

**TABLE OF CONTENTS**

	<a href="#">Cautionary Statement Regarding Forward-Looking Statements</a>	<b>Page</b> 4
<b>PART I</b>		6
Item 1.	<a href="#">Identity of Directors, Senior Management and Advisers</a>	6
Item 2.	<a href="#">Offer Statistics and Expected Timetable</a>	6
Item 3.	<a href="#">Key Information</a>	6
	<a href="#">A. Selected Financial Data</a>	6
	<a href="#">B. Capitalization and Indebtedness</a>	7
	<a href="#">C. Reasons for the Offer and Use of Proceeds</a>	7
	<a href="#">D. Risk Factors</a>	8
Item 4.	<a href="#">Information on Kyocera Corporation and its Consolidated Subsidiaries</a>	12
	<a href="#">A. History and Development of Kyocera Corporation and its Consolidated Subsidiaries</a>	12
	<a href="#">B. Business Overview</a>	14
	<a href="#">C. Organizational Structure</a>	23
	<a href="#">D. Property, Plants and Equipment</a>	27
Item 4A.	<a href="#">Unresolved Staff Comments</a>	29
Item 5.	<a href="#">Operating and Financial Review and Prospects</a>	29
	<a href="#">A. Operating Results</a>	29
	<a href="#">B. Liquidity and Capital Resources</a>	53
	<a href="#">C. Research and development activities</a>	58
	<a href="#">D. Trend Information</a>	60
	<a href="#">E. Off-Balance Sheet Arrangements</a>	61
	<a href="#">F. Tabular Disclosure of Contractual Obligations</a>	62
Item 6.	<a href="#">Directors, Senior Management and Employees</a>	63
	<a href="#">A. Directors and Senior Management</a>	63
	<a href="#">B. Compensation</a>	68
	<a href="#">C. Board Practices</a>	68
	<a href="#">D. Employees</a>	69
	<a href="#">E. Share Ownership</a>	70
Item 7.	<a href="#">Major Shareholders and Related Party Transactions</a>	75
	<a href="#">A. Major Shareholders</a>	75
	<a href="#">B. Related Party Transactions</a>	76
	<a href="#">C. Interests of Experts and Counsel</a>	76
Item 8.	<a href="#">Financial Information</a>	76
	<a href="#">A. Consolidated Statements and Other Financial Information</a>	76
	<a href="#">B. Significant Changes</a>	77
Item 9.	<a href="#">The Offer and Listing</a>	77
	<a href="#">A. Offering and Listing Details</a>	77
	<a href="#">B. Plan of Distribution</a>	79
	<a href="#">C. Markets</a>	79
	<a href="#">D. Selling Shareholders</a>	79
	<a href="#">E. Dilution</a>	79
	<a href="#">F. Expenses of the Issue</a>	79
Item 10.	<a href="#">Additional Information</a>	79
	<a href="#">A. Share Capital</a>	79
	<a href="#">B. Memorandum and Articles of Association</a>	79
	<a href="#">C. Material Contracts</a>	88
	<a href="#">D. Exchange Controls</a>	88
	<a href="#">E. Taxation</a>	88

## Table of Contents

	<a href="#"><u>F. Dividends and Paying Agents</u></a>	93
	<a href="#"><u>G. Statement by Experts</u></a>	93
	<a href="#"><u>H. Documents on Display</u></a>	93
	<a href="#"><u>I. Subsidiary Information</u></a>	94
Item 11.	<a href="#"><u>Quantitative and Qualitative Disclosures about Market Risk</u></a>	94
Item 12.	<a href="#"><u>Description of Securities Other Than Equity Securities</u></a>	96
<b><a href="#"><u>PART II</u></a></b>		96
Item 13.	<a href="#"><u>Defaults, Dividend Arrearages and Delinquencies</u></a>	96
Item 14.	<a href="#"><u>Material Modification to Rights of Security Holders and Use of Proceeds</u></a>	96
Item 15.	<a href="#"><u>Controls and Procedures</u></a>	96
Item 16A.	<a href="#"><u>Audit Committee Financial Expert</u></a>	97
Item 16B.	<a href="#"><u>Code of Ethics</u></a>	97
Item 16C.	<a href="#"><u>Principal Accountant Fees and Services</u></a>	97
Item 16D.	<a href="#"><u>Exemption from the Listing Standards for Audit Committees</u></a>	98
Item 16E.	<a href="#"><u>Purchase of Equity Securities by the Issuer and Affiliated Purchasers</u></a>	100
<b><a href="#"><u>PART IV</u></a></b>		101
Item 17.	<a href="#"><u>Financial Statements</u></a>	101
Item 18.	<a href="#"><u>Financial Statements</u></a>	101
Item 19.	<a href="#"><u>Exhibits</u></a>	102

