

CONSOLIDATED FINANCIAL STATEMENTS

RESULTS FOR THE YEAR ENDED MARCH 31, 2001
(FROM APRIL 1, 2000 TO MARCH 31, 2001)

KYOCERA CORPORATION

KYOCERA CORPORATION

Date of the board of directors' meeting concerning the financial statements : May 16, 2001

1. Results for the year ended March 31, 2001 (From April 1, 2000 to March 31, 2001)

(1) Operational results:

	Japanese yen	
	(Millions, except per share amounts)	
	2001	2000
Sales	¥1,285,053	¥812,626
% change from the previous year	58.1%	12.0%
Profit from operations	207,200	92,151
% change from the previous year	124.8%	65.2%
Income before income taxes	400,222	97,468
% change from the previous year	310.6%	57.7%
Net income	219,529	50,345
% change from the previous year	336.0%	78.2%
Earnings per share :		
Basic	¥1,161.20	¥265.72
Diluted	¥1,157.83	¥265.34
Return on equity	24.1%	6.4%
Income before income taxes to total assets	27.2%	8.3%
Income before income taxes to net sales	31.1%	12.0%

Notes:

1. Equity in earnings or losses of affiliates and unconsolidated subsidiaries

Year ended March 31, 2001: 2,209 Million yen

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

2. Average number of common stock outstanding during the year (consolidated)

Year ended March 31, 2001: 189,053,126 Shares

Year ended March 31, 2000: 189,467,134 Shares

3. Change in accounting policies: Please refer to the note on page 25.

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

(2) Financial condition :

	Japanese yen	
	March 31, 2001	March 31, 2000
Total assets	1,728,056 million	1,217,158 million
Stockholders' equity	1,022,065 million	798,450 million
Stockholders' equity to total assets	59.2%	65.6%
Stockholders' equity per share	¥5,406.12	¥4,222.94

(3) Consolidated Cash flows :

	Japanese yen	
	2001	2000
Net cash provided by operating activities	149,191 million	107,930 million
Net cash used in investing activities	-150,216 million	-73,748 million
Net cash provided by or used in financing activities	12,331 million	-19,867 million
Cash and cash equivalents at end of year	201,333 million	178,944 million

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

Number of consolidated subsidiaries : 141

Number of subsidiaries accounted for by the equity method : 6

Number of affiliates accounted for by the equity method : 22

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

	Consolidation	Equity method
Increase	57 companies	9 companies
Decrease	10 companies	8 companies

2. Projection for the year ending March 31, 2002 :

	Japanese yen (Millions, except per share amounts)	
	Six months ending September 30, 2001	Year ending March 31, 2002
Net Sales	¥580,000	¥1,220,000
Income before income taxes	68,000	180,000
Net income	36,000	98,000

Note:

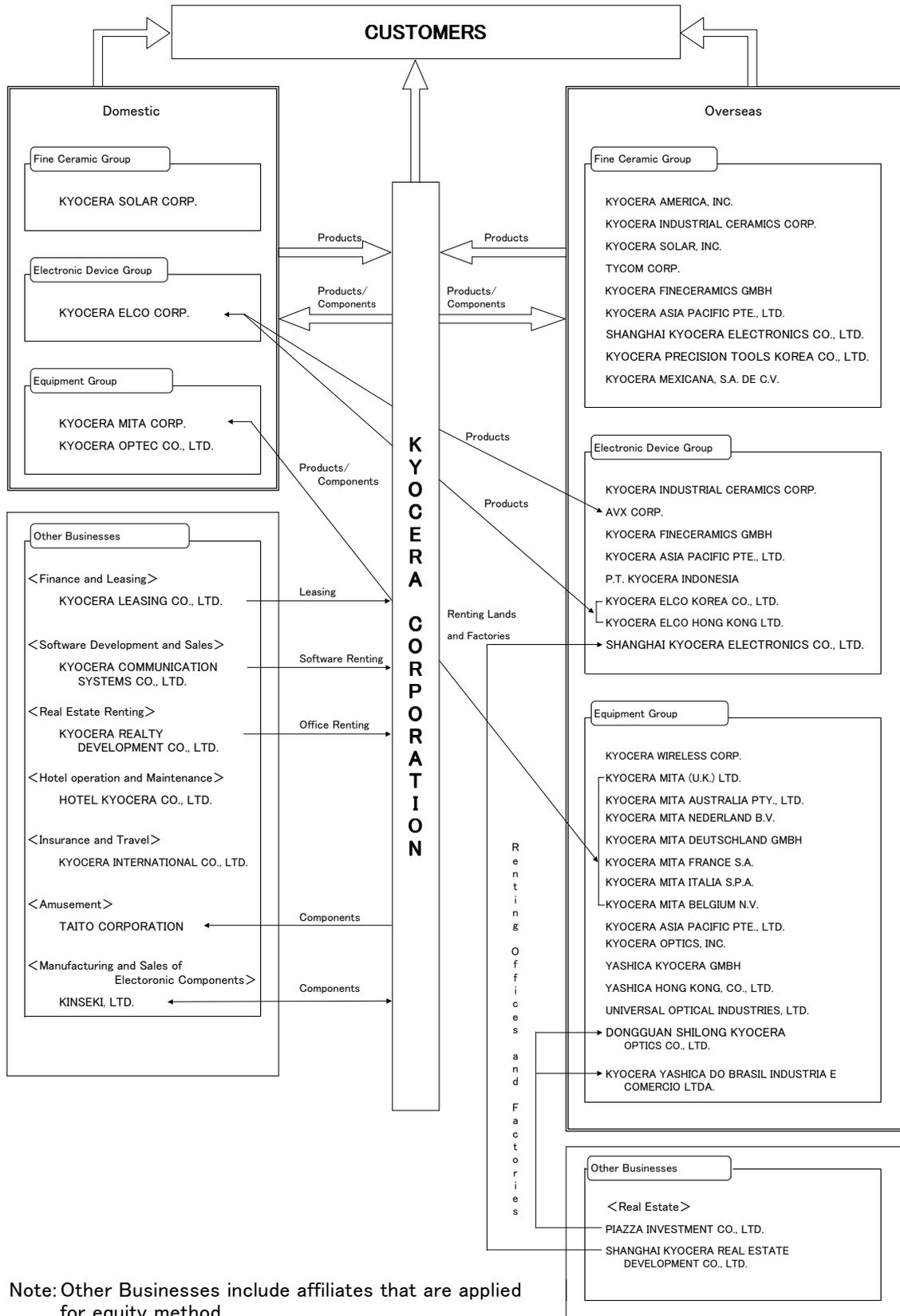
Projected annual earnings per share: ¥516.87

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

Projected annual earnings per share is computed based on the average number of shares of common stock outstanding (diluted) during the financial period ending March 31, 2001.

KYOCERA GROUP

Kyocera group consists of Kyocera Corp., 147 subsidiaries, and 22 affiliates.
(Chart of the group companies)



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

Business Results

1. Overview of Fiscal Year March 31, 2001

(1) General Overview

Current Term Results (Consolidated)

(Unit: million yen)

	March 31,		Increase/decrease (%)
	2001	2000	
Net Sales	1,285,053	812,626	58.1
Profit from operations	207,200	92,151	124.8
Income before income taxes	400,222	97,468	310.6
Net income	219,529	50,345	336.0

1) Sales Review

- In the fiscal year ended March 31, 2001, Kyocera achieved highest record its sales and succeeded in achieving our sales and profit goals one year ahead of our plan. We had targeted consolidated sales of 1 trillion yen, with a 15% pre-tax profit ratio.
- In our Components Group, sales rose substantially over the previous period, due mainly to strong demand from manufacturers of mobile communication handsets and personal computers (PCs). This demand began cooling toward the end of the second half. In addition, rapid expansion in the optical communications market significantly boosted sales of ceramic components for fiber-optic networks.
- Equipment Group sales also rose substantially, for two main reasons. First, the current period includes 12 months of revenue from two new subsidiaries: Kyocera Wireless Corp.(KWC), which joined the Kyocera Group in Feb. 2000, and Kyocera Mita Corporation (Kyocera Mita), which joined in April 2000. Second, the Company increased sales of personal handyphone system (PHS) -related products outside Japan.

