

**NOTICE OF THE 49TH ORDINARY GENERAL
MEETING OF SHAREHOLDERS**

TO BE HELD IN KYOTO, JAPAN ON JUNE 25, 2003

(Translation of the Japanese notice circulated to shareholders in Japan)

Note: The Notice of Resolution for the 49th Ordinary General Meeting of Shareholders will be available at the following Kyocera's website within 5 days after the Meeting.

http://global.kyocera.com/ir/ir_calender.html

KYOCERA CORPORATION

6 Takeda Tobadono-cho, Fushimi-ku, Kyoto, Japan

June 3, 2003

To Our Shareholders:

Notice of the 49th Ordinary General Meeting of Shareholders

This is to inform you that the Company will hold its 49th Ordinary General Meeting of Shareholders, as described below, which you are cordially invited to attend.

If you are unable to attend, you may exercise your voting rights in writing. If you wish to do so, after examining the attached reference materials, please indicate your votes by filling out and signing the enclosed form for exercising voting rights, and return the form to us no later than June 24, 2003, Japan time.

1. **Time and Date:** 10:00 a.m. on Wednesday, June 25, 2003, Japan time
2. **Place:** 20th Floor Event Hall at the head office of the Company,
6 Takeda Tobadono-cho, Fushimi-ku, Kyoto, Japan
3. **Purpose of the Meeting:**

Matters to be reported upon:

The business report, balance sheet and statement of income with respect to the 49th fiscal year from April 1, 2002 to March 31, 2003

Matters to be resolved:

- Agendum No. 1: Approval of proposed appropriation of retained earnings for the 49th Fiscal Year
- Agendum No. 2: Acquisition by the Company of its own stock
(The substance of this agendum is set out herein below under "Reference Materials for the Exercise of Voting Rights.")
- Agendum No. 3: Amendments of the Articles of Incorporation
(The substance of this agendum is set out herein below under "Reference Materials for the Exercise of Voting Rights.")
- Agendum No. 4: Election of 13 Directors
- Agendum No. 5: Election of 2 Corporate Auditors
- Agendum No. 6: Payment of retirement allowances to retiring Directors
- Agendum No. 7: Issuance of stock acquisition rights for granting stock option
(The substance of this agendum is set out herein below under "Reference Materials for the Exercise of Voting Rights.")

The financial statements and copies of the auditors' reports shall be as set out in the "Financial Report for the 49th Fiscal Year" as attached hereto (from page 17 to page 36) thereof.

Very truly yours,

KYOCERA CORPORATION

Yasuo Nishiguchi
President and Director

(Note) If you attend the Meeting, please submit the enclosed form for exercising voting rights to the receptionist.

REFERENCE MATERIALS FOR THE EXERCISE OF VOTING RIGHTS

1. The Number of Voting Rights 1,843,941

2. The Agendum and References

Agendum No. 1: Approval of proposed appropriation of retained earnings for the 49th fiscal year

Taking into consideration the Company's business performance during the fiscal year ended March 31, 2003, as well as the competitive environment and further needs for business development, and also taking into consideration the need to retain a high level of internal reserves for aggressive investment, we would like to propose appropriation of retained earnings for this fiscal year as follows.

With respect to dividends for this fiscal year, based on the principle of providing stable cash dividends, we propose to pay a year-end dividend of 30 yen per share, the same amount as for the previous fiscal year. This payment, combined with the interim dividend of 30 yen per share, will bring the total annual cash dividend for the fiscal year to 60 yen per share.

Regarding bonuses to Directors and Corporate Auditors, we propose to pay a total amount of 75 million yen, the same amount as in the previous fiscal year, out of which 3 million yen will be paid to the Corporate Auditors, an increase of 200,000 yen from the amount in the previous fiscal year.

