

CONSOLIDATED FINANCIAL STATEMENTS

RESULTS FOR THE YEAR ENDED MARCH 31, 2002

KYOCERA CORPORATION

(3) Consolidated Cash flows :

	Japanese yen	
	Years ended March 31,	
	2002	2001
Net cash provided by operating activities	JPY 140,929 million	JPY 149,191 million
Net cash used in investing activities	-51,138 million	-150,216 million
Net cash used in or provided by financing activities	-18,396 million	12,331 million
Cash and cash equivalents at end of year	280,899 million	201,333 million

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

Number of consolidated subsidiaries : 139

Number of subsidiaries accounted for by the equity method : 2

Number of affiliates accounted for by the equity method : 19

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

	Consolidation	Equity method
Increase	10	1
Decrease	12	8

2. Forecast for the year ending March 31, 2003 :

	Japanese yen	
	Six months ending September 30, 2002	Year ending March 31, 2003
Net sales	JPY 504,000 million	JPY 1,100,000 million
Income before income taxes	29,000 million	100,000 million
Net income	18,000 million	60,000 million

Note:

Forecast of annual earnings per share : JPY 317.12

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

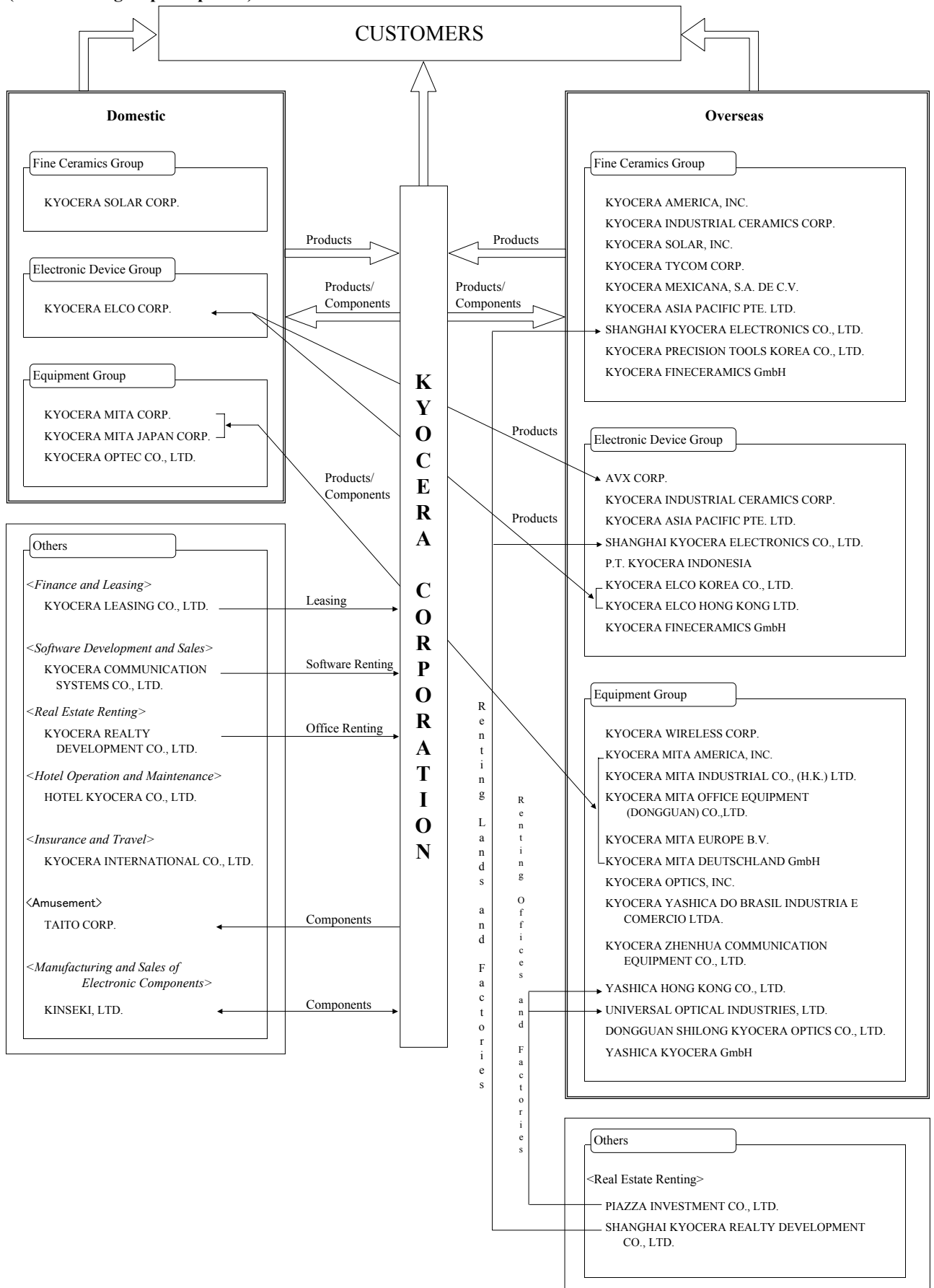
Forecast of annual earnings per share is computed based on the diluted average number of shares outstanding during the financial year ended March 31, 2002.

With regard to forecasts set forth above, please refer to the accompanying "Forward Looking Statements" on page 15.

KYOCERA GROUP

Kyocera group consists of Kyocera Corp., 141 subsidiaries and 19 affiliates.

(Chart of the group companies)



Note : Other Businesses include affiliates that are applied for equity method.

Business Results and Financial Condition

1. Results for the Fiscal Year Ended March 31, 2002

(1) Overview

The rapid global downturn in IT-related markets sharply depressed demand for overall Kyocera products, particularly components businesses. The harsh business conditions produced an adverse impact on results of this fiscal year.

(Units: million yen)

	Years Ended March 31,		Change (%)
	2002	2001	
Net sales	1,034,574	1,285,053	-19.5
Profit from operations	51,561	207,200	-75.1
Income before income taxes	55,398	400,222	-86.2
Net income	31,953	219,529	-85.4
Average US\$ exchange rate (yen)	125	111	-
Average Euro exchange rate (yen)	111	100	-

Note: In the fiscal year ended March 31, 2001, an increase of Kyocera Corporation's (the Company's) equity interest in the net assets of KDDI Corporation, an affiliate in which investments were accounted for by the equity method up to and including that year, resulted in increases in income before income taxes and minority interests of 174.1 billion yen and net income of 98.2 billion yen, respectively.

1) Sales

- Sharp declines in sales were recorded in components businesses, which were for mobile phone handsets, PC-related equipment and optical communications markets.
- Thanks to contributions from new models, sales of information equipment sector rose on a year-on-year basis; however, sales of telecommunications equipment declined.
- As a result, consolidated net sales declined compared to the previous year.

2) Profits

- Profits from components business were affected adversely both by declining sales volumes and steep erosion in the unit prices. Profits were further reduced by one-off expenses, including a valuation loss of 5.8 billion yen related to marketable securities, notably bank shares, together with a restructuring charge stemming from management structural reform to improve profitability in the fiscal year ending March 2003 and beyond. As a result, profit from operations, income before income taxes and net income in this fiscal year dropped from the previous year.

3) Impact of exchange rate fluctuations

- The depreciation of the yen against both the US dollar and the Euro produced a positive impact on net sales and on income before income taxes relative to the previous year of approximately 71.6 billion yen and 13.0 billion yen, respectively.

(2) Operating segments

Both sales and profits of fine ceramics group and electronic device group decreased from the last fiscal year. Sales recorded by the equipment group increased from the previous year, but operating profit fell.

(Units: million yen)

	Years Ended March 31,		Change (%)
	2002	2001	
Net sales	1,034,574	1,285,053	-19.5
Fine ceramics group	252,879	363,026	-30.3
Electronic device group	234,938	392,700	-40.2
Equipment group	478,293	467,362	2.3
Others	86,116	79,790	7.9
Adjustments and eliminations	-17,652	-17,825	-
Operating profit	56,360	250,383	-77.5
Fine ceramics group	22,582	90,603	-75.1
Electronic device group	6,216	128,047	-95.1
Equipment group	26,013	28,907	-10.0
Others	1,549	2,826	-45.2

1) Fine ceramics group

—Price erosion across many lines compounded a persistent worldwide inventory normalization of components for mobile phone handsets and optical communication devices. This resulted in reduced sales of components, particularly SMD (surface-mount device) packages for electronic components, ceramic ferrules, isolators, and optoelectronic packages.

—Operating profit of this segment fell relative to the previous year as a result of lower sales of fine ceramic parts and semiconductor parts, together with one-off expenses associated with restructuring at overseas subsidiaries.

2) Electronic device group

—Components demand for components for both mobile phone handset and PC-related equipment fell sharply, which caused sales to decline from the previous year.

—Operating profit fell relative to the previous year as a result of various one-off expenses associated with management structural reform at overseas subsidiaries (including inventory write-offs, reorganization of operating bases, and personnel reductions), together with steep falls in unit prices of components such as ceramic capacitors and timing devices including TCXOs (temperature-compensated crystal oscillators), especially in the second half of this fiscal year.

3) Equipment group

—Although sales of telecommunications equipment dropped relative to the previous year, favorable post-launch sales of new models of information equipment (printers and copiers), digital cameras and other products helped to boost total segment sales on a year-on-year basis.

