Self-management standard (e.g. Nagano Okaya Plant)
Biochemical oxygen demand (BOD)	mg/ℓ	160 and under	10 and under	3.1 and under
Chemical oxygen demand (COD)	mg/ℓ	160 and under	10 and under	4.3 and under
Suspended solid (SS)	mg/ℓ	200 and under	5 and under	2.1 and under
Soluble iron content	mg/ℓ	10 and under	5 and under	0.25 and under
Chromium content	mg/ℓ	2 and under	0.1 and under	0.05 and under
Soluble manganese content	mg/ℓ	10 and under	5 and under	0.5 and under
Lead and its compounds	mg/ℓ	0.1 and under	Not detected	Not detected

Dealing with Emergencies

Assuming the inevitability of accidents and emergencies which may affect the environment, we have taken preventative countermeasures such as the installation of dikes. We have also prepared procedures for dealing with emergencies. To ensure that employees are familiar with these procedures, we hold emergency training drills more than once each year.

Emergency training (Kagoshima Kokubu Plant)

Emergency training (Kagoshima Sendai Plant)

Observing environment-related regulations

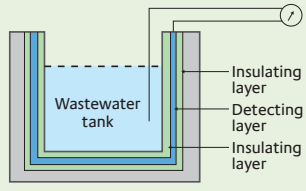
In FY 2008, the Kyocera Group had no administrative warnings, fines/penalties, or minor fines related to the environment.
There was a complaint about noise at KYOCERA OPTEC Co., Ltd., and two at KYOCERA MITA Corp. We took immediate action to mediate these complaints.

Monitoring Soil and Groundwater Contamination

Kyocera established the Internal Environmental Management Standard for soil contamination in 1992, and performs yearly soil evaluations and measurements. Kyocera also established an "Underground Installation Handling Standard" in 1996. Which specifies that the piping structures and storage tanks for discharged water containing soil contaminants must be easy to visually inspect, and that Kyocera make efforts for the early detection of leaks to prevent contamination.
To that end double-layered structures that serve as a leakage detection system for early detection have been installed. Should a leak occur, immediate action can be taken before any contaminants infiltrate the soil.

Leakage Detection System

An insulating layer and conductive detecting layer are applied to the inner surface of the pipe or wastewater tank. If the insulating layer is damaged, this system detects leakage according to a change in electrical resistance between the wastewater and the detecting layers.



Leakage detection system

In 2003, contamination of underground water was found at the Kawaguchi Plant of KYOCERA Chemical Corporation during self-inspection. Continuos efforts of purification were undertaken and there has been no environmental impact on the surrounding area.
At KYOCERA OPTEC Co., Ltd., where measures are taken for remediation based on past survey results, groundwater is continuously monitored and neither soil nor groundwater affects the environment in the surrounding area.

Green Management

Environmental Accounting

The Kyocera Group established an Environmental Accounting System in FY2003. To ensure timely and accurate data, quarterly data collection was introduced in FY2005.
Kyocera will continue to expand the range of application of the system and use it as a global environmental management indicator.

Range of data collection : 1. Sites collectively certified for the Kyocera Group Integrated Environment & Safety Management System – 210 sites (refer to page 83)
2. Dongguan Shilong KYOCERA Optics Co., Ltd. (China), Shanghai KYOCERA Electronics Co., Ltd. (China), AVX Group (21 sites), KII Group (4 sites) – Total of 237 sites
Period covered : April 2007 through March 2008
Guideline for reference : Ministry of the Environment's "Environmental Accounting Guidelines 2005"

Environmental Accounting Analysis Results

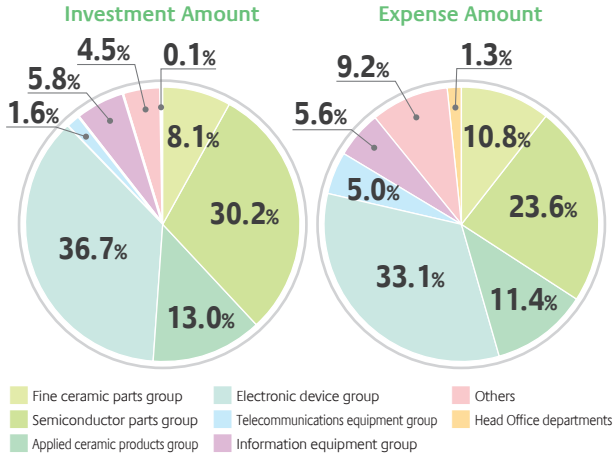
The Kyocera Group has introduced consolidated environmental accounting based on the Kyocera Group Environmental Accounting System. In FY2008, environmental preservation costs were 1.738 billion yen for investments, and 13.682 billion yen for expenses.
The investment amount for FY2008 was reduced by 284 million yen as compared to FY2007.
The expenses increased by 982 million yen due to increased depreciation allowance and the running costs of new facilities, as well as, increased research and development expenses for energy conservation, energy creation, and pollution control measures.
Meanwhile, the economic effects, as a result of environmental conservation measures, increased by 891 million yen compared to FY2007. These conservation efforts included essential measures for the prevention of global warming and the reduction of chemical substances. Note that the economic effects do not include the effects due to product development contributing to environmental conservation.
In FY2008, the economic effects resulting from environmental preservation measures exceeded expenses, excluding research and development costs, by 264 million yen.
Business segment data showed that the businesses related to electronic devices had the highest investments and expenses just as they did in FY2007.
In regard to environmental conservation benefits, electricity usage was reduced by installing inverters and improving the operation efficiency of chiller, and fuel consumption was reduced by introducing turbo chillers. These improvements resulted in a 23.9% increase over FY2007 in the effective amount of CO_2 reduction.
In the category of reducing chemical substances, the effective amount of chemical substance reduction increased by 35.8% as compared to FY2007, due to ambient gas reduction and chemical use reduction by improving manufacturing processes, etc.
The environmental conservation benefits (gross amount) by each of the environmental load items, such as total input of energy and greenhouse gas emission, showed many gains over FY2007. Eleven out of the thirteen items were improved for the gross amount, and 12 items on a basic unit per sale amount as compared with FY2007.
The main forces for reduction in environmental impact for FY2008 included environmental conservation measures through the introduction of turbo chillers and a hydrogen generation plant converting ammonia gas for hydrogen production to LNG.
Kyocera will continue to promote such positive environmental conservation initiatives.

Concept of Environmental Accounting
Double reporting of internal transactions is prevented in companies subject to data collection. For group companies with an equity ratio of other than 100%, data collection is performed by regarding the investment amount, expense amount, and environmental conservation effects as 100%, without proportionally dividing them according to the equity ratio.

Concept of Environmental Conservation Costs
For environmental conservation facilities, the investment amount and running costs are totaled. For environmental conservation activities, expenses accruing from such activities are computed.

Concept of Environmental Conservation Effects and Economic Benefits
The economic benefits of environmental conservation efforts are computed only for cases in which there is clear, quantifiable evidence of the improvement on environmental conservation.

Analysis by Business Segment



Environmental Conservation Costs

(Unit: Million yen)

	Investment		Cost		Main Measures	Appropriate Page
	FY2007	FY2008	FY2007	FY2008		
Business area costs	1,364	1,133	6,313	6,980		
1. Pollution prevention costs	771	513	3,206	3,594	Introduction and maintenance / management of pollution prevention equipment, Measurement and analysis of environmental load	P53, 74
2. Global environmental conservation costs	430	192	799	854	Introduction of energy-saving devices / greenhouse gas reduction activities	P66~69
3. Resource recycling costs	163	428	2,308	2,532	Resource conservation activities, Introduction and maintenance / management of waste recycling equipment	P70~73
Upstream / downstream costs	—	—	264	313	Responding to green procurement, Collection and recycling of used products	P64~65
Management costs	77	72	1,026	1,153	Improvement and application of the environmental management system, Coping with PRTR	P50~55, 75
R & D costs	581	532	5,071	5,211	Product development contributing to environmental conservation	P58~65
Social activity costs	—	1	20	16	Co-sponsored donations for environment-related associations, Environmental classes on site	P16, 76
Environmental remediation costs	—	—	6	9	Cleanup and monitoring of groundwater	P53
Total	2,022	1,738	12,700	13,682		

Economic Effects of Environmental Preservation Measures

(Unit: Million yen)

Item	Amount of Money		Main Matters
	FY2007	FY2008	
Income	3,225	3,081	Selling of valuable properties
Cutting costs	4,619	5,654	Reduction in electric expenses, Reduction in fuel expenses, Reduction in waste disposal costs
Total	7,844	8,735	

Cost-effectiveness

(Unit: Million yen)

	FY2007	FY2008
Expense amount excluding research and development costs (1)	7,629	8,471
Economic effects resulting from environmental preservation measures (2)	7,844	8,735
Cost-effectiveness (2 - 1)	215	264

Environmental Conservation Effects

Effect Content	Annual Effect		
	FY2007	FY2008	Unit
Reduction of electricity	77,954	94,572	MWh
Reduction of fuel	8,507	13,212	Kℓ (Crude oil equivalent)
Reduction of greenhouse gases such as PFC	25,572	26,154	Ton-CO_2
Reduction of water usage	40,315	42,762	1,000 m^3
Reduction of chemical substances	12,795	17,372	Tons
Reduction of waste	36,463	38,590	Tons

CO_2 equivalent

	CO_2 Reduction Effect	
	FY2007	FY2008
Amount of reduction	73,977 Ton-CO_2	91,625 Ton-CO_2
Monetary equivalent	245 million yen	304 million yen

¥3,316/ton-CO_2, which is the EU emissions trading average price for the whole financial year of 2007, is used as the monetary equivalent of the CO_2 reduction effect.

Environmental Conservation Effects (total gross)

			Unit	FY2007	FY2008	Total Environmental Conservation Effects	Benefit of Environmental Conservation Effects per Net Sales*1
Environmental conservation effects concerning resources used for business activities	Total input of energy		GJ	17,025,100	16,213,184	811,916	5.4%
	Introduction of energy by type	Electricity	MWh	1,461,307	1,417,153	44,154	3.6%
		Fuel	Kℓ (Crude oil equivalent)	68,640	58,890	9,750	14.8%
	Handled volume of materials subject to PRTR		Ton	5,434	5,152	282	5.8%
	Input water resource		m^3	11,449,098	10,980,933	468,165	4.7%
Environmental conservation effects concerning environmental impact and waste discharged by business activities	Greenhouse gas emissions		Ton-CO_2	749,690	699,444	50,246	7.3%
	Greenhouse gas emission by type	CO_2	Ton-CO_2	746,673	695,982	50,691	7.4%
		PFC	Ton-CO_2	3,017	3,461	Δ444	Δ14.0%
	Release / transfer of materials subject to PRTR		Tons	380	363	17	4.9%
	Total discharge of industrial waste		Tons	28,794	26,241	2,553	9.5%
	Total drainage volume		m^3	7,301,672	7,328,518	Δ26,846	0.3%
	NOx emission		Tons	65.8	53.9	11.9	18.5%
	SOx emission		Tons	3.2	2.0	1.2	39.1%

Note: Since the range of data collection of environmental conservation effects (gross amount) is adjusted to the range of data collection of environmental conservation costs, they are different from the total values on other pages.

*1: Indicates environmental conservation effect values by percentage change per sales amount of 100 million yen in FY2008 and FY2007. (Benefit Per Net Sales)

Major Greenhouse Gas Reduction Measures

Plant Name	Subject	Summary	Investment Amount	Effects Expected (annually)	
				Reduction	Economic Effects
Kagoshima Hayato Plant	Introduction of turbo chillers	Reduction of CO_2 by high-efficiency turbo chillers	49 million yen	890 Ton-CO_2	10 million yen
Central Research Laboratory (R & D Center, Keihanna)			31 million yen	630 Ton-CO_2	6 million yen
KYOCERA KINSEKI Yamagata Corp.			24 million yen	349 Ton-CO_2	7 million yen

Major Environmental Conservation Measures

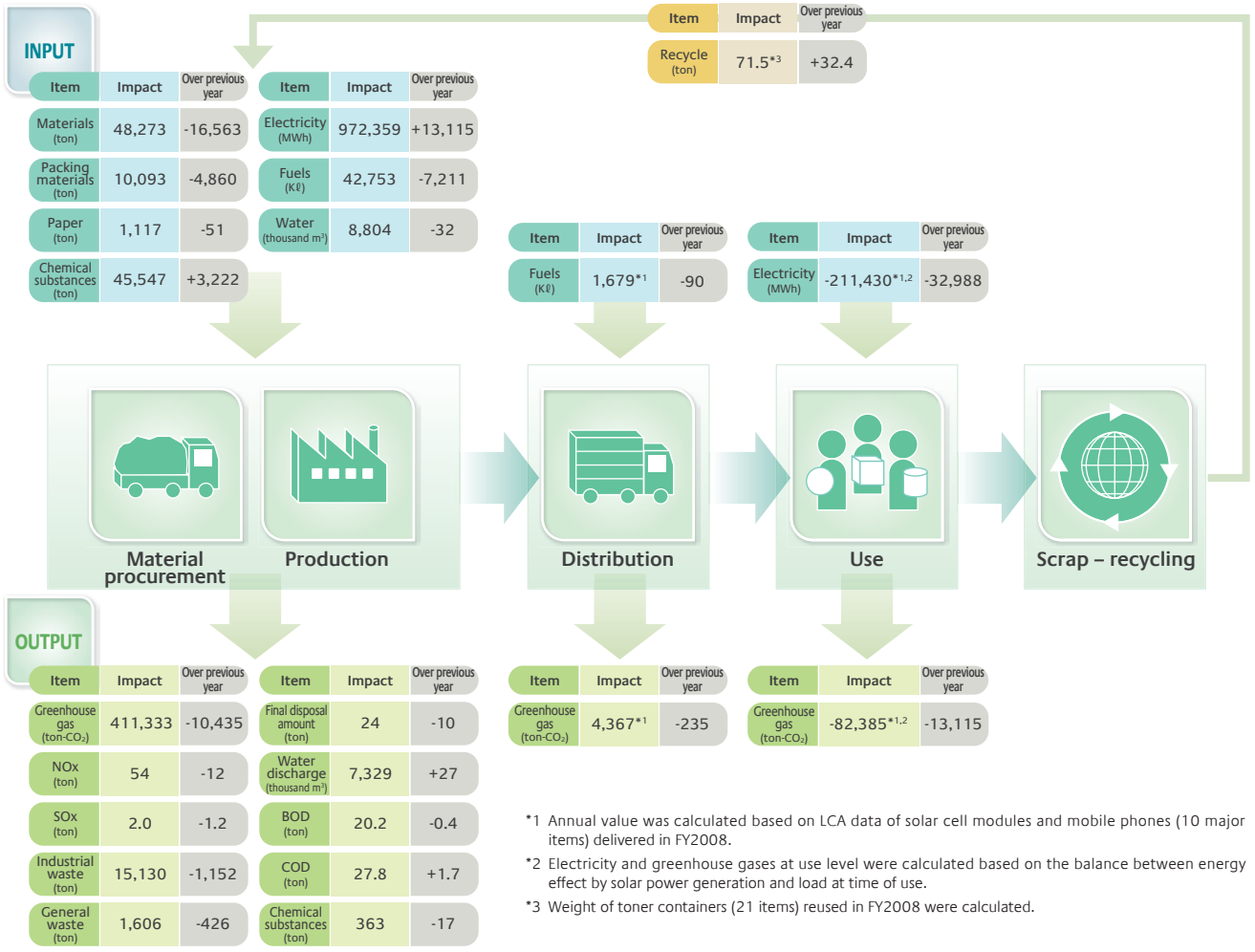
Plant Name	Subject	Summary	Investment Amount	Effects Expected (annually)	
				Reduction	Economic Effects
Kagoshima Sendai Plant	Installation of CVD waste liquid treatment equipment	Waste liquid treatment by chemical reaction treatment	18 million yen	Waste reduction: 196 tons	9 million yen
Kagoshima Kokubu Plant	Installation of hydrogen generation plant	Converting ammonia gas for hydrogen production to LNG	285 million yen	Reduction of chemical substances: 672 tons Reduction of electricity: 1.44 million kWh	63 million yen

Overall Environmental Impact

This diagram shows the environmental impact of the entire Kyocera Group, clarifying the relationship between our business activities and environmental impact.

Scope of data collection

Sites certificated under Kyocera Group Integrated Environment & Safety Management System (refer to page 83)



*1 Annual value was calculated based on LCA data of solar cell modules and mobile phones (10 major items) delivered in FY2008.

*2 Electricity and greenhouse gases at use level were calculated based on the balance between energy effect by solar power generation and load at time of use.

*3 Weight of toner containers (21 items) reused in FY2008 were calculated.

Input Items

Materials	Consumption amount of main raw materials and sub materials
Packing materials	Consumption amount of packing materials
Paper	Amount of copy paper and forms used in manufacturing process
Chemical substances	Amount of toxic/hazardous chemicals monitored by the related ordinances and used in our production. (Specified by 12 ordinances including the Hygiene Health Poisonous and Deleterious Substances Control Law, Fire Service Act (hazardous materials), Industrial Safety Law, PRTR Law, and the Law Concerning the Examination and Regulation of Manufacture of Chemical Substances)
Electricity	Electricity purchased from electric power companies
Fuels	Amount of fuel used as energy, such as LPG, light oil, heavy oil (crude oil equivalent)
Water	Consumption amount of city water and groundwater

Output Items

Greenhouse gases	Amount of 5 major gases discharged, including CO_2 and PFC, as a result of electricity, gas and fuel consumption
NOx	Amount of nitrogen oxides discharged from gas and fuel consumption
SOx	Amount of sulfur oxides discharged from gas and fuel consumption
Industrial waste	Amount of discharged industrial waste generated by business activities
General waste	Amount of discharged general waste generated by business activities
Final disposal amount	Amount sent to landfill of both industrial and general waste, including residues after intermediate treatment
Water discharge	Amount of water discharged into rivers (except water discharged to sewage system)
BOD	Load of discharged biochemical oxygen demand
COD	Load of discharged chemical oxygen demand
Chemical substances	Release and transfer amount of chemical substances specified by PRTR (Class 1 chemical substances)

Kyocera promotes positive environmental protection activities with an itemized list of 31 topics on the Group's integrated environmental management system in order to carry out its environmental policy and clarify action plans and middle/long-term goals.

