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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 economic conditions in our markets, which are primarily Japan, North America, Europe, and Asia, including in particular China ;
- the effect of foreign exchange fluctuations on our results of operations, particularly between the yen and each of the U.S. dollar and the Euro, in which we make significant sales;
- 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;
- the level of continuing demand for existing products of our competitors and the pricing of those products, and their ability to introduce new products;
- the extent and pace of future growth or contraction in information technology (IT)-related markets around the world, including those for communications and personal computers;
- the level of continuing demand for, and timing of sales of, our existing products;
- declining prices for our products and services;
- the effect of future acquisitions on our financial condition and results of operations;
- the effect of prevailing interest rates and the performance of equity and other financial markets generally;
- the timing of new product introductions and market acceptance for our new products;
- an increase in the incidence of product returns;
- events that may impact negatively on our markets or supply chain, including terrorist acts and outbreaks of diseases;

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.

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- “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 2005” refers to Kyocera’s fiscal year ended March 31, 2005, 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, 2005 and as of March 31, 2005 presented in this Form 20-F into U.S. dollars solely for your convenience. The rate we used for such translations was ¥107.00 = \$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 31, 2005, 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 (U.S. GAAP).

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)

	2001	2002	2003	2004	2005	2005
Years ended March 31:						
Net sales	¥1,285,053	¥1,034,574	¥1,069,770	¥1,140,814	¥1,180,655	\$11,034,159
Profit from operations	207,200	51,561	83,388	108,962	100,968	943,626
Income before cumulative effect of change in accounting principle	216,236	33,791	43,421	68,086	45,908	429,047
Net income	216,236	31,953	41,165	68,086	45,908	429,047
Earnings per share :						
Income before cumulative effect of change in accounting principle:						
Basic	¥ 1,143.78	¥ 178.74	¥ 233.02	¥ 364.79	¥ 244.86	\$ 2.29
Diluted	1,140.46	178.59	232.97	364.78	244.81	2.29
Net income:						
Basic	1,143.78	169.02	220.91	364.79	244.86	2.29
Diluted	1,140.46	168.88	220.86	364.78	244.81	2.29
Weighted average number of shares outstanding:						
Basic	189,053	189,050	186,338	186,643	187,489	
Diluted	189,604	189,204	186,382	186,649	187,528	
Cash dividends declared per share:						
Per share of common stock	¥ 60	¥ 60	¥ 60	¥ 60	¥ 80	
Per share of common stock *	\$ 0.51	\$ 0.49	\$ 0.49	\$ 0.55	\$ 0.74	
At March 31:						
Total assets	¥1,728,056	¥1,645,458	¥1,635,014	¥1,794,758	¥1,745,519	\$16,313,262
Long-term debt	52,306	96,856	60,736	70,608	33,557	313,617
Common stock	115,703	115,703	115,703	115,703	115,703	1,081,336
Stockholders' equity	1,018,772	1,036,185	1,000,207	1,150,453	1,174,851	10,979,916
Depreciation	¥ 67,096	¥ 76,252	¥ 64,988	¥ 60,861	¥ 58,790	\$ 549,439
Capital expenditures	¥ 105,944	¥ 54,631	¥ 40,614	¥ 54,937	¥ 63,176	\$ 590,430

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

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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
<u>Years ended March 31,</u>				
2001	¥125.54	¥104.19	¥110.96	¥ 125.54
2002	134.77	115.89	125.05	132.70
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
<u>Calendar Year 2005</u>				
March	107.49	103.87	105.25	107.22
April	108.67	104.64	107.19	104.64
May	108.17	104.41	106.60	107.97
June	110.91	106.64	108.75	110.91
July	113.42	110.47	111.95	112.25
August	112.12	109.37	110.61	110.84

The noon buying rate for Japanese yen on September 14, 2005 was \$1.00 = ¥ 110.27

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) Continued or increasing weakness in 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 home appliances and favorable trends in the automotive industry in the first half of fiscal 2005. However, in the second half of fiscal 2005, the economic outlook has been uncertain and has been affected by inventory reductions in the IT-related industries. The current global economic outlook, including for the U.S., also remains uncertain, and Kyocera believes there will continue to be instability considering the yen's appreciation and the rise in prices of oil and certain materials. Kyocera is substantially dependent for its growth on the markets for semiconductors and components for mobile phone handsets and PC-related equipment. Though these markets have been expanding favorably in accordance with growing demand for digital appliances, these may be adversely affected 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 cellular telephones and IT-related products, including personal computers and printers, will continue to grow rapidly, Kyocera has been making substantial investments in new production and marketing facilities in China. Kyocera now has four principal production facilities, located in Shanghai, Dongguan and Guiyang, Tianjin and Kyocera plans to make substantial 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 down over fiscal 2006 partly depending on the demand and competition situation. In production businesses in which Kyocera produces 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.

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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 have been from foreign sales in recent years, various export risks may disproportionately affect its revenues

Kyocera's sales to customers located outside Japan accounted for 60% of its total revenues in fiscal 2005. Kyocera believes that international 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 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.

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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 may have to incur impairment losses on its investments in 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, 2005, the aggregate fair value of equity securities included in available-for-sale securities was ¥343,208 million (\$3,208 million), with gross unrealized gains in the amount of ¥71,448 million (\$668 million) and gross unrealized losses in the amount of ¥246 million (\$2 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 2005, Kyocera recorded losses on impairment of investment securities in the amount of ¥132 million (\$1million), mainly due to management's estimation that certain non-public companies in which Kyocera invested would need considerable time to show profitability in their operating activities. For some of the equity securities Kyocera owns, including the KDDI shares, 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.