

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 1-7952

Kyocera Kabushiki Kaisha

(Exact name of Registrant as specified in its charter)

Kyocera Corporation

(Translation of Registrant's name into English)

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

Kyoto, Japan 612-8501

Japan

(Jurisdiction of incorporation or organization)

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

<u>Title of Each Class</u>	<u>Name of Each Exchange On Which Registered</u>
American Depositary Shares ("ADSs")	New York Stock Exchange
Common Stock ("Shares")*	New York Stock Exchange

*Not for trading, but only in connection with the registration of the ADSs.

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of March 31, 2002, 189,041,518 shares of common stock were outstanding, comprised of 184,784,806 Shares and 4,256,712 ADSs (equivalent to 4,256,712 Shares).

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark which financial statement item the Registrant has elected to follow.

Item 17 Item 18 X

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Cautionary Statement Regarding Forward-Looking Statements

This annual report contains “forward-looking statements” within the meaning of Section 21E of the U.S. Securities and Exchange Act of 1934. To the extent that statements in this annual report on Form 20-F do not relate strictly to historical or current facts, they may constitute forward-looking statements. These forward-looking statements are based upon our current assumptions and beliefs in the light of the information currently available to us, but involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause our actual actions or results to differ materially from those discussed in or implied by the forward-looking statements. We undertake no obligation to publicly update any forward-looking statement after the date of this annual report, but investors are advised to consult any further disclosures by us in our subsequent filings pursuant to the U.S. Securities Exchange Act of 1934.

Important risks, uncertainties and other factors that may cause our actual results to differ materially from our expectations are generally set forth in Item 3.D of this annual report and include, without limitation:

- the effect of adverse economic trends in our principal markets—in particular, our dependence for growth on the semiconductor and mobile phone handset components markets and the current prolonged market downturn in each of those markets;
- the effect of foreign exchange fluctuations on our results of operations, particularly between the yen and each of the U.S. dollar and the Euro in which we make significant sales;
- the level of continuing demand for, and timing of sales of, our existing products;
- Kyocera’s ability to launch innovative products and otherwise meet the advancing technical requirements of our customers, particularly in the highly competitive markets for ceramics, semiconductors and electronic components;
- the level of continuing demand for existing products of our competitors and the pricing of those products, and their ability to introduce new products;
- the extent and pace of future growth or contraction in information technology-related markets around the world, including those for communications and personal computers;
- declining prices for our products and services;
- the effect of future acquisitions on our financial condition and results of operations;
- the timing of new product introductions and market acceptance for our new products;
- an increase in the incidence of product returns;

and other risks discussed under “Risk Factors” and elsewhere in this annual report.

As used in this annual report, references to “the Company” are to Kyocera Corporation; and references to “Kyocera”, “we”, “our” and “us” are to Kyocera Corporation and, except as the context otherwise requires, its subsidiaries.

Also, as used in this annual report:

- “U.S. dollar” or “\$” means the lawful currency of the United States of America, “yen” or “¥” means the lawful currency of Japan and “Euro” means the lawful currency of the European Union.
- “U.S. GAAP” means accounting principles generally accepted in the United States of America, and “Japanese GAAP” means accounting principles generally accepted in Japan.
- “ADS” means an America Depositary Share, each representing one share of Kyocera’s common stock, and “ADR” means an American Depositary Receipt evidencing ADSs.
- “fiscal 2002” and “fiscal year 2002” refer to Kyocera’s fiscal year ended March 31, 2002, and other fiscal years are referred to in a corresponding manner.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not Applicable.

Item 2. Offer Statistics and Expected Timetable

Not Applicable.

Item 3. Key Information

A. Selected Financial Data

The information required by this item appears in the Company's 2002 Annual Report to Stockholders on page 14, portions of which have been attached as Exhibit 10.2 to this Form 20-F and are incorporated herein by reference.

Exchange Rate Data

Unless otherwise indicated, we have translated Japanese yen amounts presented in this Form 20-F solely for your convenience. The rate we used for such translations was ¥133.00 = \$1.00, which was the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York on March 31, 2002, rounded to the nearest yen. These translations do not imply that the yen amounts actually represent, or have been or could be converted into, equivalent amounts in U.S. dollars. The following table shows the exchange rates for Japanese yen per \$1.00 based upon the noon buying rate in New York City for cash transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York:

<u>Year ended March 31,</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>Period-end</u>
1998	¥ 133.99	¥ 111.42	¥ 123.58	¥ 133.29
1999	147.14	108.83	128.49	118.43
2000	124.45	101.53	110.67	102.73
2001	125.54	104.19	110.96	125.54
2002	134.77	115.89	125.05	132.70
<u>Calendar Year 2002</u>				
March	133.46	127.07	131.06	132.70
April	133.40	128.13	130.77	128.45
May	128.66	123.08	126.38	124.13
June	125.64	119.38	123.29	119.85
July	120.19	115.71	117.90	119.77
August	121.14	116.53	118.99	118.76

The noon buying rate for Japanese yen on September 16, 2002 was \$1.00 = ¥122.17

The following is a five-year summary of dividends declared per share stated in Japanese yen and U.S. dollars based on the exchange rates at each respective payment date.

Year ended March 31,	Yen	Dollar
1998	60.00	0.44
1999	60.00	0.50
2000	60.00	0.57
2001	60.00	0.51
2002	60.00	0.49

B. Capitalization and Indebtedness

Not Applicable.

C. Reasons for the Offer and Use of Proceeds

Not Applicable.

D. Risk Factors

You should carefully read the risks described below before making an investment decision.

Weakness in the Japanese and global economy may significantly reduce demand for our products

The Japanese economy has experienced a prolonged recession since the early 1990s, which has grown increasingly serious. Price levels on the Tokyo Stock Exchange have declined to levels of over 15 years ago. The banking system is reported to be in serious difficulty, which may result in tightening of credit. In addition, the global economy has taken a downturn since the fourth quarter of calendar year 2000. These recessionary conditions have resulted in sluggish consumer spending and weakened corporate capital expenditures on a variety of products, including many of the products sold by the secondary manufacturers which are our primary customers. This has caused these manufacturers to cut production. The markets for semiconductors and components for mobile phone handsets and PC-related equipment, on which we are substantially dependent for our growth, have been particularly hard hit since calendar year of 2001. This slow demand in IT-related markets adversely affected sales volumes and prices of components. The Japanese and U.S. economies will not show a strong recovery through fiscal 2003.

In each of our businesses we are subject to intense competitive pressures, including in terms of price, technological change, product development, quality and speed of delivery. Selling a diverse variety of products, we are subject to a variety of competitive pressures and these pressures are likely to increase in the near term

We sell a wide variety of products and therefore face a broad range of competitors from large international companies to relatively small, rapidly growing, and highly specialized organizations. We have a variety of businesses in different industries while many of our competitors specialize in one or more of these business areas. As a result, we may not fund or invest in certain of our businesses to the same degree as our competitors and these competitors may have greater financial, technical, and marketing resources available to them than the portion of our business against which they compete. While some of the factors that drive competition vary by product area, price and speed of delivery are factors in all areas of our business. While price pressures

always exist, in the coming fiscal year, we expect prices to decline continuously but to a lesser degree than in fiscal 2002, in which the average price of components sharply declined. This trend has been particularly evident in the telecommunications and information processing markets, which contributed approximately 82% of our sales revenues in fiscal 2002.

In production areas in which we produce specialized parts for our customers' consumer products, our competitive position depends on being involved early in the process of creating a new product. This requires maintaining close ties with customers so that we can ensure that we are able to meet required specifications and be the first to create and deliver the product.

Our gross margins may be reduced if we cannot maintain these important relationships or market share or if we are forced in the future to further reduce prices in response to the actions of our competitors as in fiscal 2002.

Our products are difficult to manufacture and small manufacturing defects can adversely affect our production yields and our operating results

The manufacture of the majority of our products is a highly complex and precise process. We ordinarily outsource the fabrication of certain components and sub-assemblies of our products, often to sole source suppliers or a limited number of suppliers. We have experienced occasional delays in obtaining components and subassemblies because the manufacturing process for these items is very complex and requires a long lead time. The revenues derived from sales of our products will be materially and adversely affected if we are unable to obtain a high quality, reliable and timely supply of these components and subassemblies. In addition, any reduction in the precision of these components will result in sub-standard end products and will cause delays and interruptions in our production cycle.

Within our manufacturing facilities minute impurities, difficulties in the production process, defects in the layering of the devices' constituent compounds or other factors can cause a substantial percentage of our products to be rejected or non-functional. These factors can result in lower than expected production yields, which would delay product shipments and may materially and adversely affect operating results. Because the majority of our costs of manufacture are relatively fixed, the number of shippable products for a given product line is critical to our financial results.

Since a large percentage of our revenues are from foreign sales, certain export risks may disproportionately affect our revenues

Sales to customers located outside Japan accounted for 60.5% of our revenues in fiscal 2002. We believe that international sales will continue to account for a significant percentage of our revenues. Therefore, the following export risks may disproportionately affect our revenues:

- a strong yen may make our products less attractive to foreign purchasers;
- political and economic instability may inhibit export of our products and limit potential customers' access to capital resources;
- we may experience difficulties in the timeliness of collection of foreign accounts receivable and be forced to write off receivables from foreign customers;
- tariffs and other barriers may make our products less cost competitive;

- shipping costs of our products may increase;
- we may have difficulty in staffing and managing our international operations; and
- the laws of certain foreign countries may not adequately protect our trade secrets and intellectual property.

Sudden or unexpected changes in economic, political and legal conditions in China, in which we are becoming increasingly active, may have an adverse effect on our business

Based on our expectation that the Chinese markets for cellular telephones and information technology-related products, including personal computers and printers, will continue to grow rapidly, we have been making substantial investments in new production facilities in China. We now have three principal production facilities in Shanghai, Dongguan and Guiyang, and we plan to make substantial additional investments to increase production capacity at these sites and to increase our marketing and distribution capabilities in China. Although the Chinese economy has been growing at a rapid rate in recent years, and the central government has been increasingly utilizing market forces as opposed to central economic planning, growth has been uneven among various regions of the country and among various sectors of the economy. Sudden or unexpected changes in the central government's economic policy or in the business climate including those due to changes in political and economic systems in various parts of the country may adversely affect its telecommunication and information technology-related markets, in which we seek to sell our products. In addition, China is in the process of developing a comprehensive system of laws and regulations dealing with economic matters, and foreign businesses currently active in the country, such as Kyocera, face risks and uncertainties including enforcement of contractual terms, administrative intrusion by local governments and difficulty with expatriation of profits.

Currency exchange rate fluctuations could adversely affect our financial results

We conduct business in countries outside of Japan which exposes us to fluctuations in foreign currency exchange rates. For example, when we sell products to our sales subsidiaries overseas, we receive payment in foreign currency and generally collect within 90 days. We may enter into short-term forward exchange or option contracts to hedge this risk according to our outlook on future exchange rates; nevertheless, fluctuations in foreign currency exchange rates could have an adverse effect on our business. Fluctuations in foreign currency exchange rates may affect our results of operations and the value of our foreign assets, which in turn may adversely affect reported earnings and the comparability of period-to-period results of operations. Changes in currency exchange rates may affect the relative prices at which we and foreign competitors sell products in the same market. In addition, changes in the value of the relevant currencies may affect the cost of imported items required in our operations.

Industry demand for skilled employees, particularly scientific and technical personnel, exceeds the number of personnel available

Our future success depends, in part, on our ability to attract and retain certain key personnel, including scientific, operational and management personnel. We anticipate that we will need to hire additional skilled personnel in all areas of our business. The competition for attracting and retaining these employees, especially scientists, is intense. Because of this intense competition for these skilled employees, we may be unable to retain our existing personnel or attract additional qualified employees in the future. If we are unable to retain skilled employees and attract

additional qualified employees to keep up with our expansion, our business, financial condition and results of operations will be materially and adversely affected.

Insufficient protection of our trade secrets and patents could have a significant adverse impact on our competitive position

Our success and competitive position depend on protecting our trade secrets and other intellectual property. Our strategy is to rely both on trade secrets and patents to protect our manufacturing and sales processes and products, but reliance on trade secrets is only an effective business practice insofar as trade secrets remain undisclosed and a proprietary product or process is not reverse engineered or independently developed. We take certain measures to protect our trade secrets, including executing non-disclosure agreements with our employees, joint venture partners, customers and suppliers. If parties breach these agreements or the measures we take are not properly implemented, we may not have an adequate remedy. Disclosure of our trade secrets or reverse engineering of our proprietary products, processes or devices could materially and adversely affect our business, financial condition and results of operations.

We are actively pursuing patents on some of our recent inventions, but these patents may not be issued. Even if these patents are issued, they may be challenged, invalidated or circumvented. In addition, the laws of certain other countries may not protect our intellectual property to the same extent as Japanese laws.

We may require licenses to continue to manufacture and sell certain of our products, the expense of which may adversely affect our results of operations

From time to time we have received, and may receive in the future, notice of claims of infringement of other parties' proprietary rights and licensing offers to commercialize third party patent rights. Although we are not currently involved in any litigations relating to our intellectual property except in the ordinary course of our business, we cannot assure that:

- infringement claims (or claims for indemnification resulting from infringement claims) will not be asserted against us,
- future assertions will not result in an injunction against the sale of infringing products or otherwise significantly impair our business and results of operations; or
- we will not be required to obtain licenses, the expense of which may adversely affect our results of operations.

Future initiatives and in-process research and development may not produce the desired results

We intend to expand our product lines to satisfy customer demand in our target markets. Unexpected technical delays in completing these initiatives could lengthen development schedules and result in lower revenues based on the products or technologies developed from these initiatives. There can be no assurance that the products derived from our in-process research and development activities will achieve market acceptance.

We may have to incur impairment losses on our investments in equity securities of companies not affiliated with us for business relationship purposes

We hold investments in equity securities of companies not affiliated with us, which we hold on a long-term basis for business relationship purposes. A substantial portion of these investments consists of shares of common stock of public companies in Japan, including Japanese banks and other financial institutions. We hold 13.5% of the outstanding shares of KDDI Corporation, a telecommunication services provider in Japan. As of March 31, 2002, the aggregate fair value of equity securities included in available-for-sale securities was ¥216,100 million (\$1,624,812 thousand), with gross unrealized gains in the amount of ¥6,163 million (\$46,338 thousand) and gross unrealized losses in the amount of ¥52,102 million (\$391,744 thousand). If there is a decline in the fair value, *i.e.*, the market price, of the shares we hold in those companies over a period of time, and we determine that the decline is other than temporary under the guidance of Statement of Financial Accounting Standards (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities", we will need to record an impairment loss for the applicable fiscal period. During fiscal 2002, we recorded losses on devaluation of investment securities in the amount of ¥5,771 million (\$43,391 thousand), mainly due to a substantial fall in the market value of Japanese bank shares we hold. For some of these equity securities, including the KDDI shares we own, we intend to keep our ownership at the current level in light of the importance of our business relationships with the issuers of these equity securities. For other equity securities in our portfolio, although we intend to dispose of them over time, market conditions may not permit us to do so at the time, speed or price we may wish.

As a holder of ADSs, you will have fewer rights than a shareholder has and you will have to act through the depositary to exercise those rights

The rights of shareholders under Japanese law to take actions including voting their shares, receiving dividends and distributions, bringing derivative actions, examining a company's accounting books and records and exercising appraisal rights are available only to holders of record. Because the depositary, through its custodian agents, is the record holder of the Shares underlying the ADSs, only the depositary can exercise those rights in connection with the deposited Shares. The depositary will make efforts to vote the Shares underlying your ADSs as instructed by you and will pay to you the dividends and distributions collected from the Company. However, in your capacity as an ADS holder, you will not be able to bring a derivative action, examine the accounting books and records of the Company or exercise appraisal rights through the depositary.

Rights of shareholders under Japanese law may be more limited than under the law of other jurisdictions

Our Articles of Incorporation, Regulations of the Board of Directors, Regulations of the Board of Corporate Auditors and the Japanese Commercial Code govern our corporate affairs. Legal principles relating to such matters as the validity of corporate procedures, directors' and officers' fiduciary duties and shareholders' rights may be different from those that would apply if we were a U.S. company. Shareholders' rights under Japanese law may not be as extensive as shareholders' rights under the law of the United States. You may have more difficulty in asserting your rights as a shareholder than you would as a shareholder of a U.S. corporation. In addition, Japanese courts may not be willing to enforce liabilities against us in actions brought in Japan which are based upon the securities laws of the United States or any U.S. state.

Item 4. Information on the Company

A. History and Development of the Company

The Company is a joint stock corporation that was incorporated under the laws of Japan in 1959 with the name Kyoto Ceramic Kabushiki Kaisha. The name of the Company was changed to Kyocera Kabushiki Kaisha (or Kyocera Corporation) in 1982. Our corporate headquarters is at 6 Takeda Tobadono-cho, Fushimi-ku, Kyoto 612-8501, Japan. Our telephone number is +81-75-604-3500.

Our business originally consisted of the manufacture of ceramic parts for electronic equipment. In the 1960's, we moved into the design and production of fine ceramic parts, ceramic integrated circuit ("IC") packages, and electronic components. In the 1970s, we began to produce ceramic cutting tools, ceramics for medical and dental uses, recrystallized jewelry and solar energy products.

