

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

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.



Founder and Chairman Emeritus
KYOCERA Corporation

Kazuo Inamori

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
KYOCERA Corporation

President and Representative Director
KYOCERA Corporation

Thank you very much for your patronage and support of the Kyocera Group.
We wish to express our sincere sympathies to those suffering from or adversely affected by COVID-19.

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.”

Today, changes in the structures of industry and society are taking place more rapidly, on a greater scale than ever, and from a new point of view. While these changes are expected to bring us many business opportunities, as a true global company, we are required to take actions to tackle various social issues.

We began publishing an annual integrated report to communicate to our stakeholders about how we address social issues through our business activities and thereby both provide improvement of our corporate value and make a contribution to society in a sustainable manner. By presenting the basic concepts and initiatives for our further growth and development, as well as the multiple possibilities such initiatives will bring for society, we expect that our values be shared with all of you, and aim to further enhance our corporate value.

We hope this report will be helpful to you in understanding our company.

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Editorial Policy

Reference guidelines, etc.

This Report was prepared in reference to the "International Integrated Reporting Framework" proposed by the IIRC and WICI and the "Guidance for Collaborative Value Creation" formulated by the Ministry of Economy, Trade and Industry. Information related to CSR is disclosed according to the Core option of the GRI* Standards 2016.

* Global Reporting Initiative Guidance for Collaborative Value Creation



Scope of the Report

Reporting Period:
 April 1, 2019 to March 31, 2020
 (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

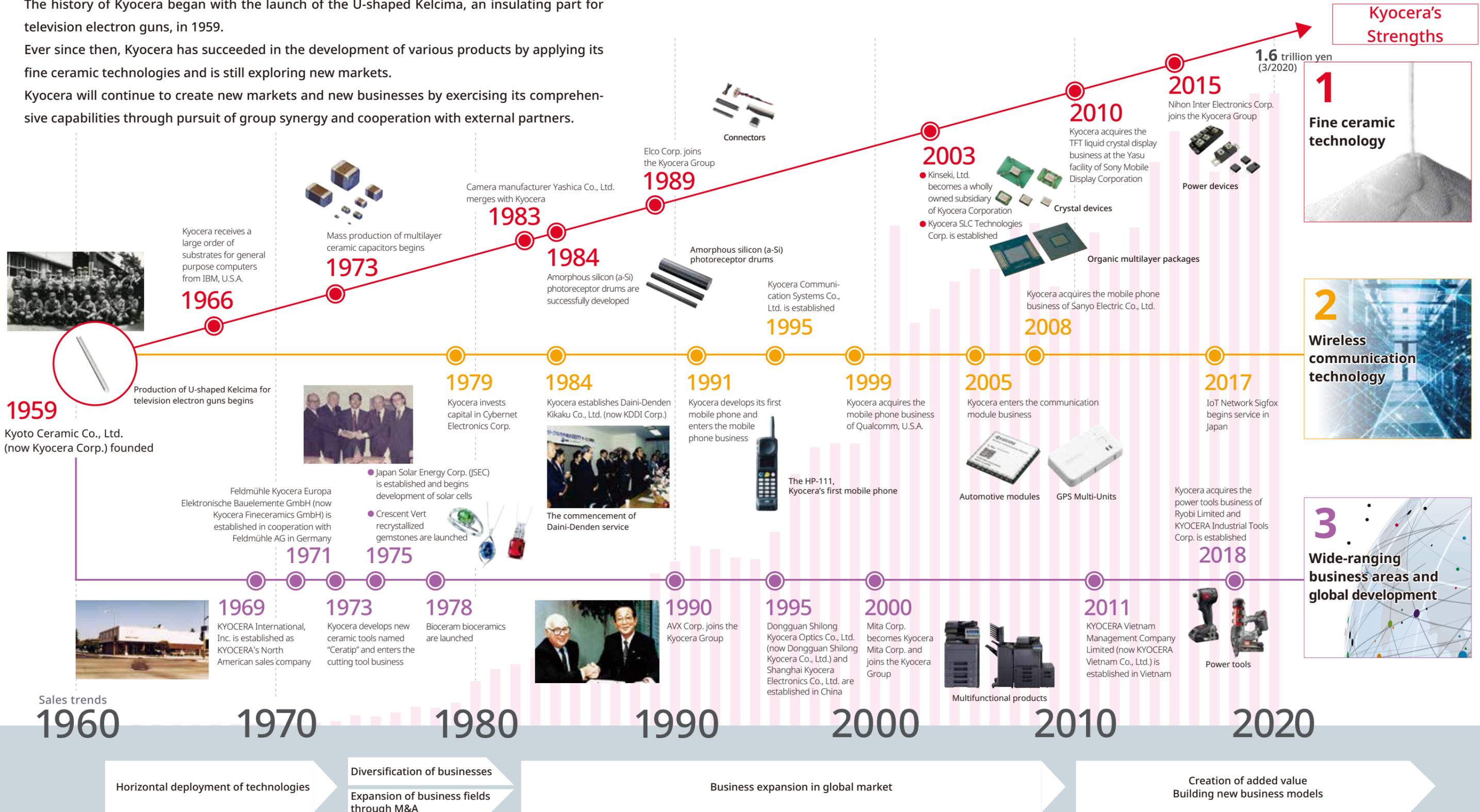
• The amounts and percentages (%) in this report are rounded to the nearest unit.
 Percentages are computed based on amounts rounded to the nearest million yen.
 • Kyocera Group has adopted the International Financial Reporting Standards (IFRS) in lieu of the Generally Accepted Accounting Principles 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.
 More detailed information is available to the public on the company website; <https://global.kyocera.com/>