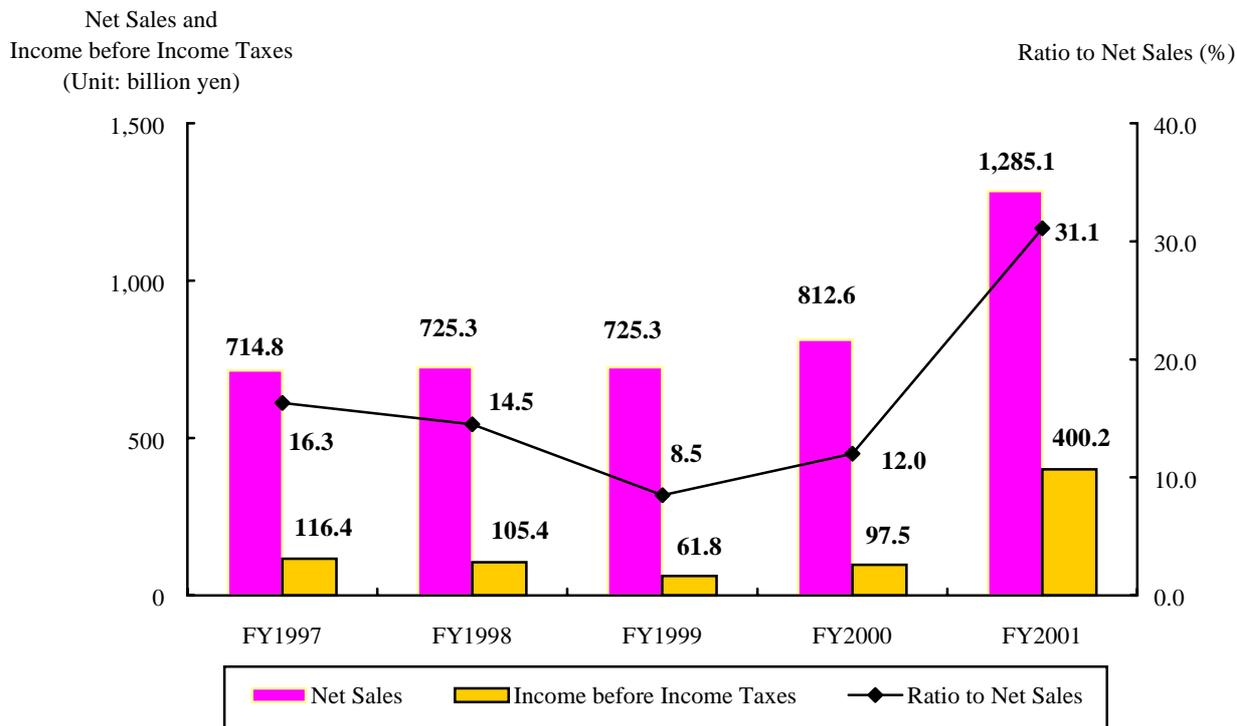
2) Profit Review

- Improved productivity and the effect of increased production created record profits for the Company.
- DDI Corporation, which had been accounted for as an “equity method affiliate” until this first half, merged with KDD Corporation and IDO Corporation on October 1, 2000, and was renamed KDDI Corporation (KDDI) on April 1, 2001. Pursuant to United States Generally Accepted Accounting Principles, the increase in the equity interest of the Company in KDDI, which resulted from the increase in net assets of KDDI as a consequence of such merger, will be accounted for as profit of the Company. The impact from these was an additional 174 billion yen in income before income taxes and 98.2 billion yen in net income for the Company.

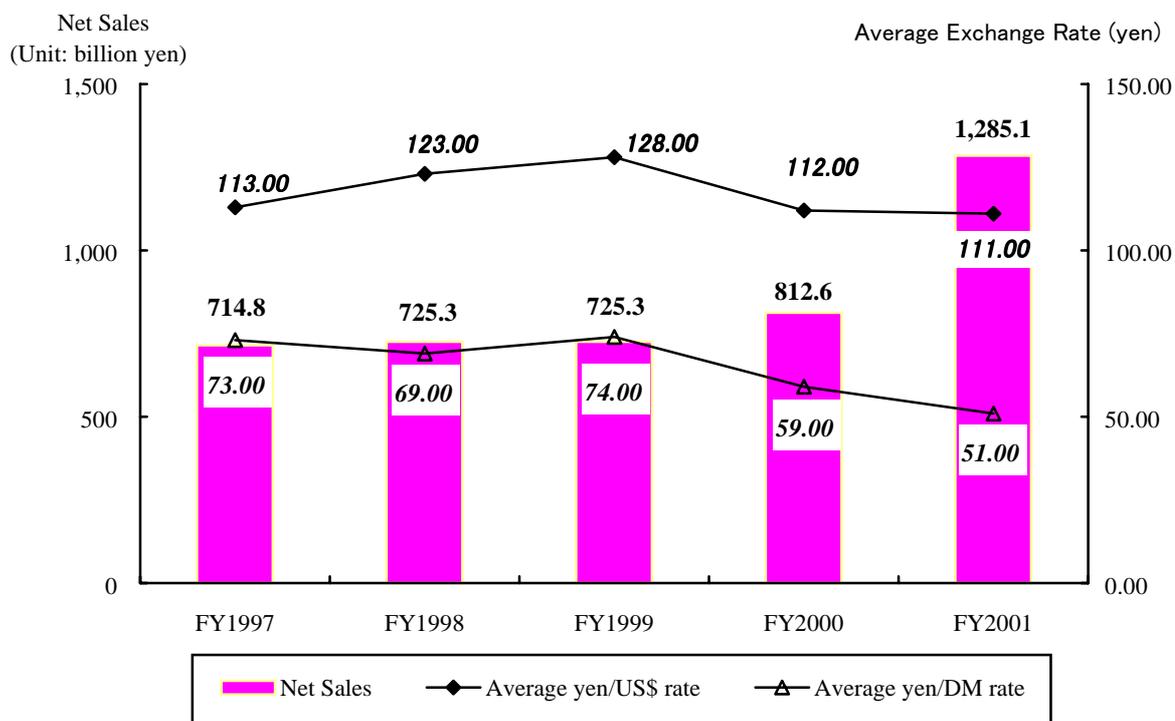
3) Effect of Exchange Rate Fluctuations

- Despite a weakening of the yen in relation to the U.S. dollar and European currencies in the second half, a stronger yen over the whole year as compared to the prior year caused a negative impact on sales and profit. The specific impact amounted to a decline in net sales of around 16 billion yen, and a decrease in income before income taxes of approximately 6 billion yen.

<Consolidated Net Sales and Income before Income Taxes>



<Consolidated Net Sales and Average Exchange Rate>



(2) Business Segment Information

(Unit: million yen)

	March 31,		Increase/decrease (%)
	2001	2000	
Net Sales	1,285,053	812,626	58.1
Fine Ceramic Group	363,026	270,960	34.0
Electronic Device Group	392,700	267,907	46.6
Equipment Group	467,362	215,105	117.3
Other businesses	79,790	70,101	13.8
Adjustments and eliminations	- 17,825	- 11,447	-
Profit from operations	250,383	96,322	159.9
Fine Ceramics Group	90,603	43,309	109.2
Electronic Device Group	128,047	41,067	211.8
Equipment Group	28,907	16,143	79.1
Other businesses	2,826	- 4,197	-

Note: From this period, the Company changed to disclosure accounting to segment by product line, which conforms to the Company's management by business divisions. With this change, reclassification by the same standard has also been carried out for the previous year.

Under classification into new segments, previously announced business is as follows,

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

Electronic Device Group: Electronic Components

Equipment Group: Telecommunications Equipment, Information Equipment and Optical Instruments

Other businesses: Finance and other operation

1) Fine Ceramic Group

- This segment's revenue rose significantly, led by sales of fine ceramic parts and semiconductor parts for the mobile and optical communications markets. The greatest growth occurred in sales of electronic surface-mount device (SMD) packages for mobile communications handsets; semiconductor parts for optoelectronic devices; and fine ceramic parts, including ferrules and isolators, for fiber-optic networks.
- In addition, the Company achieved steady expansion in sales of consumer-related products, such as solar energy systems, cutting tools, and jewelry.
- The effect of expanded production, greater productivity and efforts to contain costs led to a major increase in profits over the prior period.

2) Electronic Device Group

- Sales of components for the telecommunications and information processing industries showed very strong despite a slowing toward the end of the second half. Increased sales of Kyocera and AVX Corporation, a U.S. subsidiary were seen in ceramic and tantalum capacitors; timing devices, such as temperature-compensated crystal oscillators (TCXOs) and connectors of Kyocera Elco Corporation, a Japanese subsidiary.
- Operating profits increased substantially as a result of the increased sales and improved productivity.

3) Equipment Group

- Because this fiscal year included a full 12 months of sales from two new subsidiaries engaged in the equipment business (KWC and Kyocera Mita), the Company's total revenue from information and telecommunications equipment rose substantially.
- Outside Japan, the Company achieved stronger sales of PHS-related products, such as base stations and handsets.
- Operating profits in this group declined from the prior year due to delays in the introduction of new mobile communication handsets in Japan; slow profit growth in the Company's printer business; and start-up costs

relating to the creation of KWC.

4) Other Businesses

- An increase in the telecommunication network systems business and leasing operations of the Company's subsidiaries in Japan led to increased sales for this segment over the prior year.
- Operating profits grew from previous year, when it made a loss.

(3) Geographic Segment Information

(Unit: million yen)

	March 31,		Increase/decrease (%)
	2001	2000	
Net Sales	1,285,053	812,626	58.1
Japan	490,923	400,247	22.7
United States	348,109	148,927	133.7
Europe	163,487	108,342	50.9
Asia	217,456	131,650	65.2
Other regions	65,078	23,460	177.4

1) Sales to Japan

Higher demand for Fine Ceramics Group products, such as optical communication components and semiconductor fabrication equipment components, combined with the new revenue of Kyocera Mita to create a substantial increase in sales over the prior year.

2) Sales to United States

A significant sales increase was achieved through the full-year addition of KWC and Kyocera Mita, as well as increased demand for Component Group products, such as semiconductor parts for optical and wireless communications devices; capacitors; and timing devices.

3) Sales to Europe

The addition of Kyocera Mita's European revenue, combined with robust sales of Electronic Device Group, created a strong sales increase in comparison with the prior year.