### Cautionary Statement Regarding Forward-Looking Statements

This annual report on Form 20-F contains “forward-looking statements” within the meaning of Section 21E of the U.S. Securities and Exchange Act of 1934. To the extent that statements in this Form 20-F do not relate strictly to historical or current facts, they may constitute forward-looking statements. These forward-looking statements are based upon our current assumptions and beliefs in the light of the information currently available to us, but involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause our actual actions or results to differ materially from those discussed in or implied by the forward-looking statements. We undertake no obligation to publicly update any forward-looking statement after the date of this Form 20-F, but investors are advised to consult any further disclosures by us in our subsequent filings pursuant to the U.S. Securities Exchange Act of 1934.

Important risks, uncertainties and other factors that may cause our actual results to differ materially from our expectations are generally set forth in Item 3.D “Risk Factors” of this Form 20-F and include, without limitation:

- general conditions in the Japanese or global economy;
- unexpected changes in economic, political and legal conditions in China;
- intense competitive pressures to which our products are subject;
- manufacturing delays or defects resulting from outsourcing or internal manufacturing processes;
- various export risks which may affect the significant percentage of our revenues derived from overseas sales;
- the effect of foreign exchange fluctuations on our results of operations;
- industry demand for skilled employees;
- insufficient protection of our intellectual property;
- expenses associated with licenses we require to continue to manufacture and sell products;
- our research and development not producing desired results;
- our market or supply chains being affected by terrorism, plague, wars or similar events;
- earthquakes and other natural disasters affecting our headquarters and major facilities;
- impairment losses on investments in equity securities;
- our ability to launch innovative products and otherwise meet the advancing technical requirements of our customers, particularly in the highly competitive markets for ceramics, semiconductors and electronic components;

and other risks discussed under Item 3.D “Risk Factors” and elsewhere in this Form 20-F.

**Presentation of Certain information**

*As used in this Form 20-F, references to "Kyocera," "we," "our" and "us" are to Kyocera Corporation and, except as the context otherwise requires, its consolidated subsidiaries.*

Also, as used in this Form 20-F:

- "U.S. dollar" or "\$" means the lawful currency of the United States of America, "yen" or "¥" means the lawful currency of Japan and "Euro" means the lawful currency of the European Union.
- "U.S. GAAP" means accounting principles generally accepted in the United States of America, and "Japanese GAAP" means accounting principles generally accepted in Japan.
- "ADS" means an America Depositary Share, each representing one share of Kyocera's common stock, and "ADR" means an American Depositary Receipt evidencing ADSs.
- "fiscal 2007" refers to Kyocera's fiscal year ended March 31, 2007, and other fiscal years are referred to in a corresponding manner.
- Unless otherwise indicated, we have translated the yen amounts for the year ended March 31, 2007, as of March 31, 2007 and thereafter presented in this Form 20-F into U.S. dollars solely for your convenience. The rate we used for such translations was ¥118.00 = \$1.00, which was the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York on March 30, 2007, rounded to the nearest yen. These translations do not imply that the yen amounts actually represent, or have been or could be converted into, equivalent amounts in the U.S. dollars.

## PART I

### Item 1. Identity of Directors, Senior Management and Advisers

Not Applicable.

### Item 2. Offer Statistics and Expected Timetable

Not Applicable.

### Item 3. Key Information

#### A. Selected Financial Data

The selected consolidated financial data set forth below for each of the five fiscal years ended March 31 have been derived from Kyocera's consolidated financial statements that are prepared in accordance with accounting principles generally accepted in the United States of America.

