



THE NEW VALUE FRONTIER

INTEGRATED REPORT

2022

KYOCERA Corporation



Corporate Motto

敬天愛人

“Respect the Divine and Love People”

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

Living Together.

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 peace.

Management Based on the Bonds of Human Minds

Kyocera started as a small, suburban factory, with no money, credentials or reputation. We had nothing to rely on but a little technology and 28 trustworthy colleagues. Nonetheless, the company experienced rapid growth because everyone exerted their maximum efforts and managers devoted their lives to earning the trust of employees. We wanted to be an excellent company where all employees could believe in each other, abandon selfish motives, and be truly proud to work. This desire became the foundation of Kyocera’s management.

Human minds are said to be easily changeable. Yet, there is nothing stronger than the human mind. Kyocera developed into what it is today because it is based on the bonds of human minds.



Chairman of the Board and Representative Director,

Goro Yamaguchi

President and Representative Director,

H. Tanimoto

Thank you very much for your patronage and support of the Kyocera Group.

We wish to express our sincere sympathies to all those touched by the COVID-19 pandemic.

Since its founding in 1959, our Group has expanded its businesses under the Management Rationale of “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.”

Strong demand is expected to continue for components in the 5G and semiconductor-related markets despite uncertainty in global affairs, rising prices of raw materials and other commodities, and the emergence of new COVID-19 variants. We will seize opportunities to expand our existing operations and create new businesses toward our next target of 3 trillion yen in annual sales revenue.

We publish the Integrated Report to inform stakeholders of our efforts to address societal needs through our business activities. Our goal is to raise the value of our contributions to society by conducting business in a more sustainable manner.

By outlining our basic initiatives for growth, as well as the potential such initiatives create for society, we hope to share our values with you, and further our role as a socially responsible enterprise. We hope this report will be helpful to you in understanding our company.

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Management Foundation

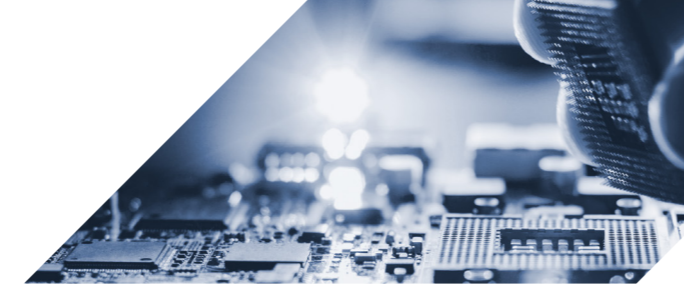
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Editorial Policy

Reference guidelines, etc.

This report has been prepared in reference to the International Integrated Reporting Framework published by the IFRS Foundation and the Guidance for Collaborative Value Creation formulated by Japan's Ministry of Economy, Trade and Industry. Information related to ESG is disclosed in reference to the GRI* Standards. Furthermore, based on the Sustainability Accounting Standard of the Sustainability Accounting Standards Board (SASB), we are promoting the disclosure of information related to sustainability, which is important to the Kyocera Group. To further ensure credibility, this report underwent a third-party review by LRQA Limited. Indicators that have undergone third-party review have a .

*Global Reporting Initiative Guidance for Collaborative Value Creation



Scope of the Report

Reporting Period:
April 1, 2021 to March 31, 2022
(Data outside of this period is provided where it is appropriate to report based on past or recent data or activities.)

Target Organization:
The Kyocera Group
(Whenever the target organization differs, it is so specified.)

Indication of Company:
The Company is indicated in this report as follows:
Kyocera, the Company:
KYOCERA Corporation
The Kyocera Group, the Group:
KYOCERA Corporation and its consolidated subsidiaries
Group companies:
consolidated subsidiaries





Cautionary statements with respect to forward-looking statements

Certain statements made in this report are forward-looking statements, which are based on our current assumptions and beliefs in light of the information currently available to us. These forward-looking statements involve known and unknown risks, uncertainties and other factors. These risks, uncertainties and other factors, our actual results, performance, achievements or financial condition may be substantially different from any future results, performance, achievements or financial condition expressed or implied by these forward-looking statements. We undertake no obligation to publicly update any forward-looking statements included in this report.

Indication

- The amounts and percentages (%) in this report are rounded to the nearest unit. Percentages are computed based on amounts rounded to the nearest million yen.
- Kyocera Group has adopted the International Financial Reporting Standards (IFRS) in lieu of the Generally Accepted Accounting Principles of the United States (U.S. GAAP) from the year ended March 31, 2019 (FY3/2019). Accordingly, financial results for the year ended March 31, 2018 (FY3/2018) have been reclassified in accordance with IFRS. Account titles are also presented in accordance with IFRS. Note that detailed information is published on our website under "Investor Relations" and "Sustainability."

Information Disclosure System

| | Annual Report | WEB |
|---------------------------|--|--|
| Financial Information |  Integrated Report |  ● Financial Statements ● Annual Report |
| Non-Financial Information | |  ● Corporate Governance Report |
| | |  Investor Relations https://global.kyocera.com/ir/ |
| | |  Sustainability https://global.kyocera.com/sustainability/index.html |



In Memory of Kazuo Inamori, January 30, 1932 - August 24, 2022 Founder of KYOCERA

Kazuo Inamori, founder of Kyocera, passed away on August 24, 2022. We express our deepest gratitude to all those who extended support and friendship toward Inamori throughout his lifetime.

For a brief biography, please visit the official website of Kazuo Inamori.
<https://global.kyocera.com/inamori>

Each Employee Participates in Management, Leveraging Diverse Expertise toward “Doing What Is Right”

Since its founding, Kyocera Corporation has pursued Management by All, empowering diverse staff to take initiative and play an active role in our success.

Our unique philosophy of “Amoeba Management” fosters an environment where members of small, independent amoeba groups are encouraged to transcend positional boundaries and move management toward higher profitability and organizational vitality. Individual employees can experience greater satisfaction and achievement through their work using the Amoeba approach. It builds stronger teams and contributes to the Group’s development as we pursue a better future for society as a whole.

However, to achieve this, the “vectors” orienting our individual efforts must be aligned. Our starting point is the Kyocera Management Rationale, along with the Kyocera Philosophy, which guides our actions. Our philosophy compels us to find the essence of an issue to ensure that our actions uphold universal principles of logic and ethics. This shared mindset creates a sense of solidarity-promoting interpersonal relationships based on openness and free expression, while fostering mutual support among colleagues. It enables a management system that

encourages participation by all.

Of course, we must adapt as times change. The Kyocera Group is working on new measures to promote individual involvement, and reorganizing to meet the needs of our changing world. In FY2019, we introduced the “Venture Startup Program,” an internal effort seeking innovation-creating ideas. One of the ideas received through this program was commercialized in the form of a meal kit tailored to people with dietary allergies. Starting in FY2022, we began reorganizing our diverse business portfolio into three core segments. As a result, we are creating new synergies through a more fluid movement of talent and knowledge within the organization. We are also working to further promote diversity and inclusion. A more diverse workforce, broadens our values and viewpoints, which will help us create new business opportunities to serve a wider range of needs.

All our employees should be able to shine in their own unique way, and benefit from the diverse experience of others. This rich work environment provides the basis for Kyocera’s Management by All.



The Kyocera Group 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”

The Kyocera Group’s management approach springs from the Management Rationale propounded by our founder, Kazuo Inamori. Each employee keeps the essence of this statement in their mind as they continue to take on new challenges to provide new products and services while staying one step ahead in identifying the emerging needs of our customers and society. Kyocera’s growth and development have resulted from prolonged, tireless efforts that fostered employee fulfillment and meaningful contributions to society.



Our Code of Conduct the “Kyocera Philosophy”

The Kyocera Group shares the “Kyocera Philosophy” with all employees as a guideline for achieving our Management Rationale.

- The regulations and agreements which constitute the company’s standards.
- The attitude necessary for the company to achieve its goals and objectives.
- Create a wonderful corporate character.
- The right way to live and how we should behave as human beings.

With these four elements, the “Kyocera Philosophy” outlines a management approach that strives for growth and development in a manner that is fair and ethical, based on the actual experiences and “rules of thumb” from our founder, Kazuo Inamori. Our palm-sized “Kyocera Philosophy Pocketbook” has now been translated into 10 languages and distributed to employees worldwide, helping to foster a sense of unity within the Group.

This philosophy will never waver, regardless of the passage of time. At Kyocera, we regard our company philosophy with a sense of pride, and work to put its principles into practice on a daily basis.

Two Systems to Achieve Our Rationale

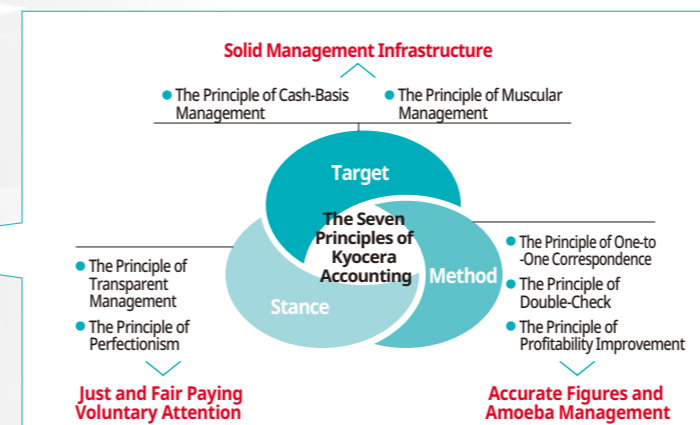
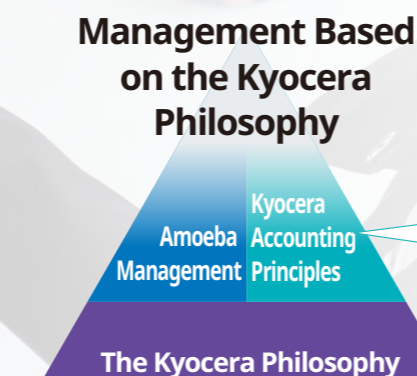
The unique Amoeba Management System employed by the

Kyocera Group organizes the company into small groups called “Amoebas” that operate with their own P&L accounting systems directly linked to their respective markets.

The profitability of an Amoeba is calculated as the added value it creates. Results are disclosed to Amoeba members transparently, so you can actually see in real time how your work is reflected in management. Amoebas that deliver good performance do not get disproportionately higher financial rewards. This is because the added value created contributes to the entire Kyocera Group. At the core of Amoeba Management is the idea to “Do Our Best for Our Colleagues,” a basic tenet of the Kyocera Philosophy. The source of our strength lies in this Management by All approach and the keen motivation employees feel.

Closely paired with Amoeba Management are the “Kyocera Management and Accounting Principles.” Accounting is integral to management, playing a role akin to a compass. The Kyocera Group values fair, transparent, above-board management. Unbound by preconceived notions, Dr. Inamori developed his Seven Accounting Principles, to help managers “What do we consider to be the right choice as a human being?” They let us accurately assess the true performance of our Amoebas and make better decisions for our business.

These two practical business management methods support the Kyocera Group’s solid financial foundation and allow us to uphold our Management Rationale.



Achieving Growth and Development by Implementing Our Unique Amoeba Management Method

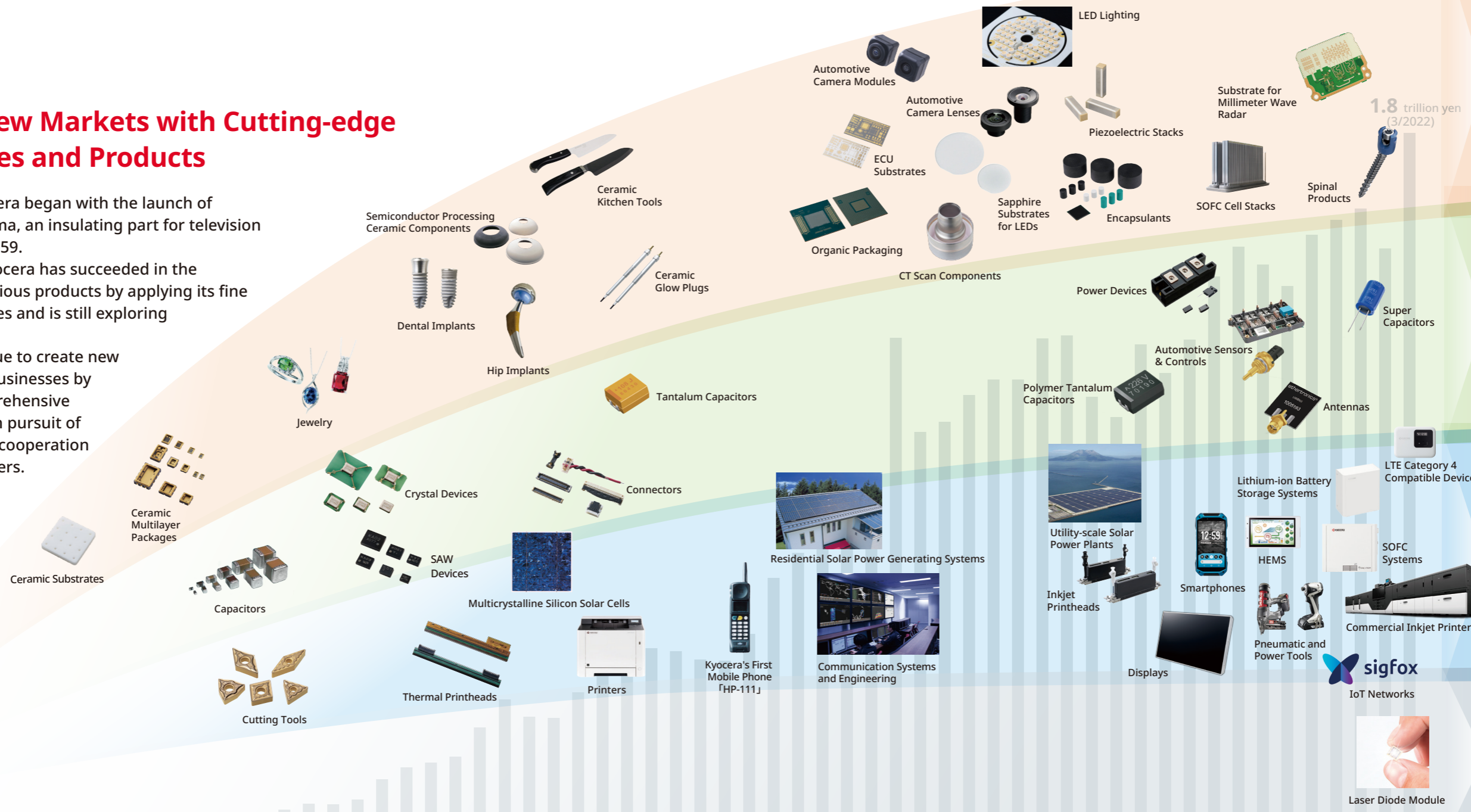
Amoeba Management is a unique method that divides a business organization into small groups, runs them with independent accounting systems directly linked to their respective markets, develops leaders with managerial awareness within the Group, and simultaneously implements “Management by All” in which all employees participate in management.

- Developing Leaders with Managerial Awareness
- Market-oriented Divisional Accounting System
- Management by All

Creating New Markets with Cutting-edge Technologies and Products

The history of Kyocera began with the launch of the U-shaped Kelcima, an insulating part for television electron guns, in 1959. Ever since then, Kyocera has succeeded in the development of various products by applying its fine ceramic technologies and is still exploring new markets. Kyocera will continue to create new markets and new businesses by exercising its comprehensive capabilities through pursuit of group synergy and cooperation with external partners.

U-shaped Kelcima
Sales trends



Core Components Business
Fine Ceramic Components
Automotive Components
Optical Components
Ceramic Packages
Organic Multilayer Substrates and Boards
Medical Devices
Jewelry and Applied Ceramic Related Products

Electronic Components Business
Electronic Components
KYOCERA AVX Components Corporation

Solutions Business
Industrial Tools
Information Equipment
Telecommunications Equipment
Information Systems and Telecommunications Services
Liquid Crystal Displays
Printing Devices
Smart Energy Business

New Businesses
GaN Devices
Robotics

Horizontal deployment of technologies

Diversification of businesses
Expansion of business fields through M&A

Business expansion in global market

Creation of added value
Building new business models

1960 1970 1980 1990 2000 2010 2020

1959
Kyoto Ceramic Co., Ltd. (now KYOCERA Corp.) founded

1969
KYOCERA International, Inc. is established as KYOCERA's North American sales company

1975
Japan Solar Energy Corp. (JSEC) is established and begins development of solar cells

1971
Feldmühle KYOCERA Europa Elektronische Bauelemente GmbH is established in cooperation with Feldmühle AG in Germany

1979
KYOCERA invests capital in Cybernet Electronics Corp.

1983
Camera manufacturer Yashica Co., Ltd. merges with Kyocera

1984
Kyocera establishes Daini-Denden Kikaku Co., Ltd.

The commencement of Daini-Denden service

1989
Elco Corp. joins the Kyocera Group

1990
AVX Corp. joins the Kyocera Group

1995
Dongguan Shilong KYOCERA Optics Co., Ltd. and Shanghai KYOCERA Electronics Co., Ltd. are established in China

KYOCERA Communication Systems Co., Ltd. is established

1999
Kyocera acquires the mobile phone business of Qualcomm, U.S.A.

2000
Mita Corp., a copier manufacturer, joins the Kyocera Group as Kyocera Mita Corp.

2003
Kinseki, Ltd., a crystal manufacturer, becomes a wholly owned subsidiary of Kyocera Corporation

KYOCERA SLC Technologies Corp. is established to manufacture organic package substrates

2010
Kyocera acquires the TFT liquid crystal display business at the Yasu facility of Sony Mobile Display Corporation

2011
KYOCERA Vietnam Management Company Limited is established in Vietnam

2008
Kyocera acquires the mobile phone business of Sanyo Electric Co., Ltd.

2015
Nihon Inter Electronics Corp., a semiconductor manufacturer, joins the Kyocera Group

2018
Kyocera acquires the power tools business of Ryobi Limited and KYOCERA Industrial Tools Corp. is established

2019
SouthernCarlson, Inc., a U.S.-based provider of industrial tools, supplies and service, joins the Kyocera Group

2020
AVX Corporation becomes a wholly-owned subsidiary

2021
U.S.-based Soraa Laser Diode, Inc., a GaN device manufacturer, joins the Kyocera Group as KYOCERA SLD Laser, Inc.

Our goal is to create businesses that fulfill societal needs while achieving sustainable growth.

Since our company's founding, we have devoted ourselves to growing our business and promoting sustainable development based on our Management Rationale: "To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind." At the core of our Management Rationale is the Kyocera Philosophy, a value system carefully cultivated over the course of more than 60 years.

Today, we find ourselves in a time of great change. Transformative innovations in telecommunication, energy, automotive technology, and other fields are opening a new era for our business. We see this change as a great opportunity. To grow as a company, we must launch new businesses that can help fulfill societal needs — in fields as diverse as energy and regenerative medicine. To achieve this, we will accelerate investment to spark growth and improve our technological capabilities further. We will seize new business opportunities through our management strategy for sustainable growth.

President and Representative Director,

H. Tanimoto



Organizational Restructuring toward a New Path to Growth

To create an organizational structure that better adapts to major market changes, we consolidated our business divisions in April 2021 into three segments: Core Components, Electronic Components, and Solutions. One of the goals of this restructuring is to revitalize our Amoeba Management system, and we are beginning to see the fruits of our efforts. The Kyocera Group has been diversifying as part of its long-term strategy — developing not only components-related businesses, but solutions businesses as well. Prior to the reorganization, although we possessed diverse skills and technologies, we were challenged to integrate them into new products and services due to the “walls” between departments that tend to get stronger as a company grows. For this reason, we executed a restructuring to create greater synergies between our businesses by aligning the organization into Components and Solutions groups, and sharing management resources, including staff. As a result, we were able to integrate talent and business infrastructure while retaining the benefits of Amoeba Management.

The new businesses are now beginning to bear fruit. One example is our inkjet printing systems, which will be launched commercially during the next fiscal year. The large volume of wastewater generated in the washing process after textile fabrics are dyed conventionally has become an environmental problem. Our inkjet printing systems use a proprietary pigment ink that eliminates the conventional fabric washing process. Consequently, water consumption and industrial wastewater are greatly reduced, improving environmental impact. In addition to handling small lots and short delivery times, our inkjet printing systems can be installed anywhere. Textile producers using them can enjoy significantly faster production lead times and reduced waste. Our inkjet printing systems are environment-friendly products that can help meet societal needs. This is a great example of our Printer and Inkjet Printhead Divisions working together. It demonstrates how business segment teams can generate greater synergies, and reveals a new path to growth that did not exist previously.

Other examples of organizational restructuring also include company-wide projects that bridge the boundaries of different business divisions. Projects uniting staff of

different divisions with a similar knowledge base are creating new opportunities through digitization. Examples include giving IT members from each business segment a concurrent assignment with the Digital Business Promotion Group for knowledge sharing. We have set up a team system to carry out marketing activities with consistency. Beyond consolidating our business segments, company-wide projects are greatly improving the sense of openness within the organization.

Proactive Response to Changes in the Telecommunications, Energy, and Automotive Industries

Today’s business environment includes rising geopolitical uncertainty, as seen in the strained relations between the United States and China, and Russia’s presence in Ukraine. Meanwhile, due to the widespread adoption of remote work and remote services following the COVID-19 pandemic, and the rise of the “digital native” generation, digitization is accelerating. Semiconductor-related industries are thus expanding at a record pace, bringing favorable market conditions for the Kyocera Group. Semiconductor packaging and ceramic component technology have been our traditional core competencies, and I feel that the time has come to push onward and upward once again after the stagnation of the past few years. In the past, capital investments were made in response to customer demand. However, it is now clear that this practice is too slow and we will get behind if we continue to respond this way. While digitization has accelerated fluctuations in demand, building and expanding factories takes time. Our decision-making must be based on solid market analysis. Further, in terms of human resources, it is becoming more difficult to hire new staff due to declining birthrates and aging populations. More and more people are also finding it difficult to change their place of residence due to circumstances surrounding a spouse’s job. To respond to these changes in the business environment, we opened the Minatomirai Research Center in Yokohama; and in Japan’s Kansai region, we built a new production technology facility at our Yasu Plant, both conveniently accessible to rail commuters. By establishing sites that are convenient for commuting, we hope to enhance our ability to recruit and retain talented human resources.

In terms of each business sector, changes in the telecommunications, energy, and automotive industries are having a major impact on our business. In the telecommunications sector, as we aim to commercialize IoT-based solutions, developing 5G and “Beyond 5G” technologies will be crucial to our success. Telecommunications technology is central to transportation and autonomous driving. In fact, telecom networks have become essential basic infrastructure for future product and service development. In our Document Solutions Business, we expect office equipment to experience a gradual decline in demand. Meanwhile, demand for commercial and industrial printers is expected to continue to increase, so we will focus on developing inkjet printers. In the energy sector, we believe there is still room for much wider adoption of renewable energy, both by individuals and corporations. By installing storage batteries in a solar power system, energy generated during the day can be used even at night. In urban areas where storage batteries are difficult to install, the widespread adoption of fuel cells that use natural gas shows tremendous promise. Kyocera’s business covers all of these solutions — solar power generation, fuel cells, and storage batteries — and we are examining the possibility of establishing a subscription model for renewable energy. In the automotive industry, the major shift from gas-powered vehicles to electric vehicles (EV) depends on advances in battery technology, making it difficult to predict the exact timing of this transformation. We are watching these trends closely. EVs require parts that are completely different from internal-combustion technology, so we will continue to make upfront investments while carefully monitoring the timing the EV trend. We also plan to roll out a wide range of parts for internal combustion engines, including those for plug-in hybrid vehicles.

With regard to further digitizing our manufacturing plants, we continue to shift our Yasu Plant into a smart factory to produce storage batteries, and our new plants will get this technology as well. We plan to adopt a Manufacturing Execution System (MES) at our existing plants to improve productivity and efficiency through the greater use of robotics. We will strive to further digitize our indirect divisions and conduct a fundamental review of business rules and processes.

Management Strategy for Further Growth

As a medium-to-long-term growth goal, we are targeting 3 trillion yen in annual sales revenue by the fiscal year ending March 31, 2029. Central to this goal are Kyocera businesses that help fulfill societal needs, such as the aforementioned inkjet printing systems and renewable energy products. Some products in our Solutions Business have relatively short life cycles. In contrast, our Components Business includes many products that are becoming more sophisticated and smaller, yet their original role and function have remained unchanged. Consequently, this area should continue to deliver results over the long term. To ensure the steady growth of our Components Business, we will embark on a program of strategic investments. Gallium nitride (GaN), a material used to make highly efficient and durable semiconductors, is capable of producing lasers with several times the brightness and long-distance irradiation of LEDs. GaN is therefore labeled as a next-generation material that can further promote energy conservation. Just as we did in the development of lasers using GaN, we will continue to actively acquire and develop future core technologies. We are also creating and expanding businesses in the medical field to help fulfill societal needs. We have long been involved in making orthopedic joint replacement systems. More recently, we have begun collaborating with an Australian company specializing in joint regenerative medicine — both through investment and by conducting clinical trials. Regenerative medicine is just one of the long-term future challenges we are pursuing. Another challenge is research into joint health care. I would like us to develop businesses related to all kinds of orthopedic joint issues, including preventive medicine. As the population ages, health care will become extremely important. We intend to work on businesses that contribute to this field. Our goals in these domains are clear.

In the past, we formulated fiscal plans one year at a time, but to aggressively expand in the aforementioned fields, we are considering a medium-term management plan based on investments with a three-year outlook in mind. In addition to our plants in Thailand and Vietnam, we plan to build new plants to increase our production of semiconductor-related products, while further increasing our investment in new technologies.

M&A and business alliances are also important for future growth. We have conducted an active M&A program over the past five years. Although our pace of M&A investment has settled down recently, we are always attentive to a good deal and equipped to act swiftly when necessary. We believe that start-up companies can play a key role in our future growth as well. At the same time, we will accelerate and expand the scope of our business alliances. We believe that business alliances are essential for achieving success with renewable energy subscription models and in regenerative medicine.

Resources to Help Achieve Management Strategies

With regard to organizational structure and HR improvement, my own experience of working in the Corporate Fine Ceramics Group has shown me that staff members tend to develop a narrow outlook if they just stay in the

same division. That's why we decided to introduce a job rotation initiative. It is extremely valuable for staff to work in several different divisions early in their careers to absorb all of the various experiences and knowledge. Ideally, I would like our junior staff to experience working in three or four areas before moving up to the management level. Working overseas is no exception, and we have begun assigning personnel between the Electronic Components Division in Japan and our U.S. subsidiary, KYOCERA AVX Corporation.

The Kyocera Group maintains a solid financial base, with nearly 2 trillion yen in financial assets, including cash, deposits, and stocks. We often invest using cash reserves but we also procure funds externally and borrow from financial institutions when appropriate.

In terms of performance, in the previous fiscal year, we achieved profit before income taxes approximately 200 billion yen and a return on equity (ROE) of around 5%. We estimate that our ROE will increase to more than 10% if our sales revenue reaches 3 trillion yen and profit

before income taxes reaches 600 billion yen. Our immediate goal is to achieve sales revenue of 2 trillion yen. We are also aiming to achieve profit before income taxes of 300 billion yen and an ROE of 8% as soon as possible. We will sow the seeds to achieve these goals by making capital investments and actively engaging in research and development. We anticipate that the next three years will be a preparation period for this business growth, followed by a significant increase in profits.

With regard to our business portfolio, we will implement streamlining measures when appropriate, such as closing redundant operations in Japan and overseas if necessary. We believe we must work on rebuilding our energy-related business, in which profitability has been an issue, so it can once again generate solid profits.

Environmental, Social, and Governance Initiatives Based on the Kyocera Philosophy

ESG management has a high affinity with the Kyocera Philosophy. In fact, we have been putting this thinking into practice from day one. Environmental issues in particular have become a critical topic that is now inseparable from business activities.