—Operating profit fell compared to the previous year as a result of one-off expenses including the losses of an inventory write-off and personnel reductions at U.S. subsidiary, Kyocera Wireless Corp.(KWC)

4) Others

- Despite lower sales at Kyocera Communication Systems Co., Ltd. (KCCS), a Japanese subsidiary, total segment sales increased from the previous year, thanks to significantly increased sales at Kyocera Leasing Co., Ltd, another Japanese subsidiary.
- Operating profit fell relative to the previous year as a result of declined sales at KCCS and increased R&D expenses related to the basic technologies at the Company.

(3) Geographic segments

Sales declined across all major geographic areas, particularly in components businesses, as a result of the global slowdown in IT-related industries.

(Units: million yen)

	Years Ended March 31,		Change (%)
	2002	2001	
Net sales	1,034,574	1,285,053	-19.5
Japan	408,561	490,923	-16.8
U.S.A.	289,517	348,109	-16.8
Asia	148,349	217,456	-31.8
Europe	141,493	163,487	-13.5
Others	46,654	65,078	-28.3

1) Japan

- Sales declined, mainly of fine ceramic parts, semiconductor parts, and electronic devices group.

2) United States

- Sales declined, mainly of fine ceramic group such as parts for optical communication devices.

3) Asia

- Sales declined, mainly of electronic device group associated with PC-related applications.

4) Europe

- Although sales of information equipment grew steadily, sales of electronic device group used for mobile phone handsets declined.

2. Operational Highlights

To further improve profitability and to strengthen our business structure, Kyocera made further progress with the following three strategic initiatives during the fiscal year ended March 31, 2002.

1) Management structural reforms

- Management structural reforms progressed with the objective of securing higher profitability from a medium- and long-term perspective; these moves were also intended to strengthen Kyocera's earnings structure to counter the severe business environment.
- Restructuring initiatives at overseas subsidiaries included reorganization of operating bases, personnel reductions and inventory

write-offs. Additional moves included personnel rearrangements designed to optimize the efficiency of the Company's manufacturing bases in Japan alongside ongoing efforts to expand production in China.

2) Expansion of manufacturing bases in China

—With the aim of becoming a truly global enterprise, Kyocera made further progress during the year in expanding production at Chinese manufacturing bases and making inroads into the local Chinese market.

—In December 2001, Kyocera established a local joint venture in Dongguan, China to manufacture and sale information equipment, called Kyocera Mita Office Equipment (Dongguan) Co., Ltd.

—In December 2001, Kyocera established another local joint venture in Kweiyang, China for the development, manufacture, sale and after-sales servicing of telecommunications equipment, called Kyocera Zhenhua Communication Equipment Co., Ltd. This joint venture commenced production of CDMA-protocol mobile phone handsets for the Chinese market in January 2002.

3) Reorganization of information equipment business

—In January 2002, to accelerate the continued expansion of its document solutions business, Kyocera resolved to split off its printer business at the parent company and merge them into those of subsidiary, Kyocera Mita Corporation (KMC). The actual operational transfer took effect on April 1, 2002. KMC paid all of the debt under the rehabilitation plan in this fiscal year, and the relevant rehabilitation plan, the rehabilitation period was shortened by approximately seven years from its original length of ten years; KMC officially concluded the plan on March 5, 2002.

3. Cash Flows

(Units: million yen)

	Years Ended March 31,		Increase or Decrease
	2002	2001	
Cash flows from operating activities	140,929	149,191	-8,262
Cash flows from investing activities	-51,138	-150,216	99,078
Cash flows from financing activities	-18,396	12,331	-30,727
Effect of exchange rate changes on cash and cash equivalents	8,171	11,083	-2,912
Net increase in cash and cash equivalents	79,566	22,389	57,177
Cash and cash equivalents at beginning of year	201,333	178,944	22,389
Cash and cash equivalents at end of year	280,899	201,333	79,566

Cash and cash equivalents rose during the fiscal year ended March 31, 2002 by 79,566 million yen, from 201,333 million yen to 280,899 million yen.

1) Cash flows from operating activities

Net cash provided by operating activities decreased by 8,262 million yen in the fiscal year ended March 31, 2002, falling from 149,191 million yen to 140,929 million yen, despite a fall in net income relative to the previous fiscal year of 31,953 million yen. This was due mainly to a significant reduction in inventories and in receivables.

2) Cash flows from investing activities

Net cash used in investing activities decreased by 99,078 million yen, from 150,216 million yen recorded in the previous fiscal year to 51,138 million yen. This was due primarily to decreased capital expenditures within the fine ceramics and electronic device groups.

3) Cash flows from financing activities

Net cash used in financing activities in the fiscal year ended March 31, 2002 amounted to 18,396 million yen, compared with provided cash of 12,331 million yen recorded in the previous year. This was due mainly to a significant reduction in short-term debt.

4. Capital Expenditures and Depreciation

As the global slump in IT-related markets caused demand for components to plunge, Kyocera imposed strict controls on capital expenditures, particularly in its fine ceramics and electronic device groups. As a result, total capital expenditures were sharply lower than the level the previous year. However, as a result of the year-on-year increase in capital spending recorded in the fiscal year ended March 31, 2001, depreciation increased in the fiscal year ended March 31, 2002.

(Units: million yen)

	Years Ended March 31,		Change (%)
	2002	2001	
Capital expenditures	54,631	105,944	-48.4
(% to net sales)	5.3%	8.2%	-
Depreciation expenses	76,252	67,096	13.6
(% to net sales)	7.4%	5.2%	-

5. Results for Fiscal Year Ended March 31, 2002 (Non-consolidated)

(Units: million yen)

	Years Ended March 31,		Change (%)
	2002	2001	
Net sales	499,264	652,510	-23.5
Profit from operations	38,364	92,431	-58.5
Recurring profit	56,412	114,500	-50.7
Net income	34,475	31,398	9.8

Note: In the fiscal year ended March 31, 2001, a non-recurring loss was recorded to reflect one-off amortization in the amount of 66,286 million yen to cover a shortfall in the retirement and severance benefit liability reserve pursuant to the change in accounting standards.

Management Policies

1. Basic Management Policies and Indices

—Kyocera concentrates its resources on high-value-added diversification to achieve continuous growth through progressively raising earnings at each of its businesses. This value-creation process has three key dimensions: creating new technology, creating new products, and creating new markets. In terms of general target market sectors, Kyocera has identified three key areas of business development: telecommunications and information processing, environmental protection, and quality of life.

—The basic business policy goal of Kyocera is to generate growth in each of the three areas mentioned above by developing businesses of value to shareholders, investors and the Kyocera Group. Kyocera aims to boost profitability continually and make high returns; specifically, it currently aims to achieve a pre-tax profit margin of 15% of net sales.

2. Specific Policies

(1) Efficient Resource Management

- 1) Kyocera aims to generate growth by investing resources in businesses of value to shareholders, investors and the Kyocera Group. This focus involves continually making clear distinctions between business areas of future expansion and areas that require restructuring efforts.
- 2) To speed up decision-making and achieve growth across all business segments, each business group within Kyocera is treated as its own separate company, and operational management authority is delegated accordingly.
- 3) In terms of financial management, a prime emphasis is placed on cash flow. In particular, managers aim to boost return on invested capital, control inventory levels, and work to shorten development and production lead times.

(2) Emphasizing Consolidated Group Results

- 1) The company aims to maximize operational synergy and boost profitability through efforts to strengthen consolidated ties between each of the parent company business groups and Kyocera Group subsidiaries and affiliates. To further promote this business focus, Kyocera enhances its management control for each product line on a consolidated group level.
- 2) Each major product line has its own global strategy. Reinforcing the system of business groups, the development, production and sale of each product are each located strategically to maximize returns and strengthen business focus.

(3) Focusing on Shareholder Value

- 1) Raising shareholder value (market capitalization) is an important business goal at Kyocera. Managers aim to make higher returns on capital more efficiently throughout the business so that future earnings and cash flows can be maximized.
- 2) Kyocera makes use of stock option plans in its compensation schemes to better align the interests of senior managers with those of shareholders and investors, and thereby boost the company's financial performance.

3. Management and Organizational Policies

—In seeking to fulfill its fundamental goal of high-value-added diversification, Kyocera employs a number of policies designed to increase business effectiveness within the Kyocera Group and further raise the quality of the company's management.

(1) Use of Stock Option Plans

Following revisions to the Japanese Commercial Code, the Company plans to announce at the Annual General Meeting of Shareholders to be held in June 2002 an initiative to extend its stock option plan to senior managers within the Kyocera Group. This move is designed to increase the value added by the entire Kyocera Group, by ensuring that the interests of senior managers throughout the group are aligned with those of shareholders and investors.

(2) Risk Management System

The company established an internal risk management department in September 2000 with the aims of promoting a deliberate, systematic, and sustained approach to risk management at the Company, thereby strengthening risk compliance within the entire Kyocera Group.

(3) Productivity Improvement Focus

Kyocera promotes business productivity improvement activities throughout the Company to support the corporate value creation process. As well as continually reviewing production, sales and management operations, the Company also introduces and develops its IT systems as required to boost operational efficiency on an ongoing basis. In February 2002, to make such activities more deliberate and systematic, Kyocera established Corporate Productivity and Engineering Promotion Division across all of Kyocera's businesses.