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.



We build upon the solid foundation cultivated in the fine ceramics business since our founding to create unique technologies and products in a wide range of fields, from wireless communication that supports the 5G era to energy.

As a leader in the fine ceramics industry, Kyocera supplies products in a range of fields, including industrial machinery, automobiles and energy. Leveraging these original ideas and technologies, we are also developing a wide range of businesses around the world, including in fields relating to energy and wireless communications that support social infrastructure in the ICT age.

1

Fine ceramic technology

Kyocera has worked in the fine ceramics industry since its founding and our long history of technical innovation through constant improvement in this field continues to this day. The quality of our large ceramic parts for semiconductor processing equipment and industrial machinery is highly-regarded by our customers. As the miniaturization of electronic components, semiconductors and sensor packages continues, we are an industry leader in the development of a wide range of products that meet customers' needs.

As a leader in the fine ceramics industry, we are expanding our range of products in various fields ranging from industrial machinery to electronics, automobiles and energy.



2

Wireless communication technology

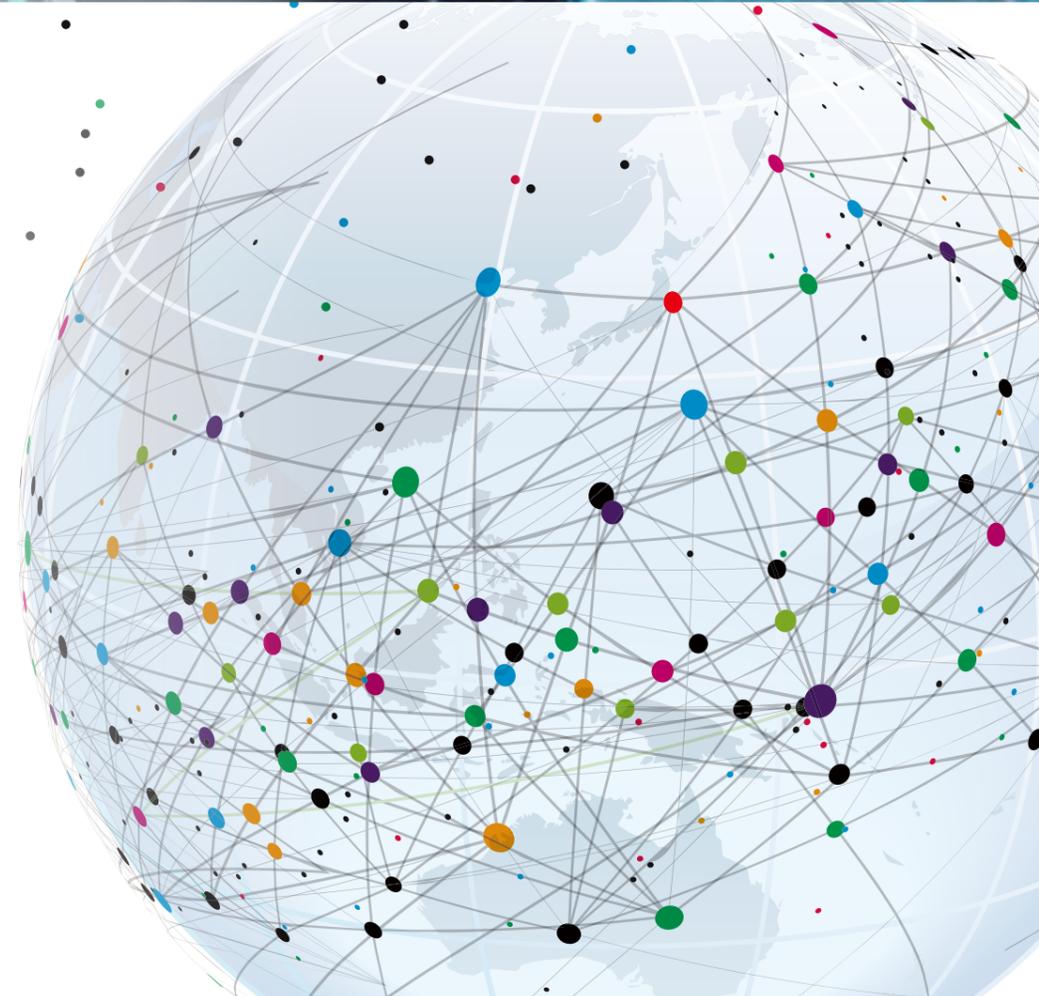
