

INTERIM FINANCIAL STATEMENTS

**RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2000
(FROM APRIL 1, 2000 THROUGH SEPTEMBER 30, 2000)
CONSOLIDATED**

KYOCERA CORPORATION

KYOCERA CORPORATION

Date of the board of directors' meeting concerning the interim consolidated financial statements: November 20, 2000

1. Results for the six months ended September 30, 2000 (From April 1, 2000 through September 30, 2000)

(1) Operational results :

	Japanese yen (Millions, except earnings per share amounts)		
	Six months ended September 30,		Year ended March 31,
	2000	1999	2000
Sales	¥604,622	¥385,777	¥812,626
% change from the same period previous year	56.7%		7.7%
Profit from operations	95,007	42,339	92,151
% change from the same period previous year	124.4%		39.9%
Income before income taxes	100,853	41,112	97,468
% change from the same period previous year	145.3%		21.6%
Net income	53,149	21,399	50,345
% change from the same period previous year	148.4%		28.9%
Earnings per share: Basic	¥281.12	¥112.68	¥265.72
: Diluted	¥280.15	¥112.68	¥265.34

Notes:

1. Equity in earnings of affiliates and unconsolidated subsidiaries

Six months ended September 30, 2000: 1,674 million yen

Six months ended September 30, 1999: 1,839 million yen

Year ended March 31, 2000: -6,980 million yen

2. Gross unrealized loss of derivative financial instruments (net): -592 million yen

3. Change in accounting policies: Please refer to the note on page 21.

4. Percentage figure in net sales, profit from operations, income before income taxes and net income are changes from the corresponding interim financial period last year.

(2) Financial condition :

	Japanese yen		
	September 30,		March 31,
	2000	1999	2000
Total assets	1,407,223 million	1,139,156 million	1,217,158 million
Stockholders' equity	844,086 million	763,592 million	798,450 million
Stockholders' equity to total assets	60.0%	67.0%	65.6%
Stockholders' equity per share	¥4,464.57	¥4,040.33	¥4,222.94

(3) Condition of Cash Flow

	Japanese yen (millions)		
	September 30,		March 31,
	2000	1999	2000
Operating activities	46,129	55,341	107,930
Investing activities	-62,463	-37,581	-73,748
Financing activities	-1,320	-21,394	-19,867
Balance of Cash and cash equivalents	162,263	162,885	178,944

(4) Scope of consolidation and application of the equity method :

Number of consolidated subsidiaries : 150

Number of subsidiaries accounted for by the equity method : 7

Number of affiliates accounted for by the equity method : 27

(5) Changes in scope of consolidation and application of the equity method:

	Consolidation	Equity method
Increase	57 companies	8 companies
Decrease	1 company	1 company

2. Projection for the year ending March 31, 2001

	Japanese yen (Millions)
Sales	1,280,000
Income before income taxes	217,000
Net income	115,000

Note:

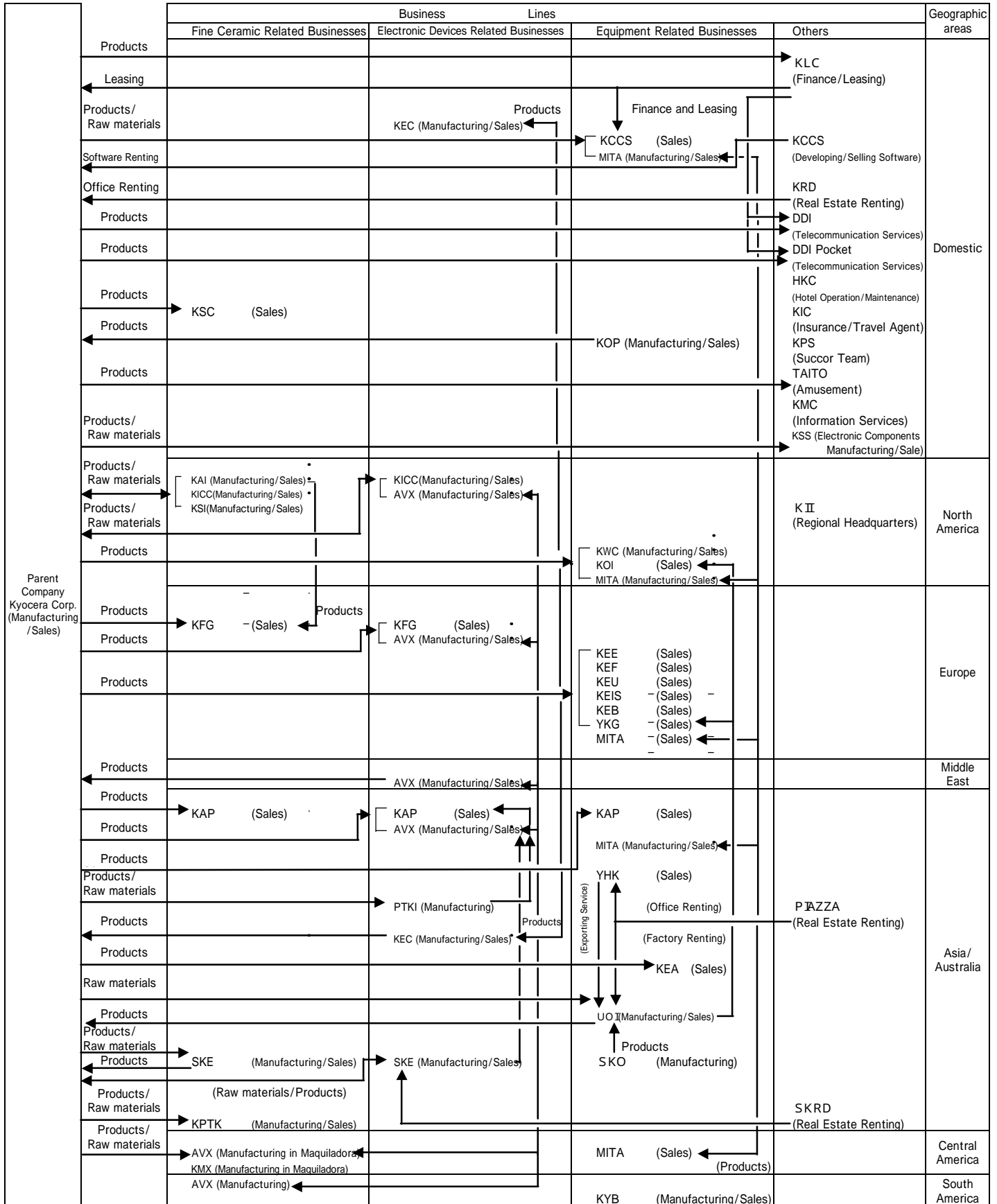
Projected annual earnings per share: ¥606.18

Net income per share amounts were computed based on Statement of Financial Accounting Standards No.128.

Projected annual earnings per share is computed based on the average number of shares of common stock outstanding (diluted) during the interim financial period ending September 30, 2000.

Scope of the group companies

Kyocera group consists of Kyocera Corp. , 157 subsidiaries and 27 affiliates. Below is a outline chart by business line and geographic area.



