

(Translation)

September 1, 2003

To All Persons Concerned

Name of Listed Company: Kyocera Corporation  
Name of Representative: Yasuo Nishiguchi, President and Director  
(Code Number: 6971)  
Person for inquiry: Hideki Ishida, Managing Executive Officer  
(TEL: 075-604-3500)

Re: Decision with respect to Rehearing of the *LaPine* Case by an En Banc Panel

With respect to a dispute between Kyocera Corporation (the Company), LaPine Technology Corporation (LTC) and Prudential-Bache Trade Corporation (PBTC) (presently renamed Prudential-Bache Trade Services, Inc.) concerning the validity of an agreement in connection with the reorganization of LTC and alleged breach of such agreement by the Company, on July 23, 2002, the Ninth Circuit Court of Appeals issued a decision ordering the Company to pay approximately \$453 million, including interest and attorneys' fees. Upon such decision, the Company filed a Petition for Rehearing and Rehearing En Banc, and the Ninth Circuit Court of Appeals entered an order in December 2002 granting the Company's petition for en banc review. We hereby inform you that a decision was made by an en banc panel with respect to the rehearing of this case on August 30 (August 29, U.S. time).

In this decision, the Court of Appeals denied judicial examination of the arbitration award rendered pursuant to a contract between private parties and thereby vacated its decision in 1997 affirming judicial examination of such award. The Court then affirmed the arbitration award rendered in 1994 and the decision of the District Court affirming such arbitration award, without opining on the merits (including the disputes over the validity of the agreement, violation of the agreement and compensation of damages).

En banc review was granted last December pursuant to the vote of a majority of the sitting judges of the Court of Appeals, based on the Company's assertion that the decision by the Court of Appeals on the merits in July 2002 was erroneous in certain respects. We regret that the decision of the Court of Appeals did not address the merits at all, but vacated six years later its 1997 decision with respect to the criteria to be applied in deciding whether judicial examination should be granted, in respect of which neither party is in dispute. We are considering the possibility of an appeal to the U.S. Supreme Court with respect to this

decision.

The Company owns one-third, and PBTC owns two-thirds, of the share capital of LHC (LaPine Holding Company), which in turn owns all the share capital of LTC. Accordingly, the Company will be entitled to receive one-third of the amount of the damages compensated to LTC (being equal to 85% of the aggregate amount of damages) less the amount of LTC's negative shareholders equity.

This matter has been disclosed in the Company's annual report in accordance with the forms and regulations relating to SEC filings and reports to the SEC. The Company has made a provision for this matter in the amount of damages to be compensated by the Company less the amount receivable by the Company.