The Kyocera Group is involved in several business areas relating to wireless communication. In addition to communication equipment such as mobile phones, IoT communication modules, and wireless automotive modules, we are engaged in engineering businesses such as base station construction. As adoption of 5G networks becomes more widespread, wireless communication has become the basis for the creation of various new businesses that support social infrastructure in the information age.



3

Wide-ranging business areas and global development

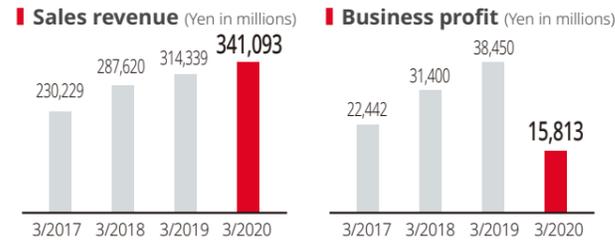
The Kyocera Group operates in a wide range of fields, including energy-related businesses such as solar power generation, document solutions, medical devices, industrial tools, and information processing. In addition, we are expanding our production, sales and R&D activities all over the world, in order to provide support to as many customers as possible in all regions of the world. We support our customers on a global scale while establishing roots in local communities.



Components Business



Industrial & Automotive Components Group



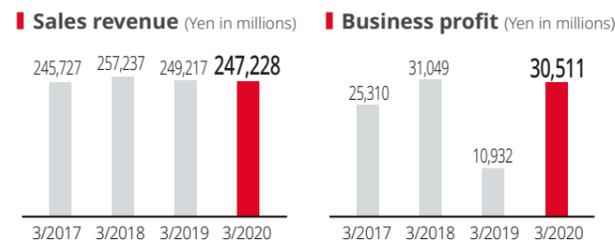
Sales revenue increased compared with FY3/2019. Although sales of automotive parts, such as displays, decreased, sales of industrial tools increased as a result of the contribution of M&A. Business profit decreased due to decreased sales in the industrial machinery and automotive-related markets as well as an increased depreciation charge resulting from capital expenditures for FY3/2019.