PROPOSED APPROPRIATION OF RETAINED EARNINGS

Unappropriated retained earnings	(Yen) 29,421,027,140
Reversal of reserves:	
Reversal of reserve for special depreciation	841,900,622
Total	<u>30,262,927,762</u>
To be appropriated as follows:	
Dividends (¥30.00 per share)	5,548,930,800
Bonuses for Directors and Corporate Auditors	75,000,000
Reserve for special depreciation	86,450,859
General reserve	18,000,000,000
Unappropriated retained earnings carried forward to the next year	<u>6,552,546,103</u>

Notes:

1. Corporate Auditors' bonuses of ¥3,000,000 are included in Bonuses for Directors and Corporate Auditors.
2. On December 5, 2002, an interim dividend of ¥5,550,872,760 (¥30.00 per share) was paid to the shareholders.

Agendum No. 2: Acquisition by the Company of its Own Stock

In order to provide flexibility to the Company in effectuating its capital management policy and to provide options for timely business development, in both cases facilitating response to changes in the management environment, it is proposed that, during the period from the end of this Ordinary General Meeting of Shareholders to the end of the next Ordinary General Meeting of Shareholders, in accordance with Article 210 of the Commercial Code of Japan, the Company will purchase up to 5,000,000 shares of its own Common Stock at the aggregated purchase price of no more than 50 billion yen.

Agendum No. 3: Amendments to the Articles of Incorporation

1. The reasons for the amendments
 - (1) Under the "Law Amending a Part of the Commercial Code" (Law No. 44, 2002) (hereinafter referred to as the "Amendment"), a system has been created relating to purchase of shares by shareholders holding shares not constituting a full share unit to increase their shareholding. According to the Amendment, for the convenience of shareholders holding shares not constituting a full share unit and to implement the system, Article 7 of the Articles of Incorporation must be amended. Accordingly, Articles following Article 7 will be renumbered. In addition, certain amendments to current Articles 7, 8 and 9 of the Articles of Incorporation shall be made as necessary.
 - (2) To accommodate the system for nullification of share certificates introduced by the Amendment, necessary amendments will be made to the current Article 8 of the Articles of Incorporation.
 - (3) Pursuant to the Amendment, the Company is permitted to reduce the quorum requirement for special resolutions of the General Meeting of Shareholders to one-third. Accordingly, a new paragraph 2 will be added to Article 13 of the Articles of Incorporation to facilitate satisfaction of the quorum requirement for special resolutions.
 - (4) The Company will introduce an executive officer system. Accordingly, necessary changes will be made to the current Article 20 of the Articles of Incorporation, providing that Representative Directors may be appointed only from executive Directors.
 - (5) Under the "Law Amending a Part of the Commercial Code and the Special Provisions to the Commercial Code Relating to the Audit of a Company" (Law No. 149, 2003), the term of office of a Corporate Auditor is extended to 4 years. In accordance with such amendment, an amendment will be made to the current Article 26 of the Articles of Incorporation.
 - (6) In addition to the above, to make certain arrangements for the words and phrases, certain amendments shall be made.

2. The proposed amendments

(The underlined portion indicates the proposed amendment.)

