

KYOCERA CORP  
Form 11-K  
October 07, 2005

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 11-K**

**ANNUAL REPORT**

**PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**ý ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

**For the fiscal year ended December 31, 2003**

**OR**

**o TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from                      to**

**Commission File Number:**

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**Kyocera Mita America, Inc. Savings and Investment Plan**

**c/o Kyocera Mita America, Inc.**

**225 Sand Road**

**Fairfield, NJ 07004**

B: Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

## **Kyocera Corporation**

**6, Takeda, Tobadono-cho**

**Fushimi-ku**

**Kyoto, Japan 612-8501**

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**Kyocera Mita America, Inc.**

**Savings and Investment Plan**

**Financial Statements and Supplemental Schedule**

**December 31, 2003 and 2002 and**

**Year Ended December 31, 2003**

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\* Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA) have been omitted because they are not applicable.

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[Letterhead of PricewaterhouseCoopers LLP]

**Report of Independent Registered Public Accounting Firm**

To the Participants and Administrator of  
Kyocera Mita America, Inc. Savings and Investment Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of Kyocera Mita America, Inc. Savings and Investment Plan (the Plan ) at December 31, 2003 and 2002, and the changes in net assets available for benefits for the year ended December 31, 2003 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP

New York, New York  
July 9, 2004

**Kyocera Mita America, Inc. Savings and Investment Plan**

**Statements of Net Assets Available for Benefits**

**December 31, 2003 and 2002**

	2003		2002
<b>Assets</b>			
Cash	\$ 576	\$	229
Investments, at fair value			
Common/collective trust	2,719,791		2,271,937
Registered investment companies	19,515,992		14,073,986
Common stock	924,692		664,988
Participant loans	976,808		881,871
Total investments	24,137,283		17,892,782
Receivables			
Employer contribution	687,546		651,239
Participant contribution	6,663		3,859
Total receivables	694,209		655,098
Net assets available for benefits	\$ 24,832,068	\$	18,548,109

The accompanying notes are an integral part of the financial statements.

**Kyocera Mita America, Inc. Savings and Investment Plan**

**Statement of Changes in Net Assets Available for Benefits**

**Year Ended December 31, 2003**

<b>Additions to net assets attributed to</b>	
Investment income	
Net appreciation in fair value of investments	\$ 3,255,412
Interest income	187,442
Dividend	176,015
Net investment gain	3,618,869
<b>Contributions</b>	
Employer	1,487,855
Participants	2,409,618
Total contributions	3,897,473
Total additions	7,516,342
<b>Deductions from net assets attributed to</b>	
Benefits paid to participants	(1,223,537)
Administrative expenses	(8,846)
Total deductions	(1,232,383)
<b>Net increase</b>	<b>6,283,959</b>
<b>Net assets available for benefits</b>	
Beginning of year	18,548,109
End of year	\$ 24,832,068

The accompanying notes are an integral part of the financial statements.

**Kyocera Mita America, Inc. Savings and Investment Plan**

**Notes to Financial Statements**

**December 31, 2003 and 2002**

1. Description of the Plan



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The following description of Kyocera Mita America, Inc. Savings and Investment Plan (the Plan ) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan s provision.

### **General Information**

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The Plan was established on December 1, 1982. It is a defined contribution plan, subject to the provisions of the Employee Retirement Income Security Act of 1974 ( ERISA ). The Plan covers all eligible employees of Kyocera Mita America, Inc. ( KMA ), Kyocera Mita South Carolina, Inc. and Kyocera Technology Development, Inc. (collectively, the Company ). The Plan is administered by a committee appointed by the Board of Directors (the Committee ) of KMA.

### **Eligibility for Participation**

Each employee who was a participant of the Mita Copystar America, Inc. Employees Retirement Plan, a terminated plan, on December 1, 1982 became a participant of the Plan as of December 1, 1982. All other employees of the Company become eligible on the first day of their employment and enrollment to the Plan will commence on January 1, April 1, July 1, and October 1 following the date of employment.

**Contributions**

Contributions are determined as follows:

- a.** Employee Contributions

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Each participant may elect to contribute from 1 to 25 percent, of his or her compensation, as defined on a pre-tax basis and subject to certain limitations. Notwithstanding the above, the elective percentage for participants who are highly compensated employees is limited to 8 percent. Employee contributions exceeding certain defined limitations will be refunded.