You should read the U.S. GAAP selected consolidated financial data set forth below together with Item 5 "Operating and Financial Review and Prospects" and Kyocera's Consolidated Financial Statements included in this Form 20-F.

	(Yen in millions, U.S. dollars and shares in thousands, except per share amounts)					
	2003	2004	2005	2006	2007	2007
<b>For the years ended March 31:</b>						
Net sales	¥1,062,013	¥1,132,696	¥1,173,660	¥1,173,544	¥1,283,897	\$10,880,483
Profit from operations	78,950	104,810	97,660	99,695	135,102	1,144,932
Income from continuing operations	39,840	63,357	42,657	66,088	101,329	858,720
Income before cumulative effect of change in accounting principle	43,421	68,086	45,908	69,696	106,504	902,576
Net income	41,165	68,086	45,908	69,696	106,504	902,576
<b>Earnings per share :</b>						
Income from continuing operations:						
Basic	¥ 213.81	¥ 339.46	¥ 227.52	¥ 352.44	¥ 538.52	\$ 4.56
Diluted	213.76	339.45	227.47	352.21	537.35	4.55
Income before cumulative effect of change in accounting principle:						
Basic	233.02	364.79	244.86	371.68	566.03	4.80
Diluted	232.97	364.78	244.81	371.43	564.79	4.79
Net income:						
Basic	220.91	364.79	244.86	371.68	566.03	4.80
Diluted	220.86	364.78	244.81	371.43	564.79	4.79
Weighted average number of shares outstanding:						
Basic	186,338	186,643	187,489	187,514	188,160	
Diluted	186,382	186,649	187,528	187,640	188,573	
<b>Cash dividends declared per share:</b>						
Per share of common stock	¥ 60	¥ 60	¥ 80	¥ 100	¥ 110	
U.S. dollars equivalents*	\$ 0.49	\$ 0.55	\$ 0.74	\$ 0.84	\$ 0.92	
<b>At March 31:</b>						
Total assets	¥1,635,014	¥1,794,758	¥1,745,519	¥1,931,522	¥2,130,464	\$18,054,780
Long-term debt	60,736	70,608	33,557	33,360	7,283	61,720
Common stock	115,703	115,703	115,703	115,703	115,703	980,534
Stockholders' equity	1,000,207	1,150,453	1,174,851	1,289,077	1,514,560	12,835,255
Depreciation	¥ 64,913	¥ 60,745	¥ 58,699	¥ 62,942	¥ 70,155	\$ 594,534
Capital expenditures	¥ 38,981	¥ 54,901	¥ 63,160	¥ 88,860	¥ 69,896	\$ 592,339

\* Translated into U.S. dollars based on the exchange rates at each respective payment date.

Note 1. Kyocera sold its entire shares in Kyocera Leasing Co., Ltd. (KLC), a subsidiary engaged in financing services; as a result, business results and profit on sales for KLC for fiscal 2007 have been recorded as income from discontinued operations in conformity with Statement of Financial Accounting Standards (SFAS) No.144, "Accounting for the impairment or disposal of Long-Lived Assets." Figures for fiscal 2006 have been retrospectively reclassified for comparative purposes.

## [Table of Contents](#)

The following table shows the exchange rates for Japanese yen per \$1.00 based upon the noon buying rate in New York City for cash transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York:

	High	Low	Average	Period-end
<b><u>For the years ended March 31,</u></b>				
2003	133.40	115.71	121.94	118.07
2004	120.55	104.18	112.75	104.18
2005	114.30	102.26	107.49	107.22
2006	120.93	104.41	113.15	117.48
2007	121.81	110.07	116.92	117.56
<b><u>For most recent 6 months</u></b>				
January, 2007	121.81	118.49	120.45	121.02
February, 2007	121.77	118.33	120.50	118.33
March, 2007	118.15	116.01	117.26	117.56
April, 2007	119.84	117.69	118.93	119.44
May, 2007	121.79	119.77	120.77	121.76
June, 2007	124.09	121.08	122.69	123.39

The noon buying rate for Japanese yen on July 3, 2007 was \$1.00 = ¥122.40

### **B. Capitalization and Indebtedness**

Not Applicable.

