

Headquarters



Director, Managing Executive Officer
Executive General Manager of Headquarters

Shoichi Aoki

Reinforcing the Kyocera Group's management foundation to achieve sustainable growth

To ensure sustainable growth, our business must fulfill societal needs. As part of this effort, our Headquarters section provides comprehensive support to optimize the Kyocera Group businesses worldwide. To achieve the targets of our new medium-term management plan, we also promote sustainable management while strengthening our capital strategies and governance structure. The Headquarters section is committed to reinforcing the management foundation of the Kyocera Group.

	Main Initiatives to Strengthen Our Management Foundation
Capital Strategies	To become a high-growth, high-profit company, Kyocera continues active business investment for the expansion of existing businesses and the creation of new businesses. We will also improve returns to shareholders through the provision of high-level dividends and share repurchases.
Enhancing Human Capital	In addition to continuing the Kyocera Philosophy and education for skill development, we have improved the work environment by promoting diversity and inclusion and office reforms to create a vibrant workplace where all employees can reach their full potential.
Respect for Human Rights	The Kyocera Group identifies key human rights issues and conducts surveys throughout our value chain to assess actual practices. To ensure culture that respects human rights, we will work to address any risk areas and strengthen our human rights due diligence.
Digital Transformation (DX)	As societal needs take on new urgency, we implement company-wide digital transformation (DX) to strengthen competitiveness. Our medium-to long-term DX measures include developing digital tools proficiency training by job function and level.
Intellectual Property Strategies	To build truly sustainable competitive advantages, we focus on developing a world-leading portfolio of intellectual property and intangible assets. We strive to incorporate IP strategy into the early phases of each business to optimize long-term growth.
Addressing Global Environmental Issues	The Kyocera Group implements renewable energy, promotes energy efficiency, contributes to a circular economy through reduction of plastic packaging, and engages in biodiversity conservation activities.
Improving Stakeholder Engagement	To build businesses that fulfill societal needs, Kyocera promotes communication with all stakeholders, including customers, employees, shareholders, investors, and business partners, to ensure that their viewpoints are included in our decision-making.
Risk Management	The Kyocera Risk Management Committee identifies corporate risks to establish countermeasures for prevention and mitigation. Our business continuity planning (BCP) efforts help to ensure a prompt resumption of operations in the event of any unexpected interruption.
Compliance	The Kyocera Compliance Statement outlines our policy on global regulatory compliance through a five-region legal and IP system.
Supply Chain Management	Kyocera is a member of the Responsible Business Alliance (RBA). We conduct supply chain surveys to monitor and reduce risk while ensuring fair, transparent procurement with trustworthy partners.

Vision

We strive to optimize the management resources, such as human resources, goods, financial assets and information, to enhance our corporate value.

Priority Measures

1 Promoting Sustainable Management

In addition to providing new value for society, we strive to promote employee engagement and diversity, as well as sustainable management based on our management philosophy.

2 Capital Strategies ▶ P.23

For sustainable corporate development, we will improve capital utilization and improve shareholder returns through a combination of dividends and share repurchases.

3 Basic Views on Corporate Governance ▶ P.35

We will strengthen our corporate governance system by introduce a performance-linked restricted stock compensation program, appoint diverse outside directors, and improve the effectiveness of the Board of Directors.

Promoting Sustainable Management

Concept

The Kyocera Group's sustainability activities reflect our management philosophy and our mission to build businesses that respond to societal needs. We are committed to develop environment-friendly products, implement climate change countermeasures through long-term environmental targets, and respect human rights.

Promotion System

In FY2023, we reported and discussed about long-term environmental goals, ways to contribute to the circular economy, and expanding the introduction of renewable energy. We will continue to promote company-wide collaboration to meet global expectations for sustainability in business.

Sustainability Committee Structure

Chairman of the Sustainability Committee:
President, Kyocera Corporation
Vice Chairperson of the Sustainability Committee: Senior General Manager of Corporate Management Promotion Group

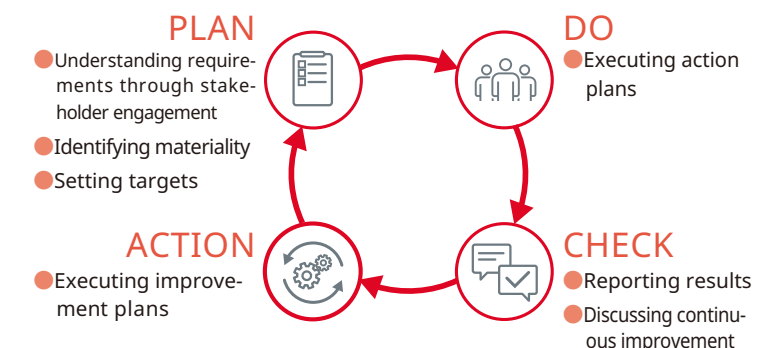
Sustainability Promotion Department, Corporate Management Promotion Group

Sustainability Committee members:
Inside Directors, other top leaders, and etc.

Sustainability Management Processes

To promote sustainable management, first, we seek to understand societal needs through stakeholder engagement. Next, we identify priority issues and take actions to address them. Then, we evaluate the results and discuss the improvement methods, while top management reviews them at committee meetings for further improvement.

Sustainability Management Process Flowchart



Capital Strategies

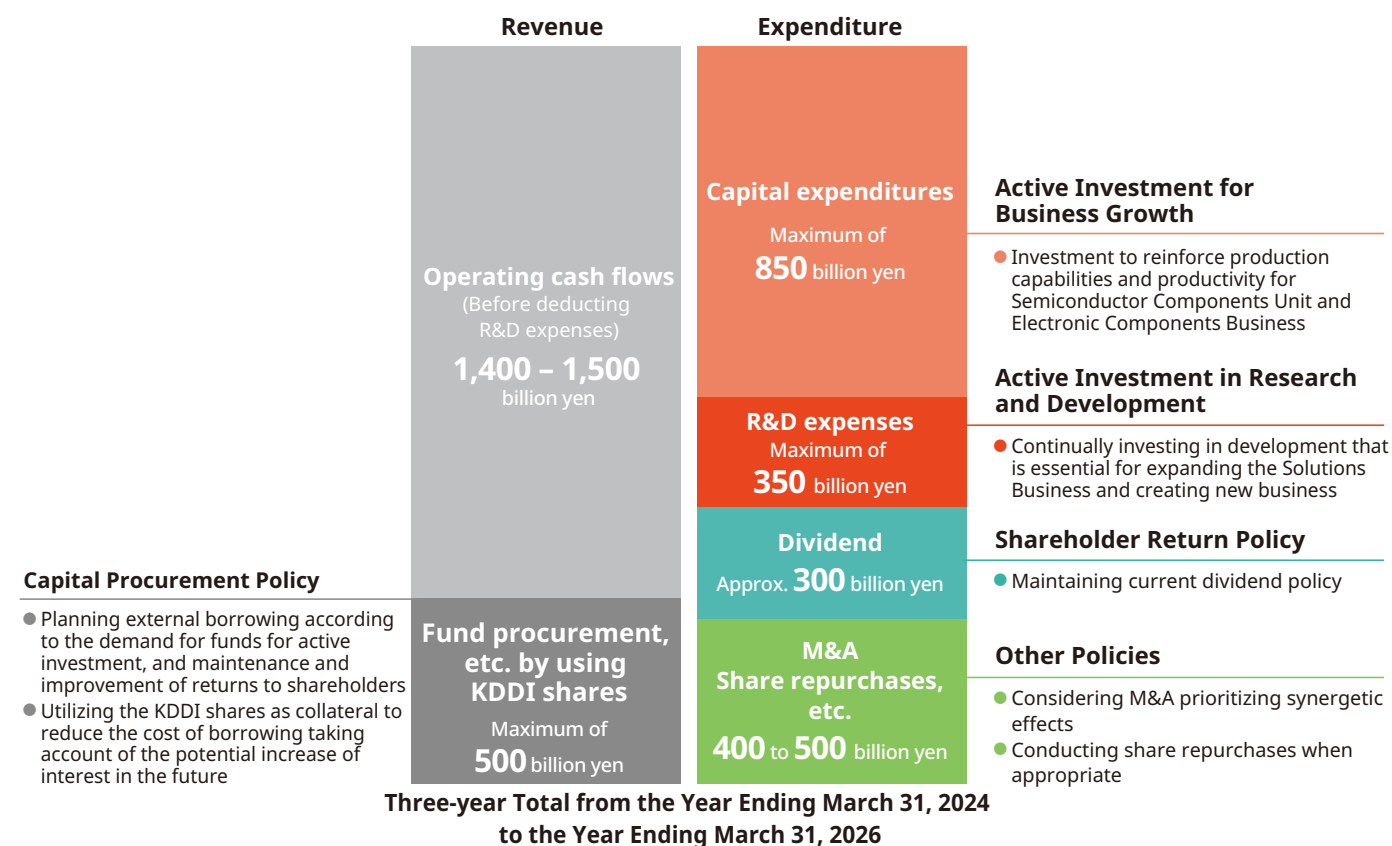
Aiming to become a high-growth and high-profit company, Kyocera continues active business investment for the expansion of existing businesses and the creation of new businesses.

Basic Concept

The Kyocera Group considers the increase of profits through business expansion is important to achieve the goal of becoming a high-growth and high-profit company set in its management policy. At the same time, to ensure long-term benefits for shareholders, it is important to maintain a high-level shareholder's equity ratio and strong financial base in order to continue business operation under any potential business environment. Under this concept, the Kyocera Group strives to enhance production capabilities, invest in research and development, and conduct M&A for sustainable corporate development, while improving returns to shareholders through the provision of high-level dividends and share repurchases.

