

THE NEW VALUE FRONTIER



Kyocera Group
CSR Report

Economic, Social and Environmental Reports

2012

Corporate Motto

“Respect the Divine and Love People”

敬天愛人

Preserve the spirit to work fairly and honorably,
respecting people, our work, our company
and our global community.

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.

Management Philosophy

To coexist harmoniously with our society, our global community and nature. Harmonious coexistence is the underlying foundation of all our business activities as we work to create a world of prosperity and harmony.

Methods of Management

1. To earn fair profit through harmonious business practices that result in products that satisfy our customers — providing quality products at lower prices, realized through ongoing R&D and sincere service.
2. To manage our company as if we were a family, hearts bound together devoid of antagonism, helping each other with a mutual sense of gratitude and appreciation.



Kazuo Inamori
Founder and Chairman Emeritus
KYOCERA Corporation

Kazuo Inamori

The human race is facing a turning-point in history. In politics, business and other areas of society, the old order no longer seems to function well. A new framework and way of thinking are being sought.

This new way of thinking is a philosophy that enables all living things on earth to survive and thrive — the spirit of “Living Together.”

Most important for a business enterprise fulfilling its public responsibility is building mutually supportive relationships in order for society — including businesses — to continue their existence. It is vital that business management is based on the spirit of Living Together for mutual development to occur.

Kyocera was founded in 1959 as a specialized maker of fine ceramic components. Building on this technology, we committed to multilateral development and grew into a comprehensive manufacturer involved in all stages of production, right up to finished equipment. Kyocera’s growth has not simply been a matter of creating new value through technology and goods. It has also been about following the same path as society and people, based on the bonds of human minds. Our approach to Living Together will remain unchanged.

Kyocera seeks to join the hearts and minds of people, and to share the joys of life. Based on the spirit of Living Together, we strive to create a prosperous future for all.

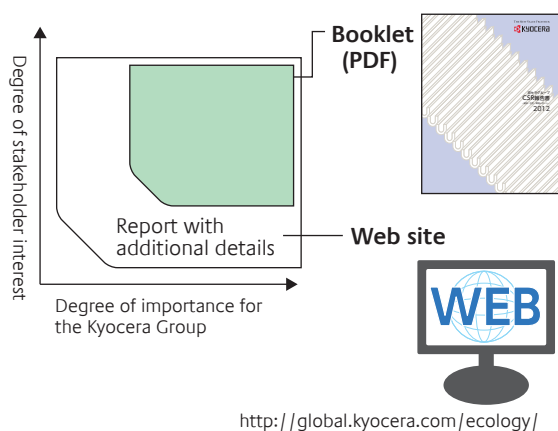
Kyocera CSR Report 2012

Editorial Policy

This CSR report is published to advise our stakeholders of matters relating to the Kyocera Group's economic, social and environmental activities; and to enhance communication with all interested parties.

Information contained in this report reflects consideration of opinions and views received from stakeholders, and the degree of importance placed on the above activities by the Kyocera Group. Additional details, supplementary data, updated information and other matters not included here are available on the Kyocera Web site.

Stakeholders are encouraged to share their thoughts and opinions, and we will strive to incorporate those views on Kyocera Group operations into our future activities.



Reporting period

April 1, 2011 – March 31, 2012

However, certain parts of the report and its data refer to earlier matters and future expectations.

Scope of the report

KYOCERA Corporation and consolidated subsidiaries: 224 companies. In this report, "Kyocera" refers to KYOCERA Corporation as a separate entity. It is specified where the scope of the report differs from the above.

Published

June 2012 (Future issue: June 2013 (planned) / Previous issue: July 2011)

Guideline references

GRI* "Sustainability Reporting Guidelines, Version 3.1"
Ministry of the Environment (Japan) "Environmental Report Guidelines (2007 Version)"

*GRI: Global Reporting Initiative is an international organization established in 1997 to draft a sustainability report framework for use by organizations worldwide.

Accuracy of information

To ensure the accuracy of disclosed information, the information presented here is cross-checked by multiple divisions, including the division providing the information, the Editorial Section, Risk Management Division, Legal Affairs Division and Corporate Communications Division.

Contents

Top Management Message	3
Kyocera Group Management Roots	4
Management Based on the Kyocera Philosophy	5
Feature Article No. 1: Promoting safe and comfortable lifestyles with people-friendly products	7
Feature Article No. 2: Creating a low-carbon society through new systems using solar energy and stored power	9
Feature Article No. 3: Kyocera fine ceramics technology contributes to global environmental protection	11
Kyocera Group CSR	13
Corporate Governance	14
Risk Management and Compliance	15

Economic Report

Kyocera Group Business Development	17
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Social Report

Together with Customers	21
Together with Employees	23
Together with Shareholders and Investors	30
Together with Business Associates	31
Together with Society	32

Environmental Report

Kyocera Group Environmental Management	37
Green Management: Basis of Environmental Management	38
Green Products: Environmentally Friendly Products	41
Green Factories: Environmental Consciousness at Plants and Offices ...	45
Green Communication: Transparency with Local Communities Regarding Environmental Matters	49

Corporate Overview (as of March 31, 2012)

Company name	KYOCERA Corporation
Headquarters	6 Takeda Tobadono-cho Fushimi-ku Kyoto 612-8501, Japan TEL: +81-(0)75-604-3500
Established	April 1, 1959
Representative	President Tetsuo Kuba
Capital	115.7 billion yen
Sales (consolidated)	1,191 billion yen
Net income (consolidated)	79.4 billion yen
No. of group companies	235 companies (including KYOCERA Corporation)(as of April 1, 2012)
No. of group employees	71,489 people (excluding affiliates accounted for by the equity method)

Capital, sales and net income figures have been rounded to the nearest unit.

Top Management Message

Contributing to the advancement and development of humankind and society through practice of the Kyocera Philosophy

Correct application of the concept, “Do what is right as a human being”

At the heart of Kyocera Group management is the corporate philosophy known as the Kyocera Philosophy, which emphasizes the importance of fair business based on ethical, moral and social standards that people should uphold throughout life. Ultimately, it comes down to one criterion for making decisions: “What is the right thing to do as a human being?”

To realize our corporate philosophy, Kyocera developed a unique management control method known as the Amoeba Management System. With this system in place, Kyocera promotes a management method in which all employees can participate. Furthermore, Kyocera believes in highly transparent corporate activity with timely disclosure of information to customers, employees, shareholders, investors, business associates, and all other stakeholders.

For the Kyocera Group, CSR is tantamount to the practice of the Kyocera Philosophy — the heart of Kyocera Group management. We believe practice of the Kyocera Philosophy builds mutual trust with stakeholders, and contributes to sustainable growth for the Kyocera Group, as well as the overall development of society. We will continue to engage in corporate management through practice of the Kyocera Philosophy.

Addressing social issues through business operations

The Kyocera Group is primarily engaging in business development in two areas that we see as growing markets. One is the information and communications market. This market is expected to see increased global use of smartphones and higher-speed networks. The other market is the environment and energy market, which is being spurred by a rising awareness of global environmental protection.

The information and communications market not only requires quality and safety, but user-friendliness is also essential for product development. Products must be accessible and satisfactory to people of all ages, regardless of gender or disability. For example, the Kyocera Group has developed a smartphone with a unique feature that uses sound and vibrations to transmit the voice of the other person through the display screen. This enables users to hear easily in train stations and other noisy environments. Mobile handsets designed specifically for the needs of children and elderly people are also being commercialized. The Kyocera Group is committed to meeting the needs of society and developing products that satisfy a wide range of customers.

In the environment and energy market, we are developing Home Energy Management Systems (HEMS). The combination of solar power generation and storage batteries enables efficient use of energy in homes. The Kyocera Group is also becoming involved in the utility-scale solar power generation business. Additionally, we have begun selling solid-oxide fuel cells (SOFCs). Kyocera’s fine ceramic components, featuring outstanding heat resistance and durability, are used in the cell materials at the heart of this product. The Kyocera Group will continue to address social issues through business, and thereby contribute to development of a sustainable society.

Accelerating the global development of our business

The Kyocera Group must further strengthen its management foundation and accelerate the global development of its business. These are necessary goals in order to compete globally and maintain high growth.

Therefore, we continue to work on further cost reduction as well as the streamlining and capacity expansion of existing production bases. At the same time, we are promoting measures such as the establishment of new production bases in Vietnam and elsewhere, and reexamining ways of procuring materials. Moreover, the Kyocera Group strives to undertake business activities rooted deeply in local communities. In addition to abiding by the laws and regulations of individual countries, the Kyocera Group places great importance on respecting the diversity of local practices and cultures.

The Kyocera Group participates in the United Nations Global Compact, a global platform for supporting fundamental principles in the areas of human rights, labor, environment and anti-corruption. We remain dedicated to earning yet greater trust from our stakeholders.

We will be very pleased if this CSR report gives you a better understanding of the Kyocera Group’s CSR activities. Your ongoing support of our operations is greatly appreciated, and we welcome your opinions.



Makoto Kawamura
Chairman
KYOCERA Corporation

M. Kawamura



Tetsuo Kuba
President
KYOCERA Corporation

Tetsuo Kuba

Kyocera Group Management Roots

The origin of Kyocera Group management is the Kyocera Philosophy, a philosophy for work and life based on the real-life experiences and empirical rules of Kazuo Inamori, founder and chairman emeritus of Kyocera Corporation. With “What is the right thing to do as a human being?” as its most essential criterion, the Kyocera Philosophy expounds the significance of commitment to fair management and operation in compliance with the most fundamental human ethics, moral values and social norms.

What is the Kyocera Philosophy?

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.” The “material and intellectual growth” that we aim for includes the pursuit of economic stability, and entails the pursuit of mental riches as a human being, in the shape of life with purpose and job satisfaction through self-fulfillment in the workplace.

Additionally, the steady refinement of our technology allows us to provide the world with wonderful products one after another, and thereby contribute to the advancement of science and technology. At the same time, by steadily raising profits as a company we aim to contribute to the improvement of common welfare, through increased tax payments and other means. The guidelines for action in pursuing the Management Rationale are set out in the Kyocera Philosophy. As a state of mind for leading wonderful lives, we are striving day by day to practice the Kyocera Philosophy.

Origin of the Kyocera Philosophy

In 1959, with the generous support of the people around them, company founder Kazuo Inamori and seven other colleagues established Kyoto Ceramic Co., Ltd. (now Kyocera Corporation). Starting with a meager amount of capital, the company had no imposing office building or elaborate machinery in the beginning. All it had were fellow colleagues who shared the joys and sorrows and formed a close bond as members of one big family. Inamori then decided to base the management of the company on this bond of human minds. This is because he believed that while human minds are extremely changeable, they are also most dependable once the minds are bonded by strong trust.

Later, Inamori encountered many difficulties in managing Kyocera, but he overcame them each time believing in the strong bond of human minds. Kyocera Philosophy was thus born as he debated his life and work.



Company members around the time of foundation

Basic Ideas of the Kyocera Philosophy

The Kyocera Group believes that decisions should always be made through reason and based on the idea of “What is the right thing to do as a human being?” as the basic criteria to achieve compliance with public morals.

The criterion of “What is the right thing to do as a human being?” is based on the fundamental ethical and moral values of the natural goodness of human beings: “Don’t be greedy,” “Don’t cheat people,” “Don’t lie,” and “Be honest” are teachings we all received from our parents as a child and represent the most basic principles of humankind.

We believe that when making decisions and taking action in daily life, we should resort to the criterion of “What is universally right as a human being” and not the criterion of “What best suits our own convenience.”

Kyocera Philosophy Pocketbook

A copy of the Kyocera Philosophy Pocketbook is distributed to each employee at Kyocera. Employees use various opportunities to apply the principles in the Pocketbook, and to independently learn and practice the Kyocera Philosophy. In April 2011, we published the Kyocera Philosophy Pocketbook II, which summarizes additional important points of the Philosophy. The updated Pocketbook is being progressively translated into multiple languages to aid penetration of the Kyocera Philosophy in bases overseas.



Management Based on the Kyocera Philosophy

For the Kyocera Group to realize the management rationale, correct understanding and application of the Kyocera Philosophy are essential. This applies also to Amoeba Management; Kyocera Management and Accounting Principles; The Twelve Management Principles; The Spirit of Manufacturing; and Kyocera Employee's Action Guideline. All are based on the Kyocera Philosophy.

Correct understanding and application are essential for future growth and development, to sustain the dreams of employees, and for the Kyocera Group to continue as a corporate group that contributes to the development of society. The Kyocera Group provides these booklets to employees, and endeavors to raise understanding and permeation of the principles contained therein.



■ Amoeba Management

The Kyocera Group uses its own business administration method called the Amoeba Management System, which is specifically developed to realize the corporate philosophy of the Kyocera Group. Under this system, the company organization is divided into small groups called amoebas, which operate on a self-supporting basis. We believe that employees' enhanced sense of participation in management and motivation engendered by Amoeba Management constitutes the source of the Kyocera Group's strength. The small group system also serves to clarify the responsibilities of each member of the group, secure transparency in every detail, and enable a thorough check of efficiency.

The Objectives of Amoeba Management

1. Establish a market-oriented divisional accounting system
2. Foster personnel with a sense of management
3. Realize management by all

■ Kyocera Management and Accounting Principles

Accounting is integral to the management of a company as it plays the key role as the compass that leads a company to the destination. When handling accounting matters, it is important to trace them back to their essence and take appropriate measures according to our primary criterion of "What is the right thing to do as a human being?" Kyocera considers the ideal state of accounting to be one in which the facts are shown as they are, and recognizes the importance of fair and transparent management.

Kyocera Management and Accounting Principles is a set of practical accounting principles designed to give a correct understanding of the realities of the company and the directions to be taken. In the Kyocera Group, each employee is encouraged to understand and become familiar with the

Kyocera Management and Accounting Principles, and to act in accordance with these principles. We believe this becomes a sound foundation not only for fair accounting activities, but also for the long-term development of the company.

Kyocera Management and Accounting Principles Pocketbook

Introduction: Adhere to Fundamental Rules and Principles

- I. The Principle of One-to-One Correspondence
- II. The Principle of Double-Checking
- III. The Principle of Perfectionism
- IV. The Principle of Muscular Management
- V. The Principle of Profitability Improvement
- VI. The Principle of Cash-Basis Management
- VII. The Principle of Transparent Management



■ The Twelve Kyocera Management Principles

The Twelve Kyocera Management Principles are fundamental management rules. In other words, they do not change, regardless of any changes occurring in the business environment or conditions. They are the starting point of universal management, and represent the tenets of our management.

1. Clearly state the purpose and mission of your business.
2. Set specific goals.
3. Keep a passionate desire in your hearts.
4. Strive harder than anyone else.
5. Maximize revenues and minimize expenses.
6. Pricing is management.
7. Success is determined by willpower.
8. Possess a fighting spirit.
9. Face every challenge with courage.
10. Always be creative in your work.
11. Be kind and sincere.
12. Always be cheerful and positive.

■ Kyocera Spirit of Manufacturing

Since its foundation, Kyocera has provided the world with diverse products. Understanding Kyocera's attitude toward manufacturing begins with the recognition that the principles, "Do what is right as a human being," "Making sharp products" and "Listening to what the product has to say" are among crucial elements in the Kyocera Philosophy. This attitude has been inherited by employees involved in manufacturing on the production floor, and has become the driving force behind Kyocera's development.

For the Kyocera Group to sustain development in the future, we must ensure that our "manufacturing spirit" in each production floor is clearly transmitted to the next generation. The "Kyocera Spirit of Manufacturing" summarizes the action principles and action guidelines to be followed on the production floor.

Kyocera Spirit of Manufacturing Pocketbook

1. The essence of manufacturing
2. Aim for the ideal in manufacturing
3. Maintain strong profit awareness
4. Adhere to the Workflow Principle
5. Aim for the ideal state of production facilities
6. Respect laws and rules
7. Refine spirit and skills
8. The spirit of manufacturing



■ Kyocera Employee's Action Guideline

To ensure that the Kyocera Philosophy is reflected in diverse aspects of corporate activity, we have established the Kyocera Employee's Action Guideline, which is a fundamental code of conduct for the day-to-day business activities of Kyocera Group employees. In the midst of rapid globalization, sensible action and attitudes firmly based on a universal philosophy and transparent rules are keenly required of enterprises and businesspeople.

In the Kyocera Group, "What is the right thing to do as a human being?" is always the basis of decision-making. All matters are decided in accordance with this fundamental principle. The Kyocera Group respects the nature of every individual, complies with legal requirements and is keenly aware of social responsibilities. All corporate activities are undertaken with the aim of achieving "coexistence with society, the world and nature."

Kyocera Employee's Action Guideline Pocketbook

1. Basic Attitude
2. Working Attitude
3. Spirited and Motivating Workplace
4. Community Activities
5. Relationship with Clients and External Organizations
6. Legal Compliance
7. Handling of Information
8. Behavior in Foreign Countries
9. Global Environmental Protection Activities



Excerpts from the Kyocera Employee's Action Guideline Pocketbook

■ Respect for Human Rights

Kyocera Group employees maintain the fundamental stance of respect for basic human rights. This stance is at the heart of every activity, regardless of circumstances.

All people must be esteemed as irreplaceable individuals. Discrimination against people on the basis of race, creed, gender, or for other unwarranted reasons is not tolerated.

Since its early days, Kyocera has maintained fairness, justice and good faith as the fundamental criteria for decision-making in all actions. Therefore, we strive for better human relations with an altruistic mind and consideration toward all other people, based on mutual respect for human rights.

■ Compliance with Laws

Kyocera abides by legal requirements, and engages in corporate activities with a firm ethical perspective based on the Kyocera Philosophy.

"What is the right thing to do as a human being?" is the criterion for making decisions. This wholesome ethical viewpoint is based on the law and other social norms. Employees must never deliberately engage in or contribute to wrongful deeds for any reason, in business matters or otherwise.

Furthermore, to avoid accidental or unknowing violation of the law, we endeavor day by day to acquire knowledge of the laws relating to business affairs and to daily life. We strive to act with healthy social common sense and a sense of justice.

■ Corporate Social Responsibility

Through its business activities, Kyocera strives not only to provide a stable life to employees, but also to fulfill its social responsibilities by pursuing adequate profits and returning them to society via tax payments and dividends to shareholders.

At the same time, the company contributes to society through a variety of activities, including the promotion of environmental protection activities and the provision of support to social and cultural activities.

We ask all employees to engage diligently in the company's business with a full awareness that they are part of Kyocera, a company committed to fulfilling its social responsibilities, and to combine their active efforts to achieve the lofty goal of contributing to society by increasing profits and developing the company.

■ Awareness as an Employee

A company is a collective entity made up of the consciousness of all employees who work there. Each employee holds certain thoughts as he or she undertakes their work. The way of thinking and attitudes of all employees combine to become the corporate culture and climate, ultimately crystallizing in corporate performance.

Employees are asked to ascertain clearly the direction in which the company is heading, and the company goals. Based on that awareness, employees should attain a correct understanding of their role. Then, devote themselves on a daily basis to attaining a sense of responsibility, good faith, diligence, justice, fairness and other aspects of wonderful human nature, as explained in the Kyocera Philosophy. As individual employees grow, Kyocera, the sum total of individual growth, remains a company that is increasingly trusted and respected by society and customers.

Promoting safe and comfortable lifestyles with people-friendly products

Japanese society is undergoing rapid changes such as a declining birthrate and an aging population, changes which will affect future generations. Notions of “convenience” and “comfort” are also changing in a way that reflects the demands of the new generation. User-friendliness is evolving from a uniform concept to a diverse one. Under these changing values, what type of convenience and comfort will satisfy people everywhere? By continually examining people’s lifestyles and society from prospective standpoints, Kyocera undertakes development aiming for user-friendly products.

Smartphone & Simple Mobile Phone both equipped with Smart Sonic Receiver technology for high-quality audibility in noisy environments

© SMART SONIC RECEIVER

Kyocera has launched a smartphone and a basic feature mobile phone equipped with the Smart Sonic Receiver technology. This unique function uses both sound and vibration to transmit the voice of the other party.

By making the display vibrate, the Smart Sonic Receiver clearly transmits the voice of the other party through sound and vibration. In conventional phones, the other person’s voice is difficult to hear unless the earpiece is placed next to the ear. With the Smart Sonic Receiver, however, there is no need to worry about correctly positioning the device against the ear as the whole screen transmits sound. Moreover, by covering the ear with the screen face, the phone can shut out external noise and provide high quality audibility even in noisy environments.

Kyocera continues to be actively involved in introducing user-friendly products that are easy to operate and satisfy the needs of diverse customers.



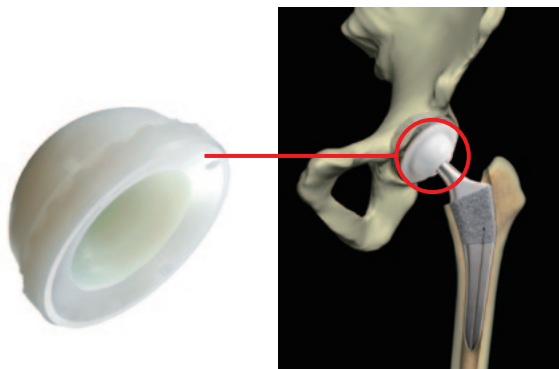
URBANO PROGRESSO

Simple Mobile Phone K012

“Aquala” — a coating technology contributing to increased longevity for artificial hip joints



Received the 25th Advanced Technology Award (Minister of Economy, Trade and Industry Award (Japan))
Sponsored by Fuji Sankei Business i



An artificial hip joint with Aquala coating

In artificial hip joints, friction wears down the joint components with long-term use, generating powder which can cause immune responses in nearby cells. This may lead to a loss of natural bone around the artificial hip, resulting in a loosening of the joint. A loosened joint requires additional operations to replace components. To enable patients to live in comfort for a long period of time, it is necessary to prevent the loosening of joints and extend the longevity of the artificial hip.

In response, Kyocera Medical Corporation has developed a technology for an original coating which resembles the surface structure of joint cartilage. This coating technology, “Aquala,” uses a biocompatible polymer that features strong affinity with cells and surrounding structures. Thus, Aquala has dramatically reduced the generation of friction powder, mitigating post-operation loosening. This technology is expected to extend the longevity of artificial hip joints.



Mobile phones which assist care giving for elderly people and children from afar

mamorino 2



We want to protect our precious children from crime and accidents. Our “mamorino 2” mobile phone is designed to help families realize this wish. To make it usable even for small children, its functions are limited to calls, e-mail and GPS. However, “mamorino 2” also has a number of special features that enable families to watch over their children from afar with peace of mind. These include location tracking, which provides notifications of the child’s location; and movement history, which shows where the child has been throughout the day.

Furthermore, since April 2012, Kyocera has been providing a specialized mobile phone — the “mamorucchi” — with a neighborhood security system. This is a crime-prevention system being employed by elementary schools in Tokyo’s Shinagawa Ward. Based on the “mamorino 2,” the specialized “mamorucchi” is used in the district to help ensure the safety of children.

User Comments

“My child finished his third year of elementary school and gained more opportunities to partake in extracurricular classes and activities from this spring. I was concerned because I work. However, I bought the mamorino with just the necessary functions, which has taken a load off my mind. I am very grateful.”
(Mother, 30s, part-time worker)

“I saw the mamorino in a store and talked with my husband about it. He used to say that it was too soon to get our daughter a mobile phone until after she started junior high school, but after learning about the mamorino, he was convinced and we decided to get one. It was a good decision that we can feel assured about.”
(Mother, 30s, part-time worker)

Mi-Look



As the population in Japan ages, the number of elderly people who live alone is rising year by year. To ease the concerns of the families of solitary senior citizens, Kyocera developed the “Mi-Look.” This mobile phone has a pedometer with various functions for watching over the user. The phone is equipped with a pedometer notification, and a safeguard sensor notification. As many elderly people are less than enthusiastic about carrying mobile phones, Kyocera undertook development with this in mind and examined ways of drawing a clear distinction with conventional mobile phones. Developers visited areas with many senior citizens and conducted surveys. These efforts led to the development of the Mi-Look, a device enabling family members to unobtrusively look out for their elderly loved-ones, even from afar.