In the 1980's we diversified into new strategic fields. In 1982, we merged with Cybernet Electronics Corporation, a communications equipment maker in which we had made an equity investment three years earlier. We expanded into another new business field through the acquisition of Yashica Co., Ltd., a camera and camera lens manufacturer, and played a leading role in the establishment of DDI Corporation (now KDDI Corporation ("KDDI")), which has become one of Japan's leading providers of telecommunications services. In 1989, we gained a presence in the electronic connector market through our acquisition of Elco Corporation.

In the 1990's, we strengthened our position as an internationally integrated electronic components manufacturer with our 1990 acquisition of AVX Corporation ("AVX"), a maker of capacitors and other passive electronic components.

In 2000, we further enhanced our position as a market leader in telecommunications and information equipment. In February 2000, we acquired the consumer code division multiple access (CDMA) mobile phone handset business of QUALCOMM Inc. to create our United States subsidiary Kyocera Wireless Corp ("KWC"). In April 2000, we invested ¥12,000 million in Kyocera Mita Corporation ("KMC"), a manufacturer of copiers and other document imaging equipment, to transform it into a wholly-owned subsidiary and we merged our ECOSYS printer operations into KMC in October 2000 to create a single document solutions business. Following approval by the Osaka District Court on March 5, 2002, Kyocera Mita Corporation implemented its ten years rehabilitation plan seven years ahead of schedule. This enabled the integration of Kyocera's remaining printer business and the merger of Kyocera Mita Hirakata, which produces information equipment, into the Kyocera Mita Corporation, in order to further enhance management of our document solutions business by creating a unified business structure.

With the aim of becoming a truly global enterprise, we have been expanding production at Chinese manufacturing bases and making inroads into the local Chinese market. In December 2001, to become a leader in the CDMA-protocol mobile handset market in China, we established a local joint venture, Kyocera Zhenhua Communication Equipment Co., Ltd ("KZC"), in Guiyang, China, for the development, manufacture, sale and after-sales servicing of telecommunications equipment. KZC commenced production of CDMA handsets for the Chinese market in January 2002. In September 2001, we also completed a facility at Shilong, Dongguan, Guangdong, China mainly for the production of information equipment and optical instruments.

Restructuring initiatives at overseas subsidiaries included reorganization of operating bases, personnel reductions and inventory write-down. Additional moves included personnel rearrangements designed to optimize the efficiency of the Company's manufacturing bases in Japan as well as ongoing efforts to expand production in China.

B. Business Overview

Overview

We are engaged in numerous high-tech fields, including electronics, telecommunications, metal processing, automotive components, medical and dental implants, solar energy and IT solutions, services and networks. Our manufacturing and distribution operations are conducted worldwide. We currently have 128 subsidiaries and 11 affiliates outside Japan and 23 subsidiaries and seven affiliates in Japan. Our customers include individuals, corporations, governments and governmental agencies. For information on our sales by category of activity, see "Results of Operations" under Item 5.A. of this Form 20-F. For information on our sales by geographic area and product segment, see "Sales and Distribution".

Business Strategy

Kyocera's business strategy aims to promote "high-value-added diversification" to be a creative company that continues to grow. To achieve this goal, we seek to expand sales and enhance profitability of our Equipment Group and to enhance profitability of our Components Group (Fine Ceramics Group and Electronic Device Group) through structural reforms. In the Equipment Group, we seek to expand our telecommunications equipment business to achieve market leadership in business fields such as the development, manufacture, sale and after-sale servicing of CDMA handset and personal handyphone system (PHS)-related equipment, in addition to developing a highly profitable document solutions business. In the Components Group, we seek to reform our production structure, strengthen new product development and improve AVX's business performance. In addition, we seek to expand production and develop new markets in China, including for automotive, digital consumer electronics and solar energy products.

In order to achieve our growth, we are now focusing on businesses that support telecommunications and information processing, environmental protection and the quality of life areas. Approximately 82% of our revenue for fiscal 2002 was derived from products related to telecommunications and information-processing. These range from end-user offerings, such as wireless phones and office machines, to network products, such as electronic and fiber-optic components, semiconductor parts and wireless local loop ("WLL") systems.

Our material technologies have great potential in environmental protection. Advanced crystal-processing expertise has made us a leading producer of solar cells and solar electric generation systems. Our pollution-reducing ceramic engine parts, film-less digital cameras and cartridge-free page printers further reflect our commitment to the environment and the well-being of future generations.

To enhance the quality of life, we have developed electronic and structural components for the medical industry. As the average life expectancy increases, we are striving to improve the quality of life through the manufacture of products such as BIOCERAM medical and dental implants, recrystallized gemstones, high-quality cameras, Internet-capable wireless handsets, and even telecommunications and multimedia services.

In the years to come, we will pursue growth using our abundant internal resources in materials, components, equipment, IT solutions, services and networks. Through ongoing, customer-oriented research and development, we will seek to create new technologies, products, and markets that contribute to the advancement of society and mankind.

Operations

Our business is highly diversified. For the purpose of reporting, our operations are now classified into four operating segments: (1) Fine Ceramics Group, (2) Electronic Device Group, (3) Equipment Group and (4) Others.

Our principal products and services offered in each segment are shown below.

(1) Fine Ceramics Group

Surface Mount Device (“SMD”) Packages, Optical Communications Packages, Microprocessor Unit (“MPU”) Packages, Parts for Semiconductor/Liquid Crystal Display (“LCD”) Fabrication Equipment, Gas Turbine Parts, Exhaust Gas Purification Components, Solar Photovoltaic Cells and Modules, Solar Power Generation Systems, Cutting Tools, BIOCERAM Orthopedic Implants, BIOCERAM Dental Implants, Applied Ceramic Products.

(2) Electronic Device Group

Capacitors, Timing Devices, High-Frequency Modules, Connectors, Thermal Printheads, LCDs, Amorphous Silicon Drums.

(3) Equipment Group

Code Division Multiple Access (“CDMA”) Handsets, Personal Digital Communication (“PDC”) Handsets, Personal Handyphone System (“PHS”) Handsets, PHS Base Stations, Wireless Local Loop (“WLL”) Systems, ECOSYS Cartridge-Free Printers, Digital Copiers, Single-Lens Reflex (“SLR”) Cameras, Digital Cameras, Compact Cameras, Interchangeable Camera Lenses.

(4) Others

Telecommunications Engineering, Network Systems, IT Solutions Services, Financial Services such as Leasing and Credit Financing.

(a) Fine Ceramics Group

i. Fine ceramic parts:

Products in this sub-category are widely used in the computing, communications, automotive and industrial sectors. These products are made from a variety of ceramic materials, such as silicon carbide, silicon nitrides and zircon, as well as alumina, utilizing their characteristics of heat, corrosion and wear resistance.

This product sub-category includes: alumina substrates which are thin ceramic bases used by manufacturers for hybrid integrated circuit (“IC”) foundations, thermal printheads and resistors; slide pads for computer disk memories; ceramic parts for fiber-optic communications equipment; parts for semiconductor fabrication equipment; mechanical

seals for pumps; engine components for the automobile industry; friction discs and thread guides for yarn texturing machines in the textile industry; rings for fishing rods; nozzles; and parts for paper-making machinery.

We are developing a new line of ceramic components for use in the semiconductor, precision processing and optical fiber communication industries. We are also planning to introduce spacers and ceramic substrates for the magnetic-resistive (“MR”) heads used in hard disk drives.

We are also conducting substantial research and development in this area. In addition to creating components for semiconductor fabrication equipment and other fields of industrial manufacturing, we are developing components to reduce environmentally hazardous emissions from waste incineration facilities. We are also planning to develop ceramic products for use in intelligent transportation systems.

ii. Semiconductor parts:

This product sub-category mostly comprises ceramic IC packages and ceramic packages for other semiconductor products and for electronic components. Ceramic packages have the characteristics of being air and water tight and corrosion resistant and also have the ability to dissipate heat efficiently; in addition, they have a superior capacity for use in high frequency and embedded passive components.

The most common types of the ceramic IC packages we make are primarily multilayer packages, including pin grid arrays and SMD packages. We also mass-produce metallized products for telecommunication related devices. Pin grid arrays are sold to manufacturers of MPUs and of other logic ICs, which are principally inserted into information equipment and peripherals. SMD packages are used for surface acoustic wave (“SAW”) filters and oscillators, which are mostly inserted into cellular handsets. We established a new facility in Shanghai, China in November 2000, which expanded our production capacity of SMD packages.

We supplement our semiconductor parts production with a range of plastic packages.

iii. Consumer-related products:

The principal products in this sub-category are ceramic cutting tools, recrystallized jewelry, solar energy products, dental and orthopedic implants, and applied ceramic products.

Ceramic cutting tools are used for metal processing in industrial production. In January 2001 we acquired Tycom Corporation (renamed to Kyocera Tycom Corporation), a major U.S. manufacturer of carbide cutting tools for the PCB industry with the largest share of the North American market and the second largest share globally. We are pursuing synergy between its global manufacturing and sales facilities and our cutting tools business and aim to become a leader in this market.

Recrystallized jewelry comprises mainly synthetic emeralds, alexandrines and rubies which, as manufactured using the single crystal growth technology developed by us, are chemically and physically equivalent to natural stones. In December 2001 we received the rights to merchandise Sarah Jordan accessories in Japan and intend to increase our involvement in the retail jewelry business through our new Lil Lili brand of accessories

and retail outlets, which we introduced in January 2002, and the expansion of our Crescent Vert brand of accessories, for which we opened a new retail outlet in fiscal 2002. Additionally in fiscal 2002, we were to our knowledge the first in the world to artificially develop Fire Opal, naturally produced primarily in Mexico, which we began selling through our Crescent Vert boutiques in November 2001.

In the implant segment, we are focusing on our BIOCERAM product lines and plan to introduce new products with a wide range of orthopedic and dental applications, including artificial knee joint replacement systems, ceramic materials to help heal hip fractures and a system for setting dentures magnetically in ceramic-based dental implants.

We manufacture two types of solar energy products: a solar photovoltaic cell system for generating electricity and a solar energy accumulating system used for heating water in residential home, and public facilities. In August 1999, we acquired Golden Genesis Company, a leading U.S. solar energy systems distributor for ¥5,812 million, which led to the creation of Kyocera Solar, Inc., a new wholly-owned subsidiary. We plan to expand our solar cell production capacity and continue to expand our sales of photovoltaic solar power generating systems for individual homes in the Japanese market.

In this segment, we focus our research and development on solar energy products and cutting tools. With regard to solar energy products, we endeavor to enhance the energy conversion efficiency of solar photovoltaic cells and modules. With regard to cutting tools, we are developing products for application in high technology industries such as PCB drills as well as in automotive manufacturing.

(b) Electronic Device Group

Our Electronic Device Group focuses on electronic components and devices for telecommunications and computing equipment. These fields create demand for miniature timing devices, such as temperature-compensated crystal oscillators (“TCXOs”), voltage-controlled oscillators (“VCOs”), miniature ceramic capacitors with high capacitance, tantalum capacitors, color LCDs, and high-frequency modules. Today’s wireless phones, for example, utilize all of these essential, high-value-added components. However, while we expect continuing demand in these fields, we are currently coming under considerable downward price pressure in the Electronic Device Group. It has been our experience that component prices in the high technology components area tend to decline each year. Component prices for mobile phones are particularly affected by this price decline.

Timing devices, chip capacitors, thin-film devices, such as thermal printheads, amorphous silicon drums and LCDs, TCXOs, VCOs, high-frequency modules and electronic connectors are the principal products in this group. We believe that we are one of the leading suppliers of TCXOs on a worldwide basis.

While chip capacitors are commonly used in electronic equipment, thin-film devices can be found generally in office automation (“OA”) equipment and TCXOs and VCOs are mostly found in telecommunications equipment.

In 1995, we established a subsidiary in Shanghai, China to manufacture and sell ceramic capacitors and other electronic components in this fast-growing market. We are continuing to expand our offshore production of electronic device, both to improve earnings and to raise price competitiveness. As part of this strategy, in fiscal 2002 we

commenced full-scale production of timing devices in Shanghai, in addition to production of ceramic capacitors commenced there in January 2001, to supply future demand for electronic components used in telecommunications and information equipment.

U.S.-based AVX, which manufactures ceramic and tantalum capacitors for telecommunications and computing equipment, is an important part of our strategy in the Electronic Device Group. With its global manufacturing and sales network, AVX is a major contributor to our sales worldwide.

(c) Equipment Group

i. Telecommunications equipment:

This product sub-category includes cellular telephones and PHS related products such as handsets and public relay stations. These products are produced mainly for KDDI and KDDI's subsidiaries, as well as for other Asian and U.S. telecommunications companies. KDDI is a telecommunications service company which we established in 1984 as an affiliated company when the telecommunications business, which had previously been monopolized by a national telephone company, was opened to private companies. KDDI is engaged in providing long distance and international telephone services, cellular service, and PHS services through subsidiaries.

One of our major areas in the telecommunications equipment segment is cellular handsets. We plan to become a leading producer of CDMA handsets. This technology has become one of the fastest growing mobile phone protocols. In February 2000, we acquired the consumer CDMA mobile phone handset business of QUALCOMM Inc. for ¥23,225 million to create our United States subsidiary KWC. In a separate related transaction in June 2000, KWC acquired additional assets for ¥3,158 million. To date we have been focusing on improving the profitability of KWC and have made strides toward this goal. In addition to KWC, our principal manufacturing, sales and development bases also include SK Teletch Co., Ltd., our joint venture with SK Telecom in South Korea; and Kyocera Corporation in Japan, which collaborates closely with KDDI. In addition to these three production companies, in December 2001, we established another local joint venture in Guiyang, China, called Kyocera Zhenhua Communication Equipment, Co., Ltd., for the development, manufacture, sale and after-sales servicing of telecommunications equipment. This joint venture commenced production of CDMA-protocol mobile phone handsets for the Chinese market in January 2002.

ii. Information Equipment:

The major products in this sub-category comprise page printers marketed under the name "ECOSYS", which are based on cartridge-free technology.

In April 2000, KMC, which manufactures photocopiers and printers, joined the Kyocera Group and became one of our wholly-owned subsidiaries. The Company's ECOSYS printer unit has now been merged into KMC, enabling us to build a unified presence in the document solutions business. Further synergy has resulted from the merger of our respective printer and copier sales operations. In addition, we are reducing costs by consolidating development and manufacturing facilities, both in Japan and overseas, and by building copiers and printers on common engines and components. We have also strengthened our product lines. In July 2001 KMC introduced the ECOSYS FS-1000+, a new, economical, 10 page-per-minute model designed primarily for the medium-speed,

economy business printer market. The new series has already experienced steady sales growth domestically and overseas in the second half of fiscal 2002. In fiscal 2002 we also introduced domestically and in the U.S. and Europe new color printers and color copiers that use the same engine. To bolster price competitiveness, we commenced full-scale production of printers and copiers in a new, integrated manufacturing facility in China in December 2001. In January 2002, to accelerate the continued expansion of its document solutions business, Kyocera resolved to spin off its printer business at the parent company and merge this business into KMC, along with the merger of Kyocera Mita Hirakata Corporation, which produces information equipment into KMC. KMC paid all of the debt under its court-approved rehabilitation plan in February 2002. The rehabilitation period was shortened by approximately seven years from its original length of ten years and KMC officially implemented the plan on March 5, 2002, when it received approval by the Osaka District Court. Following this, the actual operational transfer of the printer business and merger of Kyocera Mita Hirakata Corporation took effect on April 1, 2002.

iii. Optical instruments:

The major products in this sub-category consist of compact cameras, SLR cameras and lenses, digital cameras and advanced photo system (“APS”) cameras. These products are sold under the brand names “Kyocera” in Japan and “Yashica” overseas, while our “CONTAX” brand high-end cameras are sold worldwide.

In fiscal 2002, we introduced a miniature, lightweight digital camera with image resolution exceeding three million pixels. We have also begun expanding into a new market niche with digital camera attachments for cellular and PHS phones, which enable the user to transmit digital images. We are reorganizing our digital camera development and production facilities to reduce costs and raise margins through local production in China. At our new Dongguan Shilong plant, we began production of optical instruments through our joint venture, Dongguan Shilong Kyocera Optics Co., Ltd. and parts for optical lenses through our subsidiary, Kyocera Optec Corporation in the second quarter of fiscal 2002.

(d) Others

This segment includes revenues from telecommunication network systems and financial services such as leasing and credit financing, office renting and other services in Japan and Asia.

Kyocera Leasing Co., Ltd. (“KLC”), a wholly-owned subsidiary in Japan, is principally involved in providing credit financing services and commercial leasing services for copiers, printers and other equipment. It therefore supports the expansion of our Equipment Group.

Kyocera Communication Systems Co., Ltd. (“KCCS”), a Japanese subsidiary, is involved in the IT solutions business by providing Internet data center services, which is a rapidly expanding business segment of the telecommunications and information processing market. KCCS also offers network system and telecommunication engineering services, such as constructing mobile communications network base stations.

KCCS opened an Internet data center in conjunction with KDDI in October 1999. The center offers an e-commerce platform with a comprehensive package of services specifically designed for users of mobile phones, Personal Digital Assistants (“PDAs”)

and PCs. The center provides all necessary functions to facilitate business transactions over the Internet, including content distribution, certification and payment. In addition to commerce, the center will offer a number of diverse business-to-consumer services (“B2C”), ranging from downloadable mobile-phone “ring” melodies to the distribution of digital character icons from popular video games. In order to expand the center’s revenue and profit, KCCS is developing business-to-business (“B2B”) and Application Service Provider (“ASP”) services as well.