Activity Item			Reference	FY 2008 Goal	FY 2008 Result	FY 2016 Goal	Page in detail
Reduction of waste discharged	Industrial waste	Plant	FY 2005 discharged weight per net sales	18% reduction	36.5% reduction	50% reduction	P72~75
		Office	FY 2005 discharged weight per net sales	18% reduction	17.5% reduction	30% reduction	
	General waste	Plant	FY 2006 (1st half) discharged weight per net sales	18% reduction	59.0% reduction	50% reduction	
		Office	FY 2006 (1st half) discharged weight per net sales	18% reduction	1.9% increase	30% reduction	
Zero emissions	Waste		—	Zero emissions maintained	Zero emissions maintained	Zero emissions maintained	
Reduction of waste generated	Industrial waste and valuables	Plant	FY 2005 weight per net sales	10% reduction	25.1% reduction	30% reduction	
		Office	FY 2006 (1st half) weight per net sales	10% reduction	17.0% reduction	30% reduction	
	General waste		FY 2006 (1st half) weight per net sales	10% reduction	51.2% reduction	30% reduction	
Reduction of Class 1 designated chemical substances specified by PRTR Law (subject: 18 substances)	Amount used		FY 2005 net consumption per net sales	15% reduction	32.9% reduction	25% reduction	
	Release amount		FY 2005 net release amount per net sales	30% reduction	23.5% reduction	50% reduction	
	Transfer amount		FY 2005 transfer amount per net sales	20% reduction	13.5% reduction	30% reduction	
Reduction of volatile organic compounds (VOC)	Emission into air		FY 2006 (1st half) emission (absolute value)	30% reduction	17.6% reduction	50% reduction	
Control by gross amount in wastewater	Mercury, Cadmium, Lead and Hexavalent Chromium discharged		FY 2005 discharge (absolute value)	100% reduction achieved	100% reduction achieved	Maintained	
Reduction of greenhouse gas emissions			FY 1991 emission (absolute value)	6% reduction	13.5% increase	10% reduction maintained (FY 2010 10% reduction)	P66~69
Reduction of energy consumption	Electricity		FY 2005 consumption per net sales	6% reduction	9.1% reduction	20% reduction	
	Fuels		FY 2005 consumption per net sales	6% reduction	32.8% reduction	20% reduction	
Reduction of vehicle fuel consumption (company cars and private cars used for business purposes)			FY 2005 consumption per net sales	7.5% reduction	12.9% reduction	30% reduction	P70~71
Reduction of water consumption (city water and groundwater)		Plant	FY 2005 consumption per net sales	15% reduction	9.8% reduction	20% reduction	
		Office	FY 2005 consumption per net sales	7.5% reduction	8.9% increase	10% reduction maintained	
Reduction of gas purchased (nitrogen, hydrogen, argon)			FY 2005 purchased amount per net sales	17.5% reduction	21.4% reduction	30% reduction	
Reduction of travel expenses (domestic and overseas travel expenses)			FY 2005 travel expense per net sales	6% reduction	2.8% increase	10% reduction	
Reduction of office paper purchased			FY 2005 purchased weight per net sales	9% reduction	7.8% reduction	20% reduction	
Reduction in the purchase of paper for production processes			FY 2005 purchased weight per net sales	9% reduction	23.5% reduction	20% reduction	
Reduction of paper discharged			FY 2005 weight per net sales	9% reduction	0.1% increase	20% reduction	
Reduction of packing materials purchased			FY 2005 purchased amount per net sales	9% reduction	14.4% reduction	30% reduction	
Reduction of PVC usage (inner packing materials) (completely ceased using PVC for external packing materials, bags and cushioning material)			FY 2005 purchased amount per net sales	30% reduction	72.8% reduction	Completely stopped using	
Expanded certification of global environmentally friendly products			Number of developed and manufactured items in each year	70% certified	100% certified	100% certified (FY2011)	P58~65
Completely stopped purchasing 6 substances specified by RoHS Directive			—	Completely stopped purchasing	Completely stopped purchasing	Completely stopped purchasing	
Sales expansion of global environmentally friendly products			FY 2005 certified product net sales	35% improvement	343% improvement	100% improvement	
Reestablished LCA system			—	Promoted LCA implementation	Promoted LCA implementation	Promoted LCA implementation	
Introduction of environmental efficiency factors			—	Introduction and application	Introduction under review	Application	

* Covers sites certified under the Kyocera Group Integrated Environment & Safety Management System (refer to page 83).
* Values per net sales show the environmental impact amount per million yen of sales.

Green Products

Environmental Assessment in Product Development

Kyocera has established and operates an internal system and certification program for supplying top-class, environmentally friendly products with a focus on environmental consciousness that begins at the R&D stage.
The Kyocera Group strives for all of its products to be "Kyocera Global Environmental-friendly Products".In FY2007, Kyocera launched and applied the "Environmental Consciousness Evaluation System" at all divisions and research groups in order to facilitate the manufacture of environmental-friendly products.
For new products and technology, this system is designed to conduct an evaluation of environmental consciousness at three stages of the product development cycle: planning, prototype creation, and mass production. Products that meet the internal criteria at the final stage will be certified as "Kyocera Global Environmental-friendly Products."

Kyocera Environmentally Friendly Products

Concept of Environmental Consciousness

Kyocera considers the three themes of "Global Warming Prevention and Energy Conservation," "Resource Recycling" and "Environmental Preservation and Safety" as high-priority issues. For each of these, we have established clear guidelines for focusing on environmental protection at the product development stage.

• Concept of Lowering Environmental Impact
These products minimize environmental impact at all stages of the product life cycle, including manufacturing, sales, distribution, use and disposal.

• Concept of Contributing to Environmental Protection
These products allow customers and end-users to contribute to the reduction of environmental impact through use of our products.

Global Warming Prevention and Energy Conservation

To help prevent global warming, considerations is given to CO_2 emission reduction and to strategies for saving energy. Kyocera has set the following concepts for product development.

<Concept of Lowering Environmental Impact>
- "CO_2 emission reduction and energy saving during manufacturing"
  … Improvement of yield, process changes, standardization (facility consolidation, etc.)
- "CO_2 emission reduction and energy saving during use"
  … Reduction of power consumption, reduction of standby electricity, increasing the availability of energy-saving functions
- "CO_2 reduction throughout the entire life cycle"
- "Provision of information on energy saving and use"

<Concept of Contributing to Environmental Protection>
- "Contributing to the prevention of global warming and energy saving"
  … Commercialization and efficiency improvement of new energy creation products
- "Awareness for the prevention of global warming and energy saving"
  … Development of products that through their use raise awareness of environmental conservation

Resource Recycling

To consider resource recycling, we established the following concepts to promote activities for the 3Rs (Reduce, Reuse and Recycle) in product development.

<Concept of Lowering Environmental Impact>
- "Downsizing, lightweight and reduction of parts"
- "Reduction of resources used during production"
  … Improvement of yield, process changes, etc.
- "Reduction of packing materials"
  … Simplification, lightweight and recycling
- "Improvement of long usability of products"
  … Making operating life longer, durability enhancement, etc.
- "Improvement of resource recycling throughout the entire life cycle"
- "Use of recycled resources"

<Concept of Contributing to Environmental Protection>
- "Contributing to resource recycling"
  … New development and efficiency improvement of products promoting resource recycling
- "Awareness for resources recycling"
  … Development of products that through use raise awareness of environmental conservation

Environmental Conservation and Product Safety

To pay attention to humankind and the environment, Kyocera promotes the reduction of hazardous chemical substances contained in products and reduction of emissions.

<Concept of Lowering Environmental Impact>
- "Elimination or reduction of Kyocera-controlled substances contained in product components"
- "Elimination or reduction of Kyocera-controlled substances contained in packaging materials"
- "Elimination or reduction of emissions during product' s use"
  … Reduction of exhaust air and drainage, noise and vibration
- "Ease of product disposal"
  … Use of biodegradable materials

<Concept of Contributing to Environmental Protection>
- "Contributing to conservation and product safety"
  … New development and efficiency improvement of products eliminating environmental load substances
- "Contributing to conservation and product safety"
  …Development of products that through their use raise awareness of environmental conservation

Environmental Assessment Steps

For research and development of new products and technology, environmental consciousness is evaluated in the following three steps: the planning stage, the stage where manufacturing specifications are made clear, and the stage where mass production is established.

Step 1: Target-setting

Identify desirable concepts to incorporate into the product and set specific targets before beginning the stages of research, development and design. To set targets accurately, select existing products which are to be compared with new product specifications, perform LCA*, and use the results.

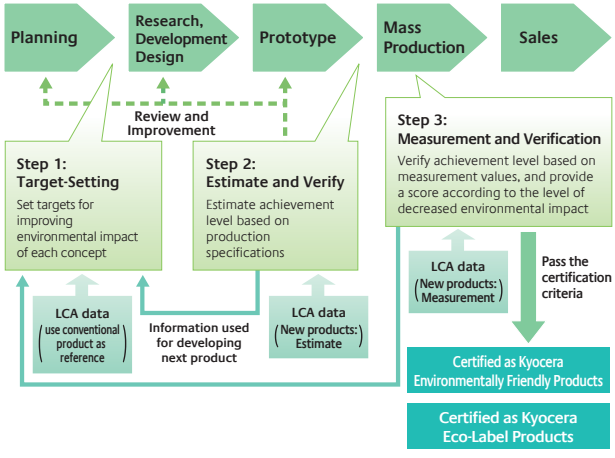
Step 2: Estimate and Verify

After clarifying production specifications, estimate energy consumption and execute LCA to assess whether the target will be achieved.

Step 3: Measurement and Verification

In the mass production stage, perform LCA for verification based on actual measurement data such as yield and energy consumed and assess (grade) the environmental consciousness of the product.

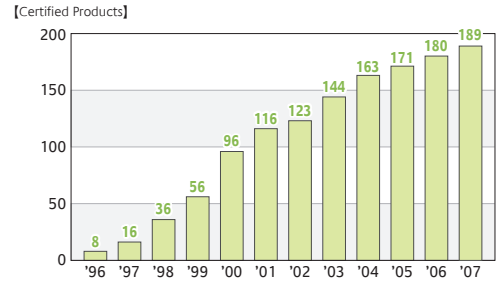
* LCA
LCA stands for Life-Cycle Assessment.This is a technique to quantitatively evaluate environmental impact through all stages of a product, including material procurement, production, distribution, use and disposal.



Certification System for "Kyocera Global Environmentally Friendly Products"

In the final stage of the environmental assessment, products are graded according to their environmental improvement contribution. After this calculation, products that meet a certain level will be certified as Kyocera Global Environmentally Friendly Products with Kyocera Eco-Labels attached.
In FY2008, nine new products were certified as Kyocera Global Environmentally Friendly Products. In FY2009, Kyocera will continue to work on the development of environmentally friendly products in all departments.

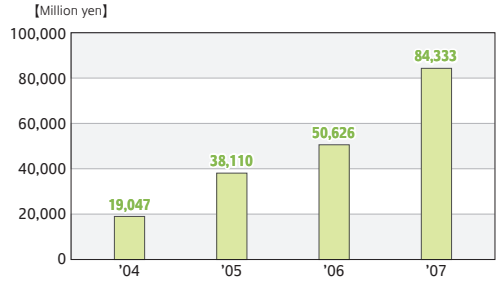
Kyocera Global Environmentally Friendly Products – Total Number of Certified Products



Increasing Sales of Kyocera Global Environmentally Friendly Products

Kyocera not only seeks to develop Kyocera Global Environmentally Friendly Products but also to promote their sales. We increased sales of Kyocera Global Environmentally Friendly Products by 3.5 times in three years from FY2006 through FY2008 with sales in FY2005 as a reference.
We will continue to work hard on the development and sale of Kyocera Global Environmentally Friendly Products.

Kyocera Global Environmentally Friendly Products – Sales Amount*



* Sale amount of Kyocera Global Environmentally Friendly Products among consumer products

Green Products

Kyocera Global Environmentally Friendly Products

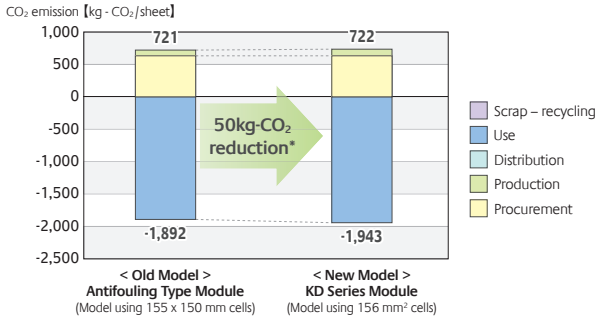
Kyocera Global Environmentally Friendly Products in FY2008 – Examples of Certified Products

Solar Cell Module

KD Series Module (Module using 156 mm² solar cells)

Previous 155 x 150 mm cells were changed to 156 mm² cells to increase the electric-generating capacity per module by 2.8%, thereby contributing to the prevention of global warming and energy savings.

Comparison of Old and New Models

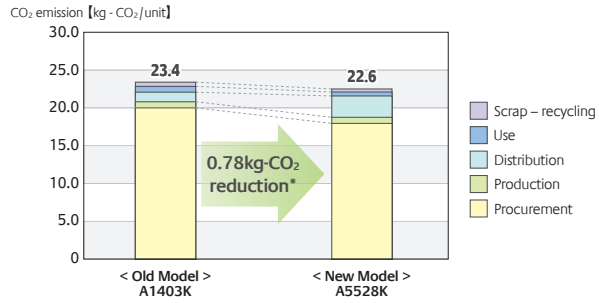


* Amount of CO_2 reduction throughout the life cycle (compared with the old model)
The CO_2 emission at use level was calculated based on a life span of 25 years.

Simple Mobile Phone "A5528K"

A reduction in material consumption, power, and man-hours during manufacturing, contributes to energy and resource savings. Its construction and ease of disassembly also enable improved recycling efficiency.

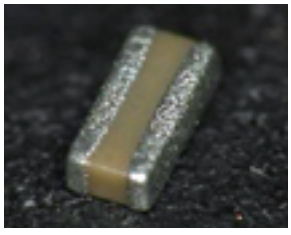
Comparison of Old and New Models



* Amount of CO_2 reduction throughout the life cycle (compared with the old model)

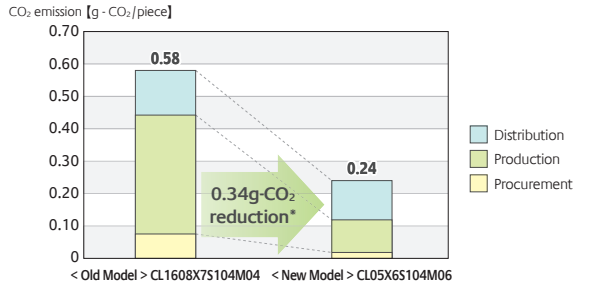
Multilayer Ceramic Chip Capacitor

CL Series 1005 Size X6S Functionality 100nF (CL05X6S104M06)



This capacitor has been highly miniaturized while maintaining functionality, thus reducing the resource input and energy consumption during manufacturing and contributing to both resource and energy conservation.

Comparison of Old and New Models

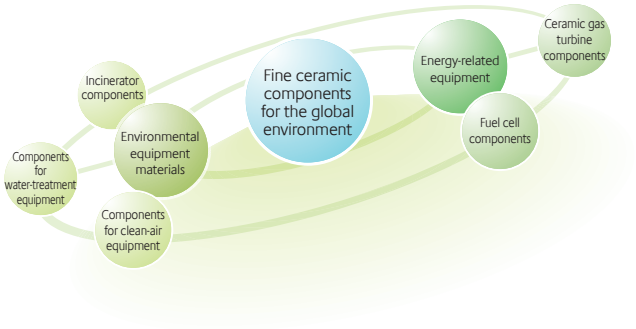


* Amount of CO_2 reduction in the procurement, production, and distribution stages (compared with the old model)
For capacitors, each value was calculated being set aside from LCA because the loads in the use, scrap, and recycling stages vary according to the usage at each customer.

Environmental Measures ①

Fine Ceramic Products

Fine ceramics – Kyocera's core technology – are excellent examples of ecological materials which contribute to environmental preservation. Taking advantage of their superior resistance to abrasion and heat, Kyocera provides a variety of environmentally friendly products that contribute to society.



Molten Aluminum Processing Parts

Kyocera's silicon nitride material has superior characteristics in thermal stability, thermal shock resistance, mechanical strength and corrosion resistance. Molten aluminum processing parts* using this material have the following features as compared with conventional cast iron parts: (1) reduction of elution contamination to molten aluminum, (2) longer life and economical improvement, (3) ease of handling (smaller specific gravity), (4) reduction of deposition (lower wettability with molten aluminum), and (5) low energy loss (smaller specific heat).
Silicon nitride is also a ceramic material widely used in automobile engine parts.

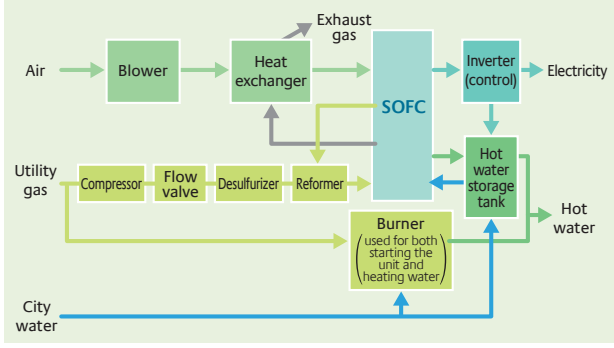
* Molten aluminum processing parts
Parts used in aluminum die-cast machines such as hot chambers and cold chambers

Solid Oxide Fuel Cell (SOFC)

Taking advantage of the fine ceramics technology we have accumulated since our company was established, Kyocera is developing a Solid Oxide Fuel Cell (SOFC).
With its high energy efficiency, the fuel cell should lead to the reduction of carbon dioxide (CO_2) emissions, which is considered a cause of global warming. It also releases extremely low amounts of nitrogen oxide (NOx) and sulfur oxide (SOx) into the air as well as very low noise, and is expected to be a clean source of energy. Since fuel cells generate electricity in close proximity to where it is consumed, the energy loss through electric transmission is low and waste heat can be utilized. These features enable fuel cells to have potential future applications such as dispersed power systems for industrial and home cogeneration systems.
Since 2004, Kyocera has worked in cooperation with Osaka Gas Co., Ltd., to develop a home SOFC cogeneration system with 1 kW and 700W outputs. A trial of the system is being conducted in a Japanese residence development and is on target for an early market introduction. Since July 2007, the New Energy Foundation (NEF) has advanced an experimental study for practical application of the home SOFC cogeneration system with aid of the New Energy and Industrial Technology Development Organization (NEDO). Twenty five units of the systems under development are currently in use.

The generating unit was jointly developed by Osaka Gas Co., Ltd., and the hot-water supply/heating unit was developed by Osaka Gas Co., Ltd. and Chofu Seisakusho Co., Ltd.