**b.** Employer Contributions

The Company contributes on behalf of each participant an amount equal to 100 percent of the participant's contribution to a maximum of 3 percent of the participant's compensation, as defined ( Matching Contribution ). The Company may make additional discretionary contributions on behalf of each participant ( Regular Contribution ).

**Vesting upon Termination**

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In the event that a participant terminates employment (other than by retirement or death) such participant shall have a nonforfeitable interest in the value of his or her contribution and the Company's Regular Contribution. Vesting in the Company's matching contribution portion of their accounts is based on years of continuous service as follows:

<b>Year of Services</b>	<b>Percentage Vested</b>
1 year	0%
2 years	25%
3 years	50%
4 years	75%
5 years	100%

Any portion of a participant's account that is not vested on termination shall be forfeited provided that such participant is not re-employed by the Company within the Plan year of his or her termination.

A participant is fully vested in all of the Company contributions if he or she is eligible for early or normal retirement, or death.

**Inactive Accounts**



The amounts allocated to accounts of persons who had elected to withdraw from the plan but had not yet been paid were \$74,320 and \$37,420 at December 31, 2003 and 2002, respectively.

**Forfeitures**

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For the Plan year ended December 31, 2003, forfeited non-vested employer's contribution amounted to \$78,836. Forfeitures of employer matching contributions are used to reduce the employer's matching contribution. During 2003, \$105,795 of cumulative forfeitures were used to offset employer's contribution. The amount that would be used to reduce future Matching Contribution was \$66,760 and \$91,274 at December 31, 2003 and 2002, respectively.

### **Payment to Benefits**

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While employed, a participant may be entitled to withdraw up to 100 percent of his or her contributions if he or she meets one of the following criteria:

- (a) he or she has attained age 59½ or
- (b) he or she is in immediate and heavy financial needs, as defined.

The Committee has power to approve such withdrawals. The amount of withdrawals cannot exceed the cost of meeting such needs.

### **Participant Loans**

Participants may borrow from their fund accounts a minimum of \$1,000 to a maximum equal to the lesser of \$50,000 or 50 percent of their account balance (vested amount) on the date the loan is granted.

Loan terms range up to five years or reasonable time period that may exceed five years for the purchase of the participant's principal place of residence. Repayment is made through payroll deduction. The loans bear interest at a rate that is currently charged by the Company's principal banking institution for loans granted under similar circumstances.

### **Investment Options**

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Upon enrollment in the Plan, the participants are allowed to direct their contributions in the following funds and stocks:

- a.* HighMark Money Market Fund

*b.* UBOC Stable Value Fund

c. HighMark Bond Fund

*d.* Fidelity Advisor Balanced Fund





e. Fidelity Advisor Growth Opportunities Fund

*f.* Vanguard Index 500 Fund

*g.* Dreyfus Premier Strategic Value Fund

*h.* Janus Twenty Fund

*i.* Fidelity Utilities Fund

*j.* Franklin Mutual Shares Fund

*k.* Janus Global Technology Fund



*l.* Janus Olympus Fund

*m.* Franklin Small Cap Growth Fund

*n.* Franklin Balance Sheet Investment Fund

*o.* Baron Growth Fund

*p.* Janus Worldwide Fund

*q.* American EuroPacific Growth Fund

*r.* Kyocera Corporation Stock

**Amendment and Termination**



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The provisions of the Plan may be amended at any time by the Committee, provided, however, that no part of the funds of the Plan shall be used for or diverted to purposes other than the exclusive benefit of the participants and their beneficiaries. Further, no such amendment or modifications shall impair the rights of the participants already vested.

The Company expects to continue the Plan indefinitely, but reserves the right to terminate the Plan as of the last day of any month. In the event of termination, the interest of each participant shall be fully vested and nonforfeitable. In case of termination, each account is distributed to or on behalf of the participant or beneficiary under one or more of the following methods:

- (a) A lump sum payment
  
- (b) Transfer to any other qualified trust.

### 2. Summary of Significant Accounting Policies

**Basis of Accounting**

The financial statements of the Plan are prepared under the accrual method of accounting.

**Investments Valuation and Income Recognition**

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The Plan's investments are stated at fair value. Quoted market prices are used to value common stock. Mutual funds are valued at net asset value. The Plan's investments in common/collective trust represent shares in a stable value fund which are valued at the net asset value of the fund at year end. The stable value fund invests substantially all of its assets in investment contracts that are fully benefit-responsive investment contracts which are valued at contract value.

Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date, and interest income is recorded on the accrual basis.