Effective August 1, 2002, we acquired through a share exchange 100% of the shares of Toshiba Chemical Corporation, which was listed on the Second Section of the Tokyo Stock Exchange prior to the acquisition. We issued 990,990 shares of common stock to the former shareholders of Toshiba Chemical in connection with this share exchange. Toshiba Chemical, which changed its name to Kyocera Chemical Corporation, is a manufacturer of various electronic parts and materials, electric insulators, synthetic resin molded parts and molding dies and machinery with net sales of ¥30,960 million and net income of ¥(11,334) million in the year ended March 31, 2002, according to consolidated financial statements prepared in accordance with Japanese GAAP filed publicly in Japan by Toshiba Chemical.

Sales and Distribution

Our products are marketed worldwide by our own sales personnel, as well as through independent manufacturers’ representatives who are compensated solely on a commission basis and by independent distributors. We have regional sales and design application personnel in strategic locations to provide technical and sales support for independent manufacturers’ representatives and independent distributors. We believe that this combination of distribution channels provides a high level of market penetration and efficient coverage of our customers on a cost-effective basis.

Most of our sales of fine ceramic components and electronic devices worldwide are made directly to manufacturers who incorporate them into their own products. However, end products manufactured by us, such as ceramic cutting tools, recrystallized jewelry, solar energy products and various other consumer related goods, tend to be sold to distributors and wholesalers. Jewelry sales are made through 11 direct sales shops in Japan. Sales of consumer solar energy products are made through two direct sales shops opened in calendar year 2002, as well as through sales distributors. Dental and orthopedic implants are supplied in some cases directly to dentists and hospitals. Our domestic sales of telecommunications equipment comprise sales mainly to KDDI group. Most of our page printer and copier sales, both in the domestic market and abroad, are made under our own brand name through distributors and wholesalers. Sales of optical instruments are made mainly to retail shops in Japan and overseas and, to a lesser extent, distributors abroad. Finance revenues are generated from services provided to companies within and outside our group in Japan. Office renting and other services are mainly provided to companies outside our group in Asia. Our telecommunication network systems and services support mobile and PHS carriers through the installation and maintenance of base stations and optical fiber networks.

Domestic sales are made in yen, while overseas sales are made in a variety of currencies, but predominantly in U.S. dollars and Euro. During the year ended March 31, 2002, our sales to KDDI group amounted to ¥105,018 million (\$789,609 thousand) and exceeded slightly 10% of Kyocera’s net sales. In the year ended March 31, 2001, there was no single customer to which sales exceeded 10% of our net sales.

The following table shows a breakdown of our total consolidated net sales for each of the last three years, distinguishing between domestic and overseas sales and, in respect of overseas sales, showing the geographical areas in which such sales were made:

Years ended March 31,				
(Yen in millions and U.S. dollars in thousands)				
	2000	2001	2002	2002
Japan	¥ 400,247	¥ 490,923	¥ 408,561	\$ 3,071,887
United States	148,927	348,109	289,517	2,176,820
Asia	131,650	217,456	148,349	1,115,406
Europe	108,342	163,487	141,493	1,063,857
Others	23,460	65,078	46,654	350,782
Total	<u>¥ 812,626</u>	<u>¥ 1,285,053</u>	<u>¥ 1,034,574</u>	<u>\$ 7,778,752</u>

Note: * Translated into U.S. dollars at the rate of ¥133.00=\$1, the rate prevailing on March 31, 2002.

In the above table, the amounts shown under each geographical area reflect sales made by us to our customers there.

The following table shows a breakdown of net sales and operating profit during the past three fiscal years for our four operating segments: Fine Ceramics Group, Electronic Device Group, Equipment Group and Others.

Years ended March 31								
(Yen in millions and U.S. dollars in thousands)								
	2000		2001		2002		2002⁽¹⁾	
	¥	%	¥	%	¥	%	\$	%
Net sales:								
Fine ceramics group	270,960	33.3	363,026	28.3	252,879	24.5	1,901,346	24.5
Electronic device group	267,907	33.0	392,700	30.6	234,938	22.7	1,766,451	22.7
Equipment group	215,105	26.5	467,362	36.3	478,293	46.2	3,596,188	46.2
Others	70,101	8.6	79,790	6.2	86,116	8.3	647,489	8.3
Adjustments and eliminations	(11,447)	(1.4)	(17,825)	(1.4)	(17,652)	(1.7)	(132,722)	(1.7)
	<u>812,626</u>	<u>100.0</u>	<u>1,285,053</u>	<u>100.0</u>	<u>1,034,574</u>	<u>100.0</u>	<u>7,778,752</u>	<u>100.0</u>
Operating profit ⁽²⁾ :								
Fine ceramics group	43,309	16.0	90,603	25.0	22,582	8.9	169,789	8.9
Electronic device group	41,067	15.3	128,047	32.6	6,216	2.6	46,737	2.6
Equipment group	16,143	7.5	28,907	6.2	26,013	5.4	195,586	5.4
Others	(4,197)	(6.0)	2,826	3.5	1,549	1.8	11,647	1.8
	<u>96,322</u>	<u>11.9</u>	<u>250,383</u>	<u>19.5</u>	<u>56,360</u>	<u>5.4</u>	<u>423,759</u>	<u>5.4</u>
Other ⁽³⁾ :								
Corporate	(19,170)	(2.4)	(25,243)	(2.0)	(2,508)	(0.2)	(18,857)	(0.2)
Equity in earnings (losses) of affiliates and unconsolidated subsidiaries	(6,980)	(0.9)	2,209	0.2	1,559	0.2	11,722	0.2
Gains on stock issuance of an affiliate	-	-	174,076	13.5	-	-	-	-
Gain on sale of investment in a subsidiary	28,175	3.5	-	-	-	-	-	-
Amortization of additional investment in excess of net assets of a subsidiary	-	-	-	-	-	-	-	-
Adjustments and eliminations	(879)	(0.1)	(1,203)	(0.1)	(13)	(0.0)	(98)	(0.0)
Income before income taxes	<u>97,468</u>	<u>12.0</u>	<u>400,222</u>	<u>31.1</u>	<u>55,398</u>	<u>5.4</u>	<u>416,526</u>	<u>5.4</u>

Note: (1) Translated into U.S. dollars at the rate of ¥133.00=\$1, the rate prevailing on March 31, 2002.

(2) Percentage amounts in this table refer to percentage of net sales for the corresponding segment.

(3) Percentage amounts in this table refer to percentage of net sales.

Sources and Availability of Raw Materials and Supplies

We purchase a variety of raw materials. The principal ones in terms of volume are alumina (a mineral substance produced from bauxite and from which aluminum is made), zircon, and magnesia and are each subject to price volatility. On a cost basis, gold, which is primarily used in

the production process for IC packages and is also subject to price volatility, is the most significant raw material. Our policy is to protect ourselves from fluctuations in the price of gold by keeping a small gold inventory and by pricing products generally on a “gold adder” system so that customers pay for the gold contained in semiconductor parts at a rate which approximates our cost.

Our main supplies are ICs for use in the production of thin-film devices, electronic equipment, and optical instruments. We typically receive our supply of ICs from several large companies which we feel are reliable sources. We also purchase lead frames for semiconductor parts from a diverse group of both large and small companies.

No single supplier accounted for a significant amount of our consolidated purchases of raw materials and supplies during the year ended March 31, 2002. We have not generally experienced, and we do not anticipate, any difficulty in obtaining raw materials, supplies, or fuel requirements.

Patents and Licenses

Our success and competitive position depend on a number of significant patents, licenses and trade secrets relating to our manufacturing and sales processes and products. The following table sets forth information, as of March 31, 2002, with respect to our significant patents and license agreements. Under all of the following agreements, we are permitted to produce products using the licensed technology and we pay a fee to the counter party based on the amount of sales of those products.

Counter Party	Country	Contents	Period
Hitachi, Ltd.	Japan	License under patents regarding liquid crystal display elements	From April 1, 1993 to March 31, 2004
Philips Electronics N.V.	The Netherlands	License under patents regarding optical disk system	From June 28, 1993 to patent expiration
Semiconductor Energy Laboratory Co., Ltd.	Japan	License under patents regarding amorphous silicon drums and devices using such drums	From February 15, 1994 to patent expiration
International Business Machines Corporation	United States	<ul style="list-style-type: none"> • License under patents regarding ceramic products, electric/electronic parts and components • License under patents regarding information processing systems 	From June 30, 1995 to patent expiration
Qualcomm Incorporated	United States	License under patents regarding cellular phones using CDMA technology	From August 31, 1996 to patent expiration
Solar Physics Corporation	United States	License under patents regarding amorphous silicon drums and devices using such drums	From February 5, 1997 to patent expiration

Counter Party	Country	Contents	Period
Defense Evaluation and Research Agency	United Kingdom	License under patents regarding liquid crystal panels	From April 1, 1997 to patent expiration
Johnson Marthey Semiconductor Packages, Inc.	United States	License under patents regarding semiconductor packages and printed circuit boards	From June 11, 1997 to June 11, 2007
Toshiba Corporation	Japan	License under patents regarding aluminum nitride	From September 10, 1997 to December 31, 2002
Seiko Epson Corporation	Japan	License under patents regarding LCD panel modules (Super twisted nematic (“STN”))	From January 1, 1998 to December 31, 2002
Philips Electronics N.V.	The Netherlands	License under patents regarding global system mobile communication (“GSM”) cellular handsets	From February 15, 1999 to February 11, 2009
NEC Corporation	Japan	License under patents regarding PDC handsets and PHS handsets	From July 1, 2000 to September 14, 2010
Advanced Ceramics Research Incorporated	United States	License to use technology and patents regarding ceramic fiber	From September 15, 2000 to patent expiration
Ricoh Company, LTD	Japan	License under patents regarding electronic photo printer	From June 1, 2001 to May 31, 2006
Lucent Technologies GRL Corporation	United States	License under patents regarding wireless subscriber equipment	From August 28, 2001 to December 31, 2004

Our licenses with Toshiba Corporation under patents regarding aluminum nitride and with Seiko Epson Corporation under patents regarding STN type LCD panel modules are each scheduled to expire on December 31, 2002. We expect we will be able to renew these licenses upon their termination on terms acceptable to us.

Competitive Position

(a) Fine Ceramics Group

Products in this group are specialized so competitive position is largely dependent on maintaining close contacts with and being first to meet the needs of secondary manufacturers. We are the world market leader by sales volume in the manufacture of ceramic IC packages. However, competition with plastic packages exists, particularly in the area of packages for MPUs. In the face of this competition, our management has developed plans to expand our lines of ceramic packages and to implement further cost reductions. Our goal is to further strengthen our competitive position by becoming a “Total Package Supplier” in the world market. To meet this

goal, we are strengthening our R&D activities to develop new applications for telecommunication areas such as wireless and optical communications, which offer opportunities for higher-added-value products. In addition to establishing a new production base in China to strengthen our price competitiveness of SMD packages, our management believes that we can maintain our market leadership in the area of ceramic packages and satisfy customer needs by applying our technological and managerial expertise.

(b) Electronic Device Group

We entered this area of production as we increased our capability to produce technologically advanced products for the Fine Ceramics Group, so we are a relative late comer in the field. The products in this group are standardized so competition is based on price, quality and delivery time. Kyocera is one of the major manufacturers by sales volume of capacitors and timing devices. Most of our competitors in this group are Japanese manufacturers, however, AVX, a U.S. subsidiary, competes against overseas manufacturers when producing tantalum capacitors.

(c) Equipment Group

In the Japanese market, our main competitors for cellular handsets are Japanese manufacturers. In the U.S. cellular handset market, Kyocera competes with U.S., European and Asian manufacturers and we are a leading producer of CDMA cellular handsets by units sold. We also compete with Japanese and U.S. manufacturers producing information equipment such as copiers and printers on a global basis. In the optical instruments field, Japanese manufacturers are our main competitors.

Government Regulation

There are no governmental regulations specifically applicable to Kyocera's industry that have a material effect on Kyocera's business.

C. Organizational Structure

We have 160 subsidiaries and affiliates as of March 31, 2002. Our management structure is based on our group segments structure. Therefore, the management of each segment is conducted uniformly regardless of whether a group's operations are conducted by us as the parent company or one of our subsidiaries.

The following table sets forth information, as of March 31, 2002, with respect to our significant subsidiaries, organized by group.

Name	Country of Incorporation	Percentage held by Kyocera	Main Business
<i><u>Fine Ceramics Group</u></i>			
Kyocera Solar Corporation	Japan	100.00%	Sale of solar energy products
Kyocera America, Inc.	United States	100.00%	Manufacture and sale of semiconductor parts

Name	Country of Incorporation	Percentage held by Kyocera	Main Business
Kyocera Industrial Ceramics Corporation	United States	100.00%	Manufacture and sale of fine ceramic-related products and sale of electronic devices
Kyocera Solar, Inc.	United States	100.00%	Manufacture and sale of solar energy products
Kyocera Tycom Corporation	United States	100.00%	Manufacture and sale of PCB drills
Kyocera Mexicana, S.A. de C.V.	Mexico	100.00%	Assembly and plating services
Kyocera Asia Pacific Pte. Ltd.	Singapore	100.00%	Sale of fine ceramic-related products and electronic devices
Shanghai Kyocera Electronics Co., Ltd.	China	90.00%	Manufacture and sale of fine ceramic-related products and electronic devices
Kyocera Precision Tools Korea Co., Ltd.	South Korea	90.00%	Manufacture and sale of cutting tools
Kyocera Fineceramics GmbH	Germany	100.00%	Sale of fine ceramic-related products and electronic devices
<i><u>Electronic Device Group</u></i>			
Kyocera Elco Corporation	Japan	100.00%	Manufacture and sale of electronic devices
AVX Corporation	United States	69.06%	Manufacture and sale of electronic devices
P.T. Kyocera Indonesia	Indonesia	100.00%	Manufacture and sale of electronic devices
Kyocera Elco Korea Co., Ltd.	South Korea	100.00%	Manufacture and sale of electronic devices
Kyocera Elco Hong Kong Ltd.	Hong Kong	100.00%	Sale of electronic devices
<i><u>Equipment Group</u></i>			
Kyocera Mita Corporation	Japan	100.00%	Manufacture and sale of information equipment

Name	Country of Incorporation	Percentage held by Kyocera	Main Business
Kyocera Mita Japan Corporation	Japan	100.00%	Sale of information equipment
Kyocera Optec Co., Ltd.	Japan	100.00%	Manufacture and sale of optical instruments
Kyocera Wireless Corp.	United States	100.00%	Manufacture and sale of telecommunications equipment
Kyocera Mita America, Inc.	United States	100.00%	Sale of information equipment
Kyocera Mita Industrial Co., (H.K.) Ltd.	Hong Kong	100.00%	Manufacture of information equipment
Kyocera Mita Office Equipment (Dongguan) Co., Ltd.	China	90.00%	Manufacture and sale of information equipment
Kyocera Mita Europe B.V.	The Netherlands	100.00%	Sale of information equipment
Kyocera Mita Deutschland GmbH	Germany	100.00%	Sale of information equipment
Kyocera Mita (U.K.) Ltd.	England	100.00%	Sale of information equipment
Kyocera Mita France S.A.	France	100.00%	Sale of information equipment
Kyocera Mita Italia S.P.A.	Italy	100.00%	Sale of information equipment
Kyocera Mita Australia PTY. LTD.	Australia	100.00%	Sale of information equipment
Kyocera Optics, Inc.	United States	100.00%	Sale of optical instruments
Kyocera Yashica do Brasil Indústria e Comércio Ltda.	Brazil	100.00%	Manufacture and sale of optical instruments
Kyocera Zhenhua Communication Equipment Co., Ltd.	China	70.00%	Manufacture and sale of telecommunications equipment

Name	Country of Incorporation	Percentage held by Kyocera	Main Business
Yashica Hong Kong, Co., Ltd.	Hong Kong	100.00%	Sale of optical instruments and intermediary services as to sale of optical instruments
Universal Optical Industries, Ltd.	Hong Kong	100.00%	Manufacture and sale of optical instruments
Dongguan Shilong Kyocera Optics Co., Ltd.	China	90.00%	Manufacture and sale of optical instruments
Yashica Kyocera GmbH	Germany	100.00%	Sale of optical instruments
<i>Others</i>			
Kyocera Leasing Co., Ltd.	Japan	100.00%	Various leasing services, property management and financing services
Kyocera Communication Systems Co., Ltd.	Japan	76.30%	Development and sale of software
Kyocera Realty Development Co., Ltd.	Japan	100.00%	Real estate services
Hotel Kyocera Co., Ltd.	Japan	100.00%	Hotel management and operations
Kyocera International Co., Ltd.	Japan	100.00%	Insurance and travel agency
Piazza Investment Co., Ltd.	Hong Kong	100.00%	Real estate leasing
Shanghai Kyocera Realty Development Co., Ltd.	China	100.00%	Real estate leasing

In addition to the above consolidated subsidiaries, Kyocera has 97 other consolidated subsidiaries including Kyocera International Inc., a 100% owned U.S. subsidiary which is a holding company established to own Kyocera's subsidiaries in North America. Kyocera also has interests in two subsidiaries accounted for by the equity method and 19 affiliates accounted for by the equity method.