Small SOFC Generating Unit (left) and Slim Hot-water Supply/heating Unit (right)



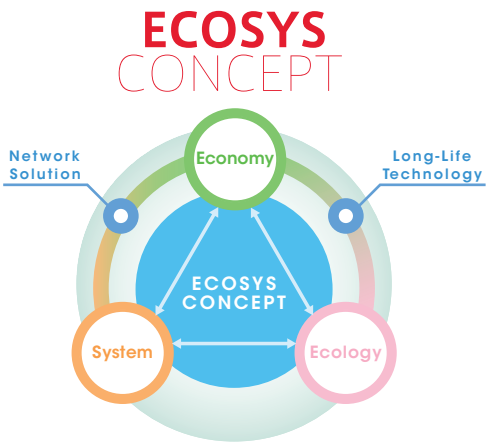
SOFC Cogeneration System (Total System Flow)

Green Products

Environmental Measures ②

Printers and Multi-functional Products

KYOCERA MITA's printers and multi-functional products have been developed based the ECOSYS Concept. This is a concept where environmental ecology and economy are balanced on a high dimension and intend to be integrated into the IT system.



Measures for Reducing the Environmental Impact of Printers and Multi-functional Products

Based on its long-life technology, KYOCERA MITA Corp. thoroughly collects reusable and recyclable parts, and is developing printers and multi-functional products that contribute to resource conservation throughout their life cycles.

Reduced number of parts requiring periodic replacement

Highly durable long-life amorphous silicon print drum adopted. Replacement of parts is minimized to reduce scrapping parts and enable resource saving.

Reduced consumables

Employ a method of replacing toner container only by installing long-life components such as the amorphous silicon print drum.

Reduced waste

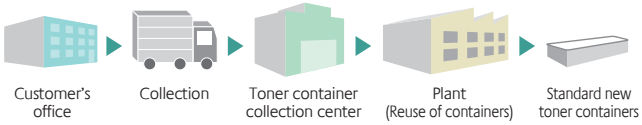
Collect used toner containers and copy machines for reuse and recycling. For packing materials, easily reusable and recyclable pulp-molds are used with cardboard and newspaper as raw materials.

Reuse and Recycling

Kyocera is not only concerned about the environment at the time of design but also at other stages of product ownership. Kyocera collects used toner containers and copy machines from customers for reuse and recycling.

Reuse and recycling of toner containers

Used toner containers are collected and divided into reusable and non-reusable containers Reusable containers are cleaned and inspected for reuse. Non-reusable containers are sent for recycling.



Collection, reuse and recycling of products

Kyocera utilizes copy machine exchange centers, located at seven locations throughout Japan. These exchange centers are run by the Japan Business Machine and Information System Industries Association. We try to collect 100% of the machines traded in from customers even if they are other companies' machines. We also try to inspect and clean parts removed from used machines and use them in new models and for maintenance. Non-reusable components are manually disassembled by material at the seven recycling centers throughout Japan and almost 100% of these parts are recycled.

Certification of Environmental Labels (FY2008)

In order to help customers identify products that have a low environmental impact, KYOCERA MITA Corp. actively seeks certification by various environmental labels.

< Japan > Eco Mark	< Japan > Eco Leaf	< Japan, USA, Europe > Energy Star (International Energy Star Program)
Copiers: 10 models Printers: 2 models	Copiers: 8 models Printer: 1 model	Copiers: 38 models Printers: 17 models
< Northern Europe > Nordic Swan	**< Taiwan > Green Mark**	**< Germany > Blue Engel**
Copiers: 9 models Printers: 2 models	Copiers: 3 models Printers: 7 models	Printers: 4 models

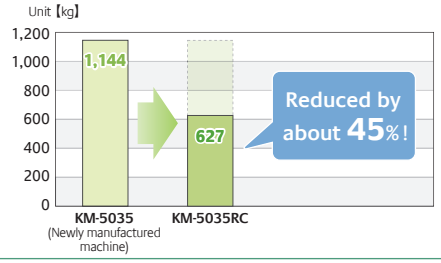
Reconditioned Machines with a Reuse Percentage of 90% or Higher

Recycled Multi-functional Product KM-5035RC

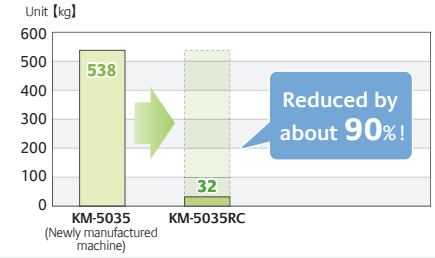
Re-Condition

A reconditioned machine is one which has become equivalent to a new product by disassembling, cleaning, re-assembling and adjusting. It is then inspected to ensure that it is equivalent to a new product. KYOCERA MITA JAPAN Corp. has achieved a reuse percentage of about 90% in terms of mass ratio. These machines have reduced CO_2 emissions in the processes of manufacturing to distribution and scrapping by as much as 45% as compared with newly manufactured machines, and have minimized the environmental impact.

Comparison of environmental impact per unit in the entire life cycle (Global warming impact - CO_2 equivalent)



Comparison of environmental impact per unit before the production stage (Global warming impact - CO_2 equivalent)



Reconditioning Machines

To aim at effective utilization of resources and realize a recycling society, KYOCERA MITA JAPAN Corp. has buildt an original reuse and recycling system.
We conduct full activities for recycling not only by reusing parts but also submitting unusable parts as raw materials for thermal recycling.

1 Collection

Traded used machines are sent to the collection center.

2 Sorting

Machines to be reconditioned are sent to the plant, and machines to be dismantled, disassembled and sorted are sent to the recycling center.

3 Reconditioning and inspection

Maintenance parts and consumables are cleaned and replaced according to the maintenance list. The functions and image quality are checked according to the quality criteria equivalent to those of a newly manufactured machine.

4 Selling

Such machines will be sold as reconditioned multi-functional products.

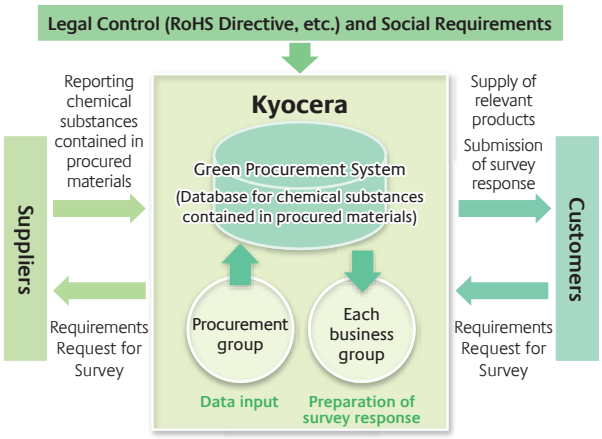
5 Recycling

Machines not reusable are dismantled, sorted by material and sent to be recycled as raw material. Parts, which cannot be used as raw material, are subjected to thermal recycling for fuel for furnaces, etc.

Green Products

Managing Chemical Substances in Products

Regulations exercising a global effect, such as the "RoHS Directive" and REACH, were established and consequently, social requirements have dictated stricter environmental regulations for chemical substances in products.
Kyocera has enhanced its control of chemical substances in products in order to promptly meet customers' requirements and to research requests about such situations.



Flow chart of survey/reporting of chemical content in products

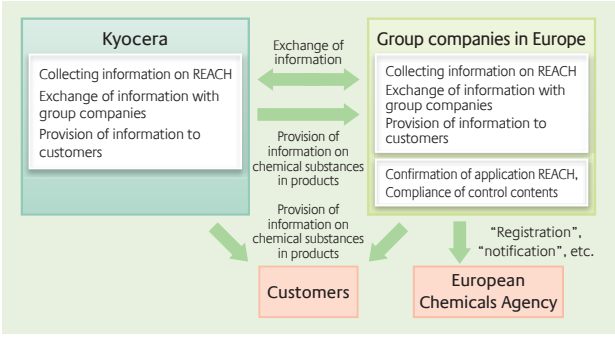
In the past, Kyocera product representatives gathered to review control activities for chemical substances in products. In order to enhance our control system and meet even more requirements, in October 2007 we set up the "Product Environmental Quality Subcommittee" as one of the green committee organizations.
The Product Environmental Quality Subcommittee reviews the control activities for chemical substances in products, the compliance with environmental regulations for products, and the revision of Kyocera's Guidelines for Green Procurement, etc.

Product Environmental Quality Subcommittee Meeting
(TV conference connecting eight locations throughout Japan, including Shiga and Kagoshima)

Complying with Environmental Regulations for Products

The Kyocera Group has established a global policy to comply with the "RoHS Directive" enforced in July 2006 in Europe. After January 2006, Kyocera's internal policy also prohibits these substances in products sold in areas other than Europe. Kyocera also requires its plants to comply with the "RoHS Directive" for products to be sold in regions (North America, China, and Japan) other than Europe, thus contributing to the global reduction of hazardous substances.
Furthermore, Kyocera is taking action to comply with the new chemical substance control known as "REACH*", which was enforced in June 2007. Mainly, group companies based in Europe are preparing for "registration." If any substances of very high concern are contained in products, their "notification" will be required. Therefore, we are reviewing the method of identifying substances of very high concern.

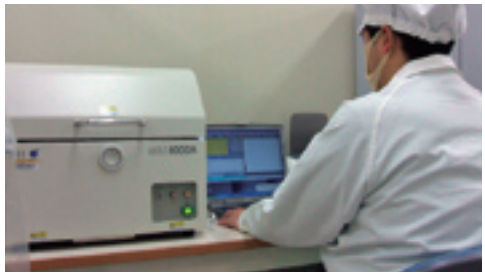
*REACH: A European Union law that specifies registration, evaluation, authorization and restriction controls for chemical substances both imported into and produced in Europe.



Conforming to REACH

Analytical Search for Chemical Substances in Procured Materials

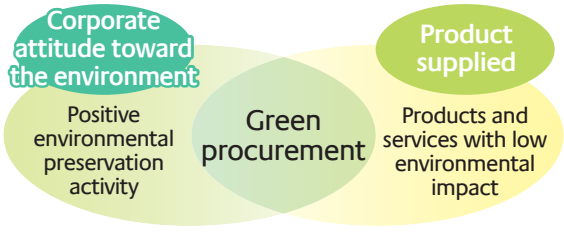
To enhance the reliability of information on chemical substances in products supplied to customers, we use analytical equipment to obtain data on contained substances from suppliers and examine chemical substances in procured materials.



Analytical search of procured materials by fluorescent X-ray analysis
(Kagoshima Hayato Plant)

Green Procurement

To promote environmental preservation activities, it is also necessary to take appropriate actions in supply chain management.
Kyocera established its Green Procurement Standard in 1998 to address the procurement of environmentally friendly materials and asks suppliers for their cooperation based on Kyocera's Guidelines for Green Procurement.

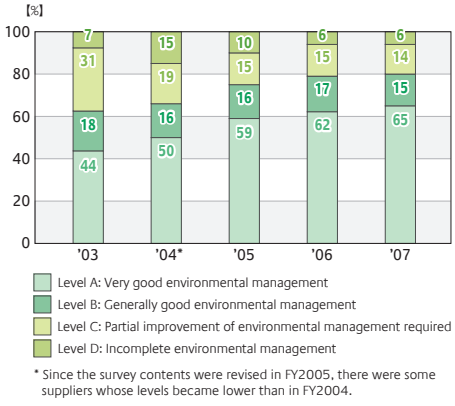


Assessment of Corporate Attitude

Survey on Suppliers' Environmental Management

Kyocera surveys its suppliers annually regarding their environmental management and environmental preservation activities. Survey results from 1,830 companies in FY2008 are shown below.
As shown in the graph, the number of Level A suppliers is increasing. This suggests that the environmental management of our suppliers has improved.
As for Level C and D suppliers, Kyocera distributes environmental requirements for them to understand Kyocera group's environmental policies and requests cooperation with our environmental protection activities.

Supplier Environmental Status Survey Results



* Since the survey contents were revised in FY2005, there were some suppliers whose levels became lower than in FY2004.

Environmental Audit

Kyocera conducts an environment audit on the status of environmental management every year based on the results of the survey.
In FY2008, we visited suppliers to audit their compliance with laws or ordinances, their application of the environmental management system, and their management of chemical substances in products. We have also asked them to take corrective actions for items requiring improvement.

Assessment of Product Supplied

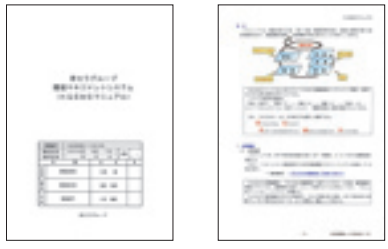
Kyocera requests that its suppliers take action to ensure that their products meet the requirements of the Kyocera Guidelines for Green Procurement.
We strive for "non-containment and non-use of prohibited chemical substances" with our suppliers' strong support and cooperation by asking them to provide a "Guarantee of Non-use" and a table of constituent contents.

Kyocera Guidelines for Green Procurement (Requirements for Suppliers)

1. Non-containment and non-use of prohibited chemical substances
2. Energy conservation and resource conservation
3. Availability of easy recycling
4. Reduction of packing materials

Support for Building Environment Management Systems by Suppliers

To support suppliers in obtaining certification of an environmental management system standard, Kyocera discloses the KGEMS Manual, which is Kyocera's own system based on the ISO 14001 Standard. At present, Kyocera provides the KGEMS Manual to suppliers that intend to establish environmental management systems and is active in helping them construct these environmental management systems.



KGEMS Manual

Energy Conservation

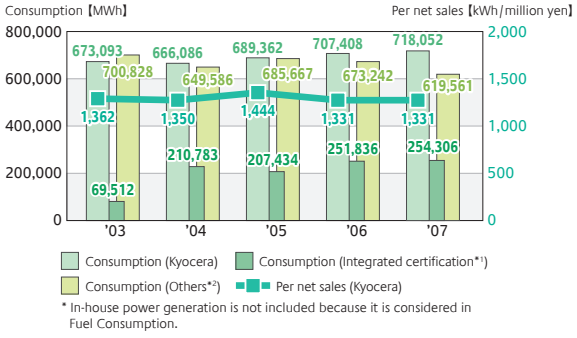
Increasing energy consumption has an impact on environmental issues such as global warming. It is now a common practice for corporations to utilize limited energy levels more effectively to complete the required industrial activities.
Kyocera began its energy conservation measures in FY1993 with the goal of reducing energy consumption.

FY2008 Result

Reduced Electricity Consumption

We enacted energy saving measures such as improving the calcination efficiency, using inverter pumps and controlling the number of air compressors. As a result, Kyocera's electricity consumption was reduced by 1.4% per net sales (1,331) against a target reduction of 6% per net sales (1,350) in FY2005.

Electricity Consumption

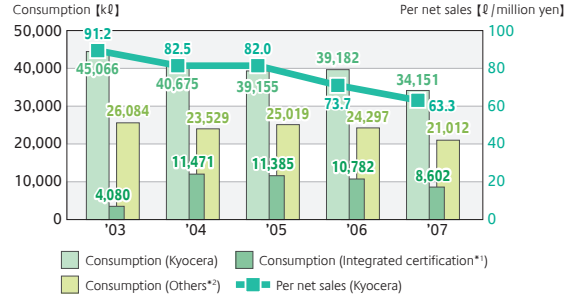


* In-house power generation is not included because it is considered in Fuel Consumption.

Reduced Fuel Consumption

We converted from absorption-type chillers to turbo chillers in addition to taking energy saving measures such as proper adjustment of steam pressure. As a result, Kyocera's fuel consumption was substantially reduced by 23.3% per net sales (63.3) against a target reduction of 6% per net sales (82.5) in FY2005.

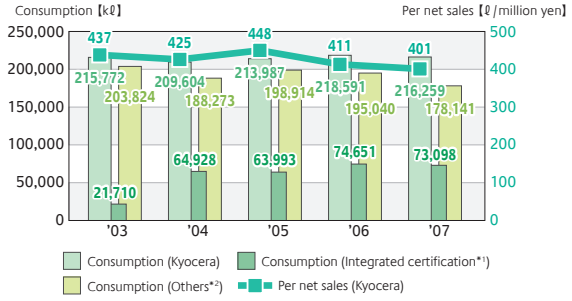
Fuel Consumption



Reduction of Total Amount of Energy

The total amount of energy, consisting of electricity and fuel, was reduced by 5.6% per net sales (401) against per net sales (425) in FY2005.

Total Amount of Energy



Energy Saving at Plants

- Increasing the calcinations efficiency of the calciner
  (Kagoshima Sendai Plant, Kagoshima Kokubu Plant)
- Changing the high frequency power source to high-efficiency equipment
  (Shiga Yohkaichi Plant, Kagoshima Hayato Plant)
- Using inverter pumps for production equipment
  (Shiga Yohkaichi Plant, Kagoshima Kokubu Plant)
- Making the steam pressure appropriate
  (Kagoshima Kokubu Plant)
- Controlling the number of air compressors
  (Mie Ise Plant, Kagoshima Kokubu Plant)
- Converting from absorption-type chillers to turbo chillers
  (Kagoshima Kokubu Plant, Kagoshima Hayato Plant)
- Changing air-conditioning equipment to high-efficiency equipment
  (Kagoshima Kokubu Plant)
- Installation of high-efficiency heat pump hot-water supply equipment
  (Kyocera Kinseki Yamagata Corp.)


Using inverter pumps (Kagoshima Kokubu Plant)

Energy Saving in Offices

- Use of infrared sensors for lighting
  (Kyocera Headquarters, Kyocera Management Research Institute)
- Readjusting the air-conditioner operating time depending on the season (Kyocera Headquarters)

* Those which are in parentheses are major sites where such energy saving has been implemented.

Notes
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*2 Others: Except KYOCERA Corporation and integrated certified sites

Site information
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Global Warming Prevention

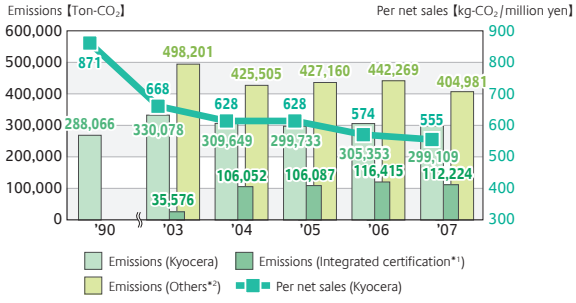
Kyocera has set a greenhouse gas reduction target and is taking various measures to prevent global warming including energy saving. As we face the first commitment period specified in the Kyoto Protocol, we even more aggressively conduct activities to prevent global warming.