As mentioned above, textile printing, for example, uses a large amount of water in the process of washing fabrics, and the resulting wastewater has a negative impact on the environment. We will try to solve this problem through digitization and proprietary technology. Also, with regard to energy issues, Japan's expectations for renewable energy are higher than those of many other countries, so we must consider how we can play a larger role. We would like to help achieve carbon neutrality throughout Japan, not only through our solar cells and storage batteries but also other products and services — such as solid-oxide fuel cells (SOFCs) for urban apartments, where installing solar cells and storage batteries is difficult. As for resource recycling and the circular economy, our cutting tool products are made of tungsten. Tungsten is a resource that cannot be found in Japan, so this is an area in which our recycling efforts will increase in the future. We have already established technology in the recycling field.

We are working to create a better environment for our employees based on the statement: "To provide opportunities for the material and intellectual growth of all our employees," which is part of the Management Rationale established by our founder, Kazuo Inamori, that guides how we run the company. With regard to work practices, due in part to the impact of the COVID-19 pandemic, we have increased workplace flexibility by introducing remote work and flextime systems where feasible. To spark greater communication and networking within the company, we are setting up community spaces that all employees can use. We are also working to create a system that enables reliable communication and the timely sharing of information with our suppliers. In recent years, we have been requesting information on human rights risks and greenhouse gas (GHG) emissions from our suppliers. Since data from international suppliers can be difficult to ascertain, we anticipate that a company-wide risk management system will be needed to identify and minimize

or eliminate all such risks.

We are also working to strengthen our corporate governance. In June 2021, we reduced our total number of internal directors and reviewed the composition of our board. The appointment of new outside directors with key management expertise has made our board of directors meetings more vibrant than ever before. In the past, discussions at the meetings were centered on investment-related matters. However, today, we are trying to shift discussion from a medium-to-long-term perspective, narrowing down investment-related matters to those that are particularly important, and emphasizing monthly performance monitoring, understanding our shareholders' needs and examining our management plan. We also recognize that the composition of our audit and supervisory board and the role of our internal audit system will become increasingly important in the future. We will continue to do our best to strengthen our corporate governance.

To Our Stakeholders

Since my appointment as president, I have felt that the Kyocera Group's growth rate has been slow, and this has also been pointed out by our stakeholders. To overcome this situation, we are making active, conscious efforts to expand both capital investment and research and development programs. Despite the fact that we were hit by the COVID-19 pandemic just as we were beginning to see results from our efforts, in the fiscal year ending March 31, 2022, we were able to achieve record sales revenue. We also succeeded in improving our ROE, from around 3% to 5%. I believe that we will be able to achieve sales revenue of 2 trillion yen, which has been one of our goals for the current fiscal year ending March 31, 2023. We are also accelerating growth investments to achieve our immediate goal of 300 billion yen in profit before income taxes and an ROE of 8%. We will use these three years as a preparation period to lay solid groundwork for future growth. I thank all of our stakeholders for your continued support of the Kyocera Group and I encourage you to expect more success from us in the future.

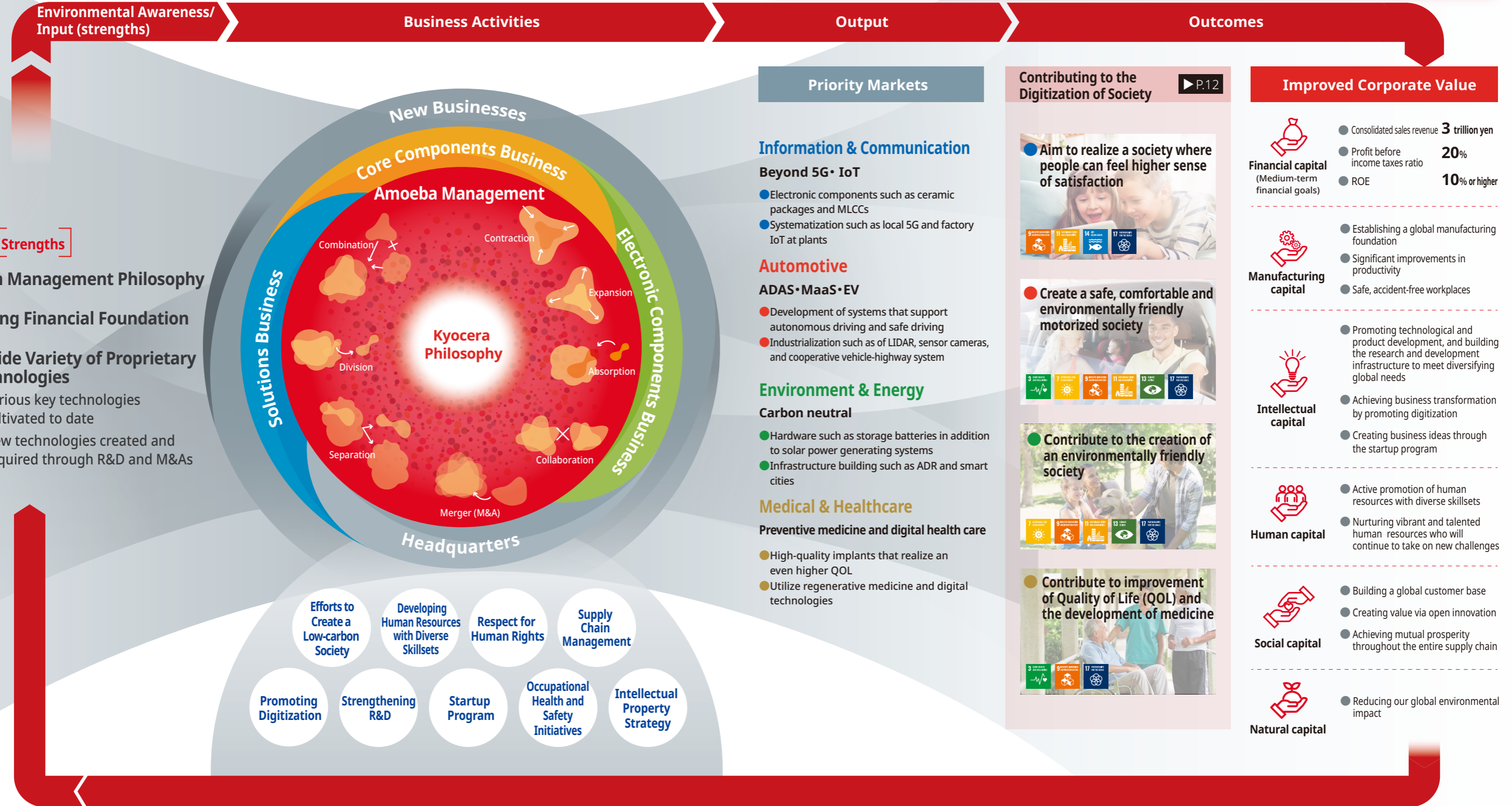


The essence of Amoeba Management, a management control method to realize the Kyocera Philosophy, is to quickly respond to trends of the times and changes in market conditions, and flexibly change its organization. As we live in a world of growing uncertainties, we will strive to flexibly respond to environmental changes like amoeba, and continue to deliver leading-edge products and create new values.

Awareness of the External Environment

- Digitization/globalization
- Shift from "selling products" to "selling services and solutions"
- Diversification of customer needs
- Greater awareness of the environment

Realization of our Management Rationale
To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind.



Value Creation with Amoeba Management

1 Getting to Market Earlier Through a Collaboration Involving Proprietary Kyocera Technologies

[5G Millimeter-wave Backhaul System]

This 5G millimeter-wave backhaul system is being developed in collaboration with U.S.-based JMA Wireless to expand 5G networks quickly and inexpensively in areas lacking adequate coverage due to the high cost of installing optical fiber. This system reduces installation time and cost, while minimizing size, weight and energy consumption by combining JMA's base-band technology (X-RAN) with Kyocera's proprietary wireless technologies. We hope our collaborative fusion of technologies will help us commercialize this solution at an early stage.

KYOCERA × **JMA Wireless**

2 Expansion of Business Fields through M&A

[Laser Module for the Next-generation of EVs]

Only Amoeba Management can enable us to create new value by combining diverse resources acquired through M&As, including highly reliable technologies and research results. One example is our development of headlights and other laser modules for next-generation EVs, a result of collaboration involving KYOCERA AVX Components Corporation, in-vehicle module technology acquired from AB Electronic in 2017, and KYOCERA SLD Laser, Inc.'s high efficiency SMD laser technology, acquired through M&A in 2021. Laser technologies are set to play a vital role in new product development across various fields in the future.

KYOCERA SLD Laser, Inc. × **KYOCERA AVX Components Corporation**

3 New Business Fusion by Combining Diverse Core Technologies with Other Amoebas

[Inkjet Printing Systems]

The apparel and textile industry is focused on improving its environmental impact, which has historically included industrial wastewater runoff during the fabric dyeing process and the waste of unsold clothing as fashions change. To help solve these issues, the Kyocera Group has combined multiple product lines to develop environment-friendly inkjet printing systems using pigment inks that avoid wastewater issues. Inkjet printheads are developed by Kyocera's Printing Devices Division, while printers and exclusive-use pigment inks are developed by Kyocera Document Solution's Information Equipment Division. The resulting environment-friendly inkjet printing system represents a collaboration between Amoebas that supersedes conventional team frameworks.

KYOCERA × **KYOCERA Document Solutions**



Addressing Societal Needs in the Textile and Apparel Industry Introducing an Inkjet Textile Printing* System Developed across Multiple Divisions through a Fusion of Technologies

Kyocera has developed a wide range of new technologies through its expertise in fine ceramic materials. Most recently, integrating these technologies has enabled us to develop environment-friendly inkjet printing systems.

Our new printing concept promises to reduce environmental impacts within the textile and apparel industry.

* Textile printing: Printing of designs onto fabric

Steps toward Reducing the Environmental Impact of the Textile and Apparel Industry

Preserving the global environment is an urgent issue confronting humanity. Water consumption by the global textile and apparel industry is estimated at 5.8 trillion liters annually. According to a World Bank study, conventional textile dyeing and finishing processes account for 17 to 20% of the world's industrial water pollution. The industry is also estimated to produce up to 10% of the world's CO₂ emissions. In addition to these societal needs, the textile and apparel industry generates massive waste through the overproduction of fashion garments that can't be sold as styles change, an issue that needs to be addressed in the short-term.

Kyocera has examined ways to resolve these needs using our proprietary technologies. One such solution involved developing the world's most sustainable inkjet printing systems using innovative pigment inks.

Kyocera's textile inkjet printing systems employ a water-free concept which eliminates the fabric-washing

process — a process that requires copious amounts of water in conventional textile printing. Unlike conventional print technologies, Kyocera's system allows printing on a wide range of fabrics and other materials, offering great potential to reduce environmental impact in a wide range of printing applications.

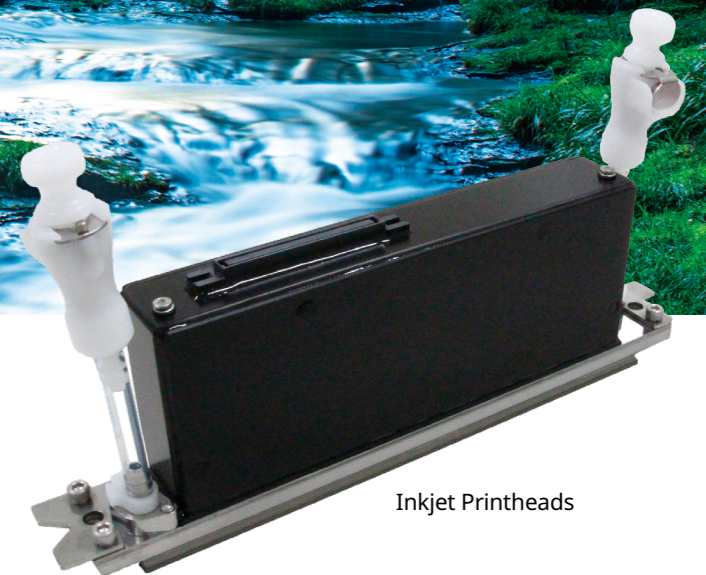
In addition, the ability to deliver small-lot printing easily and flexibly, while reducing lead times using the shortest processes possible, will bring the supply chain enhancements needed in the apparel industry to avoid waste from excessive inventories and overproduction.

System Development through a Fusion of Technologies across Multiple Divisions

For years, Kyocera has developed and produced inkjet printheads for commercial digital document printing. Developed using proprietary fine ceramics technologies that we have cultivated over decades, our inkjet printheads have become essential to a broad range of

printing applications, including on-demand printing, due to their outstanding image quality, speed and durability. The inkjet textile printing system currently under development will commercialize the water-free concept through the development of new inks and processing agents, in addition to Kyocera's long-standing inkjet printhead expertise. We will provide this high-quality system with market-leading capabilities by combining our expertise in production, software, printers, MFPs, and commercial inkjet technology.

Clothing and home textiles are indispensable to modern life, and beautiful fabric designs enrich our lifestyles in a multitude of ways. Through its innovative inkjet printing systems, Kyocera hopes to greatly reduce the environmental impact of the textile and apparel industry, while enabling highly detailed printing on a broad range of fabrics. With no limits on the color palette or design, this new system will help pave the way for a richer and more sustainable lifestyle.



Inkjet Printheads



Inkjet printing example

Kyocera Products Contributing to the Digitization of Society

By delivering advanced products based on proprietary technologies, Kyocera contributes to the development of a broad range of industries that utilize information, communication, and semiconductor-related technologies, indispensable to modern life.



Communications Markets



We contribute to the development of information and communication technologies for today's digital society, in which new innovations depend on miniaturization, integration and weight savings.

IoT Communication Equipment



LTE Category 4 Compatible Devices 5G Compatible Devices

Smartphones



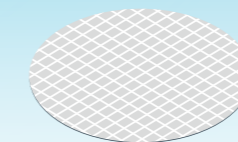
Electronic Components



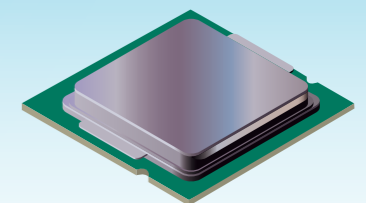
SAW Devices Connectors Crystal Devices

Semiconductor Markets

Wafer Production / Inspection

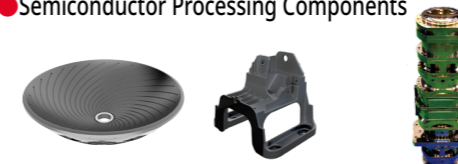


Semiconductor Packaging



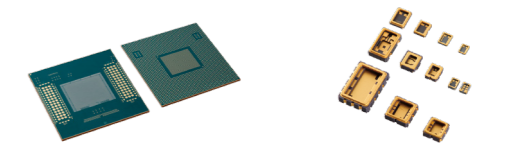
We contribute to the development of the automotive, IT, and energy fields by supplying foundational products for the semiconductor industry, including components for semiconductor manufacturing equipment and semiconductor packages.

Semiconductor Processing Components



Ceramic Components Optical Components

Semiconductor Package



Organic Packaging Ceramic Multilayer Packages

Implementing Sustainable Management

Kyocera Group's Basic Approach to Sustainable Management

Our world struggles to fulfill many societal needs. For a company to grow sustainably, it must tie solutions to societal needs into its business endeavors and contribute to society.

The Kyocera Group will seek sustainable development by providing value that can fulfill societal needs so that both society and the Kyocera Group can develop sustainably.

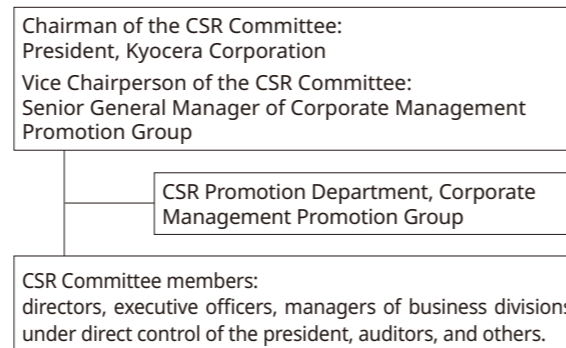
The Management System Underpinning Sustainable Operations

To uphold our Management Rationale and achieve our sustainable development goals (SDGs), the Kyocera Group holds twice-yearly meetings of its Corporate Social Responsibility (CSR) Committee, chaired by our president and attended by executive officers and other top leaders.



CSR Committee

CSR Committee Regulations



A Business that Meets Societal Needs

The Management Rationale of the Kyocera Group is "To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind."

We believe that upholding our Management Rationale will naturally lead to achieving our SDGs on an international basis, and that our mission is to conduct business in ways that fulfill societal needs.



Information Disclosure

The Kyocera Group is working to expand the scope of its information disclosure to offer stakeholders deeper insights into our sustainability initiatives and targets through our sustainability website and Integrated Report.

Our sustainability initiatives have attracted public attention. In 2021, the Company was added to the DJSI Asia Pacific segment of the Dow Jones Sustainability Index (DJSI), one of the world's leading ESG-focused investment indices. In addition, the Company has been graded highly by various ratings agencies, and has been added to the CDP*1, S&P Carbon Efficient Index*2, FTSE Good Index Series*3, and the FTSE Blossom Japan Index*4.



Integrated Report

Sustainability Website

*1 CDP: A prestigious international non-profit organization that selects companies with outstanding track records for initiatives and information disclosure in the environmental field, and in particular, initiatives and information disclosure pertaining to climate change.

*2 S&P Carbon Efficient Index: Based on the TOPIX (Tokyo Stock Exchange Stock Price Index) as a universe, with the investment weighting of constituent stocks determined by S&P Dow Jones Indices, Inc. of the United States, based on the level of environmental information disclosure and carbon efficiency (carbon emissions per sales volume).

*3 Good Index Series: An index developed by global FTSE Russell that rates and selects companies with outstanding track records in ESG (Environment, Social, Governance) activities.

*4 FTSE Blossom Japan Index: An index that rates and selects Japanese companies with outstanding track records in ESG activities.

Stakeholder Engagement

To understand societal needs and fulfill them, we have improved our communication with stakeholders in order to make decisions based on their opinions.

| Stakeholder | Purpose | Method | Results for FY2022 |
|----------------------------|---|--|---|
| Customers | We strive to improve customer satisfaction by providing higher quality products and services. | <ul style="list-style-type: none"> Customer support services Information provided on our website Information exchanges at stores and exhibition booths | The Kyocera Group established a customer service office to improve customer satisfaction by promptly responding to any inquiries, comments, or complaints received from customers in a sincere and proper manner. In FY2022, Kyocera received a total of 63,205 inquiries from customers. |
| Employees | We work to build an environment in which all employees can work with vitality based on our Management Rationale: "To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind." | <ul style="list-style-type: none"> Conduct workplace vibrancy surveys Dialogue through information in company newsletters and on the Intranet Hold discussion sessions with top management | The Kyocera Group (in Japan) conducts workplace vibrancy surveys with employees to help bolster a sense of dynamism in the workplace. In FY2022 this survey was provided to 27,296 employees, with a response rate of 94.8%. We held four dialogue sessions offering employees and top management a chance to exchange opinions, which were shared with all employees in our company newsletter. |
| Shareholders | Opinions and requests from shareholders are provided to top management and related internal departments to improve management initiatives and identify key issues to address. | <ul style="list-style-type: none"> General meeting of shareholders Financial results and business presentations for institutional investors Company information sessions for individual investors Individual meetings with institutional investors in Japan and abroad Participation in conferences for institutional investors hosted by brokerage firms | Kyocera holds briefing sessions with both institutional investors and individual investors every year. In FY2022, we held four presentations on our financial results and one business presentation for institutional investors, which were attended by some 439 people. We also meet individually with institutional investors from both Japan and abroad. About 250 dialogue meetings occurred with institutional investors in FY2022, including ESG-themed meetings. We also held three company information sessions for individual investors, which were attended by a total of 870 people. |
| Business associates | We demand fair, transparent dealings with business associates and promote sustainable growth with partners to fulfill our social responsibilities concerning human rights, labor and environmental protection. | <ul style="list-style-type: none"> Seminars and social gatherings with suppliers Dialogue through our procurement activities Conducting surveys on the state of CSR activities | The Kyocera Group holds regular seminars and social gatherings with its suppliers. Annual awards are presented to the most outstanding suppliers of the year (FY2022 event was canceled to reduce COVID-19 risk). In addition, two events were held to exchange opinions on responsible mineral procurement training and human rights due diligence initiatives. |
| Local communities | In recognition of the fact that companies serve as members of society, we fulfill our responsibility as a corporate citizen to support the development of local communities not only through our business but also through various social contribution activities. | <ul style="list-style-type: none"> Social contribution activities Hold briefing sessions with local residents and business associates | The Kyocera Group is actively engaged in community revitalization efforts, and supports the professional soccer team, Kyoto Sanga F.C. As part of our environmental protection activities, we hold traveling environment and energy classes for children. In FY2022, we had the opportunity to communicate the importance of protecting the global environment to some 320 participants. We also invite local residents, business associates, administrative officials and neighboring companies to briefing sessions where we exchange opinions on our CSR activities. In FY2022, these sessions were attended by 34 people. |

Addressing Priorities (Materiality)

To identify priority issues for the CSR Committee (P.13), the Kyocera Group considers social conditions, trends in the international community, our external environment, and priorities identified through stakeholder engagement.

In addition to these priorities, sustainability issues and business strategies to achieve the mid-term financial targets

(Consolidated sales revenue: 3 trillion yen; Profit before income taxes ratio: 20%; ROE: 10% or higher) are disseminated to top management at the International Management Meeting and reported to the Board of Directors. Through this process we identify issues of “materiality.”

| Key Issues | | ● Risk / ○ Opportunity | Targets / KPIs / Initiatives | |
|---|--|--|--|---|
| Business Side (products / services / strategy) | Expansion of The Semiconductor Business | ○ Increase in demand for semiconductor components | ● Increased production of semiconductor-related components | ● Making capital investments in factories in Japan and abroad |
| | Responding to the Diverse Needs of an Increasingly Digital Society | ○ Rising demand for base station-related products to improve communications networks | ● Contributing to the expansion of high-speed communications systems | ● Development of 5G smart routers |
| | | Promoting Business Related to Next-gen Communications Systems | ○ Rising demand for 5G smartphones and related products ○ New system / service business opportunities supporting 5G infrastructure ○ Increase in demand for 5G services by industry ● Decline in existing businesses due to advancements in communications technology | ● Development of 5G millimeter-wave backhaul systems |
| | New Business Creation | ○ Expand sales through new business creation ● Inability to achieve expected results and profit targets through newly developed technologies | ● Total sales revenue of 3 trillion yen; 250 billion yen from new businesses ● Continued new business creation | ● Expansion of the GaN devices business ● Launch robotics and digital printing businesses |
| Contributions in Fields of Rising Social Importance | ○ Business expansion aligned with social trends toward decarbonization ● Reduced sales due to price competition and other factors | ● Renewable energy power generation by Kyocera products: 15 billion kWh in FY2031 ● Expansion of regional microgrid technologies | ● Sales of solar power generating systems and storage batteries ● Contributions to the decarbonization of society | |
| Strengthening our Management Infrastructure | Decarbonizing Manufacturing Processes | ○ Enhancing Company's brand value by promoting decarbonization ● Increased costs from new laws, regulations, carbon taxes ● Damage to corporate brand value resulting from incompatibilities with a decarbonized society | ● Long-term environmental targets revised from a 2°C to a 1.5°C level ● Target for reducing greenhouse gas emissions, Scope1, 2, 3 (1.5°C level): 46% reduction in FY2031 compared to FY2020 levels | ● Expanding renewable energy adoption: 20 X by FY2031 (compared to FY2014 levels) ● Targeting carbon neutrality by FY2051 ● Promoting energy conservation activities and visualizations |
| | Securing Human Resources for Sustainable Growth | ○ Establishing a diverse workforce ○ Business expansion achieved by work force specializing in digital technologies ● Labor shortages due to smaller working population | ● Expanding women management ratio to 6% by the end of March 2023 ● Expanding paternity leave / childcare take rate of 30% ● Promoting education on LGBT issues, and creating LGBT allies ● Promoting employment opportunities for people with disabilities | ● Introducing flexible working systems (flextime, remote work) ● Enhance support plans for balancing work with child care, nursing care, and medical needs ● Training on diversity and inclusion for all employees ● Implementing basic IT training for all employees to build digital technology awareness company-wide |
| | Promoting Individual Employee Growth | ○ Business expansion through employee development | ● Fostering a workplace culture that allows employees to reach full potential ● Improving employee engagement through “workplace vibrancy surveys” ● Promoting employee mobility (developing human resources with diverse experience and skills) ● Implementing career development support measures (in-house recruitment system, career registration system) | ● Providing support for English language learning to develop human resources with a global mindset ● Implementing a system for dispatching employees to external venture companies ● Developing next-generation leaders ● Implementing a startup program for new business ideas |
| | Respect for Human Rights | ● Growing need to enforce human rights in supply chains ● Loss of brand value due to a lack of human rights measures | ● Preventing human rights violations ● Expanding human rights policy ● Human rights due diligence based on RBA Code of Conduct with external organizations | ● Implementing human rights due diligence at Kyocera Group worksites and supplier workplaces in Japan ● Anti-harassment and anti-discrimination training ● Establishing a third-party consultation service |
| | Establishing a Sustainable Supply Chain | ● Growing need to enforce human rights in supply chains ● Loss of brand value due to a lack of human rights measures | ● 0% rate of high-risk business associates as per human rights and labor items in CSR surveys ● 0% rate of high-risk business associates as per the ethics items in CSR surveys | ● Reduction of risk across the entire supply chain ● Implementation of Supply Chain CSR Survey |
| | Promoting Digitization | ○ Greater productivity and management efficiency | ● Promoting digital marketing ● Establishing a data collection / analysis platform | ● Implementing initiatives aimed at doubling manufacturing productivity ● Improving security and efficiency in administrative work |



Director, Managing Executive Officer
Executive General Manager of
Core Components Business

Hiroshi Fure

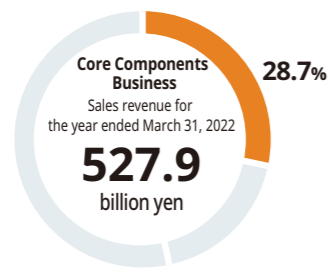
Core Components Business

We realize the management rational by providing core products of sustainable society and creation of healthy and fulfilling life.

Our Core Components segment comprises seven businesses: fine ceramic components (our founding product line), as well as automotive components, optical components, semiconductor-related components, medical equipment, and jewelry. We aim to expand this segment by focusing on growth markets such as the information communications field, while continuing to strengthen our management foundation through greater collaboration with other businesses. This will involve applying the strengths of each product line across the entire segment, solving common issues through information exchange, and collaborating for growth.

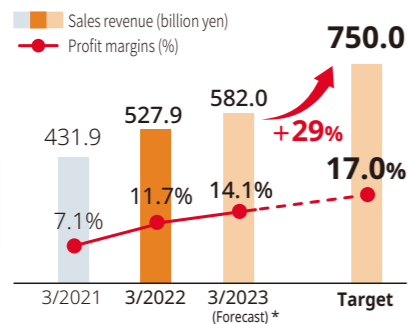
Business Performance/ Targets

Sales Revenue by Region



Core Components Business Targets

Sales revenue **750.0** billion yen
Profit margins **17.0%**



For the fiscal year ended March 2022, sales totaled 527.9 billion yen, up 22.2% year-on-year, following strong demand for semiconductor components in particular. Profit before income taxes totaled 61.6 billion yen, up 101.8% year-on-year, with a profit ratio of 11.7%. This segment saw a significant increase in sales and profit. These gains were led by fine ceramic components used in semiconductor devices; ceramic packages and organic substrates for communications infrastructure, including 5G; and automotive components. Capital investment helped propel sales of high value-added products, a key factor driving higher margins.