### **C. Reasons for the Offer and Use of Proceeds**

Not Applicable.

## **D. Risk Factors**

*You should carefully read the risks described below before making an investment decision.*

### ***(1) The Japanese or global economy may significantly reduce demand for Kyocera's products***

The Japanese economy showed stable growth due mainly to an expanded market for digital consumer equipment from the second half of fiscal 2006. However, the economic outlook has been uncertain and has been negatively affected by inventory reductions in the IT-related industries. Though the current global economic outlook, including for the U.S., also remains to grow, there may continue to be instability in light of the appreciation of the yen and the rise in prices of oil and certain raw materials. Kyocera is substantially dependent for its growth on the markets for semiconductors, mobile phone handsets and PC-related equipment. These markets may be adversely affected by demand in electronics industry and by sluggish consumer spending brought by economic recession.

### ***(2) Unexpected changes in economic, political and legal conditions in China, in which Kyocera is becoming increasingly active, may have an adverse effect on Kyocera's business***

Based on its expectation that the Chinese markets for IT-related products, including electronic components, mobile phone handsets, personal computers (PCs) and PC peripherals will continue to grow continuously, Kyocera has been making substantial investments in new production and marketing facilities in China. Kyocera now has principal production facilities located in Shanghai, Dongguan, and Tianjin, and plans to make additional investments to increase production capacity at these sites and to increase its marketing and distribution capabilities in China. Although the Chinese economy has been growing at a rapid rate in recent years, and the central government has been increasingly utilizing market forces as opposed to central economic planning, growth has been uneven among various regions of the country and among various sectors of the economy. Unexpected changes in the central government's economic policy or in the business climate, including those due to changes in institutional systems in various parts of the country, may adversely affect its IT-related markets in which Kyocera seeks to sell its products. In addition, China is in the process of developing a comprehensive system of laws and regulations dealing with economic matters, such as currency controls, and foreign corporations currently active in the country, such as Kyocera, face risks and uncertainties including enforcement of contractual terms, administrative intrusion by local governments and difficulty with expatriation of profits.

### ***(3) Kyocera sells a diverse variety of products, and in each of its businesses Kyocera is subject to intense competitive pressures, including in terms of price, technological change, product development, quality and speed of delivery, and these pressures are likely to increase in the near term***

Kyocera sells a wide variety of products and therefore faces a broad range of competitors from large international companies to relatively small, rapidly growing and highly specialized companies. Kyocera has a variety of businesses in different industries while many of its competitors specialize in one or more of these business areas. As a result, Kyocera may not fund or invest in certain of its businesses to the same degree as its competitors, or these competitors may have greater financial, technical, and marketing resources available to them than the portion of its business against which they compete. While some of the factors that drive competition vary by product area, price and speed of delivery are factors in all areas of Kyocera's business. Price pressure has been intense, and thus Kyocera predicts that its production prices will continue to be lower over fiscal 2008 partly depending on the demand and competition situation. In production businesses in which Kyocera develops, produces and distributes specialized parts for its customers' products, its competitive position depends significantly on being involved early in the process of creating a new product that fits its customers' needs. This requires maintaining close ties with customers so that Kyocera can ensure that it is able to meet required specifications and be the first supplier to create and deliver the product. Kyocera's gross margins may be reduced if it cannot maintain these important relationships or market share or if it is forced in the future to further reduce prices in response to the actions of its competitors.

***(4) Small manufacturing delays or defects resulting from outsourcing or internal manufacturing processes can adversely affect Kyocera's production yields and operating results***

Kyocera ordinarily outsources the fabrication of certain components and sub-assemblies of its products, often to sole source suppliers or a limited number of suppliers. Kyocera has experienced occasional delays in obtaining components and sub-assemblies because the manufacturing process for these items is very complex and requires a long lead-time. Kyocera's revenues derived from sales of these products will be materially and adversely affected if Kyocera is unable to obtain a high quality, reliable and timely supply of these components and sub-assemblies. In addition, any reduction in the precision of these components will result in sub-standard end products and will cause delays and interruptions in Kyocera's production cycle.