(Present Article)	(Proposed Amendment)
<p data-bbox="427 286 624 315" style="text-align: center;"><Newly added></p> <p data-bbox="228 725 531 754">Article 7. Record Date</p> <p data-bbox="228 761 799 1099">1. The Company shall deem the shareholders entered or recorded in the Shareholders Register (which shall hereinafter include the Register of Beneficial Owners) as of the end of each fiscal year to be those shareholders (which shall hereinafter include beneficial owners) who are entitled to exercise their rights at the ordinary general meeting of shareholders held in respect of the relevant fiscal year.</p> <p data-bbox="228 1106 799 1377">2. In addition to the preceding paragraph, the Company may, by resolution of the Board of Directors, and having given prior public notice thereof, <u>deem the shareholders or pledgees entered or recorded in the Shareholders Register as of a fixed date to be those shareholders or pledgees who are entitled to exercise their rights.</u></p> <p data-bbox="228 1406 568 1435">Article 8. Transfer Agent</p> <p data-bbox="228 1442 799 1503">1. The Company shall have a Transfer Agent for the shares.</p> <p data-bbox="228 1509 799 1641">2. The Transfer Agent and its office for share handling shall be decided by a resolution of the Board of Directors and public notice thereof shall be given.</p> <p data-bbox="228 1648 799 1883">3. The Shareholders Register of the Company shall be kept at the Transfer Agent's share handling office, and the Company shall not handle, but shall have the Transfer Agent handle, the registration of transfer of shares, the purchase of shares not constituting a full share unit and other businesses relating to the shares.</p>	<p data-bbox="821 286 1393 387"><u>Article 7. Purchase of Shares to Increase the Number of Shares of Shareholders holding Shares not Constituting a Full Share Unit</u></p> <p data-bbox="821 394 1393 696"><u>Shareholders (which shall hereinafter include beneficial owners) of the Company holding shares not constituting a full share unit may, in accordance with the provisions of the Share Handling Regulations of the Company, require the Company to sell such number of Shares as will, when aggregated with the relevant shares not constituting a full share unit can, constitute a full share unit.</u></p> <p data-bbox="821 725 1126 754">Article 8. Record Date</p> <p data-bbox="821 761 1393 1099">1. The Company shall deem the shareholders <u>holding voting rights</u> entered or recorded in the Shareholders Register (which shall hereinafter include the Register of Beneficial Owners) as of the end of each fiscal year to be those shareholders (which shall hereinafter include beneficial owners) who are entitled to exercise their rights at the ordinary general meeting of shareholders held in respect of the relevant fiscal year.</p> <p data-bbox="821 1106 1393 1272">2. In addition to the preceding paragraph, the Company may, by resolution of the Board of Directors, and having given prior public notice thereof <u>set a record date an extraordinary basis.</u></p> <p data-bbox="821 1406 1163 1435">Article 9. Transfer Agent</p> <p data-bbox="884 1442 1174 1471">1. (Same as at present)</p> <p data-bbox="884 1509 1174 1538">2. (Same as at present)</p> <p data-bbox="821 1648 1393 1951">3. The Shareholders Register <u>and the Register of Lost Share Certificate</u> of the Company shall be kept at the Transfer Agent's share handling office, and the Company shall not handle, but shall have the Transfer Agent handle, the registration of transfer of shares, the purchase of shares not constituting a full share unit <u>by the Company or from the Company</u> and other businesses relating to the shares.</p>

(Present Article)	(Proposed Amendment)
<p>Article 9. Share Handling Regulations Denomination of share certificates of the Company, registration of transfer of shares, purchase of shares not constituting a full share unit and other matters relating to share handling and fees therefor shall be provided for in the Share Handling Regulations of the Company established by the Board of Directors.</p>	<p>Article 10. Share Handling Regulations Denomination of share certificates of the Company, registration of transfer of shares, purchase of shares not constituting a full share unit <u>by the Company and from the Company</u> and other matters relating to share handling and fees therefor shall be provided for in the Share Handling Regulations of the Company established by the Board of Directors.</p>
<p>Article 10. to Article 12. (Omitted)</p>	<p>Article 11. to Article 13. (Same as at present)</p>
<p>Article 13. Method of Resolutions Unless otherwise provided for by the laws and ordinances or these Articles of Incorporation, resolutions of a general meeting of shareholders shall be adopted by a majority of the voting rights of the shareholders present at the meeting. <Newly added></p>	<p>Article 14. Method of Resolutions <u>1.</u> (Same as at present) <u>2. Resolutions of a general meeting of shareholders pursuant to Article 343 of the Commercial Code shall be adopted by two-thirds or more of the voting rights of the shareholders present at the meeting, at which the shareholders holding one-third or more of the voting rights of all shareholders must present.</u></p>
<p>Article 14. to Article 19. (Omitted)</p>	<p>Article 15. to Article 20. (Same as at present)</p>
<p>Article 20. Representative Directors 1. The President shall be a Representative Director. 2. In addition to the Representative Director set forth in the preceding paragraph, the Board of Directors may, by resolution, appoint Representative Directors from among the <u>executive Directors set forth in paragraph 1 of the immediately preceding Article.</u></p>	<p>Article 21. Representative Directors 1. (Same as at present) 2. In addition to the Representative Director set forth in the preceding paragraph, the Board of Directors may, by resolution, appoint Representative Directors from among the Directors.</p>
<p>Article 21. to Article 25. (Omitted)</p>	<p>Article 22. to Article 26. (Same as at present)</p>
<p>Article 26. Term of Office of Corporate Auditors 1. The term of office of the Corporate Auditors shall end with the conclusion of the ordinary general meeting of shareholders for the last fiscal year within <u>three</u> years after assumption of their offices. 2. The term of office of the Corporate Auditor elected to fill a vacancy shall terminate when the term of office of his predecessor would otherwise terminate.</p>	<p>Article 27. Term of Office of Corporate Auditors 1. The term of office of the Corporate Auditors shall end with the conclusion of the ordinary general meeting of shareholders for the last fiscal year within <u>four</u> years after assumption of their offices. 2. (Same as at present)</p>
<p>Article 27. to Article 35. (Omitted)</p>	<p>Article 28. to Article 36. (Same as at present)</p>