Printers / MFPs designed for easier use by people with disabilities and senior citizens

Kyocera Document Solutions Inc. manufactures printers, multifunctional products (MFPs) and other products that are user-friendly for people with disabilities and senior citizens. Throughout the development processes, from product planning and design to manufacturing and sales, we conduct research on product improvement for increased usability based on perspectives of diverse customers, including people with disabilities and senior citizens. For example, developers undertake various practical experience and verification tests with the purpose of realizing greater functional convenience and better design. Such measures include putting on heavy kits that assume the physical constraints certain elderly people face, and operating the products while constrained to a wheelchair. The products resulting from such research incorporate universal designs that offer user-friendliness to people with all kinds of requirements.

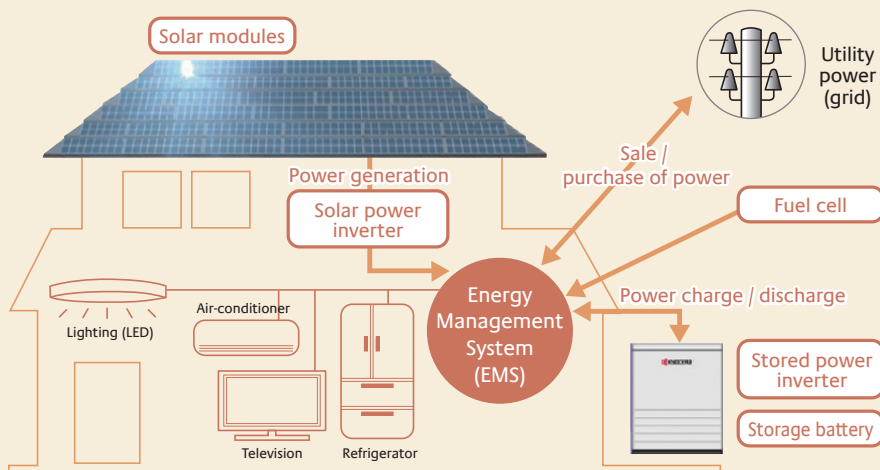


Creating a low-carbon society through new systems using solar energy and stored power

Toward safer, cleaner energy.

Society has taken the next step toward a new era in energy use. Kyocera develops eco-friendly energy systems that use resources effectively, including solar power generation, and fuel cells using utility gas which contribute to the creation of an Earth-friendly society.

Combining solar power generation, storage batteries and other elements enable effective energy use in the home



Kyocera's energy management system (EMS) provides visual information on the state of power use in the home. This new system enables efficient use of energy through optimal control of solar power generating systems, storage batteries, fuel cells and other system elements. The state of energy use can be displayed simultaneously on multiple devices in the home, including PCs, TVs, smartphones and tablet PCs. Energy use in the home can thus be easily ascertained at any time. This system is useful for power peak shifts (leveling of demand) and peak cuts, and as a precaution for commercial grid power shortages and disasters.

LED lighting saves energy by reducing power consumption and emits natural light close to that of sunlight

Kyocera's LED lighting uses white LED lamps as its light source. They produce light close to that of sunlight, thereby creating gentle and comfortable environments. They are bright enough for use in offices, conference rooms, convenience stores and other commercial shops, and are easily affixed to the ceiling with a slim and simple design. Color tones that can be changed according to use, and low power consumption compared to fluorescent lamps are just a few of the benefits of Kyocera's LED lighting. As our LED light packages use ceramic materials, they have an expected product life of approximately 100,000 hours. That is about 2.5 times longer than conventional LED resin packages.



Convenience store using Kyocera's LED lighting

User Comment

We selected Kyocera's LED lighting especially for its natural brightness and long product life.

"We chose LED lighting by Kyocera because of its color reproduction and longevity. Ordinary lighting appears harsh and a little cold, but Kyocera's lighting produces shades that are close to natural light, showing store products in their true colors. Another reason for our selection was because of the optimal brightness adjustment system. The lights are linked to sensors that detect ambient brightness and adjust the lighting depending on the weather and time of day. After the installation of this LED lighting, customers have remarked that the store feels very comfortable and that the lighting is gentle on the eyes." (Convenience store manager)

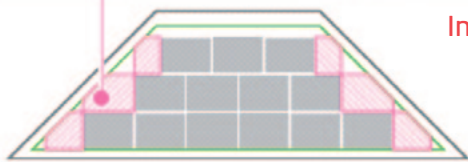


New solar power system makes effective use of various roof styles

Installation of residential-use solar power generating systems is growing year by year. This growth is due partly to the purchasing system of surplus electricity that begun in November 2009 in Japan. Kyocera's ECONORROOTS® ADVANCE is a new residential-use solar module line designed to meet demands for maximum power generation on limited roof space. The new line allows efficient installation on roofs with varying shapes and limited space. Flexible combination of trapezoidal and rectangular solar modules can cover the entire roof and thereby increase overall power generation.



Modules cannot be installed

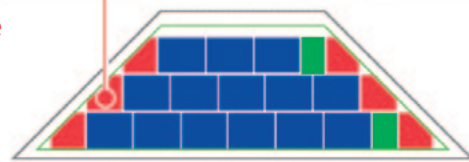


Using conventionally shaped solar modules

Installation volume increased by about 30%*



Modules can be installed in corners

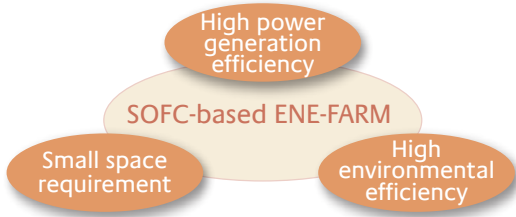


Using ECONORROOTS® ADVANCE

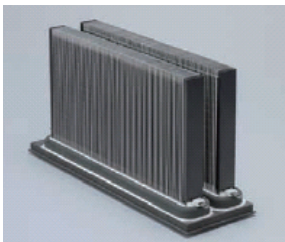
* The level of increase in installation volume varies depending on the roof design of each house.



Next-generation fuel cells can generate about 80% of the power used in households



Cell stack developed by Kyocera



Cell stack forming the heart of the fuel cell. Cells are connected in series to raise voltage and power output.

Power generation unit



Exhaust heat hot water unit



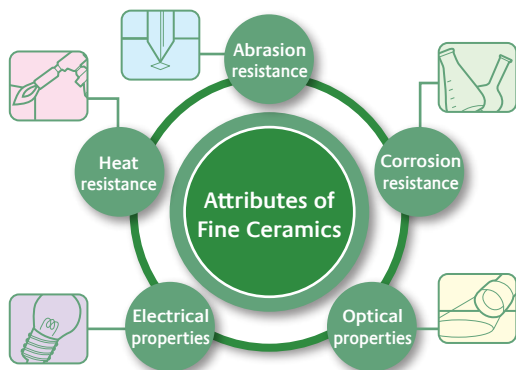
A residential-use fuel cell has two parts — a power generation unit and a water heating unit that uses exhaust heat from the power generation unit. The fuel cell has high energy efficiency, and produces only extremely small amounts of the greenhouse gases CO₂, nitrous oxides, sulfur oxides or other byproducts. Use of the fuel cell as an environment-friendly system is expected to increase. Fuel cells differ depending on the material used in the cells at the heart of the system. Kyocera has developed solid-oxide fuel cells (SOFC) with higher power generation efficiency. By employing fine ceramics as the cell material, which feature outstanding heat resistance and durability, we have achieved the world's highest level* of generation efficiency. The fuel cell system is sold under the name "ENE-FARM Type S" by our joint developers, Osaka Gas Co., Ltd. and JX Nippon Oil & Energy Corp.

* Among domestic-use fuel-cell cogeneration systems (as of March 13, 2012)

Kyocera fine ceramics technology contributes to global environmental protection

Fine ceramics, Kyocera's core technology, are high-profile ecological materials that contribute to environmental protection. Fine ceramics have numerous attributes, including outstanding abrasion resistance and heat resistance. We apply such features in developing environmentally friendly automobile engines and industrial machinery, as well as other products contributing to the betterment of society. Fine ceramics are extremely useful for reducing emissions of toxic substances.

Environmental pollution control Conservation of resources Prevention of climate change



The world's longest product life for photoreceptor drums

Amorphous silicon (a-Si) photoreceptor drums are key components in laser printers, digital MFPs and other document equipment. By applying original thin-film formation technology, Kyocera succeeded in developing the world's first*1 hard amorphous carbon thin film for use as a drum surface protection layer. Kyocera produced a photoreceptor drum with the world's longest product life, capable of printing about 300,000 A4 pages. Now we have extended the product life more than threefold*2, enabling one drum to print approximately one million pages. This cuts the frequency of photoreceptor drum replacement to less than 1/3rd and contributes to waste reduction.



a-Si photoreceptor drum featuring super-high-durability

*1 World's first practical application of amorphous carbon (a-C) thin film (based on research by Kyocera, as of August 9, 2011).

*2 Among electronic photo-printing methods, heater-less a-Si photoreceptor drum with a 30mm diameter and A4 longitudinal feed (based on research by Kyocera, as of August 9, 2011). Durability varies depending on paper type, printing environment, print pattern, etc.

Ceramic filter with outstanding heat resistance enables waste collection in high-temperature environments

Kyocera's ceramic filters support gas filters with outstanding heat resistance. They are used in exhaust gas processing equipment at large-scale waste incineration plants and other facilities, and are highly efficient for recycling exhaust heat energy.

In July 2011, Kyocera and Takuma Co., Ltd. received the Minister of Economy, Trade and Industry (Japan) Award for jointly developing a "highly efficient heat utilization system (ceramic filter) featuring high-temperature dust collection." The award was presented as one of The 37th Outstanding Environmental Equipment Awards, sponsored by the Japan Society of Industrial Machinery Manufacturers.

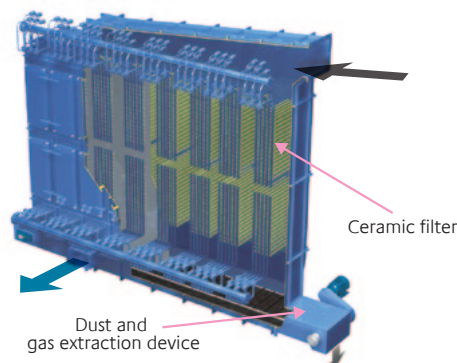
The use of conventional cloth bag filters have been limited to a temperature range of 150–200°C. In contrast, the ceramic filter system enables dust and waster collection at much higher temperatures (300–900°C). This raises energy efficiency by enabling use of exhaust heat. The filter can also be washed in water and reused.



Ceramic filter



Award certificate



Outline of high-temperature dust and gas scrubber equipment

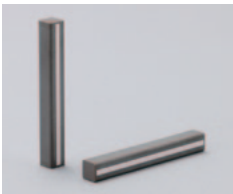
Ceramic glow plugs and piezoelectric elements optimize fuel combustion in diesel engines



With stronger regulations promoting the reduction of CO₂ emissions and gas emissions, Kyocera's glow plugs and stacked piezoelectric elements are being used as diesel engine components. In addition to their function to assist engine ignition, ceramic glow plugs contribute to an improvement in exhaust emissions.

Stacked piezoelectric elements employ piezoelectric ceramics, which tend to expand or contract when voltage is applied. As fuel injector components, piezoelectric elements contribute to the accurate control of high-pressure fuel injection and injection quantity.

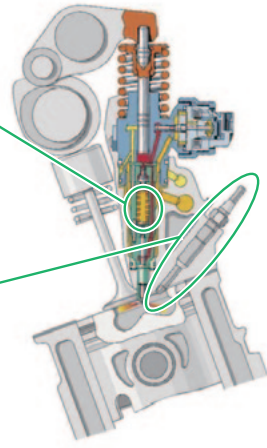
These components not only contribute to fuel efficiency and CO₂ reduction, but also to reducing the emission of toxic substances in exhaust gases.



Stacked piezoelectric elements



Ceramic glow plugs



Cross-section of a diesel engine

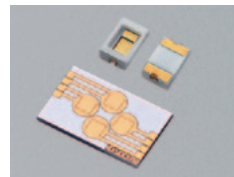
Ceramic packages & single-crystal sapphires extend product life of low-power consuming LEDs



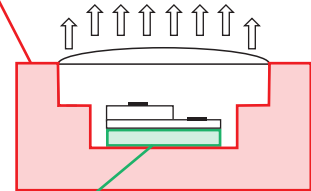
Demand for LED packages is soaring due to growing global demand for LEDs as environmental products.

An LED package contains an LED (light-emitting diode) semiconductor that emits light when electricity passes through. The LED package is a component that can be used in lighting and other equipment. Ceramic LED packages are one of Kyocera's specialties and we are concentrating on the production and sales of these products. Because ceramic materials efficiently disperse heat generated by the LEDs, they sustain long life and high reliability without diminishing LED luminance efficiency. Ceramic materials thus achieve high-luminance LEDs.

Single-crystal sapphires are used as LED substrates for applications such as mobile phones and backlighting in LCD TVs.



LED packages



LED cross-section



Sapphire substrates

Silicon nitride components for molten aluminum smelting feature high-temperature strength, heat and thermal shock resistance as well as corrosion resistance



Kyocera's silicon nitride ceramic material features outstanding high-temperature strength, heat and thermal shock resistance as well as corrosion resistance. When used in molten aluminum smelting equipment for the production of automobile engines and aluminum wheels, silicon nitride extends the product life of components and reduces the risk of impurities entering molten metal. With such benefits, silicon nitride contributes to the reduction of waste and improves product quality.



Components used in melting aluminum

Milling cutters feature both low resistance and high economic efficiency



Milling cutters are used in a wide variety of cutting processes, such as shoulder milling and surface milling of metals and other materials. Kyocera's new-type milling cutters can be used on both sides, increasing the number of cutting corners. Furthermore, a reduction in cutting resistance along with high durability enables stable processing and longer product life. These features contribute to improvements in productivity.



Milling cutters

Kyocera Group Corporate Social Responsibility (CSR)

The Kyocera Philosophy is the heart of management in the Kyocera Group. We are engaged in organizational CSR activities based on the practice of the Kyocera Philosophy, and building mutual trust with people who have interests in the company.

CSR Activities Based on the Kyocera Philosophy

Since its establishment, Kyocera has followed its 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.” Management has been based on the Kyocera Philosophy, with “What is the right thing to do as a human being” as the decision-making criterion. Fairness, impartiality, justice, effort, courage, philanthropy, modesty and good faith are among the basic human attitudes we encourage. Applying these as our code of conduct in a spirit of caring for others, Kyocera has continually endeavored to make products that benefit the world.

In other words, for the Kyocera Group, CSR is none other than the application of the basis of our management — the Kyocera Philosophy. Application of the Kyocera Philosophy builds mutual trust with people who have interests in the company, and ultimately, it contributes to the sustainable development of the Kyocera Group and the healthy development of society.

Enhance Communication with all Stakeholders

Factories and offices invite local residents, government representatives, business associates, nearby companies and other people from the community to attend meetings where we provide participants with reports on the economic, social and environmental activities of the Kyocera Group as a whole

and of the local facilities; along with exchanging views with the participants on CSR measures. In fiscal 2012, 497 people took part in meetings at 16 locations.



Hokkaido Kitami Plant

Questions from Participants

Osaka Daito Office

Q. The municipal office is also taking steps to reduce power usage this summer. However, Kyocera is achieving greater power reduction results. What steps have you taken to cut the amount of power used?

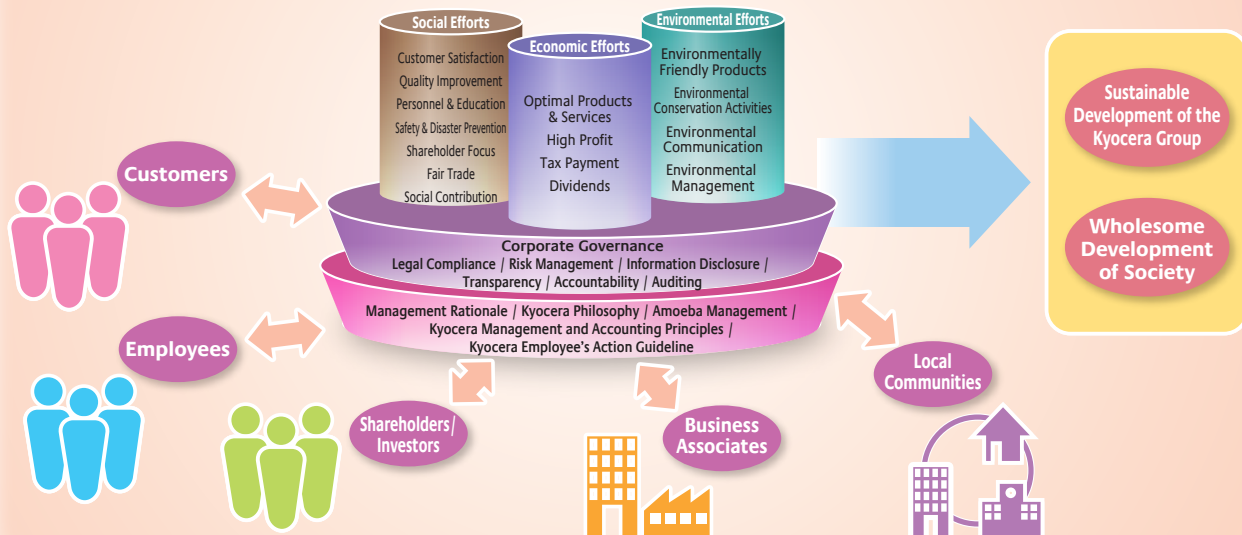
A. In 2011, we halved lighting in offices. Also, there are two air conditioners on the roof for adjusting temperature of ventilation facilities, but we turned one of these units off.

Kyocera Document Solutions Inc., Tamaki Plant

Q. We have been progressively installing solar panels at municipal elementary and junior high schools, which are producing better results than expected. Also, we would like Kyocera to give Eco-Lessons from this fiscal year.

A. We are steadily expanding our Eco-Lesson program.

Kyocera Group CSR Activities



Corporate Governance

With the Kyocera Philosophy as its foundation, the Kyocera Group upholds equity and fairness, faces all situations with courage and conscience, and sustains highly transparent systems of corporate governance and internal control.

Topics / Goals	FY2012 Results	FY2013 Plan
Strengthen Corporate Governance and Internal Control Systems	<ul style="list-style-type: none"> • Sustained corporate governance and internal control system in accordance with policy • Implemented internal control audits based on Section 404 of the Sarbanes-Oxley Act 	<ul style="list-style-type: none"> • Enhance corporate governance and internal control systems • Expand internal control audits (to companies newly added to the Group, etc.)

Corporate Governance and Internal Control Systems

The purpose of corporate governance and internal control in the Kyocera Group is to maintain management soundness and transparency, and to achieve fair and efficient management, through which we aim to realize the Management Rationale of the Kyocera Group.

To establish a sound corporate culture, the Kyocera Group implements the following measures through the practice of the Kyocera Philosophy.

Corporate Governance System

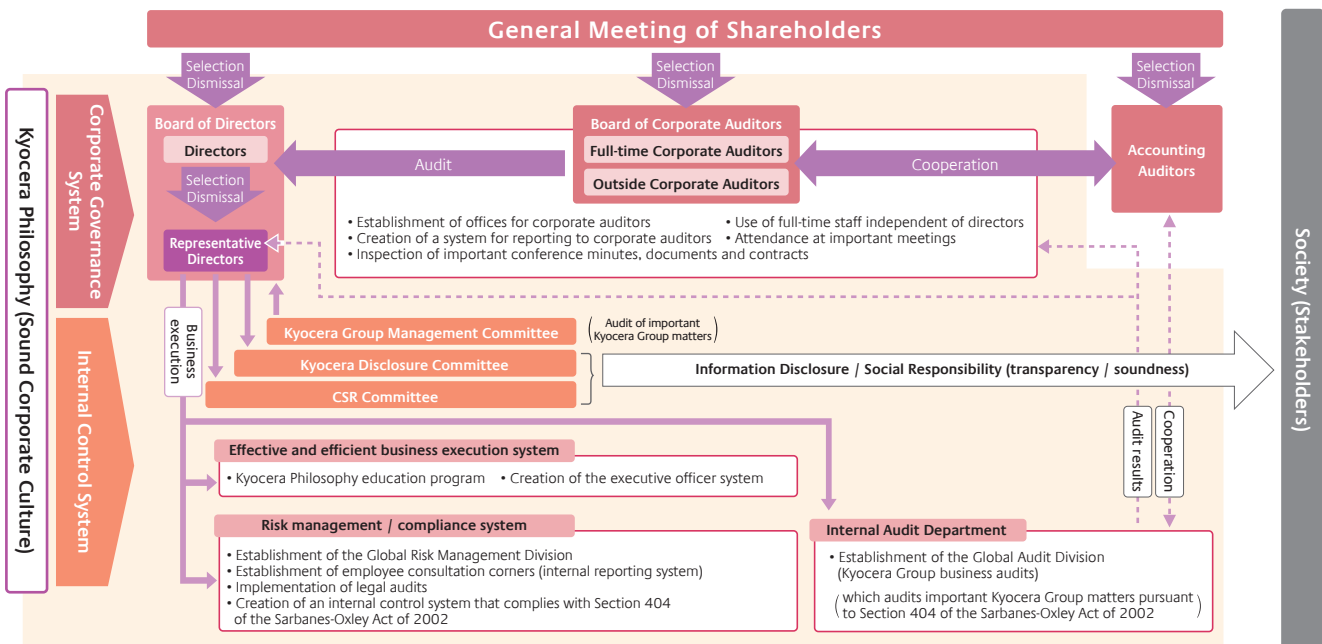
1. Directors shall comply with requests for reports by corporate auditors.
2. Internal audit departments shall provide regular reports to corporate auditors on the state of internal audits.
3. Establishment of the Kyocera Board of Corporate Auditors Reporting System to enable employees, suppliers, customers and other individuals or organizations associated with the Kyocera Group to report directly to the Board.
4. Corporate auditors have the authority to attend important meetings and to inspect important conference minutes, documents, contracts, etc. Corporate auditors may call for meetings with representative directors to exchange opinions concerning management of the Kyocera Group in general.

Internal Control System

1. Establishment of the Kyocera Disclosure Committee as a means for making timely and appropriate disclosure of information outside the company.
2. Establishment of a Risk Management Division, as part of the Kyocera Group's risk management system.
3. Establishment of an Employee Consultation Hot-Line Center as part of the Kyocera Group's internal complaint system, where employees can report violations of laws, company regulations or other matters.
4. Introduction of an Executive Officer System to clearly delegate authority and related responsibilities; and construction of an effective and efficient business execution system.

Internal Control Audits of the Kyocera Group

As Kyocera is listed on the New York Stock Exchange, the company is subject to Section 404 of the Sarbanes-Oxley Act. Section 404 requires business operators to construct and maintain internal control systems relating to fiscal reporting. Section 404 assesses the effectiveness of internal control systems through internal audits based on internal control evaluation criteria.



Risk Management and Compliance

The Kyocera Philosophy places “What is the right thing to do as a human being?” as the decision-making criterion for all corporate matters. This most fundamental guide for action is shared by all employees. The Kyocera Employee’s Action Guideline has been prepared based on the Kyocera Philosophy, and forms the foundation of compliance.