4) Sales to Asia

An increase was achieved in sales of Equipment Group product (particularly PHS-related equipment) and Electronic Device Group.

2. Special Circumstances

- To achieve synergies with our printer business and grow our document solutions business, in April 2000, Kyocera Corp. made a capital contribution of 12 billion yen to Kyocera Mita. As a result of this investment, Kyocera Mita became a wholly owned subsidiary of Kyocera Corp.
- To support our goal of becoming the market leader in the machine tools business, in January 2001, we acquired Tycom Corporation (Tycom), a U.S. manufacturer of carbide cutting tools for the printed circuit board (PCB) industry. The acquisition was made through a U.S. subsidiary of the Company, Kyocera International, Inc. (KII), making Tycom a wholly owned subsidiary of KII.
- To improve profits further, we built a new manufacturing facility in Shanghai, China. The first factory of the new facility was completed in November 2000 and began full operation in January 2001. This new building, which produces SMD packages and ceramic capacitors, should improve our profits by strengthening cost competitiveness.

- On a non-consolidated basis, the application of new Japanese accounting standards relating to retirement benefits created a shortfall in retirement benefit obligations totaling ¥66.286 billion during this period. The shortfall is being repaid as one lump sum and booked in extraordinary losses. On the consolidated financial statement, since U.S. accounting standards for retirement benefits have already been applied, this application has no effect.
- On October 1, 2000, DDI Corporation (an affiliate of the Company previously accounted for by the equity method) merged with KDD Corporation and IDO Corporation, and was subsequently renamed KDDI Corporation. As a result of this merger, the value of the Company's equity in KDDI increased; however, the percentage of the Company's equity interest in KDDI actually decreased, from 25.2% to 15.3%. As a result, KDDI is not accounted for under the equity method in the second half of this fiscal year. Our equity interest in KDDI in end of this fiscal year was 13.5%.

3. Cash Flow Information

(Unit: million yen)

	March 31,		Increase/ decrease (%)
	2001	2000	
Net cash provided by operating activities	149,191	107,930	41,261
Net cash used in investing activities	-150,216	- 73,748	-76,468
Net cash provided by (or used in) financing activities	12,331	- 19,867	32,198
Effect of exchange rate changes on cash and cash equivalents	11,083	- 7,788	18,871
Net increase in cash and cash equivalents	22,389	6,527	15,862
Cash and cash equivalents at beginning of period	178,944	172,417	6,527
Cash and cash equivalents at end of period	201,333	178,944	22,389

- The inflow of net cash provided by operating activities was 149,191 million yen, increased over the previous year.
- The outflow of net cash in investing activities was 150,216 million yen, increased substantially compared to last year.
- The inflow of net cash provided by financing activities was 12,331 million yen, increased over the previous year.
- Cash and cash equivalents at end of this period accounted 201,333 million yen, increased by 22,389 million yen over the last year.

4. Capital Expenditures Information

(Unit: million yen)

	March 31,		Increase/decrease (%)
	2001	2000	
Capital Expenditures	105,944	64,731	63.7
(percentage to net sales)	8.2%	8.0%	-
Depreciation	67,096	53,546	25.3
(percentage to net sales)	5.2%	6.6%	-

- Capital expenditures for the current period totaled ¥105,944 million, up 63.7% from the previous year, and depreciation totaled ¥67,096 million, up 25.3%. Major capital expenditures for the current period are as follows.

- To meet strong demand from the telecommunications and information processing industries for components, we aggressively reinforced our production capacity within the Electronic Device and Fine Ceramics Groups, both in and outside of Japan.
- To strengthen component production volume and further improve productivity in the Component Group, we built a new facility in Shanghai, China. The first factory of the new facility was completed in November 2000.

5. Financial Results (Non-consolidated)

(Unit: million yen)

	March 31,		Increase/decrease (%)
	2001	2000	
Net Sales	652,510	507,802	28.5
Profit from operations	92,431	55,013	68.0
Recurring profit	114,500	69,471	64.8
Net income	31,398	39,296	-20.1

Management Policies

1. Basic management policies and targeted management indices

- The Company will concentrate on developing its Group-wide resources to attain continuous growth. To achieve this goal, the Company will focus on developing new technologies, products and markets in the strategic areas of telecommunications and information processing; environmental protection; and quality of life.
- In each of these three strategic markets, our objective is to enhance the value of the Kyocera Group to shareholders and investors. As a high-profit enterprise, we will strive to pursue to a pre-tax profit margin of at least 15% of sales, and will work to improve our profitability relentlessly.

2. Specific Policies

(1) Efficient resource management

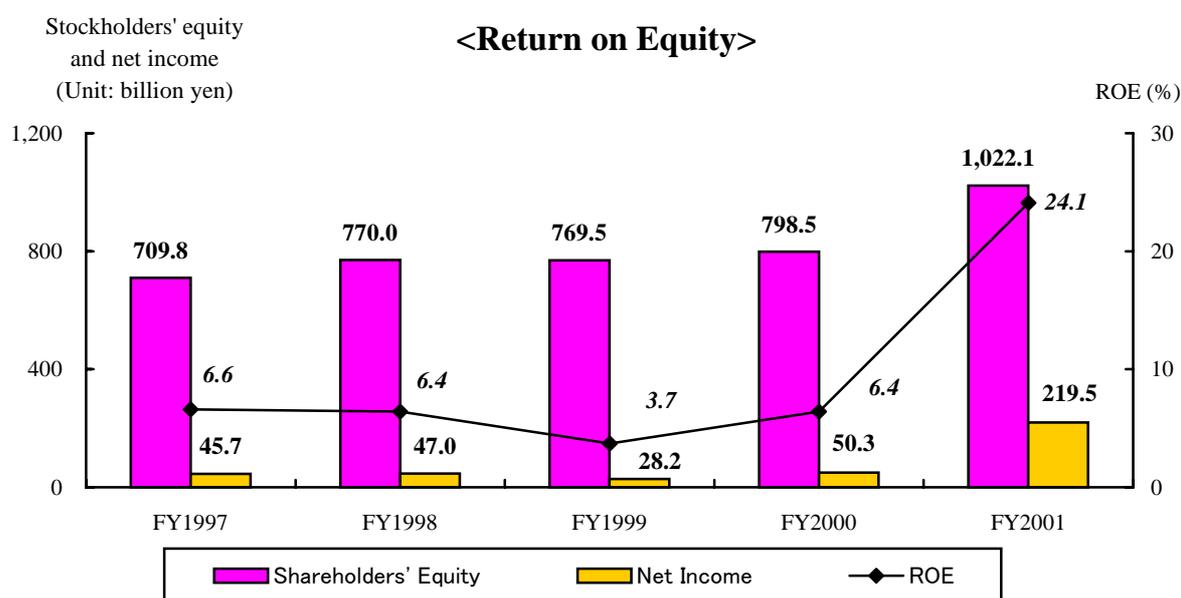
1. The Company will aim to grow in two ways: first, by clarifying which businesses to expand and which businesses to consolidate/discontinue; and second, by investing in businesses that have value for shareholders and investors.
2. The Company will strive to activate its business headquarters and speed up decision-making by giving each business segment decision-making functions identical to those of the headquarters.
3. The Company will place a greater emphasis on “cash flow,” increasing capital investment efficiency, implementing thorough inventory control, and reducing lead-times.

(2) Emphasizing consolidated results

1. To raise profitability, in addition to reinforcing ties and synergies between each business division and its associated companies throughout the Kyocera Group, the Company will implement thorough profit measurement by product segment on a consolidated basis.
2. To promote global strategies and establish stronger business systems for each product segment, the Company will create development, production and sales systems in optimum locations worldwide.

(3) Focusing on shareholder value

1. Enhancing shareholder value will become a key business objective. To this end, we will seek to maximize future profits and cash flow, and will promote greater asset efficiency.
2. The Company will utilize its incentive stock option plan to raise performance by better aligning the interests of managers and shareholders.



3. Basic Policy on Profit Distribution

- Since the listing of its stock, the Company has endeavoured to increase its stock dividend rate as its business performance in general has improved. In addition, to reward shareholders, 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 profit per share and cash flow; on the basis of these results, and 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 intended to result in greater profits for shareholders. At the same time, our goal 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 merger and acquisition. For this purpose, we will maintain a high level of internal reserves.
- The year-end dividend will be decided by a resolution during the general meeting of shareholders to be held June 27, 2001. The dividend amount presently under consideration by the Company's management is ¥30 per share. If this dividend amount is decided, then the total dividend for the year (including the ¥30 per share interim dividend already paid to shareholders) would remain ¥60 per share, the same as last year.