Agendum No. 4: Election of 13 Directors

The terms of office of 26 Directors will expire at the close of this General Meeting of Shareholders. To establish corporate governance appropriate for a global corporation, together with a decision making system responsive to the business environment, and to aggressively recruit young people of excellent human qualities and capabilities to the management team for training as the executives of the next generation, the Company will introduce an executive officer system. Accordingly, it is proposed that 13 Directors be elected thereby reducing the current number of Directors by 13.

The candidates for Director are as follows:

No	Name (date of birth)	Brief Personal History (including representation of other companies)	Shares of the Company Owned by Candidate
1	Kazuo Inamori (Jan. 30, 1932)	Apr. 1959 Established the Company Director of the Company May 1962 Managing Director of the Company May 1964 Senior Managing Director of the Company May 1966 President and Representative Director of the Company June 1985 Chairman and Representative Director of the Company June 1992 Chairman of the Company June 1997 Chairman Emeritus of the Company (to present) (Representative Director of Kyoto Purple Sanga Co., Ltd.)	shares 6,806,165
2	Kensuke Itoh (Dec. 17, 1937)	Apr. 1959 Joined the Company May 1975 Director of the Company Aug. 1979 Managing Director of the Company July 1981 Senior Managing Director of the Company June 1985 Executive Vice President and Representative Director of the Company June 1989 President and Representative Director of the Company June 1999 Chairman and Representative Director of the Company (to present) (Representative Director of Kyocera Realty Development Co., Ltd.) (Representative Director of Kyoto Purple Sanga Co., Ltd.) (Representative Director of Hotel Kyocera Co., Ltd.) (Representative Director of Kyoto Fashion Center Co., Ltd.) (Representative Director of International Golf Resort Kyocera Co., Ltd.)	557,072
3	Yasuo Nishiguchi (Oct. 9, 1943)	Mar. 1975 Joined the Company June 1987 Director of the Company June 1989 Managing Director of the Company June 1992 Senior Managing Director and Representative Director of the Company June 1997 Executive Vice President and Representative Director of the Company June 1999 President and Representative Director of the Company (to present) (Representative Director of Kyocera Mita Corporation)	4,095