Topics / Goals	FY2012 Results	FY2013 Plan
Thorough legal compliance	<ul style="list-style-type: none"> Established a subcommittee for overseeing compliance of laws relating to security export control Conducted office audits of legislative compliance at 34 facilities Implemented the Independent Auditor Certification Examination for legislation audits (359 people passed) 	<ul style="list-style-type: none"> Expand security trade control to Group companies Improve efficiency of legislation audits at offices Continue Independent Auditor Certification Examination for legislation audits Implement e-learning relating to protection of personal information
Strengthen structure systems of Business Continuity Plans (BCP)	<ul style="list-style-type: none"> Reviewed earthquake countermeasures at all sites; revised BCP and disaster prevention manuals 	<ul style="list-style-type: none"> Review earthquake countermeasures at all sites; conduct education and training relating to BCP Expand BCP to Group companies
Strengthen information security measures	<ul style="list-style-type: none"> Implemented security training at various levels, including training for general employees, managers, supervisors and new employees 	<ul style="list-style-type: none"> Establish an integrated audit system throughout the Kyocera Group (in Japan) Strengthen security of the e-mail system

Advancing Risk Management

Amid global development of business, the Kyocera Group is exposed to increasingly diverse domestic and overseas risks stemming from political, economic and social changes. To counter these risks, the Group is undertaking the priority measures outlined below.

1. Thorough legal compliance
2. Strengthen structure of Business Continuity Plans (BCP)
3. Strengthen information security measures

Compliance System

To support thorough compliance with legislation in the Kyocera Group, the Risk Management Division notifies relevant divisions of enactments of new legislations and legislative amendments. Ongoing guidance on various laws is provided by relevant divisions responsible for compliance. Additionally, the Legal Audit Department regularly conducts legislation audits. By these means, the Kyocera Group is strengthening its compliance system.

■ Measures for Fair and Free Competition

The Kyocera Group complies with anti-monopoly laws and related legislations. We are taking steps to ensure fair and free competition. For example, guidelines on compliance with anti-monopoly legislations and related matters have been established and distributed to all Group companies in Japan, the U.S.A. and Europe. The Kyocera Group is also working to raise awareness and ensure thorough knowledge by providing in-house training.

■ Security Trade Control System

The Kyocera Group complies with the Foreign Exchange and Foreign Trade Act and other laws relating to international

security. In addition, the Kyocera Group is establishing a system for advancing security trade control. The purpose of these measures is to prevent the outflow of components for weapons of mass destruction and arms, or products and technology that could be used for their production and development.

In fiscal 2012, the Kyocera Group set up a subcommittee entrusted with overseeing compliance with security export laws, and enhanced in-house training. The objective is to ensure compliance with the Foreign Exchange and Foreign Trade Act, in addition to other export-related laws. Security Trade Control will be progressively expanded to overseas Group companies to achieve global comprehensive Security Trade Control.

■ Appropriate Information Disclosure

Kyocera complies with legislation designed to ensure that information disclosed does not contain falsehoods or expressions that invite misunderstanding. At the same time, we endeavor to undertake appropriate information disclosure that is in line with social morals and does not offend public peace and order. Product labels, operating instructions, catalogs, supplementary documents, advertisements, etc. are checked before disclosure by Quality Assurance, Risk Management, Legal, Intellectual Property and Corporate Communications divisions in accordance with our Public Document Verification System.

■ Protection of Personal Information

Kyocera recognizes the importance of privacy concerning personal information and, as a responsible social citizen, does everything possible to safeguard such information. Kyocera has set a basic policy on the protection of personal information, and established a control system. Personal information is handled with strict requirements, and training is conducted accordingly.

In fiscal 2013, e-learning will be introduced to aid self-development study.

■ Measures to Prevent Insider Trading

At Kyocera, a control system is in place for internal information. An Insider Trading Prevention Pocketbook has been prepared and distributed to all employees to strengthen regulations on trading of stocks and educate employees on the details of restrictions. We continually maintained strict control over internal information in fiscal 2012. Lectures on prevention of insider trading are held during training of new employees and when employees are promoted. Additionally, we promoted further awareness by informing employees of stock trading prohibition periods and other matters during morning gatherings. In fiscal 2013, Kyocera will continue to strengthen and ensure thorough compliance with insider trading prevention measures, for example, by considering training through e-learning.

■ Measures for Exclusion of Antisocial Groups

The Kyocera Group policies on corporate governance and internal control include prevention of involvement in management activities by antisocial groups and prevention of damage by such groups. The basis of measures for exclusion of illegal activities is that "All companies are united in confronting illegal activities with determination." Meanwhile, the Kyocera Employee's Action Guideline clearly specifies "a decisive attitude based on the law" in dealing with illegal activities. The Kyocera Group is taking thorough steps to prevent such activities.

■ Protection of Intellectual Property Rights

The basic policy of the Kyocera Group is to safeguard the yields of research and development by the Group as intellectual property rights, and to respect the intellectual property rights of others. We assign liaison officers responsible for intellectual properties to main offices and plants. Their role is to smooth the processes of obtaining intellectual property rights, maintaining control of rights and negotiating licenses for intellectual property rights. The Kyocera Group is undertaking activities relating to intellectual property in close cooperation with the relevant businesses.

■ Legal Audit System

As part of the construction of a compliance system, the Kyocera Group conducts legislation audits of all divisions at each of its facilities throughout Japan to ascertain the state of legal compliance.

The legislation audits consist of independent legislation self-auditing conducted annually by divisions, and office legislation audits undertaken periodically by the Audit Division.

In fiscal 2011, an Independent Auditor Certification System was introduced in Kyocera as a way to raise the accuracy of legislation self-audits. The system combines a training course, examinations and practical evaluation. An additional 359 people became qualified in



Legislation self-audit
A briefing on implementation
(headquarters)

fiscal 2012, raising the number of qualified personnel to 667. The Independent Auditor Certification System is being steadily introduced at Group companies in Japan from fiscal 2013.

■ Employee Consultation Hot-Line Center

Employees can consult the Employee Consultation Hot-Line Center on various issues, seek advice, and report actions that may be in violation of compliance. We clarify the protection of individual privacy and undertake consultations face to face. With the cooperation of the relevant divisions, the Hot-Line Center investigates and ascertains the facts, and follows up with corrective action and preventive measures against recurrence. Consultations were undertaken on 23 matters in fiscal 2012 — all of which were resolved.

Business Continuity Planning (BCP)

In light of the Great East Japan Earthquake of March 2011, the Kyocera Group revised the Emergency Communications Network and other risk mitigation measures. We also strengthened measures for continuation of business activities to enable continued supply of products and services to customers. At Kyocera, the BCP in production divisions were revised during fiscal 2012. Based on consideration of earthquake potential in each region, we fastened down equipment, acquired necessary repair parts and equipment, and examined alternative means of production step by step.

Regarding procurement of important raw materials and parts, we are promoting evaluation of substitutes and procurement from multiple suppliers. Furthermore, from the perspectives of production expansion and risk avoidance, we have begun construction of a new manufacturing plant in Vietnam.

We will conduct BCP training and also expand such activities throughout the Group. The Kyocera Group continues to strengthen the business continuity system to avoid stoppages in production in the event of an emergency.

Information Security Measures

The Kyocera Group is implementing effective and efficient use of information assets. We have clarified basic criteria for the management of information assets handled by employees and other parties. In addition, we have defined the Electronic Information Security Management Policy and 22 management regulations with the goal of attaining thorough protection of information assets.

An Electronic Information Security Executive Committee with Kyocera's president as committee chair has been established. We undertake information security training and other steps to ensure that employees have thorough knowledge of technological countermeasures and security policy.

In fiscal 2013, we are establishing an integrated audit system and strengthening e-mail security throughout the Kyocera Group (in Japan).

Kyocera Group Business Development

Management Policies

■ Basic Policy

The Kyocera Group aims to be respected by society as “The Company” from the perspective of corporate ethics, while maintaining continuous sales growth and high profitability. It pursues this objective through implementation of the “Kyocera Philosophy”, a corporate philosophy placing people’s hearts at its core, and of the “Amoeba Management System”, a management system unique to Kyocera which has been a driving force for growth since the company’s earliest days.

The Kyocera Group’s management policy is to be a high-growth, highly profitable company. To realize this policy, The Kyocera Group aims to increase corporate value by further enhancing performance through strengthening existing businesses, pursuing synergies among businesses and creating new businesses.

■ Medium-Term Management Strategy

The Kyocera Group expects the business environment to continue to be severe, due primarily to stagnant growth in the global economy, continued appreciation of the yen and intensifying price competition resulting from the rise of Asian manufacturers. The Kyocera Group believes it is necessary to further enhance management foundations and expand sales in growth markets in order to overcome global competition and drive growth of the Kyocera Group in any business environment, regardless of its severity. Specifically, the Kyocera Group will tackle the following challenges, aiming for acceleration of global business development to become a high growth, highly profitable company.

Enhance Management Foundations

The Kyocera Group will promote further cost reductions, streamline existing production sites and expand their capacity in order to overcome global competition. In addition, the Kyocera Group will take other measures, which will include establishment of new production sites, such as those in Vietnam, and will also re-examine its materials procurement methods.

Other efforts aimed at further enhancement of the Kyocera Group’s management foundations will include strengthening ties among business divisions and among Group companies, in order to accelerate the development of new technologies and products. The Kyocera Group will also continuously seek opportunities to expand its businesses by acquiring external management resources.

Expand Sales in Growth Markets

The Kyocera Group views the information and communications market and the environment and energy market as future growth markets and will strive to expand sales in these markets in particular.

In the information and communications market, the Kyocera Group anticipates the worldwide proliferation of smartphones and expansion of higher speed networks going forward. The Kyocera Group will work to increase sales in the Components Business by developing smaller, more advanced components and bolstering its sales system. Efforts will also be made to expand the Equipment Business by introducing differentiated

telecommunications equipment taking advantage of the Kyocera Group’s unique component technologies and by expanding sales networks for information equipment, mainly in emerging markets.

In the environment and energy market, amidst rising awareness of environmental preservation and energy conservation, the Kyocera Group will work to expand sales by commencing the sale of high-value-added home energy management systems combining various new devices in order to develop new markets, while continuing to pursue sales of conventional solar power generating systems. The Kyocera Group is also preparing for entry into large-scale solar power generation projects.

Overview of Business Performance for the Fiscal Year Ended March 2012

■ Economic Situation and Business Environment

In the year ended March 31, 2012 (“fiscal 2012”), the Japanese economy stagnated overall, due to continued appreciation of the yen against the Euro and the U.S. dollar and a decrease in exports, despite resolution of disruptions in production activities and the supply chain following the Great East Japan Earthquake. The European economy showed a downturn, due to a reduced willingness to engage in personal consumption and investment as the financial crisis worsened. In contrast, the U.S. economy continued to recover moderately, due mainly to growth in personal consumption and private capital investment. The Chinese economy continued to expand, primarily supported by strong domestic demand in spite of signs of a slowdown in export growth.

In the information and communications market, which is the principal market for the Kyocera Group, demand for items such as mobile phone handsets, personal computers and flat-screen TVs was sluggish compared with projections from the beginning of fiscal 2012. In addition, component inventory adjustments at equipment manufacturers persisted due to stagnation in production activities for products, including digital cameras, resulting from the prolonged impact of floods in Thailand. As a result, component demand, mainly for digital consumer equipment, fell below the level recorded in the year ended March 31, 2011 (“fiscal 2011”).

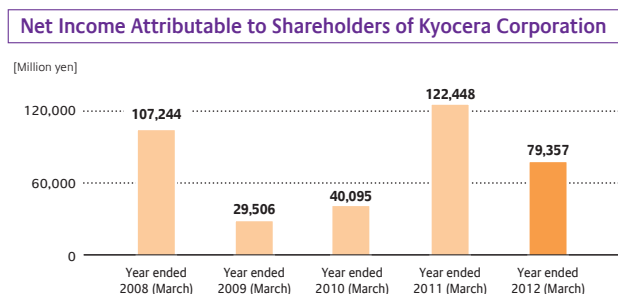
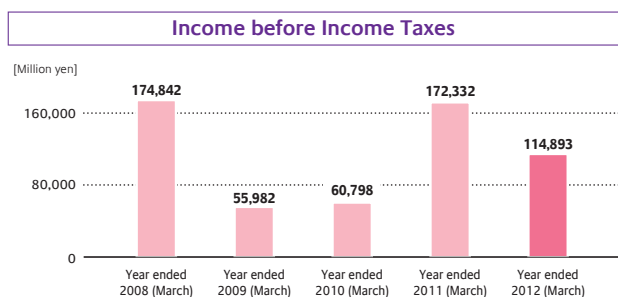
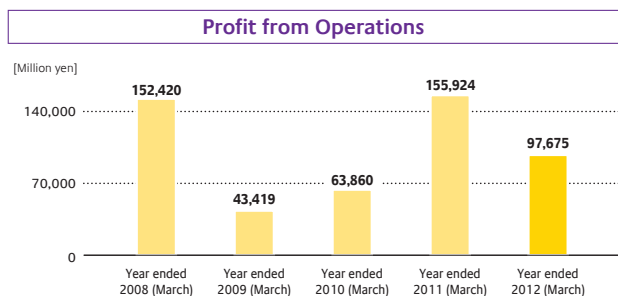
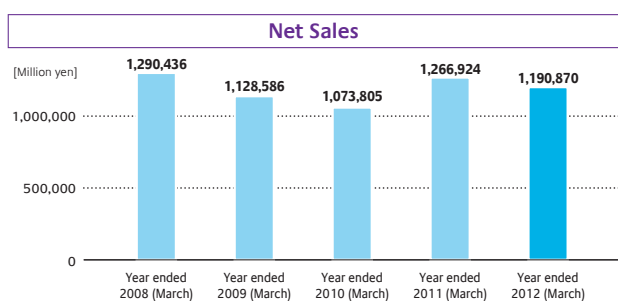
■ Consolidated Financial Results

Average exchange rates for fiscal 2012 were ¥79 to the U.S. dollar, marking appreciation of ¥7 (approximately 8%) from ¥86 for fiscal 2011, and ¥109 to the Euro, marking appreciation of ¥4 (approximately 4%) from ¥113 for fiscal 2011. As a result, net sales and income before income taxes for fiscal 2012 were adversely affected by approximately ¥40 billion and ¥10 billion, respectively, compared with fiscal 2011.

Consolidated net sales for fiscal 2012 decreased by ¥76,054 million, or 6.0%, to ¥1,190,870 million, compared with ¥1,266,924 million for fiscal 2011, due primarily to a decline in component demand for digital consumer equipment and a decrease in sales in the Telecommunications Equipment

Group, in addition to the impact of the yen's appreciation. Profit from operations decreased by ¥58,249 million, or 37.4%, to ¥97,675 million, compared with ¥155,924 million for fiscal 2011. In addition, income before income taxes decreased by ¥57,439 million, or 33.3%, to ¥114,893 million, compared with ¥172,332 million for fiscal 2011. Net income attributable to shareholders of Kyocera Corporation for fiscal 2012 decreased by ¥43,091 million, or 35.2%, to ¥79,357 million, compared with ¥122,448 million for fiscal 2011.

Net Sales, Profit from Operations, Income before Income Taxes, Net Income Attributable to Shareholders of Kyocera Corporation (Consolidated)



*Consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. Figures shown in this report have been rounded to the nearest number.

Implemented Management Measures in Fiscal 2012

Acquiring Unimerco Group A/S as a Consolidated Subsidiary

In July 2011, with the aim of strengthening its cutting tool business, the Kyocera Group acquired 100% of the outstanding common stock of Unimerco Group A/S (now Kyocera Unimerco A/S ("KUA")), a Danish industrial cutting tool manufacturing and sales company, and made it a consolidated subsidiary. By making KUA a consolidated subsidiary, the Kyocera Group has added to its lineup KUA's high-quality, high-precision, custom-made solid-type cutting tools for automobile engine processing, as well as tools used in the aviation and wind-power generation markets, while also expanding its sales network, mainly in Europe. Going forward, the Kyocera Group will strive to further expand its cutting tool business through the pursuit of synergies with KUA.



KUA Headquarters (Sunds City, Denmark)

Acquiring Optrex Corporation as a Consolidated Subsidiary

In February 2012, in order to expand its liquid crystal display (LCD) business, the Kyocera Group acquired all shares of Optrex Corporation (now Kyocera Display Corporation), a specialized manufacturer of LCDs and related products, and made it a consolidated subsidiary. Going forward, the Kyocera Group will take advantage of its strong customer base in LCDs for automotive applications both inside and outside Japan, with the aim of expanding business in the automotive market.



KYOCERA Display Corp. Headquarters (Tokyo)

Company Name Changes for Six Consolidated Subsidiaries

The Kyocera Group is engaged in global development of a wide variety of businesses, ranging from materials and components, to equipment and services. More than half of our sales are currently in markets outside Japan. To further raise awareness of our businesses in the global market and link business activities with the Kyocera brand, the consolidated subsidiaries listed below were renamed on April 1, 2012.

This will have the effect of raising Group cohesiveness, welding combined capability and supporting business expansion.

Former Company Name	New Company Name
KYOCERA MITA Corp.	KYOCERA Document Solutions Inc.
KYOCERA KINSEKI Corp.	KYOCERA Crystal Device Corp.
KYOCERA ELCO Corp.	KYOCERA Connector Products Corp.
Japan Medical Materials Corp.	KYOCERA Medical Corp.
Optrex Corp.	KYOCERA Display Corp.
Dongguan Shilong KYOCERA Optics Co., Ltd.	Dongguan Shilong KYOCERA Co., Ltd.

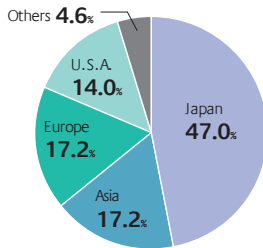
Sales by Region

The Kyocera Group is a diverse corporate group of 235 companies* (as of March 31, 2012) with KYOCERA Corporation as the parent company. Cooperation and ties among the individual Group companies promote business development in countries all over the world.

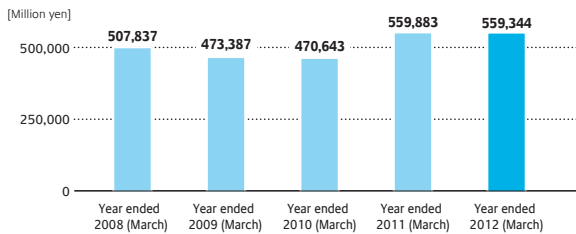
In addition to regional contributions made through provision of products and services, the Kyocera Group strives to contribute to employment and development of local cultures.

- * KYOCERA Corporation: 1 company
- Consolidated subsidiaries: 223 companies
- Companies accounted for by equity method: 11 companies
- Group companies: 235 (as of March 31, 2012)

Breakdown of Sales by Region (Year ended March 31, 2012)

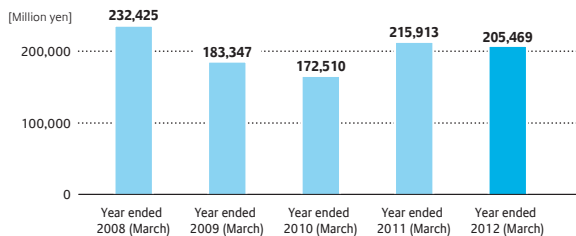


Japan



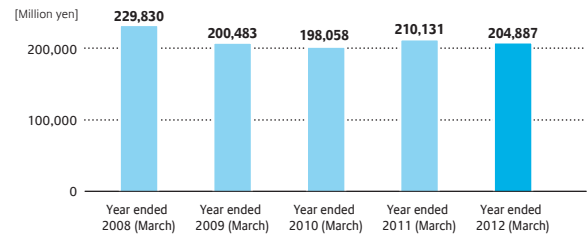
Despite an increase in sales at Kyocera Communication Systems Co., Ltd., sales in the solar energy business decreased resulting from deteriorated product prices, as well as sluggish demand for components used in digital consumer equipment. As a result, sales for Japan were flat compared with fiscal 2011.

Asia



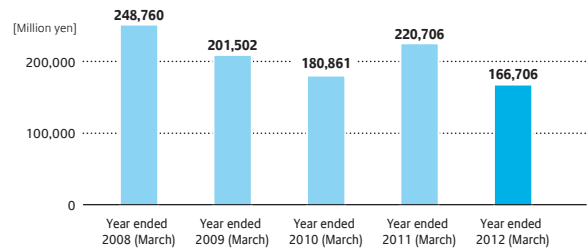
Sales in the Electronic Device Group and the Semiconductor Parts Group decreased due to a decrease in demand for components used in digital consumer equipment, and to the yen's appreciation. As a result, sales for Asia decreased compared with fiscal 2011.

Europe



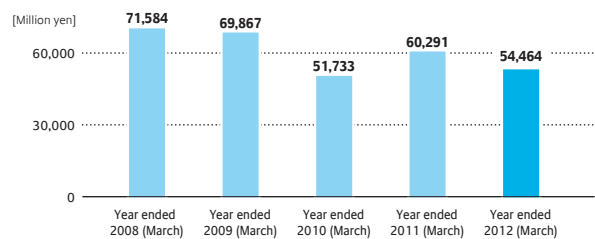
Sales for Europe decreased compared with fiscal 2011 due to a decrease in sales in the Applied Ceramic Products Group resulting primarily from slowed market growth in Europe and a steep decline in product prices in the solar energy business.

United States of America



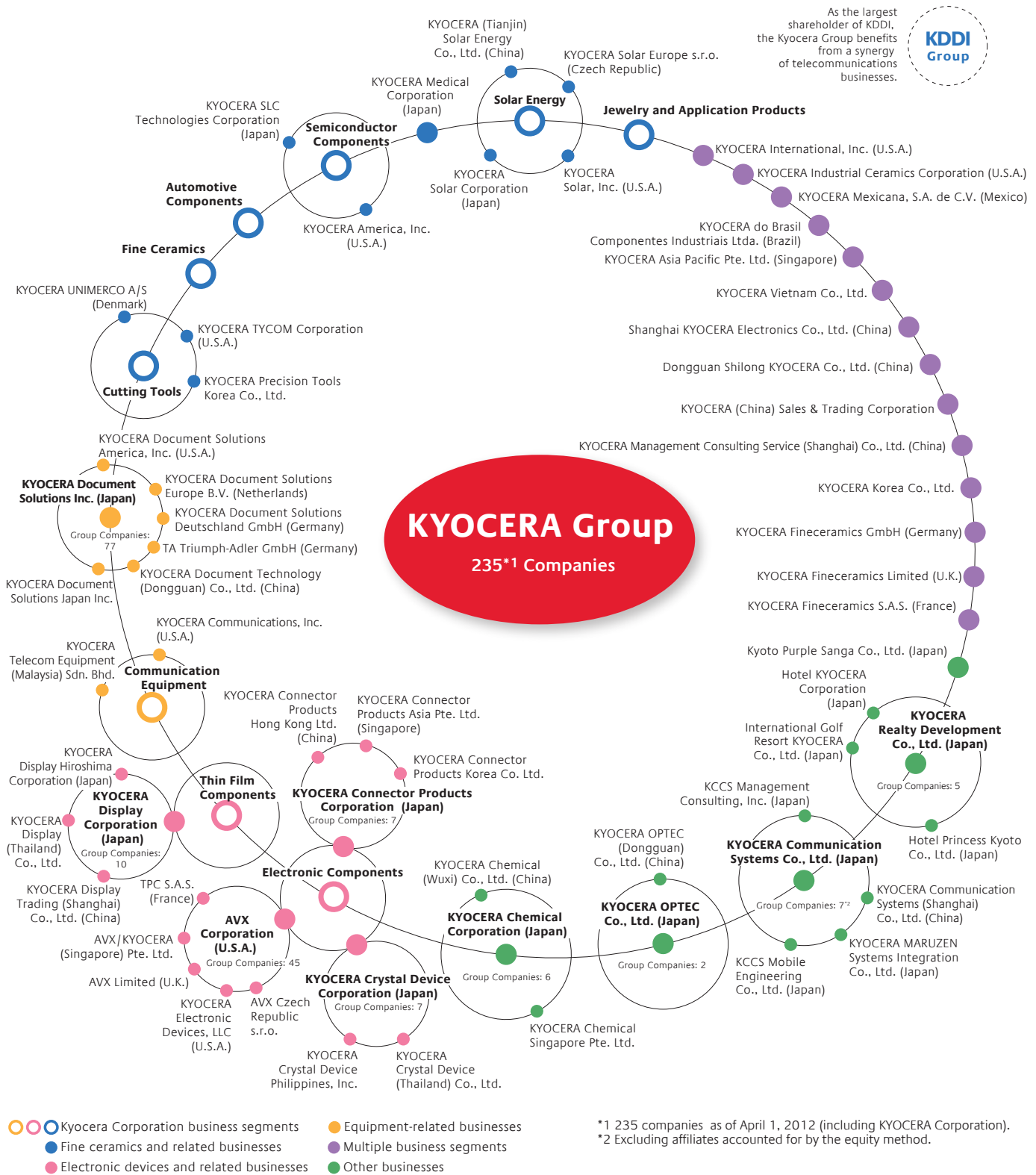
Sales for the U.S. decreased compared with fiscal 2011 due to a decline in sales volume of mobile phone handsets in the Telecommunications Equipment Group and to the yen's appreciation.