Financial Performance

1. Financial Performance for the six months ended September 30, 2000

(1) Overall

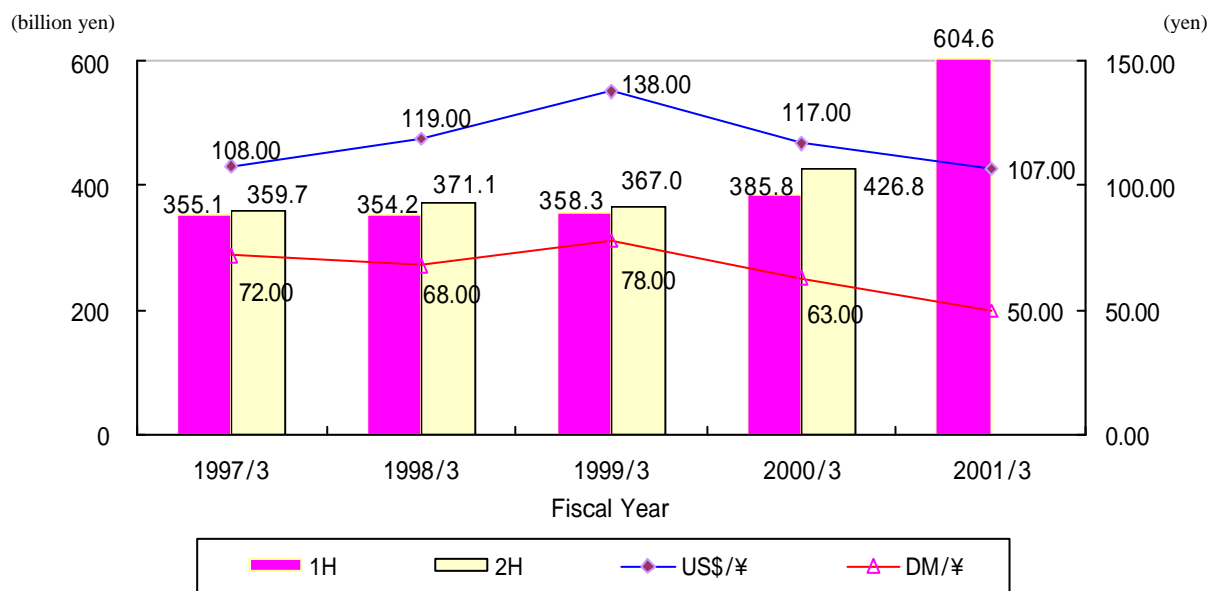
Financial results for the six months ended September 30, 2000 (Consolidated)

(Unit: million yen)

	Sep. 30, 2000	Sep. 30, 1999	Increase or decrease (%)
Total net sales	604,622	385,777	56.7
Profit from operations	95,007	42,339	124.4
Income before income taxes	100,853	41,112	145.3
Net income	53,149	21,399	148.4

- Due to global expansion in the mobile communications handset and optical communications markets, demand in electronic devices related business and fine ceramic related business has increased.
- In this interim term, sales of Kyocera Wireless Corp. (KWC), which became a consolidated subsidiary in February this year, and sales of Kyocera Mita Corporation (Kyocera Mita), which became a consolidated subsidiary from this period, are included.
- As a result of the effect of increased production in accordance with an expansion in sales quantity centering on parts business, and an improvement in productivity, profit also rose substantially.
- The effects of the strong yen caused falls from the same period of the previous year of about 32 billion yen in sales and about 16 billion yen in interim income before income taxes.

<Reference: Changes in sales by half period and interim period average exchange rate>



(2) Segment Information

(Unit: million yen)

	September 30,		Increase or decrease (%)
	2000	1999	
Total net sales	604,622	385,777	56.7
Fine Ceramic Related Business	170,382	124,915	36.4
Electronic Devices Related Business	190,516	125,563	51.7
Equipment Related Business	214,464	106,057	102.2
Other Business	38,134	35,343	7.9
Adjustments and eliminations	-8,874	-6,101	-
Operating Profit	116,553	47,645	144.6
Fine Ceramic Related Business	40,051	17,455	129.5
Electronic Devices Related Business	61,620	13,561	354.4
Equipment Related Business	11,030	14,365	-23.2
Other Business	3,852	2,264	70.1

(Note) From this interim period, the Company changed to disclosure according to segment by product line, which conforms to the Company's management by business divisions. With this change, reclassification by the same standard has also been carried out for the interim period of the previous year. Under classification into the new segments, previously announced business is as follows.

Fine Ceramic Related Business: Fine Ceramic Parts, Semiconductor Parts, Cutting Tools, Jewelry, Dental and Orthopedic Implants (BIOCERAM), Solar Energy Products and Applied Ceramic Products

Electronic Devices Related Business: Electronic Components

Equipment Related Business: Telecommunications Equipment, Information Equipment and Optical Instrument

Other: Finance and other operating income

Fine Ceramic Related Business

- Sales of this segment grew, led by sales of fine ceramic parts and semiconductor parts for the mobile communications and optical communications markets. More specifically, demand for electronic surface-mount device (SMD) packages for mobile communications handset was good, and demand for fine ceramic parts, such as ferrules and isolators and semiconductor parts, such as optical communications device packages, for the optical communications market also swelled rapidly.
- Moreover, sales of fine ceramic parts for semiconductor fabrication equipment and consumer related products such as solar energy products and cutting tools, also climbed steadily.
- Operating profit of this segment rose significantly from the same period of the previous year on account of the effect of increased productivities accompanying sales quantity expansion and rationalization.

Electronic Devices Related Business

- With Kyocera Corporation and U.S subsidiary AVX Corporation playing a key role, parts demand for the telecommunications and information processing market was good. In particular, sales rose for ceramic capacitors, tantalum capacitors, timing devices such as TCXOs (temperature compensation crystal oscillators) and VCOs (voltage-controlled oscillators), and connectors.
- Operating profit posted remarkable growth as a result of the effect of increased sales volume and improvement in productivity.

Equipment Related Business

- Sales expanded because KWC and Kyocera Mita were included in consolidated subsidiaries and sales of telecommunications equipment and information equipment posted large gains.
- Operating profit shrank from the same period of the previous year due to sales contraction as a result of delayed introduction of new mobile communications handset in Japan, slow growth in profitability of printers affected by the appreciation of yen and intensification of price competition, and the start-up cost booked by KWC.

Other Related Business

- Domestic subsidiary communications network system sales and lease subsidiary sales increased and income grew from the same period of the previous year.
- Operating profit expanded, led by an improvement in profitability of lease subsidiaries.

(3) Geographic Segments

(Unit: million yen)

	September 30,		Increase or decrease (%)
	2000	1999	
Total net sales	604,622	385,777	56.7
Japan	237,392	202,467	17.2
U.S.A	157,026	67,058	134.2
Europe	74,893	51,065	46.7
Asia	103,840	54,762	89.6
Other	31,471	10,425	201.9

Sales to Japan

Sales grew from the same period of the previous year because of the back of growth in parts demand for mobile communications handset, optical communications devices and semiconductor fabrication equipment and the sales of Kyocera Mita were included.

Sales to U.S.A

Due to an increase in sales for fine ceramic related business of optical communication parts and electronic devices related business such as capacitors and timing devices, in addition the inclusion of sales of KWC and Kyocera Mita, sales expanded from the same period of the previous year.

Sales to Europe

Due to an increase in sales for electronic devices related business and the inclusion of sales of Kyocera Mita, sales expanded from the same period of the previous year.

Sales to Asia

Sales expansion in electronic device related business and equipment related sales of PHS-related products.

2. Special Circumstances

- (1) In April this year Kyocera Corporation invested 12 billion yen in Kyocera Mita, which became a wholly owned subsidiary of Kyocera Corporation.
- (2) With the application of accounting standards relating to retirement benefits in Japan from this interim period, the shortfall in retirement benefit obligations of 66.286 billion yen resulting from the change in the accounting standard on an unconsolidated basis is being repaid as one lump sum and booked in extraordinary losses. On a consolidated financial statement, since retirement benefit accounting based on U.S. accounting standards is already applied, this application has no effect.

3. Consolidated Statements of Cash Flows

(Unit :million yen)

	September 30,		Increase or decrease (%)
	2000	1999	
Net cash provided by operating activities	46,129	55,341	-9,212
Net cash used in investing activities	-62,463	-37,581	-24,882
Net cash used in financing activities	-1,320	-21,394	20,074
Effect of exchange rate changes on cash and cash equivalents	973	-5,898	6,871
Net decrease (increase) in cash and cash equivalents	-16,681	-9,532	-7,149
Cash and cash equivalents at beginning of period	178,944	172,417	6,527
Cash and cash equivalents at end of period	162,263	162,885	-622

(1) Net cash provided by operating activities

Net income and depreciation and amortization increased from the same period prior year, but as the increase in receivable such as trade notes receivable and trade accounts receivable, and inventory, the in flow of net cash provided by operating activities decreased on the same period previous year.