Capital Allocation

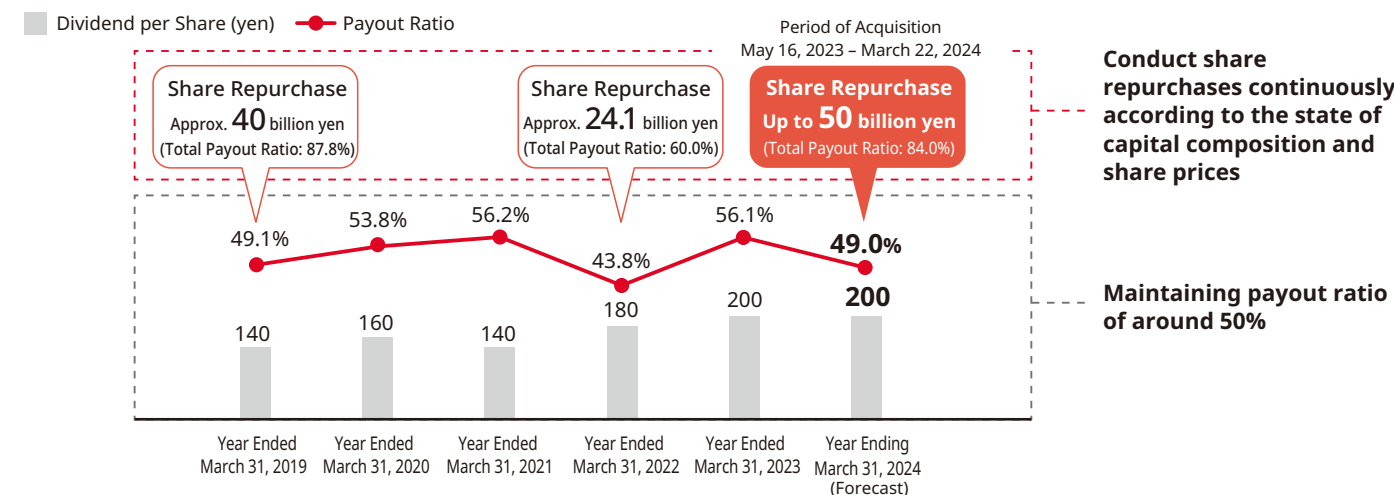
Based on the medium-term management plan, the Kyocera Group clarified the three-year capital allocation from the year ending March 31, 2024 to the year ending March 31, 2026. We estimate the amount of capital expenditure preparing for the business expansion to be a maximum of 850 billion yen, and research and development expenses to be 350 billion yen. We also estimate the returns to shareholders through dividends to be 300 billion yen in accordance with the current policy. In addition, we consider that another 400 to 500 billion yen is available for M&A, share repurchases, etc. We are planning to allocate cash flows through business activities and a maximum of 500 billion yen in bank loans to these investments for business expansion and returns to shareholders. As for the bank loan, we will use KDDI shares owned by Kyocera as collateral to reduce the costs.



Shareholder Returns / Dividends and Share Repurchases

Kyocera considers that the improvement of consolidated performance leads to increased corporate value and responding to the expectations of shareholders. Therefore, we intend to maintain the dividend payout ratio at around 50%, within the range of the profit attributable to owners of the parent, of the consolidated performance. In addition, considering the amount of investment necessary to promote medium- and long-term corporate growth, we determine the dividend by comprehensive judgment. Furthermore, considering internal reserves preparing for the creation of new business and market, development of new technology, and the acquisition of external management resources as necessary, we maintain a sound financial basis to achieve steady and sustainable corporate growth. As an effective means of returning profits to shareholders, we suitably acquire own shares within a certain range of cash flows. Based on the above-mentioned policies, the dividend per share for the year ended March 31, 2023 was 200 yen, an increase of 20 yen compared with that for the year ended March 31, 2022. The projected dividend per share for the year ending March 31, 2024 will be 200 yen according to performance forecasts. Kyocera obtained approval by a resolution on acquisition of own shares up to 50 billion yen as a return to shareholders and preparation for a flexible capital strategy at the Board of Directors' Meeting held in May 2023.

Shareholder Returns Combining Dividends and Share Repurchases



Cross-Shareholdings

Kyocera engages in cross-holding or unilateral holding of shares with the objective of improving our corporate value in the medium- to long-term, focusing on corporate growth through the maintenance of business relationships, realization of profits through shareholdings, and the issuing companies' social significance. If Kyocera judges, as a result of annual examination of its shareholdings, that a particular shareholding does not provide value to Kyocera, Kyocera will reduce such shareholding. To clarify the immediate policy to further reduce such shareholdings, Kyocera resolved at the Board of Directors' Meeting held in April 2023 to adapt the target of reducing at least 5% on the book value basis by the year ending March 31, 2026. The details are disclosed in the Corporate Governance Report issued on April 27, 2023.

The Kyocera Group Human Capital

Throughout its wide range of businesses, the Kyocera Group focuses on employee development through skills acquisition in specialized technologies, and through awareness and practice of our Kyocera Philosophy.

In addition, we recognize the importance of improving the work environment to ensure that diverse employees can find fulfillment and thrive.

The Kyocera Group’s Approach to Human Capital

The Kyocera Group operates under the Amoeba Management system, which allows all employees to participate in managing the company. We view this as an extension of our philosophy to provide opportunities for employee growth and development, both materially and intellectually, while contributing to a better world. The Kyocera Group strives to create an environment in which all employees can approach their work with a sense of ownership and find empowerment and fulfillment by continually expanding their human potential.

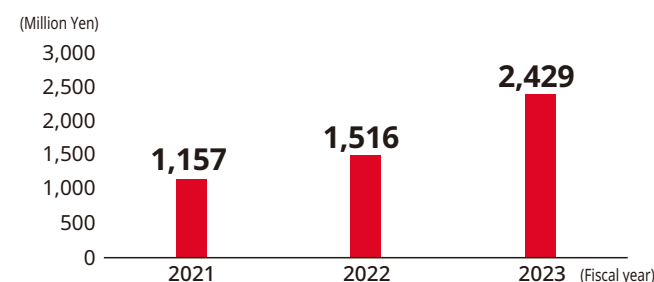
Our “Management by All” approach calls every employee to use “What do we consider to be the right choice as a human being?” as our compass for work and decision-making. As the Kyocera Group expands with a more diverse global workforce, this universal mindset encourages us to aim higher with initiative and enthusiasm, and to grow every day. Our Kyocera Philosophy reminds us that “The Result of Our Life or Work = Attitude × Effort × Ability.” This formula demonstrates that “attitude” is the first factor for success, followed by effort and ability. In addition to passing our Kyocera Philosophy on to new generations of employees, we provide functional training to enhance job performance. We believe this can allow everyone at our company to fully develop their potential, and to grow as the company grows, emphasizing job satisfaction and employee fulfillment.



Initiatives to Strengthen Human Capital

The Kyocera Group companies worldwide employ various methods to enhance understanding and practice of the ideals in our corporate culture, as codified in our Kyocera Philosophy. This is prioritized within other human resource development and professional growth initiatives that also focus on job skills proficiency.

Changes in Education-related Costs (Kyocera)



Initiatives to Advance the Kyocera Philosophy

» Promotion System

To enhance our corporate culture on a foundation of the Kyocera Philosophy, we established a Kyocera Group Philosophy Committee under the Chairman of Kyocera Corporation. This Committee establishes Kyocera Philosophy education policy and develops action plans using input from the entire executive team.



» Kyocera Philosophy Education

The Kyocera Group is expanding Kyocera Philosophy Education on a global basis in accordance with the policy of the Group-Wide Philosophy Committee. For leaders, we have set up opportunities for top management and senior management in Japan and overseas to hold dialogues on the theme of our philosophy, in order to foster the next generation of management leaders with philosophy. For all employees, we build a digital infrastructure in which employees can learn freely at any time, and at the same time, we aim to cultivate a corporate culture in which the philosophy is alive by commending employees for practicing their philosophy.



Global philosophy seminar

Initiatives for Capacity Development

» Management Education

Kyocera provides training to supervisors, the leaders of the organization, to develop executives with advanced management capabilities. In addition, Kyocera aims to improve employees' management capabilities by providing the training to employees necessary in each stage of their career development, from the time of entry into the company to mid-level and executive positions, so that they can learn the skills and knowledge required to fulfill their task on a step-by-step basis.

» Technical Training

Kyocera aims to develop human resources with a wide range of knowledge and advanced expertise in all divisions, including engineering, R&D, manufacturing, quality assurance, sales, and management. From new employees to mid-level employees, Kyocera offers specialized technical training as well as innovation training for learning about innovation creation in practice. The training curriculum covers a wide range of topics, such as materials technology, design skills, manufacturing technology, production technology, management skills, and quality control. Kyocera employees can use this training system to take the training necessary for their work assignments.



Technical training

» Global Education

Kyocera offers online English Learning Support and Overseas Graduate School Study System in order to develop human resources who can succeed on the global stage. These systems have sent employees to various regions around the world, including the United States, Europe, China, Southeast Asia, and India. Through these programs, Kyocera is promoting the cultivation of employees with improved language skills, the ability to obtain up-to-date knowledge and technology that can only be acquired abroad, as well as the development of internationally-minded employees. Furthermore, Kyocera provides international culture training for employees scheduled to be sent to offices or facilities abroad and employees responsible for overseas-related operations.



Global education

Promotion of Diversity & Inclusion

To ensure success in today’s rapidly changing business environment, we believe it is essential to attract diverse human resources and enable each employee to reach their full potential on the job.

Kyocera’s Vision for Diversity and Inclusion

“Diversity & Inclusion” is not meant to establish gender, disability, race, ethnicity, nationality, age or orientation as a special category, but rather, to describe everyone. All employees should be able to live their lives with a sense of inclusion. Our ideas should be respected and accepted based on merit. We should respect one another’s diverse potential. Kyocera regards Diversity & Inclusion as an initiative to ensure the involvement and participation of all employees. Above all, Kyocera strives to understand how it can be a more ideal company and how all employees can achieve a deeper understanding and acceptance of the diversity that surrounds them.



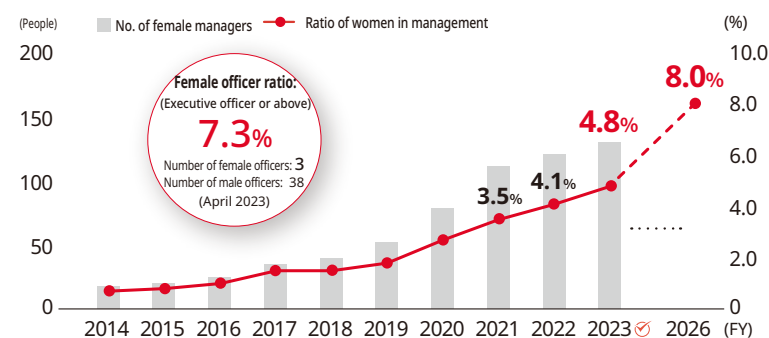
Approaches to Diversity & Inclusion

Considering opportunities for women in the workplace a core management theme at its domestic operations, Kyocera has initiated a variety of awareness programs since 2006 to promote corporate culture reforms and advance initiatives like balancing work and parenting. As a result, the number of women in management has increased. In 2019, the Diversity Promotion Division was established at our Japan headquarters to facilitate company-wide initiatives expanding diversity throughout the workforce. A Site-Specific Diversity Promotion Committee was also set up at each of Kyocera’s major domestic plants and offices to lead local activities in response to site-level needs. Further, to cultivate a corporate climate that respects diversity, we provide guidance from top management, awareness education, and diversity training for managers, aiming to ensure a welcoming work environment for all.