Others



Sales in other regions decreased compared with fiscal 2011 due mainly to decreased sales in the Semiconductor Parts Group and the Electronic Device Group resulting from sluggish demand for components.

Kyocera Group Business Development



Together with Customers

Thorough application of the “Customer-First” Principle is a top priority of the Kyocera Group — we are constantly working to further enhance product quality, and provide customers with products and services that bring complete satisfaction and enjoyment. By these means, the Kyocera Group is striving to earn trust and contribute to society.

Topics / Goals	FY2012 Results	FY2013 Plan
Quality improvement measures	<ul style="list-style-type: none"> Implemented quality training at overseas Group companies (Tree Diagrams & Prevention Training) 	<ul style="list-style-type: none"> Raise the CS* Index through quality training

* CS: Customer Satisfaction

Approaches to Quality Improvement

Kyocera Quality Policy

1. Kyocera places top priority on our environmental management and product safety systems.
2. Kyocera provides products and services to our customers that exceed their expectations by putting them first.
3. Kyocera aims to be a world leader in quality by doing every job right the first time.

The Kyocera Group has established the Kyocera Quality Policy to achieve production of quality goods that fully satisfy our customers' needs. We develop our businesses on the basis of this Quality Policy, and aim to always be an enterprise that is worthy of trust throughout the world. Moreover, to provide a high level of satisfaction to our customers, Kyocera is doing everything possible to ensure observance and correct application of the rules, starting at the planning stages.

Quality Management System

To realize the Kyocera Quality Policy, we are taking the following three measures to strengthen and improve the Quality Management System:

- Ongoing improvement of the Quality Management System in accordance with ISO9001 and other standards
- Set quality targets in each business division based on the Management Direction and Quality Policy, then prepare plans and implement improvement activities to reach targets
- Use Kyocera CS Improvement Committee activities to advance measures for prevention of quality problems and prevention of recurrence

Kyocera CS Improvement Committee

Chaired by Kyocera's president, the Kyocera CS Improvement Committee has representatives of each business division in the Kyocera Group (Japan) serving as committee members. The Committee meets once a month to advance improvement of the CS Index in each business segment. Specific actions include the sharing of information on quality among divisions, prevention of quality problems before they occur, and prevention of recurrence.



Approach Example

Quality Training in North America

Quality training was conducted at Kyocera America, Inc. in March 2011, with the aim of substantially improving quality indices. Senior management and employees in engineering and production departments took part. The training was attended by 78 people.

Lectures focused on cultivating practical ability, where we introduced examples of errors beginners tend to make and examples of ineffective tree diagrams. The trainees also analyzed specific quality issues through group discussions.

Similar training was conducted in October 2011 for the senior management of Kyocera International, Inc., also located in the U.S.A.



Kyocera Product Safety Policy

1. Kyocera is fully acquainted with the latest information related to product liability and product safety.
2. Kyocera maintains an industry-leading standard of product safety.
3. Kyocera systematically practices product safety in accordance with manuals.

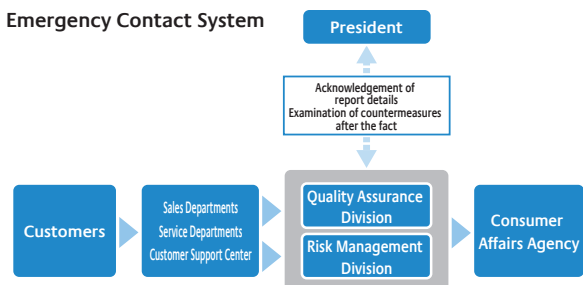
Safety is the utmost priority for all products made or sold by Kyocera. Regardless of form or function, they must not endanger a person's life or well-being, nor inflict damage on property. From this perspective, Kyocera has set a Product Safety Policy, in addition to its Quality Policy.

Kyocera established Product Safety System Guidelines as a concrete code of action at all levels of corporate activity.

Additionally, the Guidelines for Product Safety Labeling serve as supplementary guidelines for understanding international standards relating to safety labels.

Response to Accidents Involving Products

Kyocera has clarified emergency contact numbers for response in the case of a serious accident involving our company's products. The system enables immediate notification of reports from customers. At the same time, the Consumer Affairs Agency is promptly advised of any matters, and information is disclosed through relevant Web sites and other media.



Approaches to Raising Customer Satisfaction Levels

Action by the Customer Support Center

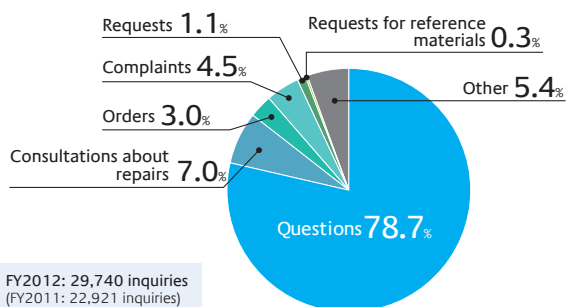
Kyocera operates a Customer Support Center (call center) to handle matters concerning consumer products. By responding earnestly, correctly and promptly to customer inquiries, consultations, complaints, and other matters, Kyocera aims to raise its level of customer satisfaction.

Valuable information and inquiries received from our customers are promptly reported to top management and shared among the relevant business segments. The information received is used to improve the quality of our products and services.

Private information on customers is completely protected and controlled by corporate regulations on information security.

Note: Corresponding to the commercialization of Kyocera smartphones, the number of related questions and inquiries rose in fiscal 2012 compared with the previous year.

Breakdown of Inquiries (FY2012)



Case Example

Evaluation by Independent U.S. Reviewer

In May 2011, Buyers Laboratory, Inc. (BLI), an independent reviewer of office equipment in the U.S.A., awarded Kyocera Document Solutions Inc. with the highest ratings of "Highly Recommended" and "Reliability Certified" for the TASKalfa 5550ci, a color multifunctional product (MFP) now on the market.

In August 2011 and January 2012, several color MFPs, printers and other equipment were awarded, respectively, the "2011 Summer Pick Awards" and the "2012 Winter Pick Awards."

The machines were highly evaluated from perspectives including reliability, productivity, image quality and usability.



Service Test Certification Awarded in Germany

TÜV Rheinland is one of the world's leading institutions in third-party testing and certification of products for safety and quality. Kyocera Fineceramics GmbH ("KFG") was highly evaluated by TÜV for after-sale service following installation of solar modules. In May 2011, KFG received the first service test certification awarded in the energy sector in Germany. Evaluation focused on the degree of priority given to customers, in such areas as solar module reliability, warranty conditions, and speed of response to complaints. KFG will continue striving to please customers by enhancing services.



KFG Technical Team



Together with Employees

In the quest to realize our Management Rationale, the Kyocera Group is constantly striving to optimize its organization. We are refining the personnel and education systems needed to develop and train employees, while actively undertaking measures for improving safety and preventing accidents and disasters. Optimizing our organization in this manner helps to give all employees a sense of pride in the company and the awareness that their work is worthwhile.

Our Personnel Approach

The “material and intellectual growth” targeted in the Management Rationale encompasses more than simply economic stability and prosperity. It embraces an enrichment of the spirit — something to live for and a sense of doing worthwhile work — through self-fulfillment. To achieve the Management Rationale, we work on the establishment of personnel systems that are adaptable to the characteristics and societal norms of individual countries. Such systems must be able to adapt to diverse values or changing environments — such as an aging society — in addition to the changing labor environment that stems from mobility of employment and globalization of corporate activity.

Topics / Goals	FY2012 Results	FY2013 Plan
Respect for human rights	<ul style="list-style-type: none"> Presentations on matters that should be observed, including respect for human rights, and reading in turn of the Kyocera Employee’s Action Guideline, during morning gatherings at workplaces. Participation in the UN Global Compact 	<ul style="list-style-type: none"> Establish measures relating to raising awareness of human rights
Respect for diversity / Balance of work and life	<ul style="list-style-type: none"> Recruitment at global headquarters of new graduates from overseas universities Construct an in-house Web site 	<ul style="list-style-type: none"> Continue recruitment of new foreign graduates, and active hiring of domestically-based foreign students Promote understanding of measures supporting a work-life balance
Cultivate human “assets”	<ul style="list-style-type: none"> Prepare and introduce an English Learning Program for junior employees 	<ul style="list-style-type: none"> Expand the student base for the English Learning Program

Personnel Vision

To work continually on appropriate operation and improvement of various personnel measures. To create a workplace environment in which all employees can take pride in the company and feel that their work is worthwhile, while sharing both hardships and joys. To thereby contribute to achieving the Management Rationale.

Respect for Human Rights

Aside from compliance with the laws of individual countries, the Kyocera Group implements measures in accordance with the United Nation’s Universal Declaration of Human Rights, the Fundamental Human Rights Convention by the International Labor Organization (ILO) and other international conventions. In 2011, the Kyocera Group formally joined the United Nations Global Compact, a global platform setting out 10 fundamental principles relating to human rights, labor, environment and anti-corruption. As stated in these international conventions, the Kyocera Group explicitly prohibits the use of forced labor and child labor, as well as discriminatory treatment on the basis of gender, age, beliefs, nationality, physical features, etc. The Kyocera Group is also working to prevent power harassment and sexual harassment in the workplace.

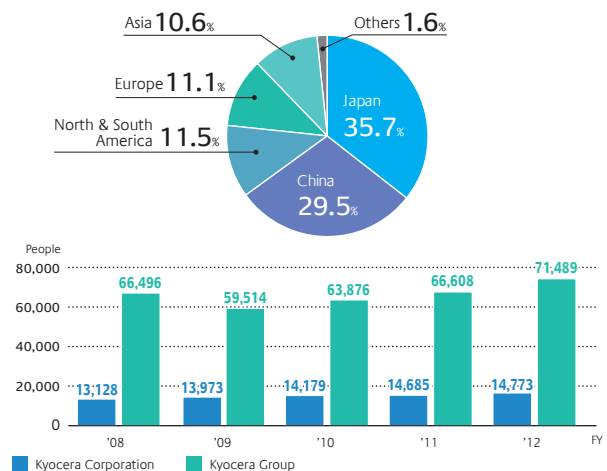
In addition, the Kyocera Group endeavors to exchange views and share information with employees through organizations such as labor unions and workplace associations. The Kyocera Group promotes development of a comfortable work environment that fosters motivation. Furthermore, great importance is placed on individual character and ability when hiring and appointing diverse, talented people.

Respect for Diversity / Balance of Work and Life

Adapting to Globalization

Since the first overseas office was established in 1968 (U.S.A.), localization has been the basic principle of recruitment. The Kyocera Group has always tried to appoint local employees to management positions. Kyocera is focusing on hiring and training people who can take responsibility for global deployment in the future. From that perspective, in 2011 we began hiring graduates directly from universities and graduate schools in China. Furthermore, Kyocera will actively continue to hire students who come from abroad to study in Japan.

Ratio & No. of Employees by Region (as of March 31, 2012)



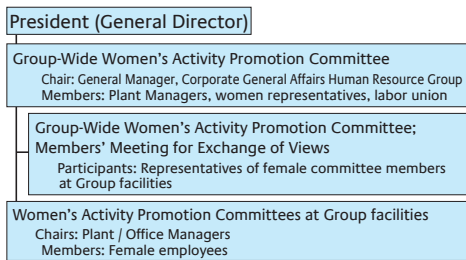
Promoting the Careers of Women in the Workplace

Kyocera has set up the Women's Activity Promotion Committee in building a workplace climate in which female employees increasingly put their abilities to good use. The committee implements training to raise the awareness of female employees and conducts exchange meetings with women outside the company.

Additionally, Kyocera is implementing various measures including instruction for workplace leaders aimed at supporting training of female employees. By such means Kyocera is promoting active involvement by women throughout the workplace.

In fiscal 2012, Kyocera prepared and placed a "To Do List" on the in-house Web site. The To Do List explains various systems women can take advantage of upon marriage, pregnancy, childbirth and child-rearing, as well as the necessary in-house and external procedures. The aim is to encourage use of measures that support compatibility between work and home life.

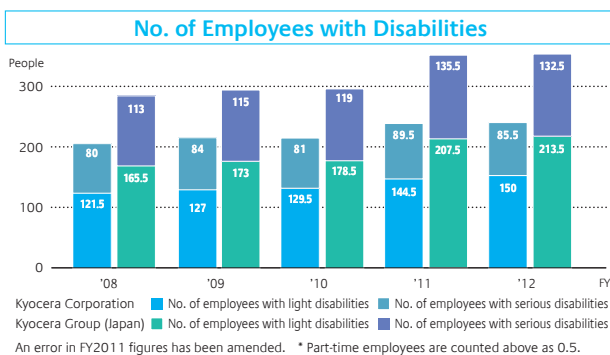
Kyocera also participates in running the Women's Networking Forum, an organization jointly sponsored by corporations in the Kansai region of Japan to promote involvement by women. Kyocera actively promotes involvement of women within the company and in society.



Women's Activity Promotion System

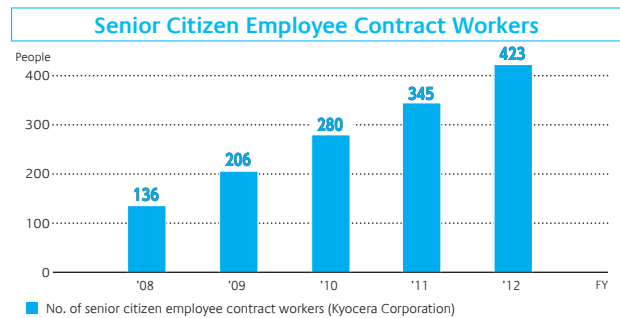
Employing People with Disabilities

Kyocera actively promotes an environment that supports the employment of people with disabilities and also makes it easier for them to work. Each employee is assigned to a workplace upon consideration of aptitude, the nature of the work, and other matters. As of March 2012, the ratio of Kyocera employees with disabilities was 1.81%. Kyocera will continue to actively provide employment opportunities for people with disabilities.



Senior Citizen Employee Contract Workers

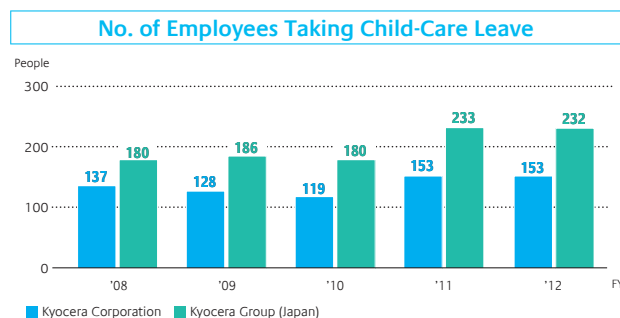
Kyocera has a system for offering continued employment to employees who have reached the regular retirement age of 60. For such employees, this system offers the chance to continue on with meaningful work. At the same time, these employees can continue making good use of their acquired abilities and skills for perpetuation of our corporate climate and culture. The system thus satisfies the needs of both parties. The basic policy is to continue employment for all applicants, and the number of senior employees is rising annually.



Measures for Child Care and Nursing

To support the balance of work and home life, Kyocera is operating a child-care leave system in Japan. Additionally, a family nursing care leave system that surpasses legal requirements enables employees to take a maximum of one year off work to nurse family members. Meanwhile, a shortened workday system is available for pregnant employees and employees raising children, through the third year of elementary school. So far, 587 employees have used the shortened workday system.

Furthermore, Kyocera provides a daycare subsidy system with an annual subsidy of up to ¥200,000 yen per child. The system is available for use when the employee would normally have needed to take time off work to take a child to or from nursery school, or on school holidays, etc.



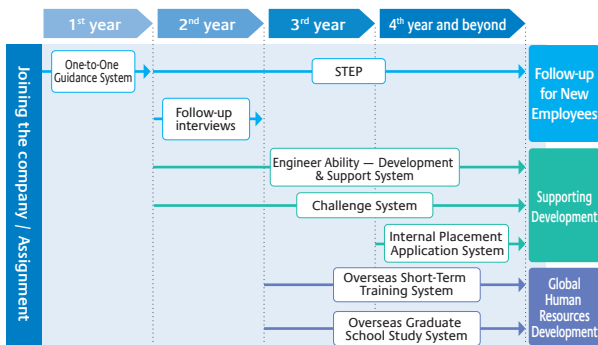
Return-to-Work System

Kyocera has a system whereby people who left the company due to marriage, childbirth, childrearing, nursing care or other unavoidable reasons can return to work as regular employees. This system expands the options for working when thinking about life plans, and supports realization of a balance of work and life for individual employees.

Development of Human “Assets”

Kyocera regards human resources as human “assets” and supports activities enabling employees to raise awareness of personal development and their contribution in the workplace.

In particular, as personal development can be achieved to a great extent through work, Kyocera is striving to create a workplace environment that enables each employee to work cheerfully and energetically, and draws out natural talents to the maximum extent. Kyocera aims to match the ideas and ambitions of employees with company needs, thereby simultaneously realizing the personal growth of employees and corporate development.



Measures Supporting English Language Learning

Kyocera is promoting measures that support English language learning by employees in Japan, to nurture human resources able to bear responsibility for global development of business. In fiscal 2012, we provided study support targeting junior employees in their 20s. The objectives were to raise the bottom level of ability and promote achievement of 600 points on the TOEIC English test. English classes on business documentation and presentation methods were also conducted as steps for cultivating global engineers.

We plan to expand the student base and develop approaches for attaining yet higher-level linguistic skills.



English language class

Approaches to Stimulating Communication

Approach to Labor-Management Relations

At Kyocera, great emphasis is put on building relationships based on trust and heart-to-heart bonds among employees. Labor-management relations at Kyocera go beyond the generally accepted idea of harmony between management and labor. At Kyocera, the basis of the relations is “coaxial labor and management,” where perspectives are shared on the same level. We carry out sports meets, summer festivals and many other kinds of events that stimulate and sustain such relations through unity.

In Europe, U.S.A., China and other countries, Kyocera continues to maintain appropriate labor relations via thorough labor-management consultation, in accordance with labor laws of individual countries. Labor and management on the same axis is the keynote for successful labor relations. Maintaining this stance will help to resolve problems in the workplace and keep the company on the path of sustainable development.



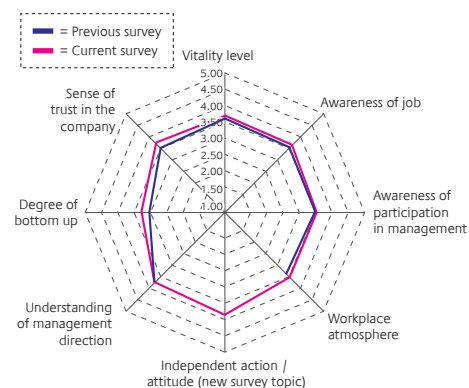
Sports meet (Tokyo Region)



Summer festival (Shiga Yasu Plant, Japan)

Measures for Raising Workplace Vitality

Kyocera regularly conducts an awareness survey of all employees. The survey focuses on the level of satisfaction with work and the workplace environment, the management situation, the sense of trust in the company, and suggestions for improvements, etc. Responses from each organizational unit are analyzed, enabling diagnosis of “vitality level” in each workplace. Using results as one reference indicator, workplace leaders take the lead in improvement activities for heightening workplace vitality.



Education of Employees

Since foundation of the company, Kyocera has practiced management based on the Kyocera Philosophy. The Kyocera Philosophy is the driving force behind Kyocera's development and thus it is essential that the Philosophy continues to be passed on correctly to employees. Therefore, we place Philosophy education as the cornerstone in cultivating human resources in the Kyocera Group.

Topics / Goals	FY2012 Results	FY2013 Plan
Enhance Philosophy education programs	<ul style="list-style-type: none"> Implemented Kyocera Philosophy Pocketbook II training for directors & executives Implemented leadership training and training to broaden management capability, as a Philosophy education program Established the Asia Management Research Institute in Singapore as an education and training base 	<ul style="list-style-type: none"> Expand training on Kyocera Philosophy Pocketbook II to all employees Present lectures (20) commemorating publication of The Spirit of Manufacturing Prepare training material archives for overseas training Implement education programs for employees new to the Kyocera Group
Strengthen workforce capability based on the Kyocera Philosophy	<ul style="list-style-type: none"> Implemented follow-up training Implemented training on passing on the spirit of engineering & development 	<ul style="list-style-type: none"> Conduct training based on the Kyocera Spirit of Manufacturing Pocketbook Implement fresh Amoeba Management training

Education Rationale

The Kyocera Group cultivates highly capable human resources who acquire the Kyocera Philosophy and contribute to the advancement and development of humankind and society, while pursuing the global development of Kyocera and the happiness of all employees through earnest efforts and a focus on creativity.

Education Objectives and System

To realize the Education Rationale, the Kyocera Group has set five Education Objectives. An education system corresponding to each of the five is being constructed to achieve these objectives.

Training Type	Education Objectives			
1 Philosophy Education	Spreading the Kyocera Philosophy among all employees			
2 Management Education	Cultivating executives with high-level management skills			
3 Skill-Specific Training	Cultivating human resources with job skills that meet specific qualifications			
4 Technical Training	Cultivating human resources with high-level specialized knowledge and high technological skills			
5 Job-Specific Training	Cultivating professional human resources for specialized job types			

Training Type	Top Management	Mid-Level Employee	Employee	Part-Time Employee
Philosophy Education	Director & Executive Philosophy Training	Supervisor & Assistant Supervisor Philosophy Training	Employee Philosophy Training	Part-Timer Study Sessions
	Top Management Seminars	Middle Management Seminars	Employee Philosophy Training	
Management Education	Kyocera Business Management Course			
	Plant Manager & General Office Manager Training	Sales Office Manager Training		
	Kobe University BS*			
		HA** Training		
Skill-Specific Training	Management Skills Training	Administrative Skills Training	Supervisory / Leader Skills Training	Advanced General Skills Training
				General Skills Training
Technical Training		Mid-Level Engineer Training	Specialized Technical Training	Basic Technical Training
		Product Manufacture Skills Training		
Job-Specific Training		Sales Dept. / Administrative Dept. Training		
Other Training	Research Task Reports / Chinese Language Studies / Correspondence Education / e-Learning / etc.			

* BS: Business School ** HA: Human Assessment

Results of Education

Throughout the Kyocera Group, regular and systematic training is implemented for all employees at all levels of employment, from top management to part-timers, with the aim of sharing and spreading the Kyocera way of thinking.

No. of Employee Training Course Participants (FY2012)

Name of Course	Philosophy Education		Management Training*2	Skills specific Training*2	Technical Training*2	Total
	Japan	Outside of Japan				
No. of Course Participants*1	60,696	21,740	448	1,925	3,267	88,076

*1 Figures above refer to training conducted by training departments within Kyocera.

*2 Figures refer to the Kyocera Group (in Japan)

Enhance Philosophy Education Programs

Conduct training on Kyocera Philosophy Pocketbook II

Repeated opportunity to study the Kyocera Philosophy is considered vital for permeation of the Philosophy and to enable each employee to acquire knowledge from experience and apply it in daily life. Philosophy education is therefore conducted regularly for everybody, from directors to general employees and part-time workers.