(2) Net cash used in investing activities

The aggressive increase in capital investment in fine ceramic related business and electronic devices business, out flow of net cash used in investing activities was increase.

(3) Net cash used in financing activities

With increased funding demand from a subsidiary, short-term debt and proceeds from issuance of long-term debt increased the out of net cash used in financing activities was decrease.

4. Financial results for the six months ended September 30 (Non-Consolidated)

(Unit :million yen)

	Sep. 30, 2000	Sep. 30, 1999	Increase or decrease (%)
Total net sales	309,901	250,293	23.8
Profit from operations	38,629	26,332	46.7
Recurring profit	45,772	31,479	45.4
Net income	-11,664	17,917	-

Management Policies

1. Basic management policies and targeted management indices

- The company will concentrate the Group's business resources and proceed with business expansion with the aim of becoming "a continually growing company." To achieve this, the company plans to achieve growth through new development on three levels, that is, new technology development, new product development and new market development in the specific industrial markets of telecommunications and information processing, environmental preservation and lifestyle.
- In each of these three industrial markets, our objective is to enhance value of the Kyocera Group to shareholders and investors. To meet with objective, we have set a goal for all divisions to achieve a pre-tax margin ratio of at least 15% of sales.

2. Specific management policies

(1) Efficient resource management

- The company will aim for growth through the clarification of business for future expansion and business for consolidation/discontinuation and through the active investment of business resources in business that has value for shareholders and investors.
- Through the construction of a system with the same decision-making function as the company system at each business division, the company will activate the business headquarters system and aim to speed up business decision-making.
- The company will promote business with the emphasis on "cash flow." More specifically, it will increase capital investment efficiency, implement thorough inventory control and shorten lead-time.

(2) Emphasizing consolidated results

- In addition to the further reinforcement of links and the pursuit of a synergy effect between each business division and associated group companies, with the aim of raising profitability, the Company will implement thorough going profit control by product unit on a consolidated basis.
- To promote a global strategy and establish a stronger business system for each product line, the company will construct development/production/sales systems in optimum locations.

(3) Focusing on shareholder value

- The company will make the enhancement of shareholders' value (market capitalization) an important business policy and to this end will seek maximization of future profits and cash flow and will promote greater efficiency of return in relation to assets used.
- Through the introduction of a stock option system, the company will work at raising its business performance from the same perspective as shareholders and investors.

3. Basic policy relating to profit distribution

- Since the listing of its stock, Kyocera Corp has endeavoured to increase dividends per share along with improvement in its business performance, and, to reward shareholders, has also actively increased dividends in real terms through free distribution and share split. In future, the company will endeavour to increase profit per share and cash flow, and on the basis of these results and in accordance with comprehensive judgment, would like to share as a dividend its success.
- Moreover, in terms of internal reserves, through continued expansive investment in future the company plans to achieve business expansion and intends to keep internal reserves at a high level so that when required it can make the necessary investment. In particular, in strategic areas where the company is aiming for future business expansion, we are confident that expansive investment and development into a continually growing company will also benefit shareholders and investors.
- For unconsolidated net income this interim period, allowance for a shortfall in reserve for retirement benefit obligations resulted in the booking of temporary losses. Nonetheless, we intend to make the interim dividend the same as the same period of the previous year at 30 yen per share.

Future Prospects and Strategies

1. Financial Forecast for the ending March 31, 2001 (Consolidated)

(Unit: million yen)

	FY2001 (Forecast)	FY2000 (Results)	Increase or decrease (%)
Total net sales	1,280,000	812,626	57.5
Profit from operations	205,000	92,151	122.5
Income before income taxes	217,000	97,468	122.6
Net income	115,000	50,345	128.4

- From the second half, although the effect of high oil prices and the weak Euro on the U.S. and European economies causes concern, the Japanese economy is expected to head toward recovery, albeit slowly.
- In the telecommunications and information processing market, mobile communications handset and computer-related equipment demand will continue to swell and the rapid expansion of optical communications-related industries is also likely to continue. With this, demand for related parts and equipment sold by this we can be expected to grow.
- On October 1 this year, DDI Corporation which was this company's affiliate until this first half merged with KDD Corp and Nippon Idou Tsushin Corp. (IDO) and new company name after merger is DDI Corporation (KDDI), and Kyocera holdings in KDDI after the merger reached 15.3%. As a result, from the second half, KDDI is now not applied on the equity method.
- Assuming this kind of outlook for the business environment, business result estimates for the full term ending in March 2001 based on assumed rates of 106 yen per U.S. dollar and 49 yen per DM, are sales of 1.28 trillion yen, operating profit of 205,000 million yen, income before income taxes of 217,000 million yen and net income of 115,000 million yen.

2. Outlook and future business strategy by segment

In the telecommunications and information processing market, which is considered to lead the medium-term growth of the Company, the Company will promote expansion of each of the business areas, parts, equipment and services/networks. We will actively expand business in Internet related market, where future high growth can be expected.

(1) Fine Ceramic Related Business

- Continued growth in sales of ceramic parts for semiconductor fabrication equipment and SMD packages for mobile phones can be expected.
- With the heightening of global Internet demand, sales expansion is forecast in fine ceramic parts and semiconductor parts for the optical communications market to support high speed, large volume data communication demand. In addition to directing efforts toward new product development in this area, the Company will also actively increase production including offshore production and will strive for further business expansion and greater profitability in optical communications related parts.
- As well as working on the sales expansion of cutting tools, BIOCERAM and jewelry application products through the introduction of new products, the Company will also aim for sales expansion of residential solar power systems.

(2) Electronic Devices Related Business

- From the second half, the Company will carry out the full-scale introduction of color liquid crystal displays for mobile phones and work on the business expansion of thin film device products.
- The Company will proceed with the sales expansion of compact, high functionality electronic parts for next generation mobile handset, computer related equipment and digital consumer electronics.
- In particular, the Company will make use of the technical capacity of the Group Company's, channel its energies into the development of small and high capacitance capacitors and timing devices such as timing devices, connectors and high frequency module products and aim to be market leader in electronic parts business.
- To achieve greater profitability and stronger price competitiveness, the Company will strengthen its capacitor production system in Shanghai, China.

(3) Equipment Related Business

- In telecommunications equipment business, the Company will aim for sales expansion of North American CDMA handset and PHS-related products in overseas markets. In the domestic market, Kyocera will aim for sales growth through the introduction of new models of mobile communications terminals.
- In response to the expansion of the PHS market in Asia, Kyocera will go ahead with sales expansion and market development for PHS-related products.
- The Company will concentrate the technologies of the three companies KWC, Korean affiliate company SK Teletec and Kyocera Corporation, work on the development of next generation mobile phones and aim to become market leader in CDMA terminal business
- In information equipment business, besides integration between Kyocera Mita's copying machine sales company and Kyocera printer sales company in October this year and efforts towards global sales expansion in document equipment making use of the sales channels of both companies, from the second half, the Company will also actively introduce new products combining the technologies of both companies.
- The Company will pursue a synergy effect through the fusion of business resources in terms of development, production and sales of the copying machines and printers, and will aim for the further enhancement of productivity.
- For optical instrument, in addition to digital camera units and digital cameras for mobile phones introduced to the market this interim period, the Company will introduce a CONTAX brand single-lens-reflex photo focus camera and will endeavor to increase sales.

(4) Other

- The group will positively promote communications infrastructure establishment and maintenance, which supports the expansion of the mobile communications market, and service and network business in the telecommunications and information processing market, including data center business, which is the platform for the spread of electronic commerce using the Internet.