FY2008 Result

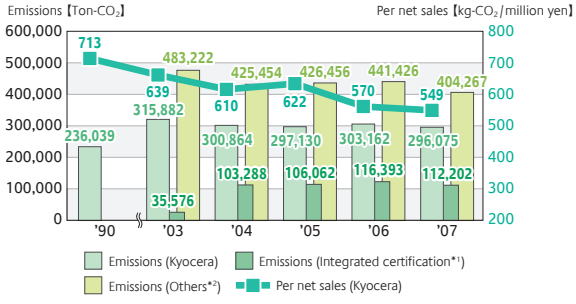
Reducing Greenhouse Gas Emissions

Kyocera's greenhouse gas emissions were 299,109 ton-CO_2, up 3.8% against the target of a 6% reduction from FY1991 emissions (288,066 ton-CO_2) level. However, they were reduced by 2.0% from the previous year (305,353 ton-CO_2).
The value per net sales was significantly reduced by 36.3% as compared with FY1991 through implementation of energy-saving activities, the introduction of turbo chillers, minimization of PFC and others, etc.
The minimization of PFC and others allowed the value per net sales to be significantly reduced by 96.4% as compared with the base year. We will continue to actively promote activities for the prevention of global warming such as energy saving, which enables coexistence of economic and environmental interests, thus contributing to prevention of global warming.

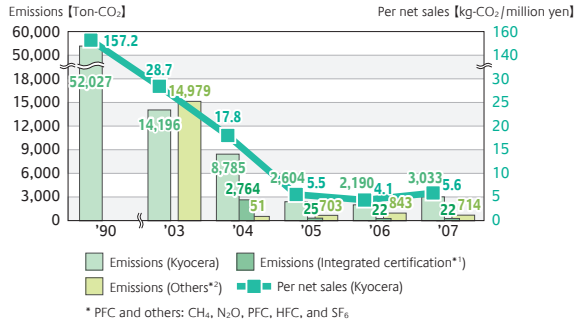
Emission of Greenhouse Gases



CO_2 Emissions



PFC and Others Emissions



* PFC and others: CH_4, N_2O, PFC, HFC, and SF_6

Example of Global Warming Prevention

<Introduction of High-efficiency Turbo Chillers>

In FY2008, high-efficiency turbo chillers were installed at the Kagoshima Kokubu Plant, Kagoshima Hayato Plant, Central Research Center, Kokubu Office, Kyocera SLC Technologies Corp., KYOCERA KINSEKI Yamagata Corp., and Hotel Kyocera.
High-efficiency turbo chillers have much better refrigeration efficiency per primary energy than that of conventional absorption-type chillers. Introduction at this time significantly improved such efficiency.
Installation of seven total units (2,920 refrigeration tons) resulted in an annual CO_2 reduction of about 4,700 ton-CO_2.

High-efficiency turbo chiller (Kagoshima Kokubu Plant)

<Example of global warming prevention overseas>

At KYOCERA MITA Deutschland GmbH, a sales agent in Europe, a 15.6 kW solar panel was installed on their roof in November 2007.
The annual power generation is expected to be about 12,000 kWh. Introduction of this system should result in a CO_2 reduction of about nine tons.

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Green Factory

Environmental Impact of Shipping

Promoting Modal Shift

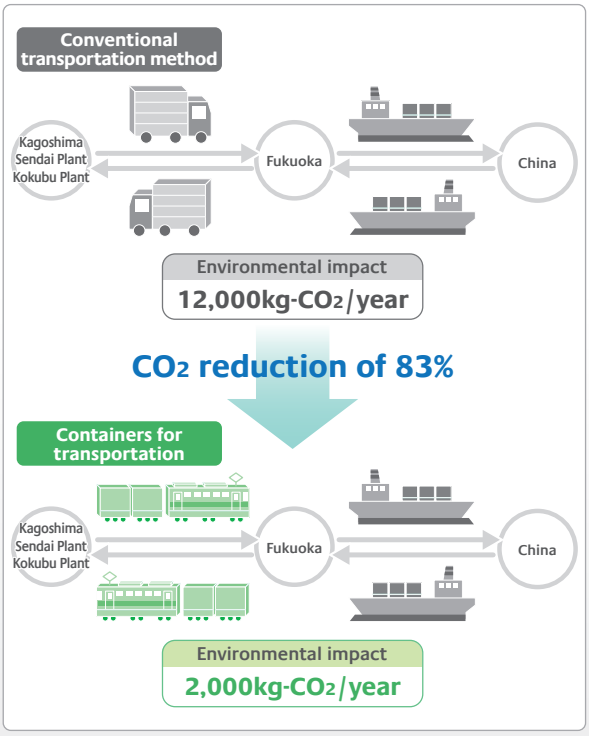
Environmental impact resulting from shipping products has many effects, such as global warming, air pollution, traffic jams and noise.

The Kyocera Group takes action to minimize environmental impact caused by the transportation of our products.

In the past trucks were used for the transportation of materials from the Kagoshima Sendai Plant to the plant in China; and for the transportation of the parts finished in China to the Kagoshima Sendai and Kagoshima Kokubu Plants and to Fukuoka. The mode of transportation has been changed to railway, which has less environmental impact. Using railway and high-speed ferries, we have implemented containers for transportation, thus improving the quality and efficiency of distribution.

Example of Reducing Environmental Impact of Shipping

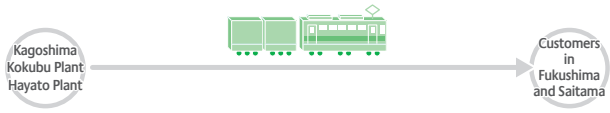
<Modal shift activities
(Kagoshima Sendai Plant, Kagoshima Kokubu Plant)>



Environmental impact for domestic transport was calculated based on the "Guidelines for CO_2 Emission Calculation Method in Logistics Ver. 2.0" by the Ministry of Economy, Trade and Industry, and Ministry of Land, Infrastructure and Transport.

Promotion of JR Container Transportation

For transportation from the Kagoshima Kokubu Plant and Kagoshima Hayato Plant to customers in Fukushima and Saitama, we are deploying a modal shift by changing from trucks to use of JR containers.



Reduction of CO_2 by Changing the Transportation Mode

For the cargo manufactured at the Kagoshima Sendai Plant, Kagoshima Kokubu Plant and Kagoshima Hayato Plant and exported from Kansai Airport, those which needed to be delivered in short periods used to be transported by air from Kagoshima Airport to Itami Airport. Jointly with a freight company, we built a new transportation route utilizing trucks. This change has resulted in a reduction of CO_2.

For transportation from the Kagoshima Sendai Plant to Kansai Airport, we participated in and monitored the transportation using JR containers in the international logistics facilitation model business survey. This survey was conducted by the Ministry of Land, Infrastructure and Transport in November 2007.

Promotion of Eco Drive Activities

In October 2007, we created a poster for the promotion of "Slowly start, Slowly stop" eco drive activities and called for our consigned transport companies to promote Eco Drive Activities.

We will continue to promote environmentally-conscious transportation with the support of the transport companies.

Site information | Please refer to environmental impact data for individual sites on our web page (http://global.kyocera.com/ecology/).

Measures for Office

Ecologically Sound Building

The construction concept for Kyocera's headquarters building, completed in 1998, was to be "environmentally friendly and coexist with the local community." The building itself is an "ecologically sound building" that incorporates various environmentally friendly features.

In FY2008, we implemented light energy saving using infrared sensors and participated in the lights off campaigns; "Black Illumination 2007" and "Simultaneous Light Off in Kyoto", by simultaneously turning off signboard lights, etc. We will continue to intensify our support of this ecologically sound building.

Features

1. Solar power generation system
   (Total output: 214 kW, Annual CO_2 reduction: About 90 ton-CO_2*)
   * Calculated from FY 2008 result
2. Natural gas cogeneration system
3. Ice thermal storage system
4. Various environmentally friendly systems
   1) Peripheral ventilation system
   2) Individual air conditioning systems
   3) Inverters for air conditioner motors
   4) Air volume adjustment system at air conditioner duct
   5) Central air conditioning system
   6) Reduced wasteful lighting through subdivided system
   7) Reduction of useless illumination using infrared sensors
   8) High-efficiency inverter lighting
   9) System to measure energy consumption levels for each floor
   10) High-efficiency, heat-reflective glass
   11) Automatic escalators
   12) Utilize groundwater and rainwater

Green Curtains

At the Nagano Okaya Plant, we joined in with the "Green Curtain Project", which was advocated by the environmental citizens' alliance (Eco Life Okaya) in 2007 to control the use of air conditioning by covering buildings with climbing plants for keeping summer sun out.

We planted morning glories of a total length of 90 meters at the plant site to create a "Green Curtain."

Wining the Energy Conservation Center President Prize

Kyocera won the Energy Conservation Center President Prize at the 26th Excellent Energy Saving Equipment Awards for the Freezing Concentration & Ice Thermal Storage System (toner effluent treatment system) installed at the Tamaki Plant of KYOCERA MITA Corporation.

This honor was bestowed by the Japan Association of Refrigeration and Air-Conditioning Contractors. Using the principle where turbid water is turned into ice and separated into ice and impurities, this system freezes and concentrates toner-discharged water using electricity at night and melts clean ice using cryogenic heat during the day. This system also innovates energy saving technology. For example, thawed water is collected and recycled as makeup water for cooling water.

Freezing Concentration & Ice Thermal Storage System

Energy Conservation and Global Warming Prevention Plan for FY2009

In FY2009, a top priority will be lowering the amount of energy used by production equipment such as furnaces and various kinds of manufacturing equipment.

Production Equipment

- Changing to high-efficiency equipment
- Efficiency by increasing the number of material sets on equipment
- Enhancement of furnace heat insulation
- Changing to low CO_2 fuels
- Using inverter pumps for production equipment

Utility Equipment

- Further promoting the use of high-efficiency pumps and fans
- Expansion of the introduction of high-efficiency refrigerating machines
- Changing to high-efficiency small-capacity air-conditioning equipment
- Optimization of the operating conditions of the clean room

Other

- Implementation of energy conservation education
- Implementation of internal energy audits
- Installation of infrared sensors for lighting
- Review of the effective use of natural energy

Transportation

- Further promotion of the modal shift
- Review of the physical distribution bases

Site information | Please refer to environmental impact data for individual sites on our web page (http://global.kyocera.com/ecology/).

Resource Conservation

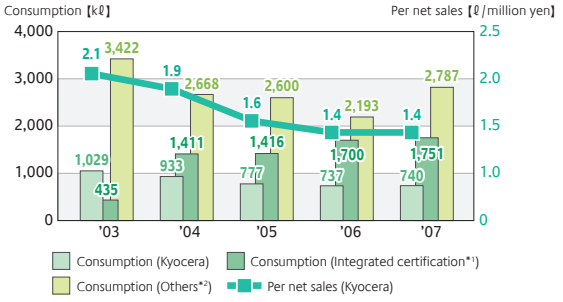
To maximize the utilization of limited resources and contribute to global environmental protection, Kyocera promotes resource conservation based on specific reduction targets for vehicle fuel, water, travel expense, gases, paper and packing materials.

FY2008 Results

Reducing Vehicle Fuel Consumption

Kyocera works to reduce vehicle fuel consumption in order to effectively utilize our remaining fossil fuels and prevent pollution caused by gas emissions. In FY2008, we implemented reduction activities by creating an internal standard for introducing hybrid vehicles. We will change general company-owned cars to hybrid vehicles as needed.
We achieved a 27.4% reduction per net sales (1.4) against the target of 7.5% reduction per net sales (1.9) from the FY2005 level.

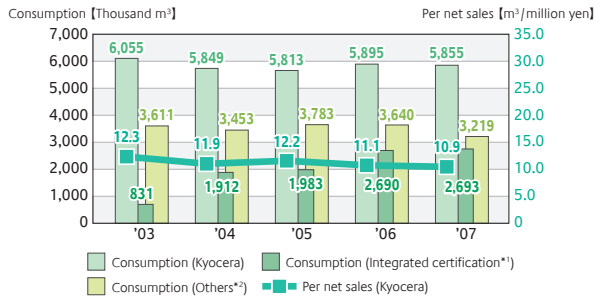
Vehicle Fuel Consumption



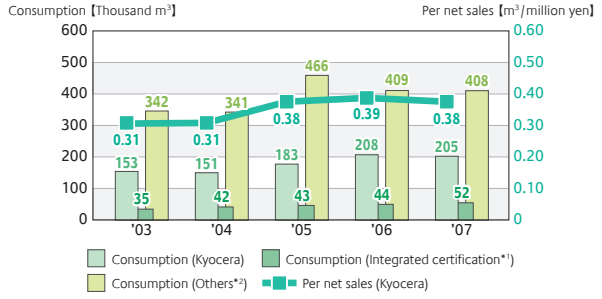
Reducing Water Consumption

Reducing water consumption greatly contributes to not only protection of water resources but also reduction of wastewater. Accordingly, Kyocera works to reduce both city water and groundwater consumption. This resulted in an 8.4% reduction per net sales (10.9) against the target of 15% reduction per net sales (11.9) from the FY2005 level. Reductions were achieved through recycling calcination water at the Kagoshima Sendai Plant and installing toilet flushing sound devices at the Shiga Gamo Plant and Shiga Yohkaichi Plant.
In regard to office locations, however, consumption increased by 23.9% per net sales (0.38) against the target of 7.5% reduction per net sales (0.31) from the FY2005 level because of additional large scale offices.

Water Consumption (Plant)



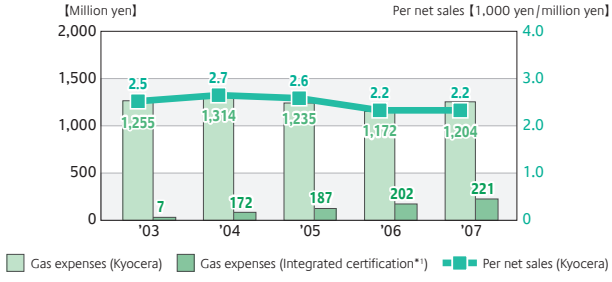
Water Consumption (Office)



Reducing Gas Expenses

To reduce environmental impact, Kyocera works to reduce the amounts of nitrogen, hydrogen and argon gases consumed in Kyocera production processes. These activities resulted in 16.2% reduction per net sales (2.2) against the target of 17.5% reduction per net sales (2.7) from the FY2005 level. This was achieved by reconsidering the gas supply method for the calciner and the structure of the calciner and reducing nitrogen and hydrogen gases.

Gas Expenses



Reducing Travel Expenses

Reducing the number of business trips and outings contributes to saving many resources such as the fuel used by public transportation, and resources used by accommodation. At Kyocera, a video-conferencing system has been introduced sequentially into all plants and offices to reduce travel expenses. This resulted in a

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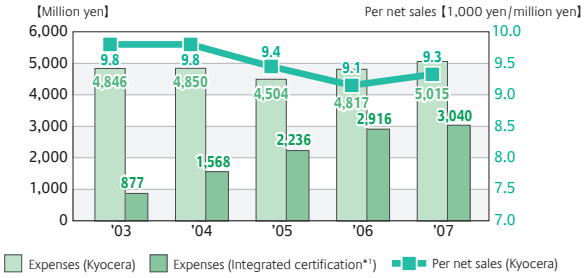
5.4% reduction per net sales (9.3) against the reduction target of 6% per net sales (9.8) from the FY2005 level.

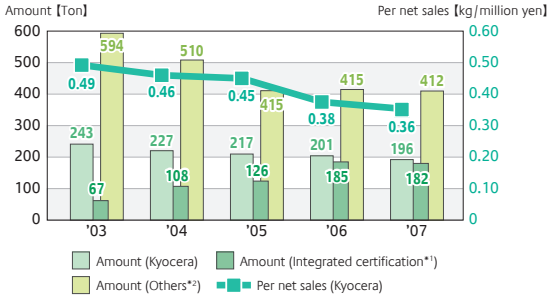
Travel Expenses



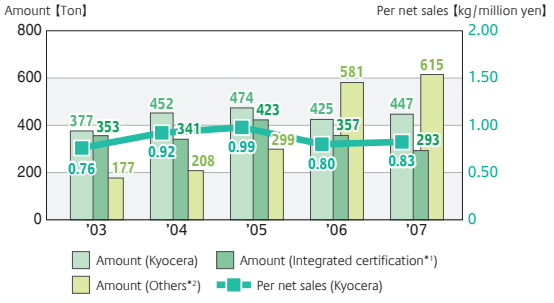
Reducing Paper Consumption and Disposal

In addition to reducing office paper use, Kyocera has been working to reduce the amount of paper used in the manufacturing process and also to reduce the amount of paper discharged. Digitizing documents, using both sides of the paper in the office setting, and the improvement of the use efficiency of paper used in production processes have been promoted. These activities resulted in a 21.2% reduction in weight per net sales for office paper (0.36) and 10.0% reduction in weight per net sales for paper used in production processes (0.83), and a 7.7% increase in weight per net sales for paper discharged (2.89) against the reduction target of 9% for weight per net sales for office paper (0.46), for weight per net sales for paper used in production process (0.92), and for weight per net sales for paper discharged (2.69), respectively, from the FY2005 level.

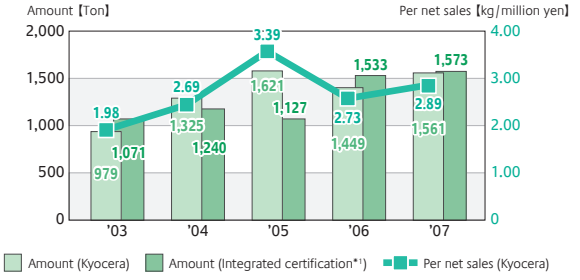
Amount of Office Paper Purchased



Amount of Paper Used in Production Process Purchased



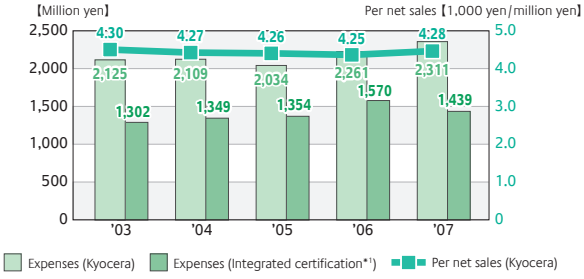
Amount of Paper Discharged



Reducing Packing Materials

Kyocera is working toward improving its packing methods and adopting reusable packing containers. There was a 0.2% increase per net sales (4.28) against the target of 9% reduction per net sales (4.27) from the FY2005 level because of a rise in purchase unit price.

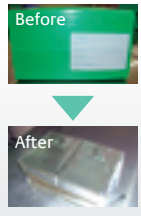
Packing Material Cost



Example of Reducing Packing Materials

<Reduction by changing the form of packing (Kagoshima Sendai Plant)>

Double packing using aluminum bags and plastic corrugated boards was changed to containers using reinforced aluminum material so that the plastic corrugated board used for outer packaging will no longer be used. This resulted in a packing material reduction of about 2.9 tons per year.



Green Purchasing

Kyocera is actively promoting green purchasing for office appliances in order to preferentially purchase products and services with low environmental impact. The green purchasing ratios are shown below.