The Kyocera Philosophy Pocketbook II was published in fiscal 2012. The updated edition includes additional important points extracted from the Philosophy. Training is now being conducted to ensure directors and executives have a correct understanding, and to support implementation. The student base is being expanded, and training will be provided for employees at all levels, in Japan and abroad.



Training group discussion

Leadership Training & Training to Broaden Management Capability

Top Management Seminars are conducted regularly for senior management all over the world. In fiscal 2012, the Kyocera Group held Leadership Training to deepen understanding of the ideal state, qualities, functions and attitude required of leaders. Additionally, the Training to Broaden Management Capability aimed at further business development. The focus was on entrepreneurial spirit, way of thinking and action as an entrepreneur.

The Kyocera Group will continue to implement Philosophy education and enhance training programs at overseas facilities.



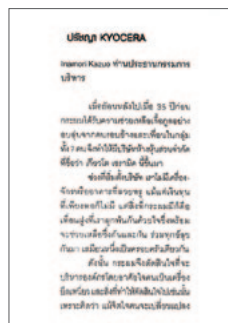
Training in the U.S.A.

Establishment of the Asia Management Research Institute

For the Kyocera Philosophy to spread among all Kyocera Group employees, it is vital that senior management and employees at all levels in each region have a correct understanding. Therefore, as well as preparation in local languages, educational materials must be tied into local customs and cultures.

Following on from Japan and China, in fiscal 2012 we established the Asia Management Research Institute at Kyocera Asia Pacific Pte. Ltd. in Singapore. The institute is an education base for Vietnam, India and other countries in the Asia-Pacific region with great potential for development.

Philosophy education and support in the Asia-Pacific region are being conducted in Vietnamese, Thai, Malay and other languages. Teaching materials are also being prepared in the local languages. Construction of an educational material archive is being planned. Materials will be put into data format to support education and training requirements at Group companies in each region.



Teaching materials in Vietnamese and Thai

Strengthen Workfloor Capability Based on the Kyocera Philosophy

Lectures on “The Spirit of Manufacturing”

As part of Philosophy training, lectures on The Spirit of Manufacturing were held for managers and people in charge at production departments in various plants and offices. The aim of the lectures was to ensure: (a) the Philosophy-based Spirit of Manufacturing traditionally handed on at workplaces; and (b) the ideal attitude and spirit of people responsible for production, are clearly passed on to the next generation.

Kyocera Spirit of Manufacturing Pocketbook, and Talking About Kyocera Manufacturing contain the essence of the lectures, and were published in print in April 2012. The Kyocera Group continues to engage in manufacturing that creates high additional value, thereby contributing to profit improvement and ultimately the advancement and development of society.



Lecture on The Spirit of Manufacturing

Training on the Amoeba Management System

The Amoeba Management System is a management control method created to realize the corporate philosophy of the Kyocera Group. For the Kyocera Group to continue growing and developing far into the future, it is extremely important that all employees have a sound understanding of Amoeba Management so they are able to put it into practice. Therefore, regular training on Amoeba Management has been provided since fiscal 2005 within the Kyocera Business Management Course. Introductory training was conducted in fiscal 2012 for new Kyocera Group employees and employees of companies newly admitted to the Group. Follow-up training will continue. Additionally, we will continue working to strengthen capability on the workfloor through study of the Amoeba Management System and through fresh approaches to training.



Follow-up training

Training to Pass on Engineering & Developmental Spirit

Engineers in each division undergo Training to Pass on the Engineering & Developmental Spirit, as one element of the manufacturing skills training program. The objective is to acquire the developmental and entrepreneurial spirit present when Kyocera was founded, and to apply this spirit in acceleration of new technology and new product development. Training will continue, as we endeavor to build developmental strength and create appealing products and services.

Building a Safe & Secure Work Environment

Provision of a safe and healthy work environment is a vital requirement for achieving the material and intellectual growth of employees, as set out in the Management Rationale. Therefore, the Kyocera Group actively promotes safety and health alongside disaster prevention activities, while concentrating on building a corporate climate embodying the concept of Safety First.

Topics / Goals	FY2012 Results	FY2013 Plan
Approaches to Occupational Safety & Health / Fire & Disaster Prevention <ul style="list-style-type: none"> Reduce work-related injuries <ul style="list-style-type: none"> Japan: Reduce rate of work absence by 50% compared with FY2011 Outside of Japan: Reduce injury rate per 1000 employees by 50% compared with FY2011 	<ul style="list-style-type: none"> Reduced work-related injuries <ul style="list-style-type: none"> Japan: Reduced rate by 27% compared with FY2011 Outside of Japan: Reduced rate by 35% compared with FY2011 Revised Machine & Facilities Installation Check System Prepared a Safety & Disaster Prevention Handbook Installed emergency equipment 	<ul style="list-style-type: none"> Reduce work-related injuries <ul style="list-style-type: none"> Japan: Reduce rate by 75% compared with FY2011 Overseas: Reduce rate by 75% compared with FY2011 Revision training on safety for managers and supervisors Build support systems for overseas Group companies Prepare guide on legislation relating to safety & disaster prevention
Expand Kyocera Perfect 5S Promotion Activities	<ul style="list-style-type: none"> Prepared overseas edition of 5S Checklist Evaluation Examples 	<ul style="list-style-type: none"> Raise lowest levels of 5S evaluation in workplaces

Occupational Health & Safety Policy

The Kyocera Group has established an Occupational Health & Safety Policy, to help build an accident-free and disaster-free workplace environment where everyone can work safely and with peace of mind. Based on this policy, we are promoting participation of all employees in occupational health and safety activities, for prevention of injuries and illnesses.

- To maintain and improve the level of employee safety and health, the Kyocera Group abides by and endeavors to improve management of relevant national laws and regulations, by-laws of regions in which facilities are located, and other requirements agreed to by the Kyocera Group as an organization.
- The Kyocera Group establishes organizations to effectively promote occupational health and safety activities, and clarifies the functions and responsibilities of those organizations. At the same time, all employees continue to receive necessary and sufficient education and training needed for operation of an Occupational Health & Safety Management System.
- The Kyocera Group is building and implementing an Occupational Health & Safety Management System, and continually aims to raise the level of occupational health and safety.
- The Kyocera Group is building a risk assessment system to assess risks and determine administrative measures for dealing with problem areas that may emerge in an accident or disaster. We set occupational health and safety targets. All related matters including this policy are regularly reviewed and continually improved to help prevent accidents and disasters.
- The Kyocera Group is strengthening mental health care through activities for advancing the mental health of employees.
- The Kyocera Group actively participates and cooperates in governmental and local society activities relating to occupational health and safety.

Approaches to Occupational Safety & Health / Fire & Disaster Prevention

The Kyocera Group implements three-year promotion plans to advance measures for occupational health and safety as well as fire and disaster prevention. We set annual targets and conduct activities accordingly. Activities undertaken in fiscal 2012 include revision of the Machine & Facilities Installation Check System, preparation of a Safety & Disaster Prevention Handbook, and installation of emergency equipment. Additionally, we reviewed risk assessments, implemented KYK (*kiken yochi katsudou* – Risk Perception Activities) measures, and set and enacted criteria for fire prevention checks, among other steps. Such activities are being advanced in fiscal 2013, with the goal of eradicating work-related injuries, fires and other accidents.

Example of Improvement

Action to prevent being caught in conveyor

At Kyocera Document Solutions, Inc.'s Hirakata Plant (Japan), a conveyor installed in the warehouse is used solely for loading and unloading products. Previously, workers standing beside the loading station were at risk of being caught in the conveyor. The risk was reduced by installing a protective barrier and protective sensor.



Before improvement

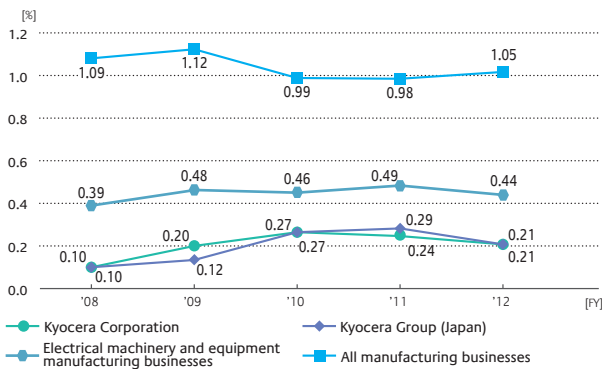


After improvement

Kyocera Group (Japan) Safety Record

In fiscal 2012, the rate of absence from work due to work-related injuries in the Kyocera Group (Japan) was 0.21% (Kyocera Corporation: 0.21%). The state of safety in the Kyocera Group stands up very well compared with the overall safety records for the entire manufacturing industry and the electrical machinery and equipment manufacturing industry. The Kyocera Group is aiming for further improvement of its safety record, and therefore continues to implement concrete measures to prevent work-related injuries, fires and explosions.

Rate of Absence Due to Work-Related Injuries



* Rates of absence due to work-related injuries for all manufacturing businesses and electrical machinery and equipment manufacturing businesses were provided by the Ministry of Health, Labor and Welfare.
 * Work-related injury absence rate: No. of injured / 1,000,000 hours. Calculation of no. of days' absence is based on standards used by the Ministry of Health, Labor and Welfare (Japan).
 * Work-related injury absence rates produced by the Ministry of Health, Labor and Welfare use calendar year data (absent from work for 4 or more days).
 * Work-related injury absence rates for Kyocera and the Kyocera Group (Japan) are based on fiscal year data (absent from work for 4 or more days).

Earthquake Countermeasures

In an attempt to minimize injury and damage from a major earthquake, the Kyocera Group (in Japan) is installing a disaster warning system at all plants and offices. This uses the Earthquake Early Warning System provided by the Japan Meteorological Agency.

Learning from the Great East Japan Earthquake of March 2011, we reviewed and improved the Emergency Contact Network, revised the Contingency Planning Manual, and installed emergency equipment, among other countermeasures.

Kyocera endeavors to minimize earthquake damage through other means, including regular drills using the Earthquake Early Warning System, disaster prevention training for employees, disaster drills held with local fire stations, and other activities.



Disaster drill (Yokohama Office)

Approaches to Promotion of Health

The Kyocera Group is undertaking various measures to raise awareness of health among all employees and support health in body and mind. Kyocera has long engaged in diverse activities aimed at improving mental health. They include stationing

industry-specific physicians specialized in mental health at facilities, encouraging consultations inside and outside the company, studying mental health measures at conferences of in-house industrial physicians, introducing a rehabilitative work system, and others.

Furthermore, Kyocera sponsors regular conferences attended by the Safety & Disaster Prevention Div., Human Resources Div., labor unions, health insurance groups and industry-specific physicians. Kyocera is thus exploring various measures and systems relating to promotion of health.

Case Example

Walk for Health Rally

In January 2012, the Shiga Yasu Plant held a New Year Walk for Health Rally. The aim was to raise the level of vitality at the plant by building health and strengthening bonds among employees. As many as 134 employees and family members took part. After stretching exercises with skipping ropes under the guidance of a fitness instructor, the walkers embarked on the 2.4 km walking circuit through plant grounds and along surrounding roads.



Deployment of Kyocera Perfect 5S Promotion Activities

The 5S system (*Seiri*: Sort / *Seiton*: Set in Order / *Seiso*: Shine / *Seiketsu*: Sanitize / *Shitsuke*: Sustain) is at the heart of work. Efforts by the Kyocera Group to implement the 5S system perfectly are called Kyocera Perfect 5S Promotion Activities. They are being introduced globally.

Prepared overseas editions of 5S Checklist Evaluation Examples

Evaluation of 5S by the Kyocera Group (in Japan) is based on criteria clarified in the 5S Checklist and in the 5S Checklist Evaluation Examples. The latter is a collection of 5S examples including photographs, illustrations, etc. Previously, evaluation in overseas Group companies had been conducted using only the checklist. In fiscal 2012, overseas editions of evaluation examples were newly prepared (English and Chinese) for use outside Japan. The Kyocera Group continues to actively introduce measures for invigorating 5S activities in order to realize safe workplaces while improving quality and productivity.



5S Checklist Evaluation Examples

Together with Shareholders and Investors

The Kyocera Group is striving to improve the transparency of business activities. At the same time, we are working to ensure the prompt, appropriate and fair disclosure of information to our shareholders and investors, and to all others who have interests in the corporation.

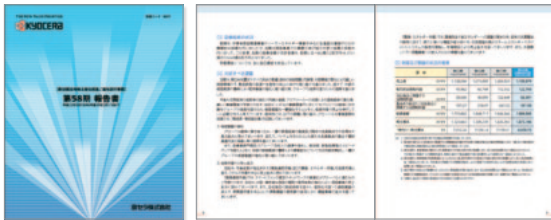
Topics / Goals	FY2012 Results	FY2013 Plan
Strengthen communication with our shareholders and investors	<ul style="list-style-type: none"> • Held company briefings for individual investors (in Kobe and Fukuoka, Japan) • Held briefings for domestic and overseas institutional investors • Expanded information disclosure using our Web site 	<ul style="list-style-type: none"> • Enhance content of information disclosed for individual investors (Web site renewal) • Company briefings for individual investors

Communication with our Shareholders and Investors

General Meeting of Shareholders

Kyocera regards the General Meeting of Shareholders, the highest decision-making organ of the corporation, as an important opportunity to communicate with shareholders, and thus we always strive for openness.

The report we send to our shareholders is designed for clear understanding. It has considerable reference material including photographs, graphs and explanations of end-of-year figures. We ensure that the opinions of more shareholders are reflected in management by sending out meeting notices to shareholders earlier than legally required and by making voting rights exercisable via the Internet.



Reports to Shareholders

Company Briefings for Investors

Briefings for individual investors and company briefings for institutional investors are regularly held to deepen understanding of the Kyocera Group. Interspersed with Q&A sessions, these briefings are important opportunities for directly explaining recent business performances and upcoming business strategies to investors. We promote the deepening of investor understanding of the Kyocera Group through such avenues of two-way communication.



Materials for company briefings

Proactive Disclosure

The Kyocera Group undertakes proactive disclosure of information for shareholders and investors. Aside from legally required information returns and information provided to stock exchanges, the Kyocera Group posts materials distributed in briefings and details of Q&A sessions on its Web site and in other media. We have also opened an individual investor Web site that clearly explains our business operations, corporate strengths, etc. Through these measures and other means, we disclose and provide a wide range of information on the Kyocera Group.

Additionally, we promptly deliver the latest news through an e-mail notification service to subscribers. Daiwa Investor Relations Co., Ltd. evaluated these measures highly and awarded the Kyocera Group with their Internet IR Excellent Corporation Award in fiscal 2012. The Kyocera Group continues to enhance information disclosure for our investors.



Web site for individual investors

Profit Distribution

Kyocera has adopted the principal guideline that dividend amounts should be within a range based on net income attributable to shareholders of Kyocera Corporation on a consolidated basis, and has set its consolidated dividend policy to maintain a consolidated dividend ratio at a level of approximately 20% to 25% of consolidated net income. In addition Kyocera determines dividend amounts based on an overall assessment, talking into account various factors including the amount of capital expenditure necessary for the medium to long-term growth of Kyocera Group. Based on this dividend policy, the annual dividend for the fiscal year ended March 2012 was set at 120 yen per share.

Together with Business Associates

Kyocera regards business associates as “valued partners” and places great importance on joint growth and mutual improvement. For instance, by receiving active suggestions for improvements from business associates, both parties can apply knowledge and insight toward bettering the quality, environment, delivery time and cost of a product or service.

Topics / Goals	FY2012 Results	FY2013 Plan
Strengthen partnerships with business associates	<ul style="list-style-type: none"> Held supplier seminars in Japan and China 	<ul style="list-style-type: none"> Expand supplier seminars outside Japan
Measures regarding conflict minerals	<ul style="list-style-type: none"> Set policies on measures for conflict minerals 	<ul style="list-style-type: none"> Build a control system for conflict minerals

Construct Partnerships with Business Associates

For our business associates, procurement departments are windows into the company. We must constantly be wary of the buyer’s logic, or the logic of a party in a stronger position. To consistently engage in fair purchasing activities, we have adopted the following rationale: “Purchasing is the face of the company. Always be fair. Aim to become a reliable and valuable Purchasing Group with gratitude toward others, humbly reflecting on our behavior and giving our best efforts at all times.”

Furthermore, to deepen understanding of Kyocera’s basic approach to business transactions, we actively visit suppliers and use various opportunities for communication. In this way, we are building partnerships based on mutual trust.

Supplier Selection Policy

Kyocera has set a Supplier Selection Policy. When a prospective new supplier seeks to conduct business with Kyocera, that supplier is asked to provide a report giving a general overview of the company, and to complete a questionnaire about environment-related activities. The supplier is assessed and then selected or turned down based on these materials and various findings as established in the Supplier Selection Policy. Similarly, established suppliers are periodically surveyed, assessed and reviewed.

Holding Supplier Seminars

Each year, business associates are invited to supplier seminars at Kyocera. The purpose is to give suppliers a better understanding of the Management Direction, business policies and other facets of the Kyocera Group, and to ask for further cooperation.

In fiscal 2012, supplier seminars were held in Japan (Kyoto & Osaka) and in China (Shanghai). 901 representatives of 522 companies attended these seminars. In Kyoto and Osaka, awards were presented to eight companies for their particular cooperation in such areas as quality, price and delivery over a year of business transactions.

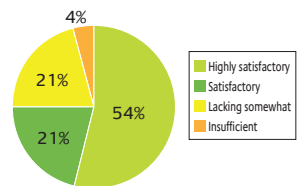


Supplier Seminar (China)

Supply Chain CSR Questionnaire

Kyocera sends copies of the Supply Chain CSR Promotion Guidebook to business associates. Our goal is to gain their understanding of Kyocera’s thinking on CSR and to ask for cooperation in furthering our CSR activities. Additionally, new business associates are asked to complete a Supply Chain CSR Questionnaire based on the guidebook. The aim of the questionnaire is to ascertain the current state of their CSR measures in such areas as human rights, labor, safety & health, environment, fair trading practices and ethics.

In fiscal 2012, 75% of respondent companies assessed themselves as “Highly satisfactory” or “Satisfactory.” Kyocera will continue promoting various activities to encourage active implementation of CSR measures by business associates.



Supply Chain CSR Survey Results

Measures on Conflict Minerals

In the Democratic Republic of Congo and neighboring countries, conflict minerals may serve as funding sources for militia groups committing human rights abuses. Kyocera policy is not to purchase conflict minerals, or materials and products using metals made from conflict minerals.

Kyocera is planning to build a control system based on content of forthcoming disclosure rules in the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Case Example

Approach by Overseas Group Company

As the leading supplier of tantalum capacitors, AVX Corporation, a consolidated subsidiary of Kyocera in the United States, has continued its efforts to keep conflict minerals out of the supply chain. AVX Corporation announced that as of December 1, 2011 all its current tantalum powder and wire suppliers were fully compliant with the independently-audited Conflict-Free Smelter Program (CFS). AVX will continue to exclusively use tantalum powder and wire from conflict-free compliant smelters in accordance with the principles of the Dodd-Frank legislation and current Organization for Economic Co-operation and Development (OECD) guidelines.

Together with Society

The Kyocera Group continues to develop new technologies and provide high-quality, high-performance products. Our corporate activities are guided by the rationale of “Contributing to the advancement of humankind and society.” Recognizing that a corporation is a public institution, the Kyocera Group will continue to work actively not just in business, but also in contributing to society in diverse ways.

Supporting reconstruction of the Great East Japan Earthquake Disaster areas by rebuilding communications networks and other contribution activities

■ Group employees of Kyocera Communication Systems Co., Ltd. (KCCS) throughout Japan restore communications infrastructure in the Tohoku region

The Great East Japan Earthquake struck on March 11, 2011. All members of the Kyocera Group offer our heartfelt sympathy to the people affected by the Great East Japan Earthquake, and our sincere wishes for the swift recovery of the stricken areas.

Immediately after the disaster, the KCCS group received a request from communications carriers to undertake restoration of wireless communication networks throughout the Tohoku region. Many employees promptly entered the region to begin work, centered around members at the Sendai Sales Office. The following day, March 12, power supply trucks and mobile base stations all over Japan were mobilized and began moving toward Tohoku. Next, support teams from KCCS group facilities nationwide put all their effort into restoration of base stations and facilities crippled by the disaster.

Today, more than one year after the disaster, communication functions have been restored. However, the KCCS group continues to work on rebuilding infrastructure in the stricken areas.



Restoration work underway

Comments of a KCCS group employee involved in communications restoration

Traveled from Nagoya Sales Office to Ishinomaki City in Miyagi Prefecture to work day and night on communications restoration under harsh conditions.

“On the day of the earthquake, we received a request from our clients to go to Sendai. We traveled overland and worked on restoration in Ishinomaki City, Miyagi Prefecture, and other areas from the moment of our arrival until March 20. The restoration work was harsh. In Ishinomaki City there were overturned cars everywhere, roads were under water, and everything was in turmoil. There were no accommodations, and we spent some nights in our vehicles. Gasoline could not be supplied, so heating could not be used. Our food consisted of dried noodles we had brought with us. As we worked, many people asked if they could recharge their cell phones on our facilities, and when service would be restored. Severed communications and inability to use cell phones became a major issue. Ishinomaki City was hit with severe damage and suffered the loss of a great many lives. Under such circumstances, I found it impossible to give encouraging comments. Rather than verbal encouragement, I felt the best thing I could do was show support through action for the restoration of communications.”

(KCCS Nagoya Office employee)

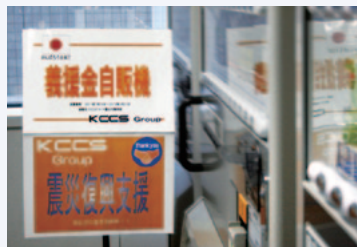
■ Kyocera Group companies pulled together with activities contributing to earthquake restoration

The Kyocera Group donated money to help victims of the Great East Japan Earthquake and to support recovery of the stricken areas. Group employees in Japan and overseas also raised funds, along with a donation that was sent by the Kyocera labor union. Fukushima Tanakura Plant, which was damaged in the earthquake, gave part of the food and daily necessities received from the Kyocera Group nationwide to local communities.

The KCCS group installed Contribution Vending Machines at all of its facilities. Part of the revenue from sales of drinks through the machines is donated toward disaster relief. KCCS also collaborated in the Disaster Recovery Support Project carried out by the Japan Magazine Publishers Association, providing the platform for distribution of digital magazines. Meanwhile, Kyocera Document Solutions, Inc. lent printers free of charge in the affected areas.



Delivering relief supplies to Tanagura Town Office in Fukushima



Contribution Vending Machine installed at a KCCS group facility



Truck loaded with donated relief supplies for disaster areas



Cooperated in distribution of digital magazines as part of the Disaster Recovery Support Project

Assistance with Academic Advancement and Research

Support for the Inamori Foundation's Kyoto Prize

Based upon the belief of Kyocera's founder, Kazuo Inamori, that "a human being has no higher calling than to strive for the greater good of humanity and the world," the non-profit Inamori Foundation was established in 1984. The Kyoto Prize, organized by the Foundation, is an international award to honor individuals and groups that have made distinguished achievements in the three categories of Advanced Technology, Basic Sciences, and Arts and Philosophy. The laureates are awarded diplomas, Kyoto Prize medals and prize money of 50 million yen per category.

In conjunction with the Kyoto Prize Presentation Ceremony, various youth development programs are held involving the laureates, including commemorative lectures, interactive workshops where participants engage in lively exchanges, special classes at high schools, and children's events where the laureates interact with elementary school students.

The Kyocera Group is fully aligned with the spirit of the Kyoto Prize and is pleased to support this award, which celebrates its 28th year in 2012.