AVX, in our Electric Device Group, is a one of our most significant subsidiaries. Most of the electronic devices we produce for overseas sales are distributed by AVX by utilizing AVX's wide range of marketing channels. In addition, we market passive components produced by AVX to the Japanese market. With respect to manufacturing and research and development, we utilize AVX's manufacturing process for ceramic capacitors to improve productivity and to enhance our competitiveness. AVX also introduced materials technologies from us into its ceramic capacitor production. We have been seeking better ways to cooperate in expanding our electronic device businesses. Currently, six of our directors (not counting AVX's chief executive officer) and one of our subsidiaries' directors are members of AVX's board of directors. AVX's chief executive

officer is one of our directors. Within our Electronic Device Group, we have a close relationship with AVX in marketing, manufacturing, and research and development, and we are seeking and pursuing synergies to be a leading passive component manufacturer.

AVX posted a net loss of \$7,232 thousand in its fiscal year ended March 31, 2002, compared to net income of \$567,537 thousand in its prior fiscal year. As a result of this net loss, our results of operations and financial condition for fiscal 2002 were materially and adversely affected. See Item 5.A of this annual report.

D. Property, Plants and Equipment

Our manufacturing operations are conducted in Japan, the United States, Mexico, El Salvador, Brazil, the United Kingdom, Germany, France, Czech, Singapore, South Korea, Hong Kong, China, Taiwan, Malaysia, Indonesia and Israel. As of March 31, 2002, we had property, plants and equipment with a net book value of ¥268,623 million (\$2,019,722 thousand). During the five years ended March 31, 2002, we invested ¥350,623 million (\$2,636,263 thousand) for additions to property, plants and equipment. Our property, plants and equipment are not subject to any material encumbrances or environmental issues.

The following table sets forth information, as of March 31, 2002, with respect to our manufacturing facilities with floor space of more than 100,000 square feet.

<u>Name of Plant</u>	<u>Location</u>	<u>Status</u>	<u>Floor Space</u> (thousands of square feet)	<u>Lease Expires</u>	<u>Principal Products Manufactured</u>
<u>Japan</u>					
Hokkaido Kitami Plant	Kitami, Hokkaido	Owned	294		Fine ceramic parts, telecommunications equipment, electronic components
Fukushima Tanakura Plant	Tanakura, Fukushima	Owned	124		Telecommunications equipment
Nagano Okaya Plant	Okaya, Nagano	Owned	400		Optical instruments, electronic components
Mie Plant	Ise and Tamaki, Mie	Owned	261		Information handling equipment, page printers, solar cells
Shiga Plant	Gamo and Yokaichi, Shiga	Owned	1,659		Semiconductor parts, electronic components, fine ceramic parts, solar heat collectors, solar cells
Osaka Hirakata Plant	Hirakata, Osaka	Owned	428		Information handling equipment, page printers
Kagoshima Sendai Plant	Sendai, Kagoshima	Owned	1,500		Semiconductor parts, electronic components, fine ceramic parts
Kagoshima Kokubu Plant	Kokubu, Kagoshima	Owned	1,941		Semiconductor parts, electronic components, fine ceramic parts
Kagoshima Hayato Plant	Hayato, Kagoshima	Owned	231		Electronic components
<u>United States</u>					
Balboa Plant	San Diego, California	Owned	288		Semiconductor parts
Campus Plant	San Diego, California	Leased	424	2005	Telecommunications equipment

<u>Name of Plant</u>	<u>Location</u>	<u>Status</u>	<u>Floor Space</u> (thousands of square feet)	<u>Lease Expires</u>	<u>Principal Products Manufactured</u>
Mountain Home Plant	Mountain Home, North Carolina	Owned	137		Fine ceramic parts
Vancouver Plant	Vancouver, Washington	Owned	42		Electronic components, fine ceramic parts
Myrtle Plant	Myrtle Beach, South Carolina	Owned	559		Electronic components
Olean Plant	Olean, New York	Owned	110		Electronic components
Raleigh Plant	Raleigh, North Carolina	Owned	206		Electronic components
South Carolina Plant	Fountain Inn, Carolina	Owned	350		Information handling equipment, page printers
<u>Mexico</u>					
Tijuana Plant	Tijuana, Baja California	Owned	120		Semiconductor parts, electronic components
Chihuahua Plant	Chihuahua, Chihuahua	Owned	124		Electronic components
<u>El Salvador</u>					
San Salvador Plant	San Salvador	Owned	233		Electronic components
<u>United Kingdom</u>					
Paignton Plant	Paignton, England	Owned	128		Electronic components
Coleraine Plant	Coleraine, Northern Ireland	Owned	185		Electronic components
<u>Germany</u>					
Betzdorf Plant	Betzdorf	Owned	102		Electronic components
<u>France</u>					
Beaune Plant	Beaune	Leased	228	2007	Electronic components
Saint-Apollinaire Plant	Saint-Apollinaire	Leased	321	2007	Electronic components
Seurre Plant	Seurre	Leased	134	2007	Electronic components
<u>Czech</u>					
Lanskroun Plant	Lanskroun	Leased	268	2017	Electronic components
Lanskroun Plant	Lanskroun	Owned	230		Electronic components
Uherske Hradiste Plant	Uherske Hradiste	Owned	149		Electronic components
<u>Hong Kong</u>					
New Territories Plant	New Territories, Hong Kong	Owned	457		Information handling equipment, page printers, solar cells
<u>China</u>					
Shilong Plant	Dongguan, Canton	Leased	470	2026	Optical instruments, electronic components
Shanghai Pudong Plant	Shanghai Pudong	Owned	109		Electronic components
Shanghai Putuo Plant	Shanghai Putuo	Leased	438	2003	Electronic components

<u>Name of Plant</u>	<u>Location</u>	<u>Status</u>	<u>Floor Space</u> (thousands of square feet)	<u>Lease Expires</u>	<u>Principal Products Manufactured</u>
<u>Malaysia</u>					
Penang Plant	Penang	Owned	149		Electronic components
<u>Israel</u>					
Jerusalem Plant	Jerusalem Plant	Leased	100	2004	Electronic components

Item 5. Operating and Financial Review and Prospects

A. Results of Operations

You should read the discussion of our financial condition and results of operations together with our consolidated financial statements and information included in this annual report. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those set forth under Item 3.D and elsewhere in this Form 20-F.

The information required by this item appears in our 2002 Annual Report to Stockholders on page 15-20, which have been attached as Exhibit 10.2 to this Form 20-F and are incorporated herein by reference, and in the rest of this Item 5.A.

LaPine Litigation

The Company has petitioned for rehearing of its appeal of an adverse judgment in the litigation between the Company and LaPine Technology Corporation (LTC), which is described under "Legal Proceedings" in Item 8.A of this annual report, before an en banc panel of eleven judges of the U.S. Ninth Circuit Court of Appeals. As of September 19, 2002, no decision has been made by that court on the Company's petition. If we are unsuccessful in reversing this adverse judgment on appeal, we may be required to pay damages, inclusive costs and interest to date, of at least \$453 million. The Company owns one third of the outstanding stock of LaPine Holding Company, which in turn owns 100% of the stock of LTC. Therefore, the Company will ultimately recover one third of the portion of any judgment payable to LTC, less one third of LTC's valid remaining debts. Taking into account this equity interest, we have set aside a contingency of approximately \$338 million as of March 31, 2002 in respect of any potential adverse judgment in this case, and any shortfall in excess of this contingency would be incurred as an expense. In light of this contingency, the Company believes that such an expense would not have a significant effect on Kyocera's financial condition and results of operations in fiscal 2003.

Application of Critical Accounting Policies

The following information supplements the information presented under the heading "Critical Accounting Policies and Estimates" on pages 20 and 21 of the Company's 2002 Annual Report to Stockholders, which have been attached as Exhibit 10.2 to this Form 20-F

Kyocera's consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires the use of estimates, judgments, and assumptions that affect the reported

amounts of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the periods presented. Actual results may differ from these estimates, judgments and assumptions.

An accounting estimate in Kyocera's financial statements is a critical accounting estimate if it requires Kyocera to make assumptions about matters that are highly uncertain at the time the accounting estimate is made, and either different estimates that Kyocera reasonably could have used in the current period, or changes in the accounting estimate that are reasonably likely to occur from period to period, would have a material impact on the presentation of Kyocera's financial condition, changes in financial condition or results of operations. Kyocera has identified the following critical accounting policies with respect to its financial presentation.

Allowances for doubtful accounts

Kyocera maintains allowances for doubtful accounts related to both trade and finance receivables for estimated losses resulting from customers' inability to make timely payments, including interest on finance receivables. Kyocera's estimates are based on various factors including the length of past due payments, historical experience and current business environments. In circumstances where it is aware of a specific customer's inability to meet its financial obligations, a specific allowance against these amounts is provided. As a result, if the financial condition of Kyocera's customers worsens, additional allowances for doubtful accounts may be required in the future. Deterioration of economic conditions in Japan or in Kyocera's major overseas markets may contribute to this. Moreover, a decline in the fair value of assets pledged by Kyocera's customers as collateral for Kyocera's receivables will have a material effect on the amount of allowances for doubtful accounts provided.

A substantial portion of allowances for doubtful accounts are recorded with respect to receivables of KLC, in the Others segment, which provides credit financing services and commercial leasing services. Based on the factors discussed above, KLC sets estimated recovery percentages that are applied to the amounts of receivables to determine future cash flow. On a case-by-case basis, adjustments are made to the amount of allowances so determined in light of particular customers' circumstances. KLC continuously monitors the correlation between the allowances so determined and the actual loss experienced, and makes an appropriate modification to the schedule of percentages for determining allowance amounts.

Inventory valuation

Kyocera estimates the amount of write-downs required to properly value inventory. Write-downs are provided for excess, slow-moving and obsolete inventory as well as valuation losses required to adjust recorded cost to its market value. Kyocera generally considers all inventory aged over 12 months to be slow-moving or obsolete. Kyocera records further inventory write-downs based on its projections of future demand, market conditions and related management-led initiatives at each balance sheet date. The majority of Kyocera's inventories are produced for the information technology industry. Therefore, if market conditions and demand in the information technology industry are less favorable than Kyocera's projections, additional write-downs may be required.

A substantial portion of inventory write-downs are recorded with respect to components for mobile handsets and computer-related equipment, and mobile handsets themselves, each of which generally have short product lives, as well as optical fiber communications devices, which are susceptible to market demand and price fluctuations. Inventory write-downs primarily affect the Fine Ceramics Group, Electronic Device Group and Equipment Group segments.

During fiscal 2002, there were a substantial number of order cancellations on the types of products described above, mainly due to depressed global market conditions. In light of this experience, Kyocera currently focuses on the results of its direct negotiations with customers for purposes of projecting future demand. As management assumes that global market conditions will continue to be depressed, Kyocera may need to record substantial inventory write-downs for fiscal 2003 and possibly for subsequent fiscal periods.

Impairment of securities and investments

Kyocera records impairment charges for debt and equity securities and investments in affiliates and unconsolidated subsidiaries accounted for by the equity method when it believes that the decline of value is considered to be other than temporary. Kyocera regularly reviews each security and investment for impairment based on the extent to which the fair value is less than cost, the duration of the decline, the anticipated recoverability of fair value in the future and the financial conditions of the issuer. Poor operating results of the issuers of these securities, which include Japanese banks, or adverse changes in the market may cause additional impairment losses in future periods. Kyocera records impairment charges, if any, as Corporate losses.

Kyocera is currently a major shareholder of KDDI. The price fluctuation of KDDI stock may affect Kyocera's financial conditions. Detailed information appears in Note 3 to The Consolidated Financial Statements in our 2002 Annual Report to Stockholders on page 35, which has been attached as Exhibit 10.2 to this Form 20-F and is incorporated herein by reference.

Impairment of long-lived assets

At least annually, although in some cases more often if events or changes in circumstances require such a review, Kyocera reviews the carrying value of its long-lived assets held and used and to be disposed of, including goodwill and other intangible assets.

The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flow from the asset is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a current interest rate. The cash flows used in both assessing impairment and determining fair value are typically derived from the expected cash flows determined by management's estimates and judgments. Significant impairment losses may be incurred in future periods if information technology market conditions deteriorate and Kyocera determines that the carrying amount of long-lived assets cannot be recovered through future cash flows. New accounting standards for goodwill and other intangible assets and for the impairment or disposal of long-lived assets have been announced and Kyocera will adopt these standards from fiscal 2003. Detailed information appears in our 2002 Annual Report to Stockholders on page 21, which has been attached as Exhibit 10.2 to this Form 20-F and is incorporated herein by reference.

Deferred tax assets

Kyocera records deferred tax assets with valuation allowances to adjust their carrying amounts when it believes that it is more likely than not that the assets will not be realized. The valuation of deferred tax assets principally depends on the estimation of future taxable income and feasible tax planning strategies. If future taxable income is lower than expected due to future market conditions or poor operating results, significant adjustments to deferred tax assets may be required.

There were no material discrepancies between expected and actual taxable income in terms of deferred tax assets calculation in recent years.

Benefit plans

Projected benefit obligations and plan assets are determined on an actuarial basis and are significantly affected by the assumptions used in their calculation, such as the expected long-term rate of return on plan assets, discount rates, the rate of increase in compensation levels and other assumptions. Kyocera determines the discount rate by referencing the yield on high quality fixed income securities such as Japanese Government Bonds. The expected return on plan assets is determined based on the rate of historical earnings and Kyocera's expectation of future performance of the funds in which plan assets are invested. The rate of increase in compensation levels is determined based mainly on results of operations and inflation. Kyocera annually reviews the assumptions underlying its actuarial calculations, making adjustments based on current market conditions, if necessary. Future unfavorable changes in market conditions, such as a decrease in the discount rate, may have a significant effect on Kyocera's financial condition and results of operations.

Increases or decreases in projected benefit obligations affect accrued pension and severance costs in the consolidated balance sheet and labor costs included in cost of sales and selling, general and administrative expenses in the consolidated statement of income.

A substantial portion of benefit obligations are derived from the Company and domestic subsidiaries. The following table sets forth the current assumed rates used for projecting benefit obligations at the Company and domestic subsidiaries:

	Years ended March 31,		
	2000	2001	2002
Discount Rate	3.00%	2.5% - 3.0%	2.50%
Rate of Increase in Compensation Levels	4.00%	3.0% - 4.0%	3.00%
Rate of Return on Plan Assets	6.00%	3.5% - 4.5%	3.5% - 4.5%

As described in Item 3.D. "Risk Factors", the Japanese economy is currently experiencing a prolonged recession, and accordingly, the weak economic conditions have negatively affected discount rate and rate of return on plan assets used by Kyocera in making its projections of benefit obligations. These conditions also have prevented the rate of increase in compensation levels from rising. We assume that these rates will be at the same level or lower in the future.

Contingencies

Kyocera is subject to various lawsuits and claims which arise in the ordinary course of business. Kyocera consults with legal counsel and assesses the likelihood of adverse outcomes of these contingencies. Detailed information appears in Note 13 to The Consolidated Financial Statements in our 2002 Annual Report to Stockholders on page 48, which has been attached as Exhibit 10.2

to this Form 20-F and is incorporated herein by reference. Kyocera records liabilities for these contingencies when the likelihood of an adverse outcome is probable and the amount is reasonably estimable. In making these estimates, Kyocera considers the progress of the lawsuits, the situations of other companies that are subject to similar lawsuits and other relevant factors. The amounts of liabilities accrued are based on estimates and may be significantly affected by further developments or the resolution of these contingencies in the future.

Purchase of Own Stock

Pursuant to resolution of the Company's Board of Directors on May 15, 2002, the Company submitted a proposal to the General Meeting of Shareholders on June 26, 2002 to authorize the purchase of its own stock for the purpose of implementing flexible capital policies in response to the current difficult business environment, including purchases of stock for delivery pursuant to the Company's stock option plan, up to the lesser of an aggregate amount of 5,000,000 shares or an aggregate purchase price of ¥ 50,000 million. This purchase of stock of the Company was authorized at the General Meeting of Shareholders of the Company on June 26, 2002 pursuant to Article 210 of the Commercial Code of Japan. The Company completed this purchase of its own stock on September 9, 2002, having purchased an aggregate amount of 5,000,000 shares representing an aggregate purchase price of ¥41,414 million.

B. Liquidity and Capital Resources

The information required by this item appears in our 2002 Annual Report to Stockholders on page 22-24, which have been attached as Exhibit 10.2 to this Form 20-F and are incorporated herein by reference.

C. Research and Development, Patent and Licenses, etc.

We are deeply committed to the constant pursuit of technological advancement in order to invent and develop new materials and new products, to improve and enhance existing products and to identify new applications for them and for the technology related to them.

Basic research and development activities are carried out at three research laboratories: the Kagoshima R&D Center, which concentrates on ceramic materials and processing technology, the Yokohama R&D Center, which works on technology relating to communications equipment, and the Keihanna R&D Center located in Kyoto, which carries out research on electronic and optical devices. In addition, each product division which is in charge of a product category or sub-category has its own research and development department staffed with a number of engineers working on improving existing products and manufacturing processes, as well as developing new products.

Research and development expenses for the years ended March 31, 2002, 2001 and 2000 amounted to ¥40,399 million (\$303,752 thousand), ¥35,128 million and ¥28,362 million, respectively.

Although we have a variety of patents in Japan and other countries, and hold licenses for the use of patents from others, we believe that no one of these patents or licenses is currently material to our business.

D. Trend Information

In fiscal 2002, Kyocera's net sales decreased over fiscal 2001. These sales declines were due mainly to decreased sales of our Components Groups (Fine Ceramics Group and Electronic Device Group), caused by the rapid global downturn in IT-related markets and depressed demand for our products, especially components for mobile phones, PC-related equipment and optical communication devices. In addition, lower components demand and inventory reduction by electronics manufacturers created significant price erosion for components used in their products.