(4) Corporate Philosophy Focus

In March 2002, the Company established its own management research facility to improve educational and training provisions for all Kyocera Group employees. By working assiduously to encourage all managers to adhere to the Kyocera Philosophy, and by affording employees numerous self-training opportunities, the Company strives to ensure that all workers adopt Kyocera's ethical and principled approach to business.

(5) CCG (Create Change Grow) Activities

Kyocera is working to promote continual business process reengineering within the Company through a program known as Kyocera CCG (Create Change Grow). These efforts seek to build new corporate value by guiding all of the major business functions within the Kyocera Group—manufacturing, R&D, sales and administration—to effect meaningful process change without becoming trapped within conventional modes of thinking.

4. Remaining Challenges

(1) Structural Reform

Restructuring is proceeding apace across the entire Kyocera Group. The reasons are clear: demand across many IT-related sectors entered a sharp downturn worldwide during the second half of 2000; at the same time, the outlook for the Japanese economy remains murky—prospects for recovery are still uncertain. Even so, the aim for all parts of the Kyocera Group must be to prepare to

be better able to seize the chances provided by eventual economic revival. Restructuring essentially involves transforming the structure of the business to make it a more efficient creator of higher value, without sticking slavishly to organizational frameworks or methods that have been used in the past. In particular, efforts have been directed at solving a number of urgent, important issues, discussed briefly below.

1) Maximally effective allocation of resources

Management aims to make the Kyocera Group work as effectively as possible through the most appropriate internal allocation of group resources, including personnel, invested capital and inventory.

2) Establishing a highly profitable production system

China is a market with excellent long-term potential for growth; Kyocera aims to expand its presence, both as a local manufacturer and as a supplier of local demand. Kyocera is also seeking to boost the profitability of its manufacturing operations through a variety of reforms to the current system, which makes considerable use of production outsourcing.

(2) Toward Continuous Growth

Three major initiatives are being pursued within the Kyocera Group with the aim of achieving continuous growth.

1) Sales expansion and improved profitability at equipment businesses

—Kyocera aims to expand its business and achieve global leadership in the market for CDMA-protocol mobile phone handsets through greater synergy between its manufacturing bases in Japan, South Korea, the United States, and China. The Company is also seeking to develop new markets for its PHS-related products.

—In the information equipment business, the Company has sought to exploit operational synergies with its copier business by transferring its printer operations to subsidiary Kyocera Mita Corporation. Growth on both sides of this new document solutions business currently entails expansion of production capacity in China and the launch of new models featuring novel concepts.

2) Improved profitability of component businesses through structural reforms

Kyocera is working to boost the profitability of its components operations by expanding production in China, by reorganizing its manufacturing operations in Japan, and by developing new markets for products in China. Other related strategic aims include undertaking a review of the existing component business and focusing resources in those areas that can create the most value.

3) Creation of business opportunities through development of new products and markets

Kyocera Group boasts manufacturing, sales and development expertise spanning numerous types of components, electronic devices and equipment. The Company aims to expand sales by capitalizing on such horizontal integration through the swift development and launch of new products that meet specific market needs. Our new product developments efforts are being directed in particular at sectors of the telecommunications and information processing market. The Company targets growth segments with new ranges of core products. Specific examples of such high-potential emerging market segments include automotive parts, digital consumer electronics and environmental protection.

5. Policy to Encourage Individual Share Ownership in Kyocera

—The Company has studied various initiatives targeted at individual investors to broaden its share ownership within this Group, such as greater distribution of business reports to shareholders, and new methods of organizing and running shareholder meetings.

—In February 1997, to make it easier for individuals to deal in its shares, the Company revised the number of shares contained in

single tradable units, reducing this number from 1,000 to 100 shares. The move was highly successful: by the end of March 2002, the number of the Company shareholders had grown over fourfold, to approximately 82,100 (far higher than the initial target), from a figure of 18,500 recorded at the time the change was introduced.

—As well as reductions in the size of minimum investment units, stock splits are also considered as a means of effecting higher individual share ownership. To date, Kyocera has not considered any plans regarding the nature or timing of such moves.

6. Basic Policy on Profit Distribution

—Since its initial stock listing, the Company has endeavored to increase its share dividend rate as its results in general have improved. The Company has also increased dividends in real terms through free share distributions and stock splits. In the future, the Company will strive to increase earnings per share and cash flow; and on the basis of its results, in accordance with comprehensive judgment, we would like to share our success as a dividend.

—The Company's goal to become a creative company that continues to grow is to result in greater profits for shareholders. At the same time, our intention to become a leader in the three strategic markets of telecommunications and information processing, environmental protection, and quality of life will periodically require the Company to enhance our position through aggressive investments. For this purpose, we will maintain a high level of internal reserves.

—Despite the year-on-year falls in sales and earnings recorded in the fiscal year ended March 31, 2002 due to the severe business conditions experienced, Kyocera intends to maintain a stable shareholder dividend. Accordingly, the Company plans to propose at the Annual General Meeting of Shareholders (due to be held on June 26, 2002) that a year-end dividend of 30 yen per share be paid, in addition to the interim dividend of 30 yen per share already paid. If this figure were approved, the total cash dividend to shareholders would equal 60 yen per share, the same level as in the previous fiscal year.

Business Outlook and Future Strategies

1. Financial Projections for Fiscal Year Ending March 31, 2003

(Units: million yen)

	Year Ending March 31, 2003 (Forecast)	Year Ended March 31, 2002 (Result)	Change (%)
Net sales	1,100,000	1,034,574	6.3
Profit from operations	93,000	51,561	80.4
Income before income taxes	100,000	55,398	80.5
Net income	60,000	31,953	87.8
Average US\$ exchange rate (yen)	125	125	-
Average Euro exchange rate (yen)	109	111	-

—For its performance projections for the fiscal year ending March 31, 2003, Kyocera has used average exchange rates of 125 yen/\$ and 109 yen/€

—Although the effects of the economic downturn across Japan, Europe and the United States on the electronics market are expected to persist, the company forecasts that demand will gradually start to recover in IT-related markets following the slump recorded in the fiscal year ended March 31, 2002.

—Following the progress that has been made in normalizing inventory levels of components in the mobile phone handset and PC-related markets, Kyocera expects demand for components to increase in line with a recovery in production of electronic devices and related equipment. In particular the Company anticipates strong growth in components for mobile phone handsets, relative to production levels recorded in the fiscal year ended March 31, 2002.

—However, considerable future uncertainty remains over unit price trends for components. Kyocera expects to be exposed to persistent pressure to reduce prices further.

—Due to contributions from new models, sales of telecommunications equipment and information equipment are expected to record substantial growth, especially in the second half of the year.

2. Business Outlook and Strategies by Segment

—Kyocera continues to push forward with its strategy of high-value-added business diversification. Common aims within component and equipment operations are to improve profitability, to develop new products, and to penetrate new market segments. A related theme for both businesses is expansion of production at Chinese manufacturing bases, alongside various structural reforms at the corresponding operations in Japan.

1) Fine ceramics group

—Although the downturn is expected to continue to have an adverse impact on sales in the first half, the second half is expected to feature a recovery in demand.

- Since demand for SMD packages is expected to revive in line with a recovery in mobile phone handset markets, Kyocera plans to focus on raising capacity utilization at its plant in China to generate higher earnings.
- In response to concerns over a persistent downturn in the optical communications market, Kyocera plans to prepare for a recovery in demand by developing new products in areas such as ceramic ferrules, isolators, and ceramic packages used in optical communications devices.
- Kyocera also remains engaged in the creation of new products targeting emerging segments with significant medium-term growth potential. Specific examples of product areas where sales are expanding include fine ceramic and semiconductor components with ITS (intelligent transport system) applications, and solar power generation systems, which target the environmental protection market.

2) Electronic device group

- Sales in this segment are expected to enter an upturn in the second half of the year.
- Demand is also expected to grow in mobile phone handset markets now that inventory destocking of components has run its course. As a supplier of a comprehensive range of electronic devices, Kyocera plans to leverage the advantages conferred by its Chinese manufacturing base in the markets for ceramic capacitors and timing devices. As well as seeking to expand sales within the Chinese market itself, Kyocera also plans to target various segments of the telecommunications and information processing markets.
- Kyocera also continues to pour efforts into the development of new, miniaturized, high-performance, high-value-added products designed to exploit the opportunities presented as next-generation mobile communications services commence across Japan, Europe and the United States.

3) Equipment group

- Sales in this segment are expected to enter an upturn in the second half of the year, particularly with telecommunications equipment and information equipment.
- In telecommunications equipment, Kyocera aims to be the leading manufacturer of CDMA-protocol mobile phone handsets worldwide. As well as boosting sales of CDMA 1X handsets in Japan and the United States, the group is expanding local production of cdmaOne handsets designed for the Chinese market, where growth will make a substantial contribution to sales. Volume production of approximately 900,000 units is projected for the year, helping to propel Kyocera toward market leadership inside China. Kyocera is also working to expand its presence in markets for PHS-related products, both in China and other markets outside Japan. Other market development efforts focus on high-speed wireless data communications systems.
- In information equipment, Kyocera aims to expand its entire document solutions business following the transfer of its printer operations from the parent company to subsidiary Kyocera Mita Corporation. As well as reducing manufacturing costs through expansion of production of copiers and printers at Chinese plants, Kyocera Group is also working on the development of eco-friendly models with low running costs based on new technology designed to enhance longevity of use.
- In optical instruments, Kyocera is increasing production of digital cameras in China, while also working to expand sales of premium cameras under the CONTAX brand.