Outlook and Future Strategies

1. Forecast for the year ending March 31, 2002 (Consolidated)

(Unit: million yen)

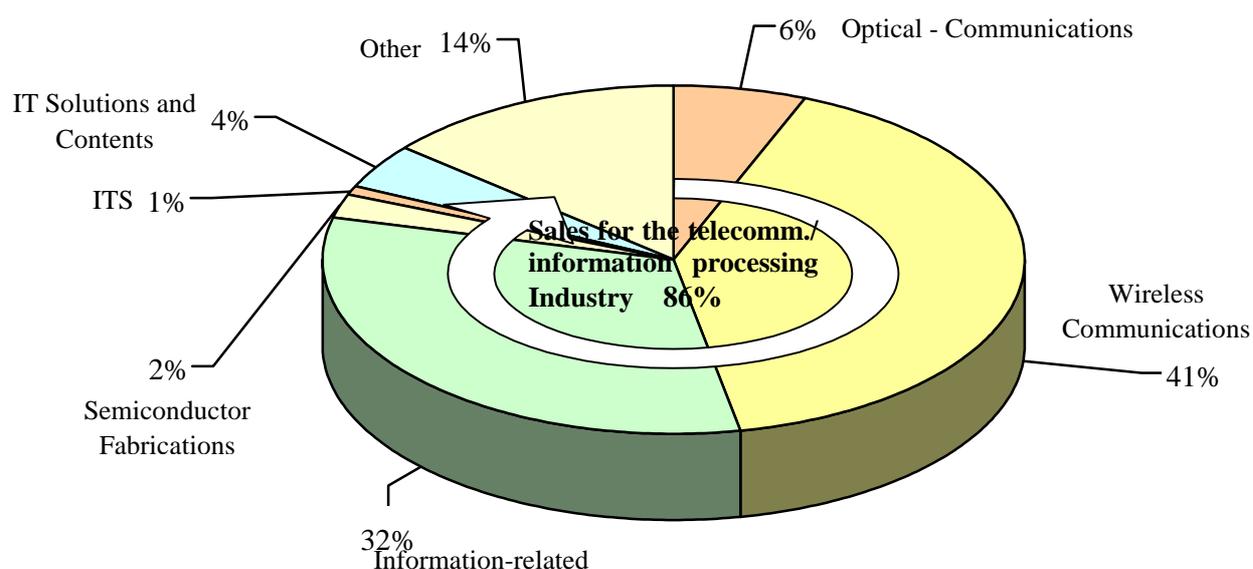
	March 31,		Increase/decrease (%)
	2002 (expected)	2001 (results)	
Net sales	1,220,000	1,285,053	-5.1
Operating profit	170,000	207,200	-18.0
Income before income taxes	180,000	400,222	-55.0
Net income	98,000	219,529	-55.4

- No recovery in Japan's economy appears imminent in the foreseeable future; moreover, the U.S. economic downturn has the potential to impact the electronics industry worldwide. Demand for mobile communication handsets and PC-related equipment continues to be weak, and there appears little likelihood of immediate recovery in either market. Accordingly, the business environment for the coming period will be very difficult.
- Premised on an exchange rate of \$US1 = 117 yen and Euro 1 = 104 yen, our forecast for the year ending March 31, 2002 is as follows: sales, 1,220 billion yen; operating profit, 170 billion yen; income before income taxes, 180 billion yen; and net income, 98 billion yen.

2. Outlook by Segment and Future Strategy

- Under these difficult circumstances, we will work to expand our business results by focusing on the telecommunications/information processing industry, which contributed 86% of Group sales in the year ended March 31, 2001.
- Specific strategy by each business segment in the coming fiscal year is shown below;

<Sales Breakdown for Telecommunications and Information Processing Markets for the ended March 31, 2001>



(1) Fine Ceramic Group

- Optical communications equipment supports high-speed, broadband data communications, which has come under strong demand through the rising popularity of the Internet. We will work to increase sales of fine ceramic components and semiconductor components for the optical communications market, and focus on developing new products in this area. By reinforcing our production of ferrules in China, we further hope to improve the profitability of our optical communications components.
- Demand for mobile communications equipment is expected to recover with the start of next-generation mobile communications services (such as GPRS and W-CDMA). While continuing to promote sales of SMD packages for mobile handsets and other related components, we will focus on producing SMD packages in China to maintain and improve profitability.
- Through collaboration with Tycom in manufacturing and sales, we will further seek to expand our cutting tools business. We will also work to expand sales of residential photovoltaic solar power generating systems, jewelry, and dental and orthopedic implants.

(2) Electronic Device Group

- We will develop new business in the telecommunications/information processing market. We will focus particularly on sales of capacitors with high volumetric efficiency, timing devices, and high-frequency modules.
- To improve profitability and strengthen price competitiveness, we will work to expand production of ceramic capacitors in Shanghai, China.

(3) Equipment Group

- In the telecommunications equipment business, we will strive to become the world leader in CMDA mobile communication handsets. Kyocera Corp. and KWC are attempting to improve profitability quickly by introducing high-value-added handsets with such features as color LCD displays, global positioning systems (GPS), and high-speed data transmission functions. In addition, we will continue to promote sales of PHS-related products outside Japan.
- In the information equipment area, we will seek synergies with Kyocera Mita. We are already working to reduce our manufacturing costs by starting full production of printers and copiers at our new factory in Dongguan, China in the fall of 2001. We are also striving to become more price competitive by standardizing on a unified family of components and engines. We are working to improve our share of the printer and copier market in Japan, North America, and Europe.
- In the optical instruments area, we will promote sales of high-value-added Contax brand cameras, miniature, ultra-lightweight digital cameras, and digital camera units for mobile communications handsets.

(4) Other Businesses

- We will further develop our service/network business in the telecommunications/information processing industry. Specific priorities include data centers, which function as Internet e-commerce platforms, and engineering business for infrastructure for mobile and fiber-optic communications networks.

3. Forecast for the year ending March 31, 2002 (Non-consolidated)

(Unit: million yen)

	March 31,		Increase or decrease (%)
	2002 (expected)	2001 (results)	
Net sales	650,000	652,510	-0.4
Operating profit	106,000	92,431	14.7
Recurring profit	121,000	114,500	5.7
Net Income	71,000	31,398	126.1

Note: Forward Looking Statements

The Company's projections of sales and profits set forth in this document are based on a series of projections and estimates regarding, among other things, the economies of Japan and various other countries; estimates and projections concerning the fine ceramic group, electronic device group, equipment group, and other businesses, with which the Company and its group companies are related in their business activities; the fluctuation in the exchange rates between various currencies (particularly, between the Japanese yen and the United States dollar and 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 communication and information related industries. Therefore, the reader should note that the actual results of sales and profits may vary significantly from the projected sales and profits as set forth in this document.

CONSOLIDATED BALANCE SHEETS

ASSETS

	Japanese yen (Millions)				
	March 31,				
	2001		2000		Increase or Decrease
Amount	%	Amount	%		
Current assets :					
Cash and cash equivalents	¥201,333		¥178,944		22,389
Restricted cash	47,885		38,920		8,965
Short-term investments	39,071		31,768		7,303
Trade notes receivables	47,039		24,525		22,514
Trade accounts receivables	246,683		164,641		82,042
Short-term finance receivables	65,336		61,334		4,002
Less allowances for doubtful accounts and sales returns	-9,042		-6,194		-2,848
Inventories	252,823		154,995		97,828
Other current assets	81,512		47,626		33,886
Total current assets	972,640	56.3	696,559	57.2	276,081
Non-current assets :					
Investments in and advances to affiliates and unconsolidated subsidiaries	26,095		94,218		-68,123
Securities and other investments	339,603		83,028		256,575
Total investments and advances	365,698	21.2	177,246	14.6	188,452
Long-term finance receivables	48,723	2.8	63,322	5.2	-14,599
Property, plant and equipment, at cost :					
Land	46,492		38,659		7,833
Buildings	175,443		135,962		39,481
Machinery and equipment	532,337		413,827		118,510
Construction in progress	12,240		12,737		-497
Less accumulated depreciation	-482,102		-378,436		-103,666
	284,410	16.5	222,749	18.3	61,661
Goodwill	31,833	1.8	24,353	2.0	7,480
Other assets	24,752	1.4	32,929	2.7	-8,177
Total non-current assets	755,416	43.7	520,599	42.8	234,817
Total assets	¥1,728,056	100.0	¥1,217,158	100.0	510,898

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 (Millions)				
	March 31,				
	2001		2000		Increase or Decrease
Amount	%	Amount	%		
Current liabilities :					
Short-term borrowings	¥135,368		¥93,604		41,764
Current portion of long-term debt	7,162		17,944		-10,782
Trade notes and accounts payable	112,604		83,718		28,886
Other notes and accounts payable	76,541		36,667		39,874
Accrued payroll and bonus	34,244		22,429		11,815
Accrued income taxes	60,058		37,372		22,686
Accrued other	25,631		16,571		9,060
Other current liabilities	11,926		12,578		-652
Total current liabilities	463,534	26.8	320,883	26.4	142,651
Non-current liabilities :					
Long-term debt	52,306		21,090		31,216
Accrued pension and severance costs	46,976		33,740		13,236
Deferred income taxes	49,671		568		49,103
Liabilities deferred pursuant to the rehabilitation plan	25,700		-		25,700
Other non-current liabilities	5,106		6,910		-1,804
Total non-current liabilities	179,759	10.4	62,308	5.1	117,451
Total liabilities	643,293	37.2	383,191	31.5	260,102
Minority interests in subsidiaries	62,698	3.6	35,517	2.9	27,181
Stockholders' equity :					
Common stock	115,703		115,703		-
Additional paid-in capital	158,183		157,768		415
Retained earnings	777,797		569,610		208,187
Accumulated other comprehensive income	-19,673		-35,518		15,845
Common stock in-treasury, at cost	-9,945		-9,113		-832
Total stockholders' equity	1,022,065	59.2	798,450	65.6	223,615
Total liabilities and stockholders' equity	¥1,728,056	100.0	¥1,217,158	100.0	510,898

Note 2. Due to the acquisition of Kyocera Mita Corp., liabilities deferred pursuant to the rehabilitation plan (¥25,700 millions) have been segregated on the consolidated balance sheet at March 31, 2001.