Within Kyocera's manufacturing facilities, minute impurities, difficulties in the production process or other factors can cause a substantial percentage of its products to be rejected or non-functional. These factors can result in lower than expected production yields, which delay product shipments and may materially and adversely affect Kyocera's operating results. Because the majority of Kyocera's costs of manufacture are relatively fixed, production yield and capacity utilization rate are critical to its financial results.

***(5) Since a significant percentage of Kyocera's revenues has been derived from foreign sales in recent years, various export risks may disproportionately affect its revenues***

Kyocera's sales to customers located outside Japan accounted for 61.3% of its total revenues in fiscal 2007. Kyocera believes that overseas sales will continue to account for a significant percentage of its revenues. Therefore, the following export risks may disproportionately affect Kyocera's revenues:

- a strong yen may make Kyocera's products less attractive to foreign purchasers;
- political and economic instability may inhibit export of Kyocera's products;
- Kyocera may experience difficulties in the timeliness of collection of accounts receivable due from foreign customers and be forced to write off those receivables;
- tariffs and other barriers may make Kyocera's products less cost competitive;
- shipping and handling costs of Kyocera's products may increase;
- Kyocera may have difficulty in staffing and managing its international operations; and
- the laws of certain foreign countries may not adequately protect Kyocera's trade secrets and intellectual property.

***(6) Currency exchange rate fluctuations could adversely affect Kyocera's financial results***

Kyocera conducts business in countries outside of Japan, which exposes it to fluctuations in foreign currency exchange rates. Kyocera may enter into short-term forward exchange transaction to hedge this risk according to its outlook on future exchange rates; nevertheless, fluctuations in foreign currency exchange rates could have an adverse effect on its business.

Fluctuations in foreign currency exchange rates may affect its results of operations and the value of its foreign assets, which in turn may adversely affect reported earnings and the comparability of period-to-period results of operations. Changes in currency exchange rates may affect the relative prices at which Kyocera and foreign competitors sell products in the same market. In addition, changes in the value of the relevant currencies may affect the cost of imported items required in its operations.

***(7) Industry demand for skilled employees, particularly engineering and technical personnel, exceeds the number of personnel available***

Kyocera's future success depends, in part, on its ability to attract and retain certain key personnel, including engineering, operational and management personnel. Kyocera anticipates that it will need to hire additional skilled personnel in all areas of its business. The competition for attracting and retaining these employees, especially engineers in key fields, including software design in telecommunications, is intense. Because of this intense competition for these skilled employees, Kyocera may be unable to retain its existing personnel or attract additional qualified employees in the future.



***(8) Insufficient protection of Kyocera's trade secrets and patents could have a significant adverse impact on its competitive position***

Kyocera's success and competitive position depend on protecting its trade secrets and other intellectual property. Kyocera's strategy is to rely both on trade secrets and patents to protect its manufacturing and sales processes and products, but reliance on trade secrets is only an effective business practice insofar as trade secrets remain undisclosed and a proprietary product or process is not reverse engineered or independently developed. Kyocera takes certain measures to protect its trade secrets, including executing nondisclosure agreements with certain of its employees, joint venture partners, customers and suppliers. If parties breach these agreements or the measures Kyocera takes are not properly implemented, Kyocera may not have an adequate remedy. Disclosure of its trade secrets or reverse engineering of its proprietary products, processes or devices could materially and adversely affect its business, financial condition and results of operations.

Kyocera is actively pursuing patents on some of its recent inventions, but these patents may not be issued. Even if these patents are issued, they may be challenged, invalidated or circumvented. In addition, the laws of certain other countries may not protect Kyocera's intellectual property to the same extent as Japanese laws.

***(9) Kyocera may require licenses to continue to manufacture and sell certain of its products, the expense of which may adversely affect its results of operations***

From time to time Kyocera has received, and may receive in the future, notice of claims of infringement of other parties' proprietary rights and licensing offers to commercialize third party patent rights. Although Kyocera is not currently involved in any litigations relating to its intellectual property except in the ordinary course of its business, Kyocera cannot assure that:

- infringement claims (or claims for indemnification resulting from infringement claims) will not be asserted against Kyocera,
- future assertions against Kyocera will not result in an injunction against the sale of infringing or allegedly infringing products or otherwise significantly impair its business and results of operations; or
- Kyocera will not be required to obtain licenses, the expense of which may adversely affect its results of operations.