4) Others

- Kyocera Communication Systems Co., Ltd. (KCCS) continues to develop beyond its core business of Internet data center services. As well as providing content and related services for mobile phone users, KCCS is also expanding into the ASP (Applications Service Provider) and outsourcing businesses, and into markets outside of Japan with various information systems-related products and services.

3. Financial Projections for the Fiscal Year Ending March 31, 2003 (Non-consolidated)

(Units: million yen)

	Year Ending March 31, 2003 (Forecast)	Year Ended March 31, 2002 (Result)	Change (%)
Net sales	464,000	499,264	-7.1
Profit from operations	39,100	38,364	1.9
Recurring profit	51,400	56,412	-8.9
Net income	31,500	34,475	-8.6

Note: Forward Looking Statements

The Company's projections of sales and profits and reference information for the Company's projections 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 ceramics group, electronic device group, equipment group and others, with which the Company and its group companies are engaged in their business activities, and the fluctuation in the exchange rates between various currencies (particularly, between the Japanese yen and the United states dollar and the Euro) and other factors affecting 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 information and communications-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

ASSETS

	Japanese yen in millions				Increase or Decrease
	March 31,				
	2002		2001		
	Amount	%	Amount	%	
Current assets :					
Cash and cash equivalents	JPY 280,899		JPY 201,333		79,566
Restricted cash	59,509		47,885		11,624
Short-term investments	10,902		39,071		-28,169
Trade notes receivable	25,367		47,039		-21,672
Trade accounts receivable	174,240		246,683		-72,443
Short-term finance receivables	83,196		65,336		17,860
Less allowances for doubtful accounts and sales returns	-11,110		-9,042		-2,068
Inventories	205,806		252,823		-47,017
Deferred income taxes	51,997		46,866		5,131
Other current assets	22,061		34,646		-12,585
Total current assets	902,867	54.9	972,640	56.3	-69,773
Non-current assets :					
Investments in and advances to affiliates and unconsolidated subsidiaries	26,206		26,095		111
Securities and other investments	301,659		339,603		-37,944
Total investments and advances	327,865	19.9	365,698	21.2	-37,833
Long-term finance receivables	83,745	5.1	48,723	2.8	35,022
Property, plant and equipment, at cost :					
Land	46,834		46,492		342
Buildings	189,024		175,443		13,581
Machinery and equipment	568,717		532,337		36,380
Construction in progress	11,596		12,240		-644
Less accumulated depreciation	-547,548		-482,102		-65,446
	268,623	16.3	284,410	16.5	-15,787
Goodwill	30,757	1.9	31,833	1.8	-1,076
Other assets	31,601	1.9	24,752	1.4	6,849
Total non-current assets	742,591	45.1	755,416	43.7	-12,825
Total assets	JPY 1,645,458	100.0	JPY 1,728,056	100.0	-82,598

Note 1: Restricted cash 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.

LIABILITIES AND STOCKHOLDERS' EQUITY

	Japanese yen in millions				
	March 31,				
	2002		2001		Increase or Decrease
Amount	%	Amount	%		
Current liabilities :					
Short-term borrowings	JPY 106,880		JPY 135,368		-28,488
Current portion of long-term debt	12,401		7,162		5,239
Trade notes and accounts payable	78,627		112,604		-33,977
Other notes and accounts payable	72,569		76,541		-3,972
Accrued payroll and bonus	31,572		34,244		-2,672
Accrued income taxes	21,359		60,058		-38,699
Other accrued liabilities	24,344		25,631		-1,287
Other current liabilities	11,356		11,926		-570
Total current liabilities	359,108	21.8	463,534	26.8	-104,426
Non-current liabilities :					
Long-term debt	96,856		52,306		44,550
Accrued pension and severance costs	49,549		46,976		2,573
Deferred income taxes	28,045		49,671		-21,626
Liabilities deferred pursuant to the rehabilitation plan	-		25,700		-25,700
Other non-current liabilities	4,892		5,106		-214
Total non-current liabilities	179,342	10.9	179,759	10.4	-417
Total liabilities	538,450	32.7	643,293	37.2	-104,843
Minority interests in subsidiaries	67,530	4.1	62,698	3.6	4,832
Stockholders' equity :					
Common stock	115,703		115,703		-
Additional paid-in capital	158,228		158,183		45
Retained earnings	798,407		777,797		20,610
Accumulated other comprehensive income	-22,750		-19,673		-3,077
Common stock in treasury, at cost	-10,110		-9,945		-165
Total stockholders' equity	1,039,478	63.2	1,022,065	59.2	17,413
Total liabilities and stockholders' equity	JPY 1,645,458	100.0	JPY 1,728,056	100.0	-82,598

Note 2 : Kyocera Mita Corporation concluded the rehabilitation plan by early extinguishment of the liabilities deferred pursuant to the rehabilitation plan in this fiscal year.

Note 3: Accumulated other comprehensive income is as follows:

	Japanese yen in millions	
	March 31,	
	2002	2001
Net unrealized losses on securities	JPY -27,926	JPY -4,829
Net unrealized losses on derivative financial instruments	JPY -425	-
Foreign currency translation adjustments	JPY 5,601	JPY -14,844

CONSOLIDATED STATEMENTS OF INCOME

	Japanese yen in millions					
	Years ended March 31,				Increase or Decrease	
	2002		2001		Amount	
	Amount	%	Amount	%	Amount	%
Net sales	JPY 1,034,574	100.0	JPY 1,285,053	100.0	-250,479	-19.5
Cost of sales	795,201	76.9	887,765	69.1	-92,564	-10.4
Gross profit	239,373	23.1	397,288	30.9	-157,915	-39.7
Selling, general and administrative expenses	187,812	18.1	190,088	14.8	-2,276	-1.2
Profit from operations	51,561	5.0	207,200	16.1	-155,639	-75.1
Other income or expenses :						
Interest and dividend income	7,304	0.7	8,082	0.6	-778	-9.6
Interest expense	-2,655	-0.2	-2,140	-0.2	-515	-
Foreign currency transaction gains, net	5,238	0.5	9,494	0.7	-4,256	-44.8
Equity in earnings of affiliates and unconsolidated subsidiaries	1,559	0.2	2,209	0.2	-650	-29.4
Losses on devaluation of investment securities	-5,771	-0.6	-587	-0.0	-5,184	-
Gain on stock issuance of an affiliate	-	-	174,076	13.6	-174,076	-
Other, net	-1,838	-0.2	1,888	0.1	-3,726	-
Total other income or expenses	3,837	0.4	193,022	15.0	-189,185	-98.0
Income before income taxes, minority interests and cumulative effect of change in accounting principle	55,398	5.4	400,222	31.1	-344,824	-86.2
Income taxes	21,308	2.1	160,487	12.4	-139,179	-86.7
Income before minority interests and cumulative effect of change in accounting principle	34,090	3.3	239,735	18.7	-205,645	-85.8
Minority interests	-299	-0.0	-20,206	-1.6	19,907	-
Income before cumulative effect of change in accounting principle	33,791	3.3	219,529	17.1	-185,738	-84.6
Cumulative effect of change in accounting principle	-1,838	-0.2	-	-	-1,838	-
Net income	JPY 31,953	3.1	JPY 219,529	17.1	-187,576	-85.4
Earnings per share:						
Income before cumulative effect of change in accounting principle :						
Basic	JPY 178.74		JPY 1,161.20			
Diluted	JPY 178.59		JPY 1,157.83			
Net income:						
Basic	JPY 169.02		JPY 1,161.20			
Diluted	JPY 168.88		JPY 1,157.83			
Weighted average number of shares of common stock outstanding (shares in thousands)						
Basic	189,050		189,053			
Diluted	189,204		189,604			

Notes:

1. The Company applies Statement of Financial Accounting Standards (SFAS) No. 130, "Financial Reporting of Comprehensive Income." Based on this standard, comprehensive income of fiscal 2002 and 2001 was an increase of JPY28,876 million and an increase of JPY235,374 million, respectively.
2. Earnings per share amounts were computed based on SFAS No.128, "Earnings per Share"
Under SFAS No.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.
3. Effective April 1, 2001, Kyocera adopted SFAS No.133, "Accounting for Derivative Instruments and Hedging Activities", as amended by SFAS No.138. Upon the adoption of these standards, Kyocera recorded a cumulative effect of this change in accounting principle, net of tax.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Japanese yen in millions, except number of shares in thousands)