Improving Gender Representation

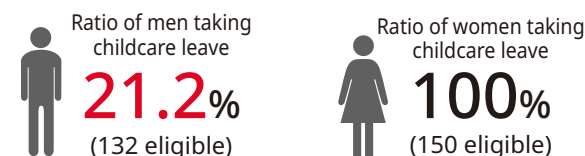
We are targeting Kyocera Corporation to have 8.0% of its management positions held by women by FY2026. We are improving training opportunities for management candidates and actively promoting capable women to managerial positions. Further, we established the Positive Action Promotion Committee, comprised of representatives from each business segment, to focus on employee engagement for women in each department. As of FY2023, Kyocera Corporation had 143 female managers (4.8%); and within its executive team, one female director and two female executive officers (7.3%). We will continue to seek new ways of promoting the participation of women throughout the Group.

Transitions in the Numbers and Ratios of Female Managers (Kyocera)

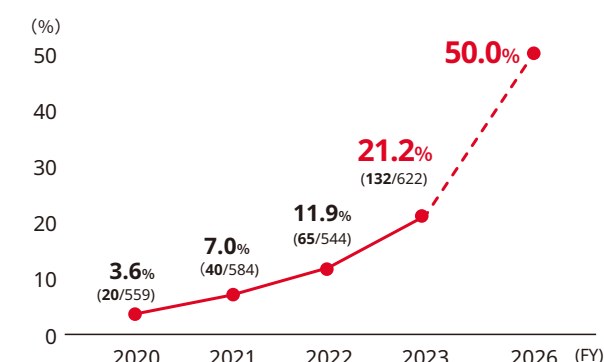


Promoting Childcare Leave

Kyocera has created a work environment in which all employees, both male and female, are able to take childcare leave more easily. To support men’s participation in childcare, we hold roundtable discussions and workshops to promote understanding and guidance. Our approaches have led to an increase in the ratio of eligible male employees taking childcare leave from 3.6% in FY2020 to 21.2% in FY2023. We set a goal to achieve 50% by FY 2026. Through management seminars and other efforts, we continue to create a work environment in which all employees feel comfortable taking childcare leave.



Ratio of Men Taking Childcare Leave (Kyocera)



Approaches to Understanding LGBTQ Issues

Kyocera is making efforts to raise employee awareness of LGBTQ issues and create a comfortable work environment for all. We created SOGI*-LGBTQ Guidelines and have revised our in-house policies to include recognition of same-sex partners as spouses, and the prohibition of conduct, by word or deed, that disadvantages other employees based on their sexual orientation or gender identity. We also provide seminars, both to the general workforce and to employees in general affairs and human resources, to ensure that Kyocera works as an ally to members of the LGBTQ community. In recognition of these efforts, work with Pride, an association that promotes diversity and inclusion to protect members of the LGBTQ community and other sexual minorities, awarded Kyocera the Gold Rating, the highest specified by its PRIDE Index, for two consecutive years.

*SOGI: sexual orientation and gender identity



Participation in LGBTQ events

Creating an Attractive Work Environment

As a part of the group’s work-style reform efforts, Kyocera has been enhancing the work environment of its headquarters and branch offices, specifically by developing spaces suitable for web communication, implementing a hot-desking system, and expanding open communication areas. Furthermore, in the Tokyo Metropolitan area, we opened our New Tokyo Office to consolidate Kyocera Group bases. In addition, in conjunction with the redevelopment of our business sites, we are renovating common areas within plants and expanding communication spaces, dining facilities and other amenities. Through these efforts, we aim to create an environment in which diverse employees can enhance their productivity and apply their creativity throughout the enterprise.



Enhancements at Kyocera’s global headquarters

Respect for Human Rights

To fulfill our management rationale and create a more sustainable society, the Kyocera Group is committed to ensuring respect for human rights throughout our value chain.

Human Rights Policy

Beyond complying with all applicable laws and regulations, the Kyocera Group takes voluntary action to advance human rights through non-governmental initiatives. These include supporting the UN’s Universal Declaration of Human Rights; supporting the Fundamental Human Rights Convention by the International Labor Organization (ILO); and joining the United Nations Global Compact, a platform establishing 10 fundamental principles relating to human rights, labor, preserving the environment, and preventing corruption. The Kyocera Group Human Rights Policy contains explicit prohibitions against the use of forced labor and child labor, as well as prohibiting unlawful discrimination in any form. In addition, the Kyocera Group expressly prohibits abuse of power and sexual harassment in the workplace.



Human Rights Due Diligence

To ensure compliance with the Kyocera Group Human Rights Policy, we have implemented human rights due diligence frameworks for supply chains in accordance with the UN “Guiding Principles on Business and Human Rights.”

● Identification of Salient Human Rights Issues

In collaboration with third-party sustainability experts, the Kyocera Group conducted a survey to identify the top areas of Salient human rights risk within its value chain.

Survey Target and Scope

Region: Areas surrounding Kyocera Group and supplier operations
 Scope: Kyocera Group value chains¹ and rights holders²

Steps to Identify Human Rights Issues

Step 1	Step 2	Step 3	Step 4
Regional risk survey	Industry risk survey	Kyocera Group survey	Prioritizing human rights issues
Human rights risks in the study area were evaluated using multiple data sources.	We listed all industries in which Kyocera Group companies operate, identifying human rights risk areas in each.	Third-party experts conducted interviews and surveys to determine human rights risks and risk-management efforts within the Kyocera Group.	Based on information obtained in Steps 1 to 3, our working group held discussions to identify and prioritize all potential human rights issues.

Survey Results

The survey found 13 areas of salient human rights risk. We are continually monitoring each area in accordance with the UN “Guiding Principles on Business and Human Rights,” identify whether any of the salient human rights issues are occurring and are prepared to take immediate action should any negative impacts on human rights be identified. At the same time, we are taking measures to reduce and prevent the potential for human rights impacts in each area. We will conduct human rights impact assessments among rights holders throughout the value chain, with particular focus on areas identified in the survey.

No.	Salient Human Rights Issues Identified
1	Forced labor
2	Child / underage labor
3	Occupational health and safety
4	Right to social security
5	Fair wages
6	Fair working hours
7	Discrimination in the workplace
8	Freedom of association and right to collective bargaining
9	Rights of migrant and foreign workers
10	Social discrimination and privacy rights
11	Harassment
12	Impact on local communities (environmental and social)
13	Product safety

Note 1: Resource mining; raw materials procurement and transport; R&D and manufacturing; construction; product and service use; product disposal
 Note 2: Employees (unconsolidated companies); employees (Group companies in Japan); employees (Group companies outside Japan); suppliers; temporary employees; contractors; local residents; consumers

● Survey of Actual Conditions

» Survey of Foreign / Migrant Workers

We conducted a survey on employment practices involving foreign and migrant workers at Japan-based Kyocera Group companies, and at our Japan-based suppliers (providers of materials, human resources and on-site contracting).

Survey Scope

Five Japan-based Kyocera Group companies; 413 Japan-based suppliers

Survey Results

Response rate of Japan-based Kyocera Group companies was 100%. Of these, 60% (three companies) employed foreign workers; employment of foreign technical interns was not confirmed.

Response rate of Japan-based Kyocera Group suppliers was 81% (335 companies). Of these, 59% (197 companies) employed foreign workers, and 19% (65 companies) employed foreign technical interns. After survey results identified 57 Japan-based Kyocera suppliers employing a high proportion of foreign technical interns, our representatives visited each company to understand their human rights due diligence and request cooperation in preventing and reducing risks.

Survey results from all companies employing foreign workers detected no human rights issues; however, they did identify potential issues and certain inherent risks for our further investigation and countermeasures.

Employment Survey Response Rate

Survey Target	Number of Subjects	Response Rate
Japan-Based Kyocera Group Companies	5 companies	100% (5 companies)
Japan-Based Suppliers	413 companies	81% (335 companies)

Survey Results

Survey Target	Number of Subjects	Foreign-Worker Employment Rate	Employment Rate of Foreign Technical Interns
Japan-Based Kyocera Group Companies	5 companies	60% (3 companies)	0%
Japan-Based Suppliers	335 companies	59% (197 companies)	19% (65 companies)

» Supply Chain Survey ▶ P.34

We assess efforts to recognize and protect human rights throughout our supply chains using a survey and.

● Initiatives to Reduce and Prevent Human Rights Risks

The Kyocera Group is working to establish an effective company-wide structure for human rights due diligence by FY2026. Efforts to ensure human rights are also a part of our workplace enhancement initiative.

» Preventing Harassment and Discrimination

Kyocera provides training to raise awareness of workplace harassment and discrimination, and encourages all employees to become familiar with the Group’s harassment prevention handbook on company intranets. Special training sessions with case studies and discussion are provided to managers as part of our commitment to a workplace entirely free of harassment and discrimination.













Grievance Mechanisms and Remedies

● Anonymous Incident Reporting

In addition to our anonymous employee consultation service desk, we established a third-party consultation service desk in 2021 as a grievance mechanism, with appropriate considerations taken for privacy, to monitor human rights, harassment, and discrimination violations. The anonymous employee consultation service desk accepts consultations, reports violations of the code of conduct, laws and regulations, conducts in-house surveys, and takes corrective measures when necessary.

Improving Stakeholder Engagement

To understand societal needs and provide solutions, we continue to improve our communication with stakeholders to make decisions based on their opinions.

Stakeholder	Purpose	Method	FY2023 Achievements	Approaches	URL
 Customers	Customer satisfaction depends on higher quality products and services.	<ul style="list-style-type: none"> Customer support services Information provided on our website Dialogue in our markets and at exhibitions Customer service office 	Number of inquiries 6,829	The Kyocera Group maintains a customer service office to improve customer satisfaction by responding to any inquiries, comments, or complaints in a sincere and timely manner.	 Approaches to Raising Quality and Customer Satisfaction Levels
 Employees	We strive to build a working atmosphere of enthusiasm based on our Management Rationale: "To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind."	<ul style="list-style-type: none"> Workplace Vitality assessment Dialogue through information in company newsletters and intranet Round-table discussions and Q&A with top management 	Response rate, workplace assessment surveys 96.8% (Subjects: 27,012 employees)	The Kyocera Group in Japan conducts workplace Vitality assessment with employees to help bolster a sense of dynamism in the workplace.	 Promoting Diversity and Inclusion
			Round-table discussions 9	The Kyocera Group holds round-table discussions between employees and top management to exchange opinions, and the content is shared with all employees in company newsletters.	
 Shareholders	Opinions and requests from shareholders are shared with top management and related internal departments to improve management initiatives and identify key issues.	<ul style="list-style-type: none"> General meeting of shareholders Financial results and business summary briefings for institutional investors Company information sessions with individual investors One-one-one meetings with institutional investors in Japan and abroad Participation at institutional investor conferences hosted by brokerage firms 	Financial results briefings for institutional investors:4 Business summary briefings:1 Approx. 400 participants	The Kyocera Group holds financial results and business summary briefings for institutional investors. At the latest annual financial results briefing, we explained our mid-term business plan to facilitate thorough understanding of our growth strategies.	 Financial Presentation Materials  Business Presentation Materials
			One-on-one meetings with institutional investors Approx. 280	The Kyocera Group holds individual meetings with institutional investors in Japan and abroad, including ESG-themed meetings.	
			Company information sessions with individual investors:1 Approx. 480 participants	The Kyocera Group holds online company information sessions for individual investors and maintains an archive of materials.	
 Business associates	We demand fairness and transparent dealings to promote sustainable growth with business partners and fulfill our social responsibilities concerning human rights, labor and environmental protection.	<ul style="list-style-type: none"> Seminars and social gatherings with suppliers Dialogue through procurement activities Surveys on sustainability activity status 	Seminars and social gatherings with suppliers 232 participants from 202 companies	The Kyocera Group holds seminars and social gatherings for suppliers. Annual awards are presented to the most outstanding suppliers of the year.	 Supply Chain Management
			Response rate, surveys on sustainability activity status 100% (Subject companies: 351)	The Kyocera Group conducts surveys of major suppliers to confirm the state of sustainability activities within our supply chain.	
 Local communities	In recognition of the fact that a company serves as a member of society, we fulfill our responsibility as a good corporate citizen to support the development of local communities not only through our business but also through various social contribution activities.	<ul style="list-style-type: none"> Social contribution activities Dialogue with local residents and businesses 	Off-site classes on environment and energy 1,031 participants	The Kyocera Group offers off-site presentations on the environment and energy to children as a part of its environmental protection activities, to explain the importance of preserving our global environment.	 Environmental Communication
			Participants in briefing sessions 63 participants	The Kyocera Group invites residents, business partners, administrative officials, and neighboring companies to its briefing sessions, where we conduct dialogue on our sustainability activities.	 Stakeholder Engagement