Note 3 : Accumulated other comprehensive income is as follows:

	Japanese yen (Millions)	
	March 31,	
	2001	2000
Unrealized gains or losses on securities, net	¥-4,829	¥10,390
Foreign currency translation adjustments	-14,844	-45,908

CONSOLIDATED STATEMENTS OF INCOME

Japanese yen (Millions)

	Years ended March 31,					
	2001		2000		Increase or Decreases	
	Amount	%	Amount	%	Amount	%
Net sales	¥1,285,053	100.0	¥812,626	100.0	472,427	58.1
Cost of sales	887,765	69.1	585,640	72.1	302,125	51.6
Gross profit	397,288	30.9	226,986	27.9	170,302	75.0
Selling, general and administrative expenses	190,088	14.8	134,835	16.6	55,253	41.0
Profit from operations	207,200	16.1	92,151	11.3	115,049	124.8
Other income or expenses :						
Interest and dividend income	8,082	0.6	6,441	0.8	1,641	25.5
Interest expense	-2,140	-0.2	-834	-0.1	-1,306	-
Foreign currency transaction gains or losses, net	9,494	0.7	-6,220	-0.8	15,714	-
Equity in earnings or losses of affiliates and unconsolidated subsidiaries	2,209	0.2	-6,980	-0.8	9,189	-
Gain on stock issuance by an affiliate	174,076	13.6	-	-	174,076	-
Gain on sale of investment in a subsidiary	-	-	28,175	3.5	-28,175	-
Write-off of assets related to Iridium business	-	-	-12,210	-1.5	12,210	-
Other, net	1,301	0.1	-3,055	-0.4	4,356	-
Total other income or expenses	193,022	15.0	5,317	0.7	187,705	-
Income before income taxes	400,222	31.1	97,468	12.0	302,754	310.6
Income taxes	160,487	12.4	41,693	5.1	118,794	284.9
Income before minority interests	239,735	18.7	55,775	6.9	183,960	329.8
Minority interests	-20,206	-1.6	-5,430	-0.7	-14,776	-
Net income	¥219,529	17.1	¥50,345	6.2	169,184	336.0
Earnings per share:						
Basic	¥1,161.20		¥265.72			
Diluted	¥1,157.83		¥265.34			
Weighted average number of shares of common stock outstanding (thousand of shares) :						
Basic	189,053		189,467			
Diluted	189,604		189,739			

Notes: (1) The Company applies Statement of Financial Accounting Standards No. 130,

“Financial Reporting of Comprehensive Income.” Based on this standard, the increase in comprehensive income of fiscal 2001 and 2000 is ¥235,374 million and ¥49,450 million, respectively.

(2) Earnings per share amounts are computed based on Statements of Financial Accounting Standards

No. 128, “Earnings per Share (SFAS128).” Under SFAS 128, basic earnings per share is computed based on the average number of shares of common stock outstanding during each period and diluted earnings per share assumes the dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Yen in millions except number of shares in thousands)

Number of Shares of Common Stock	Common stock	Treasury stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive	Comprehensive income
Balance, March 31, 1999 (190,318)	¥115,703	-	¥157,768	¥530,645	¥-34,623	
Net income for the year				50,345		¥50,345
Accumulated other comprehensive income					-895	-895
Total comprehensive income for the year						<u>¥49,450</u>
Cash dividends				-11,380		
Purchase of treasury stock (1,325)		-9,714				
Exercise and cancel of stock options (82)		601				
Balance, March 31, 2000 (189,075)	115,703	-9,113	157,768	569,610	-35,518	
Net income for the year				219,529		¥219,529
Accumulated other comprehensive income					15,845	15,845
Total comprehensive income for the year						<u>¥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	

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Japanese yen (Millions)	
	Years ended March 31,	
	2001	2000
Cash flows from operating activities :		
Net income	¥219,529	¥50,345
Adjustments to reconcile net income to net cash provided		
Depreciation and amortization	74,172	58,342
Provision for doubtful accounts	4,273	10,204
Provision for valuation of inventories	2,816	7,577
Deferred income taxes	58,476	-19,281
Minority interests	20,206	5,430
Equity in earnings or losses of affiliates		
Gain on sale of investment in a subsidiary	-	-28,175
Gain on stock issuance by an affiliate	-174,076	-
Foreign currency adjustments	-10,080	6,194
Change in assets and liabilities :		
Increase in receivables	-56,147	-39,636
Increase in inventories	-58,087	-21,252
Increase in other current assets	-9,531	-759
Increase in notes and accounts payable	45,124	28,613
Increase in accrued income taxes	20,201	20,897
Increase in other current liabilities	12,150	9,634
Increase in other non-current liabilities	6,041	9,998
Other, net	-3,667	2,819
Net cash provided by operating activities	149,191	107,930
Cash flows from investing activities :		
Payments for purchases of available-for-sale securities	-8,702	-60,205
Payments for purchases of held-to-maturity securities	-62,315	-
Sales and maturities of available-for-sale securities	7,762	49,533
Maturities of held-to-maturity securities	20,995	-
Payments for purchases of property, plant and equipment	-103,132	-66,783
Proceeds from sales of property, plant and equipment	9,473	3,074
Payment for purchases of intangible assets	-6,535	-2,885
Proceeds from sale of investment in a subsidiary	-	34,467
Acquisitions of businesses, net of cash acquired	368	-30,556
Additional investment in affiliates	-3,028	-23
Restricted cash	-3,986	-848
Other, net	-1,116	478
Net cash used in investing activities	-150,216	-73,748
Cash flows from financing activities :		
Increase in short-term debt	33,717	16,997
Proceeds from issuance of long-term debt	30,129	20,454
Payments of long-term debt	-27,032	-35,567
Payments of liabilities deferred pursuant to		
Dividends paid	-12,325	-12,198
Purchase of treasury stock	-1,736	-9,714
Other, net	723	161
Net cash provided by or used in financing activities	12,331	-19,867
Effect of exchange rate changes on cash and cash equivalents	11,083	-7,788
Net increase in cash and cash equivalents	22,389	6,527
Cash and cash equivalents at beginning of year	178,944	172,417
Cash and cash equivalents at end of year	¥201,333	¥178,944

SEGMENT INFORMATION

1. Industry segments :

	Japanese yen (Millions)			
	2001	2000	Increase or Decrease	
	Amount	Amount	Amount	%
Net sales:				
Fine ceramic group	¥363,026	¥270,960	92,066	34.0
Electronic device group	392,700	267,907	124,793	46.6
Equipment group	467,362	215,105	252,257	117.3
Other businesses	79,790	70,101	9,689	13.8
Adjustments and eliminations	-17,825	-11,447	-6,378	-
	<u>¥1,285,053</u>	<u>¥812,626</u>	<u>472,427</u>	<u>58.1</u>
Operating profit :				
Fine ceramic group	¥90,603	¥43,309	47,294	109.2
Electronic device group	128,047	41,067	86,980	211.8
Equipment group	28,907	16,143	12,764	79.1
Other businesses	2,826	-4,197	7,023	-
	<u>250,383</u>	<u>96,322</u>	<u>154,061</u>	<u>159.9</u>
Corporate	-25,243	-19,170	-6,073	-
Equity in earnings or losses of affiliates	2,209	-6,980	9,189	-
Gain on stock issuance by an affiliate	174,076	-	174,076	-
Gain on sale of investment in a subsidiary	-	28,175	-28,175	-
Adjustments and eliminations	-1,203	-879	-324	-
Income before income taxes	<u>¥400,222</u>	<u>¥97,468</u>	<u>302,754</u>	<u>310.6</u>
Segment assets :				
Fine ceramic group	¥241,502	¥182,392	59,110	32.4
Electronic device group	372,796	246,798	125,998	51.1
Equipment group	309,596	159,441	150,155	94.2
Other businesses	230,541	203,843	26,698	13.1
	<u>1,154,435</u>	<u>792,474</u>	<u>361,961</u>	<u>45.7</u>
Corporate	612,515	398,078	214,437	53.9
Investments in and advances to affiliates and unconsolidated subsidiaries	26,095	94,218	-68,123	-72.3
Adjustments and eliminations	-64,989	-67,612	2,623	-
Total assets	<u>¥1,728,056</u>	<u>¥1,217,158</u>	<u>510,898</u>	<u>42.0</u>
Depreciation and amortization :				
Fine ceramic group	¥19,906	¥16,184	3,722	23.0
Electronic device group	30,016	23,394	6,622	28.3
Equipment group	16,846	11,492	5,354	46.6
Other businesses	5,728	5,509	219	4.0
Corporate	1,676	1,763	-87	-4.9
Total	<u>¥74,172</u>	<u>¥58,342</u>	<u>15,830</u>	<u>27.1</u>
Capital expenditures :				
Fine ceramic group	¥32,326	¥16,882	15,444	91.5
Electronic device group	47,844	35,786	12,058	33.7
Equipment group	17,277	7,650	9,627	125.8
Other businesses	5,856	2,640	3,216	121.8
Corporate	2,641	1,773	868	49.0
Total	<u>¥105,944</u>	<u>¥64,731</u>	<u>41,213</u>	<u>63.7</u>