Number of Shares of Common Stock	Common stock	Treasury stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Comprehensive income
Balance, March 31, 2000 (189,075)	JPY 115,703	JPY -9,113	JPY 157,768	JPY 569,610	JPY -35,518	
Net income for the year				219,529		JPY 219,529
Accumulated other comprehensive income					15,845	<u>15,845</u>
Total comprehensive income for the year						<u>JPY 235,374</u>
Cash dividends				-11,342		
Purchase of treasury stock (119)		-1,849				
Exercise and cancel of stock options (101)		1,017	415			
Balance, March 31, 2001 (189,057)	115,703	-9,945	158,183	777,797	-19,673	
Net income for the year				31,953		JPY 31,953
Accumulated other comprehensive income					-3,077	<u>-3,077</u>
Total comprehensive income for the year						<u>JPY 28,876</u>
Cash dividends				-11,343		
Purchase of treasury stock (83)		-628				
Exercise and cancel of stock options (68)		463	45			
Balance, March 31, 2002 (189,042)	JPY 115,703	JPY -10,110	JPY 158,228	JPY 798,407	JPY -22,750	

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Japanese yen in millions	
	Years ended March 31,	
	2002	2001
Cash flows from operating activities:		
Net income	JPY 31,953	JPY 219,529
Adjustments to reconcile net income to net cash provided by operating activities :		
Depreciation and amortization	88,497	74,172
Provision for doubtful accounts	3,593	4,273
Losses on inventories	11,872	2,816
Deferred income taxes	-12,879	58,476
Minority interests	299	20,206
Equity in earnings of affiliates and unconsolidated subsidiaries	-1,559	-2,209
Losses on devaluation of investment securities	5,771	587
Gain on stock issuance of an affiliate	-	-174,076
Cumulative effect of change in accounting principle	1,838	-
Foreign currency adjustments	-6,280	-10,080
Change in assets and liabilities :		
Decrease or increase in receivables	55,047	-56,147
Decrease or increase in inventories	40,443	-58,087
Decrease or increase in other current assets	4,683	-9,531
Increase or decrease in notes and accounts payable	-36,257	45,124
Increase or decrease in accrued income taxes	-37,923	20,201
Increase or decrease in other current liabilities	-9,767	12,150
Increase in other non-current liabilities	2,299	6,041
Other, net	-701	-4,254
Net cash provided by operating activities	<u>140,929</u>	<u>149,191</u>
Cash flows from investing activities :		
Payments for purchases of available-for-sale securities	-47,402	-8,702
Payments for purchases of held-to-maturity securities	-13,588	-62,315
Payments for purchases of investments and advances	-465	-3,377
Sales and maturities of available-for-sale securities	44,934	7,762
Maturities of held-to-maturity securities	38,697	20,995
Payments for purchases of property, plant and equipment	-59,031	-103,132
Proceeds from sales of property, plant and equipment	1,809	9,473
Payment for purchases of intangible assets	-10,669	-6,535
Acquisitions of businesses, net of cash acquired	-60	368
Restricted cash	-6,959	-3,986
Other, net	1,596	-767
Net cash used in investing activities	<u>-51,138</u>	<u>-150,216</u>
Cash flows from financing activities :		
Decrease or increase in short-term debt	-30,345	33,717
Proceeds from issuance of long-term debt	60,043	30,129
Payments of long-term debt	-9,659	-27,032
Payments of liabilities deferred pursuant to the rehabilitation plan	-25,609	-11,145
Dividends paid	-12,773	-12,325
Purchase of treasury stock	-628	-1,736
Other, net	575	723
Net cash used in or provided by financing activities	<u>-18,396</u>	<u>12,331</u>
Effect of exchange rate changes on cash and cash equivalents	<u>8,171</u>	<u>11,083</u>
Net increase in cash and cash equivalents	<u>79,566</u>	<u>22,389</u>
Cash and cash equivalents at beginning of year	<u>201,333</u>	<u>178,944</u>
Cash and cash equivalents at end of year	<u>JPY 280,899</u>	<u>JPY 201,333</u>

SUPPLEMENTAL CASH FLOW INFORMATION

	Japanese yen in millions	
	Years ended March 31,	
	2002	2001
Cash paid during the year for :		
Interest	JPY 5,299	JPY 3,998
Income taxes	72,111	81,810
Acquisitions of businesses :		
Fair value of assets acquired	543	103,370
Fair value of liabilities assumed	-456	-91,277
Cash acquired	-27	-12,461
	JPY 60	JPY -368

SEGMENT INFORMATION

1. Operating segments :

	Japanese yen in millions			
	Years ended March 31,		Increase or Decrease	
	2002	2001		
	Amount	Amount	Amount	%
Net sales:				
Fine ceramics group	JPY 252,879	JPY 363,026	-110,147	-30.3
Electronic device group	234,938	392,700	-157,762	-40.2
Equipment group	478,293	467,362	10,931	2.3
Others	86,116	79,790	6,326	7.9
Adjustments and eliminations	-17,652	-17,825	173	-
	JPY 1,034,574	JPY 1,285,053	-250,479	-19.5
Operating profit :				
Fine ceramics group	JPY 22,582	JPY 90,603	-68,021	-75.1
Electronic device group	6,216	128,047	-121,831	-95.1
Equipment group	26,013	28,907	-2,894	-10.0
Others	1,549	2,826	-1,277	-45.2
	56,360	250,383	-194,023	-77.5
Corporate	-2,508	-25,243	22,735	-
Equity in earnings of affiliates and unconsolidated subsidiaries	1,559	2,209	-650	-29.4
Gain on stock issuance of an affiliate	-	174,076	-174,076	-
Adjustments and eliminations	-13	-1,203	1,190	-
Income before income taxes	JPY 55,398	JPY 400,222	-344,824	-86.2
Segment assets :				
Fine ceramics group	JPY 196,509	JPY 241,502	-44,993	-18.6
Electronic device group	346,766	372,796	-26,030	-7.0
Equipment group	278,633	309,596	-30,963	-10.0
Others	242,953	230,541	12,412	5.4
	1,064,861	1,154,435	-89,574	-7.8
Corporate	618,036	612,515	5,521	0.9
Investments in and advances to affiliates and unconsolidated subsidiaries	26,206	26,095	111	0.4
Adjustments and eliminations	-63,645	-64,989	1,344	-
Total assets	JPY 1,645,458	JPY 1,728,056	-82,598	-4.8
Depreciation and amortization :				
Fine ceramics group	JPY 23,628	JPY 19,906	3,722	18.7
Electronic device group	32,213	30,016	2,197	7.3
Equipment group	24,879	16,846	8,033	47.7
Others	5,571	5,728	-157	-2.7
Corporate	2,206	1,676	530	31.6
Total	JPY 88,497	JPY 74,172	14,325	19.3
Capital expenditures :				
Fine ceramics group	JPY 14,277	JPY 32,326	-18,049	-55.8
Electronic device group	15,917	47,844	-31,927	-66.7
Equipment group	14,816	17,277	-2,461	-14.2
Others	5,896	5,856	40	0.7
Corporate	3,725	2,641	1,084	41.0
Total	JPY 54,631	JPY 105,944	-51,313	-48.4

2. Geographic segments (Sales and operating profit by geographic area) :

	Japanese yen in millions			
	Years ended March 31,		Increase or Decrease	
	2002	2001		
	Amount	Amount	Amount	%
Net sales:				
Japan	JPY 445,322	JPY 560,830	-115,508	-20.6
Intra-group sales and transfer between geographical areas	198,736	249,122	-50,386	-20.2
	644,058	809,952	-165,894	-20.5
United States of America	329,468	412,283	-82,815	-20.1
Intra-group sales and transfer between geographical areas	21,272	25,428	-4,156	-16.3
	350,740	437,711	-86,971	-19.9
Asia	97,055	120,851	-23,796	-19.7
Intra-group sales and transfer between geographical areas	57,828	68,266	-10,438	-15.3
	154,883	189,117	-34,234	-18.1
Europe	149,341	173,696	-24,355	-14.0
Intra-group sales and transfer between geographical areas	25,294	35,960	-10,666	-29.7
	174,635	209,656	-35,021	-16.7
Others	13,388	17,393	-4,005	-23.0
Intra-group sales and transfer between geographical areas	9,476	15,893	-6,417	-40.4
	22,864	33,286	-10,422	-31.3
Adjustments and eliminations	-312,606	-394,669	82,063	-
	JPY 1,034,574	JPY 1,285,053	-250,479	-19.5
Operating profit:				
Japan	JPY 56,170	JPY 143,015	-86,845	-60.7
United States of America	-3,998	56,384	-60,382	-
Asia	9,155	28,810	-19,655	-68.2
Europe	-3,962	24,542	-28,504	-
Others	-100	3,671	-3,771	-
	57,265	256,422	-199,157	-77.7
Adjustments and eliminations	-918	-7,242	6,324	-
	56,347	249,180	-192,833	-77.4
Corporate	-2,508	-25,243	22,735	-
Equity in earnings of affiliates and unconsolidated subsidiaries	1,559	2,209	-650	-29.4
Gain on stock issuance of an affiliate	-	174,076	-174,076	-
Income before income taxes	JPY 55,398	JPY 400,222	-344,824	-86.2