For the fiscal year ended March 2023, we forecast this segment sales of 582 billion yen, profit before income taxes of 82.0 billion yen, and a profit ratio of 14.1%*. As part of the company's medium-term goal of 3 trillion yen in consolidated sales, this segment is targeting sales of 750 billion yen with a profit ratio of 17.0%. Our challenges include geopolitical instability, supply chain uncertainty and inflation. However, we will strive to achieve our targets through stronger customer relationships in markets for high-performance semiconductors, increased production, and new technology innovations.

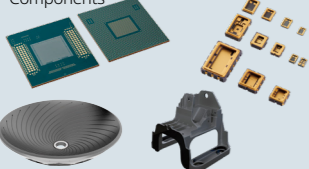
Value Provided, Main Products and Services

Information & Communication

Contributing to the realization of an information and communication-based society by supplying foundational parts

Main Products and Services

Organic Packaging, Ceramic Multilayer Packages, Semiconductor Processing Components

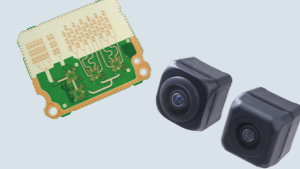


Automotive

Improving the operability and safety of automobiles and reducing their environmental burden

Main Products and Services

Substrate for Millimeter Wave Radar
Automotive Camera Modules

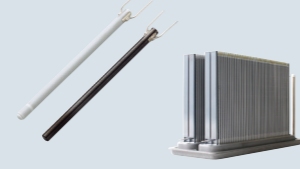


Environment & Energy

Ceramics and semiconductor technologies that save energy and reduce environmental loads

Main Products and Services

Oxygen Sensor Heaters,
SOFC (Solid Oxide Fuel Cell) Cell Stacks



Medical & Healthcare

Developing medical products that improve quality of life

Main Products and Services

Dental Implants, Knee Implants,
Hip Implants



Vision

The vision for the Core Components segment is “We realize the management rational by providing core products of sustainable society and creation of healthy and fulfilling life.” Our components businesses provide the foundation for a broad range of industries and products that promote human well-being. Examples include decarbonization and energy solutions, such as our SOFC cell stacks; our jewelry business, based on ethical, lab-created gemstones; and our medical equipment and applied ceramics businesses, which support healthier, happier lifestyles.

Cross-Department Collaborations

To strengthen our management foundation and create a springboard for growth, we have launched five cross-departmental projects. Our technology promotion project aims to improve technical capabilities and enhance training. It will set priorities for the segment and assign technical experts from various departments to address them.

The strategic planning project assesses core technologies and development themes. It will explore key strengths and future product concepts to establish new strategies for growth.

In the DX promotion project, we are pursuing smart factory benefits through digital transformation, as well as sales force automation (SFA) and marketing automation (MA). Further, we are enhancing human resource and organizational capabilities while strengthening our platform for growth through projects in human resource development (HRD) and quality management systems (QMS).

| Project Name | Main Mission |
|----------------------|--|
| Technology Promotion | Respond to critical issues, enhance core technological capabilities |
| Strategic Planning | Establish growth strategies that leverage the total resources of the Company |
| DX Promotion | Incorporate smart factory solutions, promote SFA / MA |
| HRD Promotion | Improve career development, employee skills and motivation |
| QMS Promotion | Business quality improvements: PDCA mechanisms |

Five projects for enhancing our management platform

Increased Production and New Product Development

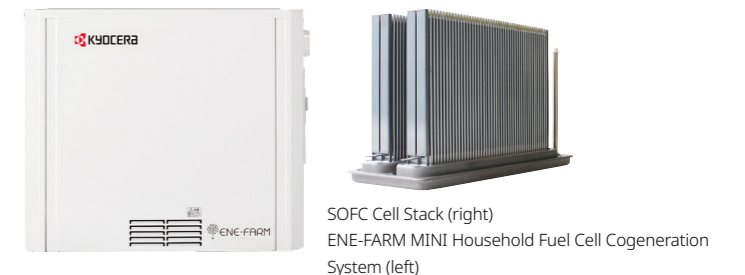
This growing segment focuses on the semiconductor and automotive-related businesses, where demand is expected to boom. Continued expansion in IT and communications is fueling demand for fine ceramic components used in semiconductor manufacturing equipment, along with ceramic packages and organic substrates for semiconductor devices. In response, we are enhancing production capabilities, increasing capital investment and expanding our workforce both in Japan and abroad.

Specifically, we are constructing two new buildings at our Kagoshima Kokubu Plant to increase production of fine ceramic components for semiconductor manufacturing equipment. Production is expected to commence in stages starting in October 2022, with plans to double production at the plant. Our organic packaging business will increase production through capital investments, expanding our Kyoto Ayabe Plant 3 and adding a new manufacturing facility at our Kagoshima Sendai Plant. In the ceramic packaging business as well, we are expanding production in Japan and abroad, including new capital investments for our Vietnam Plant.

In the automotive-related business, we are focusing on products for advanced driver-assistance systems (ADAS). We are raising production capacity by expanding plants in Thailand and elsewhere to fulfill increased demand for in-vehicle components, such as sensors, processors, and camera modules. The core component segment creates new products through the fusion of core technologies. We have applied our proprietary fine ceramics technology to develop and mass produce a ceramic “cell stack” that brings extremely high energy efficiency to solid oxide fuel cells (SOFCs).

In addition, we are building on our track record in semiconductor-related components to serve other technology industries, and leveraging our ability to collect information to create new solutions for emerging fields.

By utilizing such a wide range of material and process technologies, we will strive to create unprecedented products that fulfill societal needs.



Conceptual image: two new buildings at Kagoshima Kokubu Plant



Managing Executive Officer
Executive General Manager of
Electronic Components Business

John Sarvis

Director, Managing Executive Officer
Deputy Executive General Manager
of Electronic Components Business

Koichi Kano

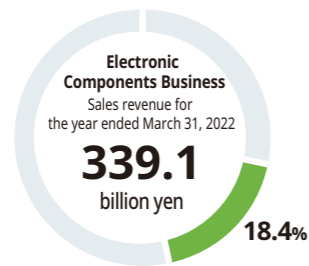
Electronic Components Business

Creating value-added electronic components to benefit customers and society

The Electronic Components segment represents a fusion between Kyocera's Japan-based electronic components business and U.S. subsidiary KYOCERA AVX Components Corporation (hereafter, KYOCERA AVX). Since launching the new KYOCERA AVX brand, we have been pursuing synergies that leverage mutual strengths to expand this business globally. With full ownership of KYOCERA AVX, we will align the business to increase our share of the global electronic components market, which is expected to see new demand from expanding IoT, 5G, and ADAS applications.

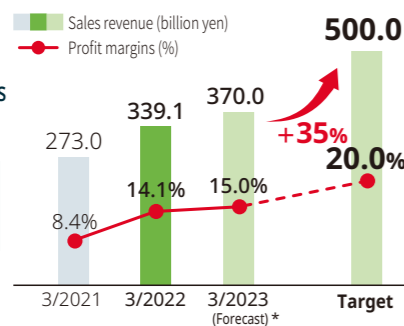
Business Performance/ Targets

Sales Revenue by Region



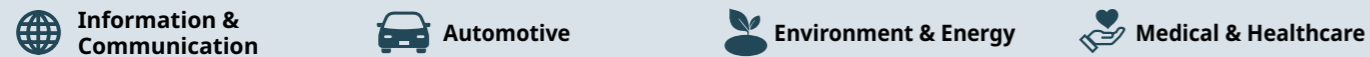
Electronic Components Business Targets

Sales revenue 500.0 billion yen
Profit margins 20.0%



For the fiscal year ended March 2022, sales totaled 339.1 billion yen, up 24.2% year-on-year. Profit before income taxes totaled 47.8 billion yen, up 108.2% year-on-year, and segment profit ratio reached 14.1%. Sales of miniaturized, high-capacity capacitors and crystal components rose alongside a recovery in industrial and automotive manufacturing, with new demand from 5G and semiconductor-related markets. For the fiscal year ended March 2023, we forecast this segment sales revenue of 370 billion yen, profit before income taxes of 55.5 billion yen, and profit ratio of 15.0%.* As part of the Kyocera Group's medium-term goal of 3 trillion yen in consolidated sales revenue, this segment is targeting sales of 500 billion yen, with a profit ratio of 20.0%. The expansion of 5G and IoT-related products has raised the bar of performance expectations for smartphones, base stations and other communications devices. Multi-banding has required components to get smaller while achieving higher levels of performance and reliability. In response to these demands, we will strive to achieve our targets by delivering smaller, higher-capacity capacitors and other devices that provide greater reliability at challenging temperature and humidity levels.

Value Provided, Main Products and Services



Contributing to various societal needs by supplying foundational parts

Main Products and Services

Multilayer Ceramic Chip Capacitors, SAW Devices, Crystal Devices, Power Semiconductors, Connectors, Tantalum Capacitors, Polymer Tantalum Capacitors, SuperCapacitors



Vision

As industry leader, Kyocera aims to remain the first choice of customers seeking unique products and solutions that set us apart from the competition. Kyocera and KYOCERA AVX have worked alongside each other for over 30 years, and have formed a strong bond of trust. While maintaining this valuable position, we will work to deepen our mutual understanding and relationship of trust to achieve new synergies and create greater value for society.

Synergies between Kyocera's Electronic Components Business and KYOCERA AVX

Both divisions are strong in different markets, regions, and sales channels. We will leverage our comparative strengths to expand cross-selling opportunities on the sales and marketing side. KYOCERA AVX has extensive experience leveraging proprietary IT to efficiently market its products to around 30,000 small and medium-sized enterprises globally. Kyocera will draw upon this know-how to launch new products in automotive, aerospace, and other industries in the U.S. and Europe. At the same time, we will market KYOCERA AVX products in the IT and communications markets of Japan and the rest of Asia. We integrated our marketing organizations serving the U.S., Europe, and Asian regions in 2021, ensuring the efficient use of assets by sales and marketing divisions.

We are now pursuing further synergies in manufacturing and development under the new KYOCERA AVX brand.

From a manufacturing perspective, we are taking steps to implement our proprietary IoT and AI-driven automated production system at KYOCERA AVX's 33 production sites worldwide. Further efforts to build "smart factories" will improve production efficiency and reduce costs.

From a development perspective, we will avoid overlap in electronic components R&D to ensure efficient capital investment, and accelerate product development by integrating the technologies of both divisions.

We are also collaborating in product development with other segments, including KYOCERA SLD Laser, a U.S. manufacturer of gallium nitride (GaN) devices that joined the Group in 2021. Through these efforts to create synergies, we are committed to the further growth and development of our business.

Synergies with KYOCERA AVX

Sales and Marketing

- Leverage the strengths of both companies to expand cross-selling capabilities
- Integrate marketing organizations in the U.S., Europe, and Asia

| Kyocera Electronic Components | | KYOCERA AVX |
|-------------------------------|----------------|---------------------------------------|
| Information & Communication | Market | Automotive/Aerospace/Other industries |
| Asia | Region | U.S. and Europe |
| Direct sale | Sales channels | Agents |

Manufacturing

- Implement Kyocera's automated production system at KYOCERA AVX's production plants

R&D

- Avoiding overlap in electronic component R&D
- Develop new products by fusing both companies' technologies

Aggressive Investments in Growth Products

Looking ahead, we will invest aggressively in key product lines, including multilayer ceramic chip capacitors (MLCC), crystal components, and tantalum capacitors.

With regard to MLCC, we will continue to invest in increasing production, constructing a new building at the Kagoshima Kokubu Plant, and increasing production of in-vehicle components at KYOCERA AVX Thailand. In April 2022, we established an organization integrating the management resources relating to the development, production, and sale of MLCC at both divisions. This will accelerate our global expansion under a uniform strategy.

With regard to crystal components, we aim to lead the market for ultra-small crystal oscillators using our advanced photolithography technologies.

KYOCERA Tikitin Oy, a Finland-based development center established in 2019 to produce smaller, lower-profile product designs, is creating next-generation components using silicon micro-electromechanical systems (Si-MEMS) and wafer-level package (WLP) technologies.

With regard to tantalum capacitors, KYOCERA AVX established a new plant in Thailand in December 2021 to expand production of polymer tantalum capacitors, a product line supporting future electronics innovations.



The new KYOCERA AVX Thailand Plant



Director, Managing Executive Officer
Executive General Manager of
Solutions Business

Norihiko Ina

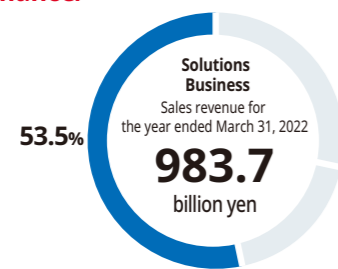
Solutions Business

We provide solutions for social agendas and challenges facing customer beyond existing (organization) framework

The Solutions segment is comprised of seven product lines: industrial tools, displays, printing devices, smart energy, information equipment, telecommunications equipment, and information & communication services. Along with “horizontal integration” among diverse product lines, we promote innovation through a “vertical integration” that integrates the marketing and R&D departments with each product line.

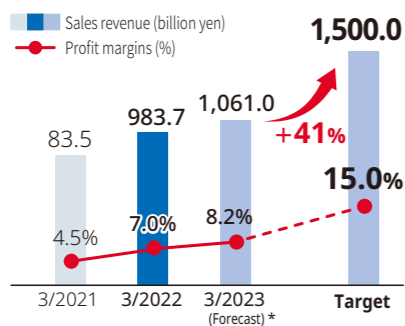
Business Performance/ Targets

Sales Revenue by Region



Solutions Business Targets

Sales revenue 1,500 billion yen
Profit margins 15.0%



For the fiscal year ended March 2022, segment sales revenue totaled 983.7 billion yen, up 17.8% year-on-year, and profit before income taxes totaled 68.7 billion yen, up 83.3% year-on-year, with profit ratio rising to 7.0%. Despite the continuing COVID-19 pandemic, parts shortages, price increases, and disruptions in the supply chain, new demand was created through social change and a gradual economic recovery. In particular, the industrial tools and information equipment product lines expanded in key markets. The industrial tools unit saw increased sales of cutting tools, pneumatic tools and power tools, while the information equipment unit achieved rising sales of multi-function peripherals (MFPs), printers, and consumables. Profit margins also increased.

For the fiscal year ended March 2023, we forecast this segment sales revenue of 1.06 trillion yen, profit before income taxes of 87.0 billion yen, and a profit ratio of 8.2%. * While the business environment is undergoing drastic changes amid Russia’s drawn-out war in Ukraine and the further depreciation of the yen, we will use all tools available in an unwavering effort to meet our targets on schedule. As part of the Kyocera Group’s medium-term goal to reach 3 trillion yen in consolidated sales revenue, this segment is targeting sales of 1.5 trillion yen in sales revenue, with a profit ratio of 15.0%. In addition to expanding our existing product lines, we will cultivate new businesses that fulfill emerging needs facing our customers and society.

* Published figures as of April 2022

Value Provided, Main Products and Services

Information & Communication

Contributing to the development of an information communications-oriented society by providing MFPs, printers, and other office document solutions, telecommunications devices and infrastructure

Main Products and Services

MFPs, Printers, Telecommunications Devices, Base Stations, and Local 5G Services



Automotive

Contributing to the realization of autonomous driving by utilizing communication modules and other communication technologies

Main Products and Services

Vehicle-mounted Communications Modules
HUDs



Environment & Energy

Contributing to the realization of a carbon-free society through solar power generation technologies and energy management

Main Products and Services

Solar Cells, Storage Batteries, Fuel Cells, Electric Power Services



Medical & Healthcare

Providing high-quality products that allow advanced medical care and improve quality of life

Main Products and Services

Displays for Medical Applications
Hospital Information Systems



Vision

Make as many people as possible happier and society better

In addition to high-quality, high-value-added products and services, we provide solutions for social agendas and challenges facing customer and create innovation that contributes to the achievement of society and humankind beyond existing (organization) framework

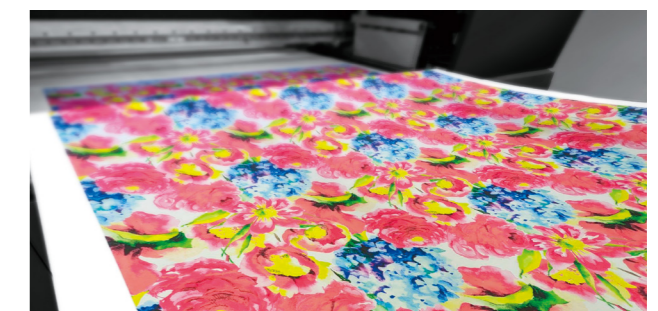
Drawing upon Diversity in a Broad Range of Businesses to Deliver Synergy

The Solutions Segment is comprised of diverse product lines with their own organizational cultures and business structures. We view this diversity as our strength. By leveraging the strengths and resources of each business, we can achieve a broad range of synergies.

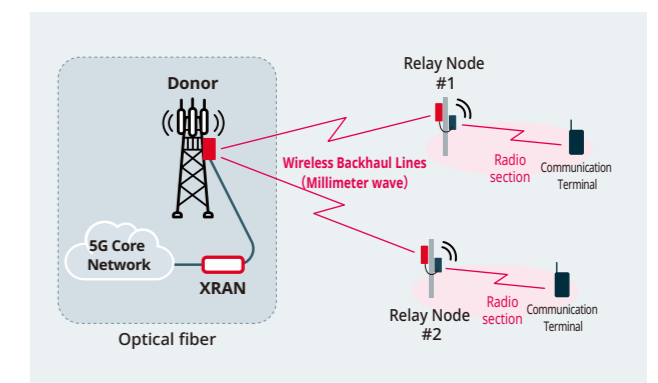
We have three strategies to maximize synergies segment-wide. The first is our approach to horizontal integration between product lines. By sharing business models and functions, we can strengthen each product line. In the information equipment unit, we are expanding our business under the concept of “Put knowledge to work,” enabling customers to turn information into knowledge that can be used more effectively. Our telecommunications equipment unit has adopted “JAPAN MADE” as its strategy for the Japan market. By building a business model in which all processes are completed in Japan, from planning and design to manufacturing, sales and service, we are emphasizing unique solutions for discerning customers. Looking ahead, we hope to create new synergies by sharing these business models with other segments. We are also promoting shared business functions and know-how in development, production, marketing, and sales.

The second strategy is to combine the businesses of individual product lines to provide innovative solutions. For example, we are developing new inkjet printing systems through collaboration between our printing devices and information equipment product lines.

The third strategy involves creating entirely new businesses — not just through horizontal integration between segments, but also through vertical integration with the Group’s marketing and R&D divisions, and through collaborations with third parties. From a marketing standpoint, we are working to support the energy and mobility sectors, while our technical priorities include greater research and development in next-gen telecommunications systems. One example is the 5G millimeter-wave backhaul system jointly developed in collaboration with JMA Wireless. Delays in the roll-out of 5G services often reflect the difficulty in extending optical fiber to remote areas. Our work with JMA has yielded a solution in response to societal demand for 5G services. This provides a model for developing new businesses through internal and external collaboration.



Inkjet printing example



Conceptual diagram of the 5G Millimeter Wave Backhaul System

New Business Creation

Developing New Businesses that Contribute to Society

Kyocera focuses on developing new businesses that balance social and economic value as a key strategy for medium-to-long-term growth. We target new businesses to generate sales of 250 billion yen toward our total mid-term goal of 3 trillion yen in consolidated sales revenue.

New business development may be divided into three stages: 1) Opportunity identification, 2) Business development, and 3) Commercialization. We are currently expanding applications for our high-efficiency GaN lasers, which are now in the commercialization stage, and we expect to see new products hit the market in the current fiscal year. For inkjet textile printing systems, we hope to move from business development to early commercialization in the not-distant future. Looking ahead, we will convert these initiatives into top-line results at the earliest possible stage. We will also keep investing aggressively in R&D to create new business offering products and services that help fulfill societal needs.

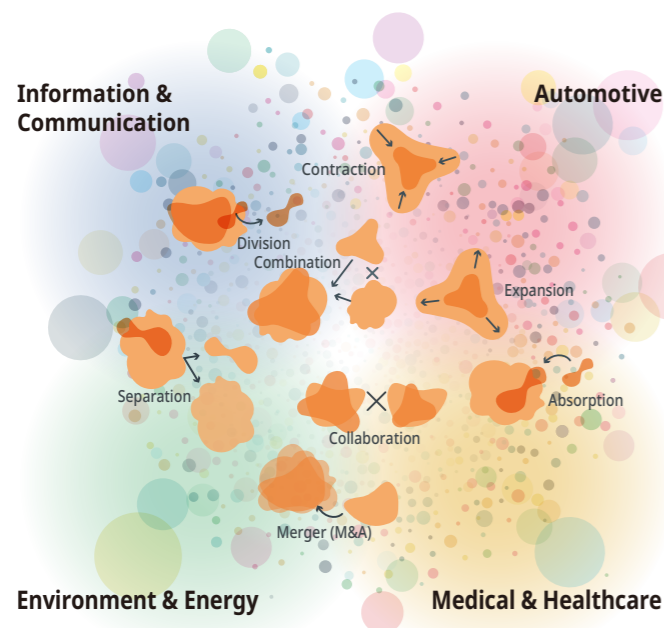
Steps in Business Development

Opportunity Identification

Opportunity identification uses two approaches to uncover prospective new businesses.

The first is a marketing approach that strives to anticipate the future needs of society and industry. We identify emerging human needs and Kyocera's unique solutions, based on our understanding of the changing times. The second is a technology approach to create superior products and services using Kyocera's wide portfolio of advanced technologies.

Through the interplay of these two approaches, we conceive new businesses that help fulfill societal needs.



Business Development

Inkjet Printing Systems

▶ P.10, 11, 17

- Societal needs**
- Huge Volumes of Waste Water Generated by Industry
 - Inventories Wasted due to Overproduction

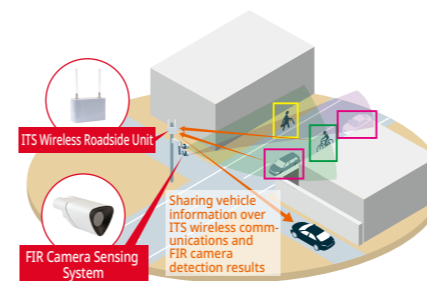
Our inkjet printing systems combine proprietary pigment inks with inkjet printhead technology to realize a water-free concept that greatly reduces industrial wastewater. These printing systems easily support small-lot, short-turnaround print jobs, optimizing production to minimize excess inventory. Kyocera's inkjet technology thus offers significant benefits in reducing waste and alleviating the environmental impact of the apparel industry.



Cooperative Vehicle-Highway System

- Societal needs**
- Traffic Accidents

To improve safety at intersections that lack traffic signals, Kyocera is developing wireless roadside units for Intelligent Transportation Systems (ITS) and automotive cameras employing Far-Infrared (FIR) Sensing. These innovations combine technologies developed for the wireless communication and automotive industries. With these infrastructure systems, we hope to help drive the development of "cooperative vehicle-highway systems" to enable autonomous vehicles and safe driving support systems.



Cooperation between infrastructure and vehicles using roadside units (image)

Regenerative Medicine for Knee Osteoarthritis

- Societal needs**
- Promoting Quality of Life for the Elderly

Kyocera has entered a technical collaboration and licensing agreement with Australia-based Regeneus Ltd. to develop a cell preparation therapy using stem cell technology. Our objective is to improve the quality of life for a wide range of patients suffering from joint pain in the knees and elsewhere by expanding our regenerative medicine technology.



Administering a cell preparation by intra-articular injection in the knee joint (image)

Commercialization

AI Collaborative Robot System

- Societal needs**
- Labor Shortages

We are working to help solve labor shortages by providing solutions using collaborative robots in processes where conventional robots cannot be deployed, including multi-product, low-volume production. Our systems employ proprietary AI technology to drive robot learning and continually improve work processes.

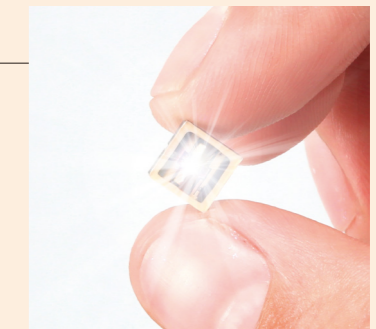


AI Collaborative Robot System

High Efficiency GaN Laser

- Societal needs**
- Climate Change

Gallium nitride (GaN), a next-generation material, is attracting global attention as a means to enable high-power, high-efficiency laser devices that require minimal operating power. We believe GaN devices offer great potential for creating a low-carbon society. Kyocera plans to develop a wide range of new applications, including ultra-high-speed wireless communications systems, using this material. Another promising application for GaN technology involves optical wireless power transmission, which enables electricity to be transmitted between two points using laser light instead of copper wires.



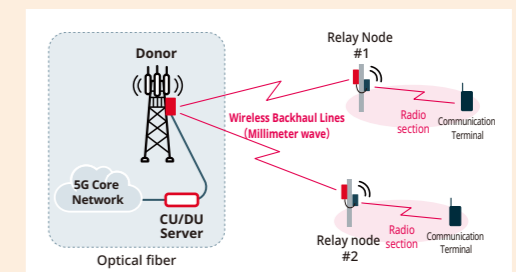
The revolutionary semipolar GaN laser diode

5G Millimeter-wave Backhaul System

▶ P.10, 17

- Societal needs**
- Disparity in 5G Network Coverage by Region (area)

We deliver products that facilitate quick, inexpensive 5G network installation in rural and suburban areas where 5G services have been slow to spread due to issues with topography and other factors. We will strive to eliminate a "digital divide" and promote regional revitalization by extending 5G infrastructure while reducing construction times and costs.



