

**NOTICE OF THE 51ST ORDINARY GENERAL
MEETING OF SHAREHOLDERS**

TO BE HELD IN KYOTO, JAPAN ON JUNE 28, 2005

(Translation of the Japanese notice circulated to shareholders in Japan)

Note: The Notice of Resolution for the 51st Ordinary General Meeting of Shareholders will be available at the following Kyocera's website within 5 days after the Meeting.

http://global.kyocera.com/ir/s_info.html

KYOCERA CORPORATION

6 Takeda Tobadono-cho, Fushimi-ku, Kyoto, Japan

June 6, 2005

To Our Shareholders:

Notice of the 51st Ordinary General Meeting of Shareholders

This is to inform you that the Company will hold its 51st Ordinary General Meeting of Shareholders, as described below, which you are cordially invited to attend.

If you are unable to attend, you may exercise your voting rights in writing. If you wish to do so, after examining the attached reference materials, please indicate your votes by filling out and signing the enclosed form for exercising voting rights, and return the form to us no later than Monday, June 27, 2005, Japan time.

- 1. Time and Date:** 10:00 a.m. on Tuesday, June 28, 2005, Japan time
- 2. Place:** 20th Floor Event Hall at the head office of the Company,
6 Takeda Tobadono-cho, Fushimi-ku, Kyoto, Japan

3. Purpose of the Meeting:

Matters to be reported upon:

1. The business report, consolidated balance sheet, consolidated statement of income, non-consolidated balance sheet and non-consolidated statement of income, with respect to the fiscal period from April 1, 2004 to March 31, 2005 (fiscal 2005)
2. Audit report of Independent Auditors and audit report of Board of Corporate Auditors on the consolidated financial statements

Matters to be resolved:

- Agendum No. 1: Approval of proposed appropriation of retained earnings for fiscal 2005
- Agendum No. 2: Amendments to the Articles of Incorporation
(The substance of this agendum is set out herein below under "Reference Materials for the Exercise of Voting Rights.")
- Agendum No. 3: Election of thirteen (13) Directors
- Agendum No. 4: Election of two (2) Corporate Auditors
- Agendum No. 5: Payment of retirement allowance to a retiring Director
- Agendum No. 6: Payment of retirement allowance to a retiring Corporate Auditor
- Agendum No. 7: Revision of the amount of remuneration to Directors
- Agendum No. 8: Issuance of stock acquisition rights for granting stock options
(The substance of this agendum is set out herein below under "Reference Materials for the Exercise of Voting Rights.")

The non-consolidated financial statements, copies of the auditors' reports and consolidated financial statements are set out in the "Financial Report for the year ended March 31, 2005" as attached hereto (from page 2 to page 32).

Very truly yours,

KYOCERA CORPORATION

Yasuo Nishiguchi
President and Director

(Note) If you attend the Meeting, please submit the enclosed form for exercising voting rights to the receptionist.

REFERENCE MATERIALS FOR THE EXERCISE OF VOTING RIGHTS

1. The Number of Voting Rights 1,869,400

2. The Agendum and References

Agendum No. 1: Approval of proposed appropriation of retained earnings for fiscal 2005

The Company considers that the best way to respond to shareholders' expectations is to improve the consolidated performance of the Company into the future.

Therefore, the dividend policy of the Company is to determine dividend amounts based on an overall assessment, taking into consideration various factors, such as enhancement of the linkage between dividend amounts and the consolidated performance of the Company and the amount of capital expenditures necessary for the medium to long-term growth of the Company.

Pursuant to this policy, the Company proposes that the year-end dividend for the one - year period ended March 31, 2005 (fiscal 2005) shall be 50 yen per share, a 20 yen per share increase from the previous fiscal period. When aggregated with the interim dividend, the total annual dividend amount will be 80 yen per share. The Company also proposes that a general reserve amount of 18,000 million yen, taking into account the necessary reserve amounts for development of new markets and new technologies, and acquisition of outside management resources in order to achieve stable and sustainable corporate growth of the Company. The Company proposes bonuses to Directors and Corporate Auditors of 60 million yen in aggregate, the same amount as in the previous fiscal period, out of which 4.5 million yen shall be the bonuses to Corporate Auditors a reduction of 1 million yen from the previous fiscal period.