3. Financial Forecast for the ending March 31, 2001 (Non-Consolidated)

(Unit: million yen)

	FY2001 (Forecast)	FY2000 (Results)	Increase or decrease (%)
Total net sales	630,000	507,802	24.1
Profit from operations	84,600	55,013	53.8
Recurring profit	100,300	69,471	44.4
Net income	21,000	39,296	-46.6

(Note) Forward Looking Statements

The Company's projections of sales and profits set forth in this document are based on a series of projections and estimates regarding the economies of Japan and various other countries, including estimates and projections concerning the fine ceramic related business, electronic devices related business, equipment related business, and other business, with which the Company and its group companies are related in their business activities and the fluctuation in the exchange rates between various currencies (particularly, between the Japanese yen and the United States dollar, Deutsche mark) and other factors affecting to the performance of the Company, which are made based on the information available to the company as of the date of this document. These projections and estimates will be affected by various uncertain factors, including market performance, the impact of competition, the introduction and success of new products and services and market conditions around the world for the communication and information related industries. Therefore, the reader should note that the actual results of sales and profits may vary significantly from the projected sales and profits as set forth in this document.

CONSOLIDATED BALANCE SHEETS

	Japanese yen (Millions)					
	September 30,		March 31,		September 30,	
	2000		2000		1999	
	Amount	%	Amount	%	Amount	%
ASSETS						
Current assets :						
Cash and cash equivalents	¥162,263		¥178,944		¥162,885	
Restricted deposit	41,686		38,920		39,310	
Short-term investments	34,065		31,768		37,868	
Trade notes receivables	43,341		24,525		21,158	
Trade accounts receivables	224,234		164,641		139,760	
Short-term financial receivables	69,398		61,334		45,625	
Less allowance for doubtful accounts and sales returns	-7,697		-6,194		-6,058	
Inventories	197,256		154,995		127,081	
Other current assets	62,871		47,626		36,299	
Total current assets	827,417	58.8	696,559	57.2	603,928	53.0
Non-current assets :						
Investments and advances :						
Investments in and advances to affiliates and unconsolidated subsidiaries	98,989		94,218		103,729	
Securities and other investments	99,162		83,028		65,979	
Total investments and advances	198,151	14.1	177,246	14.6	169,708	14.9
Long-term financial receivables	57,899	4.1	63,322	5.2	93,545	8.2
Property, plant and equipment, at cost :						
Land	44,298		38,659		40,943	
Buildings	163,199		135,962		134,378	
Machinery and equipment	480,671		413,827		395,932	
Construction in progress	15,179		12,737		11,309	
Less accumulated depreciation	-444,285		-378,436		-370,320	
Total property, plant and equipment	259,062	18.4	222,749	18.3	212,242	18.7
Goodwill	24,768	1.8	24,353	2.0	25,203	2.2
Other assets	39,926	2.8	32,929	2.7	34,530	3.0
Total non-current assets	579,806	41.2	520,599	42.8	535,228	47.0
Total assets	¥1,407,223	100.0	¥1,217,158	100.0	¥1,139,156	100.0

Note 1: Restricted deposit represents the amount of time deposit to a financial institution in order to reduce the cost for the issuance of letter of credit in connection with a legal proceeding.

CONSOLIDATED BALANCE SHEETS

	Japanese yen (Millions)					
	September 30,		March 31,		September 30,	
	2000		2000		1999	
	Amount	%	Amount	%	Amount	%
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities :						
Short-term bank loans	¥117,250		¥93,604		¥78,925	
Current portion of long-term debt	14,626		17,944		18,280	
Trade notes and accounts payable	106,552		83,718		74,649	
Construction notes and other payables	62,554		36,667		31,533	
Accrued payroll and bonus	29,300		22,429		19,478	
Accrued income taxes	38,679		37,372		20,348	
Accrued expenses	18,887		16,571		11,848	
Other current liabilities	17,392		12,578		9,699	
Total current liabilities	<u>405,240</u>	28.8	<u>320,883</u>	26.4	<u>264,760</u>	23.2
Non-current liabilities :						
Long-term debt	36,417		21,090		29,711	
Accrued pension and severance costs	44,980		33,740		46,343	
Liabilities deferred pursuant to Chapter 11 filing	25,363		-		-	
Other non-current liabilities	5,940		7,478		7,861	
Total non-current liabilities	<u>112,700</u>	8.0	<u>62,308</u>	5.1	<u>83,915</u>	7.4
Total liabilities	<u>517,940</u>	36.8	<u>383,191</u>	31.5	<u>348,675</u>	30.6
Minority interest in subsidiaries	45,197	3.2	35,517	2.9	26,889	2.4
Stockholders' equity :						
Common stock	115,703		115,703		115,703	
Additional paid-in capital	158,169		157,768		157,768	
Retained earnings	617,088		569,610		546,334	
Accumulated other comprehensive income	-36,690		-35,518		-46,499	
Treasury stock	-10,184		-9,113		-9,714	
Total stockholders' equity	<u>844,086</u>	60.0	<u>798,450</u>	65.6	<u>763,592</u>	67.0
Total liabilities and stockholders' equity	<u>¥1,407,223</u>	100.0	<u>¥1,217,158</u>	100.0	<u>¥1,139,156</u>	100.0

Note 2: Due to the consolidation of Kyocera Mita Corp., liabilities deferred pursuant to chapter 11 filing (¥25,363 million) is included.

Note 3: Accumulated other comprehensive income

	September 30,	March 31,	September 30,
	2000	2000	1999
Unrealized gain on securities, net	7,731	10,390	10,587
Foreign currency transaction adjustments	-44,421	-45,908	-49,860
Minimum pension liability adjustments			-7,226

COSOLIDATED STATEMENTS OF INCOME

	Japanese yen (Millions)						
	Six months ended September 30,				Increase or Decrease	Year ended March 31,	
	2000		1999			2000	
	Amount	%	Amount	%	%	Amount	%
Net sales	¥604,622	100.0	¥385,777	100.0	56.7	¥812,626	100.0
Cost of sales	421,656	69.7	279,981	72.6	50.6	585,640	72.1
Gross profit	182,966	30.3	105,796	27.4	72.9	226,986	27.9
Selling, general and administrative expenses	87,959	14.6	63,457	16.4	38.6	134,835	16.6
Profit from operations	95,007	15.7	42,339	11.0	124.4	92,151	11.3
Other income or expenses :							
Interest and dividend income	3,274	0.5	2,522	0.7	29.8	6,441	0.8
Interest expense	-1,081	-0.2	-379	-0.1	-	-834	-0.1
Foreign currency transaction gains, net	1,109	0.2	-4,578	-1.2	-	-6,220	-0.8
Equity in earnings or losses of affiliates and unconsolidated subsidiaries	1,674	0.3	-1,839	-0.5	-	-6,980	-0.8
Gain on sale of investment in a subsidiary	-	-	-	-	-	28,175	3.5
Write-off of assets related to "Iridium" business	-	-	-	-	-	-12,210	-1.5
Other, net	870	0.2	3,047	0.8	-71.4	-3,055	-0.4
Total other income	5,846	1.0	-1,227	-0.3	-	5,317	0.7
Income before income taxes	100,853	16.7	41,112	10.7	145.3	97,468	12.0
Income taxes	38,233	6.3	17,671	4.6	116.4	41,693	5.1
Income before minority interests	62,620	10.4	23,441	6.1	167.1	55,775	6.9
Minority interests	-9,471	-1.6	-2,042	-0.6	-	-5,430	-0.7
Net income	¥53,149	8.8	¥21,399	5.5	148.4	¥50,345	6.2
Earnings per share:							
Basic	¥281.12		¥112.68			¥265.72	
Diluted	¥280.15		¥112.68			¥265.34	
Weighted average number of shares of common stock outstanding (thousands of shares):							
Basic	189,063		189,909			189,467	
Diluted	189,714		189,909			189,739	

Notes:

- The Company applies Statement of Financial Accounting Standards No. 130, "Financial Reporting of Comprehensive Income." Based on this standard, the increase in comprehensive income of six months ended September 30, 2000 and 1999 was ¥51,977 million and ¥9,523 million, respectively.
- Earnings per share amounts were computed based on Statements of Financial Accounting standards No. 128, "Earnings per Share (FAS128). Under FAS 128, basic earnings per share is computed based on the average number of shares of common stock outstanding during each period and diluted earnings per share assumes the dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock.