Conceptual diagram of the 5G millimeter-wave backhaul system

Strengthening Our Management Foundation

To achieve sustainable growth, we will work to strengthen the Kyocera Group's management foundation.

| | Strategic Goals | Specific Initiatives | Capital | | | | | Reference |
|--|--|--|---------|----|----|-----|-----|---|
| | | | MFG | IP | HR | CSR | ENV | |
| Efforts to Create a Low-carbon Society | The Paris Agreement, enacted in 2016, aims to limit the increase in global temperatures to less than 2°C — and ideally, less than 1.5°C — over pre-industrial levels. The Kyocera Group recognizes the importance of climate change countermeasures. In 2018, we set a long-term target to support limiting the rise in global temperature to 2°C- revised in 2021 to 1.5°C level- and targets to reduce greenhouse gas emissions by 46% by FY2031 compared to FY2020 levels, with SBT certification. We plan to be carbon neutral by FY2051. | <ul style="list-style-type: none"> Revision of long-term environmental targets from 2°C level to 1.5°C level Planning carbon neutrality by FY2051 Adopting renewable energy Promoting energy conservation | | ● | | | ● | Efforts to Create a Low-Carbon Society P.20 Climate Change Scenarios Measures to Fight Climate Change |
| Developing Human Resources with Diverse Skillsets | At Kyocera, we aim to be a dynamic and attractive company that seeks new challenges and grows by creating a workplace in which diverse individuals can find fulfillment. This involves respecting the individuality and values of each employee while promoting diversity and inclusion. Our commitment to creating a pleasant environment includes promoting a flexible work, and establishing a support system to help employees achieve work-life balance. To improve diversity and inclusion, we have set a goal to achieve a female manager ratio of 6% by the end of March 2023. We are promoting more women to managerial positions, hiring differently-abled persons, and striving for greater understanding of LGBT issues. | <ul style="list-style-type: none"> Introducing flextime and remote work Enhancing support plans for balance work with child care, nursing care, and medical care Training to promote manager candidates of greater diversity Promoting employment opportunities for people with disabilities Providing education on LGBT issues, and creating allies Training on diversity and inclusion for all employees | | | ● | | | Developing Human Resources with Diverse Skillsets Promoting Diversity and Inclusion |
| Human Rights Initiatives | As attention to human rights grows worldwide, business enterprises must take responsibility. Kyocera Corporation is committed to the cause of ensuring human rights throughout its value chain worldwide. Our recent efforts in this area include developing the Kyocera Group Human Rights Policy and revising our organizational structure to maximize human rights due diligence. Immediate priorities include ensuring the human rights of all stakeholders — including employees as well as Kyocera Group customers, shareholders, business partners, and community members; working to reduce or eliminate human rights risks; and, if ever necessary, disclosing any irregularities we discover, and providing appropriate relief measures wherever needed. | <ul style="list-style-type: none"> Expansion of human rights policy Human rights due diligence based on the RBA Code of Conduct with external organizations Implementing human rights due diligence at Kyocera Group worksites and supplier workplaces in Japan Providing harassment and discrimination prevention training Establishment of a third party consultation desk | | | | ● | | Respect for Human Rights |
| Supply Chain Management | We will uphold our Management Rationale, that 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” through fair and just business practices in the supply chain. We believe we can achieve mutual prosperity with our partners across the entire supply chain, and respond to the demands of society, by working alongside all companies involved in our business processes — from development to production, marketing, sales and service. As a result, we prioritized active communication with our business associates to build partnerships based on mutual trust, while also establishing a basic procurement policy. | <ul style="list-style-type: none"> Issuance of Kyocera Group Responsible Business Conduct Guidelines Implementing of Supply Chain CSR Survey Implementing Responsible Mineral Procurement | | | | ● | | Supply Chain Management |
| Promoting Digitization | To enhance our competitive strength, the Kyocera Group continues to promote company-wide digital transformation (DX) in response to a declining population, a diver diversification of working styles, and related social trends. We will increase productivity using a combination of IoT-based data collection, AI analysis, and multi-cloud deployment for optimized information-sharing. In addition, we are establishing a group-wide strategy to eliminate barriers between departments and help junior employees develop a global perspective. Increased digitization will cross-functional ties across business lines, bringing deeper employee awareness and enhancing our corporate culture. | <ul style="list-style-type: none"> Promoting digital marketing Establishing a data collection / analysis platform Efforts to double manufacturing productivity Improving security and efficiency in administrative work | ● | ● | ● | | | Promoting Digitization P.21 Promoting Digitization |
| Strengthening R&D | We will continue to be a pioneer in creating new value at the forefront of technology by mastering unique methods of manufacturing. We hope to extend the vision of our founder, Dr. Kazuo Inamori, who once said, “What we aim to do next is what other people tell us we could never do.” We will bolster our technological capabilities and human resource development by consolidating technical engineers in each of our main development fields. To meet global needs, we will develop a research network that spans the Group and deepen technological ties between our various segments. We will promote open innovation and create new business by collaborating with academia to accumulate cutting-edge technologies in emerging fields. | <ul style="list-style-type: none"> Establishing a four-region R&D system (Japan) Strengthening international R&D collaboration Joint research efforts with external research institutes Strengthening intra-department cooperation | | ● | ● | ● | | Innovation Management Open Innovation Arena (Japanese only) |
| Startup Program | In Japan, Kyocera operates a “Startup program for new business ideas” year-round to foster a bottom-up corporate culture and managerial mindset. This program aims to deliver valuable products and services that help solve problems faced by society through creative thinking that is not bound by traditional business boundaries. Employees participating in this program achieve personal growth as they break down their preconceived notions and look at the market, our customers, and the future in a new light. | <ul style="list-style-type: none"> Startup program for new business ideas held year-round Programs for uncovering and developing intrepeneurs (in-house entrepreneurs) Programs fostering a managerial mindset Programs enhancing motivation and engagement | | ● | ● | | | Food Allergy Project |
| Occupational Health and Safety Initiatives | Based on our Management Rationale, the Kyocera Group Environmental Safety Policy helps ensure a workplace where employees can do their jobs safely and with complete peace of mind. It is our express goal to eliminate occupational accidents and fire incidents by identifying potential risks and implementing immediate countermeasures. In addition, to enhance the health and wellness of all employees, we are introducing new resources for diet and nutrition wareness, exercise and fitness, smoking cessation, and mental health care. Our goal is to be certified under the “Outstanding Organizations Recognition Program” for Health & Productivity Management by Japan's Ministry of Economy, Trade and Industry. | <ul style="list-style-type: none"> Supporting risk assessors and strengthening risk assessment training with external expert organizations Strengthening health management through total health promotion (THP) | ● | | ● | | | Occupational Safety Occupational Health, Safety, and Fitness Initiatives |
| Intellectual Property Strategy | Our guideline for legal and intellectual property activities is to “Dedicate ourselves to legal and intellectual property activities that protect and strengthen our business.” In this period requiring flexibility and nimbleness, all Kyocera Group companies remain steadfast in their commitment to intellectual property practices under this consistent set of principles. We believe intellectual property strategies should be incorporated into the early stages of business strategy study so each operation has a robust framework for business activities. This is achieved by integrating our strengths spanning a broad range of technological and business fields, and deliberating upon diverse market needs across divisions. | <ul style="list-style-type: none"> Strengthening human resources and networks in response to increase business diversification Proposing intellectual property strategies in the early stages of business Planning and administration of projects involving multiple divisions Establishment of the IP Planning and Development Division | | ● | ● | | | Intellectual Property Strategy P.22 Protection of Intellectual Property Intellectual Property |

Efforts to Create a Low-Carbon Society

The Paris Agreement, enacted in 2016, aims to limit the increase in global temperatures to less than 2°C — and ideally, less than 1.5°C — over pre-industrial levels.

The Kyocera Group recognizes the fight against climate change as a priority issue. We set long-term environmental strategies in 2018 based on the 2°C-level target.

We have since realigned our long-term strategies to support the 1.5°C-level target, implementing broad measures to promote renewable energy and prevent global warming.

Revision of Long-term Environmental Targets

In FY2020, the Kyocera Group set a target to reduce greenhouse gas emissions to a level that would limit the rise in global temperature to less than 2°C, and received SBT*1 certification. In line with social trends toward decarbonization, we subsequently revised this target downward to support the more aggressive 1.5°C-level scenario, and received SBT certification again in 2022. We have also set a goal of carbon neutrality by FY2051.

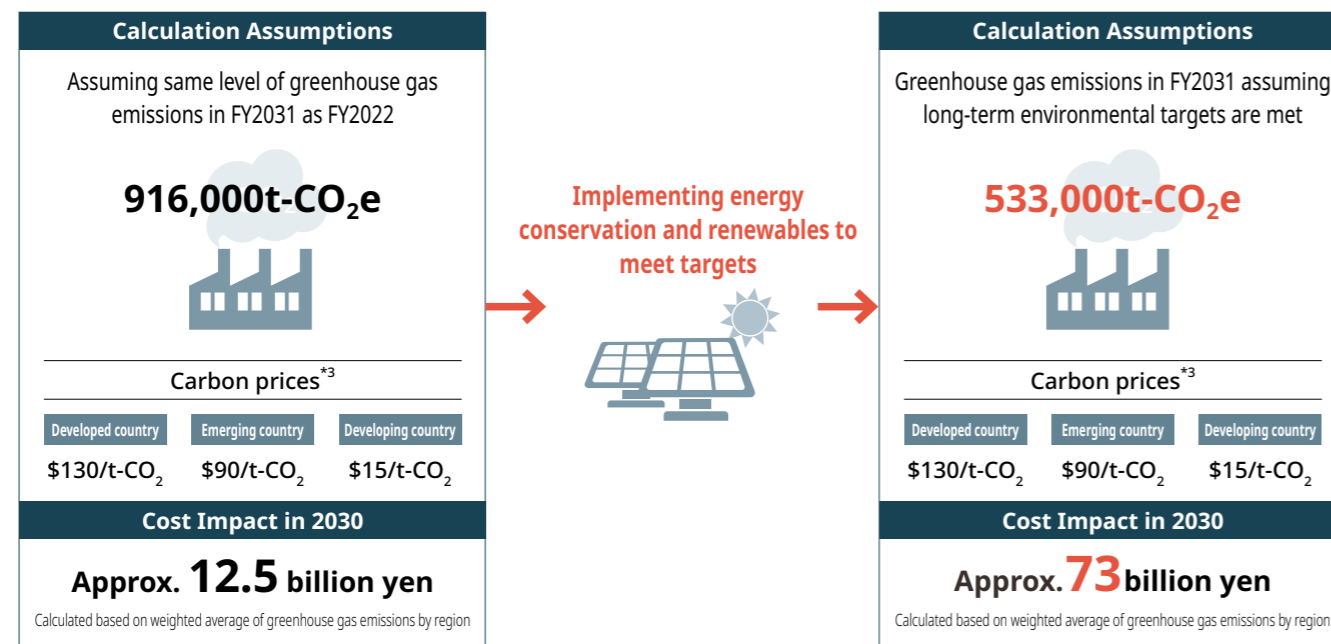
| Item | 2°C level (previous target) | 1.5°C level (new target) |
|---------------------------------------|---|---|
| Reduction in greenhouse gas emissions | Scope 1, 2, 3: 30% reduction by FY2031 (compared to FY2014) [SBT certified] | Revised → Scope 1, 2, 3: 46% reduction by FY2031 (compared to FY2020) [SBT certified] |
| | — | Newly adopted → FY2051 carbon neutral |
| Adoption of renewable energy | Increasing renewable energy use 10-fold by FY2031 (compared to FY2014 levels) | Revised → Renewable energy adoption to rise 20-fold by FY2031 (compared to FY2014 levels) |

[WEB](#) Measures to Fight Climate Change

Calculating Financial Impact of Greenhouse Gas Emissions

The Kyocera Group agrees with TCFD*2 recommendations, and analyzed several different scenarios assuming global temperature increase targets (1.5°C, 2°C, etc.) referring to information from international bodies including the Intergovernmental Panel on Climate Change (IPCC) and International Energy Agency (IEA). Financial impact estimates are based on carbon prices.

Impact From the Introduction of a Carbon Tax (1.5°C scenario)



*1 Science Based Targets

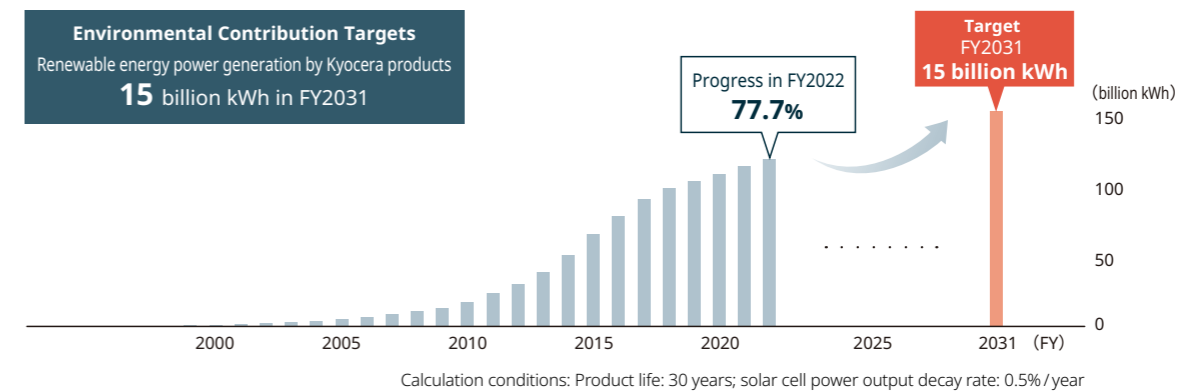
*2 Task Force on Climate-Related Financial Disclosures

*3 Source: IEA: World Energy Outlook 2021 (2021)

*4 Source: Agency for Natural Resources and Energy "Basic Energy Plan" (October 2021)

Environmental Contribution Targets

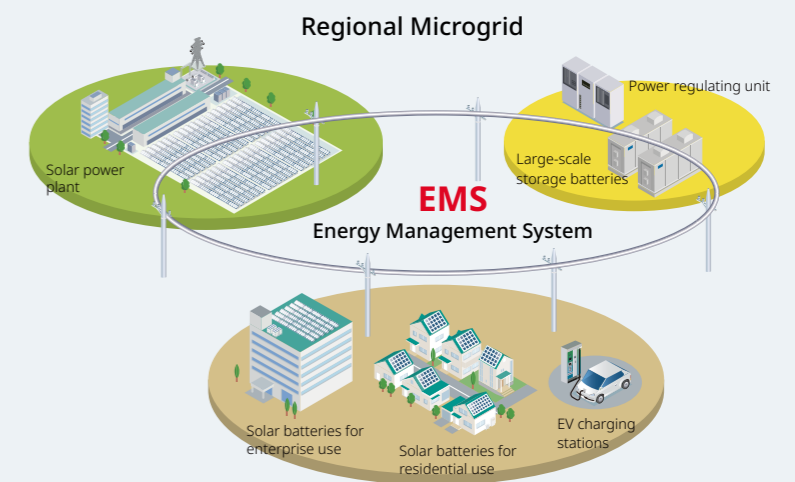
To contribute to the decarbonization of society, and as an environmental target, we have set a goal of 15 billion kWh of renewable energy generated by Kyocera products annually by FY2031. This amount of renewable energy is equivalent to about 1.6% of Japan's total electricity generation forecast for FY2031, which is expected to be about 934 billion kWh*4.



TOPICS

Expansion of the Regional Microgrid

To contribute to the decarbonization of society and achieve our social contribution targets, the Kyocera Group provides solar power generating systems, storage batteries, and fuel cells, actively promotes the "regional microgrid" in Odawara City, Kanagawa Prefecture, and conducts other activities based on the concept of local energy production for local consumption. The regional microgrid is an ambitious initiative envisioning a new type of energy eco-system that links extensive streamlining of energy consumption with an increase in the captive consumption of renewable energy. Kyocera is promoting local energy production for local consumption and regional decarbonization through the introduction of renewable energy resources - such as solar power with storage batteries, inverters that control the frequency in the grid, and an energy management system (EMS) that integrates and controls these devices.



Case study in Odawara City, Kanagawa Prefecture



Cloud-based solar power plant



EV charging stations



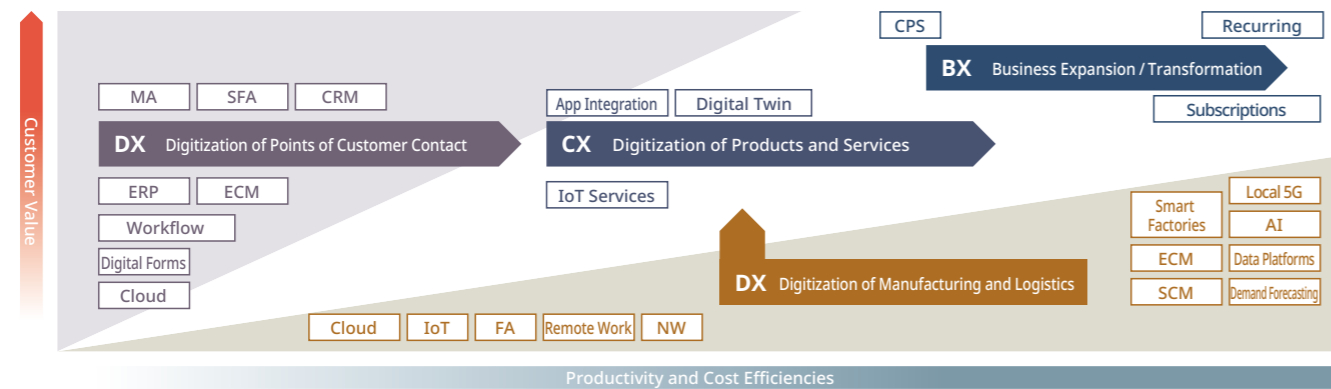
Storage batteries, power receiving and transforming facilities, distributed server facilities

Digitization: Fostering New Corporate Culture

To enhance our competitiveness, the Kyocera Group is responding to declining population, the diversification of working styles, and other social trends through company-wide digitization and digital transformation (DX).

Promoting Digital Transformation for Our Customers and Society

We regard DX as essential to growth in today's interconnected world. Kyocera is implementing workplace reforms to engage employees in data-centric management and organizational optimization. Our goal is to change our corporate culture to drive growth by improving skills and productivity. In so doing, we will maximize the value we provide our customers and contribute to a digitized society. Ultimately, we consider DX a necessary first step toward fundamental changes in how our enterprise responds to a shifting world — part of a complete process otherwise known as business transformation (BX).

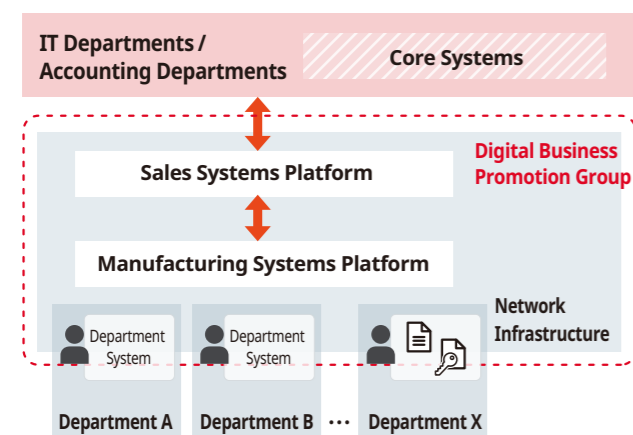


● Current DX Status

Formed in April 2020, Kyocera Corporation's Digital Business Promotion Group is developing a cross-functional platform for information sharing by employees from diverse internal groups.

Sharing systems that individual departments formerly had to develop independently can bring quicker solutions and better return on investment, while developing IT personnel with a company-wide perspective.

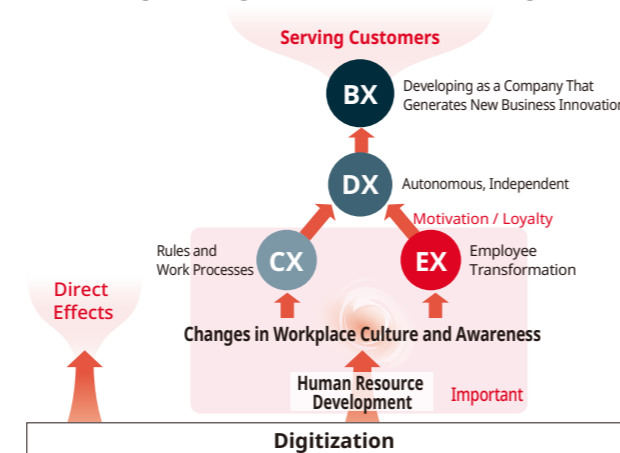
The Digital Business Promotion Group will break down barriers between departments to become a hub of information and human resources serving the entire company.



● Digitization Measures, Employee Awareness and Workplace Reforms

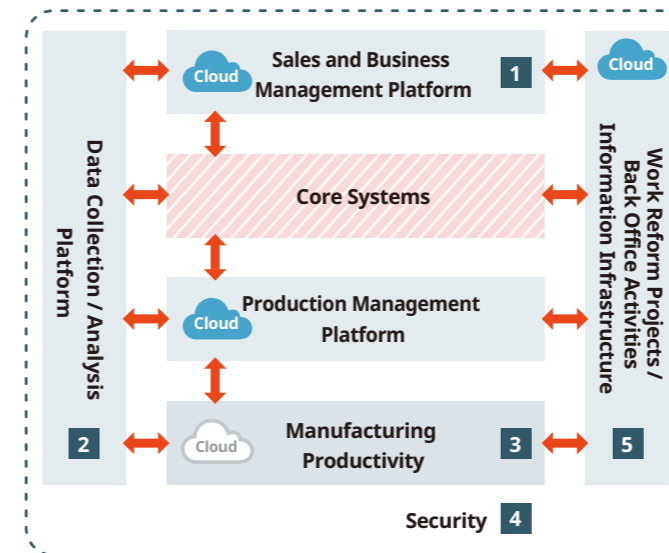
Expanding from DX to BX requires us not only to implement digitization, but also to design processes that drastically enhance our work culture and employee awareness. We are establishing a company-wide roadmap with concurrent controls to support human resource development through digitization, removing any sense of “walls” between departments.

Reaffirming How Digitization Enhances Management



Shift from “selling products” to “selling services and solutions,” transition to a digital business

A shared cloud framework is currently under development to help R&D teams commercialize new businesses more quickly. One example of this is the creation of a platform with authentication and billing functions to help bridge the gap between IT and other areas of the business.



1 Company-wide Sharing and Utilization of Sales Information

We are currently building a Company-wide platform for information sharing and visualization, transitioning away from a sales approach focused on individual product lines and toward sales process pipelines. We expect this to serve as a catalyst for business expansion through increased cross-selling and joint proposals. As of April 2022, we have implemented customer relationship management (CRM) tools at 11 divisions and shifted to a centralized customer knowledge base. In addition, we have introduced marketing automation into our digital marketing efforts to share and visualize market knowledge across divisions.

2 Data Collection / Analysis Platform

We have developed an informatics environment that allows us to format and analyze data collected from each department. Using an in-house training program for AI and data analysis engineers, we have created a new strategy to improve manufacturing quality and productivity.

3 Initiatives to Double Manufacturing Productivity

We plan to massively boost productivity through deeper application of AI-driven data and robotics. Current efforts include improving “visualization” by integrating production process data into our digital platform, utilizing AI for defect and failure prediction, and enhancing manufacturing automation and autonomy through robotic assembly. A new line with smart factory functionality began operating in April 2021.

4 Network and Security

We have optimized our network environment in response to the rapid adoption of cloud computing in business. Development of an IoT network for factories is also under way. A new department has been established to prevent cyberattacks and manage security through a protection and monitoring system that identifies suspicious activity.

5 Improving Office Efficiency: A Bottom-up Approach to IT Skills Development

To streamline general affairs and administrative functions, we promote information sharing over our cloud environment using a code-free interface with no programming required. This facilitates a bottom-up approach to human resource development while supporting company-wide rules and guidelines.

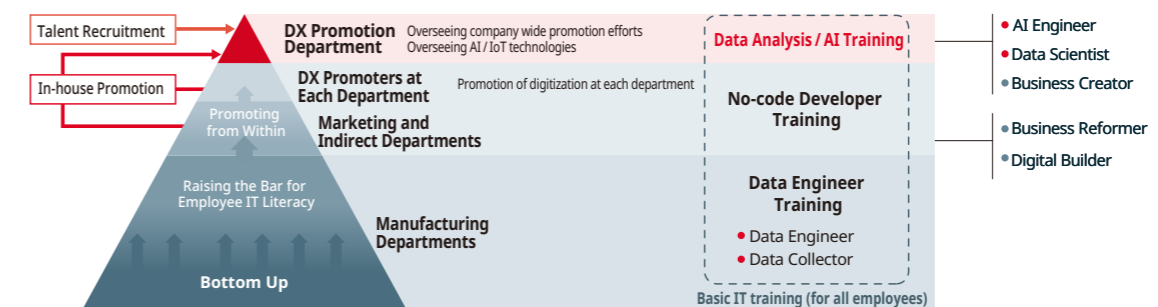
Human Resource Development

Digitization and Skills Enhancement

We aim to enhance our corporate culture and raise employee awareness by promoting skill-set development through digitization (reskilling and upskilling) in a team environment.

● Initiatives for Utilizing Digital Human Resources

Organizational reforms are needed to develop human resources with digital proficiencies, and to create an environment for employees to maximize these skills. We are improving competitiveness and IT literacy with Office365* training tailored to specific roles and responsibilities, while leveraging increased employee mobility through recruitment and internal promotion.



* Office365 is a product of Microsoft Corporation. Kyocera Corporation has been granted permission to publish.

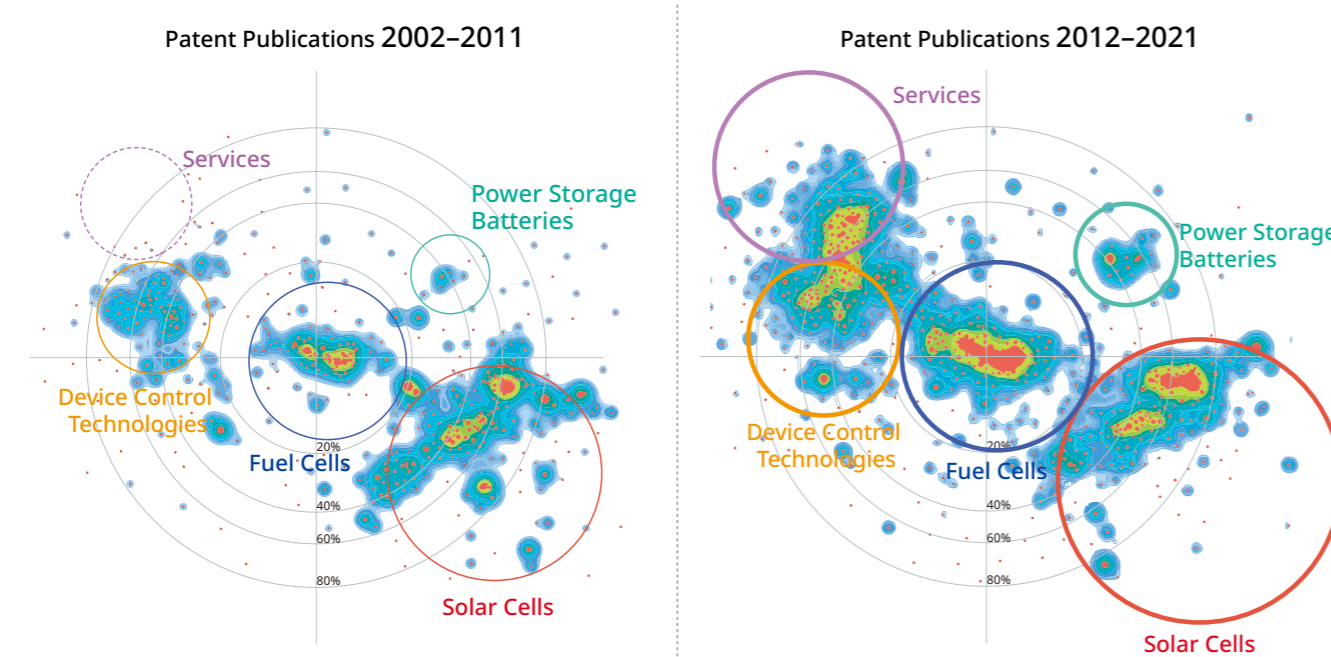
Basic Policy on Intellectual Property

“Committing to the highest legal and intellectual property standards to strengthen and protect our business.”
This statement represents Kyocera's basic principle concerning legal and intellectual property (IP) activities. In an environment requiring flexibility and nimbleness amid sweeping change, we remains steadfast in our commitment to consistent IP practices under this principle.

IP Strategy That Keeps Pace with the Market

Since Kyocera's founding in 1959, we have continued to develop a broad range of technologies. However, to continue meeting customer expectations in a rapidly changing environment, we have expanded our IP activities to include sales of services and solutions in recent years in contrast to our earlier product focused-approach. For example, the following diagram depicts shifting trends in Kyocera patent applications for energy technologies. Before 2011, patent applications were focused on solar cells, fuel cells, and other hardware. However, in the last 10 years, there has been a shift toward patent applications for the technology required to provide total solutions, such as secondary storage batteries, equipment management control systems, and services.

Kyocera Group Trends in Energy-related Patent Applications Trends in Japan patent applications seen via data mining



Visualization of terms such as “Abstract” and “Claim” using VALUENEX, Inc.'s ValuenexRadar 4,764 Japan applications (publication from 2002 -2021)

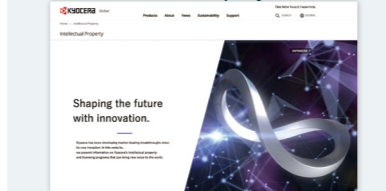
TOPICS

Rights to Over 500 IP Assets (M&A of SLD Laser)

With the January 2021 acquisition of Soraa Laser Diode Inc. (now KYOCERA SLD Laser), a leading producer of GaN laser devices, we have acquired over 500 IP assets. This acquisition will serve as a long-term growth driver as we target 100 billion yen in annual revenue from systems utilizing KYOCERA SLD Laser's technologies — including LiFi communications, power-over-fiber systems, and other innovations.



Contributions to External Communications, and Alliances with Other Companies (Launched the “Intellectual Property” website)



We have established an IP website to introduce some of our proprietary technologies and create business opportunities with other companies.

Sixth award as “Top 100 Global Innovators”



Kyocera was selected as one of the “Top 100 Global Innovators 2022” by Clarivate Analytics, a world-leading information services company.