The proposed appropriation of retained earnings is as follows:

PROPOSED APPROPRIATION OF RETAINED EARNINGS

(Unit: Yen)

Unappropriated retained earnings	¥36,989,506,487
Reversal of reserves:	
Reversal of reserve for special depreciation	740,631,934
Total	<u>37,730,138,421</u>
To be appropriated as follows:	
Dividends (¥50.00 per share)	9,374,054,200
Bonuses for Directors and Corporate Auditors	60,000,000
Reserve for special depreciation	321,878,128
General reserve	18,000,000,000
Unappropriated retained earnings carried forward to the next year	<u>¥9,974,206,093</u>

- (Notes)
1. Corporate Auditors' bonuses of ¥4,500,000 are included in Bonuses for Directors and Corporate Auditors.
 2. On December 6, 2004, an interim dividend in the amount of ¥5,624,756,490 (¥30.00 per share) was paid to the shareholders.

Agendum No. 2: Amendments to the Articles of Incorporation

1. Reasons for amendments

- (1) As a result of the enactment of the “Law amending a part of the Commercial Code, etc. for Introduction of Electronic Public Notice Systems” (Law No. 87, 2004), the adoption of electronic public notice systems, under which public notices may be posted on Internet homepages, has become permitted . It will become possible to save a substantial amount of the cost of making public notices in newspapers by adopting an electronic public notice system. Taking into consideration the popularization of Internet in Japan, the Company proposes to amend Article 4 of its Articles of Incorporation to introduce an electronic public notice system.
- (2) The Company reduced the number of its Directors as a result of the introduction of the executive officer system as from June 2003. The Company now proposes to amend Article 18 of the Articles of Incorporation to reduce the stated number of Directors provided for therein from “no more than forty-five”, as currently provided, to “no more than twenty”, as the current supervisory and executive management system has been firmly established during the approximately two years since the introduction of the executive officer system.
- (3) The Company proposes to abandon the title of “Chairman Emeritus of the Board of Directors” for a member of the Board of Directors of the Company and to make Chairman Emeritus a title to be granted by resolution of the Board of Directors. For such purpose, the Company proposes accordingly to amend the Articles of Incorporation of the Company to delete the phrase “Chairman Emeritus of the Board of Directors” from Article 21, Clause 1, to establish a new Article 21, Clause 2 and to renumber the current Article 21, Clause 2 to Clause 3, with adjustment to the minor wording, as necessary.

Agendum No. 3: Election of Thirteen (13) Directors

The terms of office of thirteen (13) Directors will expire at the close of this General Meeting of Shareholders. It is proposed that thirteen (13) Directors be elected.

The candidates for Directors are as follows:

No	Name (date of birth)	Brief Personal History (including representation of other companies)	Shares of the Company Owned by Candidate
1	Kensuke Itoh (Dec. 17, 1937)	Apr. 1959 Joined the Company May 1975 Director of the Company Aug. 1979 Managing Director of the Company July 1981 Senior Managing Director of the Company June 1985 Executive Vice President and Representative Director of the Company June 1989 President and Representative Director of the Company June 1999 Chairman and Representative Director of the Company [to present] (Representative Director of Kyocera Realty Development Co., Ltd.) (Representative Director of Hotel Kyocera Co., Ltd.) (Representative Director of International Golf Resort Kyocera Co., Ltd.) (Representative Director of Hotel Princess Kyoto Co., Ltd.) (Representative Director of Kyoto Purple Sanga Co., Ltd.) (Representative Director of Kyoto Fashion Center Co., Ltd.)	shares 557,072
2	Yasuo Nishiguchi (Oct. 9, 1943)	Mar. 1975 Joined the Company June 1987 Director of the Company June 1989 Managing Director of the Company June 1992 Senior Managing Director and Representative Director of the Company June 1997 Executive Vice President and Representative Director of the Company June 1999 President and Representative Director of the Company [to present] June 2003 President (Executive Officer) of the Company June 2005 Chief Executive Officer (CEO) of the Company [to present] (Representative Director of Kyocera Leasing Co., Ltd.) (Representative Director of Kyocera International Co., Ltd.) (Representative Director of Kyocera Communication Systems Co., Ltd.) (Representative Director of Kyocera ELCO Corporation) (Representative Director of Kyocera Optec Co., Ltd.) (Representative Director of Kyocera SLC Technologies Corporation) (Representative Director of Kyocera Display Institute Co., Ltd.) (Representative Director of Japan Medical Material Corporation) (Chairman of Shanghai Kyocera Electronics Co., Ltd.) (Chairman of Dongguan Shilong Kyocera Optics Co., Ltd.) (Chairman of Kyocera Zhenhua Communication	4,095