No	Name (date of birth)	Brief Personal History (including representation of other companies)	Shares of the Company Owned by Candidate
		(Representative Director of Kyocera Leasing Co., Ltd.) (Representative Director of Kyocera International Co., Ltd.) (Representative Director of Kyocera Communication Systems Co., Ltd.) (Representative Director of Kyocera ELCO Corporation) (Chairman of Dongguan Shilong Kyocera Optics Co., Ltd.) (Chairman of Shanghai Kyocera Electronics Co., Ltd.) (Chairman of Kyocera Zhenhua Communication Equipment Co., Ltd.) (Chairman of Kyocera Mita Office Equipment (Dongguan) Co., Ltd.) (Chairman of Kyocera (Tianjin) Sales & Trading Corporation)	
4	Masahiro Umemura (Aug. 8, 1943)	Mar. 1966 Joined the Company June 1991 Director of the Company June 1993 Managing Director of the Company June 1997 Senior Managing Director and Representative Director of the Company June 1999 Executive Vice President and Representative Director of the Company (to present) (Chairman of Shanghai Kyocera Realty Development Co., Ltd.)	5,000
5	Michihisa Yamamoto (Nov. 13, 1942)	Mar. 1970 Joined the Company June 1987 Director of the Company June 1989 Managing Director of the Company June 1992 Senior Managing Director and Representative Director of the Company June 1999 Executive Vice President and Representative Director of the Company (to present) (Chairman of Shanghai Kyocera Trading Co., Ltd.)	9,232
6	Noboru Nakamura (Oct. 6, 1944)	Mar. 1967 Joined the Company June 1991 Director of the Company June 1995 Managing Director of the Company June 1997 Senior Managing Director and Representative Director of the Company June 1999 Executive Vice President and Representative Director of the Company (to present) Aug. 2002 Executive Vice President and Representative Director of Kyocera Chemical Corporation (to present) (Representative Director of Kyocera Chemical Corporation)	3,000
7	Isao Kishimoto (Nov. 30, 1943)	Mar. 1967 Joined the Company June 1993 Director of the Company June 1997 Managing Director of the Company June 2001 Senior Managing Director of the Company (to present) June 2002 President and Representative Director of Kinseki, Limited (to present) (Representative Director of Kinseki, Limited)	3,000
8	Hisao Hisaki (July 2, 1946)	Mar. 1969 Joined the Company June 1991 Director of the Company (to present) Apr. 2000 General Manager of Communication Systems Group of the Company Aug. 2002 General Manager of Corporate Communication Systems Sales Division of the Company (to present)	3,171

No	Name (date of birth)	Brief Personal History (including representation of other companies)	Shares of the Company Owned by Candidate
9	Rodney N. Lanthorne (Feb. 5, 1945)	Sept. 1979 Joined Kyocera International, Inc. Jan. 1987 President and Director of the above company (to present) June 1989 Director of the Company Mar. 1990 Managing Director of the Company June 1999 Senior Managing Director and Representative Director of the Company (to present) (President and Director of Kyocera International, Inc.)	(3,291 ADS)
10	John S. Gilbertson (Dec. 4, 1943)	Jan. 1981 Joined AVX Corporation June 1995 Director of the Company July 1997 Director, President and Chief Operating Officer of AVX Corporation June 1999 Managing Director of the Company (to present) July 2001 Director, President and Chief Executive Officer of AVX Corporation (to present) (President and Chief Executive Officer of AVX Corporation)	(15,234 ADS)
11	Yuzo Yamamura (Dec. 4, 1941)	Mar. 1965 Joined the Company June 1987 Director of the Company Dec. 1992 President and Representative Director of Kyocera ELCO Corporation (to present) June 1993 Retired from the office of Director of the Company June 1995 Senior Managing Director and Representative Director of the Company June 1999 Retired from the office of Director of the Company (Representative Director of Kyocera ELCO Corporation) (Representative Director of Kyocera Optec Co., Ltd.)	82,000
12	Naoyuki Morita (Apr. 8, 1942)	Mar. 1967 Joined the Company June 1987 Director of the Company June 1989 Managing Director of the Company June 1995 Senior Managing Director and Representative Director of the Company Sept. 1995 President and Representative Director of Kyocera Communication Systems Co., Ltd. (to present) June 1999 Retired from the office of Director of the Company (Representative Director of Kyocera Communication Systems Co., Ltd.) (Representative Director of Medical Data Co., Ltd.) (Representative Director of Couei Corporation)	5,600

