

**NOTICE OF THE 50TH ORDINARY GENERAL
MEETING OF SHAREHOLDERS**

TO BE HELD IN KYOTO, JAPAN ON JUNE 25, 2004

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

Note: The Notice of Resolution for the 50th Ordinary General Meeting of Shareholders will be available at the following Kyocera's website within 5 days after the Meeting.

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

KYOCERA CORPORATION

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

June 2, 2004

To Our Shareholders:

Notice of the 50th Ordinary General Meeting of Shareholders

This is to inform you that the Company will hold its 50th Ordinary General Meeting of Shareholders, as described below, which you are cordially invited to attend.

If you are unable to attend, you may exercise your voting rights in writing. If you wish to do so, after examining the attached reference materials, please indicate your votes by filling out and signing the enclosed form for exercising voting rights, and return the form to us no later than Thursday, June 24, 2004, Japan time.

1. **Time and Date:** 10:00 a.m. on Friday, June 25, 2004, Japan time
2. **Place:** 20th Floor Event Hall at the head office of the Company,
6 Takeda Tobadono-cho, Fushimi-ku, Kyoto, Japan

3. **Purpose of the Meeting:**

Matters to be reported upon:

The business report, balance sheet and statement of income with respect to the 50th fiscal year from April 1, 2003 to March 31, 2004

Matters to be resolved:

- Agendum No. 1: Approval of proposed appropriation of retained earnings for the 50th Fiscal Year
- Agendum No. 2: Amendments of the Articles of Incorporation
(The substance of this agendum is set out herein below under "Reference Materials for the Exercise of Voting Rights.")
- Agendum No. 3: Election of two (2) Corporate Auditors
- Agendum No. 4: Payment of retirement allowance to a retiring Corporate Auditor
- Agendum No. 5: Issuance of stock acquisition rights for granting stock option
(The substance of this agendum is set out herein below under "Reference Materials for the Exercise of Voting Rights.")

The financial statements and copies of the auditors' reports shall be as set out in the "Financial Report for the 50th Fiscal Year" as attached hereto (from page 18 to page 36) thereof.

Very truly yours,

KYOCERA CORPORATION

Yasuo Nishiguchi
President and Director

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

REFERENCE MATERIALS FOR THE EXERCISE OF VOTING RIGHTS

1. **The Number of Voting Rights** 1,869,025

2. **The Agendum and References**

Agendum No. 1: Approval of proposed appropriation of retained earnings for the 50th fiscal year

The Company believes that the best way to respond to shareholder expectations is to aggressively conduct business development supported by the Company's stable management basis and to continuously improve performance in the future.

Taking into consideration the business performance for the fiscal year ended March 31, 2004, and the need for continuous business development and aggressive investment in the future, we would like to propose appropriation of retained earnings for this fiscal year as follows.

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

Regarding bonuses to Directors and Corporate Auditors, we propose to pay a total amount of 60 million yen, a decrease of 15 million yen from the amount in the previous fiscal year, out of which 5.5 million yen will be paid to the Corporate Auditors, an increase of 2.5 million yen from the amount in the previous fiscal year.

PROPOSED APPROPRIATION OF RETAINED EARNINGS

(Unit: Yen)

Unappropriated retained earnings	¥ 61,587,573,344
Reversal of reserves:	
Reversal of reserve for special depreciation	710,384,843
Total	<u>62,297,958,187</u>
To be appropriated as follows:	
Dividends (¥30.00 per share)	5,624,455,590
Bonuses for Directors and Corporate Auditors	60,000,000
Reserve for special depreciation	320,606,111
General reserve	48,000,000,000
Unappropriated retained earnings carried forward to the next year	<u>¥ 8,292,896,486</u>

(Notes) 1. Corporate Auditors' bonuses of ¥5,500,000 are included in Bonuses for Directors and Corporate Auditors.