No	Name (date of birth)	Brief Personal History (including representation of other companies)	Shares of the Company Owned by Candidate
		Equipment Co., Ltd.) (Chairman of Kyocera Mita Office Equipment (Dongguan) Co., Ltd.) (Chairman of Kyocera (Tianjin) Sales & Trading Corporation) (Chairman of Kyocera (Tianjin) Solar Energy Co., Ltd.)	
3	Masahiro Umemura (Aug. 8, 1943)	Mar. 1966 Joined the Company June 1991 Director of the Company June 1993 Managing Director of the Company June 1997 Senior Managing Director and Representative Director of the Company June 1999 Executive Vice President and Representative Director of the Company June 2003 Representative Director of the Company [to present] Executive Vice President (Executive Officer) of the Company June 2005 Chief Financial Officer of the Company [to present] (Chairman of Shanghai Kyocera Realty Development Co., Ltd.) (Chairman of Shanghai Kyocera Trading Co., Ltd.)	5,000
4	Michihisa Yamamoto (Nov. 13, 1942)	Mar. 1970 Joined the Company June 1987 Director of the Company June 1989 Managing Director of the Company June 1992 Senior Managing Director and Representative Director of the Company June 1999 Executive Vice President and Representative Director of the Company June 2003 Representative Director of the Company [to present] Executive Vice President (Executive Officer) of the Company (Representative Director of Kyocera Optec Co., Ltd.)	9,232
5	Yuzo Yamamura (Dec. 4, 1941)	Mar. 1965 Joined the Company June 1987 Director of the Company Dec. 1992 President and Representative Director of Kyocera ELCO Corporation [to present] June 1993 Retired from the office of Director of the Company June 1995 Senior Managing Director and Representative Director of the Company June 1999 Retired from the office of Director of the Company June 2003 Director of the Company [to present] (Representative Director of Kyocera ELCO Corporation)	82,000
6	Naoyuki Morita (Apr. 8, 1942)	Mar. 1967 Joined the Company June 1987 Director of the Company June 1989 Managing Director of the Company June 1995 Senior Managing Director and Representative Director of the Company Sept. 1995 President and Representative Director of Kyocera Communication Systems Co., Ltd. [to present] June 1999 Retired from the office of Director of the Company June 2003 Director of the Company [to present]	5,600