Approaches to Carbon Neutrality

The Kyocera Group recognizes climate change as a priority issue and has publicly supported the Task Force on Climate-related Financial Disclosures (TCFD) since March 2020. We are implementing climate-change countermeasures by establishing a governance system for risk management that incorporates strategies, metrics and targets.

[WEB Measures to Fight Climate Change -Information Disclosure Based on TCFD Recommendations-](#)

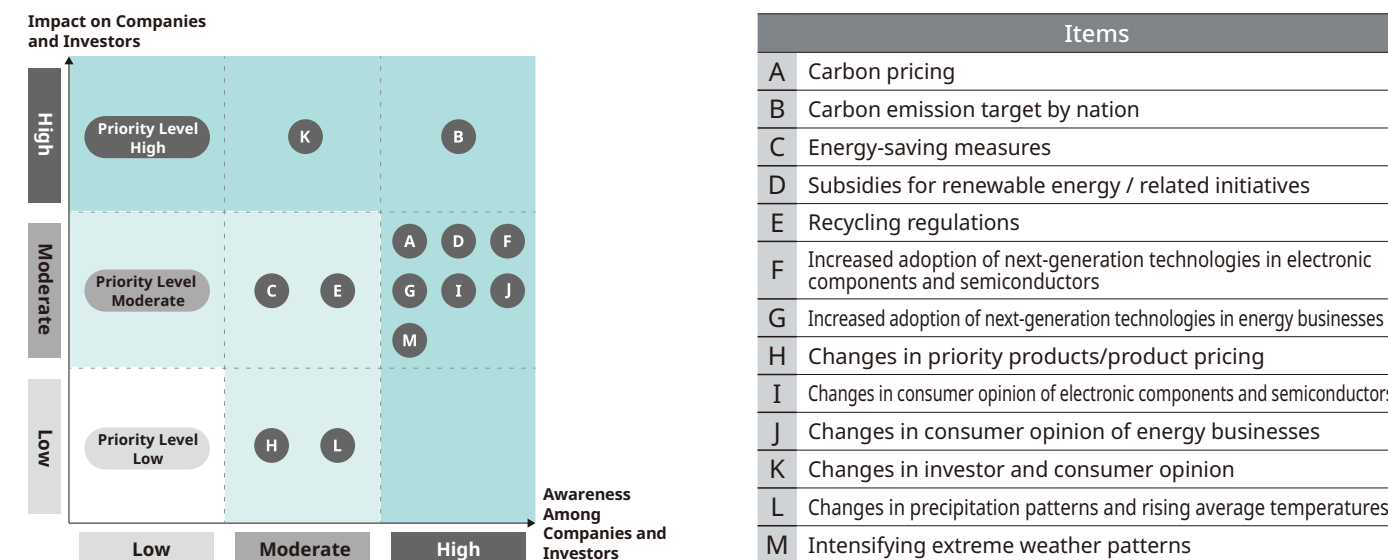
Governance

Climate change ranks among the Kyocera Group’s key management priorities. Our Sustainability Committee meets semiannually with top management to determine climate change countermeasures and goals. Sustainability progress is reported to the Board of Directors and shared during semiannual International Management Meetings attended by the leaders of our global operations. In addition, we have established a Long-Term Environmental Targets Task Force under the auspices of the Sustainability Committee to oversee tactical implementation.

Risk Management

Our risk management efforts include identifying climate-related risks and opportunities within each value chain and evaluating them from two perspectives: 1) awareness level¹, and 2) impact level². We then categorize each risk by priority: high, moderate, or low.

Note 1: From surveys of other companies and investors on climate change, policy, and related trends.
 Note 2: From third-party evaluation of the probability of a risk and its impact on companies and investors.



Strategy

Scenarios

Forecasting toward 2030, the Kyocera Group analyzed its own risks and opportunities from climate change, the impact of climate change on our business, and probable changes in our customers’ industries by using the 1.5°C scenario³ and the 2.6°C scenario⁴ provided by the Intergovernmental Panel on Climate Change (IPCC). Since the trend toward decarbonization is particularly relevant to Kyocera’s Smart Energy business, we used various renewable-energy adoption projections based on the 1.5°C scenario in assessing risks and opportunities. Based on this analysis, we expect to achieve our targets for GHG reduction by FY2031 and carbon neutrality by FY2051.

Note 3: A scenario in which average global temperature rises between 1.0 and 1.8°C by 2100 compared to pre-industrial levels (IPCC Sixth Assessment Report: SSP1-1.9)
 Note 4: A scenario in which average global temperature rises between 2.1 and 3.5°C in 2100 compared to pre-industrial levels (IPCC Sixth Assessment Report: SSP2-4.5)

Business Impact

We conduct business impact assessments on all items categorized as “high priority.”

Main Business Impact Assessment

Classifications	Risks and Opportunities	Changes in Operating Profit		Reference Materials and Calculation Methods
		2.6°C Scenario	1.5°C Scenario	
Manufacturing / Services	Increase in Carbon Pricing	0 billion yen	▲9 billion yen	Estimate based on achievement of 2030 reduction targets (ref.: IEA “World Energy Outlook 2022”)
	Increase in Energy Costs	3 billion yen	▲1 billion yen	Estimate based on achievement of 2030 targets for renewable energy implementation (ref.: IEA “World Energy Outlook 2018”)
	Damage from Natural Disasters	▲7 billion yen	▲3 billion yen	Estimate based on scenario in which all operations inside and outside Japan with high flood risk experience a disaster by 2030 (ref.: Ministry of Land, Infrastructure, Transport and Tourism, “Flood Control Economic Survey Manual (Draft),” hazard maps, and “Population in Areas at Risk for Flooding by Prefecture,” WRI: Aqueduct).
Sales and Consumption	Expansion of Energy Businesses	0 billion yen	6.5 – 8.5 billion yen	Estimated with reference to IEA’s “EV Outlook 2022;” Renewable Energy Institute’s “2030 Energy Mix Proposal (First Edition);” WWF’s “2050 Zero Scenarios for Decarbonizing Japan;” and the Ministry of Economy, Trade and Industry’s “Basic Energy Plan and Energy Supply and Demand Forecasts for 2030.”

Countermeasures

Measures Addressing Rising Carbon and Energy Prices

To enhance its GHG reduction measures, Kyocera has divided the timeframe from FY 2020 to FY 2031 into four periods, with phased targets for power conservation and renewable energy adoption.

	Phase 1 FY2020 to FY2022	Phase 2 FY2023 to FY2025	Phase 3 FY2026 to FY2028	Phase 4 FY2029 to FY2030
Renewable Energy Adoption	On-site Install solar power generation at Japanese and International operations			
	Off-site Install “self-consignment” solar power generation in Japan			
Energy Conservation/ Savings		Off-site Install “PPA” solar power generation in Japan		
	Install exhaust heat recovery systems			
	Install superior energy-saving equipment			
	Shift away from petroleum (to natural gas and others) and steam (electrification/humidification)		Visual energy monitoring for production equipment	Review hydrogen/ ammonia use

New Renewable Energy Options

Since FY 2021, in addition to installing rooftop solar power systems at the Kyocera Group facilities, we have been providing energy solutions for external users through self-consignment⁵ and off-site PPA⁶ arrangements.

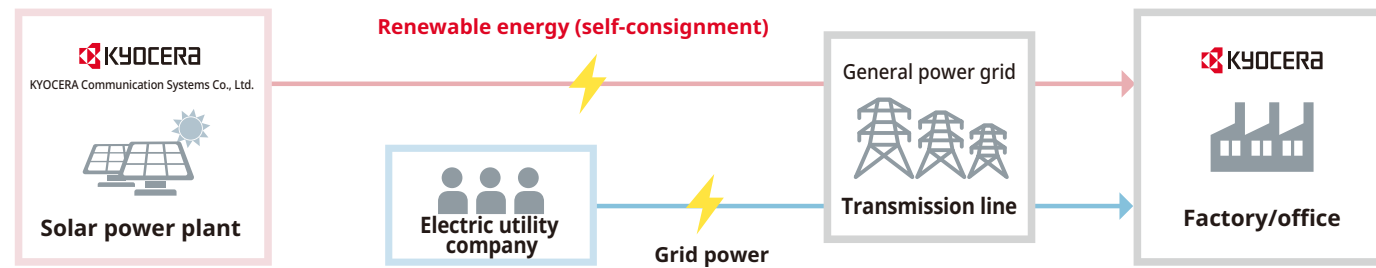


Carport at Keihanna Research Center

Note 5: Self-consignment allows power generated by a system owner to be supplied to other off-site users over the utility power grid.
 Note 6: A power purchase agreement (PPA) allows users to benefit from renewable energy without having to own power-generating equipment

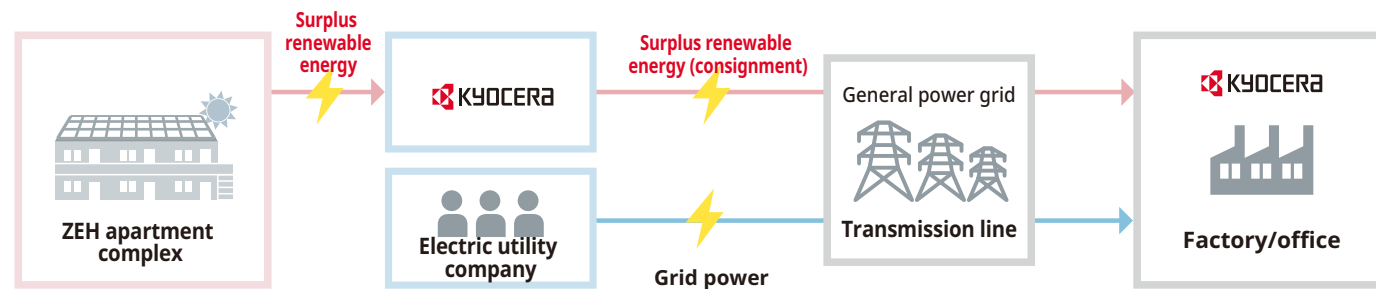
Off-site Solar Power “Self-consignment” System (Japan)

The Kyocera Group installs solar facilities on unused land and transmits electricity over the utility grid to other users on a “self-consignment” basis.