Incorporating IP Strategy in Early Stages of Business Strategy

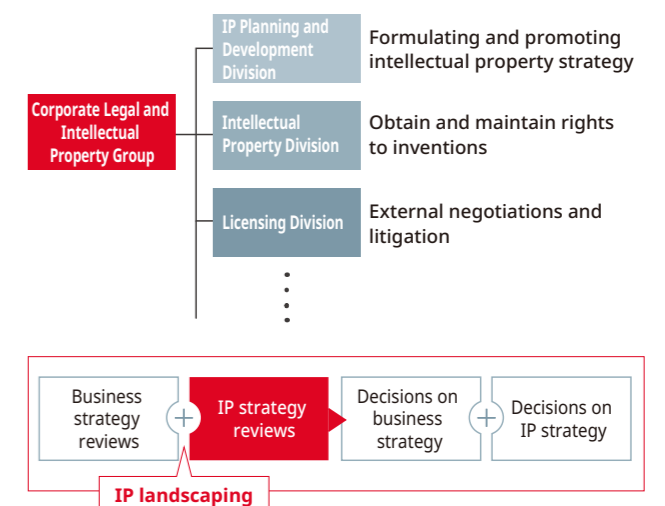
In key cross-functional projects such as the “Smart City,” the IP Division participates in early stages of business planning, not only to propose IP strategy but also to manage projects. This contributes to the development of robust, sustainable business models.

Organizational Structure

● IP Planning and Development Division

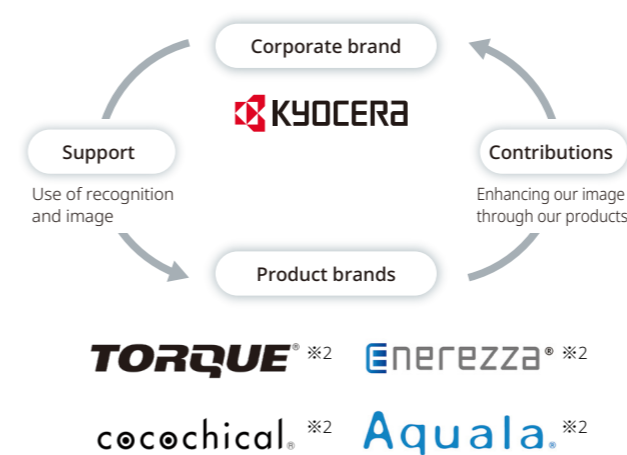
Kyocera has established an IP Planning and Development Division with a mission to integrate intellectual property strategy with business strategy. We strive to incorporate IP strategy into the early stage of business strategy via IP landscaping*1 to create a stronger framework for business activities.

*1 IP landscaping: A general term for analyzing and forecasting market and technological trends based on IP information, news reports, and competitive intelligence, to provide information for a company's own business activities.



● Brand Management Committee

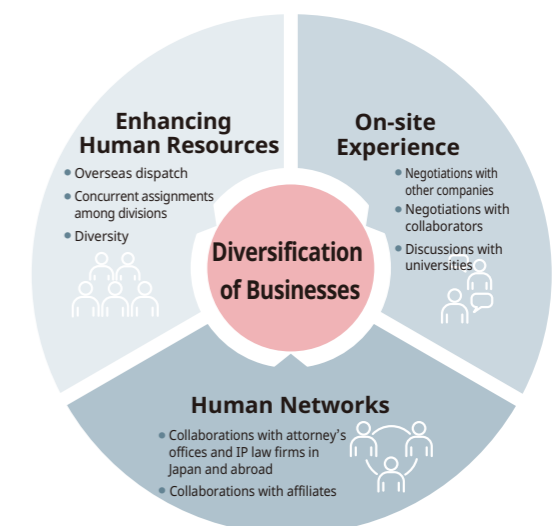
We installed a Brand Management Committee to establish a uniform corporate identity, promote awareness, and enhance the Kyocera Group's brand value.



*2 “TORQUE,” “Enerezza,” “cocochical,” and “Aquala” are registered trademarks of KYOCERA Corporation.

● Education System of IP Person

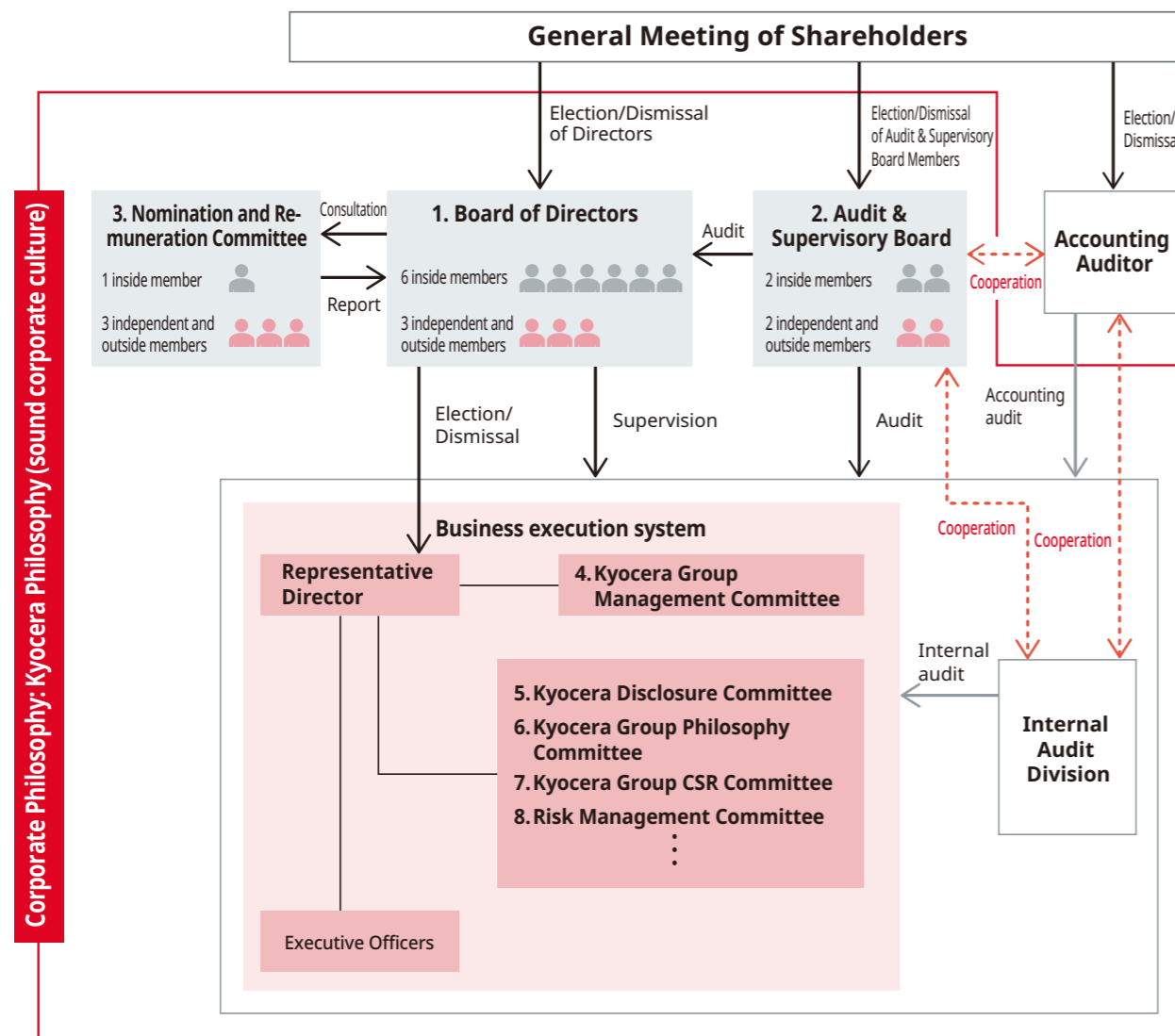
We continue to focus on investing in human resources in response to our ever-diversifying business activities.



Basic Views on Corporate Governance

The Board of Directors of Kyocera defines the corporate governance of the Kyocera Group to mean "structures to ensure that Directors conducting the business manage the corporations in a fair and correct manner". The purpose of corporate governance is to maintain soundness and transparency of management and to achieve fair and efficient corporate management, through which the management rationale of the Kyocera Group can be realized.

The Board of Directors shall permeate the "Kyocera Philosophy," which is the basis of the management policy of Kyocera Group, in all Directors and employees working in Kyocera Group, and establish a sound corporate culture. The Board of Directors shall establish proper corporate governance through the exercise of the Kyocera Philosophy.



1. Board of Directors

The Board of Directors of Kyocera is an organization to decide the important matters and supervise the execution of businesses of Kyocera Group as a whole. It consists of nine Directors including three are Outside Directors.

The Directors are nominated by the General Shareholders Meeting based on the proposal of candidates who have enough understanding of Kyocera Group and with outstanding "personal qualities", "capability" and "insight" to engage in the management of Kyocera. The Board of Directors met twelve times in the year ended March 31, 2022.

2. Audit & Supervisory Board

The Audit & Supervisory Board consists of four members. Audit & Supervisory Board Members include two full-time Audit & Supervisory Board Members, originally employees of Kyocera, as well as two Outside Audit & Supervisory Board Members, who have plenty of knowledge and experience as an attorney-at-law or CPA.

The Audit & Supervisory Board Members are conducting audit of Kyocera as a whole based on the accurate information about Kyocera gathered from inside and utilizing variety of viewpoints as outsiders of Kyocera. The Audit & Supervisory Board met nine times in the year ended March 31, 2022.

3. Nomination and Remuneration Committee

As consulting organization of the Board of Directors, Kyocera has established the Nomination and Remuneration Committee, the majority of which consists of Outside Directors

The Board of Directors examines nomination of Directors and Managing Executive Officers and remuneration of Directors after consulting in advance the Nomination and Remuneration Committee so that the decision relating thereto shall be made in a fair manner and appropriately. The Nomination and Remuneration Committee met twice in the year ended March 31, 2022, deliberating and responding to requests for consultation from the Board of Directors.

4. Kyocera Group Management Committee

Kyocera has established the Kyocera Group Management Committee consisting of Representative Director and Chairman, Representative Director and President and Managing Executive Officers who live in Japan and Kyocera holds meetings every month regularly. Such Committee examines not only the agenda of the meetings of the Board of Directors but also other important matters relating to the execution of the businesses of Kyocera Group as a whole to secure the sound management of Kyocera Group.

The Kyocera Group Management Committee met twenty-three times in the year ended March 31, 2022.

5. Kyocera Disclosure Committee

Kyocera has established an organ known as the the Kyocera Disclosure Committee for disclosure of corporate information. This Committee investigates all disclosure documents for the purpose of assuring the appropriateness of disclosures of corporate information, reporting the results of its investigations to the Representative Director and President which educates Group companies concerning rules relating to disclosure and promotes appropriate disclosure of information for the entire Group.

The Kyocera Disclosure Committee met four times in the year ended March 31, 2022.

6. Kyocera Group Philosophy Committee

Kyocera has established the Kyocera Group Philosophy Committee to educate and permeate "Kyocera Philosophy," which is our corporate philosophy setting forth the importance of conducting business of management in a fair and honest way, basing its fundamental judgments on a precept that "What do we consider to be the right choice as a human being?" The Committee has set education policy of "Kyocera Philosophy" of each entity in Kyocera Group, and discusses and decides the measures to promote an understanding of "Kyocera Philosophy" and practice it.

The Kyocera Group Philosophy Committee met twice in the year ended March 31, 2022.

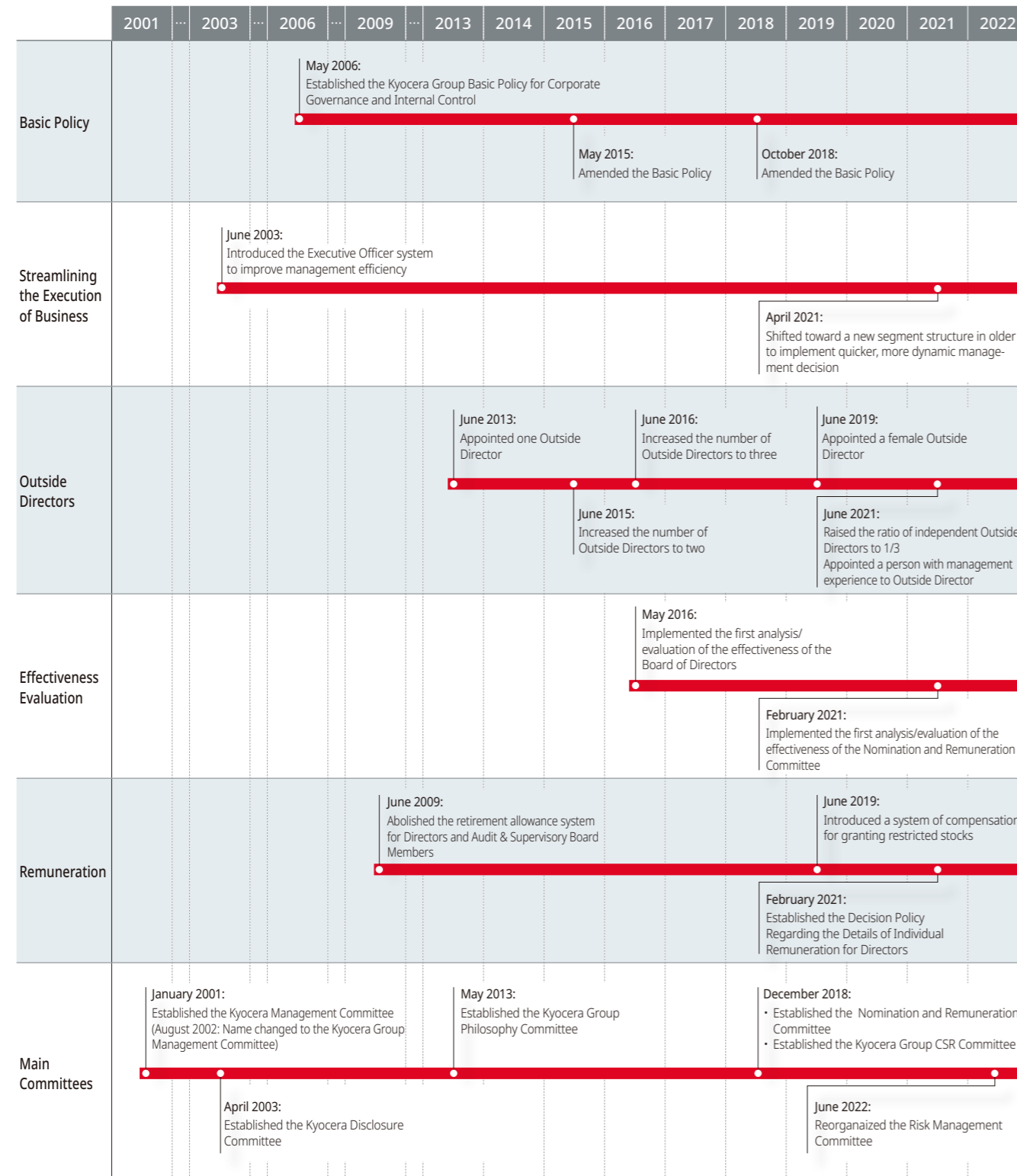
7. Kyocera Group CSR Committee

Kyocera has established the Kyocera Group CSR Committee to deliberate on a business strategy that will contribute to the resolution of societal needs, and policies and targets related to social requirements in an aim to realize our Management Rationale and achieve the SDGs. The Committee is headed up by the Representative Director and President, and is composed of Directors and other members of top management. The Kyocera Group CSR Committee met twice in the year ended March 31, 2022.

8. Risk Management Committee

Headed by the Representative Director and President, the Risk Management Committee was established to determine risk management policies, and to identify corporate risks that need to be addressed by the Group.

Initiatives for Strengthening Corporate Governance



Composition of the Board of Directors

Views on the Balance, Diversity and Size of the Board of Directors

Kyocera considers that the Board of Directors must be equipped with the following skills from 1 to 5 to be able to suggest general directions of the Kyocera Group's growth strategies, discuss the appropriateness, risks, and other factors of such directions from objective and diverse perspectives, and appropriately oversee the status of business operations.

1. Global management
2. Sales / Marketing
3. Technology
4. Financial affairs / Accounting
5. Legal affairs / Risk management

The Key skills possessed by the current Directors are presented in the table below.

Kyocera's nomination policy for the appointment of Directors is to balance the skills required of the Board of Directors and ensure diversity, including race, ethnicity, gender, nationality, work experience, and age groups on the assumption of electing individuals having an adequate understanding of the Kyocera Group, who in terms of managing the Kyocera Group excel in their "personal qualities," "capability" and "insight." Based on such policy, the Board of Directors is well balanced in skills and it is constituted in a manner to achieve both diversity and appropriate size. Kyocera elects one independent Outside Director with management experience in other companies.

The Key Skills Possessed by the Current Directors

| | | Global Management | Sales/Marketing | Technology | Financial Affairs/Accounting | Legal Affairs/Risk Management |
|---|----------------|-------------------|-----------------|------------|------------------------------|-------------------------------|
| Chairman of the Board and Representative Director | Goro Yamaguchi | ● | ● | | | |
| President and Representative Director | Hideo Tanimoto | ● | | ● | | |
| Director | Hiroshi Fure | ● | | ● | | |
| Director | Norihiko Ina | ● | ● | | | |
| Director | Koichi Kano | ● | ● | | ● | |
| Director | Shoichi Aoki | ● | | | ● | ● |
| Outside Director | Atsushi Aoyama | | | ● | | ● |
| Outside Director | Akiko Koyano | | | | | ● |
| Outside Director | Eiji Kakiuchi | ● | ● | | | |

Efforts to Improve the Effectiveness of the Board of Directors

Establishment of the Nomination and Remuneration Committee

Kyocera has established a Nomination and Remuneration Committee to ensure the objectivity and transparency of the procedures to determine nomination and remuneration. The Nomination and Remuneration Committee adequately deliberates on the nomination of the senior management and Directors (including succession plans), their remuneration, and other important matters, taking into account perspectives such as gender and other types of diversity and personal skills. The policy, mandates, roles, and other elements of the independence of the composition of Kyocera's Nomination and Remuneration Committee are as follows:

<Policy of Independence of the Composition>

Independent Outside Directors comprising a majority of the Committee members ensure its independence.

<Mandates and Roles>

In response to inquiries of the Board of Directors, the Committee deliberates on 1, matters concerning the appointment and dismissal of Directors, 2, matters concerning remuneration of Directors, and 3, matters concerning the appointment and dismissal of executive officers and reports the results to the Board of Directors. Beyond such inquiries, the Committee also provides the Board of Directors with advice as appropriate.

Evaluation of the Effectiveness of the Board of Directors

Kyocera analyzes and evaluates the effectiveness of the Board of Directors as a whole in order to obtain an appropriate understanding of the current condition of the Board of Directors and to achieve more effective operation.

<Outline of Effectiveness Evaluation Implemented in FY2022>

1.Evaluation Method

Kyocera conducted an effectiveness evaluation questionnaire to all Directors and all Audit & Supervisory Board Members.

2.Questionnaire Items

Kyocera conducted quantitative and qualitative evaluations based on a four-point scale and free descriptions regarding (1) through (4) below.

- (1) Administration and deliberation of the Board of Directors (Provision of information, agenda items, frequency of meetings, time for deliberations, free and open discussions and exchanges of views, support from the secretariat, etc.)
- (2) Composition of the Board of Directors (Size, member balance, diversity, etc.)
- (3) Roles and Responsibilities of the Board of Directors (Discussion of the broad direction of corporate strategy, oversight of the management, management of subsidiaries, etc.)
- (4) Optional Nomination and Remuneration Committee (Agenda items, frequency of meetings and time for deliberations)

3.Summary of Evaluation Results and Future Initiatives

As a result of the above evaluations, we confirmed that the effectiveness of the Board of Directors has been generally ensured, and that the following points have been evaluated in particular:

- The composition of the Board of Directors was changed last year and the number of Internal Directors was reduced. This has resulted in a more appropriate size and composition of the Board of Directors.
- Reports on current status and strategies of the business were presented to Outside Directors multiple times throughout the year. This has helped to deepen their understanding of Kyocera's business and has increased opportunities for them to exchange opinions with the Executives.

In addition, the Board of Directors has been working to improve the issues identified in the previous evaluations by enhancing explanations on business strategies and providing more information. Based on the results of the evaluations of this time, the Board of Directors will promote the following initiatives to further improve its effectiveness:

- Further enhance agenda items related to internal control and risk management, as well as shareholders and investors' opinions.
- Increase the weight of discussions on the direction of Kyocera Group, including company-wide strategies and deepen those discussions.

Training for Directors and Audit & Supervisory Board Members

The Directors and Audit & Supervisory Board Members are given, at the time of their assumption of their office, explanations concerning the details of the business of Kyocera and their respective roles and responsibilities as considered necessary in order for them to perform their roles and fulfill their responsibilities. Further, even after assuming office, if a Director or Audit & Supervisory Board Member requests, training tailored to meet the individual requests are given and opportunities for advancement of necessary knowledge are offered or introduced, or financial support for the necessary expenses for such purposes are provided, according to their individual situations.

Involvement in Succession Planning

The Board of Directors is actively involved in the establishment and implementation of a succession plan for Executives based on Kyocera's objectives (such as the management rationale) and specific management strategies. Appropriate monitoring is also conducted to ensure that sufficient time and resources are dedicated to the systematic development of candidates for succession. In addition, we have established an Executive Officer system to ensure the effective and efficient operation of the business execution system. One of the objectives of this Executive Officer system is to plan the development of the next generation of executives by actively identifying managers who display outstanding humanity and ability to take charge of the future management of Kyocera.

In line with this purpose, the Board of Directors checks the development of future Executives every year and determines the appointment of Executive officers based on these findings.

Current Initiatives for the Enhancement of the Functions of the Audit & Supervisory Board Members

Current initiatives for the enhancement of the functions of the Audit & Supervisory Board Members are as follows:

1. Allocating certain employees who are selected from Corporate Global Audit Division upon the request of the Audit & Supervisory Board Members, through prior discussion with the Audit & Supervisory Board Members, to assist in their tasks and the Audit & Supervisory Board.
2. Holding regular meetings with Representative Directors to exchange opinions relating to the management of Kyocera as a whole;
3. Holding regularly the "Kyocera Group Audit & Supervisory Board Members Meeting" where all audit & supervisory board members of companies within Kyocera Group gather to report and discuss the condition of auditing the legality of the business execution and the status of the internal control of the directors of the companies within Kyocera Group;
4. Establishing the system called "Whistleblower System to Kyocera Audit & Supervisory Board" so that the related parties with Kyocera can directly submit complaints to the Audit & Supervisory Board;
5. Holding regular meetings with accounting auditors to discuss about the audit plan and substance of quarterly audit and result of the audit, and exchanging information and opinions as necessary from time to time;
6. Holding meetings in a timely fashion with internal audit division of Kyocera in order to evaluate and monitor whether the business of the Kyocera Group is duly and efficiently executed in accordance with the laws and regulations and internal rules of Kyocera; and
7. Nominating two Outside Audit & Supervisory Board Members who are independent and not to have any conflict of interest with the shareholders in general of Kyocera.

Outside Directors and Outside Audit & Supervisory Board Members

Functions and roles of Outside Directors and Outside Audit & Supervisory Board Members

Kyocera has strengthened the supervisory function of the Board of Directors and audit function of Directors by appointing three Outside Directors with extensive knowledge and experience as a professor of graduate School, as an attorney-at-law, or as a person with management experience, and two Outside Audit & Supervisory Board Members with extensive knowledge and experience as an attorney-at-law, or as a certified public accountant and having the Directors provide sufficient explanations to the Outside Directors and Outside Audit & Supervisory Board Members at meetings of the Board of Directors and other meetings. In addition, Directors make decisions with an external perspective by exchanging opinions with Outside Directors and Outside Audit & Supervisory Board Members on overall management. Furthermore, Kyocera has established a sound corporate culture pursuant to the “Kyocera Philosophy,” which is the corporate philosophy based on the general criteria in making judgment, namely “What do we consider to be the right choice as a human being?” Kyocera establishes its corporate governance system through practicing the Kyocera Philosophy. Such system is supplemented by the function to check the management by the Outside Directors and Outside Audit & Supervisory Board Members.

Activities of Outside Directors and Outside Audit & Supervisory Board Members During FY2022

| | Name | Main activities |
|---|--|--|
| Outside Directors | Atsushi Aoyama Independent Director Member of the Nomination and Remuneration Committee | He attended all 12 meetings of the Board of Directors. At meetings of the Board of Directors, he actively expressed his views particularly from the standpoint of technology management based on his abundant knowledge and experience as a Professor of Graduate School and played the role in giving precise advice and supervision of general corporate activities of Kyocera. He also attended both of two meetings of the Nomination and Remuneration Committee as a member of the Committee and provided a supervising function in the process of determining candidates for Directors and Executive Officers, Directors’ compensation, and other matters from an objective and neutral position. |
| | Akiko Koyano Independent Director Member of the Nomination and Remuneration Committee | She attended all 12 meetings of the Board of Directors. At meetings of the Board of Directors, she actively expressed her views particularly from the legal standpoint and the standpoint of diversity based on her abundant knowledge and experience as an Attorney-at-law and played the role in giving precise advice and supervision of general corporate activities of Kyocera. She also attended both of two meetings of the Nomination and Remuneration Committee as a member of the Committee and provided a supervising function in the process of determining candidates for Directors and Executive Officers, Directors’ compensation, and other matters from an objective and neutral position. |
| | Eiji Kakiuchi Independent Director Member of the Nomination and Remuneration Committee | He attended all 10 meetings of the Board of Directors. At meetings of the Board of Directors, he actively expressed his views particularly from the standpoint of business and management strategies based on his abundant knowledge and experience as a person with management experience and played the role in giving precise advice and supervision of general corporate activities of Kyocera. He also attended both of two meetings of the Nomination and Remuneration Committee as a member of the Committee and provided a supervising function in the process of determining candidates for Directors and Executive Officers, Directors’ compensation, and other matters from an objective and neutral position. |
| Outside Audit & Supervisory Board Members | Hitoshi Sakata Independent Audit & Supervisory Board Member | He attended all 12 meetings of the Board of Directors and all 9 meetings of the Audit & Supervisory Board. At meetings of the Board of Directors and the Audit & Supervisory Board, he actively expressed his views particularly from the legal standpoint based on his abundant knowledge and experience as an Attorney-at-law. |
| | Masaaki Akiyama Independent Audit & Supervisory Board Member | He attended all 12 meetings of the Board of Directors and all 9 meetings of the Audit & Supervisory Board. At meetings of the Board of Directors and the Audit & Supervisory Board, he actively expressed his views particularly from the standpoint of finance and accounting based on his abundant knowledge and experience as a Certified Public Accountant. |

Thoughts of Kyocera with Respect to the Independence of Outside Directors and Outside Audit & Supervisory Board Members

Kyocera thinks that it is important to retain persons who have outstanding “personality,” “capability” and “insight” as Outside Directors and Outside Audit & Supervisory Board Members of Kyocera and to have such persons supervise and audit Kyocera’s management from an objective point of view. The Outside Directors and Outside Audit & Supervisory Board Members of Kyocera are selected as independent Directors and independent Outside Audit & Supervisory Board Members compliance with the following “Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members,” which Kyocera established, in addition to the requirements concerning the Outside Directors and Outside Audit & Supervisory Board Members prescribed by the Companies Act and the independence standards prescribed by the financial instruments exchanges.

[Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members]

The Company judges that an Outside Director and an Outside Audit & Supervisory Board Member who is not fallen under any of the following items is independent of the Company.