Utilization of facilities relating to the manufacture of components was at a very low level through fiscal 2002 compared with fiscal 2001, when components demand was relatively high. We believe IT-related industries will return to growth in the mid and long term, and the market situation for mobile phones and PC-related equipment may be slightly better in fiscal 2003 than fiscal 2002 in terms of volumes, as inventory adjustments by electronics manufactures have largely been completed, returning demand for components closer to actual demand for the equipment production. In addition, we believe production in China will increase and contribute to expanded sales of products manufactured overseas during fiscal 2003. We started mass-producing CDMA handset for the Chinese market in Guiyang in January 2002, and anticipate expanding production volume of components in Shanghai and information equipment in Dongguan Shilong in fiscal 2003.

Regarding price erosion, severe price competition is expected to continue in fiscal 2003. We will make efforts to reduce costs such as material and labor costs by expanding production volume in China, and to improve profitability through introduction of new high-value-added components such as miniature size products.

Though demand for components for optical communication such as ceramic ferrules and ceramic packages for optical devices was strong until the first quarter of fiscal 2002, demand for these components started to decline sharply in the second quarter of fiscal 2002. We think the optical communication market will not recover during fiscal 2003, and it may take a few years to recover. However, we believe that the optical communication market has growth potential in the mid- to long-term, and seek to develop new products for markets such as ferrules and ceramic packages for higher capacitance optical communication network systems.

Kyocera's business situation in the first half of fiscal 2003 is improving compared to the previous half, due mainly to increased demand for components used in mobile phone handsets. However, the current continued slowdown in the U.S. economy makes it difficult for Kyocera to foresee future components demand in IT-related markets. Kyocera has some concern about the negative impact on sales and profits in the second half of fiscal 2003 that the slow U.S. economy and related slowdown in IT-related markets may create compared to what we expected earlier in fiscal 2003.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

Our Directors and Corporate Auditors as of June 30, 2002 were:

Name	Date of Birth	Position	Since	Shares Owned (Thousands)
Kazuo Inamori	January 30, 1932	Chairman Emeritus	1959	6,806

Name	Date of Birth	Position	Since	Shares Owned (Thousands)
Kensuke Itoh	December 17, 1937	Chairman of the Board and Representative Director	1975	563
Yasuo Nishiguchi	October 9, 1943	President and Representative Director	1987 (President 1999)	4
Noboru Nakamura	October 6, 1944	Vice President and Representative Director	1991	3
Michihisa Yamamoto	November 13, 1942	Vice President and Representative Director	1987	9
Masahiro Umemura	August 8, 1943	Vice President and Representative Director	1991	5
Yasuo Akashi	May 29, 1944	Senior Managing and Representative Director	1991	6
Rodney N. Lanthorne	February 5, 1945	Senior Managing and Representative Director	1989	-
Isao Kishimoto	November 30, 1943	Senior Managing Director	1993	3
Isao Yukawa	November 28, 1942	Managing Director	1995	1
Hisashi Sakumi	March 6, 1947	Managing Director	1995	9
Hideki Ishida	August 11, 1948	Managing Director	1997	1
John S. Gilbertson	December 4, 1943	Managing Director	1995	-
Akiyoshi Okamoto	January 16, 1946	Director	1991	4
Takashi Itoh	July 31, 1944	Director	1991	9
Hisao Hisaki	July 2, 1946	Director	1991	3
Masato Takeda	July 27, 1943	Director	1991	1
Minoru Fujiyoshi	February 1, 1942	Director	1987	1
Yoshihiko Nishikawa	September 11, 1945	Director	1995	2
Tsutomu Yamori	September 25, 1949	Director	1997	1

Name	Date of Birth	Position	Since	Shares Owned (Thousands)
Masahiro Inoue	November 7, 1952	Director	1997	1
Eiichi Toriyama	September 25, 1947	Director	2001	1
Susumu Ohshima	July 24, 1948	Director	2001	0
Koji Mae	January 19, 1949	Director	2001	2
Makoto Kawamura	August 13, 1949	Director	2001	0
Tatsumi Maeda	January 1, 1953	Director	2001	1
Yuji Itoh	November 6, 1936	Full-time Corporate Auditor	1998	2
Atsushi Mori	September 9, 1937	Full-time Corporate Auditor	2002	7
Osamu Nishieda	January 10, 1943	Corporate Auditor	1993	1,000
Mitsuru Akimoto	August 25, 1927	Corporate Auditor	2001	1

Kazuo Inamori has served as the Chairman Emeritus of Kyocera Corporation since 1997. He became a Director when he founded the Kyocera Corporation in 1959, a Managing Director in 1962, and a Senior Managing Director in 1964.

Kensuke Itoh has served as the Chairman of the Board and Representative Director of Kyocera Corporation since 1999. He became a Director in 1975, a Managing Director in 1979, and a Senior Managing Director in 1981. He joined Kyocera Corporation in 1959 and has served as Representative Director of Kyocera Realty Development Co., Ltd. and Representative Director of Hotel Kyocera Co., Ltd.

Yasuo Nishiguchi has served as the President and Representative Director of Kyocera Corporation since 1999. He became a Director in 1987, a Managing Director in 1989 and a Senior Managing and Representative Director in 1992. He joined Kyocera Corporation in 1975 and has served as the Representative Director of Kyocera Mita Corp., Representative Director of Kyocera Leasing Co., Ltd., Representative Director of Kyocera Communication Systems Co., Ltd., Representative Director of Kyocera ELCO Corp., Chairman of the Board of Directors of Shanghai Kyocera Electronic Co., Ltd., Chairman of the Board of Directors of Dongguan Shilong Kyocera Optics Co., Ltd., Chairman of the Board of Directors of Kyocera Zhenhua Communication Equipment Co., Ltd. and Chairman of the Board of Directors of Kyocera Mita Office Equipment (Dongguan) Co., Ltd.

Noboru Nakamura has served as a Vice President and Representative Director of Kyocera Corporation since 1999. He became a Director in 1991, a Managing Director in 1995 and a Senior

Managing and Representative Director in 1997. He joined Kyocera Corporation in 1967 and has served as a Vice President and Representative Director of Kyocera Chemical Corporation.

Michihisa Yamamoto has served as a Vice President and Representative Director of Kyocera Corporation since 1999. He became a Director in 1987, a Managing Director in 1989 and a Senior Managing and Representative Director in 1992. He joined Kyocera Corporation in 1970 and has served as a General Manager of the Corporate Business Strategy Division of the Company and Chairman of the Board of Directors of Shanghai Kyocera Trading Co., Ltd.

Masahiro Umemura has served as a Vice President and Representative Director of Kyocera Corporation since 1999. He became a Director in 1991, a Managing Director in 1993 and a Senior Managing and Representative Director in 1997. He joined Kyocera Corporation in 1966 and has served as General Manager of the Corporate Development Division of the Company and Chairman of the Board of Directors of Shanghai Kyocera Realty Development Co., Ltd.

Yasuo Akashi has served as a Senior Managing and Representative Director of Kyocera Corporation since 1997. He became a Director in 1991 and a Managing Director in 1993. He joined Kyocera Corporation in 1967 and has served as a General Manager of the Corporate General Affairs Division of the Company and Representative Director of Kyocera Precision Tools Korea Co., Ltd.

Rodney N. Lanthorne has served as a Senior Managing and Representative Director of Kyocera Corporation since 1999. He became a Director in 1989 and a Managing Director in 1990. He joined Kyocera International, Inc. in 1979 and has served as the President and Director of Kyocera International, Inc.

Isao Kishimoto has served as a Senior Managing Director of Kyocera Corporation since 2001. He became a Director in 1993 and a Managing Director in 1997. He joined Kyocera Corporation in 1967 and has served as the President and Representative Director of Kinseki, Ltd.

Isao Yukawa has served as a Managing Director of Kyocera Corporation since 2001. He became a Director in 1995. He joined Kyocera Corporation in 1976 and has served as a General Manager of the Corporate Solar-Energy Division of the Company and the President and Representative Director of Kyocera Solar Corporation.

Hisashi Sakumi has served as a Managing Director of Kyocera Corporation since 2001. He became a Director in 1995. He joined Kyocera Corporation in 1965 and has served as a Deputy General Manager of the Corporate General Affairs Division of the Company.

Hideki Ishida has served as a Managing Director of Kyocera Corporation since 2001. He became a Director in 1997. He joined Kyocera Corporation in 1976 and has served as a General Manager of the Corporate Business Systems Administration Division of the Company.

John S. Gilberston has served as a Managing Director of Kyocera Corporation since 1999. He became a Director in 1995. He joined AVX Corporation in 1981 and has served as the President and Chief Executive Officer of AVX Corporation.

Akiyoshi Okamoto has served as a Director of Kyocera Corporation since 1991. He joined Kyocera Corporation in 1969.

Takashi Itoh has served as a Director of Kyocera Corporation since 1991. He joined Kyocera Corporation in 1967 and has served as a General Manager of the Corporate Purchasing Division of the Company.

Hisao Hisaki has served as a Director of Kyocera Corporation since 1991. He joined Kyocera Corporation in 1969 and has served as a General Manager of the Corporate Communication Systems Sales Division of the Company.

Masato Takeda has served as a Director of Kyocera Corporation since 1991. He joined Kyocera Corporation in 1979 and has served as a General Manager of the Corporate R&D Division for Components and Devices of the Company.

Minoru Fujiyoshi has served as a Director of Kyocera Corporation since 1987. He joined Kyocera Corporation in 1977 and has served as a General Manager of the Corporate Legal and Intellectual Property Division of the Company.

Yoshihiko Nishikawa has served as a Director of Kyocera Corporation since 1995. He joined Kyocera Corporation in 1970 and has served as a Deputy General Manager of the Corporate Legal and Intellectual Property Division of the Company.

Tsutomu Yamori has served as a Director of Kyocera Corporation since 1997. He joined Kyocera Corporation in 1972.

Masahiro Inoue has served as a Director of Kyocera Corporation since 1997. He joined Kyocera Corporation in 1978 and has served as a Deputy General Manager of the Corporate Optical Equipment Division of the Company.

Eiichi Toriyama has served as a Director of Kyocera Corporation since 2001. He joined Kyocera Corporation in 1972 and has served as a General Manager of the Corporate Electronic Components Sales Division of the Company.

Susumu Ohsima has served as a Director of Kyocera Corporation since 2001. He joined Kyocera Corporation in 1977 and has served as a General Manager of the Corporate Semiconductor Components Sales Division of the Company.

Koji Mae has served as a Director of Kyocera Corporation since 2001. He joined Kyocera Corporation in 1972 and has served as a General Manager of the Organic Material Components Division of the Company.

Makoto Kawamura has served as a Director of Kyocera Corporation since 2001. He joined Kyocera Corporation in 1973 and has served as a General Manager of the Corporate Cutting Tool Division of the Company and the President and Representative Director of Kyocera Tycom Japan Inc.

Tatsumi Maeda has served as a Director of Kyocera Corporation since 2001. He joined Kyocera Corporation in 1975 and has served as a Deputy General Manager of the Corporate Business Strategy Division of the Company.

Yuji Itoh has served as a Full-time Corporate Auditor of Kyocera Corporation since 1998. He became a Director in 1989 and a Managing Director in 1993. He joined Kyocera Corporation in 1972.

Atsushi Mori has served as a Full-time Corporate Auditor of Kyocera Corporation since 2002. He became a Director in 1989, a Managing Director in 1995 and a Senior Managing and Representative Director of Kyocera Corporation in 1997. He joined Kyocera Corporation in 1989.

Osamu Nishieda has served as a Corporate Auditor of Kyocera Corporation since 1993. He has served as an In-House Council of the Company.

Mitsuru Akimoto has served as a Corporate Auditor of Kyocera Corporation since 2001. He has served as the Chairman and Representative Director of the Bank of Kyoto, Limited.

B. Compensation

The aggregate amount of compensation, including bonuses, paid by the Company and its subsidiaries in the fiscal year ended March 31, 2002 to all Directors, Officers and Corporate Auditors of the Company and its subsidiaries was ¥894 million (\$6,718 thousand).

In accordance with customary Japanese business practice, when a Director or Corporate Auditor retires, a proposal to pay a lump sum retirement allowance is submitted to the ordinary general meeting of shareholders for approval. After such approval, the amount to be paid is fixed by the Board of Directors in accordance with the Company's internal regulations. Annual provisions are made in the accounts of the Company for the estimated cost of the retirement plan for Directors and Corporate Auditors.

The annual provisions and costs charged to income for such retirement plan for the year ended March 31, 2002 were ¥116 million (\$869 thousand).

We have neither disclosed to our shareholders nor otherwise made public any of the information specified in this item for individually named Directors, Officers or Corporate Auditors.

C. Board Practices

In accordance with the requirements of the Commercial Code of Japan (the "Commercial Code"), our Articles of Incorporation provide for not less than three Corporate Auditors. Corporate Auditors, of whom at least one (or, in the case of Corporate Auditors to be elected at the ordinary general meeting of shareholders in or after June 2006, at least half of them) must be from outside of the Company, are elected at a general meeting of shareholders, and the normal term of office of a Corporate Auditor is three years (or four years in the case of Corporate Auditors to be elected at the ordinary general meeting of shareholders in or after June 2003), although they may serve any number of consecutive terms. Corporate Auditors form the Board of Corporate Auditors. Corporate Auditors are under a statutory duty to oversee the administration of our affairs by the Directors, to examine our financial statements and business reports to be submitted by the Board of Directors to the general meetings of shareholders and to report their opinions thereon to the shareholders. They are obliged to attend meetings of the Board of Directors and to express their opinions, but they are not entitled to vote. Corporate Auditors also have a statutory duty to provide their report on the audit report prepared by our independent certified public accountants to the Board of Corporate Auditors, which must submit its audit report to the Board of Directors. The Board of Corporate Auditors will also determine matters relating to the duties of the Corporate Auditors, such as audit policy and methods of investigation of our affairs.

The Company has no remuneration committee. Matters of remuneration are decided by top management as a group. None of our directors have contracts with us providing for benefits upon termination. While we have no legal obligation, it is customary to provide lump-sum severance benefits to director and corporate auditors upon retirement and we provide such benefits.

There is no arrangement or understanding between any Director or Corporate Auditor and any other person pursuant to which he was elected as a Director or a Corporate Auditor.

There is no family relationship between any Director or Corporate Auditor and any other Director or Corporate Auditor.

Pursuant to the home country practices exception granted to us by the New York Stock Exchange, we are permitted to follow corporate governance practices complying with relevant Japanese laws and Japanese stock exchange rules, which are different from those followed by U.S. domestic companies under the New York Stock Exchange's listing standards. The New York Stock Exchange rules and our current practices relating to corporate governance have the following significant differences:

- *Audit Committee.* The New York Stock Exchange requires that a listed company have an audit committee consisting of at least three independent directors, and that the audit committee be charged with the responsibility of selecting, monitoring and communicating with the outside auditor of the company to ensure the outside auditor's independence. Pursuant to the home country practices exception, we do not have an audit committee with functions called for by the New York Stock Exchange rules.
- *Shareholder Approval Policy.* The New York Stock Exchange requires that shareholder approval be obtained prior to issuance of stock options to officers or directors except, among others, where no single officer or director may acquire more than 1% of the number of shares of common stock outstanding at the time the stock option plan is adopted, and the stock option plan, together with all plans of the issuer other than those for which shareholder approval is not required, does not authorize the issuance of more than 5% of the issuer's common stock outstanding at the time the stock option plan is adopted. Pursuant to the home country practices exception, we only follow relevant Japanese laws which, as discussed in "Capital stock—Voting rights" under Item 10.B of this annual report, generally require us to obtain shareholder approval if stock options are to be issued with "specially favorable conditions".

The New York Stock Exchange also requires that, with certain exceptions specified in its rules, shareholder approval be obtained prior to issuance of common stock or securities convertible into or exercisable for common stock (1) to a director, an officer, a substantial security holder or a party related to any of them if the number of shares of common stock which are to be issued or are issuable upon conversion exceeds 1% of the number of shares of common stock or voting power outstanding before the issuance, (2) in any transaction or series of transactions, if the voting power of the common stock is equal to or exceeds 20% of the voting power outstanding before the issuance or if the number of shares of the common stock is equal to or exceeds 20% of the number of shares outstanding before the issuance, and (3) that will result in a change of control of the issuer. Pursuant to the home country practices exception, we only follow relevant Japanese laws which, as discussed in "Capital stock—Voting rights" under Item 10.B of this annual report, generally require us to obtain shareholder approval with respect to the issuance of common stock or securities convertible into or exercisable for common stock if common stock is to be issued at a "specially favorable price" or convertible securities are to be issued with "specially favorable conditions".

The New York Stock Exchange has proposed to the Securities and Exchange Commission for approval significant changes in its corporate governance listing standards requirements, as well as

recommendations relating to the SEC's disclosure and corporate governance requirements. The Sarbanes-Oxley Act of 2002, enacted subsequent to the New York Stock Exchange's initial report in June 2002 recommending these changes, includes significant provisions relating to corporate governance that differ in many respects from the New York Stock Exchange's proposals. These laws and rulemaking initiatives may result in additional significant differences other than those discussed above between the New York Stock Exchange rules and our current practices relating to corporate governance.