Green Purchasing Results

Item	Purchasing Ratios		
	FY2006	FY2007	FY2008
Notebooks, stationery, office appliances	75.7%	77.1%	78.3%

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Green Factory

Waste Reduction and Recycling Measures

To contribute to establishing a recycling-based society, Kyocera started its activities for industrial waste reduction with a basic policy in FY1992. Since then, Kyocera has been working to reduce waste, including general waste, by focusing on minimizing the generation and discharge of all waste.

Basic Policy for Waste Reduction

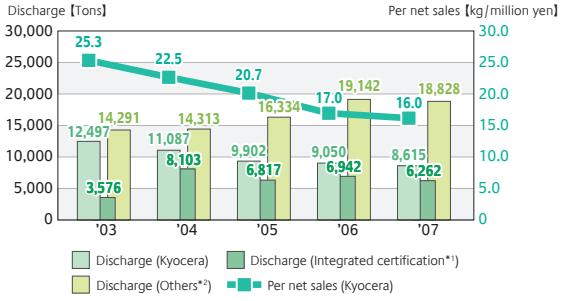
1. Minimize waste generated by business activities
2. Recycle waste once it is generated
3. Change non-recyclable waste into harmless materials

FY2008 Results

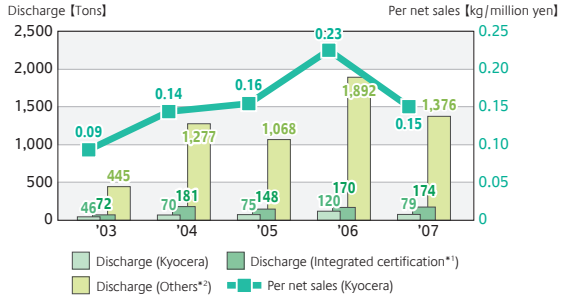
Reduce Industrial Waste Discharge

The plant activities comprising the majority of Kyocera's discharge resulted in a reduction of 28.9% per net sales (16.0) against the target of 18% reduction per net sales (22.5) from the FY2005 level. This was achieved by changing sludge and waste plastics to valuable materials and introducing internal treatment equipment for liquid wastes. Office activities resulted in an increase of 3.1% per net sales (0.15) against the target of 18% reduction per net sales (0.14) from the FY2005 level due to changes in layouts that resulted in the disposal of fixtures and furniture.

Industrial Waste Discharge (Plants)



Industrial Waste Discharge (Offices)



Examples of Industrial Waste Reduction Measures

<Recycling waste alumina (Shiga Gamo Plant)>

Kyocera sorts waste alumina and uses it as a valuable material. We further refine waste alumina in sorting and have become successful in recycling it as a raw material for refractory bricks. This resulted in an annual reduction of about 80 tons of this waste.

Waste alumina　　Refractory brick

<Recycling dust collector waste (Kagoshima Kokubu Plant)>

Waste alumina produced during cutting is collected by the dust collector. The sorting accuracy for waste dust was improved such that it can be recycled as valuable material. This resulted in an annual reduction of about 156 tons of this waste.

<Changing liquid waste to a valuable combustion improvement material (Hokkaido Kitami Plant)>

Waste oil mixed with abrasive compound during the polishing process in single-crystal production had previously been treated as waste material. Now the recycling of waste oil as a combustion improvement material for the incineration facility has resulted in an annual reduction of about 23 tons of this waste.

<Recycling waste plastics (Kagoshima Hayato Plant)>

Waste plastics were previously sent as industrial waste to vendors. Now waste plastic has become a valuable resource due to 'divided separation' which has made it possible to implement material recycling of some waste plastics. This allows us to reduce about 36 tons of waste annually.

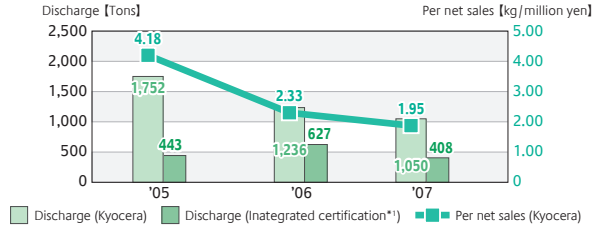
Reducing General Waste Discharge

General waste discharge at Kyocera's plants was reduced by 53.4% per net sales (1.95) against the target of 18% reduction per net sales (4.18) from the FY2006 first half level. This was achieved by measures that include recycling wooden pallets into woodchips and measures taken to reduce sludge in sewage treatment tanks.Office activities resulted in a reduction of 42.2% per net sales (0.08) against the office target of 18% reduction per net sales (0.13) from the FY2006 first half level.

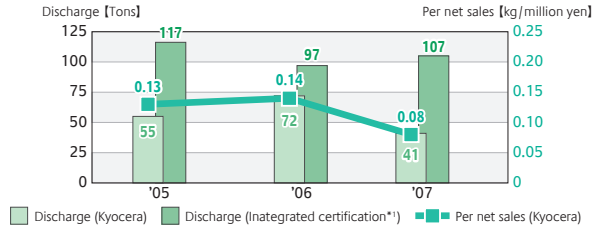
Notes
*1 Integrated certification: Sites certified under the Kyocera Group Integrated Environment & Safety Management System except KYOCERA Corporation (Ref. to Page 83)
*2 Others: Except KYOCERA Corporation and integrated certified sites

Site information
Please refer to environmental impact data for individual sites on our web page (http://global.kyocera.com/ecology/).

General Waste Discharge (Plant)



General Waste Discharge (Office)

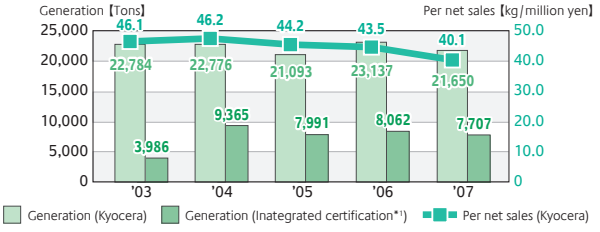


Reducing Waste Generation

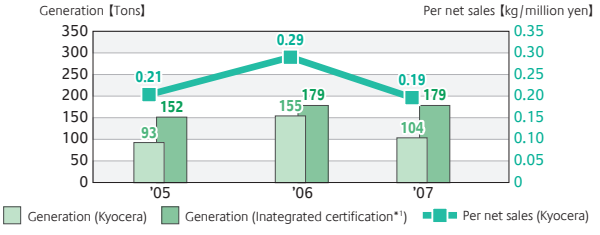
Kyocera not only undertakes activities to reduce the discharge of industrial waste, general waste and valuables, but also promotes activities that reduce their generation.

Plant, activities, which are responsible for the majority of Kyocera's industrial and valuable waste resources, have been refined to include reduction efforts, resulting in a cut of 13.1% per net sales (40.1) against the target of 10% reduction per net sales (46.2) from the FY2005 level. Office reduction activities resulted in a cut of 9.6% per net sales (0.19) against the target of 10% reduction per net sales (0.21) from the FY2006 level.

Industrial Waste Generation (Plant)



Industrial Waste Generation (Office)



Promoting Zero Emissions

Kyocera had defined zero emissions as "an amount of waste at the final landfill sites (including residue discharged from intermediate waste processing companies) that is no more than 1% of the total waste amount, excluding waste that must be disposed of by local governments through a specified method." But, to further promote resource recycling, we reviewed the definition and changed the percentage of the amount of waste at the final landfill sites to no more than 0.5% of the total waste amount. We have achieved zero emissions in all group companies certified by the Kyocera Group Integrated Environmental & Safety Management System. We intend to continuously expand these activities.

Proper Waste Disposal

To further enhance proper waste disposal beyond the waste disposal regulations established in 1994, Kyocera has established a work treatment management standard for waste and also conducts thorough investigations on waste-disposal companies, including financial stability and on-site surveys.

Kyocera conducts field surveys of its disposal companies twice a year to ensure that waste is being treated appropriately. In FY2008, we conducted field surveys and exchanged information with 157 companies.

Introduction of an Electronic Manifest

In February 2008, we started to apply an electronic manifest to more strictly observe regulations and streamline paperwork, including prevention of erroneous omission and confirmation of processing conditions in the Kagoshima region. We will gradually introduce this manifest in each plant and office in the Kyocera Group.

Example of Reducing General Waste

<Reduction of used wooden pallets by changing the material (Hirakata Plant, KYOCERA MITA JAPAN Corp.)>

We changed from wooden to metallic pallets when importing product from member units in China. This allows us to reduce the discharge of general waste by about 53 tons per year.

Wooden pallets

Metallic pallets

Notes: *1 Integrated certification: Sites certified under the Kyocera Group Integrated Environment & Safety Management System except KYOCERA Corporation (Ref. to Page 83)

Site information: Please refer to environmental impact data for individual sites on our web page (http://global.kyocera.com/ecology/).

Air Pollution and Water Pollution Prevention Activities

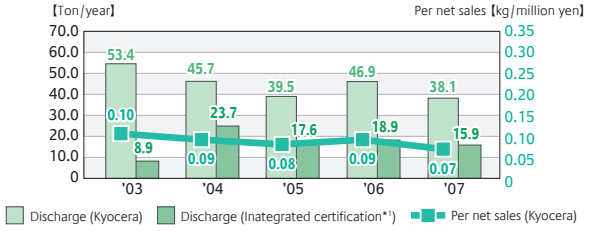
Kyocera has been involved in activities to reduce pollutants because the discharge of pollutants into water, the atmosphere and soil causes a large impact on the natural environment and ecosystem. Kyocera manages pollutants very strictly, setting tighter limits than legal controls require through its company-wide Kyocera Environmental Management Standard, established in 1992.

FY2008 Results

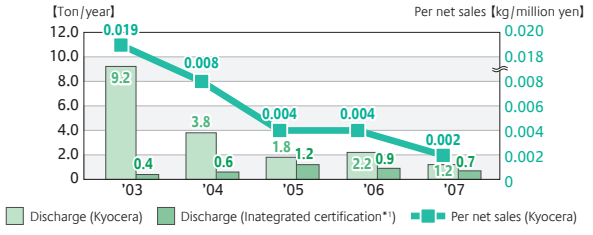
Air Pollution Prevention Activities

Under the Kyocera Group Integrated Environmental & Safety Management System, Kyocera is working to reduce the emission load of NOx and SOx specified by legal requirements to prevent air pollution. In FY2008, Kyocera reduced both NOx and SOx, as compared with FY2007.

Total Amount of NOx Discharged



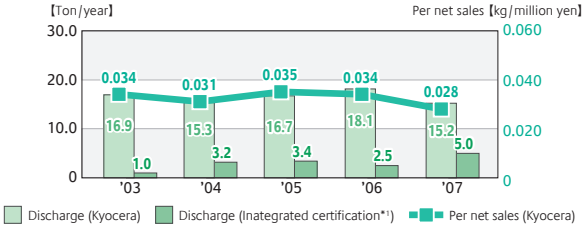
Total Amount of SOx Discharged



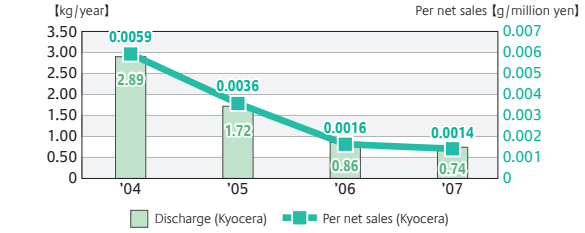
Measures for Water Pollution Prevention

Kyocera controls the total amount of "substances that impact human health" in discharged water, as specified by the Water Pollution Control Law. Since the 5th Environmental Protection Promotion Plan started in FY2006, Kyocera has controlled the total amount of four of the six hazardous substances specified by the RoHS Directive, that affect discharged-water (mercury, cadmium, lead and hexavalent chromium). In FY2008, we worked with the target of 100% reduction of the subject substances. At the end of FY2008, we installed 100%-recycling equipment capable of treating discharged water containing lead to below the lower detection limit, thus reducing the load due to lead discharge outside the plants. Under the Kyocera Group Integrated Environmental & Safety Management System, Kyocera is also taking action to reduce environmental impact on rivers through tight control of wastewater discharge.

Total Amount of BOD Discharged



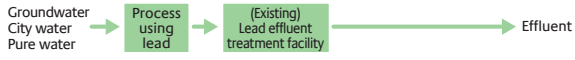
Total Amount of Lead Discharged



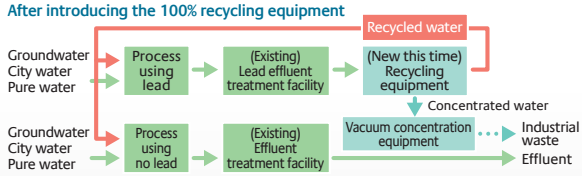
Example of Water Quality Improvement Activities

<Building a 100% recycling system for lead discharged (Kagoshima Kokubu Plant)>

Before



After introducing the 100% recycling equipment



100% recycling system for lead discharged

- Outline of equipment: System based on the bio-treatment method + chelate resin + ion exchange method
  (Recycled water to be treated by the vacuum concentration equipment)
- Lead discharged: Zero discharged into water
- Recycled water: 84 m³/day

Full view of the lead recycling equipment

Ion exchange tower

Notes *1 Integrated certification: Sites certified under the Kyocera Group Integrated Environment & Safety Management System except KYOCERA Corporation (Ref. to Page 83)

Site information Please refer to environmental impact data for individual sites on our web page (http://global.kyocera.com/ecology/).

Chemical Substances Management

Some chemical substances cause environmental pollution and affect human health and the ecosystem as a result of long-term accumulation. To manage these substances, we have established a chemical substances control system to minimize the amount of toxic chemical substances released into air, water and waste.

FY2008 Results

Reduction of Class 1 Chemical Substances Specified by PRTR Law

Under the Kyocera Group Integrated Environmental & Safety Management System, Kyocera manages, and has specified reduction goals for, 18 chemical substances that account for more than 90% of the Class 1 (designated) chemical substances specified by the PRTR Law and used by Kyocera. By substituting alternative substances and implementing process improvements, Kyocera has reduced the amounts of these substances used by 32.9% per net sales (1,698.4), reduced the amounts released by 23.5% per net sales (147.3), and reduced the amount transferred by 13.5% per net sales (129.4) against its reduction targets.

Item	FY 2005 Reference	Reduction Target	FY 2008 Result	Increase/ Decrease
Used amount per net sales (g/million yen)	2,529.3	12%	1,698.4	32.9% reduction
Released amount per net sales (g/million yen)	192.4	27%	147.3	23.5% reduction
Transferred amount per net sales (g/million yen)	149.7	13%	129.4	13.5% reduction

Supporting the PRTR Law

The handled, released and transferred amounts of chemical substances subject to the PRTR Law, as reported in the Kyocera Group Integrated Environmental & Safety Management System in FY2008, were reduced as shown in the table below, through substituting alternative substances and other measures.

Item	FY 2005 Result	FY 2008 Result	Increase/Decrease
Utilized amount (Ton)	6,203.4	5,151.6	1,051.8 tons reduced
Released amount (Ton)	198.5	166.8	31.7 tons reduced
Transferred amount (Ton)	257.8	196.5	61.3 tons reduced

Management and Disposal of PCB Waste

PCB (polychlorinated biphenyl) waste is strictly controlled and managed at specified locations with control sheets prepared in accordance with the relevant law through the Kyocera Group Integrated Environmental & Safety Management System. Kyocera was an early registrant for disposal of these wastes with the Japan Environmental Safety Corporation.

PCB storage box
(Shiga Gamo Plant)

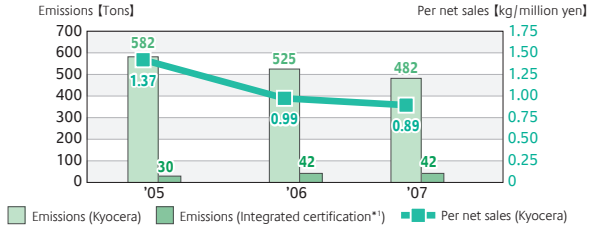
Reducing Volatile Organic Compound (VOC) Emissions

Emissions of volatile organic compounds (VOC) are now strictly controlled by a law enacted in 2004. The Central Environment Council of the Ministry of the Environment also established a policy to reduce VOC emissions into the air by 30% (compared with FY 2001) in FY 2011.

Considering these circumstances, Kyocera has targeted reduction of the four substances (toluene, IPA, acetone and methanol) that comprise more than 90% of VOC used by Kyocera, by 50% in FY2016 (compared with the first half of FY2006) based on the Kyocera Group Integrated Environmental & Safety Management System.

In FY2008, Kyocera achieved a reduction of 17.6% (emission of 524.5 tons) against the FY2006 emission reduction target of 30% (emission of 636.7 tons) as a result of improved use efficiency, improved solvent collection equipment and other measures.

VOC Emissions



* FY2006 reference is a value created by doubling the amount of emissions from the first half of FY2006.

Example of Reduced VOC Emissions

<Reduction by recycling toluene (Kagoshima Kokubu Plant)>

Toluene used for cleaning ball mills and pipes when changing the material was recycled and used as dummy tape for jig setting and positioning. This resulted in an annual reduction of about 16.6 tons of VOC emission into the air.

Collection equipment

<Reduction of IPA by changing the cleaning method (Shiga Gamo Plant)>

IPA used to be used for cleaning ceramic packages. We reviewed the cleaning method and replaced the IPA with pure water. This resulted in an annual reduction of about 2.0 tons of VOC emission into the air.

Notes: *1 Integrated certification: Sites certified under the Kyocera Group Integrated Environment & Safety Management System except KYOCERA Corporation (Ref. to Page 83)

Site information: Please refer to environmental impact data for individual sites on our web page (http://global.kyocera.com/ecology/).

Green Communication

The Kyocera Group holds an annual CSR Economic, Social and Environment Report Meetings to further improve communications with the communities around our plants. At the meeting, we report on activities involving the economy, society and the environment by the entire group. We also provide specific information about the plant holding the meeting, tour the facilities and exchange opinions. Kyocera is committed to fostering mutual understanding with our stakeholders by ensuring interactive communication through various channels.

Participation in Environmental Exhibition

The Kyocera Group participates in and makes presentations at environmental exhibitions held in various locations every year. In FY2008, we also made a presentation at Eco-Products 2007, which is the largest environmental exhibition. A large 4.5-meter high eco-tree was displayed at Kyocera's booth. This tree was decorated with a commitment to reduce CO_2 emissions from about 4,300 people who participated in the Eco Rally. After participating in the Eco Rally, which included quizzes and learning about the environment, they were requested to write what can be done to reduce CO_2 emissions in daily life on cards and decorate the tree with them. In the three-day Eco-products spreading event, commitments equivalent to a reduction of 1,456.2 kg CO_2 emissions were collected from people.