- (1) An executive (note 1) of the Group (note 2).
- (2) A person who has been an executive (including a non-executive Director when judging the independence of an Outside Audit & Supervisory Board Member) of the Group in the past 10 years (note 3).
- (3) A major business partner of the Group (a business partner whose payments to the Group or payments received from the Group in the most recent fiscal year represent 2% or more of the consolidated net sales of either the Company or the business partner) or an executive thereof.
- (4) A person who is a consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property (10 million yen or more per year in the case of individuals, and 2% or more of the total income per year in the case of a body) from the Group, besides remuneration as a Director or an Audit & Supervisory Board Member.
- (5) A person who belongs to audit firms which are the Accounting Auditors of the Group.
- (6) A person who receives a large donation or subsidy (donation or subsidy of an amount equal to or more than 10 million yen or 2% of the total income of the person per year, whichever is greater) from the Group or an executive thereof.
- (7) A major shareholder (a shareholder who holds shares with 5% or more of total voting rights at the end of the most recent fiscal year) of the Company or an executive thereof.
- (8) An executive of the company which accept Directors or Audit & Supervisory Board Members (both full-time and part-time) from the Group, its parent companies or subsidiaries (except when the company, its parent companies or subsidiaries belong to the Group).
- (9) A person who has fallen under any of items (3) through (8) above in the past three years.
- (10) A spouse or relative within the second degree of kinship, of a person who falls under any of items (1) through (9) above (limited to the person in an important position (note 4)).
- (11) Any other person who is likely to have serious conflicts of interest with general shareholders.

Notes 1 An “executive” means an Executive Director, Operating Officer, Executive Officer or other person or employee similar thereto.

2 “The Group” means the Company or its subsidiaries.

3 When judging the independence of an Outside Director who was a non-executive Director or an Audit & Supervisory Board Member of the Group (in the case of an Outside Audit & Supervisory Board Member who was an Audit & Supervisory Board Member of the Group) at any time in the past 10 years, “the past 10 years” means the 10 years prior to his or her appointment to those positions.

4 An “important position” means a Director, Audit & Supervisory Board Member, Executive Officer, Operating Officer, other person similar thereto, or an employee who executes important operations, such as a general manager.

Remuneration of Directors and Audit & Supervisory Board Members

Directors

“Decision Policy Regarding the Details of Individual Remuneration for Directors”

Basic policy

- The remuneration system for Directors is designed to be a mechanism that effectively encourages Directors to thoroughly demonstrate their abilities and fulfill their roles and responsibilities toward the healthy and sustainable growth of the Kyocera Group.
- The remuneration level of Directors shall be set at an appropriate level by referring to objective data from external specialist organizations while giving consideration to securing and maintaining excellent human resources necessary for realizing the management rationale.
- Regarding the remuneration system and remuneration level of Directors, high objectivity and transparency in the process for determining remuneration for Directors shall be assured by making decisions according to a resolution by the Board of Directors based on the deliberations with and reports from the Nomination and Remuneration Committee, which consists of a majority of Outside Directors.

| | Basic Remuneration | Bonuses to Directors (Performance-linked remuneration) | Restricted Stock Compensation (Non-monetary remuneration) |
|---|--|--|---|
| Applicable to: | Directors | Directors (excluding Outside Directors) | Directors (excluding Outside Directors) |
| Items determined at General Meeting of Shareholders | <The 55th Ordinary General Meeting of Shareholders held on June 25, 2009> No more than 400 million yen per year (not including salaries for services as employees or Executive Officers for those Directors who serve as such). | <The 55th Ordinary General Meeting of Shareholders held on June 25, 2009> Not exceed 0.2% of the consolidated net income* of Kyocera for the relevant fiscal year, provided that such amount of bonuses shall in no case exceed 300 million yen annually. | <The 65th Ordinary General Meeting of Shareholders held on June 25, 2019> No more than 100 million yen per year as well as no more than 0.1% of the profit attributable to owners of the parent as the reasonable amounts and that the number of shares shall be no more than 25,000 shares per year. |
| Details | <ul style="list-style-type: none"> ● Monetary remuneration to be paid according to the responsibilities of the Directors. ● Individual payment levels of the payment amount will be determined according to each respective role upon taking into consideration the payment levels of other companies in the same industry. ● The annual amount shall be paid monthly in 12 equal portions. | <ul style="list-style-type: none"> ● Monetary remuneration to be paid according to the degree of contribution of each Director to business results in the relevant fiscal year. ● The performance indicator is “profit attributable to owners of the parent.” This is calculated by multiplying the numerical value determined based on this performance indicator by a prescribed coefficient according to the position of the Director and a coefficient for individual assessment according to the degree of contribution to performance. ● Provided once per year following the end of the business year. | <ul style="list-style-type: none"> ● Remuneration to be provided Kyocera's common stock (restricted stock) for the purpose of further sharing value with shareholders while granting incentives to continuously improve the medium-to-long-term corporate and shareholder value. ● The amount to be paid to each Director shall be determined by position. ● Granted once a year in each business year |

* Notation changed to “Profit attributable to owners of the parent” as per the adoption of the International Financial Reporting Standards (IFRS).

Views on Remuneration Proportion

- Based on the belief that a system for the healthy and sustainable growth of the Kyocera Group is important, the proportion of basic remuneration and restricted stock compensation is determined placing emphasis on the level and stability of basic remuneration as well as giving consideration to the pursuit of shareholder interests. Moreover, the higher the position of the Director, the higher the proportion of the restricted stock compensation to basic remuneration.
- For bonuses to Directors, to ensure maximize incentives for growing business results, no limit shall be established for proportions of basic remuneration or restricted stock compensation.

Process for Determining Remuneration

- The Nomination and Remuneration Committee composed of a majority of Outside Directors shall be established as an advisory body to the Board of Directors.
This committee receives inquiries from the Board of Directors and also upon referring to objective data such as benchmark results of executive compensation provided by external specialist organizations the committee validates the appropriateness of the Director remuneration system that encompasses the basic remuneration payment standard, the bonuses to Directors calculation standard, and restricted stock compensation grant standard, and the results shall be reported to the Board of Directors.
- The Chairman of the Board and Representative Director and the President and Representative Director shall be delegated with the authority to determine specific details for the amounts of individual remuneration for Directors based on a resolution of the Board of Directors.
- To ensure that the above delegated authority is properly exercised by the Chairman of the Board and Representative Director and the President and Representative Director, the Board of Directors shall consult with and obtain a report from the Nomination and Remuneration Committee on the payment standards, calculation method and grant standards for each type of remuneration by position and the Chairman of the Board and Representative Director and the President and Representative Director shall make their determinations in accordance with the contents of the relevant report, and shall report the results of the determined payment amount and the number of shares to be allotted to the Nomination and Remuneration Committee.

Audit & Supervisory Board Members

Items determined at General Meeting of Shareholders: Basic Remuneration of no more than 100 million yen per year (The 55th Ordinary General Meeting of Shareholders held on June 25, 2009)

Individual payment amounts are determined within the range of the above resolution upon consultation among Audit & Supervisory Board Members.

Total Amount of Remuneration to Directors and Audit & Supervisory Board Members (FY2022)

(Yen in millions)

| Classification | Amount of Remuneration | Basic Remuneration | | Bonuses to Directors | | Restricted Stock Compensation | |
|---|------------------------|--------------------|------------------------|----------------------|------------------------|-------------------------------|------------------------|
| | | Total amount | Persons paid (Persons) | Total amount | Persons paid (Persons) | Total amount | Persons paid (Persons) |
| Directors (excluding Outside Directors) | 390 | 145 | 12 | 191 | 6 | 54 | 6 |
| Outside Directors | 39 | 39 | 4 | — | — | — | — |
| Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members) | 48 | 48 | 2 | — | — | — | — |
| Outside Audit & Supervisory Board Members | 22 | 22 | 2 | — | — | — | — |
| Total | 499 | 254 | 20 | 191 | 6 | 54 | 6 |

(Note) Aside from the remuneration in the above table, the aggregate amount of remuneration to Directors (excluding Outside Directors) was 295 million yen in remuneration for services as employees or Executive Officers for those Directors who serve as such.

Cross-Shareholdings

Policy Regarding Cross-holding of Shares

Kyocera engages in cross-holding or unilateral holding of shares with the objective of improving our business value in the medium-to-long-term, focusing on corporate growth through maintenance of business relationships, realization of profits through shareholdings, and the issuing companies’ social significance.

As a result of a yearly examination of its shareholdings, Kyocera reduces shares when it deems that holding such shares offers no significance. Kyocera founded Daini Denden Inc. (current KDDI Corporation) based on its management philosophy, “contributing to the advancement of society and humankind,” and holds shares in KDDI Corporation. Kyocera plans to maintain its shares in KDDI Corporation to pursue a strategic alliance with the aim of increasing its corporate value over the medium-to-long-term.

Review of Cross-holdings of Shares

Kyocera Group Management Committee and our Board of Directors conduct an annual review of all cross-holdings including unilateral holdings of shares to assess whether continued holding of the relevant shares is appropriate, taking into account business needs, such as maintenance and/or enhancement of business relationships and efficiency in use of assets considering its cost of capital, with respect to individual shares. For any shares as to which a justifiable reason for holding them cannot be identified, Kyocera decreases our holdings of such shares through discussions with the issuing companies.

Exercise of Voting Rights

Kyocera exercises its voting rights represented by its holdings based on a comprehensive judgment, verifying whether each proposal continues to conform to Kyocera’s shareholding policy and whether the issuing company’s management policy and strategy remain consistent with the Kyocera’s Management Rationale. Kyocera also examines whether each proposal submitted will contribute to a medium-to-long-term increase in corporate value and the common interests of shareholders, or whether it will cause a decrease in management efficiency or damage to Kyocera’s financial health.

Directors, Audit & Supervisory Board Members and Executive Officers (as of June 28, 2022)

■ : attendance at meetings of the Board of Directors (Fiscal 2022) ◎ : attendance at meetings of the Nomination and Remuneration Committee (Fiscal 2022) ○ : attendance at meetings of the Audit & Supervisory Board (Fiscal 2022)

Directors



Chairman of the Board and Representative Director

Goro Yamaguchi

Member of the Nomination and Remuneration Committee

Mar. 1978 Joined the Company
 Jun. 2003 Executive Officer of the Company
 Jun. 2005 Senior Executive Officer of the Company
 Apr. 2009 Managing Executive Officer of the Company
 Jun. 2009 Director and Managing Executive Officer of the Company
 Apr. 2013 President and Representative Director, President and Executive Officer of the Company
 Apr. 2017 Chairman of the Board and Representative Director of the Company [Present]

Reason for appointment

Mr. Goro Yamaguchi has been in charge of leading the management of the Group since he took office as President and Representative Director in 2013, and has properly operated the Board of Directors as a Chairperson of the Board since serving as a Chairman of the Board and Representative Director from April 2017. He also proactively advised on establishing the corporate philosophy throughout the Group.

■ Board of Directors: 12/12
 ◎ Nomination and Remuneration Committee: 2/2



President and Representative Director

Hideo Tanimoto

Mar. 1982 Joined the Company
 Apr. 2015 Executive Officer of the Company
 Apr. 2016 Managing Executive Officer of the Company
 Jun. 2016 Director and Managing Executive Officer of the Company
 Apr. 2017 President and Representative Director, President and Executive Officer of the Company [Present]

Reason for appointment

Mr. Hideo Tanimoto has been in charge of leading the management of the Group as President and Representative Director from April 2017. He has led the sustainable growth of the Group by working to create new businesses and improve productivity, and by strongly promoting organizational reform, etc.

■ Board of Directors: 12/12



Director

Hiroshi Fure

Mar. 1984 Joined the Company
 Apr. 2009 Senior General Manager of Corporate Automotive Components Group of the Company
 Apr. 2011 Executive Officer of the Company
 Apr. 2013 Managing Executive Officer of the Company
 Jun. 2013 Director and Managing Executive Officer of the Company
 Apr. 2015 Director and Senior Managing Executive Officer of the Company
 Sep. 2016 Senior General Manager of Corporate Organic Materials Semiconductor Components Group of the Company
 Apr. 2021 Director and Managing Executive Officer of the Company [Present]
 Executive General Manager of Core Components Business of the Company [Present]

Reason for appointment

Mr. Hiroshi Fure held positions as Senior General Manager of the Corporate Automotive Components Group from 2009, and as Senior General Manager of the Corporate Organic Materials Semiconductor Components Group, through which he has contributed to the growth and development of those businesses.

■ Board of Directors: 11/12



Director

Norihiko Ina

Apr. 1987 Joined Mita Industrial Company Ltd. (currently KYOCERA Document Solutions Inc.)
 Aug. 2011 President of Kyocera Mita America, Inc. (currently KYOCERA Document Solutions America, Inc.)
 Apr. 2012 Executive Officer of KYOCERA Document Solutions Inc.
 Apr. 2014 Managing Executive Officer of KYOCERA Document Solutions Inc.
 Jun. 2014 Director and Managing Executive Officer of KYOCERA Document Solutions Inc.
 Apr. 2016 Director of KYOCERA Document Solutions Inc.
 Senior General Manager of Corporate Sales Division of KYOCERA Document Solutions Inc.
 Apr. 2017 Managing Executive Officer of the Company
 President and Representative Director of KYOCERA Document Solutions Inc.
 Jun. 2017 Director and Managing Executive Officer of the Company [Present]
 Apr. 2021 Executive General Manager of Solutions Business of the Company [Present]

Reason for appointment

Mr. Norihiko Ina worked as a President and Representative Director of KYOCERA Document Solutions Inc. from 2017, and has contributed to its global development and growth.

■ Board of Directors: 12/12



Director

Koichi Kano

Mar. 1985 Joined the Company
 Jun. 2005 General Manager of Circuit Components Division of the Company
 Apr. 2012 Senior General Manager of Corporate Development Group of the Company
 Apr. 2013 Executive Officer of the Company
 Apr. 2015 Senior Executive Officer of the Company
 Apr. 2016 Managing Executive Officer of the Company
 Jun. 2016 Director and Managing Executive Officer of the Company [Present]
 Apr. 2021 Deputy Executive General Manager of Electronic Components Business of the Company [Present]

Reason for appointment

From 2012, Mr. Koichi Kano has contributed to the growth and development of the Group by providing proper guidance on the management of domestic and foreign subsidiaries as a Senior General Manager of Corporate Development Group of the Company.

■ Board of Directors: 12/12



Director

Shoichi Aoki

Mar. 1983 Joined the Company
 Jun. 2005 Executive Officer of the Company
 Senior General Manager of Corporate Accounting Group of the Company
 May 2008 Senior General Manager of Corporate Financial and Accounting Group of the Company
 Apr. 2009 Managing Executive Officer of the Company
 Jun. 2009 Director and Managing Executive Officer of the Company [Present]
 Oct. 2010 Senior General Manager of Corporate Financial and Business Systems Administration Group of the Company
 Apr. 2013 Senior General Manager of Corporate Financial and Accounting Group of the Company
 Apr. 2018 Senior General Manager of Corporate Management Control Group of the Company
 Apr. 2021 Executive General Manager of Headquarters of the Company [Present]

Reason for appointment

Mr. Shoichi Aoki has been in charge of the accounting and financing strategy of the Group, and has contributed to the growth and development of the Group in his role as Senior General Manager of the Corporate Financial and Accounting Group for many years.

■ Board of Directors: 12/12



Director

Atsushi Aoyama

Outside Director

Independent Director

Member of the Nomination and Remuneration Committee

Apr. 1985 Joined Mitsubishi Research Institute, Inc.
 May 1995 Researcher of Imperial College London
 Oct. 1999 Associate Professor of Chemical Resources Laboratory, Tokyo Institute of Technology
 Apr. 2005 Professor of Graduate School of Technology Management, Ritsumeikan University [Present]
 Jun. 2016 Outside Director of the Company [Present]

Reason for appointment

Mr. Atsushi Aoyama possesses extensive knowledge, experience, and distinguished insight in the field of technology management, specifically in relation to technology development and innovation creation, and in R&D and research into product development processes and, following his appointment as Outside Director, has proactively advised on the utilization of AI and IoT on an academic basis.

■ Board of Directors: 12/12
 ◎ Nomination and Remuneration Committee: 2/2



Director

Akiko Koyano

Outside Director

Independent Director

Member of the Nomination and Remuneration Committee

Dec. 2008 Admitted to the Bar, Registered in the Kyoto Bar Association [Present]
 Joined Koyano & Aoki Law Office
 Jul. 2009 Transferred to Koyano LPC
 Feb. 2018 Partner Attorney-at-law of Koyano LPC [Present]
 Jun. 2019 Outside Director of the Company [Present]

Reason for appointment

Ms. Akiko Koyano possesses extensive experience and a high level of insight as an attorney-at-law on corporate law and other legal fields, and has a broad range of knowledge of societal needs such as gender equality. Since her appointment as Outside Director, Ms. Koyano has proactively advised on matters of diversity, while also providing recommendations from a legal perspective.

■ Board of Directors: 12/12
 ◎ Nomination and Remuneration Committee: 2/2



Director

Eiji Kakiuchi

Outside Director

Independent Director

Member of the Nomination and Remuneration Committee

Apr. 1981 Joined Dainippon Screen Mfg. Co., Ltd. (currently SCREEN Holdings Co., Ltd.)
 Apr. 2005 Corporate Officer of Dainippon Screen Mfg. Co., Ltd. (currently SCREEN Holdings Co., Ltd.)
 Apr. 2006 Senior Corporate Officer of Dainippon Screen Mfg. Co., Ltd. (currently SCREEN Holdings Co., Ltd.)
 Apr. 2007 Corporate Executive Officer of Dainippon Screen Mfg. Co., Ltd. (currently SCREEN Holdings Co., Ltd.)
 Jun. 2011 Director of Dainippon Screen Mfg. Co., Ltd. (currently SCREEN Holdings Co., Ltd.)
 Apr. 2014 Representative Director, President of Dainippon Screen Mfg. Co., Ltd. (currently SCREEN Holdings Co., Ltd.)
 Apr. 2016 Chief Executive Officer of SCREEN Holdings Co., Ltd.
 Jun. 2019 Representative Director, Chairman, Member of the Board of SCREEN Holdings Co., Ltd. [Present]
 Jun. 2021 Outside Director of the Company [Present]

Reason for appointment

Mr. Eiji Kakiuchi has abundant experience and exceptional insight in corporate management, and has served as top management of a corporate group that operates a global business.

■ Board of Directors: 10/10
 ◎ Nomination and Remuneration Committee: 2/2

Directors, Audit & Supervisory Board Members and Executive Officers

Audit & Supervisory Board Members



Full-time Audit & Supervisory Board Member
Shigeru Koyama

Mar. 1980 Joined the Company
Apr. 2011 President and Director of KYOCERA Fineceramics GmbH (currently KYOCERA Europe GmbH)
Apr. 2013 Executive Officer of the Company
Apr. 2015 Senior Executive Officer of the Company
Apr. 2020 Assistant to General Manager of Corporate Global Audit Division of the Company
Jun. 2020 Full-time Audit & Supervisory Board Member of the Company [Present]

Reason for appointment

After working in overseas sales in the semiconductor components business, Mr. Shigeru Koyama has served as President and Director of an overseas subsidiary since April 2011, and possesses extensive experience and a high level of insight into overseas business operations.

- Board of Directors: 11/12
- Audit & Supervisory Board: 5/5



Full-time Audit & Supervisory Board Member
Yushi Nishimura

Mar. 1985 Joined the Company
Feb. 2013 General Manager of Business Systems Administration Division of KYOCERA Vietnam Co., Ltd.
Jul. 2016 General Manager of Corporate Global Audit Division of the Company
Apr. 2022 Assistant to General Manager of Corporate Global Audit Division of the Company
Jun. 2022 Full-time Audit & Supervisory Board Member of the Company [Present]

Reason for appointment

Mr. Yushi Nishimura possesses considerable knowledge, and extensive experience and insight into financial and accounting matters from extensive experience serving in the Accounting Division and the Internal Audit Division.



Audit & Supervisory Board Member
Hitoshi Sakata

Outside Audit & Supervisory Board Member

Independent Audit & Supervisory Board Member

Apr. 1985 Admitted to be the Bar, Registered in the Kyoto Bar Association [Present]
Jul. 1995 Partner of Oike Law Office [Present]
Feb. 2010 Visiting Researcher of Faculty of Law, University of Cambridge
Apr. 2011 Professor of Graduate School of Law, Doshisha University (Doshisha Law School)
Jun. 2013 Outside Director of Nippon Shinyaku Co., Ltd.
Jun. 2016 Outside Audit & Supervisory Board Member of the Company [Present]

Reason for appointment

Mr. Hitoshi Sakata possesses extensive experience and a high level of insight as an attorney-at-law, and has a thorough knowledge of corporate law and intellectual property overseas and, since his appointment as an Outside Audit & Supervisory Board Member, he has conducted effective audits from an objective and independent standpoint.

- Board of Directors: 12/12
- Audit & Supervisory Board: 9/9



Audit & Supervisory Board Member
Masaaki Akiyama

Outside Audit & Supervisory Board Member

Independent Audit & Supervisory Board Member

Oct. 1968 Joined Tomishima Audit Corporation (currently Ernst & Young ShinNihon LLC)
Mar. 1973 Registration as certified public accountant
Sep. 2010 Outside Audit & Supervisory Board Member of Joyful Honda Co., Ltd.
Jun. 2016 Outside Audit & Supervisory Board Member of the Company [Present]
Jan. 2020 Representative of Masaaki Akiyama Certified Public Accountant Office [Present]

Reason for appointment

Mr. Masaaki Akiyama possesses considerable knowledge, and extensive experience and insight into financial and accounting matters as a certified public accountant and, since his appointment as an Outside Audit & Supervisory Board Member, has conducted effective audits from an objective and independent standpoint.

- Board of Directors: 12/12
- Audit & Supervisory Board: 9/9

Executive Officers

| President and Executive Officer | Managing Executive Officer | | | | | | Senior Executive Officer | | |
|---------------------------------|--|---|--|--|--|---|---|---|---|
| Hideo Tanimoto | Hiroshi Fure Executive General Manager of Core Components Business | Norihiko Ina Executive General Manager of Solutions Business | Koichi Kano Deputy Executive General Manager of Electronic Components Business | Shoichi Aoki Executive General Manager of Headquarters | Takashi Sato Senior General Manager of Corporate General Affairs Human Resources Group | John Sarvis Executive General Manager of Electronic Components Business Chairman of the Board of KYOCERA AVX Components Corporation, Executive Officer | Masaki Iida Senior General Manager of Corporate Purchasing Group | Yoshihito Kurose President and Representative Director of KYOCERA Communication Systems Co., Ltd. | |
| Executive Officer | Yusuke Mizukami President and Director of KYOCERA Europe GmbH | Tayo Hamano Senior General Manager of Corporate Management Promotion Group | Masaaki Ozawa Senior General Manager of Corporate Organic Materials Semiconductor Components Group | Masaki Hayashi Senior General Manager of Corporate Fine Ceramics Group | Shigeaki Kinori Deputy Senior General Manager of Corporate Electronic Components Group | Tadashi Shinagawa Deputy Senior General Manager of Corporate Fine Ceramics Group | Senri Nagashima Senior General Manager of Corporate Industrial Tool Group | Hideji Yanagisawa Deputy Senior General Manager of Corporate Industrial Tool Group | Nobuhiro Higashihara General Manager of Production Technology & Development Group, Corporate R&D Group and Precision Machine Division |
| Executive Officer | Eri Yoshikawa General Manager of Corporate Communications Division and Diversity Promotion Division, Corporate General Affairs Human Resources Group | Kenichiro Nakamura Senior General Manager of Corporate Ceramic Materials Semiconductor Components Group | Wataru Dokite Senior General Manager of Corporate Digital Business Promotion Group | Kayo Hashiura General Manager of Inamori Library Division and Philosophy Division, Corporate General Affairs Human Resources Group | Hironori Ando President and Representative Director of KYOCERA Document Solutions Inc. | Michinori Yamada Deputy Senior General Manager of Corporate Ceramic Materials Semiconductor Components Group | Shouichi Nakagawa Senior General Manager of Corporate R&D Group | Koichi Nagasaki Senior General Manager of Corporate Automotive Components Group | Shiro Sakushima Senior General Manager of Corporate Electronic Components Group |
| Executive Officer | Masafumi Ikeuchi Senior General Manager of Corporate Display Group | Katsuhiko Suzuki Deputy Senior General Manager of Corporate Display Group | Hiroaki Chida Senior General Manager of Corporate Management Control Group | Katsuyuki Waki Senior General Manager of Corporate Development Group | Akira Iino Senior General Manager of Corporate Communication Equipment Group | Kazunori Shibata Senior General Manager of Corporate Legal and Intellectual Property Group | Nick Huntalas President and Director of KYOCERA International, Inc. | | |

Messages from Outside Directors



Outside Director
Atsushi Aoyama

Outside Director
Akiko Koyano

Outside Director
Eiji Kakiuchi

As an innovation specialist, I hope to aid in the “search for knowledge” as we establish ourselves as “The Company.”

Outside Director **Atsushi Aoyama**

The previous fiscal year was fraught with a series of events that had a major impact on our business activities, including the global semiconductor shortage and the Russian invasion of Ukraine. We see our ability to increase both sales and earnings under these trying circumstances as depending on skillful decision-making by the Board of Directors, and the tremendous efforts of all employees. For a company to continually create value and grow in a sustainable manner, we need an “ambidextrous” approach to management. This refers to the need to strike a balance between “furthering knowledge (continually improving flagship businesses)” and the “pursuit of new knowledge (trialing and making forays into new businesses).” While we have a reputation for “furthering knowledge,” as seen in the strength of our operations based on our Amoeba Management approach, recently there has been increased awareness of the importance of the pursuit of new knowledge. To this end, we have established a framework for facilitating innovation, including a shift toward a new segment structure, and incorporating knowledge exploration measures into our medium-term management plan. Meetings of the Board of Directors have also become a forum for discussing future plans and business strategies in depth. I feel I have played a part in this as an innovation specialist. The Nomination and Remuneration Committee is also functioning effectively, not only delving into specific issues, but also discussing such core management topics as diversity and our approach to profit distribution. Even with robust systems and effective strategies in place, employees need to believe in them and be willing to incorporate them into their work. In a time of volatility, uncertainty, complexity and ambiguity (VUCA), with reoccurring unpredictable events, timeless principles are essential to continue making the right decisions. The Kyocera Philosophy lies at the heart of this. By holding true to our Kyocera Philosophy, I believe we can establish ourselves as “The Company,” a 3 trillion-yen enterprise that excels in both sales revenue and employee satisfaction — the paragon that sets the example for others. I hope to achieve what I can to help us reach this goal.

Enhancing our status as a company that allows employees to pursue challenges through our promotion of diversity and inclusion is key.

Outside Director **Akiko Koyano**

Our business and living environments continue to change at an increasingly rapid pace in the wake of rapid digitization following the COVID-19 pandemic. I feel that the Kyocera Philosophy, and in particular the importance we place on making decisions based on “What do we consider to be the right choice as a human being?” is a great boon in corporate management, where accurate judgment and speedy decision-making are increasingly required. In addition, the shift to a new segment structure and changes to the Board of Directors structure last year helped speed up decision-making and provided for more fruitful discussions on the future direction of the company. At the Board of Directors and the Nomination and Remuneration Committee, I hope to prioritize discussions on enhancing corporate value over the long term, while also placing greater importance on multi-faceted risk analysis.

The company has set its sights on achieving 3 trillion yen in sales revenue in the near future by providing solutions that support the shift toward digitization. The most important thing for achieving this is to remain a company where everyone working in the Kyocera Group can tackle new challenges with a gleam in their eyes.

The promotion of diversity and inclusion gets to the heart of this issue, and prompts us to re-think traditional workplace practices and promotion systems. A commitment by top management has resulted in progress in developing a workplace that encourages full participation by everyone, efforts to promote women, greater use of childcare leave (including by men), and initiatives to respect gender diversity. I feel that it is extremely important that we continue to promote these measures with a sense of urgency so as not to have our growth impeded by complex issues facing society, including the aging population and increased social division. As a global company, we hope to facilitate the sharing of international initiatives, establishing a foothold for growth and development by pursuing creative solutions across the board — both company-wide and in our external markets.

I hope to further improve the quality of Board of Directors deliberations to help achieve our management targets and enhance the quality of management.