2. On December 5, 2003, an interim dividend of ¥5,624,599,050 (¥30.00 per share) was paid to the shareholders.

Agendum No. 2: Amendments to the Articles of Incorporation

1. The reasons for the amendments

The “Law Amending a Part of the Commercial Code and the Special Provisions to the Commercial Code Relating to the Audit of a Company” (Law No. 132, 2003), makes it possible for the Company to acquire shares of its own stock pursuant to resolutions of its Board of Directors, if so provided in the Articles of Incorporation of the Company.

In accord with this amendment of the Commercial Code, the Company proposes to add an Article 6 to its Articles of Incorporation enabling the Company to promptly acquire its own stock pursuant to its capital policy. As a result, articles of the Articles of Incorporation commencing with the former Article 6 shall be renumbered accordingly.

2. The proposed amendments

(The underlined portion indicates the proposed amendment.)

Present Article	Proposed Amendment
<p><Newly added></p> <p>Article 6. to Article 36. (Omitted)</p>	<p><u>Article 6. Repurchase of Treasury Stock</u> <u>The Company may, under the provisions of Article 211-3, Paragraph 1(2) of the Commercial Code, acquire its own stock, pursuant to a resolution of the Board of Directors.</u></p> <p>Article 7. to Article 37. (Same as at present)</p>

Agendum No. 3: Election of two (2) Corporate Auditors

The terms of office of three Corporate Auditors, Messrs. Yuji Itoh, Osamu Nishieda and Shinji Kurihara, will expire at the close of this General Meeting of Shareholders. It is proposed that two Corporate Auditors be re-elected.

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

The candidates for Corporate Auditor are as follows:

No	Name (date of birth)	Brief Personal History (including representation of other companies)	Shares of the Company Owned by Candidate
1	Osamu Nishieda (Jan. 10, 1943)	Apr. 1975 Admitted to Bar, Joined Osaka Bar Association (to present) Feb. 1986 Legal counsel to the Company (to present) June 1993 Corporate Auditor of the Company (to present)	shares 1,000,137
2	Shinji Kurihara (July 19, 1932)	Apr. 1953 Joined the Kyoto Chuo Shinkin Bank Apr. 1968 Director of the above Dec. 1972 Managing Director of the above May 1978 Representative Director of the above June 1979 Senior Managing Director of the above Apr. 1992 Advisor of the above President and Representative Director of Chushin Realty Development Co., Ltd. Apr. 1995 Chairman of Takeda Hospital Management Institute, Medical Corporation Koseikai Takeda Hospital (to present) June 2003 Corporate Auditor of the Company (to present)	500

(Notes) 1. Messrs. Osamu Nishieda and Shinji Kurihara are candidates for outside Corporate Auditor as required under paragraph 1, Article 18 of the “Law for Special Exceptions to the Commercial Code concerning Audit, etc. of *Kabushiki-Kaisha*”.

2. The Company has a retainer agreement with the candidate, Mr. Osamu Nishieda, to retain him as the Company's legal counsel.

Agendum No. 4: Payment of Retirement Allowance to a Retiring Corporate Auditor

Mr. Yuji Itoh will retire from the office of Corporate Auditor upon expiration of the term at the close of this Ordinary General Meeting of Shareholders. The Company proposes to pay retirement allowance to the Corporate Auditor for his service rendered during his term in office, in an amount which is reasonable and in accordance with the standards prescribed by the Company.

It is also proposed that the particular amount, timing and method of payment of such allowance be determined through discussion among the Corporate Auditors.

The brief personal history of the retiring Corporate Auditor is stated below:

Name	Brief Personal History
Yuji Itoh	June 1998 Full-time Corporate Auditor of the Company (to present)

Agendum No. 5: Issuance of Stock Acquisition Rights for Granting Stock Options

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

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

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

2. Outline of Issuance of Stock Acquisition Rights

(1) Parties to whom stock acquisition rights will be allocated

Persons approved by the Board of Directors of the Company from among the Directors, Corporate Auditors, Executive Officers and employees of the Company and its subsidiaries.