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

	Japanese yen (Millions)			
	Years ended March 31,		Increase or Decrease	
	2001	2000		
	Amount	Amount	Amount	%
Net sales:				
Japan	¥560,830	¥429,677	131,153	30.5
Intra-group sales and transfer between geographical areas	249,122	166,766	82,356	49.4
	809,952	596,443	213,509	35.8
United States of America	412,283	177,561	234,722	132.2
Intra-group sales and transfer between geographical areas	25,428	12,687	12,741	100.4
	437,711	190,248	247,463	130.1
Europe	173,696	112,572	61,124	54.3
Intra-group sales and transfer between geographical areas	35,960	30,741	5,219	17.0
	209,656	143,313	66,343	46.3
Asia	120,851	80,992	39,859	49.2
Intra-group sales and transfer between geographical areas	68,266	19,179	49,087	255.9
	189,117	100,171	88,946	88.8
Others	17,393	11,824	5,569	47.1
Intra-group sales and transfer between geographical areas	15,893	11,869	4,024	33.9
	33,286	23,693	9,593	40.5
Adjustments and eliminations	-394,669	-241,242	-153,427	-
	¥1,285,053	¥812,626	472,427	58.1
Operating profit:				
Japan	¥143,015	¥54,114	88,901	164.3
United States of America	56,384	18,809	37,575	199.8
Europe	24,542	7,363	17,179	233.3
Asia	28,810	11,477	17,333	151.0
Others	3,671	2,085	1,586	76.1
	256,422	93,848	162,574	173.2
Adjustments and eliminations	-7,242	1,595	-8,837	-
	249,180	95,443	153,737	161.1
Corporate	-25,243	-19,170	-6,073	-
Equity in earnings or losses of affiliates and unconsolidated subsidiaries	2,209	-6,980	9,189	-
Gain on stock issuance by an affiliate	174,076	-	174,076	-
Gain on sale of investment in a subsidiary	-	28,175	-28,175	-
Income before income taxes	¥400,222	¥97,468	302,754	310.6

3. Geographic segments (Sales by region):

	Japanese yen (Millions)					
	Years ended March 31,				Increase or Decrease	
	2001		2000			
	Amount		Amount		Amount	%
Japan	¥490,923	38.2	¥400,247	49.3	90,676	22.7
United States of America	348,109	27.1	148,927	18.3	199,182	133.7
Europe	163,487	12.7	108,342	13.3	55,145	50.9
Asia	217,456	16.9	131,650	16.2	85,806	65.2
Others	65,078	5.1	23,460	2.9	41,618	177.4
Consolidated net sales	<u>¥1,285,053</u>	<u>100.0</u>	<u>¥812,626</u>	<u>100.0</u>	<u>472,427</u>	<u>58.1</u>
Sales outside Japan	¥794,130		¥412,379		381,751	92.6
Overseas sales ratio to consolidated net sales	61.8%		50.7%			

INVESTMENTS IN DEBT AND EQUITY SECURITIES

Available-for-sale securities are recorded at fair value, with unrealized gains and losses excluded from income and reported in other comprehensive income, net of tax. Held-to-maturity securities are recorded at amortized cost. Equity securities, which do not have readily determinable fair value, are recorded at cost. Investments in debt and equity securities at March 31, 2001 and 2000, included in short-term investments (current assets) and in securities and other investments (non-current assets) are summarized as follows :

(Million yen)

	March 31,							
	2001				2000			
	Cost	Aggregate Fair Value	Gross Unrealized Gains	Gross Unrealized Losses	Cost	Aggregate Fair Value	Gross Unrealized Gains	Gross Unrealized Losses
Available-for-sale securities :								
Corporate debt securities	¥7,090	¥7,082	¥68	¥76	¥48,732	¥48,395	¥216	¥553
Other debt securities	41,339	39,715	91	1,715	20,185	20,295	111	1
Equity securities	266,027	258,610	9,762	17,179	16,669	34,810	18,434	293
Total available-for-sale securities	<u>314,456</u>	<u>305,407</u>	<u>9,921</u>	<u>18,970</u>	<u>85,586</u>	<u>103,500</u>	<u>18,761</u>	<u>847</u>
Held-to-maturity securities :								
Corporate debt securities	41,978	41,817	18	179	-	-	-	-
Other debt securities	27,021	27,025	4	0	7,000	7,022	36	14
Total held-to-maturity securities	<u>68,999</u>	<u>68,842</u>	<u>22</u>	<u>179</u>	<u>7,000</u>	<u>7,022</u>	<u>36</u>	<u>14</u>
Total investments in debt and equity securities	<u>¥383,455</u>	<u>¥374,249</u>	<u>¥9,943</u>	<u>¥19,149</u>	<u>¥92,586</u>	<u>¥110,522</u>	<u>¥18,797</u>	<u>¥861</u>

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

DERIVATIVE FINANCIAL INSTRUMENTS

Kyocera enters into foreign currency swap agreements to hedge certain existing assets and liabilities denominated in foreign currencies. The aggregate contract amounts of the agreements were ¥580 and ¥1,190 at March 31, 2001 and 2000, respectively.

Foreign currency forward contracts are utilized to hedge certain existing assets and liabilities denominated in foreign currencies. The aggregate amounts of such contracts were ¥80,192 for selling and ¥9,589 for purchasing at March 31, 2001 and ¥41,990 for selling and ¥8,804 for purchasing at March 31, 2000.

Interests swap and options agreements are used to reduce market risk exposures from fluctuation in interest rates. The aggregate contract amounts of agreements were ¥83,862 and ¥112,716 at March 31, 2001 and 2000.

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

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

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

	(Million yen)			
	March 31,			
	2001		2000	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Currency swaps (a)	¥ -	¥ -50	¥ -22	¥ -2
Foreign currency forward contracts (a)	-2,158	-2,850	817	385
Interest swaps and options (a)	57	-1,517	194	-600
Metal delivery contracts (b)	-	-	-	-50

(a) The fair value was estimated based on quotes from financial institutions.

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

Negative figure in carrying amount and in fair value represents liability and valuation loss, respectively.

BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

Major affiliates applied for equity method:
TAITO CORPORATION, KINSEKI, LTD.

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

Consolidation

(Increase)	Participated: 52 Established: 4 Moved from equity method due to additional acquisition of shares: 1	KYOCERA MITA CORP., TYCOM CORP., and others SHANGHAI KYOCERA COMINUCATION ELECTRO-CHEMICAL RESEARCH LTD.
(Decrease)	Liquidated: 5 Decrease due to reorganization of subsidiaries: 5	KYOCERA ASIA HOLDING PTE., LTD., and others KYOCERA ELECTRONICS EUROPE GmbH, and others

Equity method

(Increase)	Participated: 9	MBA OF CALIFORNIA, INC., and others
(Decrease)	Liquidated: 3 Moved to consolidation due to additional acquisition of shares: 1 Decrease in equity interests of shares: 3 Decrease due to reorganization of affiliates: 1	AVX POLYVISION INC., and others ELECTRO-CHEMICAL RESEARCH LTD. DDI CORPORATION (now KDDI CORPORATION), KYOCERA MULTIMEDIA CORPORATION

3. Pensions and postretirement benefits plan

Kyocera adopts Statement of Financial Accounting Standards No. 87 for the calculation of pensions and postretirement 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 pension, 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. Change in accounting policies

From this financial period (ended March 31, 2001), method of segmentation has been changed in the "Industry segments information" section.

Please see page 6 (Business Results (2) Business Segment information) for details.

KYOCERA CORPORATION

1. Date of the board of directors' meeting concerning the financial statements : May 16, 2001
2. Date of the general meeting of shareholders : June 27, 2001
3. Results for the year ended March 31, 2001 (From April 1, 2000 to March 31, 2001)

(1) Operational results :

	Japanese yen (Millions, except per share amounts)	
	Years ended March 31,	
	2001	2000
Net sales	¥652,510	¥507,802
% change from the previous year	28.5%	12.0%
Profit from operations	92,431	55,013
% change from the previous year	68.0%	46.0%
Recurring profit	114,500	69,471
% change from the previous year	64.8%	33.6%
Net income	31,398	39,296
% change from the previous year	-20.1%	41.7%
Earnings per share	¥164.98	¥206.48
Return on equity	3.8%	5.4%
Recurring profit to total assets	10.8%	8.1%
Recurring profit to net sales	17.5%	13.7%

Notes:

1. Average number of common stock outstanding during the year

Year ended March 31, 2001: 190,318,300 Shares

Year ended March 31, 2000: 190,318,300 Shares

2. Change in accounting policies: None

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

(2) Dividend information :

	Japanese yen	
	Years ended March 31,	
	2001	2000
Year-end dividends per share	¥30.00	¥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	¥11,341 million
Payout ratio	36.1%	28.9%
Dividends to stockholders' equity	1.3%	1.5%

(3) Financial condition :

	Japanese yen	
	<u>March 31, 2001</u>	<u>March 31, 2000</u>
Total assets	¥1,208,746 million	¥902,172 million
Stockholders' equity	¥889,748 million	¥753,530 million
Stockholders' equity to total assets	73.6%	83.5%
Stockholders' equity per share	¥4,675.06	¥3,959.32