Huge 4.5 m high eco-tree

Kyocera Booth

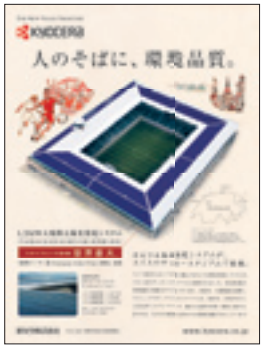
Children writing their working promises to reduce CO_2 emissions

Participation in Environmental Events – Earth Day Tokyo 2007 –

Earth Day (April 22) is the day when you express your appreciation for the beautiful earth, share your consciousness to protect it, and take action. Commemorating this day since 1970, the world's largest environmental festival "Earth Day" was held in about 5,000 locations, in 184 countries and regions throughout the world where many citizens from children to adults regardless of their national borders, ethnic groups, beliefs, political parties, and religions came together.
The main site every year for Earth Day Tokyo is Yoyogi Park. The number of exhibitors, the amount of content, and number of attendees are increasing each year. This day has become the largest environmental fair of domestic citizen-volunteers'.
As in 2006, Kyocera made a presentation in 2007. We were able to deepen exchanges with citizens and NPO representatives by exchanging opinions about solar power generation.

Environmental Advertising

Kyocera is known for having many environmentally friendly products, including, but not limited to, solar power generation systems. For wider dissemination of information about our environmentally friendly products, we distribute environmental leaflets at exhibitions and others places and advertise our environmentally friendly products in newspapers, magazines and other media.



Awarded Prizes on Environmental Protection Activities Overseas

KYOCERA MITA Australia, Kyocera's subsidiary in Australia, was named "Green Vendor of the Year" in September 2007, as the results of its environmental impact reduction efforts and its business activities that stress importance of the environment.

KYOCERA Wireless Corp., Kyocera's subsidiary in the U.S., was named "2007 Recycler of the Year" by the City of San Diego for showing remarkable recycling activity performance.

Kyocera established its "Kyocera Global Environment Contribution Award" in 1996 to encourage environmental preservation activities. This internal award commends original and creative ideas that make a great contribution to the global environment through our environmental preservation activities every year.

12th Annual Award Results

Grand Award "Global Environmentally Friendly Product Development" Category

Mobile phone unit for au W44K

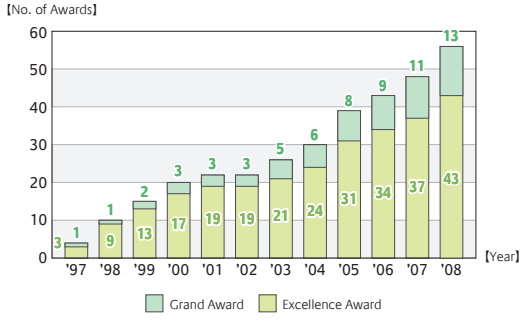
The thinnest WIN terminal 15 mm body (as of April 2007) was realized. It is a slim design model combining "comfortable portability" and "full functions." Its reduction in weight and volume resulted in reduction of CO_2 emissions and packing materials during manufacturing and use, thus greatly contributing to the prevention of global warming and resource conservation.

Grand Award "Waste Reduction" Category

Recycling of used cutting tools and chip cases

We established a collection and recycling system for used cutting tools and chip cases on the production floors of users and properly recycle them to produce raw powder, RPF (recycle plastic fuel), and slag for use as paving. This resulted in resource recycling for the entire life cycle of products and significant reduction of environmental impact.

Accumulated No. of Kyocera Global Environment Contribution Awards



Excellence Award "Global Environmentally Friendly Product Development" Category

Mobile phone unit for au W52K

Equipped with the world's first 260K color QVGA organic EL main display. This is the world's thinnest model (when marketed) featuring "One-segment" and "Mobile Wallet." This resulted in reduction of CO_2 emissions during manufacturing and use and at the same time the reduction in the number of production hours allowed us to reduce resources used, thus greatly contributing to prevention of global warming and resource conservation.

Excellence Award "Global Environmentally Friendly Product Development" Category

Ultra Small Multilayer Ceramic Capacitor CM02X7S103K06

The adhesion was improved by changing the ceramic paste; the cutting yield was improved by introducing dice cutting, and the characteristic yield was improved by improving the characteristic screener. These improvements resulted in significant reduction of CO_2 emissions and resource loading during manufacturing and implementation of an ultra small size as compared with the previous models with the same characteristics.

Excellence Award "Resource Conservation" Category

Reduction of hydrogen and nitrogen gases and electricity consumption by improvement of calcination efficiency

We fundamentally reviewed the gas supply method and equipment structure: "Improvement of gas ejection method" and "Improvement of temparature distribution by adoptiong shielding board" through the sites' own suggestions and significantly reduced gases and electricity consumption.

Excellence Award "Waste Reduction" Category

Building a soluble coolant circulation-type recycling system

Kyocera built a circulation-type recycling system by which liquid waste containing silicon-cutting powder produced in the solar cell manufacturing process is changed to a valuable material and reused as a raw material for coolant used in the process. This contributed to not only reduction of waste but also to resources recycling.

Excellence Award "Environmental Management Standard" Category

100% recycling of wastewater discharged from the process using lead

We established a 100% recycling system by which hazardous substances are removed from wastewater discharged from the processes using lead and we recycle the treated water for use in production, thus zeroing the lead discharged into rivers. We contributed to the reduction of water consumption along with the reduction of environmental impact.

Excellence Award "Chemical Substances Reduction" Category

Reduction of resist consumption through development and introduction of the new resist coater

Kyocera developed and introduced the new resist coater and changed from the conventional method. This made it possible to coat wafers only for the quantity needed, thus contributing to reduction of industrial waste discharge as well as resist liquid consumption.

6th Environment & Safety Promotion Plan

Kyocera launched 6th Environment & Safety Promotion Plan in April 2008. In the domains of green products and green factory, the plan specifies specific goals and campaigns for the next three years through March 2011. The plan includes research and development activities, initiatives to expand eco-friendly products, and environmental protection activities at factories. The plan also states the vision for Kyocera ten years into the future, summarizing the plan in 13 documents.

The plan covers Kyocera and its domestic group companies and extends to its overseas group companies as well, thus conducting environmental protection activities throughout the entire Kyocera group.

6th Environment & Safety Promotion Plan Goals

Name of Plan	Goal Content	Scope*1	Reference or Index	Goal						Long-term Goal (FY2018)
				FY2009		FY2010		FY2011		
				First Half	Second Half	First Half	Second Half	First Half	Second Half	
Global Environmentally Friendly Products Promotion Plan	1. Development and sales expansion of environmentally friendly products									
	(a) Increase in the certification percentage of Kyocera's global environmentally friendly products	KYOCERA Corporation	Certification percentage of Kyocera's global environmentally friendly products	80%		90%		100%		100% maintenance
	(b) Production expansion and sales increase of Kyocera's global environmentally friendly products									
	(1) Sales increase of certified products in Kyocera's finished products category	KYOCERA Corporation	Sales proceeds of Kyocera's global environmentally friendly products in FY2008	50% improvement		100% improvement		150% improvement		Total sales
	(2) Production expansion of certified products in Kyocera's parts category	KYOCERA Corporation	Production of Kyocera's global environmentally friendly products in FY2009	Goal setting		Implementation				—
	(3) Production expansion and sales increase of certified products at group companies	Global	Production or sales of Kyocera's global environmentally friendly products in FY2010	—		Goal setting		Implementation		—
	(c) Expansion and development of environmentally-related business									
	(1) Output expansion of solar cells	KYOCERA Corporation	—	—		—		Annual output 500MW		—
	(2) Market introduction of Solid-Oxide Fuel Cell (SOFC)	KYOCERA Corporation	—	Early market introduction						—
	(3) Sales expansion of Ecosys Printers and multi-functional products	KYOCERA MITA Corp.	Sales of printers and multi-functional products in FY2008	Sales increase		Sales increase		Sales increase		—
	2. Establishing and expanding the application of the Environmental Consciousness Evaluation System	Domestic	—	Start of application		Continuation of application				—
		Overseas		—		Start of application		Continuation of application		
	3. Creation of new environmentally friendly products and services	Global	—	Goal setting		Implementation				—
	4. Promotion of green procurement	KYOCERA Corporation /Domestic	Green procurement percentage	85%		95%		100%		100% maintenance
Product Environmental Quality Promotion Plan	1. Application of the green supplier certification system	KYOCERA Corporation	—	Auditing, green supplier certification			100% certification	100% certification maintenance		—
		Domestic		—		Start of application		Continuation of application		
		Overseas		—		—		Start of application	Continuation of application	
	2. Enhancement of the monitoring system for environmental product regulations and customer requirements									
	(a) Creation and application of the management system for chemical substances in products	KYOCERA Corporation	—	Building	Start of application	Continuation of application				—
		Domestic		—			Start of application	Continuation of application		
		Overseas		—				Start of application	Continuation of application	
	(b) Obtaining latest information on and observation of environmental product regulations	Global	—	Sharing information on environmental regulations and determining how to respond to environmental product regulations						—
	3. Compliance with European chemical substance control "REACH"	Global	—	Creation, review and implementation of the response method						—
	4. Substitution and abolition of specified hazardous substances (lead, hexavalent chromium, etc.)	Global	—	Current situation survey	Review	Policymaking System establishment	Implementation			—
Energy Conservation Promotion Plan	1. Reduction of electricity consumption	Global	FY2008 electricity consumption per net sales	3% reduction		6% reduction		9% reduction		30% reduction
	2. Reduction of fuel consumption	Global	FY2008 fuel consumption per net sales	3% reduction		6% reduction		9% reduction		30% reduction
Global Warming Prevention Promotion Plan	1. Reduction of greenhouse gas emissions									
	(a) Aggregate reduction	KYOCERA Corporation /Domestic	FY1991 total amount of greenhouse gas emission	—		—		6% reduction		10% reduction maintained (10% reduction in FY2013)
		Overseas*2	FY1991 total amount of greenhouse gas emission	—		—		Below the first commitment period target for the Kyoto Protocol		—
	(b) Reduction per net sales	KYOCERA Corporation /Domestic	FY1991 greenhouse gas emissions per net sales	38% reduction		41% reduction		44% reduction		65% reduction (50% reduction in FY2013)
		Overseas	FY2008 greenhouse gas emissions per net sales	3% reduction		6% reduction		9% reduction		30% reduction
	2. Reduction of CO_2 emissions resulting from cargo shipping	KYOCERA Corporation	FY2008 CO_2 emissions per net sales resulting from cargo shipping	2% reduction		4% reduction		6% reduction		20% reduction

*1 Scope: Global – Entire Kyocera Group, KYOCERA Corporation, Domestic – Domestic Kyocera Group Companies, Overseas – Overseas Kyocera Group Companies.
*2 Covers countries and regions where reduction goals have been set in accordance with the Kyoto Protocol.

Name of Plan	Goal Content	Scope*1	Reference or Index		Goal FY2009 First Half	Goal FY2009 Second Half	Goal FY2010 First Half	Goal FY2010 Second Half	Goal FY2011 First Half	Goal FY2011 Second Half	Long-term Goal (FY2018)
Resource Conservation Promotion Plan	1. Reduction of vehicle fuel consumption	Global	FY2008 vehicle fuel consumption per net sales		3% reduction		6% reduction		9% reduction		30% reduction
		FY2009 (2nd half) start base	FY2009 (1st half) vehicle fuel consumption per net sales		Understanding the current situation	1.5% reduction	4.5% reduction		7.5% reduction		
	2. Reducing water consumption	Global	FY2008 water consumption per net sales	Plants	4% reduction		8% reduction		12% reduction		30% reduction
				Offices	2% reduction		4% reduction		6% reduction		15% reduction
		FY2009 (2nd half) start base	FY2009 (1st half) water consumption per net sales	Plants	Understanding the current situation	2% reduction	6% reduction		10% reduction		30% reduction
				Offices		1% reduction	3% reduction		5% reduction		15% reduction
	3. Reduction of gas purchased	Global	FY2008 amount of gas purchased per net sales		2% reduction		4% reduction		6% reduction		15% reduction
		FY2009 (2nd half) start base	FY2009 (1st half) amount of gas purchased per net sales		Understanding the current situation	1% reduction	3% reduction		5% reduction		
	4. Reducing traveling expenses	Global	FY2008 traveling expenses per net sales		2% reduction		4% reduction		6% reduction		20% reduction
		FY2009 (2nd half) start base	FY2009 (1st half) traveling expenses per net sales		Understanding the current situation	1% reduction	3% reduction		5% reduction		
	5. Reducing packing and shipping charges	KYOCERA Corporation	FY2008 packing and shipping charges per net sales		2% reduction		4% reduction		6% reduction		20% reduction
	6. Reducing the use of exhaustible resources	KYOCERA Corporation	FY2008 amount of gold purchased per net sales		2% reduction		4% reduction		6% reduction		10% reduction
Paper Resource Conservation Promotion Plan	1. Reducing office paper purchase	Global	FY2008 office paper purchase per net sales		3% reduction		6% reduction		9% reduction		20% reduction
		FY2009 (2nd half) start base	FY2009 (1st half) office paper purchase per net sales		Understanding the current situation	1.5% reduction	4.5% reduction		7.5% reduction		
	2. Reducing the purchase of paper used in production processes	Global	FY2008 purchase of paper used in production processes per net sales		5% reduction		10% reduction		15% reduction		30% reduction
		FY2009 (2nd half) start base	FY2009 (1st half) purchase of paper used in production processes per net sales		Understanding the current situation	2.5% reduction	7.5% reduction		12.5% reduction		
	3. Reducing paper discharged	Global	FY2008 paper discharged per net sales		3% reduction		6% reduction		9% reduction		20% reduction
		FY2009 (2nd half) start base	FY2009 (1st half) paper discharged per net sales		Understanding the current situation	1.5% reduction	4.5% reduction		7.5% reduction		
Packing Materials Improvement Promotion Plan	1. Abolition of use of vinyl chloride outer packing materials	KYOCERA Corporation	—		Continuation of complete elimination						Continuation of complete elimination
		Domestic/ Overseas	—		—		—		Achievement of complete elimination		
	2. Reduction of vinyl chloride inner packing materials purchased per net sales	Global	FY2008 vinyl chloride inner packing materials purchased per net sales		10% reduction		20% reduction		30% reduction		Achievement of complete elimination*3
		FY2009 (2nd half) start base	FY2009 (1st half) vinyl chloride inner packing materials purchased per net sales		Understanding the current situation	5% reduction	15% reduction		25% reduction		
	3. Reduction of packing materials purchased per net sales	Global	FY2008 packing materials purchased per net sales		3% reduction		6% reduction		9% reduction		20% reduction
		FY2009 (2nd half) start base	FY2009 (1st half) packing materials purchased per net sales		Understanding the current situation	1.5% reduction	4.5% reduction		7.5% reduction		
Kyocera Environmental Management Standard	1. Reduction of hazardous substances in discharged water										
	(a) Recycling system for discharged water in the cyanogens process	KYOCERA Corporation /Domestic	—		—		System building (Shiga Gamo Plant)		System building (Each location*4)		—
	(b) Recycling system for discharged water in the arsenic process	KYOCERA Corporation /Domestic	—		System building (Shiga Yohkaichi Plant)		—		—		—
	2. Application of Kyocera's Domestic Group Environmental Management Standard	Domestic	—		Countermeasures for equipment						—
	3. Establishment of Kyocera's Overseas Group Environmental Management Standard	Overseas	Regulations and public regulation values		Establishment of values 10% stricter than regulation values		Application		Change to values 20% stricter than regulation values		—
Waste Reduction Promotion Plan	1. Reduction of weight discharged per net sales										
	Industrial waste	Global	FY2008 weight discharged per net sales		5% reduction		10% reduction		15% reduction		50% reduction
	General waste	KYOCERA Corporation /Domestic	FY2008 weight discharged per net sales		3% reduction		6% reduction		9% reduction		30% reduction
	2. Zero emission	KYOCERA Corporation /Domestic	Recycling rate		99.2%		99.3%		Achievement of 99.5%		Continuation
			Percentage of achieved sites		—		—		100.0%		Continuation
		Overseas (Production sites)	Recycling rate		—		—		Achievement of 99.0%		Continuation
	3. Reduction of weight generated per net sales										
	Industrial waste and variables	KYOCERA Corporation /Domestic	FY2008 weight generated per net sales		5% reduction		10% reduction		15% reduction		50% reduction
	General waste		FY2008 weight generated per net sales		3% reduction		6% reduction		9% reduction		30% reduction
Chemical Substances Measurement Promotion Plan	1. Reduction of consumption, discharge and transfer of materials subject to the PRTR Law										
	(a) Consumption	KYOCERA Corporation /Domestic	FY2008 consumption per net sales (21 subject materials)		5% reduction		10% reduction		15% reduction		25% reduction
	(b) Discharge		FY2008 discharge per net sales (21 subject materials)		10% reduction		20% reduction		30% reduction		50% reduction
	(c) Transfer		FY2008 transfer per net sales (21 subject materials)		7% reduction		14% reduction		20% reduction		30% reduction
	(a) Consumption	Overseas*5	FY2009 (1st half) consumption per net sales		2% reduction		4% reduction		6% reduction		12% reduction
	(b) Discharge		FY2009 (1st half) discharge per net sales		5% reduction		10% reduction		15% reduction		25% reduction
	(c) Transfer		FY2009 (1st half) transfer per net sales		3% reduction		6% reduction		9% reduction		15% reduction
	2. Reducing volatile organic compound (VOC) emissions	KYOCERA Corporation /Domestic	FY2008 emission (absolute value) (Subjects: IPA, toluene, acetone and methanol)		5% reduction		10% reduction		15% reduction		50% reduction
		Overseas*6	FY2009 (1st half) emission (absolute value)		For reduction, values 20% stricter than regulation values are set as a voluntary standard						—

*3 Excludes packing materials subject to material recycling and specially permitted packing materials.
*4 Kagoshima Sendai Plant, Kagoshima Kokubu Plant, Kagoshima Hayato Plant, Sendai Office, Kyocera SLC Technologies Corp.
*5 Covers materials notified according to the PRTR system of each country. However, for a company having set its own goals, the stricter standard, the above or its own will be applied.
*6 Subject to companies for which regulations apply. For a company where regulations are provided but do not apply, desired standards should be established for reduction.

The Health and Safety Promotion Plan (refer to page 41), Fire and Disaster Prevention Promotion Plan (refer to page 41), and Perfect 5S Promotion Plan (refer to page 80) are also drawn up.