No	Name (date of birth)	Brief Personal History (including representation of other companies)	Shares of the Company Owned by Candidate
		(Representative Director of Kyocera Communication Systems Co., Ltd.) (Representative Director of Medical Data Co., Ltd.) (Representative Director of Couei Corporation) (Representative Director of SystemLand Inc.)	
7	Koji Seki (Dec. 8, 1937)	May 1969 Joined Cybernet Electronics Corporation June 1989 Director of the Company Oct. 1998 Trustee of Mita Industrial Co., Ltd. (Current name: Kyocera Mita Corporation) June 1999 Managing Director of the Company Jan. 2000 President and Representative Director of Kyocera Mita Corporation June 2001 Retired from the office of Director of the Company June 2003 Director of the Company [to present] June 2004 Chairman and Representative Director of Kyocera Mita Corporation [to present] (Representative Director of Kyocera Mita Corporation) (Representative Director of Kyocera Mita Japan Corporation)	4,318
8	Noboru Nakamura (Oct. 6, 1944)	Mar. 1967 Joined the Company June 1991 Director of the Company June 1995 Managing Director of the Company June 1997 Senior Managing Director and Representative Director of the Company June 1999 Executive Vice President and Representative Director of the Company Aug. 2002 Executive Vice President and Representative Director of Kyocera Chemical Corporation [to present] June 2003 Director of the Company [to present] (Representative Director of Kyocera Chemical Corporation)	3,100
9	Isao Kishimoto (Nov. 30, 1943)	Mar. 1967 Joined the Company June 1993 Director of the Company June 1997 Managing Director of the Company June 2001 Senior Managing Director of the Company June 2002 President and Representative Director of Kinseki, Limited (Current name: Kyocera Kinseki Corporation) [to present] June 2003 Director of the Company [to present] (Representative Director of Kyocera Kinseki Corporation) (Representative Director of Kyocera Kinseki Hokkaido Corporation) (Representative Director of Kyocera Kinseki Yamagata Corporation) (Representative Director of Kyocera Kinseki Chiba Corporation)	4,100

No	Name (date of birth)	Brief Personal History (including representation of other companies)	Shares of the Company Owned by Candidate
10	Hisao Hisaki (July 2, 1946)	Mar. 1969 Joined the Company June 1991 Director of the Company [to present] Apr. 2000 General Manager of Communication Systems Group of the Company Aug. 2002 General Manager of Corporate Communication Systems Sales Division of the Company June 2003 Managing Executive Officer of the Company July 2003 Executive Vice President of Kyocera (Tianjin) Sales & Trading Corporation Apr. 2005 President of Kyocera (Tianjin) Sales & Trading Corporation [to present] (President of Kyocera (Tianjin) Sales & Trading Corporation)	3,171
11	Rodney N. Lanthorne (Feb. 5, 1945)	Sept. 1979 Joined Kyocera International, Inc. Jan. 1987 President and Director of the above company [to present] June 1989 Director of the Company Mar. 1990 Managing Director of the Company June 1999 Senior Managing Director and Representative Director of the Company June 2003 Director of the Company [to present] (President and Director of Kyocera International, Inc.)	(3,478 ADR)
12	John S. Gilbertson (Dec. 4, 1943)	Jan. 1981 Joined AVX Corporation June 1995 Director of the Company July 1997 Director, President and Chief Operating Officer of (COO) AVX Corporation June 1999 Managing Director of the Company July 2001 Director, President and Chief Executive Officer (CEO) of AVX Corporation [to present] June 2003 Director of the Company [to present] (Director, President and Chief Executive Officer (CEO) of AVX Corporation)	(16,195 ADR)
13	Makoto Kawamura (Aug. 13, 1949)	Mar. 1973 Joined the Company July 1999 Manager of Cutting Tool Division of Corporate Consumer Products Group of the Company June 2001 Director of the Company Aug. 2002 General Manager of Corporate Cutting Tool Division of the Company June 2003 Retired from the office of Director of the Company Managing Executive Officer of the Company June 2005 Chief Operating Officer (COO) of the Company [to present] (Representative Director of Kyocera Precision Tools Korea Co., Ltd.)	1,000

(Notes)

1. Mr. Kensuke Itoh is a Representative Director of Kyoto Purple Sanga Co., Ltd., with which the Company engages in transactions
2. Mr. Yasuo Nishiguchi is a Representative Director of Kyocera Communication Systems Co., Ltd. and Japan Medical Material Corporation, and the Chairman of Shanghai Kyocera Electronics Co., Ltd., Dongguan Shilong Kyocera Optics Co., Ltd. Kyocera Zhenhua Communication Equipment Co., Ltd., Kyocera (Tianjin) Sales & Trading Corporation and Kyocera (Tianjin) Solar Energy Co., Ltd., with which the Company engages in transactions.
3. Mr. Naoyuki Morita is a Representative Director of Kyocera Communication Systems Co., Ltd., with which the Company engages in transactions.
4. Mr. Hisao Hisaki is a President of Kyocera (Tianjin) Sales & Trading Corporation, with which the Company engages in transactions.
5. Mr. John S. Gilbertson is a Director and the President and Chief Executive Officer (CEO) of AVX Corporation, with which the Company engages in transactions.
6. Candidates who beneficially own Ordinary Shares of the Company by way of American Depositary Shares (ADR) are as follows:

Rodney N. Lanthorne	3,478 Ordinary shares (3,478 ADR)
John S. Gilbertson	16,195 Ordinary shares (16,195 ADR)

Agendum No. 4: Election of Two (2) Corporate Auditors

The term of office of a Corporate Auditor, Mr. Atsushi Mori, will expire at the close of this Ordinary General Meeting of Shareholders. It is proposed to elect two (2) Corporate Auditors to increase one (1) Corporate Auditor in order to further enhance auditing system of the Company.

With respect to this Agendum, consent from the Board of Corporate Auditors has been obtained.

The candidates for Corporate Auditors are as follows:

No	Name (date of birth)	Brief Personal History (including representation of other companies)	Shares of the Company Owned by Candidate
1	Yoshihiko Nishikawa (Sept. 11, 1945)	<p>Mar. 1970 Joined the Company</p> <p>Dec. 1993 Deputy General Manager of Semiconductor Parts Group of the Company</p> <p>June 1995 Director of the Company</p> <p>June 1998 Deputy General Manager of Organic Material Components Group of the Company</p> <p>Oct. 1999 Deputy General Manager of Semiconductor Parts Group of the Company</p> <p>Sep. 2000 Deputy General Manager of Legal Affairs Group of the Company</p> <p>June 2003 Retired from the office of Director of the Company Senior Executive Officer of the Company [to present] General Manager of Corporate Legal and Intellectual Property Division of the Company</p> <p>July 2004 General Manager of Corporate R&D Division for Components and Devices of the Company [to present]</p>	<p>shares</p> <p>2,102</p>
2	Shigekazu Tamura (Feb. 18, 1950)	<p>Apr. 1975 Joined the Osaka Regional Taxation Bureau</p> <p>Sep. 1979 Registered as certified public accountant and tax accountant [to present] Established Tamura CPA Office [to present] (Representative Director of Management Station Kyoto Co., Ltd.)</p>	0

(Note) Mr. Shigekazu Tamura is a candidate for outside Corporate Auditor as required under paragraph 1, Article 18 of the Law regarding Exceptional Rules of the Commercial Code of Japan concerning Auditing, etc. of *Kabushiki-Kaisha*.

Agendum No. 5: Payment of Retirement Allowance to a Retiring Director

Mr. Kazuo Inamori will retire from the office of Director upon expiration of his term at the close of this Ordinary General Meeting of Shareholders. The Company proposes to pay retirement allowance to the Director for his service rendered during his term in office, in amount which is reasonable and in accordance with the standards prescribed by the Company.

It is also proposed that the particular amount, timing and method of payment of such allowance be determined through discussion at the meeting of the Board of Directors.

The brief personal history of the retiring Director is stated below:

Name	Brief Personal History	
Kazuo Inamori	Apr. 1959	Established the Company Director of the Company
	May 1962	Managing Director of the Company
	May 1964	Senior Managing Director of the Company
	May 1966	President and Representative Director of the Company
	June 1985	Chairman and Representative Director of the Company
	June 1992	Chairman of the Board of Directors of the Company
	June 1997	Chairman Emeritus of the Board of Directors of the Company [to present]

Agendum No. 6: Payment of Retirement Allowances to a Retiring Corporate Auditor

Mr. Atsushi Mori will retire from the office of Corporate Auditor upon expiration of his term at the close of this Ordinary General Meeting of Shareholders. The Company proposes to pay retirement allowance to the Corporate Auditor for his service rendered during his term in office, in amount which is reasonable and in accordance with the standards prescribed by the Company.