The rights of ADR holders, including their rights relating to corporate governance practice, are provided in the Amended and Restated Deposit Agreement and an amendment thereto which are included in an exhibit to this annual report. See also Item 10.B of this annual report.

D. Employees

As of March 31, 2002 we had 44,235 employees, of whom 10,621 work in the Fine Ceramics Group, 17,664 work in the Electronic Device Group, 12,206 work in the Equipment Group, 2,569 work in Others and 1,175 work in our Corporate Department. Our total number of employees decreased by 6,878 for the year ended March 31, 2002 mainly due to the restructuring of foreign subsidiaries.

Most regular employees of Kyocera Corporation, other than management, become members of the Kyocera Union. Over 90% of Kyocera Corporation's regular employees are members of this union. The Kyocera Union is only open to Kyocera Corporation employees, not to our Japanese or overseas subsidiaries. The employees at three of our subsidiaries in Japan are unionized, otherwise employees at our Japanese subsidiaries are not unionized. In the United States our employees are generally unionized and in other countries subsidiaries are unionized on a case by case basis. Employees of our overseas subsidiaries belong to labor unions organized by industry, as opposed to a company specific union like Kyocera Union. We believe that our employee relations are good.

E. Share Ownership

On May 19, 1999, the Board of Directors decided to implement the Company's first stock option plan ("Plan 1") for all Directors and certain key employees and to purchase shares of the Company's own common stock for transfer to them under the plan. Upon the approval of shareholders at the ordinary general meeting of shareholders held on June 29, 1999, stock options were granted as of September 7, 1999 to 36 Directors to acquire 6,000 to 16,000 shares of common stock each, and to 858 key employees to acquire 1,200 shares of common stock each. The exercise price has been set at ¥8,029 per share.

In order to cover the options for Plan 1, the Company purchased 1,325,600 shares of common stock during August 1999 on the Tokyo Stock Exchange at an aggregate purchase price of approximately ¥9,714 million.

On May 17, 2000, the Board of Directors introduced a second stock option plan ("Plan 2") for certain key employees and authorized the purchase of 76,800 shares of the Company's common stock. This stock option plan was approved by shareholders at the ordinary general meeting of shareholders held on June 29, 2000. Stock options were granted as of September 8, 2000 to 64 key employees to acquire 1,200 shares of common stock each. The exercise price has been set at ¥18,900 per share.

In order to cover the options for Plan 2, the Company purchased 76,800 shares of common stock during August 2000 on the Tokyo Stock Exchange at an aggregate purchase price of approximately ¥1,283 million.

On May 16, 2001 the Board of Directors decided to introduce a third stock option plan (“Plan 3”) for certain Directors and key employees and to purchase 59,200 shares of the Company’s common stock. In accordance with the approval of shareholders at the ordinary general meeting of shareholders held on June 27, 2001, stock options were granted as of September 7, 2001 to nine Directors to acquire amounts ranging from 1,000 to 2,400 shares of common stock each, and 72 key employees to acquire 600 shares of common stock each. The exercise price has been set at ¥9,470 per share.

In order to cover the options for Plan 3, the Company purchased 59,200 shares of its own common stock in August 2001 on the Tokyo Stock Exchange at an aggregate purchase price of approximately ¥506 million.

The stock options issued under Plan 1, Plan 2 and Plan 3 are exercisable at their respective exercise prices, which are determined by multiplying by 1.1 the average market price of the Company’s common stock in the month proceeding the date of grant, unless there is a share split or issuance of new stock at an issue price less than the then current market price per share of common stock (excluding the issuance of shares of common stock as a result of the conversion of convertible bonds), in which case the exercise price shall be adjusted to protect the option holders against dilution in accordance with a formula set forth in the stock option agreement.

As of August 31, 2002, the aggregate amount of common stock to be issued upon the exercise of all outstanding options issued is set forth in further detail in the following table. Note, however, that there can be no assurances that the options described above will be exercised in whole or in part.

**SUMMARY TABLE OF OPTIONS HELD BY DIRECTORS AND
EMPLOYEES OF KYOCERA CORPORATION**

Option Holder	Title	Total Options Outstanding	Exercise Price	Expiration Date
Kazuo Inamori	Chairman Emeritus	16,000	8,029 Yen / Share	September 30, 2003
Kensuke Itoh	Chairman of the Board and Representative Director	16,000	8,029 Yen / Share	September 30, 2003
Yasuo Nishiguchi	President and Representative Director	10,900	8,029 Yen / Share	September 30, 2003
Noboru Nakamura	Vice President and Representative Director	12,000	8,029 Yen / Share	September 30, 2003
Michihisa Yamamoto	Vice President and Representative Director	9,000	8,029 Yen / Share	September 30, 2003
Masahiro Umemura	Vice President and Representative Director	12,000	8,029 Yen / Share	September 30, 2003
Other Directors (Plan 1)		99,300	8,029 Yen / Share	September 30, 2003
Other Directors (Plan 3)		16,000	9,470 Yen / Share	September 30, 2003
Total Directors		191,200		

Option Holder	Title	Total Options Outstanding	Exercise Price	Expiration Date
Employees (Plan 1)		845,900	8,029 Yen / Share	September 30, 2003
Employees (Plan 2)		76,800	18,900 Yen / Share	September 30, 2004
Employees (Plan 3)		43,200	9,470 Yen / Share	September 30, 2003
Total Employees		965,900		
Total Directors and Employees		1,157,100		

* With respect to each period below, each option holder may exercise the stock options and require the transfer of shares of common stock from the Company only within the following percentages of the total number of Shares provided under Plan 1, Plan 2 and Plan 3:

Plan 1

From 10/01/99 to 09/30/00: Up to 25% of the total Shares
From 10/01/00 to 09/30/01: Up to 50% of the total Shares
From 10/01/01 to 09/30/02: Up to 75% of the total Shares
From 10/01/02 to 09/30/03: Up to 100% of the total Shares

Plan 2

From 10/01/00 to 09/30/01: Up to 25% of the total Shares
From 10/01/01 to 09/30/02: Up to 50% of the total Shares
From 10/01/02 to 09/30/03: Up to 75% of the total Shares
From 10/01/03 to 09/30/04: Up to 100% of the total Shares

Plan 3

From 10/01/01 to 09/30/02: Up to 50% of the total Shares
From 10/01/02 to 09/30/03: Up to 100% of the total Shares

On April 26, 2002, the Company's Board of Directors decided to grant stock acquisition rights (as a result of the recent amendments to the Commercial Code, "stock options" are now called "stock acquisition rights") to Directors, Corporate Auditors and certain key employees of the Company and its subsidiaries. Such stock acquisition rights entitle the holders thereof to acquire 150,000 shares of common stock of the Company in the aggregate. This decision was approved by shareholders at the ordinary general meeting of shareholders held on June 26, 2002. The definitive terms and conditions of these stock acquisition rights have been set as follows:

1. Issue date of stock acquisition rights:
September 2, 2002
2. Amount to be paid in upon exercise of stock acquisition rights (exercise price):
929,000 yen per stock acquisition right
(9,290 yen per share)
3. Aggregate issue price of shares to be issued upon exercise of stock acquisition rights:
1,334,044,000 yen
4. Amount of issue price of new shares to be accounted for as paid-in capital of the Company:
4,645 yen per share

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

As far as is known to the Company, it is not, directly or indirectly, owned or controlled by any other corporation or by the Japanese or any foreign government.

As of March 31, 2002, as a group, the Company's Directors, Officers, and Corporate Auditors owned 8,448 thousand or 4.4%, of the shares of common stock of the Company.

The following table shows the ten largest shareholders of record of the Company as of March 31, 2002.

Name	Shares Owned (in thousands)	Ownership (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	11,242	5.91%
The Bank of Kyoto, Ltd.	7,218	3.79%
Mitsubishi Trust Banking Corporation (Trust Account)	7,143	3.75%
Kazuo Inamori	6,806	3.58%
UFJ Trust Bank Limited (Trust Account A)	6,132	3.22%
The Inamori Foundation	4,680	2.46%
UFJ Bank Limited	3,911	2.06%
The Chase Manhattan Bank N.A., London SL Omnibus Account (Standing proxy: The Fuji Bank, Limited)	3,670	1.93%
Keiai Kosan K.K.	3,549	1.87%
The Chase Manhattan Bank N.A., London (Standing proxy: The Fuji Bank, Limited)	3,113	1.64%
Total	57,467	30.20%

The Company's major shareholders are not entitled to voting rights different from those of other shareholders.

As far as is known to the Company, there is no arrangement which may at a subsequent date result in a change in control of the Company.

Under the Securities and Exchange Law of Japan, any person that becomes a holder (together with its related persons) of 5% of the total issued voting shares of a company listed on any Japanese stock exchange (including ADSs representing such shares) must file a report with the Director of the relevant Local Finance Bureau and send a copy of such report to the company. A similar report must also be filed if the percentage holding of a holder of more than 5% of the total issued voting shares of a company increases or decreases by 1% or more. According to such

reports filed with the Company between January 1, 1998 and June 26, 2002, currently there are no 5% or greater beneficial shareholders of the Company.

According to Citibank N.A., depository for Kyocera's ADSs, as of March 31, 2002, 4,256,712 shares of Kyocera's common stock were held in the form of ADSs and there were 929 ADS holders of record in the United States. According to Kyocera's register of shareholders, as of March 31, 2002, there were 78,397 holders of the Company's common stock of record worldwide. As of March 31, 2002, there were 122 record holders of Kyocera's common stock with addresses in the United States, holding 14,673,609 shares of the outstanding common stock on that date. Because some of these shares were held by brokers or other nominees, the number of record holders with addresses in the United States might not fully show the number of beneficial owners in the United States.

B. Related Party Transactions

The information required by this item appears in the Company's 2002 Annual Report to Stockholders on pages 24 and 39, which has been attached as Exhibit 10.2 to this Form 20-F and is incorporated herein by reference. There are no loans between the Company and its management.

C. Interests of Experts and Counsel

Not Applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

Financial Statements

The information required by this item has been attached hereto as Exhibit 10.2 to this Form 20-F and is incorporated herein by reference.

Legal Proceedings

The following are material pending, concluded and settled legal proceedings (other than routine litigation incidental to the business) to which the Company or any of its subsidiaries is a party or to which any of their property is subject.

1. LaPine Technology Corporation vs. Kyocera Corporation, C-87 20316 WAI, (May 7, 1987), U.S. District Court, Northern District of California, and LaPine Technology Corporation and Prudential-Bache Trading Corporation v. Kyocera Corporation (October 30, 1987) (Arbitration); International Chamber of Commerce, Case No. 6070/BGD.

On September 1, 1994, the International Chamber of Commerce issued its award with respect to the arbitration between the Company and LaPine Technology Corporation (LTC), Prudential-Bache Trade Corporation (PBTC) (presently renamed Prudential-Bache Trade Services, Inc.), et al. for the alleged breach of an agreement by the Company in connection with the reorganization of LTC. The award ordered the Company to pay to LTC and PBTC as damages, approximately ¥34,181 million (\$257,000 thousand), including interest, arbitration costs and attorneys' fees. The Company filed a motion to vacate, modify and correct the award in the U.S. District Court for the Northern District of California pursuant to an agreement between the parties providing for broad judicial examination of arbitration awards.

LTC and PBTC filed a motion to confirm the award. On December 11, 1995 the District Court ruled that the agreement between the parties concerning judicial examination of the award was invalid and granted the motion filed by LTC and PBTC without examining the merits of arbitration award. On January 9, 1996, the Company appealed to the Ninth Circuit Court of Appeals. On December 9, 1997, the Ninth Circuit Court, reversed the District Court, concluded that the provisions in the parties' arbitration agreement providing for broad judicial review were valid and ordered the case returned to the District Court for review of the award under the standards agreed to by the parties.

On April 4, 2000, the District Court issued an order confirming the arbitrators' conclusions of law in Phase 1 of the arbitration. On October 2, 2000, the District Court entered its initial decision on Phase 2 of the arbitration award, which consists of the money damages award. The Court confirmed all of the arbitrators' findings of facts and conclusions of law, except for one important finding of fact about LTC's profitability in the second quarter of 1987. The Court ruled that the arbitrators' finding that LTC achieved an operating profit in the second quarter of 1987 was not supported by substantial evidence.

Subsequently, on March 6, 2001, the District Court entered an order confirming Phase 2 of the award, except for the one finding of fact vacated by its October 2, 2000 ruling. The Court's March 6, 2001 order includes the confirmation of the Arbitrators' award of damages. On April 3, 2001, the Company filed its Notices of Appeal of the District Court's orders confirming the arbitral award.

On May 17, 2001, the District Court entered its amended judgment, ordering compensation to be paid by the Company to LTC and PBTC in an aggregate amount of approximately ¥56,888 million (\$427,728 thousand) plus prejudgment and postjudgment interest. On May 25, the Company filed Notices of Appeal of the judgment.

On June 21, 2001, the District Court entered an order awarding PBTC and LTC attorneys' fees and disbursements. On July 5, 2001, the Company filed Notices of Appeal of that order. The Company's appeal brief was filed in the Ninth Circuit Court of Appeals on August 29, 2001.

The Company filed a Reply Brief on December 5, 2001. A hearing was held in the Ninth Circuit Court of Appeals on May 13, 2002. The Ninth Circuit Court of Appeals issued its opinion on July 23, 2002, affirming the District Court's judgment and award in its entirety. The Company filed a Petition for Rehearing and Rehearing En Banc on August 6, 2002, seeking a rehearing of its appeal before the panel that issued the opinion, and before an en banc panel of eleven Ninth Circuit Judges.

As of September 19, 2002, no decision has been made by that court on the Company's petition. If we are unsuccessful in reversing this adverse judgment on appeal, we may be required to pay damages, inclusive costs and interest to date, of at least \$453 million.

In connection with this litigation, in 1995 the Company purchased from a bank a letter of credit, which remains in place as security for the arbitral award. In order to minimize facility fees for the letter of credit, the Company deposited ¥59,509 million (\$447,436 thousand) in cash on hand restricted for use on March 31, 2002.

Dividend Policy

Since becoming public, we have endeavored to increase dividends to our shareholders as our business improves. We have also sought to provide substantial dividends through share

distributions and stock splits when appropriate, in order to benefit shareholders. We will continue to seek to improve profits and cash flow per share in order to increase our dividends to shareholders while maintaining a sufficiently high level of capital to undertake strategic investments.

B. Significant Changes

Except as disclosed in this annual report, there have been no significant changes since March 31, 2002.

Item 9. The Offer and Listing

A. Offering and Listing Details

Price Range of Shares

The principal non-United States market on which the shares of Common Stock of the Company are traded is the Tokyo Stock Exchange, the largest stock exchange in Japan. The American Depositary Shares of the Company, each representing one share of Common Stock of the Company, are traded on the New York Stock Exchange. Citibank, N.A. acts as the Depositary in respect of the American Depositary Shares.

	Tokyo Stock Exchange		New York Stock Exchange	
	Price per Share of Common Stock (yen)		Price per American Depositary Share (dollars)*	
Fiscal Year ended March 31	High	Low	High	Low
1998	¥ 10,200	¥ 5,540	\$ 85.50	\$ 43.32
1999	7,460	4,800	59.00	39.13
2000	28,000	6,200	280.94	50.75
2001	19,500	9,000	186.60	73.82
2002	12,900	7,000	105.72	53.77
Most Recent 6 months	High	Low	High	Low
March, 2002	10,390	7,960	77.74	61.54
April, 2002	9,390	8,300	70.90	62.76
May, 2002	9,260	8,530	72.00	66.01
June, 2002	9,300	7,800	74.25	66.00
July, 2002	9,130	7,700	76.60	65.00
August, 2002	9,070	7,740	75.00	65.00

* The prices of American Depositary Shares are based upon reports by the NYSE, with all fractional figures rounded up to the nearest two decimal points.

The information about high and low sales prices for each quarterly period in the two fiscal years ended March 31, 2002 in respect of the shares of Common Stock of the Company on the Tokyo Stock Exchange, and the American Depositary Shares on the New York Stock Exchange, appears in the Company's 2002 Annual Report to Stockholders on page 14, which has been attached as Exhibit 10.2 to this Form 20-F and is incorporated herein by reference.

B. Plan of Distribution

Not Applicable.

C. Markets

See Item 9.A. of this Form 20-F for information on the markets on which our common stock is listed or quoted.

D. Selling Shareholders

Not Applicable.

E. Dilution

Not Applicable.

F. Expenses of the Issue

Not Applicable.

Item 10. Additional Information

A. Share Capital

Not Applicable.

B. Memorandum and Articles of Association

Organization

The Company is a joint stock corporation (kabushiki kaisha) incorporated in Japan under the Commercial Code. It is registered in the Commercial Register maintained by the Kyoto Local Registry Office of the Ministry of Justice.