3. Geographic segments (Sales by region) :

	Japanese yen in millions					
	Years ended March 31,				Increase or Decrease	
	2002		2001			
	Amount	%	Amount	%	Amount	%
Japan	JPY 408,561	39.5	JPY 490,923	38.2	-82,362	-16.8
United States of America	289,517	28.0	348,109	27.1	-58,592	-16.8
Asia	148,349	14.3	217,456	16.9	-69,107	-31.8
Europe	141,493	13.7	163,487	12.7	-21,994	-13.5
Others	46,654	4.5	65,078	5.1	-18,424	-28.3
Net sales	JPY 1,034,574	100.0	JPY 1,285,053	100.0	-250,479	-19.5
Sales outside Japan	JPY 626,013		JPY 794,130		-168,117	-21.2
Sales outside Japan ratio to net sales	60.5%		61.8%			

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. Investments in debt and equity securities at March 31, 2002 and 2001, included in short-term investments (current assets) and in securities and other investments (non-current assets) are summarized as follows :

	Japanese yen in millions							
	March 31,							
	2002				2001			
	Cost	Aggregate fair values	Gross unrealized gains	Gross unrealized losses	Cost	Aggregate fair values	Gross unrealized gains	Gross unrealized losses
Available-for-sale securities :								
Corporate debt securities	JPY 28,127	JPY 27,838	JPY 19	JPY 308	JPY 7,090	JPY 7,082	JPY 68	JPY 76
Other debt securities	24,056	21,821	4	2,239	41,339	39,715	91	1,715
Equity securities	262,039	216,100	6,163	52,102	266,027	258,610	9,762	17,179
Total available-for-sale securities	<u>314,222</u>	<u>265,759</u>	<u>6,186</u>	<u>54,649</u>	<u>314,456</u>	<u>305,407</u>	<u>9,921</u>	<u>18,970</u>
Held-to-maturity securities :								
Corporate debt securities	31,091	30,626	1	466	41,978	41,817	18	179
Other debt securities	12,591	12,568	4	27	27,021	27,025	4	0
Total held-to-maturity securities	<u>43,682</u>	<u>43,194</u>	<u>5</u>	<u>493</u>	<u>68,999</u>	<u>68,842</u>	<u>22</u>	<u>179</u>
Total investments in debt and equity securities	<u><u>JPY 357,904</u></u>	<u><u>JPY 308,953</u></u>	<u><u>JPY 6,191</u></u>	<u><u>JPY 55,142</u></u>	<u><u>JPY 383,455</u></u>	<u><u>JPY 374,249</u></u>	<u><u>JPY 9,943</u></u>	<u><u>JPY 19,149</u></u>

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

DERIVATIVE FINANCIAL INSTRUMENTS

The aggregate contract amounts and fair value of derivative financial instruments are as follows:
(Negative figures in fair value represents valuation loss.)

	Japanese yen in millions			
	March 31,			
	2002		2001	
	Contract Amount	Fair Value	Contract Amount	Fair Value
Currency swaps	JPY 669	JPY 3	JPY 580	JPY -50
Foreign currency forward contracts to sell	56,582	-779	80,192	-3,087
Foreign currency forward contracts to buy	6,146	25	9,589	237
Interest swaps	127,908	-1,640	89,862	-1,523
Interest options	—	—	27,000	6

Note : The fair value was estimated based on quotes from financial institutions.

BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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 affiliates accounted for by the equity method :
TAITO CORPORATION
KINSEKI, LTD.

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

Consolidation

(Increase) Participated : 2 LEDOMARS INFORMATION CORPORATION, and other
Established : 6 KYOCERA ZHENHUA COMMUNICATION EQUIPMENT CO., LTD.
KYOCERA MITA OFFICE EQUIPMENT (DONGGUAN) CO., LTD., and others
Moved from equity method : 1
KYOCERA INTERNATIONAL CO., LTD.
Other : 1 DONG HUI TENG CARBIDE (ZHUHAI) CO., LTD.
(Decrease) Liquidated : 9 KYOCERA ELECTRONICS, INC., and others
Decreased due to reorganization of subsidiaries : 3
KYOCERA ELECTRONICS BENELUX B. V., and others

Equity method

(Increase) Established : 1 GLOBAL IS, LLC.
(Decrease) Liquidated : 3 JAPAN NEW MEDIA SYSTEM LTD., and others
Sold : 3 AKINAI CANADA INC., and others
Decreased in equity interests of shares : 1
KYOCERA DDI INSTITUTE OF FUTURE TELECOMMUNICATION INC.
(currently renamed to KDDI RESERCH AND DEVELOPMENT LABORATORIES INC.)
Moved to consolidation : 1
KYOCERA INTERNATIONAL CO., LTD.

3. Employee benefits plan

Kyocera adopts Statement of Financial Accounting Standards No. 87 for the calculation of employee benefits plan. Employees of the Company and some domestic subsidiaries are covered by the Kyocera Employee Pension Fund (EPF), which was established pursuant to the Japanese Welfare Pension Insurance Law (JWPIL).

Benefits under the EPF generally are based on the current rate of base salary, employee's position length of service and conditions under which the termination occurs. In accordance with the JWPIL, a portion of the government's social security program, under which the employer and employee contribute an equal amount, is contracted out to the Company ("contracted-out-portion). The Company adds to it its own non-contributory pension plan ("corporate portion").

Employees of some overseas subsidiaries of the Company are covered by non-contributory defined benefit pension plans.

4. Derivatives

Effective April 1, 2001, Kyocera adopted SFAS No.133, "Accounting for Derivative Instruments and Hedging Activities", as amended by SFAS No.138. Kyocera records all derivatives as either assets or liabilities on the balance sheet and measured at fair value. Upon the adoption of these standards, on April, 2001, Kyocera recorded a one-time and non-cash unrealized loss of JPY 106 million, net of tax, in accumulated other comprehensive income in the consolidated balance sheet, as well as a loss of 1,838 million yen, net of tax, in the cumulative effect of change in accounting principle in the consolidated statement of income.

NON-CONSOLIDATED FINANCIAL STATEMENTS

RESULTS FOR THE YEAR ENDED MARCH 31, 2002

KYOCERA CORPORATION

KYOCERA CORPORATION

The non-consolidated financial statements are in conformity with accounting principles generally accepted in Japan.

Date of the board of directors' meeting for the annual results : April 26, 2002 :

Date of the general meeting of shareholders : June 26, 2002 :

1. Results for the year ended March 31, 2002 :

(1) Results of operations :

	Japanese yen	
	Years ended March 31,	
	2002	2001
Net sales	JPY 499,264 million	JPY 652,510 million
% change from the previous year	-23.5%	28.5%
Profit from operations	38,364 million	92,431 million
% change from the previous year	-58.5%	68.0%
Recurring profit	56,412 million	114,500 million
% change from the previous year	-50.7%	64.8%
Net income	34,475 million	31,398 million
% change from the previous year	9.8%	-20.1%
Earnings per share	JPY 182.36	JPY 164.98
Return on equity	3.9 %	3.8 %
Recurring profit to total assets	4.9 %	10.8 %
Recurring profit to net sales	11.3 %	17.5 %

Notes :

1. Average number of common stock outstanding during the year

Year ended March 31, 2002 :	189,049,779 shares
Year ended March 31, 2001 :	190,318,300 shares

2. Change in accounting policies : None

(2) Dividend information :

	Japanese yen	
	Years ended March 31,	
	2002	2001
Year-end dividends per share	JPY 30.00	JPY 30.00
Interim dividends per share	30.00	30.00
Annual dividends per share	60.00	60.00
Annual aggregate amount of dividends paid	11,342 million	11,342 million
Dividends to net income	32.9 %	36.1 %
Dividends to stockholders' equity	1.3 %	1.3 %

(3) Financial condition :

	Japanese yen	
	March 31,	
	2002	2001
Total assets	JPY 1,110,951 million	JPY 1,208,746 million
Stockholders' equity	879,434 million	889,748 million
Stockholders' equity to total assets	79.2 %	73.6 %
Stockholders' equity per share	JPY 4,652.07	JPY 4,675.06

Notes : Total number of shares outstanding as of :

March 31, 2002	189,041,518 shares
March 31, 2001	190,318,300 shares

Total number of treasury stock as of :

March 31, 2002	1,276,782 shares
----------------	------------------

2. Forecast for the year ending March 31, 2003 :

	Japanese yen	
	Six months ending	Year ending
	September 30,2002	March 31,2003
Net sales	JPY 214,000 million	JPY 464,000 million
Recurring profit	14,700 million	51,400 million
Net income	9,000 million	31,500 million
Interim dividends per share	30.00	-
Year-end dividends per share	-	30.00
Annual dividends per share	-	60.00

Note : Forecast for annual earnings per share: JPY 166.63

With regard to the forecasts set forth above, please refer to the accompanying "Forward Looking Statements" on page 15.