No	Name (date of birth)	Brief Personal History (including representation of other companies)	Shares of the Company Owned by Candidate
13	Koji Seki (Dec. 8, 1937)	<p>May 1969 Joined Cybernet Electronics Corporation</p> <p>June 1989 Director of the Company</p> <p>Feb. 1997 Deputy General Manager of Communication and Information Systems Group of the Company</p> <p>Oct. 1998 Trustee of Mita Industrial Co., Ltd.</p> <p>June 1999 Managing Director of the Company</p> <p>Jan. 2000 President and Representative Director of Kyocera Mita Corporation</p> <p>June 2001 Retired from the office of Director of the Company (Representative Director of Kyocera Mita Corporation) (Representative Director of Kyocera Mita Japan Corporation)</p>	4,318

Notes:

1. Mr. Kazuo Inamori is a Representative Director of Kyoto Purple Sanga Co., Ltd., with which the Company engages in transactions. He is the President of the Inamori Foundation, to which the Company contributes.
2. Mr. Kensuke Itoh is a Representative Director of Kyoto Purple Sanga Co., Ltd., with which the Company engages in transactions.
3. Mr. Yasuo Nishiguchi is a Representative Director of Kyocera Communication Systems Co., Ltd., and the Chairman of Dongguan Shilong Kyocera Optics Co., Ltd., Shanghai Kyocera Electronics Co., Ltd., Kyocera Zhenhua Communication Equipment Co., Ltd., Kyocera Mita Office Equipment (Dongguan) Co., Ltd., and Kyocera (Tianjin) Sales & Trading Corporation, with which the Company engages in transactions.
4. Mr. Isao Kishimoto is a Representative Director of Kinseki, Limited, with which the Company engages in transactions.
5. Mr. John S. Gilbertson is a Director and the President and Chief Executive Officer of AVX Corporation, with which the Company engages in transactions.
6. Mr. Naoyuki Morita is a Representative Director of Kyocera Communication Systems Co., Ltd., with which the Company engages in transactions.
7. Candidates who beneficially own Ordinary Shares of the Company by way of American Depositary Shares (ADS) are as follows:

Rodney N. Lanthorne	3,291 Ordinary shares (3,291 ADSs)
John S. Gilbertson	15,234 Ordinary shares (15,234 ADSs)

Agendum No. 5: Election of 2 Corporate Auditors

One Corporate Auditor, Mr. Mitsuru Akimoto, will resign from office at the close of this Ordinary General Meeting of Shareholders. It is proposed that a successor be elected. The candidate is Mr. Shinji Kurihara.

In order to reinforce the audit system of the Company, it is proposed that an additional Corporate Auditor be elected. The candidate is Mr. Yasuo Akashi.

With respect to this Agendum, consent from the Board of Corporate Auditors has been obtained.

The candidates for Corporate Auditor are as follows:

No	Name (date of birth)	Brief Personal History (including representation of other companies)	Shares of the Company Owned by Candidate
1	Shinji Kurihara (July 19, 1932)	Apr. 1953 Joined the Kyoto Chuo Shinkin Bank Apr. 1968 Director of the above Dec. 1972 Managing Director of the above May 1978 Representative Director of the above June 1979 Senior Managing Director of the above Apr. 1992 Advisor of the above President and Representative Director of Chushin Realty Development Co., Ltd. Apr. 1995 Chairman of Takeda Hospital Management Institute, Medical Corporation Koseikai Takeda Hospital (to present)	shares 0
2	Yasuo Akashi (May 29, 1944)	Mar. 1967 Joined the Company June 1991 Director of the Company June 1993 Managing Director of the Company June 1997 Senior Managing Director and Representative Director of the Company (to present)	6,323

Note:

Mr. Shinji Kurihara is a candidate for outside Corporate Auditor as required under paragraph 1, Article 18 of the Law for Special Exceptions to the Commercial Code concerning Audit, etc. of Kabushiki-Kaisha.