Off-site Installation and Use of Solar Power Generation Systems in Japan (PPA)

The Kyocera Group purchases surplus solar power from ZEH apartments owned by major rental housing companies for transmission to other users.



» Promoting Energy Savings

Installing Exhaust Heat Recovery Chillers

Exhaust heat recovery chillers have been installed in the air conditioning system at the Kyoto Ayabe Plant as part of our energy conservation efforts. This equipment uses heat pump technology to recover thermal energy that would otherwise be lost through exhaust systems, which resulted in reducing power requirements. Similar heat recovery equipments are scheduled to be rolled out in stages across the Kyocera Group.



Kyoto Ayabe Plant: Exhaust heat recovery

Energy Visualization at Production Facilities

By visualizing GHG emissions at each department and plant, we can grasp targets and results in a timely manner and take appropriate actions. Immediate improvements can often be made by simply reducing standby power for equipment that produces high GHG emissions.



Factory energy visualization screen

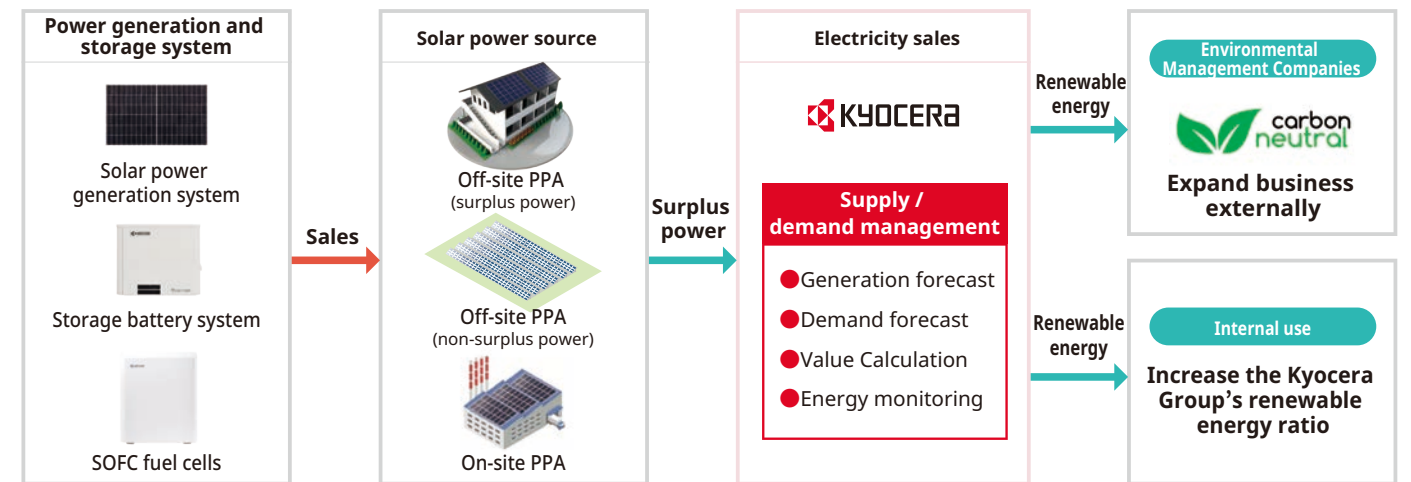
Natural Disaster Countermeasures

As part of our risk management efforts, the Kyocera Group assesses geographic variables in planning countermeasures to potential natural disasters. These include installing water barriers at facilities in flood-prone regions and assessing flood stage data during facility planning or expansion.

Expansion of Smart Energy Businesses

Kyocera is aggressively expanding its use of renewable energy resources internally. In addition, we are branching out externally with our Smart Energy businesses. This includes purchasing surplus power generated by homes, other businesses, and large-scale solar power plants, applying analytics to balance energy supply with demand, and selling the surplus renewable power to other users.

Vision for the Kyocera Group renewable energy services



Metrics and Targets

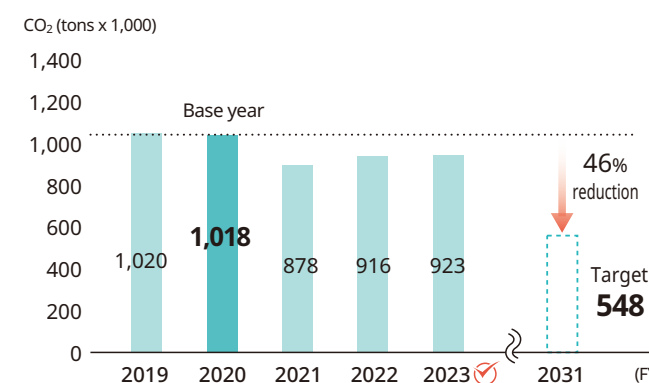
Since the signing of the Paris Agreement in 2016, governments have been collaborating with industry to reduce GHG emissions. Kyocera likewise considers climate change is an urgent issue. In 2018, we adopted long-term efforts to help limit average temperature rise to less than 2.0°C above pre-industrial levels and received SBT certification in 2019. We updated this target to 1.5°C in 2021, acquiring SBT certification in May 2022.

GHG Emissions (Scope 1, 2 ²) Reduction Target (1.5°C-level)	Reduce by 46% by FY2031 (compared to FY2020 levels, SBT certified)
GHG Emissions (Scope 1, 2 ² , 3 ³) Reduction Target (1.5°C-level)	Reduce by 46% by FY2031 (compared to FY2020 levels, SBT certified)
Renewable Energy Implementation Target	Increase 20x by FY2031 (from FY2014 levels)
Carbon Neutrality	Achieve by FY2051

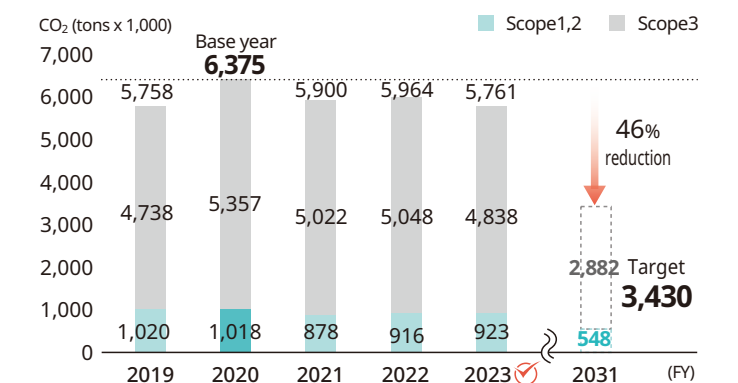


Note 1: Science Based Targets Note 2: Direct emissions associated with fuel consumption and production processes, Indirect emissions associated with consumption of power or heat purchased from outside Note 3: Indirect emissions other than Scope 1 or 2 (Including procurement of raw materials, transport, use and disposal of products, as well as employee commuting and business trips)

GHG Emissions (Scope 1, 2)



GHG Emissions (Scope 1, 2, 3)

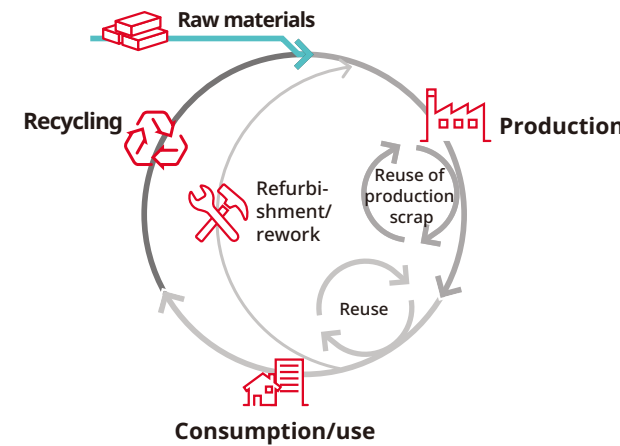


Contribution to the Circular Economy

“To coexist harmoniously with our society, our global community and nature” is a key element of the Kyocera Group’s Management Philosophy, guiding our basic business policy toward the circular economy that reduces natural resource consumption.

The Circular Economy Concept

New laws and standards are being adopted to promote the circular economy. The EU, for example, has implemented some action plans with aggressive targets to reduce waste and incineration. The Kyocera Group has initiated a project to share information on packaging materials used by each department and is now discussing resource-reduction targets. Current work by individual divisions will be expanded to company-wide targets to reduce plastics and convert to recycled resources for a more sustainable society.



The Kyocera Group Initiatives

● Environmental Challenges and Packaging

Recognizing the urgency of climate change countermeasures, Kyocera is committed to manufacture environment-friendly products and provide them in sustainable packaging. One example is a new type of package using a materials-saving design. By reconfiguring the conventional concept of separate internal boxes and partitions within a package, we have developed a single multi-folded cardboard container, reducing materials while maintaining the functionality. We will continue to raise employee awareness of environment-friendly materials and processes to enhance our sustainability performance company-wide.

● Circular Initiatives for MFPs and Printers

Kyocera Document Solutions Inc., which produces and sells printers and multifunctional peripherals (MFPs), has been working to establish a circular business cycle encompassing product design, production, collection, and recycling.

» Product / Service Design Process

Our product design process includes a wide range of environmental considerations, including durability factors to reduce parts replacement and disposal; 3R factors to “reduce, reuse, and recycle;” and energy efficiency factors to minimize GHG. Products are created using environment-conscious design standards from the initial concept through each stage of development.

» Use of Post-Consumer Recycled (PCR) Materials

We introduce recycled plastics for use in MFPs, printers, and toner containers, targeting PCR content of 1% or more for 2023; 5% or more for 2024; and higher rates for new models in subsequent years.

» From Collection to Reuse

We collect used MFPs and printers in some regions for disassembly and reuse of materials, while cleaning, inspecting, repairing, testing, and reselling units as factory-refurbished equipments. As society calls for transition to a circular economy, we will expand our product reuse rates while designing products that facilitate easier recycling.