(2) Kind and number of shares to be issued upon exercise of stock acquisition rights

Up to 1,500,000 shares of Common Stock of the Company

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

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

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

(3) Number of stock acquisition rights to be issued

Up to 15,000 (one stock acquisition right will entitle the holder thereof to acquire 100 shares) provided that when adjustment set out in (2) above is made, such number shall be also adjusted accordingly.

(4) Issue price of stock acquisition rights

None

(5) Amount to be paid in upon exercise of stock acquisition rights

The amount to be paid in upon exercise of each stock acquisition right shall be the amount of the acquisition price per share (the "Exercise Price") multiplied by the number of shares to be issued upon exercise of each stock acquisition right, as provided for in (3) above.

The Exercise Price shall be the average of the closing price of the shares of the Common Stock of the Company at the Tokyo Stock Exchange (regular way) on each day (excluding any day on which there is no closing price of the shares of the Company) during the month immediately preceding the month in which the stock acquisition rights are issued, multiplied by 1.1 and rounded up to the nearest one (1) yen; provided, however, that in the event such amount is less than the closing price of the shares of Common Stock of the Company on the day of issuance of the stock acquisition rights (if there is no closing price on such day, on the day immediately preceding such day), the Exercise Price shall be the closing price on the day of issuance of the stock acquisition rights.

Provided that when the Company makes stock split or stock consolidations after issuance of the stock acquisition rights, the Exercise Price shall be adjusted in accordance with the following formula and rounded up to the nearest one (1) yen.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Split ratio (or consolidation ratio)}}$$

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

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

(6) Exercise period for stock acquisition rights

From October 1, 2004 to September 30, 2008

(7) Conditions for exercise of stock acquisition rights

- (i) In order to exercise stock acquisition rights, the person who has been allocated such stock acquisition rights (the “Acquisition Rights Holder”) must be a Director, Corporate Auditor, Executive Officer or employee of the Company or a subsidiary thereof at the time of exercise.
- (ii) In the event of the death of the Acquisition Rights Holder, the heir(s) thereof may exercise inherited stock acquisition rights for a period of 6 months (or until the date of expiration of the exercise period thereof, if such date comes earlier), up to the maximum number of stock acquisition rights the deceased could have exercised at the time of death.
- (iii) Upon approval by the Bonus Committee of the Company, the exercise of stock acquisition rights may be permitted under conditions different from those described in (i) and (ii) above.
- (iv) Other terms and conditions shall be provided for in an agreement between the Company and each Acquisition Rights Holder, pursuant to resolutions of this Ordinary General Meeting of Shareholders and the Board of Directors of the Company.

(8) Cancellation of stock acquisition rights and conditions thereof

- (i) In the event that stock acquisition rights cease to be exercisable due to failure by Acquisition Rights Holder or heir thereof to satisfy conditions set forth in (7) above prior to exercise thereof, the Company shall be entitled to cancel such stock acquisition rights without any consideration therefor.

- (ii) When a resolution was adopted at the General Shareholders Meeting of the Company to approve the merger agreement pursuant to which the Company is merged, or when a resolution at the General Shareholders Meeting of the Company to approve the stock swap agreement or stock transfer pursuant to which the Company will become a wholly owned subsidiary, the Company shall be entitled to cancel the stock acquisition rights without any consideration therefor.
- (iii) When the Acquisition Rights Holder or heir thereof waives all or part of such stock acquisition rights, the Company shall be entitled to cancel such stock acquisition rights without any consideration therefor.
- (iv) In addition to the above, the Company shall be entitled to cancel the stock acquisition rights without any consideration therefor.

(9) Restriction on transfer of the stock acquisition rights

Transfer of stock acquisition rights shall be subject to approval at the meeting of the Board of Directors of the Company.