Principal Product and Business

Kyocera Group provides various kinds of fine ceramic components, camera modules and liquid crystal displays to the industrial machinery and automotive-related markets. We also provide industrial tools such as cutting tools and pneumatic and power tools to the automotive, general industrial and construction markets.

- **Main products / businesses**
Fine ceramic components, automotive components, liquid crystal displays, industrial tools

Semiconductor Components Group

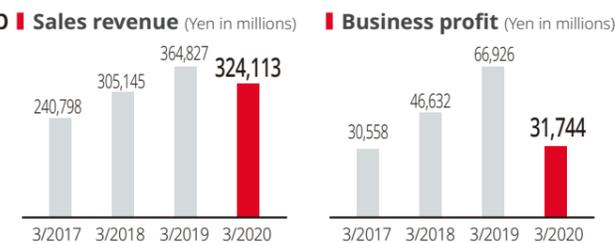


Sales revenue remained almost flat compared with FY3/2019. Business profit increased due to improved profitability in the organic materials business, which became profitable, in addition to the absence of an impairment loss in the amount of approximately 16.2 billion yen recorded in FY3/2019.

Kyocera Group provides packages for protecting electronic components and ICs as well as high-density organic multilayer printed wiring boards for assembly of such components to the information & communication and automotive-related markets.

- **Main products / businesses**
Ceramic packages, organic multilayer substrate and boards

Electronic Devices Group



Sales revenue decreased compared with FY3/2019. Sales in AVX Corporation, a U.S. subsidiary, decreased due to continued inventory adjustments at the distributor and sluggish demand in the automotive-related industry as well as the slowdown of the global economy resulting from the spread of COVID-19. Business profit decreased due to the decrease in sales as well as the recording of a one-time charge in the amount of approximately 10 billion yen mainly relating to litigation at AVX Corporation.

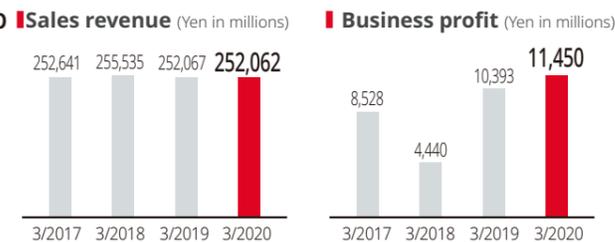
Kyocera Group provides various electronic components and devices for diverse fields from familiar products such as smartphones to industrial machines.

- **Main products / businesses**
Various electronic components (capacitors, crystal devices, connectors, power semiconductor devices, etc.), printing devices

Equipment & Systems Business



Communications Group

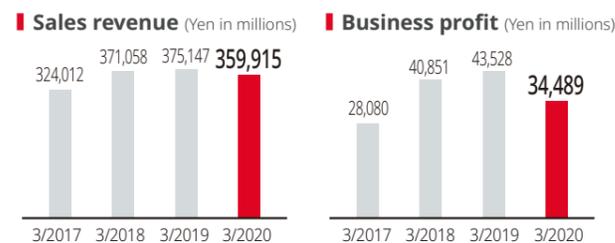


Sales revenue remained flat compared with FY3/2019. Despite a slight increase in sales in the information system and telecommunication services business due mainly to higher sales in the ICT solutions business, sales in the telecommunications equipment business decreased slightly due to a re-examination of the line-up of handset models for overseas markets. Business profit increased due to improved margins in the telecommunications equipment business resulting from cost reductions.

Kyocera Group provides communications modules that support in-vehicle installation and IoT in addition to mobile phones embedded with unique functionality such as exceptional durability and features specifically for senior users, as well as ICT solutions that support a company's management and information and communication services that support communication infrastructure.