Consolidated Statements of Stockholders' Equity

(Yen in millions except number of shares in thousands)

Number of Shares, Common Stock	Common stock	Treasury stock	Additional paid-in capital	Retained earnings	Total accumulate and other comprehensive income	Comprehensive income
Balance, March 31, 1999 (190,318)	115,703		157,768	530,645	-34,623	
Net income for the year				50,345		50,345
Other comprehensive income					-895	-895
Total comprehensive income for the year						<u>49,450</u>
Cash dividends				-11,380		
Purchase of treasury stock (1,325)		-9,714				
Sales of treasury stock from exercise of stock option (82)		601				
Balance, March 31, 2000 (189,075)	115,703	-9,113	157,768	569,610	-35,518	
Net income for the first half				53,149		53,149
Other comprehensive income					-1,172	-1,172
Total comprehensive income for the first half						<u>51,977</u>
Cash dividends				-5,671		
Purchase of treasury stock (77)		-1,286				
Sales of treasury stock from exercise of stock option (28)		215	401			
Balance, Sep. 30, 2000 (189,026)	115,703	-10,184	158,169	617,088	-36,690	

Number of Shares Common Stock	Common stock	Treasury stock	Additional paid-in capital	Retained earnings	Total accumulate and other comprehensive income	Comprehensive income
Balance, March 31, 1999 (190,318)	115,703		157,768	530,645	-34,623	
Net income for the first half				21,399		21,399
Other comprehensive income					-11,876	-11,876
Total comprehensive income for the first half						<u>9,523</u>
Cash dividends				-5,710		
Purchase of treasury stock (1,325)		-9,714				
Balance, Sep. 30, 1999 (188,993)	115,703	-9,714	157,768	546,334	-46,499	

Consolidated Statements of Cash Flows

	Japanese yen (Millions)		
	Six months ended September 30,		March 31,
	2000	1999	2000
Cash flows from operating activities :			
Net income	¥53,149	¥21,399	¥50,345
Adjustments to reconcile net income to net cash provided by operating activities :			
Depreciation and amortization	31,444	24,096	58,342
Provision for doubtful accounts	1,105	1,970	10,204
Allowance for losses on valuation of inventories	-1,185	1,667	7,577
Deferred income taxes	-5,288	-3,719	-19,281
Minority interests	9,471	2,042	5,430
Equity in earnings or losses of affiliates and unconsolidated subsidiaries	-1,674	1,839	6,980
Gain on sales equities of subsidiaries	-	-	-28,175
Foreign currency adjustment	-1,107	4,602	6,194
Changes in assets and liabilities :			
Increase in trade receivables	-58,073	-13,405	-39,636
Increase in inventories	-16,467	-4,689	-21,252
Increase in other current assets	-4,328	-303	-759
Increase in notes and accounts payable	31,521	12,651	28,613
Increase in accrued income taxes	532	3,730	20,897
Increase other current liabilities	4,719	2,589	9,634
Increase in other non-current liabilities	2,490	4,781	9,998
Other, net	-180	-3,909	2,819
Net cash provided by operating activities	<u>46,129</u>	<u>55,341</u>	<u>107,930</u>
Cash flows from investing activities :			
Payments for purchases of available-for-sale securities	-2,401	-11,757	-60,205
Payments for purchases of securities held-to-maturities	-27,033	-	-
Sales or maturities of available-for-sale securities	3,229	8,826	49,533
Maturities of securities held-to-maturities	2,999	-	-
Payments for purchase of property, plant and equipment	-45,381	-29,493	-66,783
Proceeds from sales of property, plant and equipment	6,700	1,151	3,074
Payment for purchases of intangible assets	-2,662	-1,079	-2,885
Proceeds from sales of equities of subsidiaries	-	-	34,467
Acquisition of businesses, net of cash acquired	8,286	-5,457	-30,556
Payment for additional purchase of Equities of affiliates	-3,028	-23	-23
Restricted cash	-2,264	-498	-848
Other, net	-908	749	478
Net cash used in investing activities	<u>-62,463</u>	<u>-37,581</u>	<u>-73,748</u>
Cash flows from financing activities :			
Increase in short-term debt	14,666	1,696	16,997
Proceeds from issuance of long-term debt	13,399	3,389	20,454
Payments of long-term debt	-11,379	-9,943	-35,567
Payment of liabilities deferred pursuant to Chapter 11 filing	-11,120	-	-
Dividends paid	-6,159	-6,085	-12,198
Purchase of treasury stock	-1,286	-9,714	-9,714
Other, net	559	-737	161
Net cash used in financing activities	<u>-1,320</u>	<u>-21,394</u>	<u>-19,867</u>
Effect of exchange rate changes on cash and cash equivalents	<u>973</u>	<u>-5,898</u>	<u>-7,788</u>
Net increase or decrease in cash and cash equivalents	-16,681	-9,532	6,527
Cash and cash equivalents at beginning of year	178,944	172,417	172,417
Cash and cash equivalents at end of year	<u>¥162,263</u>	<u>¥162,885</u>	<u>¥178,944</u>

SEGMENT INFORMATION

1. Industry segment information :

	Japanese yen (Millions)			
	Six months ended September 30,		Increase or Decrease %	Year ended March 31,
	2000	1999		2000
	<u>Amount</u>	<u>Amount</u>		<u>Amount</u>
Net sales:				
Fine ceramic related	¥170,382	¥124,915	36.4	¥270,960
Electronic devices related	190,516	125,563	51.7	267,907
Equipment related	214,464	106,057	102.2	215,105
Others	38,134	35,343	7.9	70,101
Adjustments and eliminations	-8,874	-6,101	-	-11,447
	<u>¥604,622</u>	<u>¥385,777</u>	<u>56.7</u>	<u>¥812,626</u>
Operating profit :				
Fine ceramic related	¥40,051	¥17,455	129.5	¥43,309
Electronic devices related	61,620	13,561	354.4	41,067
Equipment related	11,030	14,365	-23.2	16,143
Others	3,852	2,264	70.1	-4,197
	<u>¥116,553</u>	<u>¥47,645</u>	<u>144.6</u>	<u>¥96,322</u>
Corporate	¥-16,868	¥-4,234	-	-19,170
Equity in earnings or losses	1,674	-1,839	-	-6,980
Gain on sales of investments in a subsidiary	-	-	-	28,175
Adjustments and eliminations	-506	-460	-	-879
Income before income taxes	<u>¥100,853</u>	<u>¥41,112</u>	<u>145.3</u>	<u>¥97,468</u>