Outside Director **Eiji Kakiuchi**

I now enter my second year as an Outside Director, having been newly appointed to the role with the change in the company's management structure in the previous fiscal year. While no comparison can be made with the previous Board of Directors, real improvements are being seen under the new structure. The views and questions from outside directors are addressed in a sincere manner by directors and by those directly involved in business operations. In particular, I give feedback and raise questions on the company's growth strategy in relation to capital and development investment, among other areas. In addition to verifying management figures, I provide views on operating-side decisions and background on proposals from the perspective of a director of another publicly listed company. Key persons in the operations take considerable time to carefully state the company's business activities and operating status, providing a meticulous outline of each segment, as well pre-briefings of proposals set forth at Board of Directors meetings. The supervisory role of an Outside Director varies greatly due to each business having a different background and possessing different technologies, widely varying business and competitive environments, differing maturity levels, and growth potential. I also receive thorough explanations of management-side activities, such as investor-facing IR activities and social responsibility activities with shareholders, activities related to sustainability, human resources strategy, and internal controls. I see further room for improving the effectiveness of the Board of Directors in reporting on the status of management activities at regular meetings of the board. As a member of the Nomination and Remuneration Committee, I receive detailed explanations of the company's approach and background, and am involved in proposal discussions. I also give my opinion on director appointments and the compensation system. An improvement-oriented approach is clearly present, and there are no signs that the operation of this committee is a mere formality. The company has stated a target of achieving 3 trillion yen in sales revenue. In addition to participating in growth strategy discussions, I hope to provide feedback as an outside director to enrich meetings of the board, help achieve our targets, and improve the quality of management.

Messages from Outside Audit & Supervisory Board Members



Outside Audit & Supervisory Board Member
Hitoshi Sakata

Outside Audit & Supervisory Board Member
Masaaki Akiyama

I hold great expectations for the company to embrace this era of change with the confidence and dynamism of an enterprise engaged in new forms of manufacturing.

Outside Audit & Supervisory Board Member **Hitoshi Sakata**

As I look back on the past year, I feel great joy from the steady growth in sales revenue and operating profit in the face of massive challenges from the semiconductor shortage and other supply chain issues, burgeoning raw materials costs, distribution costs, and rising energy prices.

We are efficiently concentrating capital investment and R&D investment into potential growth fields.

The challenge for the future is how to restructure unprofitable divisions within certain segments.

The introduction of a new evaluation system has allowed us to identify issues by level of importance. I see no major problems with corporate governance across the Kyocera Group.

Having said that, I hope to see the whistleblower system strengthened further so we can better lend our ears to the voices of employees.

In the new fiscal year, I hold great expectations for employees to not only take pride in our improved business performance, but also to view this era of change with the confidence and dynamism of people engaged in new forms of manufacturing at the forefront of technology.

I hope to contribute to the further development of the Kyocera Group as a lawyer.

In light of increased risks, the auditing of subsidiaries and other entities outside of Japan has become even more important.

Outside Audit & Supervisory Board Member **Masaaki Akiyama**

I see enhancing a company's value year over year as an important mission for companies to fulfill for their stakeholders, and the continued pursuit of sustainable growth is essential to achieve this. In the current business environment, a multifaceted approach incorporating a diverse set of values, including ESG and SDGs, is increasingly necessary in corporate activities. Our strengths lie in our diverse capabilities backed by our Amoeba Management system and the Kyocera Philosophy, which acts as a compass to guide us toward the best decisions. Our daily efforts to increase added value in the field by creating high quality products while reducing costs drives our sustainable growth.

Meanwhile, our management's socially correct course of action is guided by our Kyocera Philosophy. I view the role of an Outside Auditor as one of identifying factors hindering the sustainable growth of the company, and providing advice on how to eliminate them from a third-party perspective.

To achieve this, at meetings of the Board of Directors I primarily provide comment on the contents of management plans and, with relation to proposed investments in particular, I give feedback on the suitability of investments, return on investment plans, and the financial conditions of potential investment targets. At meetings of the Audit & Supervisory Board, I work to identify risks facing the entire Kyocera Group by reviewing operating audit plans and results, receiving and reviewing quarterly reports on accounting audit plans and results from the accounting auditor, and receiving and reviewing reports from auditors at subsidiary companies concerning their management status and auditing results at the Kyocera Group Audit & Supervisory Board Members Meeting held every six months. In light of increased overseas risks, such as the ongoing crisis in Ukraine, the auditing of overseas subsidiaries and other entities is all the more important. As such, I receive reports on audit outcomes from the Corporate Global Audit Division, which conducts operating audits focusing on overseas business risks, and I work to keep abreast of the state of risks facing overseas subsidiaries and other entities.



Risk Management, Compliance, and Business Continuity Plan (BCP) Initiatives

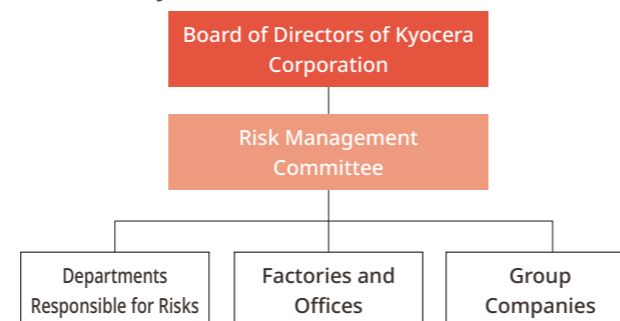
The Kyocera Group’s business environment involves volatility, uncertainty, complexity, and ambiguity, driving the need to review our supply chain to shore up economic security amidst the decoupling of the world’s economies.

The Kyocera Group will strive to reinforce our management foundation and achieve sustainable growth by pursuing risk management, compliance, and BCP activities essential for survival in these uncertain times.

Risk Management

The Our Risk Management Committee meets twice a year, chaired by the President of Kyocera Corporation. These meetings are used to determine risk management policies; identify corporate risks that need to be addressed; assign risk owners responsibility and authority on risk management; and review risk-handling progress. Looking ahead, we will focus on addressing economic security and human rights issues, and strengthening information security.

Chart of Risk Management, Compliance, and BCP Promotion System



Compliance

The Kyocera Group has established a “Kyocera Compliance Statement” to clarify its stance towards compliance activities on a global level, which was announced both within the Company, and to external stakeholders. This Kyocera Compliance Statement has been issued across the Group, and is used to ingrain a deeper awareness of compliance issues. In addition, as the Company’s business activities expand outside of Japan, we must comply with personal information protection restrictions imposed by each country. After the General Data Protection Regulation (GDPR) took effect in Europe, we have seen a push to introduce strict laws concerning the handling of personal data in countries around the world, including new restrictions on the transfer of personal data and other information outside a country or region. We will continue to cooperate with all divisions and Group companies to study and implement measures for the handling of personal information to address concerns regarding to global digital marketing. Further, in a step toward addressing the recent tightening of anti-corruption laws and regulations, of which many international companies have run astray, we have published the Kyocera Group Basic Policy on Anti-Corruption as our guide for global business activities. This compliance system is defined in the anti-corruption regulations of Kyocera Corporation. Additionally, Group companies are implementing internal regulations and training employees on anti-corruption rules and procedures.

» Risk and Compliance*-related Initiatives

Risk Management and Compliance Conference

At Kyocera Risk Management and Compliance Conference is held four times a year to promote risk and compliance initiatives throughout our business. This conference is a forum for information sharing and opinion exchange between business divisions, indirect divisions and Japan-based affiliates.

Risk & Compliance Month

For Kyocera Corporation, each December marks Risk & Compliance Month, observed to raise awareness and provide risk and compliance training for all employees. In addition, to reaffirm employee awareness of the importance of risk and compliance activities, employees are addressed by the President, important points are disseminated at shift-start meetings, and e-learning exercises are conducted for all employees. By sharing these initiatives among our Group companies, we will become an enterprise permeated with risk management, compliance, and BCP awareness.

* At Kyocera, risk management, compliance, and BCP-related activities are collectively referred to as risk compliance activities.

» Global Five-Regional Legal and IP System

Our proactive M&A strategy has seen the number of Kyocera Group companies grow to around 300, a figure expected to increase in future. For efficiency, the Corporate Legal and Intellectual Property Group divides the globe into five regions. Each local headquarters works with the Kyocera Group companies in its region to build a system for reducing legal risk and ensuring to compliance activities. Building a network to facilitate cooperation between Group companies is vital for the efficient implementation of compliance activities globally. To this end, we established the “Kyocera Group Global Legal Compliance Meeting”, for the headquarters and operating companies in each region to our policies alongside local challenges. These conferences are actively held in each of the five regions, including the U.S., Europe, China, Asia / Pacific, and Japan / South Korea, prompting lively discussion based on local circumstances.



Kyocera Global Legal Compliance IP Meeting

Business Continuity Plan (BCP)

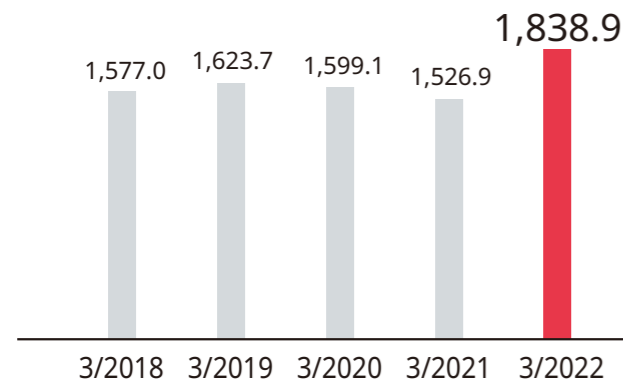
The Kyocera Group maintains a policy to seek prompt recovery and resumption of business if operations are interrupted due to a natural disaster, and our BCP reflects this policy. A marked increase has been noted recently in the number of risks that pose a threat to business continuity, including natural disasters such as earthquakes and violent storms, infectious disease pandemics, and supply chain risks caused by international conflicts. We continue to review risks that hold the potential to disrupt business operations, and take steps to protect management resources, such as securing equipment, components, raw materials, and alternate means of production critical to our business. We are also incorporating business continuity management (BCM) activities, including education and training, with regular review.

» Response to Supply Chain Risks

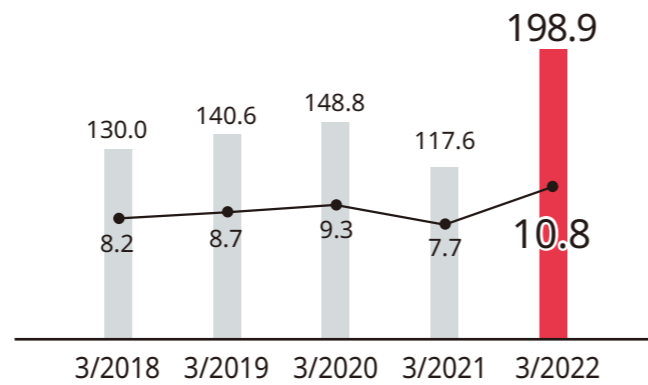
To reduce supply chain risk, we conduct surveys on the state of BCP initiatives at important suppliers. We also hold BCP seminars for new suppliers that provide critical components and raw materials to explain the importance of BCP, and request their cooperation in strengthening BCP measures. Improvement requests are made to suppliers whose BCP measures are found to be insufficient in the survey taken the preceding fiscal year.

Financial / Non-financial Highlights (from FY3/2018 to FY3/2022)

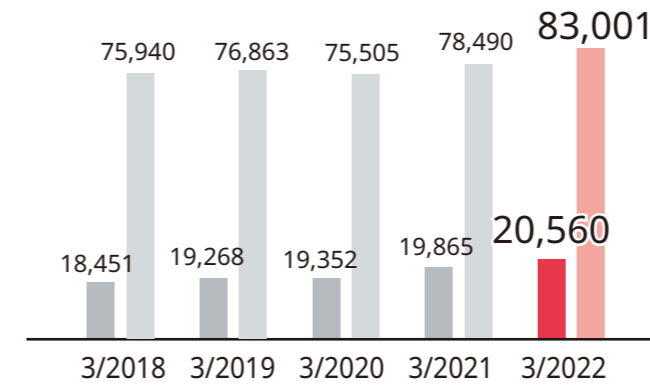
Sales revenue (billion yen)



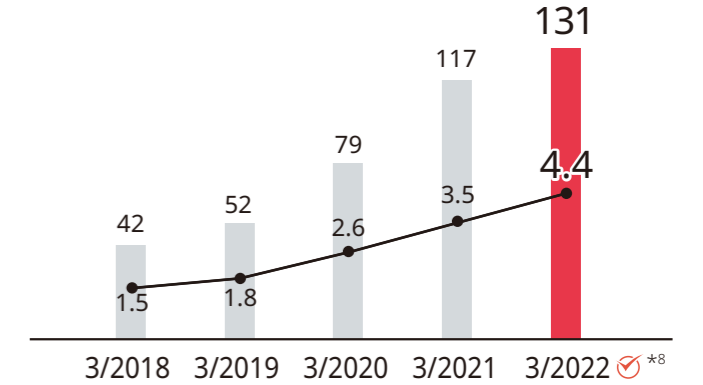
Profit before income taxes (billion yen) / Profit before income taxes to sales revenue (%)



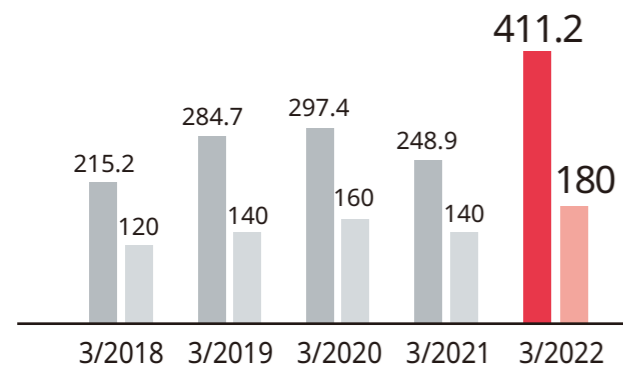
Number of employees (Kyocera Corporation / The Kyocera Group)



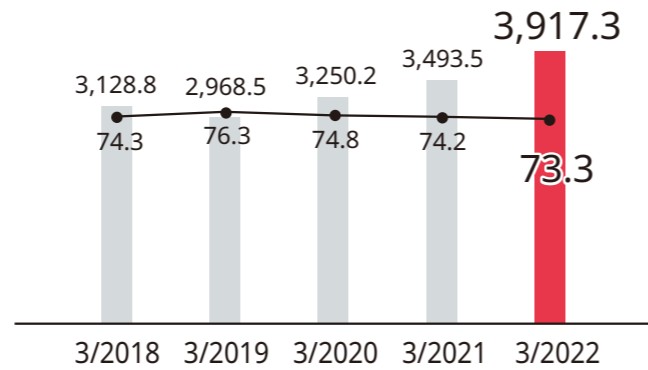
Number of female managers*3 / Ratio of female managers (%) *3,4 (Kyocera Corporation)



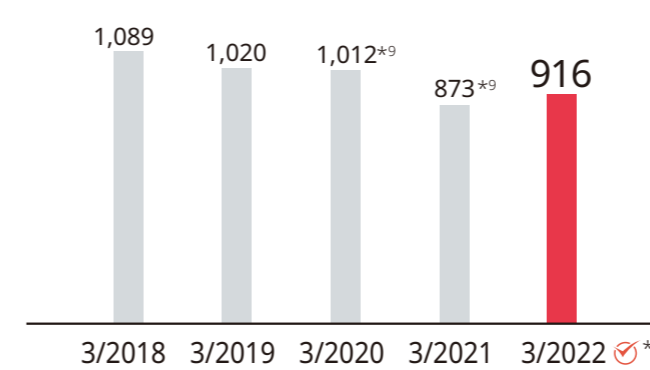
EPS - Diluted (yen) *1 / Cash dividends per share (yen) *2



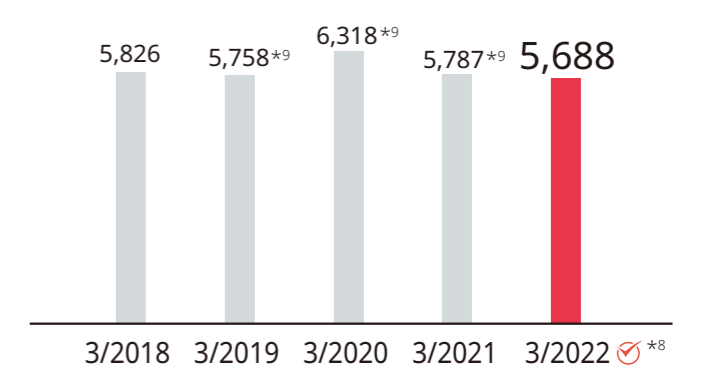
Total assets (billion yen) / Ratio of equity attributable to owners of the parent to total assets (%)



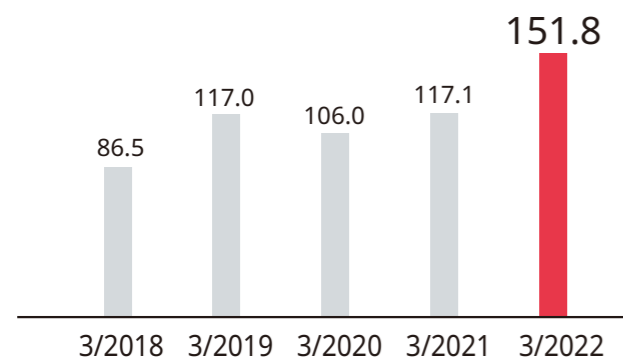
Greenhouse gas emissions (Scope 1, 2)*5 (1,000 tons-CO2)



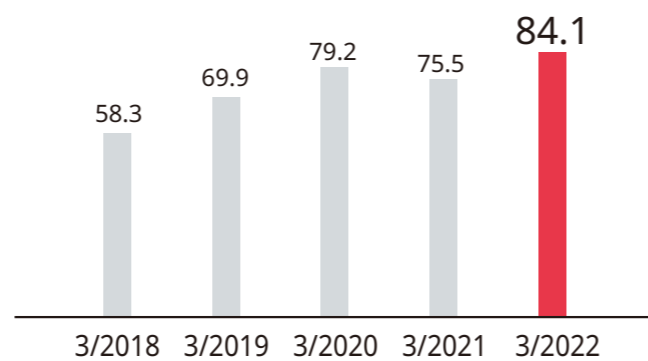
Greenhouse gas emissions (Scope 1, 2, 3)*6 (1,000 tons-CO2)



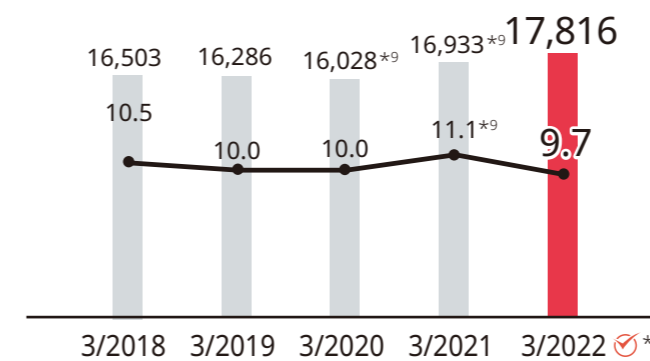
Capital expenditures (billion yen)



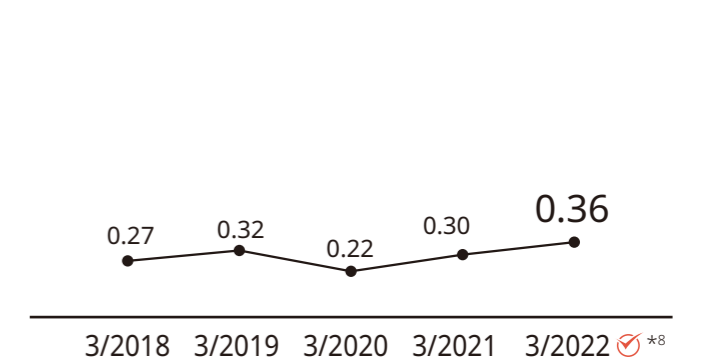
R&D expenses (billion yen)



Water consumption (1,000m3) / Per net sales (m2/million yen)



Lost time accident rate*7



Kyocera Group has adopted IFRS in lieu of U.S. GAAP from the year ended March 31, 2019 (FY3/2019). Accordingly, financial results for the year ended March 31, 2018 (FY3/2018) have been reclassified in accordance with IFRS. Account titles are also presented in accordance with IFRS.

*1 Earnings per share (EPS) attributable to owners of the parent - Diluted is calculated by dividing profit attributable to owners of the parent by the average number of ordinary shares

outstanding after adjusting for treasury stock during the corresponding fiscal year period. From the year ended March 31, 2020 (FY3/2020) instead of EPS attributable to owners of the parent-Diluted, EPS attributable to owners of the parent-Basic is described in the above table, as there is no potential share.

*2 "Cash dividends per share" in FY3/2019 includes the 60th anniversary *3 Headcount as of April 1, 2022.

*4 Number of female managers / total number of managers
*5, 6 Scope 1: Direct emission associated with fuel consumption and production processes
Scope 2: Indirect emission associated with consumption of power or heat purchased from outside
Scope 3: Indirect emissions other than Scope 1 or 2 (Including procurement of raw materials, transport, and use and disposal of products, as well as employee commuting and business trips)

*7 Number of afflicted persons / 1 million hours (The number of days of missed work is as per the standards of the Ministry of Health, Labour and Welfare.)
*8 We appointed a third-party audit, LRQA Limited, to ensure the reliability of data. Indicators that have examined by third-party audits are marked with a check mark.
*9 Figures has been updated to improve the accuracy of data aggregation.

Financial and Company Information
11-Year Financial Summary

Major consolidated financial data (from FY3/2012 to FY3/2022)

| | (Billions of yen) | | | | | | | | | | |
|--|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| FY: For the years ended March 31. | 3/2012 | 3/2013 | 3/2014 | 3/2015 | 3/2016 | 3/2017 | 3/2018 | 3/2019 | 3/2020 | 3/2021 | 3/2022 |
| Sales revenue and profit | | | | | | | | | | | |
| Sales revenue | 1,190.9 | 1,280.1 | 1,447.4 | 1,526.5 | 1,479.6 | 1,422.8 | 1,577.0 | 1,623.7 | 1,599.1 | 1,526.9 | 1,838.9 |
| Operating profit | 97.7 | 76.9 | 120.6 | 93.4 | 92.7 | 104.5 | 90.7 | 94.8 | 100.2 | 70.6 | 148.9 |
| Operating profit to sales revenue (%) | 8.2 | 6.0 | 8.3 | 6.1 | 6.3 | 7.3 | 5.8 | 5.8 | 6.3 | 4.6 | 8.1 |
| Profit before income taxes | 114.9 | 101.4 | 146.3 | 121.9 | 145.6 | 137.8 | 130.0 | 140.6 | 148.8 | 117.6 | 198.9 |
| Profit before income taxes to sales revenue (%) | 9.6 | 7.9 | 10.1 | 8.0 | 9.8 | 9.7 | 8.2 | 8.7 | 9.3 | 7.7 | 10.8 |
| Profit attributable to owners of the parent | 79.4 | 66.5 | 88.8 | 115.9 | 109.0 | 103.8 | 79.1 | 103.2 | 107.7 | 90.2 | 148.4 |
| Profit attributable to owners of the parent to sales revenue (%) | 6.7 | 5.2 | 6.1 | 7.6 | 7.4 | 7.3 | 5.0 | 6.4 | 6.7 | 5.9 | 8.1 |
| Assets and equity | | | | | | | | | | | |
| Total assets | 1,994.1 | 2,282.9 | 2,636.7 | 3,021.2 | 3,095.0 | 3,110.5 | 3,128.8 | 2,968.5 | 3,250.2 | 3,493.5 | 3,917.3 |
| Equity attributable to owners of the parent | 1,469.5 | 1,646.2 | 1,910.1 | 2,215.3 | 2,284.3 | 2,334.2 | 2,325.8 | 2,265.9 | 2,432.1 | 2,591.4 | 2,871.6 |
| Per share data | | | | | | | | | | | |
| EPS (Diluted-yen) ^(A) | 216.3 | 181.2 | 241.9 | 315.9 | 297.2 | 282.6 | 215.2 | 284.7 | 297.4 | 248.9 | 411.2 |
| Cash dividends per share (yen) ^(B) | 60 | 60 | 80 | 100 | 100 | 110 | 120 | 140 | 160 | 140 | 180 |
| BPS: Equity per share attributable to owners of the parent (yen) | 4,005.4 | 4,486.9 | 5,206.5 | 6,038.6 | 6,226.6 | 6,348.0 | 6,325.1 | 6,263.7 | 6,710.6 | 7,149.9 | 8,001.0 |
| Capital expenditures, Depreciation charge, R&D expenses | | | | | | | | | | | |
| Capital expenditures | 66.4 | 56.7 | 56.6 | 56.7 | 68.9 | 67.8 | 86.5 | 117.0 | 106.0 | 117.1 | 151.8 |
| Depreciation charge of property, plant and equipment | 62.4 | 63.1 | 65.8 | 62.4 | 65.9 | 66.0 | 69.7 | 51.5 | 62.4 | 73.8 | 90.2 |
| R&D expenses | 45.6 | 47.5 | 48.8 | 55.3 | 58.8 | 55.4 | 58.3 | 69.9 | 79.2 | 75.5 | 84.1 |
| Cash flows | | | | | | | | | | | |
| Cash flows from operating activities | 109.1 | 109.5 | 149.1 | 130.8 | 194.0 | 164.2 | 158.9 | 220.0 | 214.6 | 220.8 | 202.0 |
| Cash flows from investing activities | (56.1) | (66.1) | (101.1) | (93.6) | (106.8) | (112.1) | (53.1) | (47.1) | (145.6) | (183.8) | (79.5) |
| Cash flows from financing activities | (50.8) | (31.4) | (32.8) | (40.0) | (50.6) | (48.0) | (51.6) | (89.1) | (157.1) | (81.0) | (111.5) |
| Free cash flow ^(C) | 53.0 | 43.4 | 48.0 | 37.2 | 87.2 | 52.1 | 105.8 | 172.9 | 69.1 | 37.0 | 122.5 |
| ROA, ROE, EBITDA | | | | | | | | | | | |
| ROA (%) | 5.8 | 4.7 | 5.9 | 4.3 | 4.8 | 4.4 | 4.2 | 4.6 | 4.8 | 3.5 | 5.4 |
| ROE (%) | 5.5 | 4.3 | 5.0 | 5.6 | 4.8 | 4.5 | 3.4 | 4.5 | 4.6 | 3.6 | 5.4 |
| EBITDA ^(D) | 190.0 | 176.9 | 224.4 | 196.6 | 224.0 | 216.1 | 213.9 | 205.7 | 243.1 | 228.8 | 330.7 |
| Others | | | | | | | | | | | |
| Dividend payout ratio (%) | 27.7 | 33.1 | 33.1 | 31.7 | 33.6 | 38.9 | 55.8 | 49.1 | 53.8 | 56.2 | 43.8 |
| Number of employees | 71,489 | 71,645 | 69,789 | 68,185 | 69,229 | 70,153 | 75,940 | 76,863 | 75,505 | 78,490 | 83,001 |

• Kyocera Group has adopted IFRS in lieu of U.S.GAAP from FY3/2019. Accordingly, financial results for FY3/2018 have been reclassified in accordance with IFRS. Account titles are also presented in accordance with IFRS.
• No figures have been restated due to changes in accounting standards for the figures from the year ended March 31, 2012 to the year ended March 31, 2017 in the above table.
Kyocera Corporation undertook a stock split at the ratio of 2 for 1 of all common shares on October 1, 2013, EPS and cash dividends per share in each fiscal year are retrospectively re-calculated based on the ratio of the stock split.

Note: (A) Earnings per share (EPS) attributable to owners of the parent - Diluted is calculated by dividing profit attributable to owners of the parent by the average number of ordinary shares outstanding after adjusting for treasury stock during the corresponding fiscal year period.
From FY3/2020 instead of EPS attributable to owners of the parent - Diluted, EPS attributable to owners of the parent-Basic is described in the above table, as there is no potential share.