It is also proposed that the particular amount, timing and method of payment of such allowance be determined through discussion among the Corporate Auditors.

The brief personal history of the retiring Corporate Auditor is stated below:

Name	Brief Personal History	
Atsushi Mori	June 2002	Full-time Corporate Auditor of the Company [to present]

Agendum No. 7: Revision of the Amount of Remuneration to Directors

Aggregate remuneration to the Directors of the Company in the amount of no more than 55 million yen per month was approved at the 37th General Meeting of Shareholders of the Company held on June 27, 1991. Taking into consideration the reduction in the number of the Directors resulting from introduction of the executive officer system, which took place thereafter, and subject to the condition that the proposal set out in Agendum No. 2 to reduce the stated number of the Director provided for in the Articles of Incorporation to twenty (20) is approved, it is proposed that aggregate remuneration to Directors of the Company be reduced to no more than 30 million yen per month.

It should be noted that the above mentioned remuneration to the Directors shall not include salaries for services as employees or Executive Officers, in the event that any certain Directors also serve simultaneously as employees or Executive Officers.

If Agendum 3 is approved as proposed, the number of Directors of the Company shall become thirteen (13).

Agendum No. 8: Issuance of Stock Acquisition Rights for Granting Stock Options

The Company requests the shareholders to approve the issuance of stock acquisition rights to Directors, Corporate Auditors, Executive Officers and employees of the Company and its subsidiaries pursuant to Articles 280-20 and 280-21 of the Commercial Code of Japan in order to grant them stock options.

1. Reason for the Issuance of Stock Acquisition Rights with Specially Favorable Conditions to Parties other than Shareholders

The issuance of stock acquisition rights without any consideration is intended to enable the grant of stock options (i) to Directors, Executive Officers and employees of the Company and its subsidiaries, in order to enhance the incentive to participate in the management of group companies, to facilitate improvement in the performance of the Company, and to provide increased incentive for contribution thereto and (ii) to Corporate Auditors of the Company and its subsidiaries in order to enhance moral when conducting audits and with the objective of achieving healthy management of group companies.

2. Outline of Issuance of Stock Acquisition Rights

(1) Parties to whom stock acquisition rights will be allocated

Persons approved by the Board of Directors of the Company from among the Directors, Corporate Auditors, Executive Officers and employees of the Company and its subsidiaries.

(2) Kind and number of shares to be issued upon exercise of stock acquisition rights

Up to 1,500,000 shares of Common Stock of the Company

Provided that when the Company makes stock split or stock consolidations, adjustment shall be made in accordance with the following formula. Such adjustment shall be made only with respect to the number of shares to be issued upon exercise of the stock acquisition rights not yet exercised at the time of such adjustment and any number of shares less than one share resulting from such adjustment shall be disregarded.

$$\begin{array}{l} \text{Number of shares} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Number of shares} \\ \text{before adjustment} \end{array} \times \begin{array}{l} \text{Split ratio} \\ \text{(or consolidation ratio)} \end{array}$$

When certain event happens which requires adjustment of the number of shares to be issued upon exercise, including the merger and corporate split, the number of shares to be issued upon exercise shall be reasonably adjusted taking into consideration of the terms and conditions of such merger and corporate split.

(3) Number of stock acquisition rights to be issued

Up to 15,000 (one stock acquisition right will entitle the holder thereof to acquire 100 shares) provided that when adjustment set out in (2) above is made, such number shall be also adjusted accordingly.

(4) Issue price of stock acquisition rights

Nil

(5) Amount to be paid in upon exercise of stock acquisition rights

The amount to be paid in upon exercise of each stock acquisition right shall be the amount of the acquisition price per share (the "Exercise Price") multiplied by the number of shares to be issued upon exercise of each stock acquisition right, as provided for in (3) above.