2. Segment information by geographical area:

	Japanese yen (Millions)			Year ended March 31, 2000 Amount
	Six months ended September 30,		Increase or Decrease %	
	2000 Amount	1999 Amount		
Net sales:				
Japan	¥270,134	¥211,484	27.7	¥429,677
Intra-group sales and transfer between geographical areas	132,658	82,549	60.7	166,766
	402,792	294,033	37.0	596,443
United States of America	185,910	81,639	127.7	177,561
Intra-group sales and transfer between geographical areas	12,926	4,671	176.7	12,687
	198,836	86,310	130.4	190,248
Europe	78,801	52,448	50.2	112,572
Intra-group sales and transfer between geographical areas	17,724	14,370	23.3	30,741
	96,525	66,818	44.5	143,313
Asia	61,027	34,759	75.6	80,992
Intra-group sales and transfer between geographical areas	33,361	8,983	271.4	19,179
	94,388	43,742	115.8	100,171
Others	8,750	5,447	60.6	11,824
Intra-group sales and transfer between geographical areas	10,145	5,671	78.9	11,869
	18,895	11,118	69.9	23,693
Adjustments and eliminations	-206,814	-116,244	-	-241,242
	¥604,622	¥385,777	56.7	¥812,626
Operating profit:				
Japan	¥67,014	¥32,364	107.1	¥54,114
United States of America	24,395	7,448	227.5	18,809
Europe	10,932	1,797	508.3	7,363
Asia	14,331	3,855	271.8	11,477
Others	2,505	870	187.9	2,085
	119,177	46,334	157.2	93,848
Adjustments and eliminations	-3,130	851	-	1,595
	116,047	47,185	145.9	95,443
Corporate	-16,868	-4,234	-	-19,170
Equity in earnings or losses	1,674	-1,839	-	-6,980
Gain on sales of investment in a subsidiaries	-	-	-	28,175
Income before income taxes	¥100,853	¥41,112	145.3	97,468

3. Segment information by geographic areas :

	Japanese yen (Millions)							
	Six months ended September 30,				Increase or Decrease %		Year ended March 31,	
	2000		1999				2000	
	Amount		Amount		Amount	%		
Japan	¥237,392	39.3	¥202,467	52.5	34,925	17.2	¥400,247	49.3
United States of America	157,026	26.0	67,058	17.4	89,968	134.2	148,927	18.3
Europe	74,893	12.4	51,065	13.2	23,828	46.7	108,342	13.3
Asia	103,840	17.1	54,762	14.2	49,078	89.6	131,650	16.2
Others	31,471	5.2	10,425	2.7	21,046	201.9	23,460	2.9
Consolidated net sales	¥604,622	100.0	¥385,777	100.0	218,845	56.7	¥812,626	100.0
Sales outside Japan	¥367,230		¥183,310		¥183,920	100.3	¥412,379	
Overseas sales ratio to consolidated sales	60.7%		47.5%		-	-	50.7%	

INVESTMENTS IN DEBT AND EQUITY SECURITIES

Available-for-sale securities are recorded at fair value, with unrealized gains and losses excluded from income and reported in other comprehensive income, net of tax. Held-to-maturity securities are recorded at amortized cost. Equity securities which do not have readily determinable fair value are recorded at cost. Investments in debt and equity securities at September 30, 2000 and March 31, 2000 included in short-term investments (current assets) and in securities and other investments (non-current assets) are summarized as follows :

	(Million yen)							
	September 30, 2000				March 31, 2000			
	Cost	Aggregate fair values	Gross unrealized gains	Gross unrealized losses	Cost	Aggregate fair value	Gross unrealized gains	Gross unrealized losses
Available-for-sale securities :								
Corporate debt securities	5,000	4,907	0	93	48,732	48,395	216	553
Other debt securities	41,832	39,986	219	2,065	20,185	20,295	111	1
Equity securities	17,041	32,100	15,509	450	16,669	34,810	18,434	293
Total available-for-sale securities	63,873	76,993	15,728	2,608	85,586	103,500	18,761	847
Held-to-maturity securities :								
Corporate debt securities	36,681	36,556	13	138				
Other debt securities	16,000	16,007	8	1	7,000	7,022	36	14
Total held-to-maturity securities	52,681	52,563	21	139	7,000	7,022	36	14
Total investments in debt and equity securities	116,554	129,556	15,749	2,747	92,586	110,522	18,797	861

Note: Cost represents amortized cost for debt securities and acquisition cost for equity securities.

DERIVATIVE FINANCIAL INSTRUMENTS

Kyocera enters into foreign currency swap agreements to hedge certain assets and liabilities denominated in foreign currencies. The aggregate contract amounts of the agreements were ¥1,202 million and ¥1,190 million at September 30, 2000 and March 31, 2000, respectively.

Foreign currency forward contracts are also used to hedge certain assets and liabilities denominated in foreign currencies. The aggregate contract amounts of the agreements for buying and selling were 7,987 million and 49,137 million at September 30, 2000 and ¥8,804 million and ¥41,990 million at March 31, 2000, respectively.

Interests swap and options agreements are used to reduce market risk exposures from fluctuation in interest rates. The aggregate contract amounts of agreements were ¥111,901 million and ¥112,716 million at September 30, 2000, and March 31, 2000, respectively.

Metal delivery contracts were utilized by a foreign subsidiary to hedge market risks from fluctuation in metal prices. The aggregates contract amounts of agreements were ¥620 million at March 31, 2000.

Although Kyocera may be exposed to losses in the event of non-performance by counterparties or currency rate movements, it does not anticipate significant losses from the agreements described above.

The fair value of financial instruments and the methods and assumptions used to estimate the fair value were as follows :

(Million yen)

	Sep. 30, 2000		Mar. 31, 2000	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Currency swaps (a)	33	44	-22	-2
Foreign currency forward contracts (a)	-450	-86	-817	385
Interest swaps and options (a)	125	-550	194	-600
Metal delivery contracts (b)	-	-	-	-50

(a) The fair value was estimated based on quotes in the end of fiscal year from financial institutions.

(b) The fair value was based on quoted market prices.

BASIS OF PRERARATION OF THIS FINANCIAL STATEMENT

1. Scope of consolidation and application of the equity method :

Major consolidated subsidiaries : AVX CORPORATION, KYOCERA WIRELESS CORP.,
KYOCERA MITA CORPORATION
KYOCERA ELCO CORPORATION

Major unconsolidated subsidiaries applied for equity method:
KYOCERA INTERNATIONAL CO., LTD.

Major affiliates applied for equity method:
DDI CORPORATION which has its own subsidiaries
such as KANSAI CELLULAR CO., LTD.,
DDI POCKET TELEPHONE INC.,
TAITO CORPORATION, KINSEKI, LTD.

2. Changes in scope of consolidation and application of the equity method :

Consolidation

(Increase) Participated: 54 KYOCERA MITA CORP., and others
Established: 2 KYOCERA WIRELESS DO BRAZIL LTDA., and others
Moved from equity method due to additional acquisition of shares: 1
ELECTORO - CHEMICAL RESERCH LTD.

(Decrease) Liquidated: 1 KYOCERA ASIA HOLDING PTE., LTD.

Equity method

(Increase) Participated: 8 MBA OF CALIFORNIA, INC., and others

(Decrease) Moved to consolidation due to additional acquisition of shares: 1
ELECTORO - CHEMICAL RESERCH LTD.

3. Change in accounting policies

From this interim financial period (ended September 30, 2000), method of segmentation has been changed in the 'industry segment information' section. Please see page 5 (Financial Results (2) Segment information) for details.

INTERIM FINANCIAL STATEMENTS

**RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2000
(FROM APRIL 1, 2000 THROUGH SEPTEMBER 30, 2000)
NON-CONSOLIDATED
PARENT COMPANY ONLY**

KYOCERA CORPORATION

KYOCERA CORPORATION

- Date of the board of directors' meeting concerning the interim financial statements : November 20, 2000
- Payment date of interim dividends : December 5, 2000

1. Results for the six months ended September 30, 2000 (From April 1, 2000 through September 30, 2000)

(1) Operational results:

	Japanese yen (Millions, except earnings per share amounts)		
	Six months ended September 30,		Year ended March 31,
	2000	1999	2000
Net sales	¥309,901	¥250,293	¥507,802
% change from the same period previous year	23.8%	14.3%	
Profit from operations	38,629	26,332	55,013
% change from the same period previous year	46.7%	36.8%	
Recurring profit	45,772	31,479	69,471
% change from the same period previous year	45.4%	22.4%	
Net income	-11,664	17,917	39,296
% change from the same period previous year	-	17.5%	
Earnings per share	¥-61.29	¥94.14	¥206.48

Notes :

1. Average number of shares outstanding:

	Shares		
	September 30,		March 31,
	2000	1999	2000
	190,318,300	190,318,300	190,318,300

2. Change in accounting policies : None

3. Percentage figure in net sales, profit from operations, recurring profit and net income are changes from the corresponding financial period last year.