Notes : Total number of shares outstanding as of :

March 31, 2001	190,318,300 shares
March 31, 2000	190,318,300 shares

2. Projection for the year ending March 31, 2002 :

	Japanese yen (Millions, except per share amounts)	
	<u>Six months ending September 30, 2001</u>	<u>Year ending March 31, 2002</u>
Net sales	¥300,000	¥650,000
Recurring profit	48,500	121,000
Net income	28,000	71,000
Interim dividends per share	30.00	-
Year-end dividends per share	-	30.00
Annual dividends per share	-	60.00

Note : Projected annual earnings per share : ¥373.06

BALANCE SHEETS

ASSETS

		Japanese yen (Millions)				
		March 31,				
		2001		2000		Increase or
		Amount	%	Amount	%	Decrease
Current assets :						
Cash and bank deposits		¥76,034		¥59,529		16,505
Trade notes receivables		80,658		53,192		27,465
Trade accounts receivables		125,448		93,251		32,196
Marketable securities		59,915		105,704		-45,788
Treasury stock		102		113		-11
Finished goods						
and purchased merchandise		36,382		23,185		13,197
Raw materials		29,556		22,161		7,394
Work in process		30,422		22,648		7,774
Supplies		1,275		1,222		53
Deferred income taxes		29,950		24,369		5,581
Short-term loans		25,553		13,245		12,307
Other accounts receivables		7,566		4,272		3,294
Other current assets		4,638		1,215		3,423
Allowance for doubtful accounts		-589		-779		190
Total current assets		<u>506,915</u>	41.9	<u>423,331</u>	46.9	<u>83,584</u>
Fixed assets :						
Tangible fixed assets :						
Buildings		46,303		43,950		2,352
Structures		2,706		2,650		55
Machinery and equipment		63,672		50,651		13,021
Vehicles		54		62		-7
Tools, furniture and fixtures		9,568		9,015		553
Land		30,335		28,374		1,961
Construction in progress		1,283		1,623		-339
Total tangible fixed assets		<u>153,924</u>	12.7	<u>136,327</u>	15.1	<u>17,596</u>
Intangible assets :						
Patent rights and others		3,522		3,973		-451
Total intangible assets		<u>3,522</u>	0.3	<u>3,973</u>	0.5	<u>-451</u>
Investments and other assets :						
Investments in securities		352,459		124,592		227,866
Investments in subsidiaries		145,854		135,129		10,725
Equity investments						
(other than shares) in subsidiaries		17,943		8,977		8,966
Long-term loans		10,000		34,340		-24,340
Long-term prepaid expenses		3,610		3,884		-274
Deferred income taxes		-		18,882		-18,882
Treasury stock		9,842		9,113		729
Other investments		12,198		11,089		1,108
Allowances for doubtful accounts		-7,525		-7,470		-55
Total investments and other assets		<u>544,383</u>	45.1	<u>338,539</u>	37.5	<u>205,843</u>
Total fixed assets		<u>701,830</u>	58.1	<u>478,841</u>	53.1	<u>222,988</u>
TOTAL		<u>1,208,746</u>	100.0	<u>¥902,172</u>	100.0	<u>306,573</u>

LIABILITIES

Japanese yen (Millions)

	March 31,				Increase or Decrease
	2001		2000		
	Amount	%	Amount	%	
Current liabilities :					
Trade notes payable	¥2,509		¥5,034		-2,524
Trade accounts payable	60,083		51,658		8,424
Other payables	83,047		42,181		40,866
Accrued expenses	9,809		6,890		2,918
Accrued income taxes and enterprise taxes	36,600		26,600		10,000
Deposits received	3,297		2,393		903
Reserve for employees' bonuses	12,330		10,700		1,630
Reserve for product warranty	772		586		185
Reserve for losses on sales returns	318		234		84
Notes payable					
for the purchase of equipment	447		502		-54
Other current liabilities	2,754		254		2,500
Total current liabilities	<u>211,969</u>	<u>17.5</u>	<u>147,035</u>	<u>16.3</u>	<u>64,934</u>
Fixed liabilities :					
Deferred income taxes liabilities	32,809		-		32,809
Accrued pension and severance costs	72,666		-		72,666
Reserve for directors' retirement expenses	1,215		1,264		-49
Other fixed liabilities	336		343		-6
Total fixed liabilities	<u>107,027</u>	<u>8.9</u>	<u>1,607</u>	<u>0.2</u>	<u>105,420</u>
Total liabilities	<u>318,997</u>	<u>26.4</u>	<u>148,642</u>	<u>16.5</u>	<u>170,354</u>
STOCKHOLDERS' EQUITY					
Common stock	115,703	9.6	115,703	12.8	-
Legal reserves :					
Capital surplus	174,487		174,487		-
Legal revenue reserves	16,606		15,439		1,167
Total legal reserves :	<u>191,093</u>	<u>15.8</u>	<u>189,926</u>	<u>21.1</u>	<u>1,167</u>
Retained earnings:					
Reserve for special depreciation	3,538		3,282		256
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	404,828		369,828		35,000
Unappropriated retained earnings	55,021		71,489		-16,468
Total retained earnings	<u>466,688</u>	<u>38.6</u>	<u>447,900</u>	<u>49.6</u>	<u>18,788</u>
Unrealized gains or losses on securities, net	116,263		-		116,263
Total unrealized gains or losses on securities, net	<u>116,263</u>	<u>9.6</u>	<u>-</u>	<u>-</u>	<u>116,263</u>
Total stockholders' equity	<u>889,748</u>	<u>73.6</u>	<u>753,530</u>	<u>83.5</u>	<u>136,218</u>
TOTAL	<u>¥1,208,746</u>	<u>100.0</u>	<u>¥902,172</u>	<u>100.0</u>	<u>306,573</u>

STATEMENTS OF INCOME

	Japanese yen (Millions)					
	Years ended March 31,				Increase or Decrease	
	2001		2000			
	Amount	%	Amount	%	Amount	%
Recurring profit and loss :						
Operating income and expenses :						
Net sales	¥652,510	100.0	¥507,802	100.0	144,707	28.5
Cost of sales	477,355	73.1	379,283	74.7	98,072	25.9
Selling, general and administrative expenses	82,723	12.7	73,505	14.5	9,217	12.5
Profit from operations	<u>92,431</u>	<u>14.2</u>	<u>55,013</u>	<u>10.8</u>	<u>37,418</u>	<u>68.0</u>
Non-operating income and expenses :						
Non-operating income :						
Interest and dividend income	16,624	2.5	14,220	2.8	2,404	16.9
Gain from fluctuations of foreign exchange rates	7,084	1.1	-	-	7,084	-
Other non-operating income	5,336	0.8	7,652	1.5	-2,315	-30.3
Total non-operating income	<u>29,045</u>	<u>4.4</u>	<u>21,872</u>	<u>4.3</u>	<u>7,172</u>	<u>32.8</u>
Non-operating expenses :						
Interest expense	18	0.0	25	0.0	-6	-26.4
Loss from fluctuations of foreign exchange rates	-	-	4,554	0.9	-4,554	-
Other non-operating expenses	6,957	1.1	2,834	0.5	4,123	145.5
Total non-operating expenses	<u>6,976</u>	<u>1.1</u>	<u>7,414</u>	<u>1.4</u>	<u>-438</u>	<u>-5.9</u>
Recurring profit	<u>114,500</u>	<u>17.5</u>	<u>69,471</u>	<u>13.7</u>	<u>45,029</u>	<u>64.8</u>
Extraordinary profit and loss :						
Extraordinary profit	737	0.1	35,351	6.9	-34,614	-97.9
Extraordinary loss	67,853	10.3	38,682	7.6	29,171	75.4
Income before income taxes	<u>47,384</u>	<u>7.3</u>	<u>66,140</u>	<u>13.0</u>	<u>-18,756</u>	<u>-28.4</u>
Income taxes and enterprise taxes	54,068	8.3	41,003	8.1	13,065	31.9
Income taxes adjustment	-38,082	-5.8	-14,159	-2.8	-23,923	-
Net income	<u>31,398</u>	<u>4.8</u>	<u>39,296</u>	<u>7.7</u>	<u>-7,898</u>	<u>-20.1</u>
Unappropriated retained earnings brought forward from the previous year	29,860		6,961			
Cumulative effect on prior years of a change in accounting for income taxes	-		29,092			
Reversal of special depreciation reserve due to adoption of accounting for deferred taxes	-		2,376			
Interim dividends	5,670		5,669			
Amount appropriated for reserve in respect of interim dividends	567		566			
Unappropriated retained earnings at the end of the year	<u>¥55,021</u>		<u>¥71,489</u>			

PROPOSED APPROPRIATION OF RETAINED EARNINGS

	Japanese yen (Millions)		
	Years ended March 31,		Increase or Decrease
	2001	2000	
Unappropriated retained earnings	¥55,021	¥71,489	-16,468
Reversal of reserves :			
Reversal of reserve for special depreciation	820	729	91
Total	55,841	¥72,218	-16,376
To be appropriated as follows :			
Legal revenue reserves	600	600	-
Dividends (30 yen per share)	5,671	5,671	-0
Officers' bonuses (Note)	150 (5)	100 (3)	50 (1)
Reserve for special depreciation	1,044	986	58
General reserve	42,000	35,000	7,000
Unappropriated retained earnings carried forward to the next year	6,376	29,860	-23,484

Note : Statutory auditors' bonuses of 5 million yen and 3 million yen are included in officers' bonuses in 2001 and 2000, respectively.