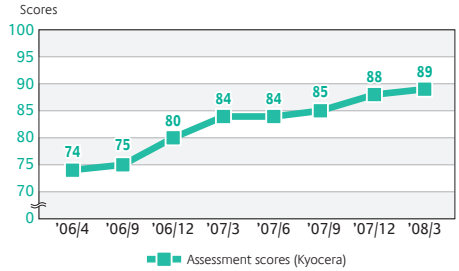
Kyocera Perfect 5S Promotion Activities

Perfect "5S" (Seiri – Sort, Seiton – Set in Order, Seiso – Shine, Seiketsu – Standardize, and Shitsuke – Sustain) are the fundamentals of production activities. The Kyocera Group's efforts to implement the perfect 5S system are called "Perfect 5S Promotion Activities." Kyocera started these activities in October 2005. Group companies in Japan implemented it in April 2006, and group companies overseas in October 2007. In FY2009, we plan to promote "visualization" and deploy the "perfect 5S workshop" system.

Expanding to Group Companies Overseas

Along with starting activities in October 2007, group company representatives from overseas production sites gathered in Japan and held the four-day "Overseas Affiliated Company Perfect 5S Promotion Manager Conference."

Transition of 5S audit assessment scores



5S Education

Kyocera Group (domestic) has made DVD recordings for training purposes. One series is geared for production departments and the other for indirect departments. Each series contains the training topics of "5S Enhancement", "Improvement Examples Based on 5S", and "Teaching 5S to Employees" The aim is to spread a 5S mind set among all employees and let them have an appreciation of taking proper action without missing fine imperfections.

Improved State of Workshops

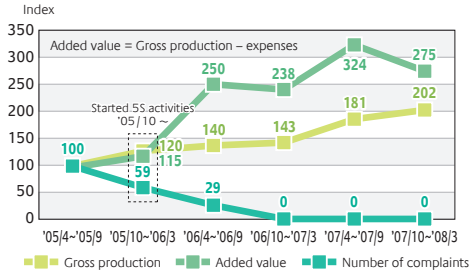
5S inspections and improvements are repeated at workshops on a voluntary basis. This has, resulted in a steady increase in the level 5S performance. We do not simply make our workshops clean but are evolving our activities to a point where we maintain machinery and equipment in the best condition for long periods, sense even fine abnormalities, and correct them in a timely manner.

Equipment kept and used as new for 38 years

Example of 5S Improvement

Taking an active approach to 5S activities, we fully participated in sorting, setting in order, and cleaning workshops, as well as, conducting a thorough cleaning of equipment, jigs, and tools to significantly improve productivity and quality.
(Manufacturing Sect. A, Kagoshima Kokubu Plant)

Transition of production and quality of main products



6th Environment & Safety Promotion Plan Goals

Name of Plan	Goal Content	Scope*1	Reference or Index		Goal FY2009 First Half	Goal FY2009 Second Half	Goal FY2010 First Half	Goal FY2010 Second Half	Goal FY2011 First Half	Goal FY2011 Second Half	Long-term Goal (FY2018)
Perfect 5S Promotion Plan	1. Increase in audit assessment scores	KYOCERA Corporation	5S audit assessment scores (Reference value set for each group)	Lowest score	+5 points		+10 points		+15 points		90 points
				Average score	+3 points		+ 5 points		+ 7 points		95 points
		Domestic		Lowest score	+5 points		+10 points		+15 points		90 points
				Average score	+5 points		+15 points		+20 points		95 points
		Overseas		Lowest score	+5 points		+15 points		+20 points		90 points
				Average score	+5 points		+10 points		+20 points		95 points
	2. Expanding to group companies overseas	Overseas	—		Expanding to divisions with production processes		Expanding to all divisions				—
	3. Application of the "perfect 5S certified workshops"	KYOCERA Corporation / Domestic	—		Start of application		Issue of certificate		—		—

*1 Scope: KYOCERA Corporation, Domestic – Domestic Kyocera Group Companies, Overseas – Overseas Kyocera Group Companies.

1959

1

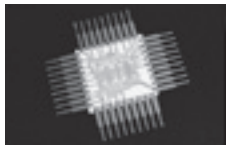
Apr. 1959 • With capital of 3 million yen and 28 staff members, Kyoto Ceramic Co., Ltd. is founded as a company specializing in fine ceramics. The company's facilities include a headquarters and factory. **(Photo 1)**

1960~

2

Apr. 1960 • Kyocera's Tokyo office opens.
May 1963 • Shiga Plant (now Shiga Gamo Plant) is established. **(Photo 2)**
Mar. 1968 • Kyocera receives first Medium and Small Business Research Institute Award.
Aug. 1968 • Representative office opens in California, U.S.A.
Jul. 1969 • Kagoshima Plant (now Kagoshima Sendai Plant) is established.
• California representative office becomes Kyocera's American sales company, Kyocera International, Inc.

1970~



3

Jan. 1971 • Feldmühle Kyocera Europa Elektronische Bauelemente GmbH (now Kyocera Fineceramics GmbH) is established in cooperation with Feldmühle AG in Germany.
Mar. 1971 • Kyocera International, Inc. begins production of fine ceramic parts in the United States.
Oct. 1971 • Kyocera stock is listed on the Osaka Stock Exchange's Second Section and on the Kyoto Securities Exchange.
Mar. 1972 • Kyocera receives 18th Okochi Memorial Grand Production Prize for developing multi-layered ceramic packages for large-scale integrated circuits. **(Photo 3)**
Jul. 1972 • Headquarters is relocated to Yamashina, Kyoto.
Sep. 1972 • Kyocera stock is listed on the Tokyo Stock Exchange's Second Section.
Oct. 1972 • Kagoshima Kokubu Plant is established.
Feb. 1974 • Kyocera stock is listed on the First Section of both the Tokyo and Osaka Stock Exchanges.
Apr. 1974 • Kyocera receives 16th Commendation by Japan's Director-General of the Science and Technology Agency for developing ceramic lamination technology for electronic circuits.
Jul. 1975 • Kyocera International, Inc. relocates its headquarters and plant in San Diego, California, U.S.A.
Feb. 1976 • Kyocera issues new shares of common stock in the form of American Depositary Receipts (ADRs) in the United States.
Jul. 1976 • The Children's Travel Program begins.
Dec. 1977 • Kyocera (Hong Kong) Ltd. (now Kyocera Asia Pacific Pte. Ltd.) begins business in Hong Kong.
Jan. 1979 • Kyocera Feldmüehle, Inc. is established in North Carolina, U.S.A. as a joint venture with Feldmühle AG.
Sep. 1979 • Kyocera invests capital in Cybernet Electronics Corp.
Oct. 1979 • Central Research Laboratory is opened in Kokubu (now Kirishima), Kagoshima.
Dec. 1979 • Kagoshima Electronics Co., Ltd. is established.

1980~

4

May 1980 • Kyocera stock is listed on the New York Stock Exchange. New shares of common stock in the form of ADRs are issued in the United States for the second time.
Aug. 1980 • Shiga Yohkaichi Plant is established.
Mar. 1981 • Kyocera Business Machines Co., Ltd. is established.
Oct. 1982 • Four affiliates, including Cybernet Electronics Corp., merge with Kyoto Ceramic Co., Ltd. to form Kyocera Corporation.
Apr. 1983 • Kyocera Business Machines Co., Ltd. merges with the domestic sales division to become Kyocera Electronics Co., Ltd. (later merging with what is now Kyocera Communication Systems Co., Ltd.)
• Kagoshima Electronics Co., Ltd. merges with Kyocera to become Kagoshima Hayato Plant.
Oct. 1983 • Yashica Co., Ltd. merges with Kyocera.
Apr. 1984 • Kyocera supported the establishment of Inamori Foundation.
• Tokyo Central Research Laboratory (now Tokyo Yoga Office) is established.
Jun. 1984 • Kyocera establishes Daini-Denden Kikaku Co., Ltd. (later DDI Corp.) in cooperation with 24 companies, including Ushio Inc., SECOM Co., Ltd., Sony Corporation and Mitsubishi Corporation. **(Photo 4)**
Aug. 1984 • Solar Energy Center (now Chiba Sakura Office) is established in Sakura, Chiba.
May 1986 • Kyocera Electronics Europe GmbH (now Kyocera Mita Deutschland GmbH) is established in Germany.
Jul. 1986 • LSI Design Center is established within Tokyo Yoga Office.
Jan. 1987 • Kyocera America, Inc. and Kyocera Electronics, Inc. are established in California and New Jersey, U.S.A., respectively.
Sep. 1987 • Kyocera Mexicana, S.A. de C.V. is established in Tijuana, Mexico.
Sep. 1988 • Kyocera Europe GmbH is established in Germany as Kyocera's European headquarters.
Aug. 1989 • Elco Corp. joins the Kyocera Group.

1990~

5

Jan. 1990 • AVX Corp. joins the Kyocera Group. **(Photo 5)**
Apr. 1990 • Kyocera Industrial Ceramics Corp. is established in Vancouver, Washington, U.S.A.
Apr. 1991 • Kyocera Feldmuehle, Inc. becomes a wholly owned subsidiary of Kyocera and is reorganized as Kyocera Engineered Ceramics, Inc.
(later merging with Kyocera Industrial Ceramics Corp.)
Oct. 1991 • Kyocera Environmental Charter is adopted.
Sep. 1992 • Kyocera's Advanced Ceramics Technology Center is established in Vancouver, Washington, U.S.A.
Jan. 1994 • Kyoto Purple Sanga Co., Ltd. is established in cooperation with 20 companies including Kyocera and Nintendo Co., Ltd.
Mar. 1995 • Kyocera R&D Center, Yokohama is established; Tokyo Central Research Laboratory is relocated.
Aug. 1995 • Kyocera R&D Center, Keihanna is established in Kyoto.
Sep. 1995 • Kyocera Communication Systems Co., Ltd. is established.
• Hotel Kyocera opens in Hayato Town (now Kirishima), Kagoshima.
Dec. 1995 • Shanghai Kyocera Electronics Co., Ltd. is established in China.
Jul. 1996 • Dongguan Shilong Kyocera Optics Co., Ltd. is established in China.
Sep. 1996 • Kyocera Solar Corp. is established.
Aug. 1998 • New headquarters building is completed in Fushimi, Kyoto with environmentally friendly features such as a solar power generating system.
• Kyocera invests capital in Kinseki, Ltd. (now Kyocera Kinseki Corp.)
Aug. 1999 • Kyocera Solar, Inc. is established in Arizona, U.S.A.

2000~

6

Jan. 2000 • Mita Corp. is reorganized to become Kyocera Mita Corp.
Feb. 2000 • Kyocera Wireless Corp. is established in California, U.S.A.
Oct. 2000 • DDI Corp., KDD Corp., and IDO Corp. merge to form DDI Corp. (now KDDI Corp.) **(Photo 6)**
Jan. 2001 • Tycom Corp. (now Kyocera Tycom Corp.) joins the Kyocera Group.
May 2001 • Kyocera Group sales for the year ending March 31, 2001 break the 1 trillion yen threshold.
Apr. 2002 • Printer operations are merged with Kyocera Mita Corp.
Aug. 2002 • Toshiba Chemical Corp. is reorganized to become Kyocera Chemical Corp.
Jan. 2003 • Kyocera (Tianjin) Sales & Trading Corp. is established in China.
May 2003 • Kyocera (Tianjin) Solar Energy Co., Ltd. is established in China.
Jun. 2003 • Executive Officer system is implemented.
Aug. 2003 • Kinseki, Ltd. (now Kyocera Kinseki Corp.) becomes a wholly owned subsidiary of Kyocera Corp.
• Kyocera SLC Technologies Corp. is established.
Dec. 2003 • Kyocera Display Institute Co., Ltd. is established.
Jan. 2004 • Kyocera Telecommunications Research Corp. is established in California, U.S.A.
• Kyocera Electronic Devices, LLC is established in U.S.A.
Feb. 2004 • Hotel Princess Kyoto (now Hotel Nikko Princess Kyoto) joins the Kyocera Group.
Apr. 2004 • Kinseki, Ltd. is reorganized to become Kyocera Kinseki Corp.
• Kyocera's organic-material components businesses are merged with Kyocera SLC Technologies Corp.
• Kyocera begins assembling solar modules in Mexico.
Sep. 2004 • Japan Medical Materials Corp. is established.
Oct. 2004 • Kyocera Maruzen Systems Integration Co., Ltd. is established.
• Kyocera Solar Europe s.r.o. is established in the Czech Republic.
Apr. 2005 • Kyocera's Japanese solar sales business is integrated into Kyocera Solar Corp.
• Kyocera Solar Europe s.r.o. opens a manufacturing plant in the Czech Republic.
Jun. 2005 • Kyocera acquires land, buildings and other property from IBM Japan, Ltd. for the Yasu office (Yasu, Shiga).
Apr. 2006 • KCCS Management Consulting, Inc. is established.
• Kyocera Korea Co., Ltd. is established in Korea.
Aug. 2006 • Shanghai Kyocera Trading Co., Ltd. is established in China.
Oct. 2006 • Hertz Technology, Inc. becomes Kyocera Kinseki Hertz Corporation.
Dec. 2006 • Kyocera Management Consulting Service (Shanghai) Co., Ltd. is established in China.
Dec. 2007 • Wireless Broadband Planning K.K. (now UQ Communications Inc.) acquires a license for the 2.5-GHz frequency band for Mobile Broadband Wireless Access Systems in Japan. The venture's principal investors include KDDI Corporation, Intel Corporation, East Japan Railway Company, KYOCERA Corporation, Daiwa Securities Group Inc., and the Bank of Tokyo-Mitsubishi UFJ, Ltd.
Apr. 2008 • Kyocera acquires the mobile phone business of SANYO Electric Co., Ltd.; KYOCERA SANYO Telecom, Inc. is established in California, U.S.A.; KYOCERA Telecom Equipment (Malaysia) Sdn. Bhd. is established in Malaysia.

ISO 9001 and OHSAS 18001 Certification State

ISO 9001 Certification State

Integrated Certification (6 companies)

(As of March 2008)

Standard	Country	Company	Date of registration
ISO 9001	Japan	KYOCERA Corporation	Jul. 2004 (Registration No. JMI-0036)
		KYOCERA OPTEC Co., Ltd.	
		KYOCERA MITA Corp.	
		KYOCERA SLC Technologies Corp.	
		KYOCERA KINSEKI Corp. Shiga Yohkaichi Office / Nagano Okaya Office / Kagoshima Kokubu Office / Quality Assurance Center	
		KYOCERA Solar Corp.	

Individual Certification (45 companies)

(As of March 2008)

Standard	Region	Country	Company	Date of registration
ISO 9001	Asia	Japan	KYOCERA ELCO Corp.	Dec. 1994
			DAIKEN Co., Ltd.	Jul. 2006
			KYOCERA Chemical Corp.	Dec. 2002
			KYOCERA KINSEKI Hokkaido Corp.	Mar. 1998
			KYOCERA KINSEKI Yamagata Corp.*1	May 2003
			KYOCERA KINSEKI Chiba Corp.	Nov. 2007
			Japan Medical Materials Corp.*2	May 2005
			KYOCERA Communication Systems Co., Ltd.	
			Six divisions related to computer systems and package software	Aug. 1997
			Two divisions related to mobile base stations	Sep. 2004
		China	Shanghai KYOCERA Electronics Co., Ltd.	Dec. 1998
			Dongguan Shilong KYOCERA Optics Co., Ltd.	Feb. 2003
			KYOCERA MITA Office Equipment (Dongguan) Co., Ltd.	Feb. 1994
			KYOCERA Chemical (Wuxi) Co., Ltd.	Apr. 2004
			KYOCERA (Tianjin) Solar Energy Co., Ltd.	Jul. 2004
			KYOCERA ELCO Hong Kong Ltd.	Mar. 2004
			KYOCERA MITA Industrial Co., (H.K.) Ltd.	Feb. 1994
			DAIKEN Hong Kong Limited	Oct. 2003
			AVX Electronics (Tianjin) Co.,Ltd.*1	Sep. 2007
		Singapore	KYOCERA ELCO Singapore Pte, Ltd.	Oct. 2004
			KYOCERA Chemical Singapore Pte, Ltd.	Mar. 2003
		Korea	KYOCERA ELCO Korea Co., Ltd.	Apr. 1998
			KYOCERA Precision Tools Korea Co., Ltd.	Feb. 2004
		Thailand	KYOCERA Chemical (Thailand) Ltd.	Feb. 2002
			KYOCERA KINSEKI (Thailand) Co., Ltd.*1	Sep. 2003
		Malaysia	TPC (Malaysia) Sdn.Bhd.	Mar. 2004
		Philippines	KYOCERA KINSEKI Philippines, Inc.*1	Mar. 2004
		Israel	AVX Israel Ltd.	Dec. 2003

Standard	Region	Country	Company		Date of registration
ISO 9001	North America	U.S.A.	KYOCERA America, Inc.		Apr. 1994
			KYOCERA Industrial Ceramics Corp.		Apr. 1995
			KYOCERA Wireless Corp.		Aug. 2000
			KYOCERA TYCOM Corp.		Aug. 1996
			KYOCERA MITA South Carolina, Inc.		Jan. 2004
			KYOCERA Telecommunications Research Corp.		Aug. 2000
			AVX Corporation	Biddeford	Nov. 2004
				Colorado Spring	Jul. 2003
				Conway	Jul. 2004
				Myrtle Beach*1	Jul. 2005
				Olean	Dec. 2003
				Raleigh	Jul. 2004
			AVX Filters Corporation		Dec. 2003
			American Technical Ceramics Corp.	Huntington	Oct. 1997
				Jacksonville	Oct. 1998
	South and Central America	Mexico	KYOCERA Mexicana, S.A. de C.V.		Jun. 2005
			Avio Excelente, S. de R.L. de C.V.*1		Jan. 2004
		El Salvador	AVX Industries, Pte. Ltd.*1		Dec. 2003
		Brazil	AVX Components da Amazonia Ltda.		Jan. 2004
	Europe	Sweden	American Technical Ceramics Europe Aktiebolag		Jan. 2003
		U.K.	AVX Limited	Coleraine*1	Nov. 2007
				Paignton	Nov. 2003
		France	TPC S.A.S*1		Dec. 2007
		Germany	ELCO Europe GmbH*1		May 2007
		Czech Republic	KYOCERA Solar Europe s.r.o.		Jul. 2005
			AVX Czech Republic s.r.o.	Lanskroun	Feb. 2006
				Sokolovska*1	Oct. 2007*3
					Dec. 2007*4

*1 Obtained certification of the quality management standard (ISO/TS-16949) to which automotive special requirements are added based on ISO9001.
*2 Obtained certification of the quality management standard (ISO13485) to which medical-related special requirements are added based on ISO9001.
*3 Related to connectors.
*4 Related to electronic parts and capacitors.