(2) Dividend information :

	Japanese yen		
	Six months ended September 30,		Year ended March 31,
	2000	1999	2000
Interim dividends per share	¥30.00	¥30.00	-
Annual dividends per share	-	-	¥60.00

(3) Financial condition :

	Japanese yen		
	September 30,		March 31,
	2000	1999	2000
Total assets	¥995,600 million	¥858,826 million	¥902,172million
Stockholders' equity	744,796 million	737,820 million	753,530million
Stockholders' equity to total assets	74.8%	85.9%	83.5%
Stockholders' equity per share	¥3,913.42	¥3,876.77	¥3,959.32

Notes : Total number of shares outstanding as of :

September 30, 2000	190,318,300
September 30, 1999	190,318,300
March 31, 2000	190,318,300

2. Projection for the year ending March 31, 2001 :

	Japanese yen
	(Millions, except per share amounts)
Net sales	630,000
Recurring profit	100,300
Net income	21,000
Annual dividends per share (Expected)	60.00
(Year-end dividends per share)	30.00

Note : Projected annual earnings per share: ¥110.34 yen.

BALANCE SHEETS

Japanese yen (Millions)

ASSETS	September 30,		March 31,		September 30,	
	2000		2000		1999	
	Amount	%	Amount	%	Amount	%
Current assets :						
Cash and bank deposits	¥87,821		¥59,529		¥62,431	
Trade notes receivable	64,069		53,192		45,157	
Trade accounts receivable	120,633		93,251		91,079	
Marketable securities	44,508		105,704		104,969	
Treasury stock	26		113		1	
Finished goods and purchased merchandise	26,242		23,185		25,704	
Raw materials	25,416		22,161		18,812	
Work in process	30,598		22,648		19,633	
Supplies	1,270		1,222		1,159	
Deferred tax	23,940		24,369		15,791	
Short-term loans	-		13,245		47,854	
Other accounts receivable	4,538		4,272		3,499	
Other current assets	2,103		1,215		1,310	
Allowance for doubtful accounts	-638		-779		-824	
Total current assets	<u>430,530</u>	43.2	<u>423,331</u>	46.9	<u>436,580</u>	50.8
Fixed assets :						
Tangible fixed assets :						
Buildings	44,160		43,950		45,210	
Structures	2,660		2,650		2,772	
Machinery and equipment	60,455		50,651		46,095	
Vehicles	56		62		58	
Tools, furniture and fixtures	9,730		9,015		9,993	
Land	28,487		28,374		28,096	
Construction in progress	2,266		1,623		4,729	
Total tangible fixed assets	<u>147,817</u>	14.8	<u>136,327</u>	15.1	<u>136,955</u>	16.0
Intangible assets :						
Patent rights and others	3,504		3,973		4,300	
Total intangible assets	<u>3,504</u>	0.4	<u>3,973</u>	0.5	<u>4,300</u>	0.5
Investments and other assets :						
Investments in securities	152,311		124,592		113,620	
Investments in subsidiaries	147,444		135,129		109,756	
Equity investments (other than shares) in subsidiaries	12,735		8,977		8,640	
Long-term loans	39,760		34,340		17,957	
Long-term prepaid expenses	4,006		3,884		4,782	
Deferred tax	43,595		18,882		15,765	
Treasury stock	10,183		9,113		9,713	
Other investments	11,194		11,089		5,094	
Allowances for doubtful accounts	-7,484		-7,470		-1,741	
Allowances for investment valuation	-		-		-2,600	
Total investments and other assets	<u>413,748</u>	41.6	<u>338,539</u>	37.5	<u>280,989</u>	32.7
Total fixed assets	<u>565,069</u>	56.8	<u>478,841</u>	53.1	<u>422,245</u>	49.2
TOTAL	<u>¥995,600</u>	100.0	<u>¥902,172</u>	100.0	<u>¥858,826</u>	100.0

Japanese yen (Millions)

LIABILITIES	September 30,		March 31,		September 30,	
	2000		2000		1999	
	Amount	%	Amount	%	Amount	%
Current liabilities :						
Trade notes payable	¥4,390		¥5,034		¥9,111	
Trade accounts payable	60,803		51,658		47,692	
Other payables	66,080		42,181		27,981	
Accrued expenses	6,438		6,890		6,253	
Accrued income taxes and enterprise taxes	23,000		26,600		12,681	
Deposits received	2,219		2,393		2,101	
Reserve for employees' bonuses	11,800		10,700		10,800	
Reserve for product warranty	835		586		625	
Reserve for losses on sales returns	333		234		265	
Notes payable for the purchase of equipment	1,154		502		1,774	
Other current liabilities	116		254		135	
Total current liabilities	<u>177,172</u>	17.8	<u>147,035</u>	16.3	<u>119,421</u>	13.9
Fixed liabilities :						
Accrued pension and severance costs	72,136		-		-	
Reserve for directors' retirement expenses	1,157		1,264		1,241	
Other fixed liabilities	338		343		343	
Total fixed liabilities	<u>73,632</u>	7.4	<u>1,607</u>	0.2	<u>1,584</u>	0.2
Total liabilities	<u>250,804</u>	25.2	<u>148,642</u>	16.5	<u>121,006</u>	14.1
STOCKHOLDERS' EQUITY						
Common stock	115,703	11.6	115,703	12.8	115,703	13.5
Legal reserves:						
Capital surplus						
Paid-in surplus	173,744		173,744		173,744	
Surplus from merger	742		742		742	
Total capital surplus	<u>174,487</u>		<u>174,487</u>		<u>174,487</u>	
Legal revenue reserves	16,039		15,439		14,872	
Total legal reserves	<u>190,526</u>	19.1	<u>189,926</u>	21.1	<u>189,359</u>	22.0
Retained earnings:						
Reserve for special depreciation	3,538		3,282		3,282	
Reserve for research and development	1,000		1,000		1,000	
Reserve for dividends	1,000		1,000		1,000	
Reserve for retirement benefits	300		300		300	
Reserve for overseas investments	1,000		1,000		1,000	
General reserve	404,828		369,828		369,828	
Unappropriated retained earnings	18,196		71,489		56,346	
Total retained earnings	<u>429,863</u>	43.2	<u>447,900</u>	49.6	<u>432,757</u>	50.4
Gain on valuation of other investment securities	8,702	0.9	-	-	-	-
Total stockholders' equity	<u>744,796</u>	74.8	<u>753,530</u>	83.5	<u>737,820</u>	85.9
TOTAL	<u>¥995,600</u>	100.0	<u>¥902,172</u>	100.0	<u>¥858,826</u>	100.0