(B) "Cash dividends per share" in FY3/2019 includes the 60th anniversary commemoration dividend in the amount of 20 yen per share.

(C) Free cash flow = Cash flows from operating activities + cash flows from investing activities

(D) EBITDA = Profit before income taxes + depreciation and amortization + finance expenses

Consolidated Statement of Financial Position

(Yen in millions)

| | As of March 31, 2021 | As of March 31, 2022 |
|---|----------------------|----------------------|
| (Assets) | | |
| Current assets: | 1,199,764 | 1,329,123 |
| Cash and cash equivalents | 386,727 | 414,129 |
| Short-term investments | 79,852 | 25,460 |
| Trade and other receivables | 339,621 | 379,066 |
| Other financial assets | 17,504 | 18,623 |
| Inventories | 345,354 | 452,506 |
| Other current assets | 30,706 | 39,339 |
| Non-current assets: | 2,293,706 | 2,588,142 |
| Equity and debt instruments | 1,264,453 | 1,469,133 |
| Investments accounted for using the equity method | 16,975 | 15,795 |
| Other financial assets | 43,101 | 41,540 |
| Property, plant and equipment | 439,109 | 512,175 |
| Right-of-use assets | 38,639 | 40,703 |
| Goodwill | 256,532 | 262,985 |
| Intangible assets | 151,295 | 149,879 |
| Deferred tax assets | 36,624 | 36,483 |
| Other non-current assets | 46,978 | 59,449 |
| Total assets | 3,493,470 | 3,917,265 |

(Yen in millions)

| | As of March 31, 2021 | As of March 31, 2022 |
|---|----------------------|----------------------|
| (Liabilities) | | |
| Current liabilities: | 422,853 | 539,349 |
| Borrowings | 40,020 | 79,382 |
| Trade and other payables | 183,145 | 222,962 |
| Lease liabilities | 15,863 | 17,326 |
| Other financial liabilities | 7,669 | 16,552 |
| Income tax payables | 15,584 | 20,390 |
| Accrued expenses | 120,165 | 134,282 |
| Provisions | 6,403 | 7,010 |
| Other current liabilities | 34,004 | 41,445 |
| Non-current liabilities: | 454,507 | 479,643 |
| Borrowings | 57,888 | 17,163 |
| Lease liabilities | 34,051 | 35,390 |
| Retirement benefit liabilities | 23,624 | 23,129 |
| Deferred tax liabilities | 309,951 | 384,513 |
| Provisions | 8,432 | 9,631 |
| Other non-current liabilities | 20,561 | 9,817 |
| Total liabilities | 877,360 | 1,018,992 |
| (Equity) | | |
| Equity attributable to owners of the parent: | 2,591,415 | 2,871,554 |
| Common stock | 115,703 | 115,703 |
| Capital surplus | 122,745 | 122,751 |
| Retained earnings | 1,750,259 | 1,846,102 |
| Other components of equity | 671,951 | 880,297 |
| Treasury stock | (69,243) | (93,299) |
| Non-controlling interests | 24,695 | 26,719 |
| Total equity | 2,616,110 | 2,898,273 |
| Total liabilities and equity | 3,493,470 | 3,917,265 |

Consolidated Statement of Profit or Loss

(Yen in millions)

| | For the year ended March 31, 2021 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Sales revenue | 1,526,897 | 1,838,938 |
| Cost of sales | 1,119,950 | 1,325,295 |
| Gross profit | 406,947 | 513,643 |
| Selling, general and administrative expenses | 336,303 | 364,733 |
| Operating profit | 70,644 | 148,910 |
| Finance income | 45,650 | 45,208 |
| Finance expenses | 2,194 | 2,750 |
| Foreign exchange gains (losses) | 375 | 2,748 |
| Share of net profit (loss) of investments accounted for using the equity method | 261 | (807) |
| Other, net | 2,823 | 5,638 |
| Profit before income taxes | 117,559 | 198,947 |
| Income taxes | 24,209 | 46,911 |
| Profit for the year | 93,350 | 152,036 |

| Profit attributable to: | | |
|----------------------------------|---------------|----------------|
| Owners of the parent | 90,214 | 148,414 |
| Non-controlling interests | 3,136 | 3,622 |
| Profit for the year | 93,350 | 152,036 |

Consolidated Statement of Comprehensive Income

(Yen in millions)

| | For the year ended March 31, 2021 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Profit for the year | 93,350 | 152,036 |
| Other comprehensive income, net of taxation | | |
| Items that will not be reclassified to profit or loss: | | |
| Financial assets measured at fair value through other comprehensive income | 66,730 | 144,547 |
| Re-measurement of defined benefit plans | 21,146 | 9,502 |
| Total items that will not be reclassified to profit or loss | 87,876 | 154,049 |
| Items that may be reclassified subsequently to profit or loss: | | |
| Net changes in fair value of cash flow hedge | 144 | 34 |
| Exchange differences on translating foreign operations | 33,331 | 64,218 |
| Share of other comprehensive income of investments accounted for using the equity method | 108 | 267 |
| Total items that may be reclassified subsequently to profit or loss: | 33,583 | 64,519 |
| Total other comprehensive income | 121,459 | 218,568 |
| Comprehensive income for the year | 214,809 | 370,604 |

| Comprehensive income attributable to: | | |
|--|----------------|----------------|
| Owners of the parent | 210,784 | 365,805 |
| Non-controlling interests | 4,025 | 4,799 |
| Comprehensive income for the year | 214,809 | 370,604 |

Consolidated Statement of Changes in Equity

(Yen in millions)

| For the year ended March 31, 2021 | Total equity attributable to owners of the parent | | | | | | Non- controlling interests | Total equity |
|---|---|--------------------|----------------------|---------------------------------|-------------------|------------------|----------------------------------|------------------|
| | Common stock | Capital surplus | Retained earnings | Other compo- nents of equity | Treasury stock | Total | | |
| Balance as of April 1, 2020 | 115,703 | 123,539 | 1,686,672 | 575,495 | (69,275) | 2,432,134 | 22,108 | 2,454,242 |
| Profit for the year | | | 90,214 | | | 90,214 | 3,136 | 93,350 |
| Other comprehensive income | | | | 120,570 | | 120,570 | 889 | 121,459 |
| Total comprehensive income for the year | — | — | 90,214 | 120,570 | — | 210,784 | 4,025 | 214,809 |
| Cash dividends | | | (50,741) | | | (50,741) | (1,757) | (52,498) |
| Purchase of treasury stock | | | | | (17) | (17) | | (17) |
| Reissuance of treasury stock | | 17 | | | 49 | 66 | | 66 |
| Transactions with non-controlling interests and other | | (811) | | | | (811) | 319 | (492) |
| Transfer to retained earnings | | | 24,114 | (24,114) | | — | | — |
| Other | | | | | | — | | — |
| Balance as of March 31, 2021 | 115,703 | 122,745 | 1,750,259 | 671,951 | (69,243) | 2,591,415 | 24,695 | 2,616,110 |

(Yen in millions)

| For the year ended March 31, 2022 | Total equity attributable to owners of the parent | | | | | | Non- controlling interests | Total equity |
|---|---|--------------------|----------------------|---------------------------------|-------------------|------------------|----------------------------------|------------------|
| | Common stock | Capital surplus | Retained earnings | Other compo- nents of equity | Treasury stock | Total | | |
| Balance as of April 1, 2021 | 115,703 | 122,745 | 1,750,259 | 671,951 | (69,243) | 2,591,415 | 24,695 | 2,616,110 |
| Profit for the year | | | 148,414 | | | 148,414 | 3,622 | 152,036 |
| Other comprehensive income | | | | 217,391 | | 217,391 | 1,177 | 218,568 |
| Total comprehensive income for the year | — | — | 148,414 | 217,391 | — | 365,805 | 4,799 | 370,604 |
| Cash dividends | | | (61,616) | | | (61,616) | (2,756) | (64,372) |
| Purchase of treasury stock | | | | | (24,111) | (24,111) | | (24,111) |
| Reissuance of treasury stock | | 27 | | | 55 | 82 | | 82 |
| Transactions with non-controlling interests and other | | | | | | — | | — |
| Transfer to retained earnings | | | 9,045 | (9,045) | | — | | — |
| Other | | (21) | | | | (21) | (19) | (40) |
| Balance as of March 31, 2022 | 115,703 | 122,751 | 1,846,102 | 880,297 | (93,299) | 2,871,554 | 26,719 | 2,898,273 |

Consolidated Statement of Cash Flows

(Yen in millions)

| | For the year ended March 31, 2021 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Cash flows from operating activities: | | |
| Profit for the year | 93,350 | 152,036 |
| Depreciation and amortization | 109,058 | 128,960 |
| Finance expenses (income) | (43,456) | (42,458) |
| Share of net profit of investments accounted for using the equity method | (261) | 807 |
| Impairment loss | 11,666 | 2,400 |
| (Gains) losses from sales or disposal of property, plant and equipment | 149 | (8,052) |
| Income taxes | 24,209 | 46,911 |
| (Increase) decrease in trade and other receivables | (6,968) | (29,147) |
| (Increase) decrease in inventories | 10,156 | (85,344) |
| (Increase) decrease in other assets | 8,593 | 12,784 |
| Increase (decrease) in trade and other payables | (11,753) | (3,821) |
| Increase (decrease) in accrued expenses | (2,748) | 4,162 |
| Increase (decrease) in provisions | (9,258) | 1,056 |
| Increase (decrease) in other liabilities | 3,765 | 114 |
| Other, net | (1,845) | (2,122) |
| Subtotal | 184,657 | 178,286 |
| Interests and dividends received | 49,314 | 45,479 |
| Interests paid | (1,944) | (2,297) |
| Income taxes refund (paid) | (11,206) | (19,511) |
| Net cash provided by operating activities | 220,821 | 201,957 |
| Cash flows from investing activities: | | |
| Payments for purchases of property, plant and equipment | (122,838) | (134,490) |
| Payments for purchases of intangible assets | (9,288) | (12,412) |
| Proceeds from sales of property, plant and equipment | 952 | 11,059 |
| Acquisitions of business, net of cash acquired | (59,877) | (1,680) |
| Acquisition of time deposits and certificate of deposits | (114,616) | (90,530) |
| Withdrawal of time deposits and certificate of deposits | 105,719 | 121,332 |
| Payments for purchases of securities | (13,960) | (2,801) |
| Proceeds from sales and maturities of securities | 31,478 | 30,279 |
| Other, net | (1,362) | (214) |
| Net cash used in investing activities | (183,792) | (79,457) |
| Cash flows from financing activities: | | |
| Increase (decrease) in short-term borrowings | (4,406) | (135) |
| Proceeds from long-term borrowings | 7,273 | 11,739 |
| Repayments of long-term borrowings | (9,489) | (14,363) |
| Repayments of lease liabilities | (20,992) | (20,829) |
| Dividends paid | (52,351) | (63,774) |
| Reissuance of treasury stock | (17) | (24,111) |
| Other, net | (986) | 0 |
| Net cash used in financing activities | (80,968) | (111,473) |
| Effect of exchange rate changes on cash and cash equivalents | 11,046 | 16,375 |
| Increase (decrease) in cash and cash equivalents | (32,893) | 27,402 |
| Cash and cash equivalents at the beginning of the year | 419,620 | 386,727 |
| Cash and cash equivalents at the end of the year | 386,727 | 414,129 |

SASB Index

The Kyocera Group discloses important sustainability information pertinent to the Kyocera Group based on the Sustainability Accounting Standard provided by the Sustainability Accounting Standards Board (SASB). While the Kyocera Group is involved in business across multiple industries, the Group’s main line of business is in hardware, and sustainability information has been disclosed in accordance with the standards for this industry.

Applicable businesses are our communication devices (smartphones and mobile phones) and information devices (printers and MFPs) businesses in the solutions segment.

| Code | Accounting/ Activity Metrics | Reference for Performance / Observations and Analysis | | | | | | | | | | | | | | | | | |
|--|---|---|---|-------|-------|-----|--|--------------|-------|-------|-----------------------|------------------|------|-------|---------------------|------------------|-------|-------|--|
| | | Communication Devices (Smartphones and Mobile Phones) | Information Devices (Printers and MFPs) | | | | | | | | | | | | | | | | |
| Accounting Metrics | | | | | | | | | | | | | | | | | | | |
| Product Security | | | | | | | | | | | | | | | | | | | |
| TC-HW-230a.1 | Explanation of measures for identifying and handling product-related information security risks | <ul style="list-style-type: none"> ● Identification and handling of product-related information security risks <ul style="list-style-type: none"> • Not disclosed. ● Products, services, and functions used to enhance product security <ul style="list-style-type: none"> • Security ● Status of obtaining ISO 27001 certification and other information security management-related standards <ul style="list-style-type: none"> • ISO/IEC 27001 (Kyocera Corp. Hokkaido Kitami Plant / Osaka Office (Corporate Communication Equipment Group); Date obtained / renewed: November 10, 2020; Certification number: IS 735576) | <ul style="list-style-type: none"> ● Identification and handling of product-related information security risks <ul style="list-style-type: none"> • About Kyocera's Security ● Products, services, and functions used to enhance product security <ul style="list-style-type: none"> • Cost Control & Security ● Status of obtaining ISO 27001 certification and other information security management-related standards <ul style="list-style-type: none"> • ISO/IEC 27001 (KYOCERA Document Solutions Inc.; Date obtained / renewed: November 17, 2017; Certification number: IS 676497) • ISO/IEC 27017 (KYOCERA Document Solutions Inc.; Date renewed: October 22, 2020; Certification number: IS 735190) | | | | | | | | | | | | | | | | |
| Diversity and Inclusion | | | | | | | | | | | | | | | | | | | |
| TC-HW-330a.1 | Gender ratio, and composition (%) by race and ethnicity in (1) Management (executives and managers), (2) Engineering staff, and (3) Other employees | <ul style="list-style-type: none"> ● Gender ratio <table border="1"> <thead> <tr> <th>Employee category</th> <th>Range</th> <th>Women</th> <th>Men</th> </tr> </thead> <tbody> <tr> <td>(1) Management (executives and managers)</td> <td>Consolidated</td> <td>11.7%</td> <td>88.3%</td> </tr> <tr> <td>(2) Engineering staff</td> <td>Non-consolidated</td> <td>8.6%</td> <td>91.4%</td> </tr> <tr> <td>(3) Other employees</td> <td>Non-consolidated</td> <td>23.1%</td> <td>76.9%</td> </tr> </tbody> </table> ● Race and ethnicity composition not disclosed. | Employee category | Range | Women | Men | (1) Management (executives and managers) | Consolidated | 11.7% | 88.3% | (2) Engineering staff | Non-consolidated | 8.6% | 91.4% | (3) Other employees | Non-consolidated | 23.1% | 76.9% | |
| Employee category | Range | Women | Men | | | | | | | | | | | | | | | | |
| (1) Management (executives and managers) | Consolidated | 11.7% | 88.3% | | | | | | | | | | | | | | | | |
| (2) Engineering staff | Non-consolidated | 8.6% | 91.4% | | | | | | | | | | | | | | | | |
| (3) Other employees | Non-consolidated | 23.1% | 76.9% | | | | | | | | | | | | | | | | |
| | Explanation of the Company's policies and programs on the fair and impartial cultivation of human resources at business locations in Japan and abroad | <ul style="list-style-type: none"> ● Developing Human Resources with Diverse Skillsets ● Promoting Diversity and Inclusion | | | | | | | | | | | | | | | | | |
| Product Life Cycle Management | | | | | | | | | | | | | | | | | | | |
| TC-HW-410a.1 | Amount (%) of sales revenue and profit generated by products containing substances reported in accordance with the IEC 62474 standard | ● 100% | ● 100% (For North America) | | | | | | | | | | | | | | | | |

| Code | Accounting/ Activity Metrics | Reference for Performance / Observations and Analysis | |
|-------------------------------------|--|--|--|
| | | Communication Devices (Smartphones and Mobile Phones) | Information Devices (Printers and MFPs) |
| | Explanation of measures for managing the use of substances reported in accordance with the IEC 62474 standard | ● Environmentally Friendly Products / Green Procurement “Green Procurement Efforts in Cooperation with Business Partners,” “Product Response to Environmental Regulation” | |
| TC-HW-410a.2 | Amount (%) of sales revenue and profit generated by products that conform to EPEAT standards, or equivalent environment evaluation standards | ● Smartphones and mobile phones: 87% (For North America) | ● Printers and MFPs: 100% (For North America) |
| | Explanation of environmentally-friendly policy measures, and of initiatives to reflect said policies in product designs | <ul style="list-style-type: none"> ● Environmentally Friendly Products / Green Procurement “Concept of Environmental Consciousness,” “Environmentally Conscious Designs for Printers and Multifunctional Products (MFPs),” “Compliance with Environmental Product Standards” ● Document Solutions business Efforts at Each Stage of Product Life Cycle | |
| TC-HW-410a.3 | Amount (%) of sales revenue and profit generated by products meeting the ENERGY STAR® standard | ● Not disclosed for smartphones and mobile phones as these product fall outside the scope of the ENERGY STAR® standard | ● 100% (For North America) |
| TC-HW-410a.4 | Amount of used products and waste from electric and electronic products collected (t) and recycled (%) | ● While Kyocera Corporation has joined the Mobile Recycle Network (MRN) and joins other companies in the Japanese market in collecting and recycling products and waste, the Company does not disclose the amount of Kyocera products collected and recycled. | <ul style="list-style-type: none"> ● Amount collected: 2,362t (Japanese market, including toner containers) ● Amount recycled: 80.1% |
| Supply Chain Management | | | |
| TC-HW-430a.1 | Amount (%) of primary suppliers that have received an RBA third-party audit (VAP: An evaluation of the state of compliance with the Code of Conduct) or an equivalent evaluation at (a) all facilities, and (b) high-risk facilities | ● Supply Chain Management “Promoting CSR in the Supply Chain” | |
| TC-HW-430a.2 | (1) The rate of failure, and (2) the ratio (%) of corrective measures taken to address (a) priority non-conformities, and (b) other non-conformities by primary suppliers as part of an RBA third-party audit or an equivalent audit | | |
| Procurement of Raw Materials | | | |
| TC-HW-440a.1 | Explanation of risk management concerning the use of critical materials | <ul style="list-style-type: none"> ● Supply Chain Management “Supply-Chain BCP Survey,” “Initiatives for Responsible Procurement of Minerals” ● Disaster Preparedness “BCP Efforts Relating to the Supply Chain” | |
| Activity Metrics | | | |
| TC-HW-000.A | Number of manufacturing units by product category (units) | ● 4.2 million units | ● 1.4 million units |
| TC-HW-000.B | Area of manufacturing facilities (m²) | ● KYOCERA Corporation Hokkaido Kitami Plant: 14,000 m² | <ul style="list-style-type: none"> ● KYOCERA Document Technology Shilong Plant (China): 137,000 m² ● KYOCERA Document Technology Vietnam Plant: 200,000 m² |
| TC-HW-000.C | Production amount (%) at Company-owned facilities | ● 100% | ● 100% |

Corporate Summary (as of March 31, 2022)

| | | | |
|----------------------------|--|---|--|
| Established | April 1, 1959 | Stock Listing | Prime market, Tokyo Stock Exchange (6971) |
| Global headquarters | 6 Takeda Tobadono-cho, Fushimi-ku, Kyoto, Japan 612-8501 | Closing date | March 31 |
| Capital | 115,703 million yen | Record date for the determination of shareholders | Voting rights at Ordinary General Meeting of Shareholders, year-end dividend: March 31 Interim dividend: September 30 |
| Consolidated sales revenue | 1,838,938 million yen | Ordinary General Meeting of Shareholders | June |
| Group companies | 299 (Including KYOCERA Corporation) | (Excluding non-consolidated subsidiaries and affiliates accounted for by the equity method) | |
| Group employees | 83,001 (Japan: 28,041, Outside Japan: 54,960) | | |

Main Kyocera Group Companies (as of March 31, 2022)

Japan

KYOCERA Industrial Tools Corporation
KYOCERA Communication Systems Co., Ltd.
KYOCERA Document Solutions Inc.
KYOCERA Document Solutions Japan Inc.
KYOCERA Realty Development Co., Ltd.

Asia

KYOCERA (China) Sales & Trading Corporation
Dongguan Shilong KYOCERA Co., Ltd.
KYOCERA Document Technology (Dongguan) Co., Ltd.
KYOCERA Korea Co., Ltd.
KYOCERA Vietnam Company Limited
KYOCERA Document Technology Vietnam Co., Ltd.
KYOCERA (Thailand) Co., Ltd.
KYOCERA Asia Pacific Pte. Ltd.

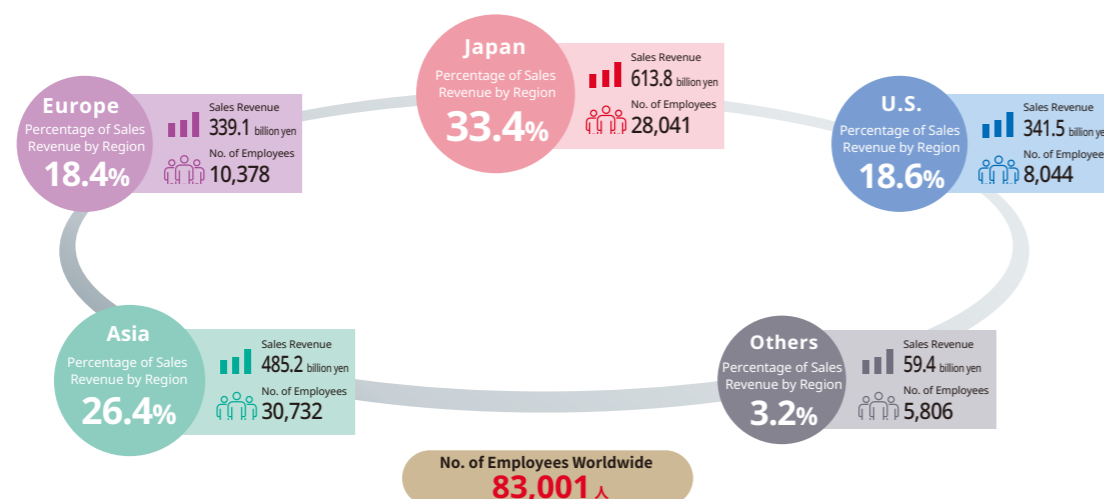
Europe

KYOCERA Europe GmbH
KYOCERA Document Solutions Deutschland GmbH
TA Triumph-Adler GmbH
KYOCERA Document Solutions Europe B.V.
KYOCERA UNIMERCO A/S

North America

KYOCERA International, Inc.
KYOCERA AVX Components Corporation
KYOCERA SENCO Industrial Tools, Inc.
KYOCERA Industrial Tools, Inc.
KYOCERA Document Solutions America, Inc.

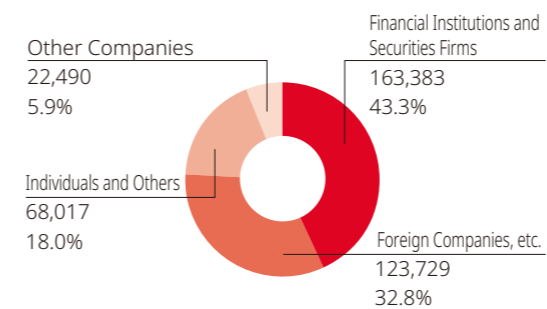
Global Network (as of March 31, 2022)



Shares (as of March 31, 2022)

| | |
|--|--|
| Total Number of Shares Authorized to Be Issued | 600,000,000 shares |
| Total Number of Shares Issued | 377,618,580 shares (of which 18,717,679 are treasury shares) |
| Number of Shareholders | 53,829 |

Shareholder Composition (Shares in thousands)

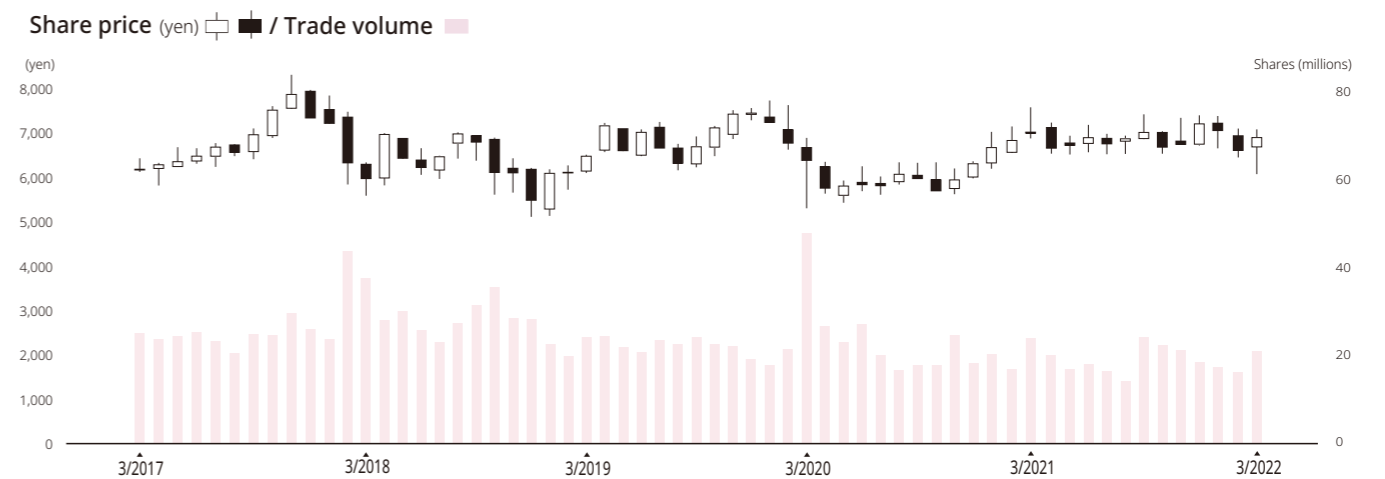


Major Shareholders (Top 10 Largest Shareholders)

| Name | Number of Shares Owned (Shares in thousands) | Share Ownership Ratio (%) |
|--|--|---------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 79,895 | 22.26 |
| Custody Bank of Japan, Ltd. (Trust Account) | 26,483 | 7.38 |
| The Bank of Kyoto, Ltd. | 14,436 | 4.02 |
| SSBTC Client Omnibus Account | 12,377 | 3.45 |
| Kazuo Inamori | 10,212 | 2.85 |
| Inamori Foundation | 9,360 | 2.61 |
| Stock Purchase Plan for Kyocera Group Employees | 6,585 | 1.83 |
| Custody Bank of Japan, Ltd. (Stock Investment Trust Account) | 5,994 | 1.67 |
| State Street Bank West Client - Treaty 505234 | 5,707 | 1.59 |
| MUFG Bank, Ltd. | 5,077 | 1.41 |

Note: Share ownership ratios are calculated after deduction of the treasury shares.

Trends of Share Price (March 31, 2017 to March 31, 2022)



Total Shareholder Return (TSR)

| | 3/2018 | 3/2019 | 3/2020 | 3/2021 | 3/2022 |
|-----------------------------|--------|--------|--------|--------|--------|
| Kyocera Corporation (%) | 98.7 | 109.0 | 110.1 | 122.3 | 122.9 |
| Dividend-included TOPIX (%) | 115.9 | 110.0 | 99.6 | 141.5 | 144.3 |

• Total shareholder return is calculated based on the share price as of the end of March 2017 as 100.

Annual Cash Dividend per Share and Consolidated Payout Ratio

| | 3/2018 | 3/2019 | 3/2020 | 3/2021 | 3/2022 |
|--------------------------------|--------|--------|--------|--------|--------|
| Cash dividends per share (yen) | 120 | 140 | 160 | 140 | 180 |
| Consolidated payout ratio (%) | 55.8 | 49.1 | 53.8 | 56.2 | 43.8 |

• "Cash dividends per share" in FY3/2019 includes the 60th anniversary commemoration dividend in the amount of 20 yen per share.
• Kyocera Group has adopted IFRS in lieu of U.S.GAAP from FY3/2019. Accordingly, consolidated payout ratio for FY3/2018 have been reclassified in accordance with IFRS.



KYOCERA Corporation

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