OHSAS 18001 Certification State

Integrated Certification (42 Sites)

(As of March 2008)

Standard	Region	Company	Office/plant				Date of registration
OHSAS 18001	Japan	KYOCERA Corporation	Corporate Environment and Safety Management Organization	Hokkaido Kitami Plant	Fukushima Tanakura Plant	Nagano Okaya Plant	Oct. 2005 (Registration No. WC05J0006)
			Mie Ise Plant	Shiga Gamo Plant	Shiga Yohkaichi Plant	Kyoto Fushimi Office	
			Kagoshima Sendai Plant	Kagoshima Kokubu Plant	R & D Center, Kagoshima	Kagoshima Hayato Plant	
		KYOCERA ELCO Corp.	Okaya Office				
		KYOCERA OPTEC Co., Ltd.	Headquarters	Chigase Plant			
		KYOCERA MITA Corp.	Corporate Environment and Safety Management Organization	Hirakata Plant	Tamaki Plant		
		DAIKEN Co., Ltd.	Headquarters				
		KYOCERA Chemical Corp.	Headquarters	Kansai Branch	Kyushu Branch	Kawaguchi Plant	
			Kawasaki Plant	Kohriyama Plant	Moka Plant		
		KYOCERA SLC Technologies Corp.	Headquarters	Shiga Yasu Plant	Kyoto Ayabe Plant	Kagoshima Sendai Office	
			Kagoshima Kokubu Office				
		KYOCERA KINSEKI Corp.	Corporate Environment and Safety Management Organization	Nagano Okaya Office	Shiga Yohkaichi Office	Kagoshima Kokubu Office	
		KYOCERA KINSEKI Hokkaido Corp.	Headquarters	Ebetsu Plant			
		KYOCERA KINSEKI Yamagata Corp.	Headquarters				
		KYOCERA KINSEKI Chiba Corp.	Headquarters				
		Japan Medical Materials Corp.	Kobe Plant	Shiga Plant Gamo Block	Shiga Plant Yohkaichi Block		

* The above 42 sites are OHSAS 18001 certified together with the Kyocera Group Integrated Environment & Safety Management System.

Individual Certification (2 Sites)

(As of March 2008)

Standard	Region	Country	Company	Office/plant	Date of registration
OHSAS 18001	Asia	China	Shanghai KYOCERA Electronics Co., Ltd.	—	Oct. 2006
		Israel	AVX Israel Ltd.	—	May 2003

ISO 14001 Certification State

Integrated Certification (210 Sites)

(As of March 2008)

Standard	Region	Company	Office/plant				Date of registration
ISO 14001	Japan	KYOCERA Corporation	Headquarters	Hokkaido Kitami Plant	Fukushima Tanakura Plant	Chiba Sakura Office	Oct. 1996 (Registration No. EC99J2032)
			Tokyo Yaesu Office	Tokyo Harajuku Office	Tokyo Yoga Office	Yokohama Office	
			Nagano Okaya Plant	Mie Ise Plant	Shiga Gamo Plant	Shiga Yohkaichi Plant	
			Shiga Yasu Office	Kyoto Fushimi Office	R & D Center, Keihanna	Osaka Tamatsukuri Office	
			Kagoshima Sendai Plant	Kagoshima Kokubu Plant	R & D Center, Kagoshima	Kagoshima Hayato Plant	
			Sapporo Sales Office	Tohoku Sales Office	Takasaki Sales Office	Utsunomiya Sales Office	
			Omiya Sales Office	Tachikawa Sales Office	Kawaguchi Logistics Center	Komae Sales Office	
			Atsugi Sales Office	Kanazawa Sales Office	Matsumoto Sales Office	Hamamatsu Sales Office	
			Yamanashi Sales Office	Nagoya Sales Office	Mikawa Sales Office	Kyocera Management Research Institute	
			Kyocera Keiaikan	Osaka Sales Office	Himeji Sales Office	Okayama Sales Office	
			Hiroshima Sales Office	Takamatsu Sales Office	Kyushu Sales Office	Okinawa Sales Office	
			CV Ginza Store	CV Kyoto Store	CV Osaka Umeda Store	CV Kobe Sannomiya Store	
			CV Hiroshima Store	Kyocera Contax Salon Tokyo			
		KYOCERA ELCO Corp.	Headquarters	Ikebe Warehouse	2nd Ikebe Warehouse	3rd Ikebe Warehouse	
			Okaya Office	Osaka Sales Office	Nagoya Sales Office	Omiya Sales Office	
		KYOCERA OPTEC Co., Ltd.	Headquarters	Chigase Plant	Tokyo Sales Office	Kansai Sales Office	
		KYOCERA MITA Corp.	Headquarters	Hirakata Plant	Tamaki Plant	Yoga Office	
		DAIKEN Co., Ltd.	Headquarters				
		KYOCERA MITA Japan Co., Ltd.	Headquarters	Sapporo Office	Sendai Office	Tokyo Office	
			Nagoya Office	Kansai Office	Hiroshima Office	Fukuoka Office	
			Branch: 77 locations				
		KYOCERA Chemical Corp.	Headquarters	Kansai Branch	Kyushu Branch	Kawaguchi Plant	
			Kawasaki Plant	Kohriyama Plant	Moka Plant		
		KYOCERA SLC Technologies Corp.	Headquarters	Shiga Yasu Plant	Kyoto Ayabe Plant	Kagoshima Sendai Office	
			Kagoshima Kokubu Office	Higashi Nihon Sales Office	Kyushu Sales Office		
		KYOCERA KINSEKI Corp.	Headquarters	Nagano Okaya Office	Shiga Yohkaichi Office	Kagoshima Kokubu Office	
		KYOCERA KINSEKI Hokkaido Corp.	Headquarters	Ebetsu Plant			
		KYOCERA KINSEKI Yamagata Corp.	Headquarters				
		KYOCERA KINSEKI Chiba Corp.	Headquarters				
		Japan Medical Materials Corp.	Headquarters	Tokyo Branch	Kobe Plant	Shiga Plant Gamo Block	
			Shiga Plant Yohkaichi Block	Research Center	Kobe Product Control Center	Sapporo Sales Office	
			Tohoku Sales Office	Omiya Sales Office	Nagoya Sales Office	Kyoto Sales Office	
			Kobe Sales Office	Okayama Sales Office	Hiroshima Sales Office	Kyushu Sales Office	
		KYOCERA Display Institute Co., Ltd.	Headquarters	Yamato Office			
		KYOCERA Communication Systems Co., Ltd.	Headquarters	Tokyo Branch	Tokyo 1st Data Center (2 sites)	Tokyo 2nd Data Center	
			Shiga Office	Kyoto Karasuma Office	Osaka Office	Fukuoka Office	
			Sendai Office	Kokubu Office	Sapporo Sales Office	Sendai Sales Office	
			Nagoya Sales Office	Kanazawa Sales Office	Hiroshima Sales Office	Takamatsu Sales Office	
			Kagoshima Sales Office				

* The above 210 offices and plants are ISO 14001 certified together with Kyocera Group Integrated Environment & Safety Management System.

Individual Certification (44 Sites)

(As of March 2008)

Standard	Region	Country	Company	Office/plant	Date of registration
ISO 14001	Asia	China	Shanghai KYOCERA Electronics Co., Ltd.	—	Jul. 2000
			Dongguan Shilong KYOCERA Optics Co., Ltd.	—	Dec. 2000
			KYOCERA MITA Office Equipment (Dongguan) Co., Ltd.	—	Oct. 2001
			KYOCERA Chemical (Wuxi) Co., Ltd.	—	Apr. 2001
			KYOCERA MITA Industrial Co., (H.K.) Ltd.	—	Nov. 2000
		Singapore	KYOCERA ELCO Singapore Pte, Ltd.	—	Sep. 2001
			KYOCERA Chemical Singapore Pte, Ltd.	—	Jun. 1999
			KYOCERA MITA Singapore Pte, Ltd.	—	Feb. 2008
		Korea	KYOCERA ELCO Korea Co., Ltd.	—	Sep. 1999
			KYOCERA Precision Tools Korea Co., Ltd.	—	Feb. 2004
		Thailand	KYOCERA Chemical (Thailand) Ltd.	—	May 2005
			KYOCERA KINSEKI (Thailand) Co., Ltd.	—	Dec. 1999
			KYOCERA MITA (Thailand) Corp., Ltd.	—	Aug. 2006
		Philippines	KYOCERA KINSEKI Philippines, Inc.	—	Jun. 2003
		Israel	AVX Israel Ltd.	—	May 2003
		Taiwan	KYOCERA MITA Taiwan Corporation	—	Feb. 2008
	North America	U.S.A.	KYOCERA America, Inc.	—	Aug. 1997
			KYOCERA Industrial Ceramics Corp.	Vancouber	Apr. 1998
				Mountain Home	Dec. 1998
			KYOCERA Wireless Corp.	—	Nov. 2000
			KYOCERA TYCOM Corp.	—	Nov. 2005
			KYOCERA MITA South Carolina, Inc.	—	Jun. 2002
			AVX Corporation	Conway	Feb. 2008
				Myrtle Beach	Feb. 2008

Standard	Region	Country	Company	Office/plant	Date of registration
ISO 14001	North America	U.S.A.	American Technical Ceramics Corp.	—	Dec. 2004
			KYOCERA MITA America, Inc.	Fairfield	Mar. 2007
				Irvine	Mar. 2007
				Norcross	Mar. 2007
				Wood Dale	Mar. 2007
				New York	Mar. 2007
				Irving	Mar. 2007
				Miami	Mar. 2007
				Arlington	Mar. 2007
				Memphis	Mar. 2007
	South and Central America	Mexico	KYOCERA Mexicana, S.A. de C.V.	—	Sep. 1998
			Avio Excelente, S. de R.L. de C.V.	—	Feb. 2008
		El Salvador	AVX Industries Pte, Ltd.	—	Jun. 2005
		Brazil	KYOCERA do Brasil Componentes Industriais Ltda.	—	Sep. 2000
	Europe	U.K.	AVX Ltd.	Paignton	Jun. 2000
				Coleraine	Aug. 2000
		Netherlands	KYOCERA MITA Europe B.V.	Hoofddorp	Mar. 2007
		Czech Republic	AVX Czech Republic. s.r.o.	Lanskroun	Sep. 2004
	Oceania	New Zealand	KYOCERA MITA New Zealand Ltd.	—	Oct. 2007
		Australia	KYOCERA MITA Australia Pty. Ltd.	—	Jun. 2006

Glossary

Stakeholders ▶▶ P. 12

Stakeholders mean interested parties. This does not only cover customers and shareholders with monetary interest but also all persons concerned about the execution of corporate activities (regional residents, government and municipal offices, research institutions, banking facilities, suppliers and employees).

CSR (Corporate Social Responsibility) ▶▶ P. 12

This is based on the concept that a company is a social existence which should not only act for profit of or seek after economic rationality of the own company but also take the total interest of the stakeholders into considerations. To describe furthermore, a company should also be responsible for social aspects such as legal compliance, environmental preservation, protection of human rights and consumer protection.

Corporate Governance ▶▶ P. 24

This system is to insure sound management of a company. The main objectives are prevention of adverse effects arising from concentration of authorities to management, prevention of organization-wide illegal actions through monitoring of correct direction of business activities to materialize corporate rationale.

Compliance ▶▶ P. 26

This was understood as “strict observance of laws,” but the original meaning is “to strictly observe ... and comply with.” In Japan, “Compliance” came to mean not only strict observance of laws and regulations but also social norms including rules, ethics and morality of own company.

Risk Management ▶▶ P. 26

This is a framework constructed to deal with any risk that could hinder the achievement of a business goal.

Sarbanes-Oxley Act, Section 404 ▶▶ P. 27

This is an American law enacted in July 2002. Section 404 requires management to assess and report the maintenance of internal controls related to financial reporting and its effectiveness.

A Balance of Work and Life ▶▶ P. 37

This means a corporate system to support employees to cope with both worth while job and fulfilling life. The system does not only apply to working mothers but all employees.

Environmental Accounting ▶▶ P. 54

For company’s efficient and effective promotion of activities for environmental preservation while keeping good relationships with the society to attain sustainable development, the environmental accounting is the system to recognize the cost spent for environmental preservation in business activities as well as the benefits from it, measure and report the cost and benefit quantitatively (indicated at the monetary unit or physical unit) as much as possible.

Green Procurement ▶▶ P. 65

Out of green purchasing implemented by companies and others, green procurement means purchasing of raw materials, components and others materials used for products.

Modal Shift ▶▶ P. 68

This means shift of major cargo distribution from trucks to a mass transportation with less environmental impacts such as railways or coastal shipping.

Green Purchasing ▶▶ P. 71

This means to select products and services with lower environmental impact as much as possible when it is necessary to purchase anything after well consideration of necessity of purchasing itself.

Electronic Manifest ▶▶ P. 73

This is a mechanism in which manifest information is digitized and the three parties of the discharging company, collecting and transporting company and disposal contractor exchange information in networks through the information processing center.

PRTR Law ▶▶ P. 75

PRTR stands for Pollutant Release and Transfer Register. The PRTR Law concerns the discharge of specified chemical substances into the environment and the improvement of their management. Companies are required to report the release and transfer of certain chemical substances (Class 1 designated chemical substances as specified by PRTR Law) to the national government through prefectures. The government then calculates and releases the statistics.

Source: Environmental White Paper, Environmental Information and Communication Network, Japanese Industrial Standards, and Financial Services Agency’s White Paper

Kyocera has this report certified, as an independent assurance report, by a third party for the purpose of ensuring its reliability.

PRICEWATERHOUSECOOPERS

This English language report is a translation of the original report in Japanese on the independent assurance on KYOCERA Corporation's CSR Report 2008.

Independent Assurance Report

To: Mr. Makoto Kawamura, President
KYOCERA Corporation

June 6, 2008

1. Objectives and Scope

We, PricewaterhouseCoopers Aarata Sustainability Certification Co., Ltd., have been commissioned by KYOCERA Corporation (hereafter the "Company") to provide independent assurance on the Company's "CSR Report 2008" (hereafter the "Report"). The scope of the assurance covers the economic, social, and environmental performance data, and relevant qualitative information. The objective of our assurance engagement is to independently express our conclusions using the Company's policies and standards as criteria as to:

- Whether the economic (P.28-31), social (P.13, 32-47) and environmental (P.16-19, 48-77, 80) performance data, and the relevant qualitative information included in the Report was collected and reported in accordance with the Company's policies and standards (P.2), in all material respects; and
- Whether the material environmental information stipulated in the Standards for Environmental Reporting Assurance and Registration by the Japanese Association of Assurance Organizations for Sustainability Information (J-SUS) is included in the Report, in all material respects.

The preparation of the Report is the responsibility of the Company's management. Our responsibility is limited to independently express a conclusion on the Report.

This is the sixth time we provide assurance on the Company's Report. Economic, social and environmental performance data, and the relevant qualitative information for the year 2001 and before are not within the scope of our assurance engagement. In addition, quantitative information within the scope of our assurance engagement is limited to that of the Company and its domestic subsidiaries.

2. Summary of Assurance Procedures Performed

We performed our work in accordance with International Standard on Assurance Engagement 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE3000), revised in December 2003 by the International Foderation of Accountants, the Assurance Standards for Environmental Reporting (Draft), published in March 2004 by the Ministry of the Environment of Japan, and the Practical Guidelines of Sustainability Information Assurance, revised in February 2008 by the J-SUS. Therefore, we provide limited assurance on data and information reported in the Report in accordance with the aforementioned standards under the scope of our assurance engagement. Accordingly, we do not intend to express auditor's opinion as this is not an audit work conducted in accordance with generally accepted auditing standards.

The summary of the procedures we performed for our assurance engagement is as follows:

- Reading the relevant documents with regard to the Company's overall status and economic, social and environmental management, and interviewing personnel responsible thereof;
- Interviewing personnel with regard to the establishment and implementation of the Company's policies and standards under the scope of our assurance engagement included in the Report in the headquarters and the sites visited;
- Reading the relevant documents in the headquarters and the sites visited as listed in the following with regard to the methodologies for measuring, compiling, and reporting the information under our scope, and interviewing personnel responsible thereof;
- Assessing the consistency of the supporting documents, performance of analytical procedures, and reconciliation of sample data to supporting documents in the headquarters and the sites visited; and
- Assessing internal documents in the headquarters and interviewing with responsible personnel to evaluate if the material environmental information stipulated in the Standards for Environmental Reporting Assurance and Registration by the J-SUS is fully stated in the Report.
- Sites visited

Name of Site		Functions
KYOCERA Corporation	Headquarters	Headquarters
KYOCERA Corporation	Kagoshima Hayato Plant	Manufacturing

3. Our Conclusion

Based on our work performed, we have reached the following conclusion:

- To the extent of our procedures performed, nothing has come to our attention that causes us to believe that the economic, social and environmental performance data, and the relevant qualitative information included in the Report was not collected and reported in accordance with the Company's policies and standards, in all material respects; and
- To the extent of our procedures performed, nothing has come to our attention that causes us to believe that the material environmental information stipulated in the Standards for Environmental Reporting Assurance and Registration by the J-SUS is not included in the Report, in all material respects.

4. Independence

In accordance with the Assurance Standards for Environmental Reporting (Draft), the Practical Guidelines of Sustainability Information Assurance and the provisions of the Certified Public Accountants Law of Japan, no reportable relationship exists between the Company and PricewaterhouseCoopers Aarata Sustainability Certification Co., Ltd.

PricewaterhouseCoopers Aarata Sustainability Certification Co., Ltd.

Sumitomo Fudosan Mita Twin Bldg., East Wing 13th Floor
4-2-8 Shibaura, Minato-ku, Tokyo 108-0023, Japan

KYOCERA

KYOCERA Corporation

About the cover design

U-Shaped Kelcima

Kyocera was established in 1959 as a small suburban workshop where 28 young colleagues pursued big dreams. Our first product was a U-shaped ceramic insulator (known as a *Kelcima*) for use within early television picture tubes.

Today, Kyocera is a highly diversified global enterprise. We pursue boundless dreams by accepting challenges that others timidly avoid.

We believe that a strong will can make dreams come true, and that limitless effort can overcome any obstacle. These beliefs from Kyocera's history remain the driving force behind our growth.

We aim to become a creative company that grows continuously throughout the future. Kyocera Group employees around the world who have adopted this challenging spirit personify our path to growth.

The illustration on the cover page of this report was designed in the likeness of the U-Shaped Kelcima.

To minimize environmental impact, the following practices were adopted in producing this report.

【Printing Method】 A waterless printing technique was used.

【Ink】 The report is printed with soy ink, free of VOC (Volatile Organic Compounds).

【Paper】 FSC-certified paper, dispensing thinned wood pulp, is used for the covers of this document. For the text, FSC-certified paper, dispensing recycled pulp, is used.

【Issued】 September, 2008