STATEMENTS OF INCOME

	Japanese yen (Millions)						
	Six months ended September 30,				Increase or Decrease	Year ended March 31,	
	2000		1999			2000	
	Amount	%	Amount	%	%	Amount	%
Recurring profit and loss :							
Operating income and expenses :							
Net sales	¥309,901	100.0	¥250,293	100.0	23.8	¥507,802	100.0
Cost of sales	232,959	75.2	187,107	74.8	24.5	379,283	74.7
Selling, general and administrative expenses	38,312	12.3	36,853	14.7	4.0	73,505	14.5
Profit from operations	38,629	12.5	26,332	10.5	46.7	55,013	10.8
Non-operating income and expenses :							
Non-operating income :							
Interest and dividend income	7,715	2.5	6,428	2.6	20.0	14,220	2.8
Gain from fluctuations of foreign exchange rates	600	0.2	-	-	-	-	-
Other non-operating income	2,485	0.8	4,544	1.8	-45.3	7,652	1.5
Total non-operating income	10,802	3.5	10,972	4.4	-1.6	21,872	4.3
Non-operating expenses :							
Interest expense	1	0.0	3	0.0	-73.0	25	0.0
Loss from fluctuations of foreign exchange rates	-	-	4,622	1.8	-	4,554	0.9
Other non-operating expenses	3,657	1.2	1,199	0.5	204.8	2,834	0.5
Total non-operating expenses	3,658	1.2	5,826	2.3	-37.2	7,414	1.4
Recurring profit	45,772	14.8	31,479	12.6	45.4	69,471	13.7
Extraordinary profit and loss :							
Extraordinary profit	424	0.1	363	0.1	16.8	35,351	6.9
Extraordinary loss	67,035	21.6	2,896	1.1	-	38,682	7.6
Income before income taxes	-20,838	-6.7	28,945	11.6	-	66,140	13.0
Income taxes and enterprise taxes	21,412	6.9	13,492	5.4	58.7	41,003	8.1
Income taxes adjustment	-30,586	-9.8	-2,464	-1.0	-	-14,159	-2.8
Net income	¥-11,664	-3.8	¥17,917	7.2	-	¥39,296	7.7
Unappropriated retained earnings brought forward from the previous year	29,860		6,961			6,961	
Cumulative effect on prior years of a change in accounting for income taxes	-		29,092			29,092	
Reversal of special depreciation reserve Due to adoption of accounting for Deferred taxes	-		2,376			2,376	
Interim dividends	-		-			5,669	
Amount appropriated for reserve in Respect of interim dividends	-		-			566	
Unappropriated retained earnings At the end of this half year	¥18,196		¥56,346			¥71,489	

1. Summary of major accounting policies :

(1) Valuation of securities :

Fixed income securities held to the maturity:	Amortized cost method
Equity securities of subsidiaries and affiliates:	Cost determined by the moving average method
Other securities	
Marketable:	Based on market price of the closing date of the interim financial period (Unrealized gains and losses are reported in the equity method, and cost on sales is determined by the moving average method.)
Non-marketable:	Cost determined by the moving average method
Treasury stock:	Cost determined by the moving average method

(2) Valuation of derivatives: Mark-to-market method

(3) Valuation of inventories:

Finished good, merchandise and work in process:

Finished goods and work in process are stated at the lower of cost or market, the cost being determined by the retail method. Merchandise are stated at the lower of cost or market, the cost being determined by the last purchase cost method.

Raw materials and supplies:

Raw materials and supplies are valued at the last purchase lower cost method, except that raw materials for telecommunications equipment and information equipment are valued at cost being determined by the first-in, first-out method.

(4) Depreciation of fixed assets :

Tangible fixed asset : The declining balance method (Depreciation for machinery and equipment, certain tools and furniture is computed on their estimated useful lives).

Intangible assets : The straight-line method (Amortization for certain patent rights and software costs is computed on their estimated useful lives).

(5) Accounting for allowance and accrual

Allowance for doubtful accounts :

In preparation for losses from doubtful accounts, allowances for doubtful accounts is provided at an estimated amount of the past actual ratio of losses on bad debts and estimated uncorrectable receivables are covered by specific allowance.

Accrued employees' bonuses :

Accrued employees' bonuses are provided based upon the amounts expected to be paid which is determined by actual payment of preceding year.

Accrued pension and service costs:

Accrued pension and service costs is provided at an estimated amount on September 30, 2000 based on an estimated amount of the benefit obligation, less plan assets for the period ending on March 31, 2001. Accordingly, one-off amortization of unrecognized net loss for retirement benefit at transition (66,286 million yen) is charged to extraordinary losses in this period.

(6) Lease transactions :

Finance lease other than those which are deemed to transfer the ownership of leased assets to lessees are accounted for by the method similar to that applicable to an ordinary operating lease.

(7) Consumption taxes are separately identified from each transaction.

2. Notes to the balance sheet :

	Japanese yen (Millions)		
	<u>September 30, 2000</u>	<u>March 31, 2000</u>	<u>September 30, 1999</u>
(1) Accumulated depreciation of tangible fixed assets	¥268,643	¥259,189	¥ 249,597
(2) Restricted deposit	¥41,686	¥38,919	¥39,309
(3) Discounted trade notes received	¥83	¥243	¥183
(4) Liability for guarantee	¥17,921	¥18,123	¥22,787

3. Notes to the statements of income :

(Unit: Millions)

(1) Major items in extraordinary profit and loss :

	<u>September 30, 2000</u>	<u>March 31, 2000</u>	<u>September 30, 1999</u>
Extraordinary profit :			
Profit from disposing of fixed assets	¥175	¥67	¥ 189
Profit from selling of investments in shares of subsidiaries	-	-	¥29,346
Profit from selling of investments in securities	-	-	¥5,545
Returns of doubtful accounts	¥248	¥295	¥ 270
Extraordinary loss :			
Loss on disposal of fixed assets	¥417	¥296	¥1,003
Loss on financial support to a subsidiary	-	-	¥11,300
Bad debt provision for s subsidiary	-	-	¥5,950
Amortization of prior service cost of pension fund	-	-	¥4,335
Loss on closure of iridium business	-	-	¥15,991
Allowances for investment valuation	-	¥2,600	-
One-off amortization of unrecognized net loss for retirement benefit at transition	¥ 66,286	-	-

(2) Depreciation	<u>September 30, 2000</u>	<u>March 31, 2000</u>	<u>September 30, 1999</u>
Fixed assets	15,938	13,888	31,620
Intangible assets	781	647	1,372

4. Note for lease transaction

Future lease payments
at the latest balance sheet date :

	Japanese yen (Millions)		
	<u>September 30, 2000</u>	<u>March 31, 2000</u>	<u>September 30, 1999</u>
(1) Leased property costs, accumulated depreciation and balance of leased property			
Cost	¥5,036	¥5,551	¥4,963
Accumulated depreciation	¥2,830	¥3,454	¥2,875
Net balance of leased property	¥2,205	¥2,097	¥2,088
(2) Future lease payment at the latest balance sheet date			
Due within one year	¥1,025	¥983	¥956
Due after one year	1,257	1,189	1,200
Total	<u>¥2,283</u>	<u>¥2,172</u>	<u>¥2,156</u>
(3) Lease payment, depreciation and interests			
Lease payments	¥657	¥628	¥1,260
Depreciation	¥601	¥572	¥1,152
Interests	¥63	¥52	¥111
(4) Calculation of depreciation: Using straight-line method			
(5) Calculation of interests			
Using sum of digits method applying to the difference between total lease payments and estimated cost (fair market value) of lease property.			

5. Additional information

(1) Accounting for retirement benefit

Accounting standard for retirement benefit (“Opinion concerning Establishment of Accounting Standard for Retirement Benefit” issued by Business Accounting Deliberation Council on June 16, 1998) is effective for the period beginning on or after April 1, 2000. The effects of this change were to decrease recurring profit by ¥2,775 million and decrease income before income taxes by ¥69,061 million compared with the case on which the previous method was adopted.

(2) Accounting for financial instruments

Accounting standard for financial instruments (“Opinion concerning Establishment of Accounting Standard for Financial Instruments” issued by Business Accounting Deliberation Council on January 22, 1999) is effective for the period beginning on or after April 1, 2000. The effects of this change were to increase recurring profit by ¥60 million and decrease income before income taxes by ¥2 million compared with the case on which the previous method was adopted, respectively.

(3) Accounting for foreign currency transactions

Accounting standard for foreign currency transactions (“Opinion concerning Revision of Accounting Standard for Foreign Currency Transactions” issued by Business Accounting Deliberation Council on October 22, 1999) is effective for the period beginning on or after April 1, 2000. The effects of this change were to decrease recurring profit and income before income taxes by ¥66 million compared with the case on which the previous method was adopted, respectively.