Objects and Purposes

The objects of the Company are set forth in Article 2 of its Articles of Incorporation, as follows:

- (1) Manufacture and sale of and research on fine ceramics and various kinds of products utilizing fine ceramics;
- (2) Manufacture and sale of and research on single crystal materials and various kinds of products utilizing single crystal materials;
- (3) Manufacture and sale of and research on composite materials;
- (4) Manufacture and sale of and research on specialty plastics;
- (5) Manufacture and sale of and research on measurement instruments for electronics;
- (6) Manufacture and sale of and research on electronic and electric instruments and parts thereof;

- (7) Manufacture and sale of and research on component parts of automobiles;
- (8) Manufacture and sale of and research on precious metals, precious stones and semiprecious stones and various kinds of products utilizing precious metals, precious stones and semiprecious stones;
- (9) Manufacture and sale of and research on accessories and interior and exterior decorations and ornaments;
- (10) Wholesales and retail sale of health foods;
- (11) Manufacture and sale of and research on material and equipment for medical use;
- (12) Manufacture and sale of and research on equipment utilizing solar energy;
- (13) Manufacture and sale of and research on optical machinery and instruments and precision machinery and instruments and parts hereof;
- (14) Manufacture and sale of and research on machinery and equipment for business use and machinery and equipment for industrial use and parts thereof;
- (15) Manufacture and sale of and research on photosensitive materials for photographic use;
- (16) Design, control and contract of construction relating to public works, building, electric equipment and piping construction;
- (17) Sale, purchase, lease, maintenance and brokerage of real estate;
- (18) Lease, maintenance and management of facilities relating to sports, recreation, medical care, hotels and restaurants, and the travel agency business;
- (19) Road freight handling and warehousing;
- (20) Business relating to non-life insurance agency and life insurance canvassing, and general leasing, factoring and finance business;
- (21) Sale and purchase of various kinds of plants and technology related thereto;
- (22) Design and sale of software relating to computers;
- (23) Disposition through sale and the like and acquisition through purchase and the like of patents and other industrial property rights and know-how appertaining to the preceding items and acting as intermediary in such transactions;
- (24) Businesses relating to import and export of any of the foregoing items; and
- (25) All commercial activities relating or incidental to any of the foregoing.

Directors

Under the Commercial Code, the Board of Directors has the ultimate responsibility for the management of the Company and each Representative Director, who is elected from among the members of the Board of Directors, has the statutory authority to represent the Company in all

respects. Under both the Commercial Code and the Regulations of the Board of Directors of the Company, the Directors must refrain from engaging in any business competing with the Company unless approved by the Board of Directors and any Director who has a material interest in the subject matter of a resolution to be taken by the Board of Directors cannot vote in such resolution. The Commercial Code and the Articles of Incorporation of the Company provide that remuneration of Directors and Corporate Auditors shall be determined at a general meeting of shareholders.

Except as stated below, neither the Commercial Code nor the Company's Articles of Incorporation make any special provision as to a Director's or Corporate Auditor's power to vote in connection with their compensation; or the borrowing powers exercisable by a Representative Director (or a Director who is given power by a Representative Director to exercise such powers), their retirement age or requirement to hold any shares of capital stock of the Company.

The Commercial Code specifically requires a resolution of the Board of Directors for a joint stock corporation to acquire or dispose of material assets; to borrow substantial amounts of money; to employ or discharge from employment important employees, such as executive officers; and to establish, change or abolish a material corporate organization such as a branch office. The Regulations of the Board of Directors of the Company require a resolution of the Board of Directors for the Company's borrowing or lending of significant amounts of money or giving of a guarantee of a significant amount of debt. There is no written rule as to what constitutes a "significant" amount in these contexts. The Regulations of the Board of Directors of the Company also require a resolution of the Board of Directors to approve any transaction between a Director and the Company, allocation of the remuneration and bonuses of Directors as previously determined or approved by the general meeting of shareholders and determination of the amount and manner of payment of retirement allowances or condolence money payable to Directors, the determination of which has been previously entrusted to the Board of Directors by the general meeting of shareholders.

Capital Stock

Authorized capital

Article 5 of the Articles of Incorporation of the Company provides that the total number of shares authorized for issuance by the Company is 600,000,000 shares. If shares of common stock are retired, the number of shares so retired shall be deducted from the total number of shares authorized to be issued by the Company.

Dividends

The Articles of Incorporation of the Company provide that the fiscal year of the Company shall be a period commencing on April 1 in each year and ending on March 31 of the following year, and the accounts of each fiscal year shall be settled on March 31 of each year. Correspondingly, the Articles of Incorporation provide that dividends shall be paid to shareholders or pledgees who are registered on the shareholders register of the Company as of the end of March 31 in each year. After the close of the fiscal period, the Board of Directors prepares, among other things, a proposed allocation of profits for dividends and other purposes; this proposal is submitted to the Corporate Auditors of the Company and to independent certified public accountants and then submitted for approval to the ordinary general meeting of shareholders, which is normally held in June each year. In addition to provisions for dividends, if any, and for the legal reserve and other reserves, the allocation of profits customarily includes a bonus to Directors and Corporate Auditors. In addition to year-end dividends, the Company may, by resolution of the Board of

Directors, distribute cash as interim dividends, pursuant to Article 293-5 of the Commercial Code (an “interim dividend”) to shareholders or pledgees of record at the end of each September 30, without shareholders’ approval, but subject to the limitation described below.

The Commercial Code provides that a company may not make any distribution of profit by way of dividends or interim dividends for any fiscal period unless it sets aside in its legal reserve an amount equal to at least (A) one-tenth of the amount paid out by it as appropriation of retained earnings (including any payments of annual dividend and bonuses to Directors and Corporate Auditors) for such fiscal period or (B) one-tenth of any interim dividend, as the case may be, until the sum of its legal reserve and its additional paid-in capital is at least one-quarter of its stated capital.

Under the Commercial Code, the Company is permitted to distribute profits by way of year-end dividends out of the excess of its net assets over the aggregate of:

- (i) its stated capital;
- (ii) its additional paid-in capital;
- (iii) its accumulated legal reserve;
- (iv) the legal reserve to be set aside in respect of the fiscal period concerned;
- (v) the excess, if any, of unamortized expenses incurred in preparation for commencement of business and in connection with research and development over the aggregate of amounts referred to in (ii), (iii) and (iv) above; and
- (vi) if certain assets of the Company are stated at market value pursuant to the provisions of the Commercial Code, the aggregate amount of the difference between their market value and acquisition cost.

In the case of interim dividends, the net assets are calculated by reference to the non-consolidated balance sheet as at the last closing of the Company’s accounts, and adjustments are made to reflect (x) any subsequent payment by way of appropriation of retained earnings and the related transfer to legal reserve, (y) any subsequent transfer of retained earnings to stated capital, and (z) if the Company has been authorized to purchase its shares pursuant to a resolution of an ordinary general meeting of shareholders, the total amount of the purchase price of such shares to be paid by the Company. Interim dividends may not be paid where there is a risk that at the end of the fiscal year net assets might be less than the aggregate of the amounts referred to in (i) through (vi) above.

In Japan the “ex-dividend” date and the record date for dividends precede the date of determination of the amount of the dividend to be paid. The market price of shares generally goes ex-dividend on the third business day prior to the record date.

Under its Articles of Incorporation, the Company is not obligated to pay any dividends that are not collected within three years from the date when the payment thereof became due.

General Meeting of Shareholders

Pursuant to the Articles of Incorporation of the Company, an ordinary general meeting of shareholders of the Company shall be convened within three months after the last day of each fiscal year, either in Kyoto City or at the Shiga Factory of the Company. In addition, the Company may hold an extraordinary general meeting of shareholders whenever necessary.

Notice of a shareholders' meeting, setting forth the place, time and purpose thereof, must be mailed to each shareholder having voting rights (or, in the case of a non-resident shareholder, to the resident proxy or mailing address thereof in Japan) at least two weeks prior to the date set for the meeting. Under the Commercial Code, such notice may be given to shareholders by electronic means, subject to the consent by the relevant shareholders.

Any shareholder holding at least 300 voting rights (see "Unit share system" below) or one percent of the total number of voting rights for six months or more may propose a matter to be considered at a general meeting of shareholders by submitting a written request to a Representative Director at least six weeks prior to the date set for such meeting.

Voting rights

A holder of shares constituting one or more whole units is entitled to one vote for each whole unit of shares, except that neither the Company nor a corporate shareholder of which more than one-quarter of the total voting rights are directly or indirectly held by the Company has voting rights in respect of the shares held by it. Except as otherwise provided by law or by the Articles of Incorporation of the Company, a resolution can be adopted at a general meeting of shareholders by a majority of the total number of voting rights. Under the Commercial Code and the Company's Articles of Incorporation, however, the quorum for the election of Directors and Corporate Auditors is one-third of the total number of voting rights. The Company's shareholders are not entitled to cumulative voting in the election of Directors. A corporate shareholder, more than one-quarter of the total voting rights of which are directly or indirectly exercisable by the Company at a general meeting of shareholders, may not exercise its voting rights with respect to shares of capital stock of the Company that it owns. Shareholders may exercise their voting rights through proxies, provided that the proxies are also shareholders holding voting rights. The Company's shareholders also may cast their votes in writing. Holders of shares who do not attend a general meeting of shareholders may also exercise their voting rights by electronic means if the Board of Directors approves such method of exercising voting rights.

The Commercial Code provides that certain important matters shall be approved by a "special resolution" of a general meeting of shareholders, where the quorum is a majority of the total number of voting rights and the approval of at least two-thirds of the voting rights represented at the meeting is required. Such matters include any amendment to the Articles of Incorporation (except for increasing the number of the authorized shares in connection with a stock split and reducing the number of shares constituting a full unit or abolishing the concept of a unit share entirely in connection with the unit share system), the reduction of stated capital, the removal of a Director or Corporate Auditor, the dissolution, merger or consolidation, the "share transfer" or "share exchange" (which creates a parent and a wholly-owned subsidiary relationship between the Company and another company pursuant to the Commercial Code), the transfer of the whole or a substantial part of the Company's business, the takeover of the entire business of another company, the corporate split, the offering to persons other than the shareholders of new shares or existing shares held by the Company at a "specially favorable" price, the granting to persons other than the shareholders of rights to subscribe for or acquire shares from the Company (*shinkabu-yoyakuken*; "stock acquisition rights") subject to "specially favorable" conditions, or

the offering to persons other than the shareholders of bonds with stock acquisition rights subject to “specially favorable” conditions.

Under the Commercial Code, the Company’s shareholders will possess various rights, such as the right to review and make copies of its Articles of Incorporation and the register of shareholders, to convene a general meeting of shareholders, to propose a matter to be considered at a general meeting of shareholders, and to bring derivative actions, depending upon the number of shares held by them and the duration of their shareholding.

Subscription rights

Holders of the Company’s shares of capital stock have no pre-emptive rights under its Articles of Incorporation. Authorized but unissued shares may be issued at such times and upon such terms as the Board of Directors determines, subject to the limitations as to the offering of new shares at a “specially favorable” price mentioned under “Voting rights” above. The Board of Directors may, however, determine that shareholders of a particular class of stock shall be given subscription rights regarding a particular issue of new shares of that class, in which case such rights must be given on uniform terms to all shareholders of that class of stock as at a record date of which not less than two weeks’ prior public notice must be given. Each of the shareholders to whom such rights are given must also be given notice of the expiry thereof at least two weeks prior to the date on which such rights expire.

Liquidation rights

In the event of a liquidation of the Company, the assets remaining after payment of all debts and liquidation expenses and taxes will be distributed among the holders of its shares in proportion to the respective numbers of shares held.

Record date

March 31 is the record date for the Company’s year-end dividends and the determination of shareholders entitled to vote at the ordinary general meeting of shareholders with respect to the fiscal year ending on such March 31. September 30 is the record date for interim dividends. In addition, the Company may set a record date for determining the shareholders and/or beneficial shareholders entitled to other rights and for other purposes by giving at least two weeks prior public notice.

Repurchase by the Company of its capital stock

The Company may acquire shares (i) by way of purchase on any Japanese stock exchange on which shares are listed or by way of tender offer (in either case pursuant to an ordinary resolution of an ordinary general meeting of shareholders), (ii) from a specific shareholder other than the Company’s subsidiaries (pursuant to a special resolution of an ordinary general meeting of shareholders) or (iii) from any of the Company’s subsidiaries (pursuant to a resolution of the Board of Directors). In the case of (ii) above, any other shareholder may make a request directly to a Representative Director, more than five days prior to the relevant shareholders’ meeting, that the Company acquire the shares held by this shareholder.

Any such acquisition of shares must satisfy certain requirements, including that the total amount of the purchase price may not exceed the amount of the retained earnings available for annual dividend payments plus the amount of any reduction of the stated capital, additional paid-in capital or legal reserve (if this reduction is authorized by a resolution of the relevant general

meeting of shareholders) minus the sum of the amount to be paid by way of appropriation of retained earnings and the amount of retained earnings to be transferred to the stated capital in respect of the relevant fiscal year pursuant to a resolution of the general meeting of shareholders. However, if it is anticipated that the net assets, as stated on the Company's non-consolidated balance sheet at the end of the immediately following fiscal year, will be less than the aggregate amount of the items described in (i) through (vi) in "Capital stock – Dividends" above, the Company may not purchase these shares.

The Commercial Code permits the Company to hold shares acquired by it as treasury stock. Treasury stock may be held by the Company for any time period and may be cancelled by resolution of its Board of Directors. The Company may also transfer to any person shares held by it as treasury stock, subject to a resolution of its Board of Directors, and subject also to other requirements similar to those applicable to the issuance of new shares. The Company may also utilize its treasury stock for the purpose of transfer to any person upon exercise of stock acquisition rights or for the purpose of acquiring another company by way of merger, share exchange or corporate split through exchange of treasury stock for shares or assets of the acquired company. No specific approval by the Board of Directors or shareholders at a shareholders meeting is required for this utilization of treasury stock, although the grant of the relevant stock acquisition rights or the relevant merger, share exchange or corporate split must be approved by the Board of Directors or shareholders at the Company's shareholders' meeting.

"Unit" share system

Under the Company's Articles of Incorporation, 100 shares constitute one "unit". The Board of Directors will be permitted to reduce the number of shares constituting a unit or to abolish the unit in its entirety by amending the Company's Articles of Incorporation without approval by shareholders. The number of shares constituting a unit may not exceed 1,000 shares or one-two hundredths (1/200) of the number of all issued shares, whichever is smaller.

No share certificates may be issued with respect to any shares constituting less than one unit. Consequently, no certificates for shares other than a full unit or an integral multiple thereof will be issued (except for protection of the holders of shares constituting less than one unit). As the transfer of shares normally requires delivery of the relevant share certificates, any fraction of a unit for which no share certificates are issued will not be transferable.

A holder of shares constituting less than one unit may require the Company to purchase such shares at their market value.

Under the unit share system, a shareholder will have one vote for each unit of shares held by it. Shares not constituting a full unit will carry no voting rights. Except as otherwise described above, holders of shares constituting less than one unit will have all the rights granted to shareholders under the Commercial Code.

A holder who owns ADRs evidencing less than 100 ADSs will indirectly own less than a whole unit. Although, as discussed above, under the unit share system holders of less than a unit have the right to require the Company to purchase their shares, holders of ADRs evidencing ADSs that represent other than integral multiples of whole units are unable to withdraw the underlying shares of capital stock representing less than a unit and, therefore, are unable, as a practical matter, to exercise the rights to require the Company to purchase such underlying shares. As a result, access to the Japanese markets by holders of ADRs through the withdrawal mechanism will not be available for dispositions of shares in lots less than a unit. The unit share system does not affect the transferability of ADSs, which may be transferred in lots of any size.

Miscellaneous

The Securities and Exchange Law of Japan requires any person who has become, beneficially and solely or jointly, a holder of more than five percent of the total issued voting shares of the Company to file a report concerning such shareholdings with the Director of the relevant Local Finance Bureau of the Ministry of Finance within five business days.

For this purpose, share to be issued or transferred to these persons upon the exercise of stock acquisition rights are included in determining both the size of the holding and the Company's total issued voting share capital.

A similar report must also be filed in respect of any subsequent change of one percent or more in any such holding, with certain exceptions. (For this purpose, any shares of the Company issuable to such person upon conversion of convertible securities or exercise of stock acquisition rights, of which none are currently outstanding, would be taken into account in determining both the number of shares held by such holder and the Company's total issued share capital.) Copies of such report must also be furnished to the Company and to all Japanese stock exchanges on which the shares of the Company are listed.

Except for the general limitation under Japanese anti-trust and anti-monopoly regulations against holding of shares of capital stock of a Japanese corporation which leads or may lead to a restraint of trade or monopoly, and except for general limitations under the Commercial Code or the Company's Articles of Incorporation on the rights of shareholders applicable regardless of residence or nationality, there is no limitation under Japanese laws and regulations applicable to the Company or under its Articles of Incorporation on the rights of non-resident or foreign shareholders to hold or exercise voting rights on the shares of capital stock of the Company.

There is no provision in the Company's Articles of Incorporation that would have an effect of delaying, deferring or preventing a change in control of the Company and that would operate only with respect to merger, acquisition or corporate restructuring involving the Company.

C. Material Contracts

During the preceding two years we have not entered into any material contracts, other than in the ordinary course of business.

D. Exchange Controls

There is no foreign exchange control in Japan that may materially affect the import or export of capital, including the availability of cash and cash equivalents for use by the Company, or the remittance of dividends or other payments to nonresident holders of the Company's shares or of ADRs evidencing ADSs.

E. Taxation

Japanese Taxation

The following is a discussion summarizing material Japanese tax consequences to an owner of shares or ADSs who is a non-resident of Japan or a non-Japanese corporation without a permanent establishment in Japan to which the relevant income is attributable. The statements regarding Japanese tax laws set forth below are based on the laws in force and as interpreted by the Japanese taxation authorities as at the date hereof. These statements are subject to changes in the applicable Japanese laws or double taxation conventions occurring after that date. This

summary is not exhaustive of all possible tax considerations which may apply to a particular investor. Potential investors should satisfy themselves as to:

- the overall tax consequences of the ownership and disposition of shares or ADSs, including specifically the tax consequences under Japanese law,
- the laws of the jurisdiction of which they are a resident, and
- any tax treaty between Japan and their country of residence, by consulting their own tax advisers.