The Kyoto Prize Presentation Ceremony



The 2011 Kyoto Prize laureates



Tamasaburo Bando V speaks at the Kyoto Prize Symposium, San Diego, U.S.A.

The Kyocera Museum of Fine Ceramics

The Kyocera Museum of Fine Ceramics, which is open to the public free of charge, was established in the Kyocera headquarters building (Kyoto City, Japan) in 1998. The museum showcases how Kyocera developed its fine ceramics technology over the years and contributed to further development of the industry. Many scientists and engineers from Japan and overseas visit the museum, which is often included in training courses.



Visitors learn about fine ceramics technology

Assistance with the Inamori Frontier Research Center at Kyushu University

The Inamori Frontier Research Center was established at Kyushu University (Fukuoka Prefecture, Japan) to undertake research activities contributing to the harmony of minds and technology, and to support the exchange and education of young researchers. Kyocera agrees with the goals of the Center, and has supported its operations since 2008 by donating scholarship funds.



Inamori Foundation Memorial Hall housing the Inamori Frontier Research Center

Supported the Establishment of the Inamori Academy Building at Kagoshima University

In 2008, the Inamori Academy building opened at Kagoshima University (Kagoshima Prefecture, Japan) to offer a course aimed at the comprehensive cultivation of human abilities. Kyocera supported the construction of the facility. In 2000, an endowed position, the Kyocera Chair of Management Studies, was established in the university's Faculty of Engineering. In 2005, the course was expanded into a university-wide organization, which was reorganized into the Inamori Academy in 2008.



Inamori Academy building

The Kyocera Chair of Management Philosophy at Kyoto University

In 2007, Kyocera established the Kyocera Chair of Management Philosophy in the Kyoto University Graduate School of Management (Kyoto Prefecture, Japan), an endowed chair for the purpose of systematizing management philosophy and cultivating researchers. By doing so, Kyocera fosters a steady stream of business people who possess a universal philosophy of management and corporate ethics.



Kyocera Chair of Management Philosophy Symposium

Contributions to Alfred University

In 2005, Kyocera made a donation to Alfred University (New York state, U.S.A.), an institute renowned worldwide for its education and research in ceramics and glass, which led to the official renaming of its engineering school as the Kazuo Inamori School of Engineering. In May 2011, the Inamori Kyocera Fine Ceramics Museum was opened to exhibit the products and technology that Kyocera has cultivated over the years.



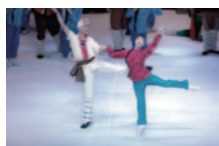
The Inamori Kyocera Fine Ceramics Museum

Support for Culture and the Arts

Support for the Matsuyama Ballet Troupe's Performance of "The White-Haired Girl" in China

Kyocera supported a new performance of "The White-Haired Girl" by the Matsuyama Ballet Troupe in China to commemorate the 40th anniversary of normalized diplomatic relations between Japan and China in 2012, and to further improve the friendship between the two countries through culture and the arts.

Set in a rural village in 1930s China, "The White-Haired Girl" is a popular Chinese opera that tells the story of one woman courageously facing many difficulties. Performances were held in Beijing, Shanghai and Chongqing in October 2011, and were enjoyed by a great number of people.



The Matsuyama Ballet Troupe performs "The White-Haired Girl" in China (photos by A.I.)



Support for Shiki Theatre Company's Theatre for Heart

Kyocera supports Theatre for Heart, planned and managed by the Shiki Theatre Company, which uses the stage to communicate to children such important life lessons as trusting each other, having an altruistic heart and the value of life. Children across Japan are invited to attend the free performances.



Shiki Theatre Company performs "Majorin Who Threw Away Magic" (photo by Akihito Abe)

The Kyocera Museum of Art

The Kyocera Museum of Art, which is open to the public free of charge, was established in 1998 in the Kyocera headquarters building (Kyoto City, Japan). Many works of art are on permanent display, including Picasso's copper plate print series 347, paintings, sculptures and Qianlong glass from China.

The exhibits are very popular. In 2011, the 9th Special Exhibition showed works by the late Yoshiyuki Chosa, a recipient of Japan's Order of Culture and a leader in the world of artistic metalworking.



The Kyocera Museum of Art

International Exchange and Collaboration

The Inamori-Kyocera Western Development Scholarship Fund Supports Human Resource Development in China

In 2001, Kyocera and its founder, Kazuo Inamori, set up the Inamori-Kyocera Western Development Scholarship Fund to assist economically disadvantaged university students in China's western provinces who show both outstanding academic achievement and high moral character. The fund fosters individuals who will aid regional development through science and technology. Scholarship funds are granted at 12 universities each year, with a total of 3,006 student beneficiaries as of FY2012.

To commemorate the fund's 10th anniversary in June 2011, 300 people attended a ceremony at Ningxia University in the Ningxia Hui Autonomous Region in China, including scholarship recipients and university representatives. Kyocera supports the development of human resources to foster growth in China's western region, with the hope of further strengthening friendship and trust between China and Japan.



Ceremony to commemorate the 10th anniversary



A student at Ningxia University reads a letter of appreciation



Scholarship recipients, university affiliates and Kyocera representatives attend the ceremony

Providing Picture Books for Children in Developing Countries

Kyocera supports an international cooperative that delivers picture books to children in developing countries. Since 2009, KCCS Group employees and their family members have voluntarily made picture books, which are delivered to children in countries including Thailand, Cambodia, Laos, Myanmar and Afghanistan.



Employees make picture books for needy children

■ Cultural Exchange Tours Enable Chinese Children to Visit Japan

Kyocera has invited children from China to visit Japan since 1997, with the hope that giving firsthand experience of different cultures to these impressionable children will facilitate future bonds of friendship between China and Japan. A total of 324 children have taken part in the program so far. In 2011, 34 elementary and junior high school students visited Japan from Shanghai and from Dongguan City in Guangdong Province, as part of the 12th Cultural Exchange Tour for Chinese Children. They enjoyed a visit to the Chinese embassy in Tokyo, went sightseeing near Mt. Fuji, visited Kyoto, experienced the traditional Japanese craft of Nishijin textiles, and visited Ritsumeikan Junior & Senior High School and Kyocera's headquarters. Kyocera will continue to support goodwill activities between the children of China and Japan.



Children meet Ambassador Cheng Yonghua at the Chinese embassy (Tokyo)



Visiting the Kyocera headquarters showroom (Kyoto)

■ Vaccines for Children in Developing Countries

Kyocera supports the Ecocap Movement, where a vaccine for a child in a developing country is donated for every 800 plastic bottle caps collected. To date, the Kyocera Group has provided 750 polio vaccines through this non-profit organization — saving children's lives while promoting recycling.



Cap collection box placed in a central location at Kyocera

■ Pink Ribbon Activities

The Kyocera Group supports the Pink Ribbon Movement to promote early detection and diagnosis of breast cancer, and donates part of the profits from its pink ceramic kitchen products to the movement. In the U.S.A., Kyocera has donated part of the profits from its pink-handled ceramic knives to the Susan G. Komen for the Cure® organization since 2004. Kyocera supports similar activities in Australia, France, Italy, Korea and Japan.



Ceramic knife series supports the Pink Ribbon Movement

Local Community Activities

■ Supporting the Kyoto Sanga F.C. Professional Soccer Team

In 1994, in response to the high expectations of Kyoto (Japan) residents calling for a local professional soccer team, Kyocera helped establish Kyoto Purple Sanga (now Kyoto Sanga F.C.), with the belief that it is the responsibility of local companies to help vitalize the region. Kyocera Group companies in Japan work together to support the team. Kyocera also supports the Sanga Cup Kyoto Youth Soccer Championships, as well as a project that helps players under the age of 18 develop soccer skills.



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■ Classes in Scientific Experimentation Teach Basics of Electricity and Photocopying

The Naniwa Kids Love Science Development Program implemented by the Osaka City Board of Education (Japan) aims to encourage children who like science in order to ensure the future of the manufacturing sector. Kyocera Group employees have served as special instructors since 2008, using scientific experiments to teach a total of 2,056 elementary school students in 28 schools how science can be fun.



Science experiments using a multifunctional document imaging machine

■ Hands-on Science Classes about Artificial Joints

In response to Japan's new Structure and Function of the Human Body elementary school curriculum introduced in FY2010, Kyocera teaches hands-on science classes at elementary schools in Gifu Prefecture under the auspices of the Gifu Science World Experience Center. Kyocera Group employees give special lectures to explain the mechanics of human and artificial joints in a simplified manner.



A simplified introduction to artificial-joint mechanics

■ Participation in a Breast Cancer Charity Event

Lee National Denim Day is a charity event held throughout the U.S.A. every October to raise awareness about breast cancer and fund research. Many companies support the special day, on which employees are allowed to come to work in jeans if they each donate at least five dollars. The Kyocera Group in the U.S.A. has participated in this event since 2008, helping to increase employee awareness about the issue.



Participation in Lee National Denim Day

■ Local Community Beautification

Kyocera aims to be an integral part of its local communities, participating in regular beautification activities for parks, forests, rivers and areas around our offices. The Kyocera Group in the Philippines cooperated with local citizens to remove garbage from around rivers. Kyocera will continue to play an active role in these events.



Employees engage in a local beautification activity

■ Donating Solar Modules to College Student Technology Competition

The Avnet Tech Games (ATG), which began in 2006 in Arizona, U.S.A., are technology competitions for college students where students compete to be the most technically skilled team. The competition includes an experiment with solar power, which the Kyocera Group provided solar modules for. The goal of the challenge was to use solar power to pump water into a bucket.



An experiment using solar power

■ Fundraising Efforts

Since 1963, the Kyocera Group in Japan has held an annual, nationwide year-end fundraising campaign. Contributions from employees and Kyocera companies are entrusted to their local communities. In addition, many Kyocera Group companies in and outside of Japan have made donations with the direct involvement of employees to support communities around the world stricken by disasters.



Bus for people with disabilities which was donated through fundraising activities (Japan)

■ Charitable Fundraising

Since 2005, an annual golfing charity event is held in Germany. Kyocera and other event participants donate funds to the Uwe Seeler Foundation, a welfare organization. The money helps support people with disabilities or who are in financial need.



Presenting donation to Mr. Uwe Seeler (right)

■ Supporting Local Welfare Activities

The Kyocera Group in the Czech Republic contributes to local welfare activities by helping to supply vehicles which can be used by the elderly or disabled. Assistive vehicles are used daily in many ways, such as for outpatient hospital visits and meal delivery services, and are a valuable method of transportation.



Assistive vehicles in the Kadan region of the Czech Republic

■ Volunteer Activities for Regional Children and Organizations

Each December since 1999, the Kyocera Group in Korea has volunteered to help disabled children and disadvantaged foreign workers. In 2011, 250 employees participated by visiting amusement parks with children, donating food and daily necessities, and fundraising.



Children and employees visit an amusement park

■ Toys for Tots Donation

Since 2006, the Kyocera Group in the U.S.A. has participated in the annual Toys for Tots campaign run by the U.S. Marine Corps, which collects toys for needy children. The toys bring joy to children as holiday gifts. Kyocera employees donated more than 200 toys last year. Since the program began, the U.S. Marines have distributed more than 350 million toys to 160 million needy children.



U.S. Marines and Kyocera employees with the donated toys

Kyocera Group Environmental Management

Since foundation of the company, based on the corporate motto “Respect the Divine and Love People,” the Kyocera Group has focused all corporate activities on three pillars of coexistence (Living Together): Coexisting with Our Community, Coexisting with Global Society, and Coexisting with Nature. The entire Kyocera Group is committed to environmental management and aims for sustainable corporate development while striving to combine the goals of ecology and economy.

The Kyocera Group handles many chemical substances during production processes, such as raw materials and chemical agents for fine ceramics. Regarding treatment of waste water from factories, our policy is to purify discharged water to a state cleaner than the water system into which it is to be released. Kyocera’s founder, Kazuo Inamori, determined all waste water would be first rendered as harmless as possible, using the newest available technology.

Based on this concept, the Kyocera Group enacted the Kyocera Environmental Charter in 1991, the company’s basic philosophy regarding the environment. Kyocera established its Environment Vision 2020 in order to embody the Kyocera Environmental Charter and define the company’s stance on a long-term basis up to 2020. As a milestone to achieve this vision, Kyocera has formulated the 7th Environment & Safety Promotion Plan.



Kyocera Environmental Charter
<http://global.kyocera.com/ecology/eco/management/kensyou.html>



For the Kyocera Group, harmonious coexistence (Living Together) is the underlying foundation of all our business activities as we strive for sustainable development through environmental management. Based on a global environmental management system (Green Management), we strive for ecological and economic compatibility in three areas: Green Products, Green Factories and Green Communication.

1. Contribute to realization of a low-carbon society

Targeting a Low-Carbon Society Contribution Factor of 3 (Contribution Volume ÷ Emission Volume) by maximizing the reduction of greenhouse gas emissions through energy creation, and suppressing greenhouse gas emissions in business activities.

2. Contribute to realization of a recycling-based society

Contribute to realization of a society with sustainable recycling of resources by reducing the volume of new resource input and minimizing waste.

3. Contribute to realization of a society coexisting with nature

- (1) Advance conservation of biodiversity by minimizing negative impact on the natural environment, as well as protecting and nurturing the natural environment.
- (2) Contribute to cultivation of an environmentally conscious society, through environmental communication with various stakeholders and environmental awareness activities.

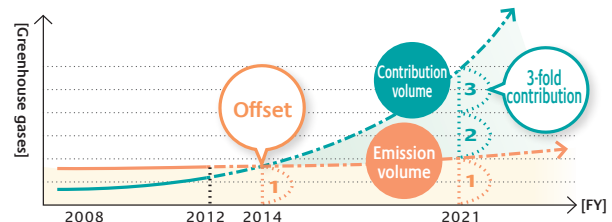
Commitment to Achieving a Low-Carbon Society

In addition to targets for reducing greenhouse gas emissions from business activities, the Environment Vision 2020 establishes a benchmark in aiming for realization of a low-carbon society. Named the Low-Carbon Society Contribution Factor, this benchmark gives an overall assessment of the volume of contribution to greenhouse gas reduction through use of Kyocera green products.

$$\text{Low-Carbon Society Contribution Factor} = \frac{\text{Volume of contribution to greenhouse gas reduction}^*1}{\text{Volume of greenhouse}^*2 \text{ gas emissions}}$$

Low-Carbon Society Contribution Factor

FY	'08	'09	'10	'11	'12
Factor	0.32	0.40	0.56	0.66	0.93



*1 The volume of contribution to greenhouse gas reduction is obtained by converting the volume equivalent to the energy creation effect into the greenhouse effect gas, in which the photovoltaic systems produced and marketed are assumed to continue power generation for 20 years. In addition, the coefficient used in conversion shall be 0.360kg of CO₂ per kWh (based on the Japan Photovoltaic Energy Association's Independent Industry Rules on Labeling).

*2 Emissions of greenhouse gas by plants and offices in the Kyocera Group

Participation in the Low-Carbon Society Action Plan

In March 2012, Kyocera participated in the Low Carbon Society Action Plan of electrical and electronics industries.

This is an approach to improve energy consumption units by 1% per year on average and to contribute to suppression of CO₂ emissions from manufactured products by 2020. Kyocera will make unified efforts with industries to positively carry forward our contribution to the prevention of climate change.

Green Management

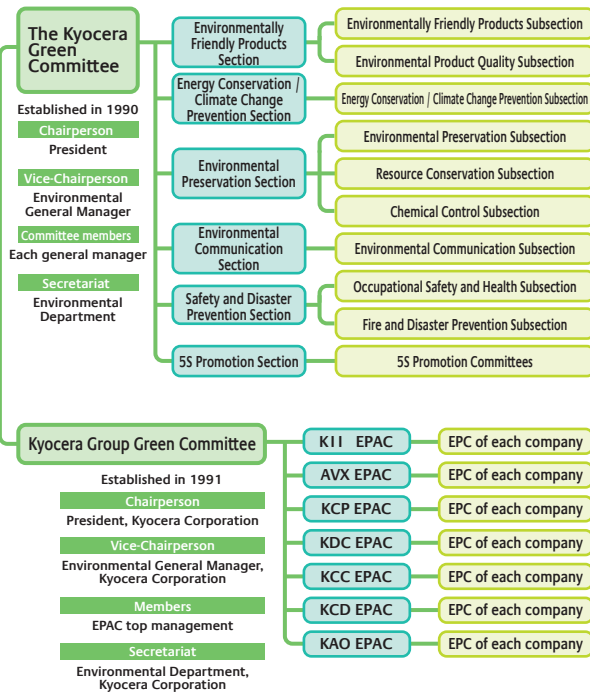
Basis of Environmental Management

Environmental Management Promotion System

Kyocera established the Kyocera Green Committee and Kyocera Group Green Committee (KGGC), to allow the entire Kyocera Group to promote company-wide environmental protection activities based on the Kyocera Environmental Charter.

Targets and action plans determined by the Kyocera Green Committee are broken down in the Environmental Management System based on the ISO14001 Standard. The Plan, Do, Check, Act (PDCA) cycle is applied monthly in order to spread continuous environmental conservation activities.

We adopted and applied an Environmental Management System in 1996 when the ISO14001 Standard was established. We have built systems globally in the following four categories and now deploy and apply them at all 386 Group locations both in Japan and abroad.



Environmental Protection Assurance Committee (EPAC)

EPAC guides and supports each Group company's Environmental Protection Committee (EPC) in promoting conservation activities based on the Kyocera Environmental Charter. In order to promote protection activities for the entire Group, the EPAC also conducts audits in cooperation with each EPC. There are seven EPACs.

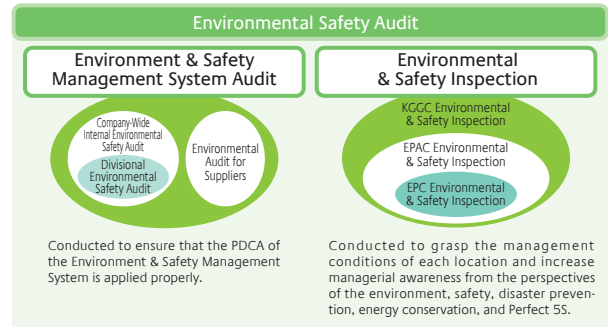
- KII (Kyocera International, Inc.) Group
- AVX (AVX Corporation) Group
- KCP (Kyocera Connector Products Corporation) Group
- KDC (Kyocera Document Solutions Inc.) Group
- KCC (Kyocera Chemical Corporation) Group
- KCD (Kyocera Crystal Device Corporation) Group
- KAO (Kyocera Asia & Others) Group

Environmental Protection Committee (EPC)

An Environmental Protection Committee is set up at each Group company. Each EPC independently makes, conducts and evaluates activity plans and periodically releases a report to the EPAC.

Environmental Safety Audit

The Kyocera Group periodically conducts environmental safety audits.



We report audit results and carry out corrective actions immediately. The results and corrective actions are reflected in the review and in the improvement of the Environment & Safety Management System.



Self-inspections of the environmental safety management system (Shiga Yohkaichi Plant)

Environmental Accounting

The Kyocera Group established an Environmental Accounting System which has been in practice since FY2003. In its business activities, the Kyocera Group quantitatively assesses the cost laid out for environmental conservation and its conservation effects as well as economic benefits, and positively utilizes this information for environmental conservation measures.

(unit: million yen)

	FY2011	FY2012
Environmental Conservation Costs (Investment amount)	1,780	984
Environmental Conservation Costs (Expense amount)	11,810	12,687
Expense amount excluding research and development costs	8,054	7,943
Economic effects resulting from environmental preservation measures	10,941	11,160
Cost-Effectiveness	2,887	3,217

Range of data collection: 228 sites

- 1 Sites collectively certified under the Kyocera Group Integrated Environment & Safety Management System: 203 sites
 - 2 Dongguan Shilong Kyocera Co., Ltd. (China); Shanghai Kyocera Electronics Co., Ltd. (China); AVX Group (18 sites); KII Group (5 sites)
- Period covered: April 2011 through March 2012
 Guideline for reference: Ministry of the Environment's Environmental Accounting Guidelines 2005



Environmental accounting data, in detail

<http://global.kyocera.com/ecology/eco/management/>

Environmental Education

The Kyocera Group systematically performs environmental education by classifying it into general and awareness education and professional education based on the environmental education system. Our objective is to help our employees to understand the significance of working on environmental conservation activities and the role each person plays, and thus to raise overall environmental awareness.

	Top Management	Mid-level Employee	Employee	Part-time Employee
General / awareness	Household Eco-Account Book, bulletin, Web site, activities in environmental awareness month, etc.			
Specialty	By/hierarchy	Plant Manager & General Office Manager Training	Education for section chiefs Supervisory / Leader Skills Training Sales Office Manager Training	Education for new employees
	By/function	Education for department managers	Education for environmental enhancement leaders	Education for environmental enhancement personnel
	Technique	Education for company-wide environmental safety management	Education for local / company-wide environmental safety managers	Education for personnel responsible for local / company-wide environmental safety departments
	Certification	Education for chief internal environmental safety auditors	Education for internal environmental safety auditors	Basic environmental technology program

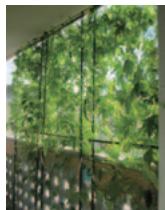
(Other: Education for employees of in-plant resident companies, education for vendor companies)

The Kyocera Group's Activities During Environmental Awareness and Energy-Saving Months

The Kyocera Group (Japan) established an environmental awareness month (June) and energy-saving months (February and August), wherein the Kyocera Group focuses on environmental conservation activities including energy-saving and electricity-saving to raise environmental awareness and enhance conservation activities in each plant and office.

In FY2012, Kyocera implemented efforts to improve employee awareness of the environment by distributing My Environmental Declaration cards and holding the Green Curtain Photo Contest, in addition to other energy-saving and electricity-saving activities in our manufacturing plants and offices.

In FY2013, power shortages are expected to occur during the summer in Japan. We will carry out a program called, Summer Eco-Challenge 2012 from June to September, in which the environmental awareness month and energy-saving months are integrated. In this program, we plan to roll out proactive activities, such as asking for eco-ideas to save energy in the workplace and implementing a children's environmental contest.



Green Curtain Photo Contest (Grand Prix)



Summer Eco-Challenge 2012 poster



My Environmental Declaration card

Kyocera Group Environmental Management Contribution Award

The Kyocera Group has given the Kyocera Group Environmental Management Contribution Award since 1996, with the objective of stimulating environmental conservation activities. The Green Committee evaluates unique and groundbreaking environmental protection activities conducted throughout the year, and the Chairman (Kyocera president) awards activities that have contributed significantly to the protection of the environment. In 2011, the award was expanded to the Kyocera Group outside Japan. In total, 91 awards have been received so far.



16th Kyocera Group Environmental Management Contribution Award

Grand Award (1 case)

Global Environmental Product Department: Capacitance type touch panels

Others: Excellence Award (7 cases)



Kyocera Group Environmental Management Contribution Award

<http://global.kyocera.com/ecology/eco/management/kouken.html>

Environmental Risk Management

Establishment of the Environmental Management Standard

The Kyocera Group established the Kyocera Group Environmental Management Standard in 1992, which sets stricter standards than legal and public regulations on emissions, wastewater, soil and ground water contaminants, etc. In addition, each office specifies even stricter self-imposed standards and carries out periodic measurements.

In addition, from the viewpoint of soil contamination control, the Kyocera Group established the Underground Installation Handling Standard to ensure that the pipeworks and storage tanks for discharged water containing contaminants are built for easy visual inspection, so that leaks can be detected early and the spread of contamination can thus be prevented.

In FY2012, a total of five wells for monitoring groundwater quality were newly installed in Kyoto Fushimi Office, Kagoshima Sendai Plant, and Kyocera Crystal Device Corporation to reinforce the systems.

Environmental Regulations Compliance Status

In the Kyocera Group, no violations of environment-related legal regulations occurred in FY2012. However, there was an accident at Kagoshima Hayato Plant where wastewater leaked from the wastewater treatment plant and outside the premises. Although the discharged water was below the regulation of the Water Pollution Control Law, we immediately reported the accident to administrative authorities and recovered the discharged water.