BALANCE SHEETS

ASSETS

	Japanese yen in millions				Increase or Decrease
	March 31,				
	2002		2001		
	Amount	%	Amount	%	
Current assets :					
Cash and bank deposits	JPY 175,666		JPY 76,034		99,631
Trade notes receivable	50,580		80,658		-30,078
Trade accounts receivable	85,035		125,448		-40,412
Marketable securities	10,901		59,915		-49,014
Treasury stock	-		102		-102
Finished goods and merchandise	35,944		36,382		-438
Raw materials	21,802		29,556		-7,753
Work in process	20,571		30,422		-9,850
Supplies	490		1,275		-785
Deferred income taxes	31,464		29,950		1,514
Short-term loans	18,340		25,553		-7,212
Other accounts receivable	3,800		7,566		-3,766
Other current assets	761		4,638		-3,877
Allowances for doubtful accounts	-300		-589		289
Total current assets	<u>455,058</u>	<u>41.0</u>	<u>506,915</u>	<u>41.9</u>	<u>-51,857</u>
Fixed assets :					
Tangible fixed assets :					
Buildings	43,099		46,303		-3,204
Structures	2,711		2,706		5
Machinery and equipment	48,510		63,672		-15,162
Vehicles	40		54		-13
Tools, furniture and fixtures	9,519		9,568		-48
Land	30,335		30,335		-
Construction in progress	744		1,283		-539
Total tangible fixed assets	<u>134,960</u>	<u>12.1</u>	<u>153,924</u>	<u>12.7</u>	<u>-18,963</u>
Intangible assets :					
Patent rights and others	4,095		3,522		573
Total intangible assets	<u>4,095</u>	<u>0.4</u>	<u>3,522</u>	<u>0.3</u>	<u>573</u>
Investments and other assets :					
Investments in securities	312,723		352,459		-39,735
Investments in subsidiaries	146,436		145,854		581
Investments in subsidiaries other than equity securities	25,869		17,943		7,926
Long-term loans	23,792		10,000		13,791
Long-term prepaid expenses	3,577		3,610		-32
Treasury stock	-		9,842		-9,842
Other investments	11,907		12,198		-290
Allowances for doubtful accounts	-7,470		-7,525		55
Total investments and other assets	<u>516,836</u>	<u>46.5</u>	<u>544,383</u>	<u>45.1</u>	<u>-27,547</u>
Total fixed assets	<u>655,892</u>	<u>59.0</u>	<u>701,830</u>	<u>58.1</u>	<u>-45,937</u>
Total assets	<u>JPY 1,110,951</u>	<u>100.0</u>	<u>JPY 1,208,746</u>	<u>100.0</u>	<u>-97,795</u>

LIABILITIES

	Japanese yen in millions				Increase or Decrease
	March 31,				
	2002		2001		
	Amount	%	Amount	%	
Current liabilities :					
Trade notes payable	JPY 1,023		JPY 2,509		-1,485
Trade accounts payable	40,899		60,083		-19,184
Other payables	66,318		83,047		-16,729
Accrued expenses	8,810		9,809		-999
Income taxes payables	11,400		36,600		-25,200
Deposits received	2,581		3,297		-716
Accrued bonuses	11,520		12,330		-810
Provision for warranties	734		772		-37
Provision for sales returns	229		318		-89
Other notes payable	523		447		76
Other current liabilities	770		2,754		-1,984
Total current liabilities	<u>144,810</u>	<u>13.0</u>	<u>211,969</u>	<u>17.5</u>	<u>-67,159</u>
Non-current liabilities :					
Deferred income taxes	12,640		32,809		-20,168
Accrued pension and severance costs	72,612		72,666		-54
Directors' retirement allowance	1,121		1,215		-94
Other non-current liabilities	332		336		-4
Total non-current liabilities	<u>86,706</u>	<u>7.8</u>	<u>107,027</u>	<u>8.9</u>	<u>-20,321</u>
Total liabilities	<u>231,516</u>	<u>20.8</u>	<u>318,997</u>	<u>26.4</u>	<u>-87,480</u>
STOCKHOLDERS' EQUITY					
Common stock	115,703	10.4	115,703	9.6	-
Statutory reserves:					
Additional paid-in capital	174,487		174,487		-
Legal reserves	17,206		16,606		600
Total statutory reserves	<u>191,693</u>	<u>17.3</u>	<u>191,093</u>	<u>15.8</u>	<u>600</u>
Retained earnings:					
Reserve for special depreciation	3,762		3,538		223
Reserve for research and development	1,000		1,000		-
Reserve for dividends	1,000		1,000		-
Reserve for retirement benefits	300		300		-
Reserve for overseas investments	1,000		1,000		-
General reserve	446,828		404,828		42,000
Unappropriated retained earnings	35,180		55,021		-19,840
Total retained earnings	<u>489,071</u>	<u>44.0</u>	<u>466,688</u>	<u>38.6</u>	<u>22,382</u>
Net unrealized valuation gain	93,076	8.4	116,263	9.6	-23,186
Net unrealized valuation gain on other securities	93,076		116,263		-23,186
Treasury stock	-10,110	-0.9	-	-	-10,110
Total stockholders' equity	<u>879,434</u>	<u>79.2</u>	<u>889,748</u>	<u>73.6</u>	<u>-10,314</u>
Total liabilities and stockholders' equity	<u>JPY 1,110,951</u>	<u>100.0</u>	<u>JPY 1,208,746</u>	<u>100.0</u>	<u>-97,795</u>

STATEMENTS OF INCOME

	Japanese yen in millions					
	Years ended March 31,					
	2002		2001		Increase or Decrease	
	Amount	%	Amount	%	Amount	%
Recurring profit and loss :						
Operating income and expenses :						
Net sales	JPY 499,264	100.0	JPY 652,510	100.0	-153,246	-23.5
Cost of sales	385,740	77.3	477,355	73.1	-91,615	-19.2
Selling, general and administrative expenses	75,159	15.0	82,723	12.7	-7,563	-9.1
Profit from operations	<u>38,364</u>	<u>7.7</u>	<u>92,431</u>	<u>14.2</u>	<u>-54,067</u>	<u>-58.5</u>
Non-operating income and expenses :						
Non-operating income :						
Interest and dividend income	15,473	3.1	16,624	2.5	-1,150	-6.9
Foreign currency transaction gains, net	3,753	0.8	7,084	1.1	-3,331	-47.0
Other non-operating income	3,587	0.7	5,336	0.8	-1,748	-32.8
Total non-operating income	<u>22,814</u>	<u>4.6</u>	<u>29,045</u>	<u>4.4</u>	<u>-6,230</u>	<u>-21.5</u>
Non-operating expenses :						
Interest expense	17	0.0	18	0.0	-1	-5.7
Other non-operating expenses	4,748	1.0	6,957	1.1	-2,209	-31.8
Total non-operating expenses	<u>4,765</u>	<u>1.0</u>	<u>6,976</u>	<u>1.1</u>	<u>-2,210</u>	<u>-31.7</u>
Recurring profit	<u>56,412</u>	<u>11.3</u>	<u>114,500</u>	<u>17.5</u>	<u>-58,087</u>	<u>-50.7</u>
Non-recurring gain and loss :						
Non-recurring gain	1,603	0.4	737	0.1	865	117.4
Non-recurring loss	6,293	1.3	67,853	10.3	-61,560	-90.7
Income before income taxes	<u>51,722</u>	<u>10.4</u>	<u>47,384</u>	<u>7.3</u>	<u>4,338</u>	<u>9.2</u>
Income taxes – current	22,137	4.5	54,068	8.3	-31,931	-59.1
Income taxes – deferred	-4,890	-1.0	-38,082	-5.8	33,192	-
Net income	<u>JPY 34,475</u>	<u>6.9</u>	<u>JPY 31,398</u>	<u>4.8</u>	<u>3,077</u>	<u>9.8</u>
Unappropriated retained earnings brought forward from the previous year	6,376		29,860			
Interim dividends	5,671		5,670			
Amount appropriated for reserve in respect of interim dividends	-		567			
Unappropriated retained earnings at the end of the year	<u>JPY 35,180</u>		<u>JPY 55,021</u>			

PROPOSED APPROPRIATION OF RETAINED EARNINGS

	Japanese yen in millions		
	Years ended March 31,		
	2002	2001	Increase or Decrease
Unappropriated retained earnings	JPY 35,180	JPY 55,021	-19,840
Reversal of reserves:			
Reversal of reserve for special depreciation	903	820	82
Total	36,083	55,841	-19,758
To be appropriated as follows:			
Legal reserves	-	600	-600
Dividends (30 yen per share)	5,671	5,671	-0
Directors' bonuses (Note)	75	150	-75
Reserve for special depreciation	289	1,044	-754
General reserve	23,000	42,000	-19,000
Unappropriated retained earnings carried forward to the next year	JPY 7,048	JPY 6,376	672

Note : Corporate auditors' bonuses of 2 million yen and 5 million yen are included in directors' bonuses in 2002 and 2001, respectively.