1. Summary of major accounting policies :

(1) Valuation of securities :

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

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

(3) Valuation of inventories:

Finished good, merchandise and work in process:

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

Raw materials and supplies:

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

(4) Depreciation of fixed assets:

- Tangible fixed assets: The declining balance method (Depreciation for machinery and equipment, certain tools and furniture is computed on their estimated useful lives).
Intangible fixed assets: The straight-line method (Amortization for certain patent rights and software costs is computed on their estimated useful lives).

(5) Accounting for allowance and accrual:

Allowance for doubtful accounts:

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

Accrued employees' bonuses:

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

Accrued pension and service costs:

Accrued pension and service costs is provided based on an estimated amount of the benefit obligation, less plan assets for the period ending on March 31, 2001. Accordingly, one-off amortization of unrecognized net loss for retirement benefit at transition (66,286 million yen) is charged to extraordinary losses in this period. Actual loss is amortized over the average remaining service of employee (18 years) by straight-line method. The amortization is recognized over the subsequent financial period.

(6) Lease transactions:

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

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

2. Notes to the balance sheet :

	Japanese yen (Millions)	
	March 31, 2001	March 31, 2000
(1) Accumulated depreciation of tangible fixed assets	¥285,256	¥259,189
(2) Restricted deposit	¥47,884	¥38,919
(3) Discounted trade notes received	¥4	¥243
(4) Liability for guarantee	¥19,039	¥18,123

3. Notes to the statements of income :

(1) Major items in extraordinary profit and loss :

	(Unit: Million yen)	
	March 31, 2001	March 31, 2000
1) Extraordinary profit :		
Profit from disposing of fixed assets	¥250	¥189
Returns of doubtful accounts	¥362	¥270
Other extraordinary profit	¥124	¥34,891
2) Extraordinary loss :		
Loss on disposal of fixed assets	¥1,046	¥1,003
Loss on valuation of investment in securities	¥514	-
One-off amortization of unrecognized net loss for retirement benefit at transition	¥66,286	-
Other extraordinary losses	¥5	¥37,679

(2) Depreciation

	March 31, 2001	March 31, 2000
Fixed assets	37,268	31,620
Intangible assets	1,671	1,372

4. Note for lease transaction

Future lease payments
at the latest balance sheet date :

	Japanese yen (Millions)	
	<u>March 31, 2001</u>	<u>March 31, 2000</u>
(1) Leased property costs, accumulated depreciation and balance of leased property		
Cost	¥5,781	¥5,551
Accumulated depreciation	¥3,456	¥3,454
Net balance of leased property	¥2,325	¥2,097
(2) Future lease payment at the latest balance sheet date		
Due within one year	¥1,054	¥983
Due after one year	1,339	1,189
Total	<u>¥2,393</u>	<u>¥2,172</u>
(3) Lease payment, depreciation and interests		
Lease payments	¥1,345	¥1,260
Depreciation	¥1,227	¥1,152
Interests	¥121	¥111
(4) Calculation of depreciation: Using straight-line method		
(5) Calculation of interests Using sum of digits method applying to the difference between total lease payments and estimated cost (fair market value) of lease property.		

5. Note for securities:

Marketable equity securities of subsidiaries and affiliates:

	(Unit: Millions of yen)		
	<u>Carrying Amount</u>	<u>Fair value</u>	<u>Difference</u>
Equity securities of subsidiaries	¥57.173	¥248.661	¥191.488
Equity securities of affiliates	¥14.711	¥18.604	¥3.893

6. Additional information

(1) Accounting for retirement benefit

Accounting standard for retirement benefit is effective for the period beginning on or after April 1, 2000. The effects of this change were to increase retirement benefit expense by ¥71,854 million, decrease recurring profit by ¥5,568 million and decrease income before income taxes by ¥71,854 million compared with the case on which the previous method was adopted, respectively.

(2) Accounting for financial instruments

Accounting standard for financial instruments is effective for the period beginning on or after April 1, 2000. The effects of this change were to increase recurring profit by ¥2,674 million and income before income taxes by ¥2,786 million compared with the case on which the previous method was adopted, respectively.

PLANNED CHANGE OF DIRECTORS AND STATUTORY AUDITORS

(Effective June 27, 2001)

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

Mr. Benedict P. Rosen, presently Senior Managing and Representative Director
(to fully dedicate to the Chairman and Director of AVX Corporation)

(2) Change in Directors' title after the Ordinary General Meeting of Shareholders:

Mr. Isao Kishimoto, Senior Managing Director (presently Managing Director)

Mr. Isao Yukawa, Managing Director (presently Director)

Mr. Hisashi Sakumi, Managing Director (presently Director)

Mr. Hideki Ishida, Managing Director (presently Director)

(3) Candidates for new Directors:

Mr. Eiichi Toriyama, Director

(presently Deputy General Manager of Electronic Components Group)

Mr. Susumu Ohshima, Director

(presently General Manager of Domestic Sales Division of Semiconductor Components Group)

Mr. Koji Mae, Director

(presently General Manager of Semiconductor Components 2 (Second) Division of Semiconductor Components Group)

Mr. Makoto Kawamura, Director

(presently General Manager of Cutting Tool Division of Consumer Products Group)

Mr. Tatsumi Maeda, Director

(presently General Manager of Corporate Components R&D Group)

(4) Candidates for new Statutory Auditor:

Mr. Mitsuru Akimoto, Outside Statutory Auditor

(presently Chairman and Representative Director of Bank of Kyoto, Co., Ltd.)

(5) Retiring Directors:

Mr. Haruo Yoshida, presently Managing Director

Mr. Koji Seki, presently Managing Director

(to fully dedicate to the President and Representative Director of Kyocera Mita Corporation)

Mr. Shoichi Miginari, presently Director

(to fully dedicate to the President and Representative Director of Kyocera Yashica do Brasil Industria e Comercio Ltda.)

Mr. Yukio Takahashi, presently Director

Mr. Kenichi Nagatani, presently Director

Mr. Tsuneo Ishizaki, presently Director

(to fully dedicate to the President and Representative Director of Kyoto Purple Sanga Co., Ltd.)

(6) Retiring Statutory Auditor:

Mr. Akira Hioki, presently Outside Statutory Auditor



May 16, 2001
Kyocera Corporation

FINANCIAL HIGHLIGHTS AND FORECAST

(Fiscal year ended March 31, 2001)

1. Consolidated

	March 31,		Increase or Decrease	March 31, 2002 (Forecast)	Increase or Decrease
	2001	2000			
	Million yen	Million yen	%	Million yen	%
Net Sales	1,285,053	812,626	58.1	1,220,000	-5.1
Profit from operations	207,200	92,151	124.8	170,000	-18.0
Income before income taxes	400,222	97,468	310.6	180,000	-55.0
Net Income	219,529	50,345	336.0	98,000	-55.4
	yen	yen	%	yen	%
Earnings per share (Basic)	1,161.20	265.72	337.0	—	—
Earnings per share (Diluted)	1,157.83	265.34	336.4	516.87	-55.4
Exchange rates	yen	yen		yen	
US \$	111	112	—	117	—
EURO	100	116	—	104	—
D M	51	59	—	—	—
	Million yen	Million yen	%	Million yen	%
Capital expenditures	105,944	64,731	63.7	81,000	-23.5
Depreciation	67,096	53,546	25.3	73,000	8.8
R&D expenses	35,128	28,362	23.9	33,000	-6.1
Total assets	1,728,056	1,217,158	—	—	—
Stockholders' equity	1,022,065	798,450	—	—	—
Number of employees:	47,100	43,700	—	—	—
Japan	18,200	17,500	—	—	—
Outside Japan	28,900	26,200	—	—	—

Note: Please refer to the accompanying "Forward Looking Statements" on page 14 of the consolidated financial statements.

2. Non-consolidated

	March 31,		Increase or Decrease	March 31, 2002 (Forecast)	Increase or Decrease
	2001	2000			
	Million yen	Million yen	%	Million yen	%
Net Sales	652,510	507,802	28.5	650,000	-0.4
Profit from operations	92,431	55,013	68.0	106,000	14.7
Income before income taxes	114,500	69,471	64.8	121,000	5.7
Net Income	31,398	39,296	-20.1	71,000	126.1
	yen	yen	%	yen	%
Earnings per share	164.98	206.48	-20.1	373.06	126.1
Dividend per share	60.00	60.00	—	60.00	—
	Million yen	Million yen	%	Million yen	%
Capital expenditures	56,453	36,849	53.2	35,000	-38.0
Depreciation	37,268	31,620	17.9	37,000	-0.7
R&D expenses	18,314	22,103	-17.1	18,000	-1.7
Total assets	1,208,746	902,172	—	—	—
Stockholders' equity	889,748	753,530	—	—	—
Number of employees:	14,659	13,746	—	—	—

Note: Please refer to the accompanying "Forward Looking Statements" on page 14 of the consolidated financial statements.