In April 2012, the US Environmental Protection Agency issued an administrative order to AVX Corporation, a Kyocera Group company in the United States. The details of this case are stipulated in the Annual Securities Report.

7th Environment & Safety Promotion Plan and performance

Name of Plan	Overview	Scope ¹	Standard or index	FY2012 goals		FY2012 performance	FY2013 goals	FY2014 goals	Appropriate page	
				First Half	Second Half					
Environmentally Friendly Product Promotion Plan	1. Expansion of environmentally friendly products	Kyocera Corporation	Sales or production ratio (proportion of sales or production of environmentally friendly products to total sales/production)	92.5%		94.0%	97.8%	98.0%	p.41 43	
	2. New creation of Kyocera environmentally friendly products	Kyocera Corporation / Japan	—	One or more in each operating / R&D division		Six out of ten divisions achieved their goals (a total of 10 cases)	One or more cases per year in each operating / R&D division and each Group company	One or more cases per year in each operating / R&D division and each Group company		
	3. Promotion of improvements in packing materials	Global ²	FY2011 weight of packing materials per net sales	2% reduction		28.7% reduction	4% or more reduction maintained	6% or more reduction maintained		
Products Environmental Quality Promotion Plan	1. Development and application of a management system for the environmental quality of products	Kyocera Corporation	—	Development		Prepared and promulgated analysis guidelines and environmental load substance control guidelines	Application	Application	p.44	
		Japan		—	Development		Development	Application		
		Outside Japan		—	—		Development	Development		
	2. Application of green supplier system	Kyocera Corporation	—	Audit and certification		Audit and certification	Audit and certification	Audit and certification		
		Japan		—	Start of application to overseas suppliers	Audits implemented on Chinese suppliers	Application	Application		
		Outside Japan		—	Start of application	Investigation for start of application	Application	Application		
Energy Conservation / Climate Change Prevention Promotion Plan	1. Reduction of greenhouse gas emissions									
	Aggregate reduction (Low-carbon society contribution factor)	Global	Low-carbon society contribution factor (Greenhouse gas reduction (ton-CO ₂) / Greenhouse gas emissions (ton-CO ₂))	—		Factor 0.93	—	Factor 1 accomplished	p.45 46	
	Reduction per net sales	Global	FY2011 greenhouse gas emissions per net sales	2% reduction		5.3% increase	5% reduction	8% reduction		
	2. Reduction of CO ₂ emissions from cargo shipping	Kyocera Corporation	FY2011 CO ₂ emissions from cargo shipping per net sales	2% reduction		20.8% increase	4% reduction	6% reduction		
Japan ³		FY2012 CO ₂ emissions from cargo shipping per net sales	Status quo grasping		Understanding of FY2012 performance	2% reduction	4% reduction			
Environmental Conservation Promotion Plan	1. Promotion of recycling of wastewater containing hazardous substances									
	Recycling of wastewater containing hazardous substances	Kyocera Corporation	—	Countermeasures for equipment (Kagoshima Kokubu Plant)	Countermeasures for equipment were taken in advance at Kagoshima Sendai Plant	Countermeasures for equipment will be considered for Shiga Gamo Plant and Kagoshima Kokubu Plant	Countermeasures for equipment will be considered for Shiga Gamo Plant and Kagoshima Kokubu Plant	p.39		
2. Promotion of countermeasures for soil and groundwater contamination	Kyocera Corporation / Japan	—	Setting up a monitoring well	Setting up monitoring wells (Kyoto Fushimi, Kagoshima Sendai, and Kyocera Crystal Device Corporation)	Setting up a monitoring well	Setting up a monitoring well				
Waste Reduction Promotion Plan	1. Reduction of the weight of generated waste per net sales									
	Industrial waste and variables	Global (production sites and R&D sites)	FY2011 Weight of generated waste per net sales	3% reduction		4.4% increase	6% reduction	9% reduction	p.47	
	2. Reduction of the weight of waste discharge per net sales									
	Industrial waste	Global (production sites and R&D sites)	FY2011 weight of generated waste per net sales	5% reduction		1.4% increase	10% reduction	15% reduction		
	General waste	Kyocera Corporation / Japan (non-production sites)	FY2011 Weight of general waste discharge per net sales	3% reduction		6.0% increase	6% reduction	9% reduction		
	3. Promotion of resource recycling									
Industrial waste and general waste	Kyocera Corporation / Japan	Recycling rate	99.5%+ maintained		99.5%+ maintained	99.5%+ maintained	99.5%+ maintained			
Waste disposal	Outside Japan	Direct landfill rate	Promotion of countermeasures		Promotion of countermeasures	Promotion of countermeasures	5% or less			
Resource Conservation Promotion Plan	1. Reduction of vehicle fuel consumption	Global	FY2011 Vehicle fuel consumption per net sales	3% reduction		7.1% increase	6% reduction	9% reduction	p.46	
	2. Reduction of water consumption	Global (production sites)	FY2011 water consumption per net sales	3% reduction		0.9% reduction	6% reduction	9% reduction		
	3. Improvement of the water recycling rate	Kyocera Corporation / Japan (production sites)	—	5%		11.3%	10%+ maintained	15%		
	4. Improvement of the rare metals recycling rate	Kyocera Corporation / Japan ⁴	FY2011 Average concentration rate in industrial wastewater	—		—	—	50% reduction		
Chemical Substances Measurement Promotion Plan	1. Improvement of efficiency in the use of wastewater treatment chemicals									
	1. Improvement of efficiency in the use of wastewater treatment chemicals	Kyocera Corporation / Japan (10 locations) ⁵	FY2011 Amount of water treated per net sales	3% reduction		14.0% reduction	6%+ reduction maintained	9%+ reduction maintained	p.48	
	2. Reduction of discharge and transfer of materials subject to the PRTR Law									
	Discharged amount per net sales	Kyocera Corporation / Japan ⁶	FY2011 Discharged amount per net sales	3% reduction		7.8% reduction	6%+ reduction maintained	9% reduction		
	Transferred amount per net sales	—	FY2011 Transferred amount per net sales	3% reduction		19.2% reduction	6%+ reduction maintained	9%+ reduction maintained		
	Discharged amount per net sales	Outside Japan ⁷	FY2011 Discharged amount per net sales	3% reduction		57.7% reduction	6%+ reduction maintained	9%+ reduction maintained		
Transferred amount per net sales	—	FY2011 Transferred amount per net sales	3% reduction		7.5% reduction	6%+ reduction maintained	9% reduction			
Environmental Communication Promotion Plan	1. Operation of Kyocera Group Eco-Lessons	Kyocera Corporation / Japan	—	Increasing the number of participating schools		437 lessons (235 schools) given	Ongoing implementation	Ongoing implementation	p.49 50	
	2. Promotion of Kyocera's forestation activities	Kyocera Corporation	—	Active expansion		Activities started at Kagoshima Sendai Plant and Nagano Okaya Plant	Ongoing implementation	Ongoing implementation		
	3. Promotion of environmental conservation activities among employees' families	Kyocera Corporation / Japan	—	Increasing the number of participating households		Promotion of the use of household eco-account books in each household	Ongoing implementation	Ongoing implementation		

¹ Coverage: Global – Entire Kyocera Group; Single – Kyocera; Japan – Kyocera Group Companies in Japan; Overseas – Overseas Kyocera Group Companies

² Overseas Group companies are subjected only in the areas where quantity control is legally mandated (those in areas without a legal mandate are encouraged to make reductions, but no numerical goals are set)

³ Affiliated companies in businesses which involve shipping

⁴ Offices which report (1 ton/year or more) in accordance with the PRTR Act

⁵ Kyocera: Shiga Gamo Plant, Shiga Yohkaichi Plant, Shiga Yasu Plant, Kagoshima Kokubu Plant, Kagoshima Sendai Plant, Kagoshima Hayato Plant; Kyocera Group companies in Japan: Kyocera SLC Technologies Corp. (Shiga Yasu Plant, Kyoto Ayabe Plant, Kagoshima Sendai Plant), Kyocera Crystal Device Corp.

⁶ Offices which report FY2011 results

⁷ Offices which follow their local country's reporting program on the discharge and transfer of chemical substances

Green Products

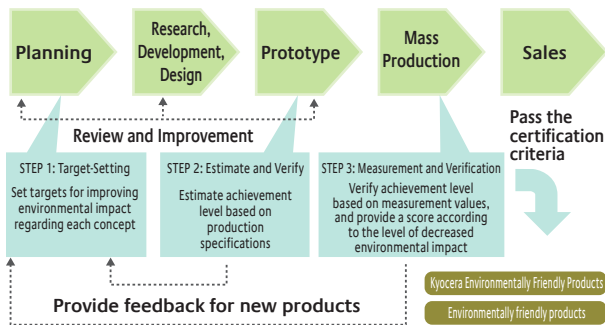
Environmentally Friendly Products

Development of Environmentally Friendly Products

The Kyocera Group strives for all of its products to be Kyocera Environmentally Friendly Products.

Starting in FY2007, Kyocera launched and applied a system for evaluating environmental consciousness at the time of developing products and techniques in order to facilitate the manufacture of environmentally friendly products. In addition, since FY2011, Kyocera has been calculating environmental efficiency and factors to evaluate how much value was created while curbing the burden on the environment. We use this data as indices for product development.

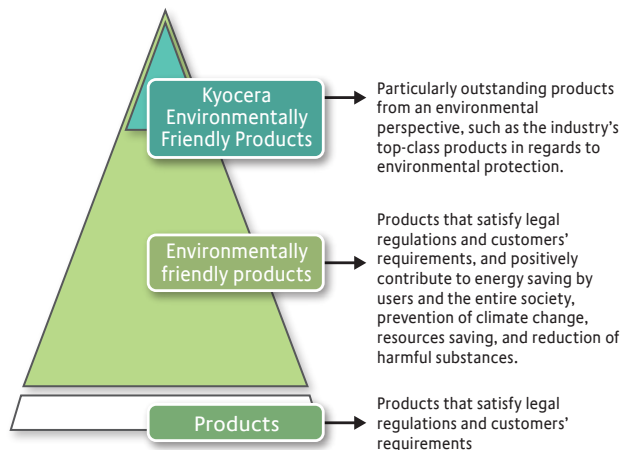
Environmental Assessment in Product Development



In FY2012, in addition to the certification of Kyocera Environmentally Friendly Products, we established a definition for environmentally friendly products. The application ratio of environmentally friendly products in FY2012 was 94.0%.

Kyocera will promote the development of environmentally friendly products so that we can continue to supply top-class environmentally friendly products to the world in the future.

Environmentally Friendly Products System



First company in Japan to acquire the UL Environment's Interim Sustainability Requirements for Mobile Phones UL ISR 110 certification.

The DuraPlus mobile phone for Sprint (U.S.A.), which was released in March 2012, received the UL ISR 110 certification in February 2012, the first for a Japanese company and only the third in the world.

UL ISR is an environmentally friendly product standard, newly formulated by Underwriters Laboratories in 2011, which evaluates "product design with consideration for the environment and effects on the human body" or "corporate and business activities with sustainability taken into account."



DuraPlus is characterized by its dust-proof, water-resistant, and impact-resistant structure for use under severe environmental conditions such as construction sites, etc.

Solar Power Generating Systems

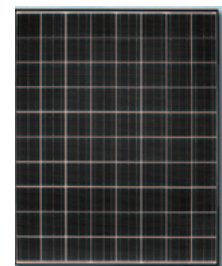
Kyocera started research and development of solar cells in 1975 with the belief that solar power generation technologies were necessary as new clean energy sources that could substitute for petroleum and other fossil fuel resources. Since then, for over 35 years, Kyocera has consistently continued business activities and supplied solar energy products to markets all over the world, remaining steadfast regardless of changes in the social/business climate. The total quantity of solar modules which Kyocera had shipped to markets worldwide by the end of FY2012 amounted to about 3 gigawatts, contributing to a reduction of approximately 22,450,000 tons of CO₂ emissions (estimated by Kyocera). Kyocera will continue to work for the prevention of climate change by positively deploying our solar energy business and will remain committed to solutions for environmental issues.

Development of 80-Cell Solar Module

The 80-cell solar module for public and industrial use has an increased number of cells compared to the conventional 60. In addition, the output has been improved by about 30%.

This is Kyocera's highest power output module and is being used at a large-scale solar power generation plant in the United States.

Among commercially available multicrystalline silicon solar cell modules, the 80-cell module features the highest level of output,* enabling reductions in construction time and the number of installation mounts needed.



80-cell module
(1,320 mm x 1,662 mm)

*As of November 2011

■ Supplying Large-Scale Solar Power Generating Systems

Kyocera has agreed with IHI Corporation and Mizuho Corporate Bank, Ltd. to build and operate a 70-megawatt solar power generation plant (“mega-solar”) project in Nanatsujima, Kagoshima City (southern Japan). This solar plant will become the largest in Japan^{*1}, with all multicrystalline silicon cell high-output modules to be supplied by Kyocera.

The annual electric energy output is anticipated to be about 79,000 MWh, which is the equivalent power for roughly 22,000 average households^{*2}, and will help to offset roughly 25,000 tons^{*3} of CO₂ per year.



Rendering of the Kagoshima Nanatsujima mega-solar power plant

- *1 As of April 9, 2012; based on the official announcement
- *2 Based on an average use of 3,600 kWh per household Source: “Denki-no-Hiroba” (Electricity Forum) of the Federation of Electric Power Companies in Japan
- *3 Based on calculations derived from “Industry-level Self-regulations on Labeling” provided by the Japan Photovoltaic Energy Association

In cooperation with SB Energy Corp, a group company of SoftBank Corp. in charge of implementing clean energy projects, Kyocera will deliver 4.2 MW of solar modules to the SoftBank Kyoto Solar Park, the first mega-solar power plant in Kyoto Prefecture, Japan. The annual power output is about 4,200 MWh, equivalent to an annual power consumption rate of approximately 1,000 households^{*4}.

- *4 Based on calculation of 4,193 kWh per household. (Source: Global Warming Prevention Measures Section, Environmental Policy Bureau, Kyoto Municipal Government)

Furthermore, Kyocera supplied 6 MW of solar modules to a solar power plant in Cigliano, Piedmont, Italy, constructed by ENERMILL Energie Rinnovabil s.r.l., the largest solar power operator in Italy.



Solar power plant in Cigliano, Piedmont, Italy

■ Energy Creation Effect of Solar Cells

The energy creation effect is the difference obtained by subtracting electric energy used during production^{*1,2} from the accumulated electricity generated after installation^{*3}.

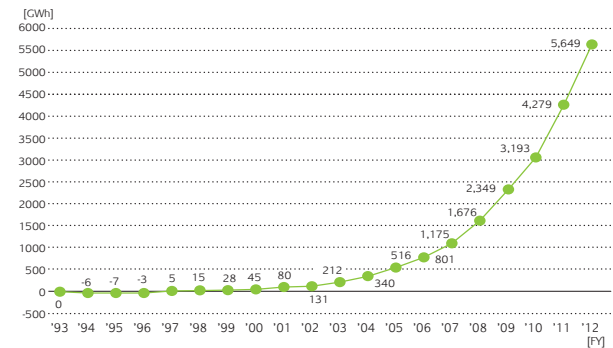
The total electricity consumed when producing a 1-kW solar power generating system is approximately 1,550 kWh. This solar power generating system produces 20,640 kWh of electricity in 20 years (service life). Hence, the energy creation effect per 1 kW is 19,090 kWh.

Solar modules that Kyocera has produced and sold thus far amount to 2,963 MW, and the energy produced by these reach a total of 5,649 GWh. The CO₂ emission reduction effect after 20 years of power generation will be 22,448,000 tons^{*4}. This corresponds to about 25.1% of the amount of carbon dioxide absorbed by all forests in Japan per year^{*5,6}.

Energy creation effect of the solar power generating system

$$= \text{accumulated electricity after installation}^1 - \text{used electric energy during production}^{2,3}$$

Electric Energy Created



- *1 Calculated from the average of expected power at 16 sites around the country in a simulation by Kyocera Corporation.
- *2 The estimated amount of electricity used during production is calculated (system scale 30 MW/year roof mount) with an energy payback period of 2.2 years for a single-year output of less than 100 MW and an energy payback period of 1.5 years for 100 MW or more, along with a 20-year expected lifetime (Source: “Survey Research of Solar Power Generation Assessment” FY1997 NEDO Commissioned business working paper (Photovoltaic Power Generation Technology Research Association), March 1997). Because annual production currently exceeds 100 MW at Kyocera, the estimated amount of electricity during production is calculated with an energy payback period of 1.5 years.
- *3 The estimated amount of electricity used during production for solar power generation systems that were shipped from 1992 to 2010 was recorded in the year when the products began to generate electricity (Example: The amount of produced electricity in 1992 was recorded in 1993).
- *4 Calculated at 360g-CO₂ per kWh.
- *5 The CO₂ sink by 1ha (10,000m²) of forest is 3.57 tons-CO₂ (Source: Solar Power Generation Introduction Guidebook < Main > 2000 Revised Edition NEDO).
- *6 Calculated assuming that the forest area in Japan is 251,000km² (Source: Forestry Agency “Present State of Forest Resources (as of March 31, 2007)”).

Document Equipment

Kyocera Document Solutions, Inc. delivers document equipment that is environmentally friendly, reduces running costs, and achieves increased operational efficiency.

Smart MFPs Contribute to Energy Saving in the Office

In 1992, before environmental issues were widely a point of focus, Kyocera introduced the first ECOSYS printer FS-1500. ECOSYS can be used through its entire life by simply replenishing the toner. It produces little waste and achieves low running costs, satisfying both ecological and economical goals. Kyocera further evolved this concept and marketed the Smart MFP* TASKalfa 255c/205c (color) and TASKalfa 305/255 (monochrome) which are friendly to both humans and the environment.

* Multifunctional product

Standby Power Consumption Reduced to 1W or Less.

At offices, multifunctional printers are always on standby mode with the power constantly on. By adopting a newly developed energy-saving controller, standby power consumption of less than 1-watt is achieved.

Reduced Power Consumption During Operation

Through various modifications, such as adopting LEDs as light sources for irradiating papers at the time of duplication and using IH for fusing images with heat, power consumption has been greatly reduced.

Further Comfort in the Office

In small-scale offices, it is frequently the case that workers' desks are located extremely close to the shared MFP and that operating noise may be bothersome. The Kyocera Group worked on noise reduction by sealing the drive unit and achieved optimal sound reduction of less than 60 dB.



Smart MFP TASKalfa 255c

High-Speed Monochrome MFP TASKalfa 8000i

The high-speed monochrome MFP TASKalfa 8000i adopts Kyocera's newly developed extra-hard amorphous silicon as the core photoreceptor drum, and has a print capability of 600,000 sheets between maintenance of peripheral devices. Along with high speed performance of printing 80 pages (A4 lateral paper) per minute, TASKalfa 8000i features high reliability and productivity. In addition, by adopting LED

lamps as light sources and mounting a newly developed IH fusing mechanism, etc., power consumption is reduced by about 25%*.

* Compared to conventional printer TASKalfa 820 series



High-speed monochrome MFP
TASKalfa 8000i

Biomass Color Toner that Satisfies the Goals of Both Ecology and High-Quality Imaging

In color toners used by printers and MFPs, the Kyocera Group succeeded in developing a biomass color toner from plant-derived materials for the first time in the world, by employing toner control technology unique to Kyocera Document Solutions Japan Inc. In FY2013, we plan to market a special-purpose system using this toner.

The use of plant-derived materials can reduce CO₂ emissions generated at the time of disposal-incineration of toner components by about 30%* as compared to conventional toners which are made from petroleum-derived materials. The biomass color toner has obtained the BiomassPla Certification mark that allows this toner to be used for products that comply with the the BiomassPla Identification and Labeling system prescribed by the Japan BioPlastics Association.

- * The CO₂ produced when disposing and incinerating plant-derived raw materials represents the same amount of CO₂ that is absorbed from the atmosphere in the growth process of plants. Therefore, the toner using plant-derived raw materials is carbon neutral, meaning that it will not affect the total amount of CO₂ in the atmosphere.



Biomass color toner



Biomass color
logo mark



BiomassPla
Certification
mark



FS-C5250DN
Type bio

Green Procurement

To deal with increasing environmental problems, it is important that not only our Group companies but also the entire supply chain including suppliers take appropriate actions.

Kyocera established its Green Procurement Standard to purchase products and services with low environmental impact from suppliers proactively promoting environmental preservation activities. In this way, we are actively promoting green procurement activities.

Promotion of Green Procurement

Kyocera established its Guidelines for Green Procurement starting with requests to suppliers for green procurement, and is promoting green procurement with the support of such suppliers.

The Guidelines for Green Procurement specifies that we will check suppliers' activities toward protection of the environment and environmental burdens (the chemical substances that are contained, etc.) on products to be purchased from them.

In March 2012, we revised the Guidelines for Green Procurement in such a manner as to reflect the revisions of the European RoHS directive and other environmental laws and regulations.

No effects are exerted on marketed products due to revision of environmental laws and regulations.

Major revisions in March 2012

- Change in ranks of controlled chemical substances in accordance with revision of the European RoHS directives.
- Addition of banned chemical substances and controlled chemical substances based on revision of the European REACH regulations.



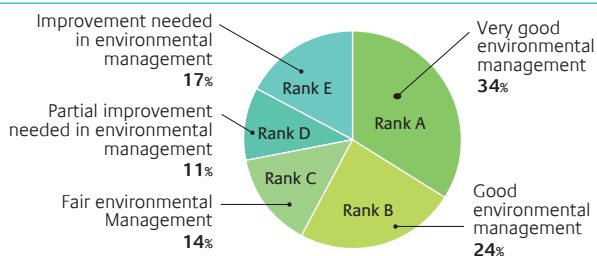
Guidelines for Green Procurement

http://global.kyocera.com/ecology/eco/products/g_procure.html

Evaluation of Environmental Activities of Suppliers

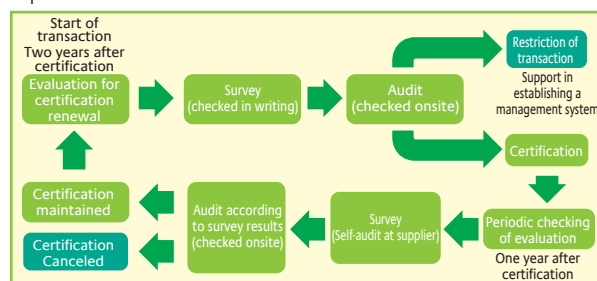
In FY2012, we conducted a survey with 954 suppliers. We added "biodiversity conservation" and "understanding environmental burdens (greenhouse gas emissions, amount of water consumption, and amount of waste discharge)" as new survey items in order to promote environmental protection activities by suppliers. Based on the survey results, we distributed our requests to suppliers of ranks D and E and asked them for cooperation in our environmental protection activities.

FY2012 Supplier Environmental Status Survey Results



Application of Kyocera's Green Supplier System

At Kyocera, we certify suppliers who are able to cooperate with us in producing environmentally friendly products as Kyocera Green Suppliers, based on surveys and audits regarding our suppliers' environmental activities and control of chemical substances in products. In FY2012, we completed the first round of surveys and audits of 696 suppliers. With the cooperation of our suppliers, we aim to strengthen our management system for chemical substances in products.



Conforming to Environmental Product Regulations

In recent years, in many countries, laws and regulations have been established to control and restrict the use of chemical substances in order to prevent human impact and environmental contamination. The Kyocera Group reports information on related laws and regulations to each operating division at the Environmental Product Quality Subsection led by the Kyocera Green Committee to share information and review company-wide policies.

Each operating division collects and investigates information on chemical substances contained in purchased materials and controls chemical substances in manufacturing processes in order to comply with related laws and regulations.