Agendum No. 6: Payment of Retirement Allowances to Retiring Directors

Sixteen Directors, Messrs. Yasuo Akashi, Isao Yukawa, Hisashi Sakumi, Hideki Ishida, Akiyoshi Okamoto, Takashi Ito, Masato Takeda, Minoru Fujiyoshi, Yoshihiko Nishikawa, Tsutomu Yamori, Masahiro Inoue, Eiichi Toriyama, Susumu Ohshima, Koji Mae, Makoto Kawamura, and Tatsumi Maeda, will retire from office upon expiration of their terms of office at the close of this General Meeting of Shareholders. The Company proposes to pay retirement allowances to these Directors for their services rendered during their terms in office, in amounts which are reasonable and in accordance with the standards prescribed by the Company.

It is also proposed that the particular amount, timing and method of payment of such allowances be determined by resolution of the Board of Directors.

Brief personal histories of the retiring Directors are set forth below:

Name	Brief Personal History	
Yasuo Akashi	June 1991 June 1993 June 1997	Director of the Company Managing Director of the Company Senior Managing Director and Representative Director of the Company (to present)
Isao Yukawa	June 1995 June 2001	Director of the Company Managing Director of the Company (to present)
Hisashi Sakumi	June 1995 June 2001	Director of the Company Managing Director of the Company (to present)
Hideki Ishida	June 1997 June 2001	Director of the Company Managing Director of the Company (to present)
Akiyoshi Okamoto	June 1991	Director of the Company (to present)
Takashi Ito	June 1991	Director of the Company (to present)
Masato Takeda	June 1991	Director of the Company (to present)
Minoru Fujiyoshi	June 1987	Director of the Company (to present)
Yoshihiko Nishikawa	June 1995	Director of the Company (to present)
Tsutomu Yamori	June 1997	Director of the Company (to present)
Masahiro Inoue	June 1997	Director of the Company (to present)
Eiichi Toriyama	June 2001	Director of the Company (to present)
Susumu Ohshima	June 2001	Director of the Company (to present)
Koji Mae	June 2001	Director of the Company (to present)
Makoto Kawamura	June 2001	Director of the Company (to present)
Tatsumi Maeda	June 2001	Director of the Company (to present)

Agendum No.7: Issuance of Stock Acquisition Rights for Granting Stock Options

The Company requests the shareholders to approve the issuance of stock acquisition rights to Directors, Corporate Auditors, Executive Officers and employees of the Company and its affiliates pursuant to Articles 280-20 and 280-21 of the Commercial Code of Japan in order to grant them stock options.

1. Reason for the Issuance of Stock Acquisition Rights with Specially Favorable Conditions to Parties other than Shareholders

The issuance of stock acquisition rights without any consideration is intended to enable the grant of stock options (i) to Directors, Executive Officers and employees of the Company and its subsidiaries, in order to enhance the incentive to participate in the management of group companies, to facilitate improvement in the performance of the Company, and to provide increased incentive for contribution thereto and (ii) to Corporate Auditors of the Company and its subsidiaries in order to enhance moral when conducting audits and with the objective of achieving healthy management of group companies.

2. Outline of Issuance of Stock Acquisition Rights

(1) Parties to whom stock acquisition rights will be allocated
Persons approved by the Board of Directors of the Company from among the Directors, Corporate Auditors, Executive Officers and employees of the Company and its subsidiaries.

(2) Kind and number of shares to be issued upon exercise of stock acquisition rights
Up to 1,100,000 shares of Common Stock of the Company
Provided that when the Company makes stock split or stock consolidations, adjustment shall be made in accordance with the following formula. Such adjustment shall be made only with respect to the number of shares to be issued upon exercise of the stock acquisition rights not yet exercised at the time of such adjustment and any number of shares less than one share resulting from such adjustment shall be disregarded.

$$\begin{array}{r} \text{Number of shares} \\ \text{after adjustment} \end{array} = \begin{array}{r} \text{Number of shares} \\ \text{before adjustment} \end{array} \times \begin{array}{r} \text{Split ratio} \\ \text{(or consolidation} \\ \text{ratio)} \end{array}$$

When certain event happens which requires adjustment of the number of shares to be issued upon exercise, including the merger and corporate split, the number of shares to be issued upon exercise shall be reasonably adjusted taking into consideration of the terms and conditions of such merger and corporate split.