1. Summary of significant accounting policies :

- (1) Valuation of securities :
 - Held-to-maturity securities : Amortized cost method
 - Investments in subsidiaries and affiliates : Cost determined by the moving average method
 - Other securities
 - Marketable : Based on market price of the closing date of the financial year
(Unrealized gains and losses on those securities are reported in the stockholders' equity and cost is determined by the moving average method).
 - Non-marketable : Cost determined by the moving average method
- (2) Valuation of derivatives instruments : 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 average method. Merchandise are stated at the lower of cost or market, the cost being determined by the last purchase method.
 - Raw materials and supplies :
Raw materials and supplies, except those for telecommunications equipment and information equipment, are valued at the lower of cost or market, the cost being determined by the last purchase method.
Raw materials for telecommunications equipment and information equipment are valued at the lower of cost or market, the cost being determined by the first-in, first-out method.
- (4) Depreciation of fixed assets :
 - Tangible fixed assets :
Depreciation is computed at rates based on the estimated useful lives of assets using the declining balance method.
The principal estimated useful lives are as follows:

Building and structures	2 to 25 years
Machinery and equipment and Tools, furniture and fixtures	2 to 10 years

(Change of the useful lives)
The company changed the useful lives of depreciation for buildings (except for buildings improvements) from those described on Japanese corporate tax regulation into the estimated economic useful lives in this fiscal year, as a result of reviewing the practical lives of buildings. The effect of this change was to decrease profit from operations, recurring profit and income before income taxes by 2,077 million yen compared with the case on which previous method was adopted, respectively.
 - Intangible fixed assets :
Amortization is computed at rates based on the estimated useful lives of assets using the straight-line method.
- (5) Accounting for allowance and accruals :
 - Allowances for doubtful accounts :
Allowances for doubtful accounts are provided at an estimated amount of the past actual ratio of losses on bad debts.
Certain allowances are provided for estimated uncollectible receivables.
 - Accrued bonuses :
Accrued bonuses are provided based upon the amounts expected to be paid which is determined by actual payment of previous year.
 - Accrued pension and service costs :
Pension and severance costs are recognized based on projected benefit obligation and plan assets at the year end.
Past service liability is amortized over estimated average remaining service period of employees (18 years) by using the straight-line method.
Actuarial gains or losses are amortized over estimated average remaining service period of employees (18 years) by using the straight-line method following the year incurred.
- (6) Translation of assets and liabilities denominated in foreign currencies into Japanese yen :
Assets and liabilities denominated in foreign currencies are translated at the exchange rates in effect at the respective balance sheet dates, and resulting transaction gains or losses are included in the determination of net income.
- (7) 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.
- (8) Consumption taxes are separately identified from each transaction.

2. Notes to the balance sheet :

	Japanese yen in millions	
	March 31,	
	2002	2001
(1) Accumulated depreciation of tangible fixed assets	JPY 306,989	JPY 285,256
(2) Time deposit pledged as collateral	JPY 59,508	JPY 47,884
(3) Discounted trade notes receivable	JPY 14	JPY 4
(4) Guarantee	JPY 44,282	JPY 19,039

3. Notes to the statements of income :

(1) Major items in non-recurring gain and loss :

	Japanese yen in millions	
	Years ended March 31,	
	2002	2001
1) Non-recurring gain :		
Gain on disposal of tangible fixed assets	JPY 1,260	JPY 250
Reversal of allowance for doubtful accounts	JPY 338	JPY 362
2) Non-recurring loss :		
Loss on disposal of tangible fixed assets	JPY 1,395	JPY 1,046
Loss on devaluation of investment in securities	JPY 4,885	JPY 514
One-off amortization of unrecognized net loss for retirement benefit at transition	-	JPY 66,286

(2) Depreciation and amortization :

	Japanese yen in millions	
	Years ended March 31,	
	2002	2001
Tangible fixed assets	JPY 38,408	JPY 37,268
Intangible assets	JPY 2,114	JPY 1,671

4. Note for lease transaction :

Pro forma information relating to acquisition costs, accumulated depreciation and future minimum lease payments for property held under finance leases which do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2002 and 2001, is as follows :

	Japanese yen in millions	
	March 31,	
	2002	2001
(1) Leased property acquisition costs, accumulated depreciation and balance of leased property :		
Acquisition cost	JPY 5,694	JPY 5,781
Accumulated depreciation	JPY 3,543	JPY 3,456
Net balance of leased property	JPY 2,150	JPY 2,325
(2) Future lease payment at the latest balance sheet date :		
Due within one year	JPY 1,027	JPY 1,054
Due after one year	JPY 1,152	JPY 1,339
Total	JPY 2,179	JPY 2,393

(3) Lease payment, depreciation and interests :

	Japanese yen in millions	
	Years ended March 31,	
	2002	2001
Lease payments	JPY 1,364	JPY 1,345
Depreciation	JPY 1,248	JPY 1,227
Interest expense	JPY 120	JPY 121

(4) Calculation of depreciation : Using the straight-line method

(5) Calculation of interests :

The difference between total lease payments and total estimated acquisition costs (fair market value) of leased property is recognized as interest, and allocated over the lease period based on the sum of digit method.

5. Note for marketable securities:

Market value for investment in subsidiaries and affiliates:

	Japanese yen in millions		
	Carrying Amount	Market value	Difference
Investment in subsidiaries	JPY 57,173	JPY 324,507	JPY 267,333
Investment in affiliates	JPY 14,811	JPY 24,312	JPY 9,500

PLANNED CHANGE OF DIRECTORS AND STATUTORY AUDITORS

(Effective June 26, 2002)

(1) Retiring Representative Director after the Ordinary General Meeting of Shareholders :

Atsushi Mori, presently Senior Managing and Representative Director
and Candidate for new Full-time Corporate Auditor

(2) Candidate for new Full-time Corporate Auditor :

Atsushi Mori, presently Senior Managing and Representative Director

(3) Retiring Corporate Auditor :

Osamu Fujisawa, presently Full-time Corporate Auditor

FINANCIAL HIGHLIGHTS AND FORECASTS

1. Consolidated

	Year ended March 31, 2002	Year ended March 31, 2001	Increase or Decrease	Year ending March 31, 2003	Increase or Decrease
	Million yen	Million yen	%	Million yen	%
Net sales	1,034,574	1,285,053	-19.5	1,100,000	6.3
Profit from operations	51,561	207,200	-75.1	93,000	80.4
Income before income taxes	55,398	400,222	-86.2	100,000	80.5
Net income	31,953	219,529	-85.4	60,000	87.8
Earnings per share:	yen	yen	%	yen	%
Income before cumulative effect of change in accounting principle					
Basic	178.74	1,161.20	—	—	—
Diluted	178.59	1,157.83	—	—	—
Net income					
Basic	169.02	1,161.20	—	—	—
Diluted	168.88	1,157.83	—	317.12	—
Exchange rates	yen	yen	%	yen	%
US\$	125	111	—	125	—
EURO	111	100	—	109	—
	Million yen	Million yen	%	Million yen	%
Capital expenditure	54,631	105,944	-48.4	50,000	-8.5
Depreciation	76,252	67,096	13.6	68,000	-10.8
R&D expense	40,399	35,128	15.0	46,000	13.9
Total assets	1,645,458	1,728,056	—	—	—
Stockholders' equity	1,039,478	1,022,065	—	—	—
Number of employees	44,235	51,113	—	—	—

Note: Please refer to the accompanying "Forward Looking Statements" on page 15.

2. Non-consolidated

	Year ended March 31, 2002	Year ended March 31, 2001	Increase or Decrease	Year ending March 31, 2003	Increase or Decrease
	Million yen	Million yen	%	Million yen	%
Net sales	499,264	652,510	-23.5	464,000	-7.1
Profit from operations	38,364	92,431	-58.5	39,100	1.9
Recurring profit	56,412	114,500	-50.7	51,400	-8.9
Net income	34,475	31,398	9.8	31,500	-8.6
Earnings per share	182.36	164.98	—	166.63	—
Dividends per share	60.00	60.00	—	60.00	—
	Million yen	Million yen	%	Million yen	%
Capital expenditure	21,227	56,453	-62.4	21,000	-1.1
Depreciation	38,408	37,268	3.1	33,000	-14.1
R&D expense	17,179	18,314	-6.2	20,000	16.4
Total assets	1,110,951	1,208,746	—	—	—
Stockholders' equity	879,434	889,748	—	—	—
Number of employees	14,568	14,659	—	—	—

Note: Please refer to the accompanying "Forward Looking Statements" on page 15.

3. Sales and Operating profit by Operating Segments (Consolidated)

	Year ended March 31, 2002	Year ended March 31, 2001	Increase or Decrease	Year ending March 31, 2003	Increase or Decrease
Sales	Million yen	Million yen	%	Million yen	%
Fine ceramics group	252,879	363,026	-30.3	249,000	-1.5
Fine ceramic parts	73,238	104,765	-30.1	65,000	-11.2
Semiconductor parts	110,257	197,103	-44.1	106,000	-3.9
Consumer-related products	69,384	61,158	13.5	78,000	12.4
Electronic device group	234,938	392,700	-40.2	245,000	4.3
Equipment group	478,293	467,362	2.3	538,000	12.5
Telecommunications equipment	266,243	273,519	-2.7	286,000	7.4
Information equipment	176,230	160,175	10.0	206,000	16.9
Optical instruments	35,820	33,668	6.4	46,000	28.4
Others	86,116	79,790	7.9	83,000	-3.6
Adjustments and eliminations	-17,652	-17,825	—	-15,000	—
Net sales	1,034,574	1,285,053	-19.5	1,100,000	6.3
Operating profit					
Fine ceramics group	22,582	90,603	-75.1	28,100	24.4
Electronic device group	6,216	128,047	-95.1	19,600	215.3
Equipment group	26,013	28,907	-10.0	48,300	85.7
Others	1,549	2,826	-45.2	1,600	3.3
Total	56,360	250,383	-77.5	97,600	73.2
Corporate and equity in earnings etc.	-962	149,839	—	2,400	—
Income before income taxes	55,398	400,222	-86.2	100,000	80.5

Note: Please refer to the accompanying "Forward Looking Statements" on page 15.