Complying with European RoHS Directive

We established the Kyocera Group Global Policies for RoHS Directive in February 2006. We are also working to comply with the RoHS Directive for products to be shipped to North America, Japan and China in addition to Europe.

Complying with REACH

To strictly observe the European chemical substance control standard known as REACH, which was enforced in June 2007, Kyocera is developing measures in cooperation with its Group companies in Europe.

We include all chemical substances which the European Chemicals Agency officially list as Substances of Very High Concern (SVHC) by the end of 2011 in our Guidelines for Green Procurement, and have conducted research on SVHC contained in our products in correspondence to information shared in Europe.

Green Factories

Environmental Consciousness at Plants and Offices

Energy Conservation and Prevention of Climate Change

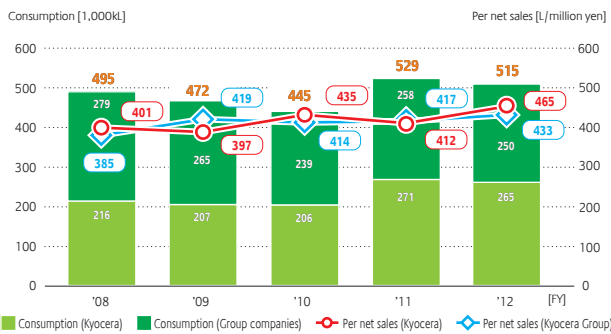
Increased energy consumption has an impact on the environment, including negative effects such as climate change. We share the task of using limited energy resources more effectively, including energy use in industrial activities.

The Kyocera Group set a greenhouse gas reduction target and goals for low-carbon society contribution factors, and we are implementing various measures to prevent climate change, such as energy-saving in our business activities.

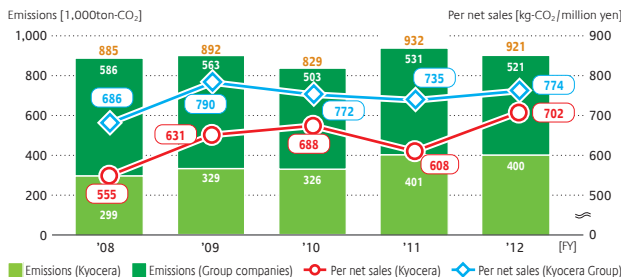
Energy Saving and Reduction of Greenhouse Gas Emissions

The Kyocera Group's greenhouse gas emissions increased by 3.8% in terms of total energy consumption and by 5.3% in terms of greenhouse gas emissions per net sales as compared to FY2011. However, our total energy consumption was reduced by 2.6% and greenhouse effect gas emissions by 1.2% by introducing high-efficiency turbo refrigerators and other energy-saving measures, as well as converting fuels and introducing solar power generating systems.

Total Amount of Energy



Greenhouse Gas Emissions



- From FY2009, emission coefficients are calculated based on the Act on Promotion of Global Warming Countermeasures.
- Greenhouse gas means CO₂, CH₄, N₂O, PFC, HFC, and SF₆.
- Figures for overseas facilities are calculated using the emission coefficients of electricity for each country in IEA CO₂ EMISSIONS FROM FUEL COMBUSTION Highlights (2011 Edition).



Data on environmental impact at each Kyocera Group facility
http://global.kyocera.com/ecology/eco/management/fuka_data.html

Examples of Efforts in FY2012

Introduction of High-Efficiency Equipment

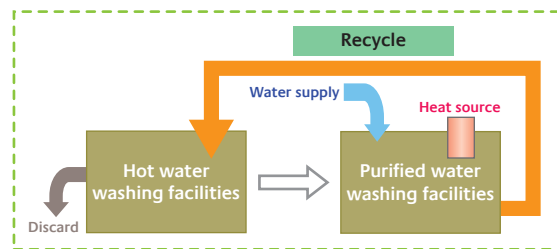
At Dongguan Shilong Kyocera Co., Ltd. and Shanghai Kyocera Electronics Co., Ltd., our manufacturing sites in China, we replaced air-conditioning systems and lighting apparatuses with high-efficiency equipment, adopted inverters for pumps, introduced high-efficiency turbo refrigerators, and carried out other energy-saving measures. The CO₂ reduction amount achieved by these measures reaches 4,970 ton-CO₂ per year.



Air-conditioning systems

Energy-Saving Measures by Recycling Cleaning Water

In the plating process at the Kagoshima Sendai Plant, after products are washed with hot water, they are cleaned in purified water at a higher temperature. Conventionally, we discarded wastewater generated from the latter process. However, we reviewed the process in such a manner as to recycle the wastewater for hot water washing facilities. As a result we reduced the use of energy for heating water. In addition, this recycling method was rolled out to other workshops, resulting in a reduction of 256 tons of CO₂ per year.



Fuel Conversion to Utility Gas

At the Kagoshima Hayato Plant, where we conventionally used LPG for gas fuel, we have installed new gas piping and refurbished gas facilities such as boilers and kitchen equipment, thereby converting fuel into utility gas which create less CO₂ emissions per unit calorie. The CO₂ reduction achieved by this fuel conversion reaches 190 tons of CO₂ per year.



Newly installed gas piping

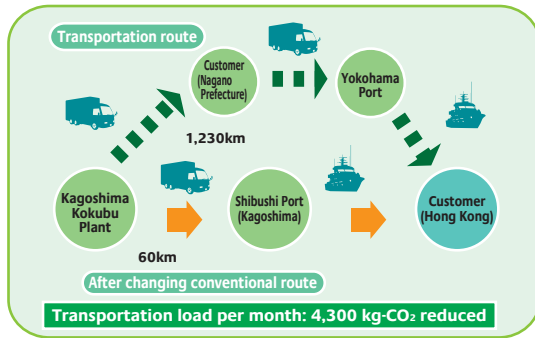
Efforts to Reduce CO₂ Emission Associated with Freight Transport

The Kyocera Group took actions such as shortening transportation routes and consolidating freight to reduce transportation frequency. However, increases in outsourced processing and overseas procurement led to a 20.8% rise in CO₂ emissions per net sales associated with freight transport as compared to FY2011.

Examples of Efforts in FY2012

Reduction of CO₂ Emissions by Shortening Product Transportation Distance

Conventionally, products manufactured at the Kagoshima Kokubu Plant were transported by truck to our customer's base in Nagano. Thereafter, the customer transported the products to Yokohama Port and exported these products overseas. The Kyocera Group reviewed the transportation method in cooperation with the customer and decided to directly transport products to Shibushi Port located in Kagoshima. This has greatly shortened transportation distance as compared to the route via Nagano Prefecture.



Addressing Power Shortage Resulting from the Great East Japan Earthquake

Due to the impact of the March 2011 Great East Japan Earthquake, power demand in the summertime has become stringent. Scheduled power outages and curtailment of electric consumption were implemented under the jurisdiction of Tokyo Electric Power and Tohoku Electric Power, and other regions were also requested to save power.

The Kyocera Group has been promoting proactive energy-saving activities by installing high-efficiency equipment while still maintaining a stable product supply. In FY2012, we achieved a more than 15% power consumption reduction within large power consuming areas under the jurisdiction of Tokyo Electric Power and Tohoku Electric Power and implemented proactive measures in other regions as well.

The Kyocera Group changed operational shifts, installed more solar modules at our Fukushima Tanagura Plant and Shiga Yohkaichi Plant, placed stricter controls on air-conditioning temperature and cut out non-vital lighting.

Main Power Saving Measures

1. Stricter control on air-conditioning temperature (temperature setting: 28°C at lowest)
2. Reduced number of operating air-conditioning systems
3. Reduced air-conditioning load by installing window shades, thermal barrier film, etc.
4. Reduced standby energy of equipment, etc.
5. Cut out non-vital lighting
6. Adoption of energy-saving lighting
7. Turned off advertisement, neon and company signage
8. Introduction of solar power generation systems
9. Peak-cut by private power generation facilities
10. Peak-cut by changing operational shifts



194-kW solar power generating system was installed (Fukushima Tanagura Plant)

Growing "Green Curtains"

The Kyocera Group promotes "Green Curtains" which block strong summer sunshine and suppress rises in indoor temperature by covering windows and outer walls with bitter melon, sponge melon, Japanese morning glory and other climbing plants. In FY2012, Green Curtains were grown at 21 plants and offices in Japan and one overseas facility. In total, the Green Curtains add up to a length of 766m and an area of 3,037m² (equal to about 11.6 tennis courts), achieving 10,628kg of CO₂ reduction effect.

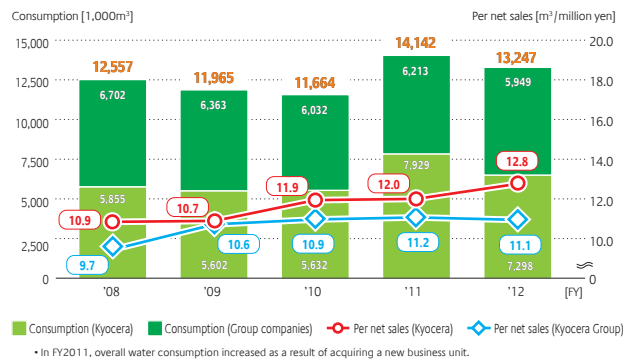


Morning glory Green Curtains (Kagoshima Sendai Plant)

Activities to Reduce Water Consumption: Improve Water Recycling Rates

The Kyocera Group establishes specific targets and rolls out positive activities in order to use limited water resources effectively and contribute to global environment protection. In FY2012, the water consumption per net sales was reduced by 0.9% by cutting back water use in processes and facilities and encouraging recycling.

Water Consumption (Production Sites)



Examples of Activities in FY2012

Reduction of purified water consumption and recycling of water

In the LCD manufacturing process at the Shiga Yasu Plant, we reviewed the amount of purified water supply during idling and established a limit in order to cut back water consumption. As a result, we reduced approximately 280,000 tons of purified water consumption per year. In addition, we reused water, which is generated from the production of purified water, as dilution water for wastewater treatment chemicals. Through such measure, 120,000 tons of water consumption was reduced per year.

Waste Reduction and Recycling Measures

Working towards a recycling-based society, the Kyocera Group has set basic policies for waste reduction since FY1992, and expanded activities aiming to minimize industrial waste.

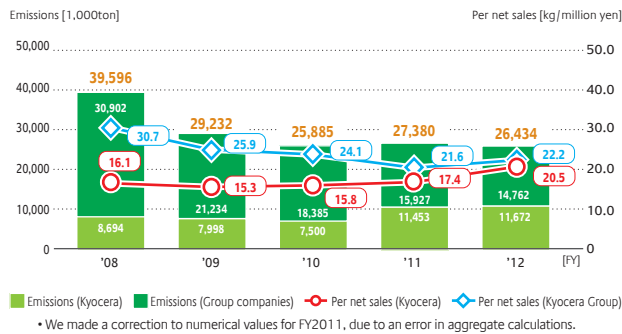
Basic Policies for Waste Reduction

1. Eliminate use of non-recyclable materials
2. Minimize waste generated by business activities
3. Recycle waste once it is generated
4. Process non-recyclable waste into harmless materials

Reduction in Industrial Waste Discharge

In the Kyocera Group, we saw a 2.8% increase in industrial waste discharge per net sales compared to FY2011. Meanwhile, we reduced the amount of industrial waste discharge by 3.5% through measures such as encouraging in-house treatment of liquid waste generated in the solar manufacturing process and turning waste toner into valuables.

Industrial Waste Discharge



Examples of Reduction in Industrial Waste Discharge in FY2012

In-House Treatment of Acid and Alkali Waste Liquids

At the Shiga Yohkaichi Plant, acid and alkali waste liquids generated from the R&D process of solar power generating systems were conventionally treated as industrial waste. We reviewed treatment methods in accordance with waste liquid properties which enabled us to conduct in-house treatment. This has resulted in a reduction of approximately 840 tons of industrial waste per year.



Acid and alkali waste liquid tanks



Waste liquid transfer piping

Reduction of Sludge Generation by Reviewing Wastewater Treatment Method

At Kyocera SLC Technologies Corp.'s Kyoto Ayabe Plant, wastewater treatment generates sludge containing copper, which used to be disposed of as industrial waste. We reduced the amount of generated sludge by reviewing the treatment method and reducing chemical dosage. This measure has increased copper concentration and enabled the sludge to be sold as a valuable resource, resulting in a reduction of approximately 370 tons of industrial waste per year.



Wastewater treatment plant



Sludge containing copper

Converting Industrial Waste Discharged from Toner Manufacturing Process into Valuables

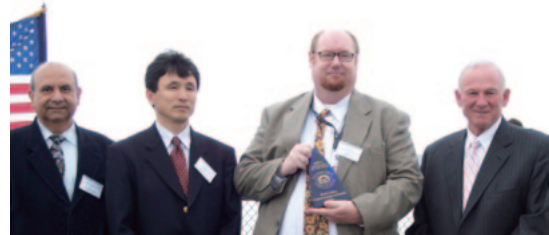
Kyocera Document Solutions Inc.'s Tamaki Plant converted waste toner generated from toner manufacturing into valuables by reusing it as reducing agents and combustion agents. As a result, we achieved a reduction of approximately 140 tons of industrial waste per year.



Waste toner storage

Recycling Initiative

The Kyocera Group in the U.S.A. actively recycles with the dual aims of raising employees' awareness of environmental protection and also reducing environmental burdens. The resource-saving results have been recognized for 12 consecutive years; through 2012 the company has won annual recycling awards from the city of San Diego.



Employees receive the award from San Diego's mayor Jerry Sanders (far right)

Promoting Zero Emissions

The definition of zero emission in the Kyocera Group (Japan) is the volume of landfill of waste, etc., at a final disposal site (including landfill discharged by intermediate waste disposers) within 0.5% of the total waste, except for a portion of the waste which is beyond control of the Group such as those items for which disposal is designated by municipalities. All Kyocera Group companies in Japan have achieved zero emissions and will continue their efforts.

Chemical Substances Management

Some chemical substances cause environmental pollution and can affect human health and the ecosystem as a result of long-term accumulation. To manage these substances, we have established a chemical substances control system to accurately gauge and minimize emissions of chemical substances of hazard concern to the atmosphere and water systems, transferred amount contained in waste, etc.

Efforts for Reducing Discharge Volume and Transferred Amount of Substances Subject to PRTR Law

The Kyocera Group (Japan) sets a target and carries out activities for reducing emissions and the transferred amount of Class I Designated Chemical Substances prescribed in PRTR Law against the consumption rate (including recovered and recycled portions).

(unit: kg/kg)

Items	FY2011 per net sales	FY2012 per net sales	Increase and decrease
Emissions of PRTR substances	0.0370	0.0341	7.8% reduction
Transferred amount of PRTR substances	0.0417	0.0337	19.2% reduction

Improved Efficiency of Wastewater Treatment Chemicals

The Kyocera Group (Japan) sets a target to reduce the consumption rate per treated water volume for chemicals used in wastewater treatment. The Kyocera Group reviewed wastewater treatment methods, changed chemicals, and reviewed dosage, etc. These measures reduced the chemical consumption rate per treated water volume by 14.0% as compared to FY2011.

Examples of FY2012 Activities

Reduction of Wastewater Treatment Chemicals by Reviewing Wastewater Treatment Method

At the Shiga Yohkaichi Plant, by reviewing polymers used for coagulation of suspended matters in wastewater, the consumption amount of aluminum sulfate was reduced by approximately 95 tons per year.

In addition, at the Shiga Yasu Plant, by changing the chemical injection control system to a system that controls chemical dosage in linkage with concentration of substances, the consumption amount of wastewater treatment



chemicals (slack lime, aluminum sulfate, etc.) was reduced by approximately 750 tons per year.

Wastewater treatment plant (Shiga Yasu Plant)

Efforts for Prevention of Air and Water Pollution

Because the natural environment and ecosystems are susceptible to environmental pollutants discharged in the water, atmosphere, and soil, the Kyocera Group sets a voluntary control standard and takes initiative in carrying out environmental load reduction activities.

Examples of FY2012 Activities

Reduced Amount of VOC Gas Released in the Atmosphere by Gas Treatment

Kyocera Solar Europe s. r. o. uses methanol and IPA in the solar cell module manufacturing process. In the past, we processed these substances through activated carbon absorption treatment. By further adding scrubbers, we have reduced the amount of VOC gas contained in emissions.



Scrubbers

Reduction in the Purchase Volume of Chemical Substances by Installing Recycling Equipment

Kyocera (Tianjin) Solar Energy Co., Ltd. introduced a solvent recycling system in the solar module production process and reduced the purchase volume of alcohols in the process by roughly 70% (about 7 tons per year).



Recycling system

Reinforcement of Organic Wastewater Treatment Plant

Working to reduce environmental load, the Kagoshima Sendai Office of Kyocera SLC Technologies Corp. enhanced its wastewater treatment facility which processes organic based wastewater, in conjunction with reinforcement of its production facilities.



Wastewater treatment plant

Green Communication

Transparency with Local Communities Regarding Environmental Matters

Kyocera Group “Eco-Lessons”

Since 2003, the Kyocera Group has offered a community social action program, providing onsite environmental classes called “Eco-Lessons,” which allow children — leaders of the next generation — to deepen their understanding of environmental problems and energy concerns, as well as nurture their thinking towards concerns for the Earth in the course of school education. In FY2010, we began to offer the program in China, taking advantage of know-how we have accumulated in Japan.

In FY2012, the Kyocera Group gave classes to 15,134 school children at 235 elementary schools in Japan, primarily in areas around 26 Kyocera Group sites (in 12 prefectures). In addition, we gave classes to 8,436 school children at elementary schools in 6 cities in China. The total number of children who attended the classes since FY2004 has reached 53,734.

The Kyocera Group feels it is important to continue such educational activities, and we will continue to create opportunities for children to develop a sense of caring for the Earth.



Comments from Teachers

- “I felt that it is very meaningful for children to actually see and touch solar cells and their materials.”
- “The class was conducted in a quiz style, which made children really enthusiastic and interested. There may be some individual differences, but I think all the children became more aware of ecology and the environment.”



Kyocera Group Eco-Lessons

<http://global.kyocera.com/lesson/>

Providing Employees’ Families with Environmental Education and Awareness

A recent significant increase in CO₂ emissions from households, which is a suspected cause of climate change, has become a major issue.

The Kyocera Group (Japan) believes it is important to support environmental protection activities at home, and has aggressively promoted a program to encourage use of the Eco-Account Book at employees’ homes since FY2009.

Activities Related to the Conservation of Biodiversity

Human society consists of various blessings from nature. On the other hand, forests equivalent to one fifth of Japan’s land area are lost from the world every year. It is also said that the effect of human activities over the last several hundreds of years has caused the extinction rate of species to be accelerated by 1,000 times. In these ways, circumstances surrounding biodiversity have become extremely serious.

In regards to the Kyocera Group’s business activities, while we are benefitting from the ecological system in the form of raw materials, its output has no small effect on biodiversity.

The Kyocera Group establishes working policies relating to the conservation of biodiversity on activities such as the reduction of destructive effects on the natural environment and on the ecological system, active promotion of greenification at Group facilities, and participation in and support of social contribution activities.

Kyocera’s Forestation Activities

The Nagano Okaya Plant agreed with the main purport of the “Forest Foster Parent Promotion Project” which Nagano Prefecture encourages with the purpose of deepening exchange between companies and local communities and for performing a new style of forestation. We concluded an “Agreement of Foster Parents of Forests” in June 2011. Under the agreement, the Nagano Okaya Plant will take care of a forest area of approximately 8-ha, for example by thinning trees, trimming underbush, and planting trees. We will reinforce a disaster-resistant forest area, and simultaneously, make the best of the forests as a site for environmental education for employees. As part of these activities, 50 employees worked in cooperation with people from the local community to thin trees and trim underbush in October 2011.

In addition, the Shiga Gamo Plant and Kagoshima Sendai Plant have been engaged in Satoyama conversation activities in order to regenerate hills on plant premises into verdant hills and to conserve the original ecosystem in the regions.

The Kyocera Group will remain engaged in forestation activities.



[Upper left]
Signing ceremony of
“Agreement of Foster
Parents of Forests”
(Nagano Okaya Plant)

[Upper right]
Maintaining bamboo
groves (Kagoshima
Sendai Plant)

[Left]
Maintaining forests
(Nagano Okaya Plant)

Planting Mangrove Seedlings

Coinciding with World Environment Day in June, the Kyocera Group in the Philippines helped to plant mangroves in Naga City on Cebu Island. In cooperation with local government organizations, approximately 5,000 mangrove seedlings were planted in a 2km² area to preserve the ecosystem.



Planting mangrove seedlings

Distributing Seedlings to Create More Green Space

The Kyocera Group in Thailand is actively involved in planting seedlings to increase green areas. In Lamphun Province in northern Thailand, importance is placed on creating clean regions with lush greenery. The clean-up coincided with World Environment Day in June, and was followed by the distribution of 3,000 seedlings to the local community.



Participating in local planting

Main Feedback for Sustainable Management

Shiga Gamo Plant and Shiga Yohkaichi Plant Received Various Awards

The Shiga Gamo Plant and Shiga Yohkaichi Plant are rolling out community-based environmental activities as environmentally-friendly production sites. Both plants have had their various activities highly commended and have received various awards in FY2012, such as for providing Solar Cycle Stations[®] to city halls, conducting eco-tours, carrying out onsite environmental classes using solar cells, maintaining company-owned forests, and cooperating in water-quality purification experiments using thinned wood which was generated through forest maintenance. In addition, both plants received the first “CO₂ Adsorption Recognition System” certified by the

governor of Shiga Prefecture, in which the CO₂ adsorption rate in one year is calculated on forests maintained.

Hosted by	Awards received (FY2012)
Environment Ministry	Award for the Promotion of Measures to Cope with Global Warming in FY2012 (Countermeasures Category)
Green Purchase Network	The 13 th Green Purchase Grand Prix “Minister Of Economy, Trade And Industry Award”
Japan Greenery Research and Development Center	The 30 th Excellent Greening of a Plant Award “Japan Greenery Research and Development Center Chairman’s Prize”
Shiga Eco/Economy Project	The Second Shiga Low-Carbon Leader Award “Reduction Addressing Section”



Scene of eco-tour



Ceremony of water quality purification experiments



Solar Cycle Station[®] installed at Higashi Ohmi City Hall

Other Major Commendations (FY2012)

Hosted by	Title of award	Award category	Reasons for award
Mie Prefecture	The 10 th Japan Environmental Management Grand Prix “Excellent Award for Environmental Management”	Fukushima Tanagura Plant, Kyocera Corporation	Expansion of solar power generating system, various power-saving and energy-saving activities, onsite environmental classes delivered to local elementary schools, CSR report meeting for local residents, and other activities were commended.
JCB Co., Ltd. (sponsored by Environmental Ministry)	The Second Eco-action Grand Prix “Section: Yearly CO ₂ Reduction Rate” and “Section: Number of Yearly Point Registrations”	Kyocera Solar Corporation	The CO ₂ reduction rate of solar power generating systems installed in the subject area and the number of registrations of “Eco-Action Point” issued to the people who purchased the systems were commended.



KYOCERA Corporation

About the cover design



U-Shaped Kelcima

Kyocera was established in 1959 as a small suburban workshop where 28 young colleagues pursued big dreams. Our first product was a U-shaped ceramic insulator (known as a Kelcima) for use within early television picture tubes.

Today, Kyocera is a highly diversified global enterprise. We pursue boundless dreams by accepting challenges that others prefer to avoid.

We believe that a strong will can make dreams come true, and that limitless effort can overcome any obstacle. These beliefs from Kyocera's history remain the driving force behind our growth.

We aim to become a creative company that grows continuously throughout the future. Kyocera Group employees around the world who have adopted this pioneering spirit personify our path to growth.

The cover design features illustrations of the U-shaped Kelcima.



The Kyocera Group agrees with and participates in the main purpose of UN Global Compact that prescribes ten universally-accepted principles in the areas of human rights, labor, environment, and anti-corruption.

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