Biodiversity

The Kyocera Group supports environment-friendly, sustainable growth by promoting both ecology and economy.

Conservation of Biodiversity

Human survival depends on many blessings of nature. Nevertheless, a forest area equivalent to one-fifth of Japan’s land mass is lost from the world every year — and extinction rates have accelerated 1,000x due to human activities in the past several hundred years, making biodiversity an extremely serious issue. The Kyocera Group Environmental Safety Policy aims for a more sustainable society by minimizing environmental impacts from our business and protecting the natural environment.

- Reduce natural environmental destruction and ecological impacts, such as avoiding areas of significant biodiversity
- Conduct environmental impact assessments and work to mitigate impacts, including minimization, restoration, and offsets
- Actively promote the greening of business sites
- Participate in and support social contribution activities in cooperation with external partners

Since 2010, we have participated in the Nippon Keidanren’s “Declaration of Biodiversity” and have endorsed the Keidanren Declaration of Biodiversity and Action Guidelines (revised version) proposed by the Keidanren Declaration of Biodiversity Initiative since 2020.

Efforts to Conserve Biodiversity

To improve environmental awareness among employees while addressing issues of climate and biodiversity, the Kyocera Group engages in domestic reforestation efforts, biotope development, protection of endangered species, and efforts to preserve and cultivate traditional vegetables in local communities.

FY2024 Targets	Implement 29 biodiversity conservation projects across all production sites (in Japan)
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» Promoting “Kyocera Reforestation” Activities

The Kyocera Group is engaged in activities to regenerate natural greenery on factory grounds and local forests. Our activities mainly involve thinning, weeding, and planting trees in collaboration with forestry associations and local residents.



Thinning work

» Protection of Endangered Species

Kyocera Document Solutions Inc.’s Mie Tamaki Plant has signed an agreement with Sugashi Arita Sadaoki Environmental Conservation Association to conduct biotope restoration activities in Satochi-Satoyama area. As a result of ecoscaping and land management efforts, including thinning, weeding and maintaining waterways around former rice paddies, a recovery has been observed among local at-risk fauna and flora. In parallel with this, we support observation events for children to learn about nature and biodiversity.



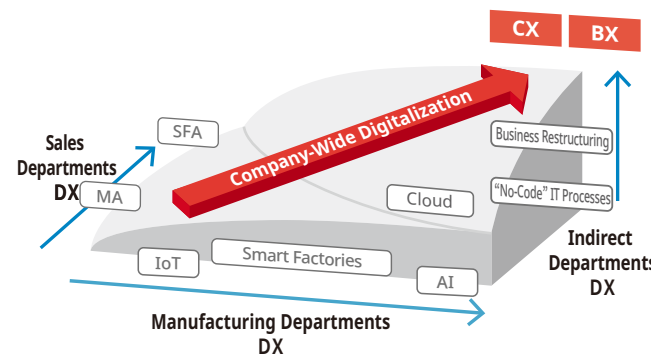
Observation event for children

Digitalization: A New Corporate Culture

The Kyocera Group is pursuing company-wide digital transformation (DX) to increase our competitiveness and respond to societal trends ranging from a declining population to changes in the way people work.

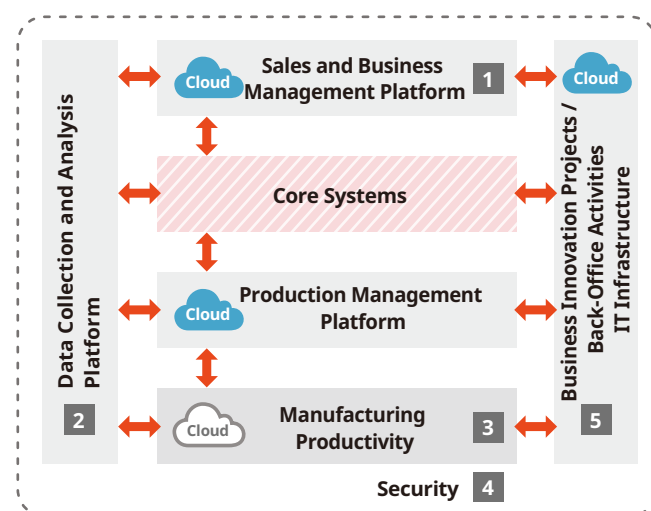
Leveraging DX into Corporate Transformation (CX) and Business Transformation (BX) by Enhancing the Corporate Culture and Workforce Expertise

The Kyocera Group is promoting digital transformation (DX) in all business segments in an effort to meet new societal needs while increasing our competitiveness in rapidly evolving markets. To maximize the value we provide our customers, we promote changes in corporate culture and employee awareness about data-centric management and organizational optimization for use as the driving force to strengthen our management base. We consider DX a necessary first step in advancing toward corporate transformation (CX) and business transformation (BX).



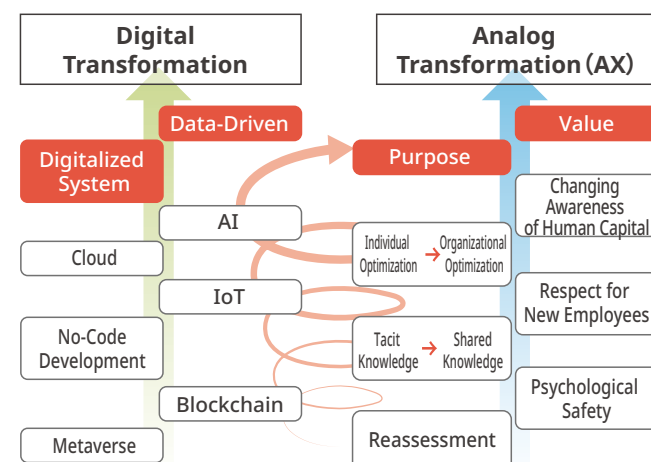
Moving Toward Digitalization

- 1 Company-Wide Use and Sharing of Sales Data**
- 2 Data Collection / Analysis Platform**
- 3 Initiatives to Double Manufacturing Productivity**
We conduct data-based reviews of manufacturing departments, and use data-sharing platforms to improve product quality and production efficiency.
- 4 Secure Data Networks**
Cybersecurity measures maintain business continuity and ensure the safety of information assets.
- 5 Improving Office Efficiency: Bottom-Up IT Skills**
A bottom-up approach to IT skills development helps expand opportunities for process improvement.



Relationship Between DX and Analog Transformation (AX)

As we move forward with digitalization in each department, we see areas where traditional corporate culture and habits present obstacles. The role of DX is to change the culture, overcome past practices, reduce fear of change, and unlock expertise that has become individualized. We will review our “analog” processes and use DX to create synergies that expand our business through an intersection of digital systems, corporate culture and employee knowledge.



Digitalization Timelines

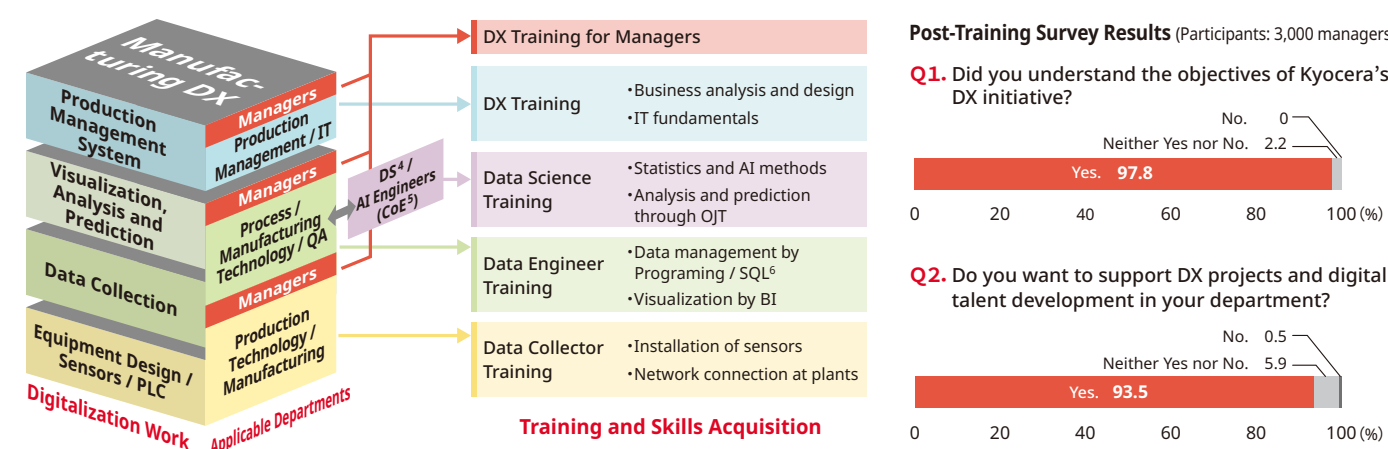
Since digitalization takes time to show results, we classify initiatives by timeframe — including those expected to bring immediate benefits, those contributing to the medium-term management plan, and those that support long-term growth (10-year horizon). Within the immediate-impact category, we are expanding deployment of cloud applications, applying AI to office processes, and expanding information-sharing over company-supplied smartphones. To support the medium-term plan, we are increasing data-driven operational efficiencies by creating a shared platform accessible to sales, manufacturing, and administrative teams. For long-term growth, we will implement measures for human resource cultivation preparing for ESG and human capital management, and the timely provision of accurate information to society, which bring the Kyocera Group closer to our goal of becoming “The Company” — the enterprise to which all others may respect.

	Current Term	In 5 Years	In 10 Years
Immediate Effect: Building a Foundation	<ul style="list-style-type: none"> Current tools and methods New guidelines and rules Sharing use cases Aspiring to the Next Level	Medium-Term Revenue Plan (FY2026: 2.5 trillion yen; FY2029: 3 trillion yen)	Declining Population / Changing Values Among New Generation
Initiatives with Five-Year Horizon	<ul style="list-style-type: none"> Review all operations Standardize company-wide system Enable cross-divisional information sharing Make all operations data-driven	Turning DX gains into business results	Elevating DX efforts into corporate culture
Attain long-term growth targets; social recognition; corporate culture that seeks new challenges	<ul style="list-style-type: none"> Contribute to society as a responsible corporation Cultivate human resources based on human capital concept Provide timely, accurate information disclosure Building a Foundation to Become “The Company”	ESG Measures (GHG reduction / Environmental preservation / Governance) Human resource development: IT literacy, reskilling for innovation Share results with society through our Kyocera Philosophy Corporate culture: Empower all employees to work with initiative and management mindset	

Note 1: Office365 is a product developed by Microsoft Corporation; reference used by permission. Note 2: Marketing Automation Note 3: Sales Force Automation

Human Resource Development by Position and Function

DX supports human resource development by enabling better education and training tailored to an employee’s position and function. Manufacturing employees may receive periodic training on how to calibrate sensors that provide data from the production line; how to process real-time data for peak machine efficiency; how to use data analysis and predictive AI; and how to support upstream processes for digitalization. All of this is designed to cultivate skills development on the job. We also hold training on DX concepts for department managers, with sessions explaining the manager’s roles and responsibilities for optimal DX implementation. This increases awareness of the need for DX and ensures a corporate climate that emphasizes a bottom-up approach to cultivating new talent. Post-training surveys have shown these sessions to be successful in deepening managers’ understanding of DX. We will continue to provide training to deepen employee understanding of digitalization in the workplace.