The Exercise Price shall be the average of the closing price of the shares of the Common Stock of the Company at the Tokyo Stock Exchange (regular way) on each day (excluding any day on which there is no closing price of the shares of the Company) during the month immediately preceding the month in which the stock acquisition rights are issued, multiplied by 1.1 and rounded up to the nearest one (1) yen; provided, however, that in the event such amount is less than the closing price of the shares of Common Stock of the Company on the day of issuance of the stock acquisition rights (if there is no closing price on such day, on the day immediately preceding such day), the Exercise Price shall be the closing price on the day of issuance of the stock acquisition rights.

Provided that when the Company makes stock split or stock consolidations after issuance of the stock acquisition rights, the Exercise Price shall be adjusted in accordance with the following formula and rounded up to the nearest one (1) yen.

$$\begin{array}{l} \text{Exercise Price} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Exercise Price} \\ \text{before adjustment} \end{array} \times \frac{1}{\begin{array}{l} \text{Split ratio} \\ \text{(or consolidation ratio)} \end{array}}$$

Provided, further, that in the event of any issuance by the Company of new shares or any disposition of its own shares of Common Stock at a price less than the market price thereof (excluding issuance or disposition as a result of exercise of the stock acquisition rights), the Exercise Price shall be adjusted in accordance with the following formula and rounded up to the nearest one (1) yen.

$$\begin{array}{l} \text{Exercise Price} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Exercise Price} \\ \text{before} \\ \text{adjustment} \end{array} \times \frac{\begin{array}{l} \text{Number of} \\ \text{shares} \\ \text{in issued} \end{array} + \frac{\begin{array}{l} \text{Increase in number} \\ \text{of shares as a result} \\ \text{of new issue} \end{array} \times \begin{array}{l} \text{Issue price} \\ \text{per share} \end{array}}{\begin{array}{l} \text{Market price per share prior to new} \\ \text{issue} \end{array}}}{\begin{array}{l} \text{Number of shares} \\ \text{in issue} \end{array} + \begin{array}{l} \text{Increase in number of shares} \\ \text{as a result of new issue} \end{array}}$$

(6) Exercise period for stock acquisition rights

From October 1, 2005 to September 30, 2008

(7) Conditions for exercise of stock acquisition rights

- (i) In order to exercise stock acquisition rights, the person who has been allocated such stock acquisition rights (the "Acquisition Rights Holder") must be a Director, Corporate Auditor, Executive Officer or employee of the Company or a subsidiary thereof at the time of exercise.
- (ii) In the event of the death of the Acquisition Rights Holder, the heir(s) thereof may exercise inherited stock acquisition rights for a period of 6 months (or until the date of expiration of the exercise period thereof, if such date comes earlier), up to the maximum number of stock acquisition rights the deceased could have exercised at the time of death.
- (iii) Upon approval by the Bonus Committee of the Company, the exercise of stock acquisition rights may be permitted under conditions different from those described in (i) and (ii) above.
- (iv) Other terms and conditions shall be provided for in an agreement between the Company and each Acquisition Rights Holder, pursuant to resolutions of this Ordinary General Meeting of Shareholders and the Board of Directors of the Company.

(8) Cancellation of stock acquisition rights and conditions thereof

- (i) In the event that stock acquisition rights cease to be exercisable due to failure by Acquisition Rights Holder or heir thereof to satisfy conditions set forth in (7) above prior to exercise thereof, the Company shall be entitled to cancel such stock acquisition rights without any consideration therefor.
- (ii) When a resolution was adopted at the General Shareholders Meeting of the Company to approve the merger agreement pursuant to which the Company is merged, or when a resolution at the General Shareholders Meeting of the Company to approve the stock swap agreement or stock transfer pursuant to which the Company will become a wholly owned subsidiary, the Company shall be entitled to cancel the stock acquisition rights without any consideration therefor.
- (iii) When the Acquisition Rights Holder or heir thereof waives all or part of such stock acquisition rights, the Company shall be entitled to cancel such stock acquisition rights without any consideration therefor.
- (iv) In addition to the above, the Company shall be entitled to cancel the stock acquisition rights without any consideration therefor.

(9) Restriction on transfer of the stock acquisition rights

Transfer of stock acquisition rights shall be subject to approval at the meeting of the Board of Directors of the Company.