(3) Number of stock acquisition rights to be issued
Up to 11,000 (one stock acquisition right will entitle the holder thereof to acquire 100 shares) provided that when adjustment set out in (2) above is made, such number shall be also adjusted accordingly.

(4) Issue price of stock acquisition rights
None

(5) Amount to be paid in upon exercise of stock acquisition rights (exercise price).
The exercise price shall be the average of the closing price of the shares of the Common Stock of the Company at the Tokyo Stock Exchange (regular way) on each day (excluding any day on which there is no closing price of the shares of the Company) during the month immediately preceding the month in which the stock acquisition rights are issued, multiplied by 1.1 and rounded up to the nearest one yen; provided, however, that in the event such amount is less than the closing price of the shares of Common Stock of the Company on the day of issuance of the stock acquisition rights (if there is no closing price on such day, on the day immediately preceding such day), the exercise price shall be the closing price on the day of issuance of the stock acquisition rights.

Provided, further that (i) in the event of any stock split or (ii) in the event of any issuance by the Company of new shares of Common Stock at a price less than the market price thereof (excluding issuance as a result of exercise of the stock acquisition rights), the exercise price shall be adjusted in accordance with the following formula and rounded up to the nearest one (1) yen.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{\text{Number of shares in issue} + \frac{\text{Increase in number of shares as a result of stock split or new issue}}{\text{Market price per share prior to stock split or new issue}}}{\text{Number of shares in issue} + \text{Increase in number of shares as a result of stock split or new issue}}$$

(6) Exercise period for stock acquisition rights
From October 1, 2003 to September 30, 2008

(7) Conditions for exercise of stock acquisition rights
(i) In order to exercise stock acquisition rights, the party who has received such stock acquisition rights (the "Acquisition Rights Holder") must be a Director, Corporate Auditor, Executive Officer or employee of the Company or a subsidiary thereof at the time of exercise.

- (ii) In the event of the death of the Acquisition Rights Holder, the heir(s) thereof may exercise inherited stock acquisition rights for a period of 6 months (or until the date of expiration of the exercise period thereof, if such date comes earlier), up to the maximum number of stock acquisition rights the deceased could have exercised at the time of death.
 - (iii) Upon approval by the Bonus Committee of the Company, the exercise of stock acquisition rights may be permitted under conditions different from those described in (i) and (ii) above.
 - (iv) Other terms and conditions shall be provided for in an agreement between the Company and each Acquisition Rights Holder, pursuant to resolutions of this Ordinary General Meeting of Shareholders and the Board of Directors of the Company.
- (8) Cancellation of stock acquisition rights and conditions thereof
 - (i) In the event that stock acquisition rights cease to be exercisable due to failure by the party who is granted the stock acquisition rights to satisfy conditions set forth in (7) above prior to exercise thereof, the Company shall be entitled to cancel such stock acquisition rights without any consideration therefor.
 - (ii) When a resolution was adopted at the General Shareholders Meeting of the Company to approve the merger agreement pursuant to which the Company is merged, or when a resolution at the General Shareholders Meeting of the Company to approve the stock swap agreement or stock transfer pursuant to which the Company will become a wholly owned subsidiary, the Company shall be entitled to cancel the stock acquisition rights without any consideration therefor.
 - (iii) When the party who is granted the stock acquisition rights waives all or part of such stock acquisition rights, the Company can cancel such stock acquisition rights without any consideration therefor.
 - (iv) In addition to the above, the Company may acquire the stock acquisition rights at any time to cancel them without any consideration therefor.
- (9) Restriction on transfer of the stock acquisition rights
Transfer of stock acquisition rights shall be subject to approval at the meeting of the Board of Directors of the Company.