Note 4: Data Scientist Note 5: Center of Excellence Note 6: Structured Query Language

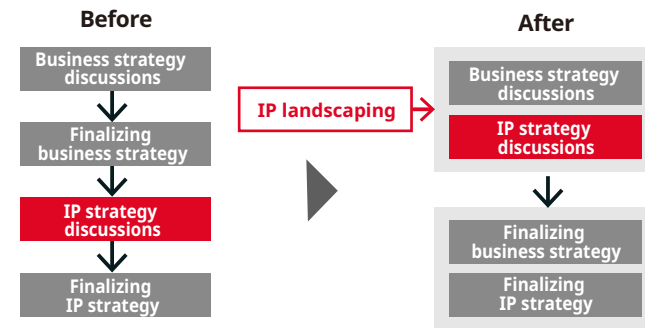
Intellectual Property Strategy

“Committing to the highest legal and intellectual property standards to strengthen and protect our business.” This statement represents Kyocera’s basic principle concerning legal and intellectual property (IP) activities. Amid rapidly changing markets and evolving societal demands, the Kyocera Group holds an unyielding standard for intellectual property (IP) principles and practices.

Promoting Our Intellectual Property Strategy

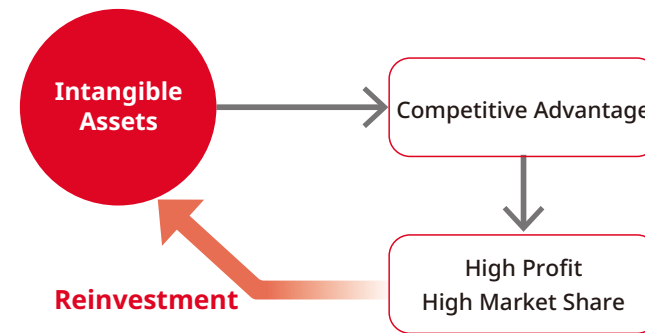
Kyocera focuses on “integrating IP strategy into business strategy” as part of our basic operations. We provide and assess the IP landscape¹ during initial business planning to reinforce each segment.

Note 1: Analysis combining IP factors with other business, scientific and technological trends



IP Activities that Sustain Competitive Advantage

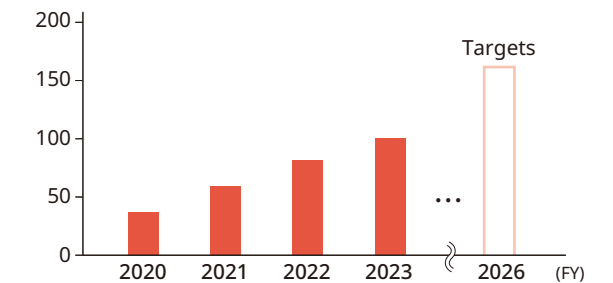
In a growing range of fields, the competitive advantages of superior IP and intangible assets hold the key to higher profits and market share. Having profit to reinvest allows us to continuously improve our technologies, further reinforcing our intangible assets including IP. This cycle represents the IP strategy supporting our business.



Visualizing How IP Contributes to Business

To visualize how IP contributes to our business, we convert the results of IP activities including patent licensing and risk reduction into monetary values using our own calculation methods. Using this data, we set target amounts by fiscal year as key performance indicators (KPI), which provide a clear picture of IP activities and measurable results.

Value of Contributions to Business³

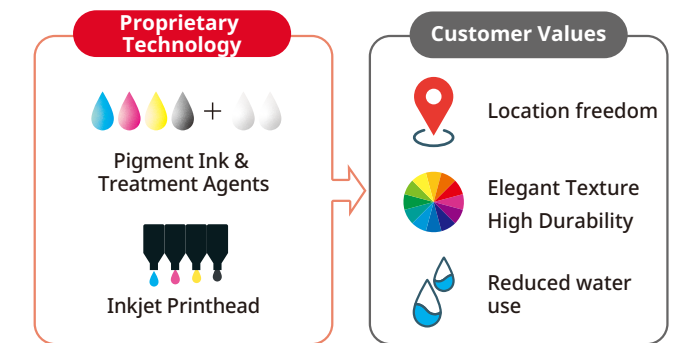


Note 3: Trends and target values (FY2023 = 100)

IP Achievements that Protect Our Environment

Digital Textile Printing [▶ P.11](#)

Kyocera offers a unique value proposition in the emerging field of digital textile printing, where our inkjet technology dramatically reduces water consumption; yields a beautiful yet durable fabric, with smooth, delicate feel; and greatly simplifies location setting by requiring only a very small footprint. Our proprietary inkjet printheads apply pre-treatment liquid, pigmented ink, and finishing agent in a single process. Kyocera has submitted more than 50 patent applications associated with these unique technologies to further enhance our business.



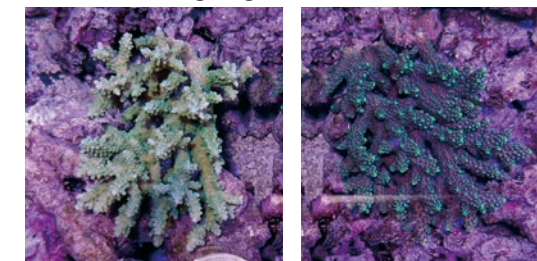
LED Lighting Technology: Conserving Biodiversity [▶ P.20](#)

Kyocera has developed innovative LED lighting technology that helps conserve biodiversity.

» Aquarium Lighting [▶ P.21](#)

Kyocera’s CERAPHIC® LED lighting creates a spectrum very close to that of natural sunlight, making it suitable for growing a wide range of aquatic plants and animals. CERAPHIC has been adopted by marine institutions as an ideal light source for aquariums. This unique technology is protected by a number of patents.

Acroporidae (coral) generates its vivid natural coloration under CERAPHIC lighting



Standard fluorescent lighting CERAPHIC lighting

» Dwarf Rice [▶ P.20](#)

With its superior performance in replicating the spectrum of natural sunlight, Kyocera’s LED lighting offers great potential in indoor Controlled-Environment Agriculture (CEA) as well. Kyocera is now developing technology for dwarf rice cultivation using its LED lighting. To maximize future business potential, we integrate IP development into business strategy from the earliest phases of planning.



Third-Party Recognition of Kyocera’s IP Activities

Kyocera’s continuous efforts in IP development have won acclaim from respected external institutions:

- Clarivate Top 100 Global Innovators 2023 (Seventh award, twice consecutively)
- LexisNexis Innovation Momentum 2023: The Global Top 100 (First award)

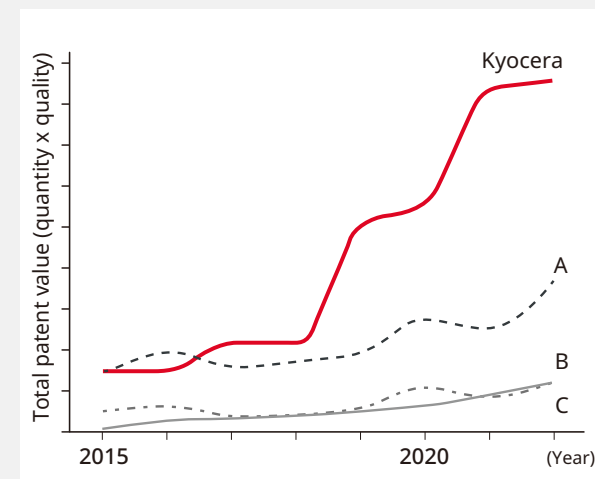


Awarded by LexisNexis

Ceramic Semiconductor Packages

The above-mentioned cycle is reflected in ceramic semiconductor packages, one of Kyocera’s core businesses. A patent analysis² for miniaturization technology shows that Kyocera’s IP portfolio has grown in value continuously in recent years, and that Kyocera’s IP and intangible assets give us an edge over other companies reflected as A, B, and C in the graph. This has supported our strong profit performance and market share, which are key to growth. In the three-year period ending in March 2026, the Kyocera Group plans to make capital investments totaling 850 billion yen on a consolidated basis. Half of this investment will go toward semiconductor-related businesses, including ceramic packages.

Analysis of Miniaturization Technology Patents



Note 2: Analyzed using PatentSight from LexisNexis

Risk Management and Business Continuity Plan (BCP) Initiatives

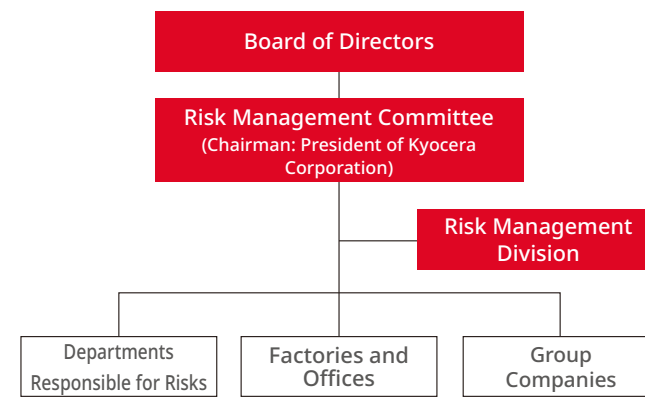
The Kyocera Group recognizes a rising need to monitor our supply chains amid the decoupling of the world’s economies, which is increasing the factors often referred to as “VUCA” – volatility, uncertainty, complexity, and ambiguity. We will strive to reinforce our management foundation and achieve sustainable growth by pursuing risk management, compliance, and BCP activities essential for survival in these uncertain times.

Risk Management

The Kyocera Group reformed its Risk Management Committee in June 2022 and holds meetings periodically to determine risk management policies, identify corporate risks, assign risk owners, and review risk-handling progress.

Items discussed at the Risk Management Committee are reported to the Board of Directors, and policies are shared among departments responsible for risks, factories, branch offices, and Group companies. We also established a Risk Management Division in April 2023 to reinforce our risk management structure.