Generally, a non-resident of Japan or a non-Japanese corporation is subject to Japanese withholding tax on dividends paid by Japanese corporations. Stock splits, subject to the following, are not subject to Japanese income tax.

The Convention Between the United States of America and Japan for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (“Treaty”), establishes the maximum rate of Japanese withholding tax which may be imposed on dividends paid to an United States resident or corporation not having a “permanent establishment” in Japan. A “permanent establishment” in Japan is generally a fixed place of business for industrial or commercial activity in Japan. Under the Treaty, the maximum withholding rate for most shareholders is limited to 15% of the gross amount actually distributed. However, the maximum rate is 10% of the gross amount actually distributed, if the recipient is a corporation and

- during the part of the paying corporation’s taxable year which precedes the date of payment of the dividend and during the whole of its immediately preceding taxable year, if any, at least 10% of the voting shares of the paying corporation were owned by the recipient corporation, and
- the amount of interest or dividends received by the paying corporation during such immediately preceding taxable year is not more than 25% of its gross income.

For purposes of the Treaty and Japanese tax law, U.S. holders of ADRs will be treated as the owners of the shares underlying the ADSs evidenced by the ADRs.

Unless an applicable tax treaty, convention or agreement reduces the maximum rate of withholding tax, the rate of Japanese withholding tax applicable to dividends paid by Japanese corporations to a non-resident or non-Japanese corporation is 20%. Japan has entered into income tax treaties, conventions or agreements, reducing the above-mentioned withholding tax rate to 15% for investors with a number of countries. These countries include, among others, Australia, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, The Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States of America. The withholding tax rate is further reduced if investors and the Company have some capital relationship as provided for in an applicable tax treaty.

Non-resident holders who are entitled to a reduced rate of Japanese withholding tax on payment of dividends by the Company must submit the required form in advance through the Company to the relevant tax authority before payment of dividends. The required form is the Application Form for Income Tax Convention regarding Relief from Japanese Income Tax on Dividends. A

standing proxy for non-resident holders may provide such application service. With respect to ADSs, the reduced rate is applicable if Citibank, N.A., as depositary, or its agent submits Application Forms for Income Tax Convention. To claim the reduced rate, a non-resident holder of ADSs will be required to file proof of taxpayer status, residence and beneficial ownership, as applicable. The non-resident holder will also be required to provide information or documents clarifying its entitlement to the tax reduction as may be required by the depositary.

A non-resident holder of shares or ADSs who does not submit an application in advance will be entitled to claim from the relevant Japanese tax authority a refund of withholding taxes withheld in excess of the rate of an applicable tax treaty.

Gains derived from the sale outside Japan of the shares or ADSs by a non-resident of Japan or a non-Japanese corporation are in general not subject to Japanese income or corporation taxes. In addition, gains derived from the sale of shares or ADSs within Japan by a non-resident of Japan or non-Japanese corporation not having a permanent establishment in Japan are in general not subject to Japanese income or corporation taxes. Japanese inheritance and gift taxes may be payable at progressive rates by an individual who has acquired shares or ADSs as a legatee, heir or donee.

The Company has paid or will pay any stamp, registration or similar tax imposed by Japan in connection with the issue of the shares, except that the Company will not pay any tax payable in connection with the transfer or sale of the shares by a holder thereof.

Japanese inheritance and gift taxes at progressive rates may be payable by an investor who has acquired shares or ADRs as legatee, heir or donee.

United States Taxation

The following discusses United States federal income tax consequences of the ownership of shares or ADSs. It only applies to holders of shares who hold their ADSs as capital assets. It does not address special classes of holders, some of whom may be subject to special rules including:

- tax-exempt entities,
- certain insurance companies,
- broker-dealers,
- traders in securities that elect to mark to market,
- investors liable for alternative minimum tax,
- investors that hold shares or ADSs as part of a straddle or a hedging or conversion transaction,
- investors whose functional currency is not the U.S. dollar, or
- investors that actually or constructively own 10% or more of the Company's voting stock.

This discussion is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations and administrative and judicial interpretations, as currently in effect, as well as on the Treaty. These laws are subject to change, possibly on a retroactive basis. In addition, this discussion is based in part upon the representations of the depositary and the assumption that each obligation in the deposit agreement relating to the ADRs and any related agreement will be performed in accordance with its terms.

For purposes of this discussion, a “U.S. holder” is a beneficial owner of shares or ADSs that is:

- a citizen or resident of the United States,
- a domestic corporation,
- an estate whose income is subject to United States federal income tax regardless of its source, or
- a trust if a United States court can exercise primary supervision over the trust’s administration and one or more United States persons are authorized to control all substantial decisions of the trust.

This discussion addresses only United States federal income taxation. An investor should consult his own tax advisor regarding the United States federal, state and local and other tax consequences of owning and disposing of shares or ADSs in his particular circumstances.

In general, and taking into account the earlier assumptions, for United States federal income tax purposes, if the investor holds ADRs evidencing ADSs, the investor will be treated as the owner of the shares represented by those ADSs. Exchanges of shares for ADSs, and ADSs for shares, generally will not be subject to United States federal income tax.

The discussion under the headings “Taxation of Dividends” and “Taxation of Capital Gains” assumes that the Company will not be treated as a passive foreign investment company (PFIC) for U.S. federal income tax purposes. For a discussion of the rules that apply if the Company is treated as a PFIC, see the discussion under the heading below “PFIC Rules.”

Taxation of Dividends

Under the United States federal income tax laws, if the investor is a U.S. holder, the investor must include in the investor’s gross income the gross amount of any dividend paid by the Company out of its current or accumulated earnings and profits, as determined for United States federal income tax purposes. The investor must include any Japanese tax withheld from the dividend payment in this gross amount even though he does not in fact receive it.

The dividend is ordinary income that the investor must include in income when the investor, in the case of shares, or the depository, in the case of ADSs, receive the dividend, actually or constructively. The dividend will not be eligible for the dividends-received deduction.

The amount of the dividend distribution that the investor must include in his income as a U.S. holder will be the U.S. dollar value of the Japanese yen payments made, determined at the spot Japanese yen/U.S. dollar rate on the date the dividend distribution is includible in the investor’s income, regardless of whether the payment is in fact converted into U.S. dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the investor includes the dividend payment in income to the date he converts the payment into U.S. dollars will be treated as ordinary income or loss. The gain or loss generally will be from sources within the United States for foreign tax credit limitation purposes.

Distributions in excess of current and accumulated earnings and profits, as determined for United States federal income tax purposes, will be treated as a return of capital to the extent of the investor’s basis in the shares or ADSs and thereafter as capital gain.

Subject to certain limitations, the Japanese tax withheld in accordance with the Treaty and paid over to Japan will be creditable against the investor’s United States federal income tax

liability. To the extent a refund of the tax withheld is available to the investor under Japanese law or under the Treaty, the amount of tax withheld that is refundable will not be eligible for credit against the investor's United States federal income tax liability. Please see "Japanese Taxation," above, for the procedures for obtaining a tax refund.

Dividends constitute income from sources outside the United States, but generally will be "passive income" or "financial services income." Passive income or financial services income must be treated separately from other types of income for purposes of computing the foreign tax credit allowable to the investor.

Distributions of additional shares to the investor with respect to shares or ADSs that are made as part of a pro rata distribution to all shareholders of the Company generally will not be subject to United States federal income tax.

Taxation of Capital Gains

If the investor is a U.S. holder and the investor sells or otherwise disposes of his shares or ADSs, the investor will recognize capital gain or loss for United States federal income tax purposes equal to the difference between the U.S. dollar value of the amount that the investor realizes and his tax basis, determined in U.S. dollars, in his shares or ADSs. Capital gain of a non-corporate U.S. holder is generally taxed at a maximum rate of 20% for property held more than one year. Additionally, gain or loss will generally be from sources within the United States for foreign tax credit limitation purposes.

PFIC Rules

The Company believes that shares and ADSs should not be treated as stock of a PFIC for United States federal income tax purposes for its most recent taxable year. However, this conclusion is a factual determination made annually and thus may be subject to change.

In general, if the investor is a U.S. holder, the Company will be a PFIC with respect to the investor if for any of its taxable years in which the investor held the Company's ADSs or shares:

- at least 75% of the Company's gross income for the taxable year is passive income, or
- at least 50% of the value, determined on the basis of a quarterly average of the company's assets, are attributable to assets that produce or are held for the production of passive income.

Passive income generally includes dividends, interest, royalties, rents (other than certain rents and royalties derived in the active conduct of a trade or business), annuities and gains from assets that produce passive income. If a foreign corporation owns at least 25% by value of the stock of another corporation, the foreign corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation, and as receiving directly its proportionate share of the other corporation's income.

If the Company is treated as a PFIC, and the investor is a U.S. holder that did not make a mark-to-market election, as described below, the investor will be subject to special rules with respect to:

- any gain the investor realizes on the sale or other disposition of his shares or ADSs and
- any “excess distribution” that the Company makes to the investor (generally, any distributions to the investor during a single taxable year that are greater than 125% of the average annual distributions received by the investor in respect of the shares or ADSs during the three preceding taxable years or, if shorter, the investor’s holding period for the shares or ADSs.)

Under these rules:

- the gain or excess distribution will be allocated ratably over the investor’s holding period for the shares or ADSs,
- the amount allocated to the taxable year in which the investor realized the gain or excess distribution will be taxed as ordinary income,
- the amount allocated to each prior year, with certain exceptions, will be taxed at the highest tax rate in effect for that year, and
- the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such year.

Special rules apply for calculating the amount of the foreign tax credit with respect to excess distributions by a PFIC.

If the investor owns shares or ADSs in a PFIC that is treated as marketable stock, the investor may make a mark-to-market election. If the investor makes this election, the investor will not be subject to the PFIC rules described above. Instead, in general, the investor will include as ordinary income each year the excess, if any, of the fair market value of his shares or ADSs at the end of the taxable year over his adjusted basis in his shares or ADSs, and the investor will recognize the additional gain, if any, on sale or other disposition of his shares or ADSs as ordinary income for that taxable year. The investor will also be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted basis of his shares or ADSs over their fair market value at the end of the taxable year or over their final sale or disposition prices, but only to the extent of the net amount of previously included income as a result of the mark-to-market election. The investor’s basis in the shares or ADSs will be adjusted to reflect any such income or loss amounts.

If the investor owns shares or ADSs during any year that Kyocera is a PFIC he must file Internal Revenue Service Form 8621.

F. Dividends and Paying Agents

Not Applicable.

G. Statement by Experts

Not Applicable.

H. Documents on Display

We are subject to the informational requirements of the Securities Exchange Act of 1934 and, in accordance therewith, we will file annual reports on Form 20-F within six months of our fiscal year-end and other reports and information on Form 6-K with the Securities and Exchange Commission. These reports and other information can be inspected at the public reference room

at the Securities and Exchange Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. You can also obtain copies of such material by mail from the public reference room of the Securities and Exchange Commission at prescribed fees. You may obtain information on the operation of the Securities and Exchange public reference room by calling the Securities and Exchange Commission in the United States at 1-800-SEC-0330. The Securities and Exchange Commission also maintains a web site at www.sec.gov at contains reports, proxy statements and other information regarding registrants that file electronically with the Securities and Exchange Commission. We currently do not file reports and information electronically with the Securities and Exchange Commission. Also, as a foreign private issuer, we are exempt from the rules under the Securities Exchange Act of 1934 prescribing the furnishing and content of proxy statements to shareholders.

I. Subsidiary Information

Not Applicable.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

The information required by this item appears in the Company's 2002 Annual Report to Stockholders on pages 24 to 27 which have been attached as Exhibit 10.2 to this Form 20-F and are incorporated herein by reference.

Item 12. Description of Securities Other Than Equity Securities

Not Applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modification to Rights of Security Holders and Use of Proceeds

None.

Item 15. Controls and Procedures

Not Applicable.

Item 16. [Reserved]

PART IV

Item 17. Financial Statements

In lieu of responding to this item, we have responded to Item 18 of this Form 20-F.

Item 18. Financial Statements

The following pages of the Company's 2002 Annual Report to Stockholders have been attached as Exhibit 10.2 to this Form 20-F and are incorporated herein by reference:

<u>Description</u>	<u>Page</u>
(1) Consolidated Balance Sheets at March 31, 2002 and 2001	28 & 29
(2) Consolidated Statements of Income for the years ended March 31, 2002, 2001 and 2000	30
(3) Consolidated Statements of Stockholders' Equity for the years ended March 31, 2002, 2001 and 2000	31
(4) Consolidated Statements of Cash Flows for the years ended March 31, 2002, 2001 and 2000	32
(5) Notes to The Consolidated Financial Statements	33 to 58
(6) Report of Independent Accountants related to the Consolidated Financial Statements listed above	59

Schedules

Report of Independent Accountants related to Schedules appears on page 69 of this Form 20-F.

SCHEDULE II. Valuation and Qualifying Accounts

KYOCERA CORPORATION AND SUBSIDIARIES

SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS

For the years ended March 31, 2002, 2001 and 2000

Column A	Yen in millions				Column E
	Column B	Column C		Column D	
Description	Balance at Beginning of Period	Additions		Deductions (B)	Balance at End of Period
		Charged to Costs and Expenses	Charged (Credited) to other Accounts (A)		
For the year ended March 31, 2002:					
Allowance for doubtful accounts	¥ 60,087	¥ 2,428	¥ 1,103	¥ 4,953	¥ 58,665
Allowance for sales returns	5,830	1,185	463	-	7,478
Allowance for valuation losses on inventories	7,490	1,281	-	-	8,771
Total	¥ 73,407	¥ 4,894	¥ 1,566	¥ 4,953	¥ 74,914
For the year ended March 31, 2001:					
Allowance for doubtful accounts	¥ 59,807	¥ 4,867	¥ 3,064	¥ 7,651	¥ 60,087
Allowance for sales returns	4,196	1,279	763	408	5,830
Allowance for valuation losses on inventories	13,293	-	-	5,803	7,490
Total	¥ 77,296	¥ 6,146	¥ 3,827	¥ 13,862	¥ 73,407
For the year ended March 31, 2000:					
Allowance for doubtful accounts	¥ 51,580	¥ 10,587	¥ (241)	¥ 2,119	¥ 59,807
Allowance for sales returns	3,558	3,026	925	3,313	4,196
Allowance for valuation losses on inventories	14,620	-	-	1,327	13,293
Total	¥ 69,758	¥ 13,613	¥ 684	¥ 6,759	¥ 77,296

(A) Foreign currency translation adjustments and beginning balance of newly consolidated subsidiaries

(B) Charge-offs

Schedules other than that above are omitted for the reason that they are not required or are not applicable, or the required information is shown in the financial statements or notes thereto.

Financial statements of unconsolidated subsidiaries and 50% or less owned persons accounted for by the equity method have been omitted because they are in the aggregate not significant and the conditions for inclusion otherwise are not present.

Item 19. Exhibits

<u>Exhibit Number</u>	<u>Description</u>
1.1	Articles of Incorporation (with English translation)
1.2	Share Handling Regulations of the Company (with English translation)
1.3	Regulations of the Board of Directors of the Company (with English translation)
1.4	Regulations of the Board of Corporate Auditors of the Company (with English translation)
2.1	Specimen common stock certificate of the Company (incorporated by reference to the Registrant's annual report on Form 20-F filed on September 24, 2001)
2.2	Amended and Restated Deposit Agreement, dated as of June 29, 1998 among the Company, Citibank N.A. as Depositary and all owners and holders from time to time of American Depositary Receipts, including the form of American Depositary Receipt, as amended by Amendment No.1 thereto, dated as of January 5, 1999 (incorporated by reference to the Registrant's annual report on Form 20-F filed on September 24, 2001)
8.1	List of Significant Subsidiaries (See "Organizational Structure" in Item 4.C. of this Form 20-F)
10.1	Consent of PricewaterhouseCoopers with respect to the financial statements included in this registration statement
10.2	Company's 2002 Annual Report to Stockholders, pages 14 to 59 only.

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the Company certifies that it meets all of the requirements for filing on Form 20-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

Kyocera Corporation
(Company)

By _____
Hideki Ishida
Managing Director
General Manager of Corporate Business Systems
Administration Division

September 19, 2002

CERTIFICATION

I, Yasuo Nishiguchi, certify that:

1. I have reviewed this annual report on Form 20-F of Kyocera Corporation;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report; and
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report.

Date: September 19, 2002

Name: Yasuo Nishiguchi
Title: President and
Representative Director
(Principal Executive Officer)

CERTIFICATION

I, Hideki Ishida, certify that:

1. I have reviewed this annual report on Form 20-F of Kyocera Corporation;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report; and
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report.

Date: September 19, 2002

Name: Hideki Ishida
Title: Managing Director
(Principal Financial Officer)

INDEX OF EXHIBITS

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**Report of Independent Accountants on
Financial Statement Schedules**

To the Board of Directors and Stockholders
of Kyocera Corporation:

Our audits of the consolidated financial statements referred to in our report dated June 7, 2002 appearing in the 2002 Annual Report to Stockholders of Kyocera Corporation (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 20-F) also included an audit of the financial statement schedules listed in Item 18 of this Form 20-F. In our opinion, these financial statement schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PricewaterhouseCoopers
Osaka, Japan
June 7, 2002.