***(10) Future initiatives and in-process research and development may not produce the desired results***

Kyocera intends to expand its product lines to satisfy customer demand in its target markets. Unexpected technical delays in completing these initiatives could lengthen development schedules and result in lower revenues based on the products or technologies developed from these initiatives. There can be no assurance that the products derived from Kyocera's in-process research and development activities will achieve market acceptance.

***(11) Kyocera's markets or supply chains may be adversely affected by terrorism, plague, wars or similar events***

Kyocera as a global company has been expanding its business worldwide. At the same time, we will be exposed to risks of our getting involved in terrorism, plague, war and other similar events. In the case that those events occur, Kyocera's operating activities would be suspended. Furthermore, there would be delay, disorder or suspension in Kyocera's R&D, manufacturing, sales and services. If such delay or disruption occurs and continues for a long period of time, Kyocera's business, financial condition and results of operations may be adversely affected.

***(12) Kyocera's headquarters and major facilities are subject to devastating effects of earthquakes and other natural disasters***

Kyocera's headquarters and major facilities including plants, sales offices and R&D centre are located not only in Japan but also all over the world. It might be inevitable that Kyocera would suffer from natural disasters such as earthquake, typhoon, and floods and so on. For instance, if a strong earthquake occurs, Kyocera's R&D or manufacturing facilities will be damaged devastatingly. In this case, Kyocera's operating activities would be suspended and manufacturing and shipment would be delayed. Due to this, Kyocera would lose its sales and profits. Furthermore, Kyocera may incur a great amount of expenses, for example, medical care expenses for injured employees and damage expenses for the damaged machines or facilities will be incurred. As a consequence, Kyocera's operating result and financial condition may be adversely affected.

***(13) Kyocera may have to incur impairment losses on its investments in debt and equity securities***

Kyocera holds investments in equity securities of companies not affiliated with itself, which Kyocera generally holds on a long-term basis for business relationship purposes. A substantial portion of these investments consists of shares of common stock of public companies in Japan, including KDDI Corporation (a Japanese telecommunication service provider), and Japanese financial institutions. As of March 31, 2007, the aggregate fair value of equity securities included in available-for-sale securities was ¥585,274 million (\$4,960 million), with gross unrealized gains in the amount of ¥312,724 million (\$2,650 million) and gross unrealized losses in the amount of ¥103 million (\$1 million). If there is a decline in the fair value, i.e., the market price, of the shares Kyocera holds in those companies over a period of time, and it determines that the decline is other-than-temporary, Kyocera will need to record an impairment loss for the applicable fiscal period. During fiscal 2007, Kyocera recorded losses on impairment of securities (current assets) and investment securities (non-current assets) amounting to ¥955 million (\$8 million), which were attribute mainly to management's estimation that certain debt securities were under fair value over one year and certain non-public companies in which Kyocera invested would need considerable periods to gain profitability in their operating activities. For some of the equity securities Kyocera owns, including the shares of KDDI Corporation, Kyocera intends to keep its ownership at the current level in light of the importance of its business relationships with the issuers of these equity securities. For other equity securities in its portfolio, although Kyocera may dispose of them over time, market conditions may not permit it to do so at the time, speed or price it may wish.

***(14) As a holder of ADSs, you will have fewer rights than a shareholder has and you will have to act through the depositary to exercise those rights***

The rights of shareholders under Japanese law to take various actions, including voting their shares, receiving dividends and distributions, bringing derivative actions, examining a company's accounting books and records and exercising appraisal rights, are available only to holders of record. Because the depositary, through its custodian agents, is the record holder of the Shares underlying the ADSs, only the depositary can exercise those rights in connection with the deposited Shares. The depositary will make efforts to vote the Shares underlying your ADSs as instructed by you and will pay to you the dividends and distributions collected from us. However, in your capacity as an ADS holder, you will not be able to bring a derivative action, examine our accounting books and records or exercise appraisal rights through the depositary.