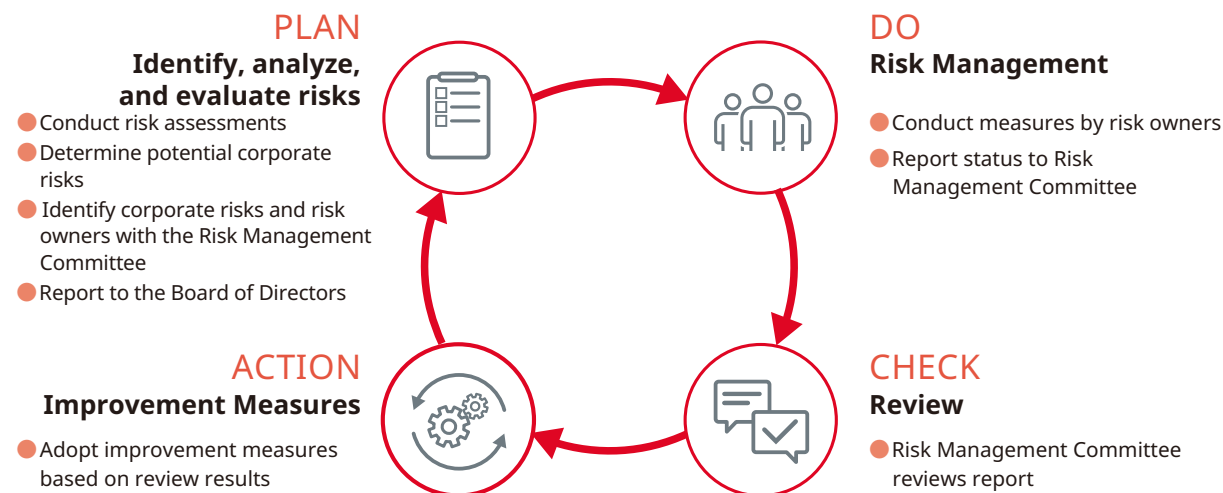
Organization Chart of Risk Management



Risk Management Process

The Kyocera Group conducts regular assessments to identify, analyze, and evaluate major risks. We identify corporate risks with significant potential impact on our business, take necessary countermeasures, and review the risk-handling process using the “plan, do, check, act” (PDCA) improvement cycle shown below.

Corporate Risk Management Process Flow



Corporate Risk

Corporate risks and countermeasures identified through the risk management process are as follows:

Risk Classifications	Specific Risk Details	Main Countermeasures
Risks Regarding Economic Security	<ul style="list-style-type: none"> Risk related to unexpected changes in laws and regulations regarding economic security policies, investment regulations, product import and export restrictions, and/or restrictions on repatriating profits, due to political, geopolitical, or economic factors affecting international business operations 	<ul style="list-style-type: none"> Establish an economic security project to enact risk prevention measures such as the monitoring of international risks Collect information about changes in regulations regarding investment and profit repatriation, and take all necessary measures
Risks Regarding Human Rights	<ul style="list-style-type: none"> Legal and/or reputational risk related to changing laws and regulations regarding human rights both at the Group companies and in supply chains 	<ul style="list-style-type: none"> Respect human rights of all stakeholders associated with the Kyocera Group, including employees, customers, shareholders, investors, and business partners, and take action to reduce or eliminate any human rights risks Comply with EU Conflict Minerals Regulations and other legal requirements; survey, evaluate and take corrective measures for risks related to conflict materials and human rights violations. Join the Responsible Business Alliance (hereafter, RBA); conduct human rights due diligence on supply chain, and provide education about the prohibition of harassment and discrimination
Risks Regarding Information Security	<ul style="list-style-type: none"> Risk of damages from information leakage, falsification, loss, or business interruption due to hardware or software failure or cyberattack Risk of additional cost for information security in response to new requirements related to technical innovation and customer demands Reputational risk and loss of business competitiveness caused by information breach, loss or hacking 	<ul style="list-style-type: none"> Improve rules regarding information security Provide education to employees, enhance security measures for networks and IT assets, and reinforce business continuity plans (BCP) to establish rapid recovery measures
Risks Regarding Barriers to the Hiring of Excellent Human Resources	<ul style="list-style-type: none"> Risk of becoming unable to fulfill human resource requirements due to fierce labor market competition and shrinking labor pool Risk of becoming unable to maintain current human resources by not improving work-life balance, or not promoting diversity and social inclusion 	<ul style="list-style-type: none"> Strategically determine the location of new factories based on the expected number of employees and local labor resources Secure adequate human resources with an eye on the future, including further expansion outside Japan, and salary levels adjusted to local labor markets and inflation rates Improve work-life balance; promote diversity and inclusion; implement flexible work systems
Risks Regarding Earthquakes and Other Natural Disasters	<ul style="list-style-type: none"> Risk to business from large-scale disasters caused by earthquake, typhoon, heavy rain, flooding or other inevitable natural disasters, equipment failure, and/or human error Risk to financial performance and business results from direct damage caused by disaster, and/or economic harm caused by impaired market conditions resulting from disaster 	<ul style="list-style-type: none"> Develop BCP structures that model earthquakes and other natural disasters, as well as large-scale disasters caused by equipment failures or human error; prepare countermeasures in advance Create disaster-response plans to ensure early recovery and supply-chain alternatives; conduct BCP education and training

Please see the annual report for details on risks and major countermeasures. [Financial Report](#)

Business Continuity Plan (BCP)

The Kyocera Group maintains a policy of seeking prompt recovery and resumption of operations following any disaster-related interruption in business, as reflected in our BCP. A marked increase has been noted recently in the number of risks that pose a threat to business continuity, including natural disasters such as earthquakes, violent storms, pandemics, and supply chain risks caused by international conflict. We review all potentially disruptive risks and prepare aggressive countermeasures by securing equipment, components, and raw materials critical to our operations, and identifying alternate means of production. We are also incorporating business continuity management (BCM) activities, including education and training, with regular review.

Compliance

The Kyocera Group operates within a corporate culture guided by our Kyocera Philosophy and its general criterion for decision-making: “Do the right thing as a human being.” This criterion emphasizes the concept of coexisting harmoniously with society amid the traditions and cultures of our host communities. Recent years have seen an increase in international laws and regulations that reflect the spirit of our philosophy, and other corporations are adopting their own similar approaches. The Kyocera Group understands the importance of legal compliance and conducts business in accordance with all applicable laws and regulations.

Compliance Initiatives

To further instill compliance awareness within the Group and among external stakeholders, we have established a “Kyocera Compliance Statement” clarifying our proactive efforts globally. Kyocera divisions and overseas Group companies collaborate in response to rapid changes in laws and regulations. For example, following the European General Data Protection Regulation (GDPR), which introduced strict laws on the handling of personal data in many regions, Kyocera Group companies now continuously monitor data collection and retention practices to ensure compliance. In response to expanding anti-corruption laws and regulations, which have impacted even well-known global companies, we created a Kyocera Group Basic Policy on Anti-Corruption as our guide for global business activities, and defined the specific anti-corruption prevention structure in the Kyocera in the Anti-Corruption Regulations of Kyocera Corporation, implement internal regulations by the Group companies, and provide employee education to thoroughly publicize the rules and procedures. We have also created the Kyocera Group Global Antitrust Compliance Manual, formalized our procedures for contacting competitors, and begun periodic Antitrust & Competition Law training, including e-learning, within our international Group companies.

● Global Five-Region Legal and IP System

Our proactive M&A strategy has seen the number of Kyocera Group companies grow to around 300, with more expected in the future. For efficiency, the Corporate Legal and Intellectual Property Group divides the globe into five regions. Each local headquarters works with the Kyocera Group companies in its region to build a system for reducing legal risk and ensuring compliance. Building a collaborative network between Group companies is vital for efficient global compliance. To facilitate this, we organized Kyocera Group Global Legal Compliance Meetings for the headquarters and operating companies in each region to discuss our policies and identify local challenges.



Kyocera Global Legal Compliance IP Meeting

● Collaboration with Risk Management Division

Kyocera Corporation established a Risk Management Department in April 2023 to reinforce its risk management structure. Risk management and compliance intersect with many other key initiatives, including economic security, human rights, and information security; therefore, work in these areas is jointly promoted by both the Risk Management Department and Global Compliance Division.

» Risk Management and Compliance Conference

Within each major business segment, Kyocera Corporation appoints risk management and compliance leaders who attend quarterly conferences with indirect divisions and domestic partner companies. These conferences help us establish annual plans, confirm progress, share information and exchange opinions on the topic of risk management and compliance.

» Risk & Compliance Month

Kyocera Corporation has designated each December as Risk & Compliance Month. To heighten awareness, employees are addressed by the president, key priorities are shared at shift-start meetings, and e-learning exercises are widely conducted. By sharing these initiatives with our Group companies, we aim to permeate our enterprise with a risk management and compliance mentality.

Supply Chain Management

The Kyocera Group has established a Basic Policy on Purchasing to ensure that transactions with our business associates are carried out fairly and transparently. In addition, Kyocera Corporation RBA in July 2022 to reinforce its social responsibility commitment in global supply chains and aim for continuous improvement.

Policy on Procurement

The Management Rationale of the Kyocera Group is: “To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind.” We view our commitment to fairness in supply chains as a key requirement toward fulfilling this ideal. The Kyocera Group believes that mutual prosperity is possible only if all supply-chain stakeholders — including development, production, sales, and service enterprises — work together to address societal needs. This demands continuous engagement with business partners through mutual trust. In December 2020, Kyocera announced its “Declaration of Partnership Building” to promote deeper collaboration with existing suppliers and other businesses seeking to create new value.

Risk Assessment for Suppliers

● Supply Chain Survey

The Kyocera Group has established “Kyocera Group Responsible Business Conduct Guidelines” to monitor the sustainability performance of our business partners in such areas as human rights, responsible mineral procurement, and business continuity planning. Using these guidelines, we conduct annual supplier surveys of practices affecting human rights and labor, the environment, health and safety, fair trade and ethics, quality and safety, business continuity planning (BCP), and information security, among other areas. Our Kyocera Group Human Rights Policy provides a foundation for deeper engagement in human rights due diligence as well.



Kyocera Group Responsible Business Conduct Guidelines

» Targets

To promote sustainable procurement, Kyocera has set a goal to achieve a supply chain with no (0%) enterprises rated as “high risk” in the areas of human rights, labor, and ethics.

» Results

Our FY2023 survey of 351 key suppliers identified two with high-risk scores; however, none rated “high risk” for both human rights, labor and ethics, the areas Kyocera has identified as priority.

» Audit for Risk Reduction

We audit suppliers whose survey ratings reveal risk and engage them in direct dialogue for improvement. In FY2023, we requested formal corrective action plans from both suppliers with “high-risk” ratings. Both suppliers implemented corrective actions within 12 months.

Number of Key Suppliers Surveyed	Number Identified as High-risk	Improvement Among Suppliers with Risk
351	2	100%

Future Initiatives

The Kyocera Group will continue to monitor its supply chains through surveys and audits. We plan deeper engagement among all business partners on key issues, including a new initiative for human rights due diligence. We will continue to investigate risks and seek continuous improvement to build stronger supply chains globally.