The net change in investment value is recorded daily, and any earnings are reinvested in the respective investments. The net change in investment value includes the Plan's proportionate share of interest, dividends, results of realized gains and losses, as determined on a moving average-cost

basis, and unrealized appreciation or depreciation on the underlying investments which comprise the various investment options.

**Net Change in Fair Value of Investments**

The Plan presents in the statement of changes in net assets available for benefits the net change in fair value of investments which consists of realized gains/losses on securities sold during the year and net appreciation/depreciation on investments held as of the end of the year.

**Payment of Benefits**

Benefits are recorded when paid.

**Risks and Uncertainties**

The Plan provides for various investment options in various combinations of investment securities, including underlying equity and fixed-income securities. Investment securities are exposed to various risks, such as market and credit risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

**Use of Estimates**



The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassification**

Certain prior year amounts in the financial statements have been reclassified to conform to the presentation as of and for the year ended December 31, 2003.

**3. Investments**

## Edgar Filing: KYOCERA CORP - Form 11-K

The following presents investments that represent five percent or more of the Plan's net assets as of December 31, 2003 and 2002:

	2003	2002
HighMark Money Market Fund		
2,474,696 and 2,712,441 shares in 2003 and 2002, respectively	\$ 2,474,696	\$ 2,712,441
UBOC Stable Value Fund		
2,719,791 and 2,271,937 shares in 2003 and 2002, respectively	2,719,791	2,271,937
HighMark Bond Fund		
132,100 and 122,453 shares in 2003 and 2002, respectively	1,453,095	1,343,304
Fidelity Advisor Balanced Fund		
67,949 shares in 2002		937,011
Vanguard Index 500 Fund		
25,670 and 20,563 shares in 2003 and 2002, respectively	2,635,541	1,668,703
Fidelity Advisor Growth Opportunities Fund		
64,765 and 58,561 shares in 2003 and 2002, respectively	1,854,859	1,299,475
Janus Twenty Fund		
78,109 and 68,922, shares in 2003 and 2002, respectively	2,825,205	1,999,433
Franklin Small Cap Growth Fund		
51,843 and 44,762 shares in 2003 and 2002, respectively	1,566,700	982,519

During 2003, the Plan's investments (including gains and losses on investment bought and sold, as well as held during the year) appreciated as follows:

Registered investment companies	\$	3,103,492
Common stock		151,920
	\$	3,255,412

#### 4. Income Tax Status

## Edgar Filing: KYOCERA CORP - Form 11-K

The Internal Revenue Service has determined and informed the Company by letter dated August 28, 1992 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (the Code ). The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

## Kyocera Mita America, Inc. Savings and Investment Plan

## Schedule H, Line 4i Schedule of Assets (Held at End of Year)

December 31, 2003

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment, including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current Value
*	HighMark Money Market Fund	Mutual fund	\$	\$ 2,474,696
*	UBOC Stable Value Fund	Common/collective trust		2,719,791
*	HighMark Bond Fund	Mutual fund		1,453,095
	Fidelity Advisor Balanced Fund	Mutual fund		1,225,846
	Vanguard Index 500 Fund	Mutual fund		2,635,541
	Dreyfus Premier Strategic Value Fund	Mutual fund		263,150
	Fidelity Advisor Growth Opportunities Fund	Mutual fund		1,854,859
	Janus Twenty Fund	Mutual fund		2,825,205
	Janus Olympus Fund	Mutual fund		390,463
	Franklin Mutual Shares Fund	Mutual fund		952,048
	Franklin Small Cap Growth Fund	Mutual fund		1,566,700
	Franklin Balance Sheet Investment Fund	Mutual fund		309,772
	Baron Growth Fund	Mutual fund		468,240
	American EuroPacific Growth Fund	Mutual fund		542,652
	Janus Worldwide Fund	Mutual fund		1,167,879
	Fidelity Utilities Fund	Mutual fund		563,554
	Janus Global Technology Fund	Mutual fund		822,292
*	Kyocera Corporation	Company Stock		924,692
*	Participant Loans	5.00% - 10.50%, mature various dates through 2013		976,808

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\*Party-in-interest transaction.

**SIGNATURES**

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Kyocera Mita America, Inc.  
Savings and Investment Plan

Date: October 5, 2005

By: /s/ Nicholas Maimone  
Nicholas Maimone  
Chief Financial Officer

**INDEX OF EXHIBITS**

<b>Exhibit No.</b>	<b>Description</b>	<b>Reference</b>
23.1	Consent of Pricewaterhouse Coopers LLP	Filed herewith