- **Main products / businesses**
Smartphones, mobile phones, communication modules (telematics, IoT), information systems and telecommunication services

Document Solutions Group

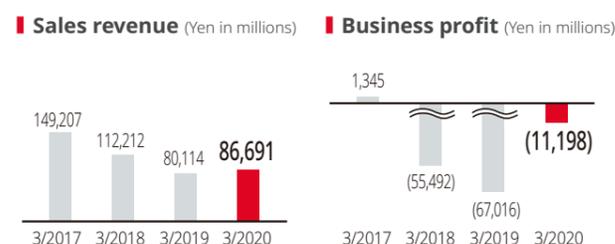


Sales revenue and business profit decreased compared with FY3/2019. These decreases were due to the effect of foreign currency fluctuation as well as lower demand caused by the slowdown of the global economy resulting from the spread of COVID-19.

Kyocera Group provides a diverse lineup of printers, MFPs and commercial inkjet printers featuring outstanding environmental performance as well as solutions that resolve document-related issues.

- **Main products / businesses**
Printers / multifunctional products, commercial inkjet printers, document solution services

Life & Environment Group



Sales revenue increased compared with FY3/2019 due mainly to increased sales in the solar energy business. Business loss decreased due to improved profitability resulting from cost reductions achieved through the progress of structural reforms, in addition to the absence of settlement expenses recorded in FY3/2019 in the amount of approximately 52.3 billion yen relating to long-term purchase agreements for procurement of polysilicon material in the solar energy business.

Kyocera Group provides products related to life and environment such as solar energy products, medical products, jewelry, and kitchen tools.

- **Main products / businesses**
Solar power generating system related products, medical devices, jewelry and ceramic knives

•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.

•Amounts and ratios (%) are rounded to the nearest unit.

•Percentages are computed based on amounts rounded to the nearest million yen.

Promoting global business expansion through proactive investment

Kyocera is promoting a global investment strategy that includes M&A. In addition to incorporating the world's best technologies, we are working to further expand the business domains, production sites and sales channels.



Strengthening the business foundation through M&A

Europe

Sales revenue (FY3/2020)

306.3 billion yen

Kyocera has acquired Germany-based H.C. Starck Ceramics GmbH and the ceramics business of Friatec GmbH. These acquisitions give us our first fine ceramic manufacturing facility in Europe and have enabled us to strengthen our business foundation by pursuing global synergies in sales, technology and production. In the document solution business, we have acquired French ECM solutions provider Ever Team Software SAS and German ECM solutions provider OPTIMAL SYSTEMS in order to develop new avenues for growth through the leveraging of ECM solutions expertise and advanced technologies such as artificial intelligence and natural language processing.



M&A

Germany: H.C. Starck Ceramics GmbH



M&A

Germany: Friatec GmbH



Increased electronic component production capacity

Asia

Sales revenue (FY3/2020)

358.9 billion yen

AVX is a leading manufacturer of products with advanced technologies including electronic components, connectors and sensors. Its Malaysia plant is one of the leading production sites for multilayer ceramic capacitors (MLCC) in the region. The site expanded in 2019 and now offers 450,000 square feet of state-of-the-art design, manufacturing, testing, storage and distribution space. We aim to further expand the plant as the largest MLCC production site at AVX in the future. In addition to AVX, Kyocera Group also has major Asian production sites in China and Vietnam. We are working to increase production capacity in each location and diversify risk through the operation of multiple sites.

Built new plant : Expanded production capacity



Malaysia : New facility at AVX in Malaysia



Striving for new business expansion and strengthening the business foundation

Japan

Sales revenue (FY3/2020)

598.1 billion yen

We have strengthened our business foundation for the creation of new businesses and technologies through measures such as the commencement of full-scale operations at the Minatomirai Research Center, in addition to establishing a joint venture for the ceramic filter business with Ube Industries, Ltd. The research center brings together approximately 700 employees, mainly in R&D, with the aim to promote open innovation and further improve software development. Production capacity is also being expanded for products that are expected to see growth in demand. A new plant building has been constructed at the Kagoshima Sendai Plant to increase production of ceramic packages, while a new plant building to increase production of fine ceramic products has been built at the Kokubu Plant in Kagoshima.

Built New R&D center



Minatomirai Research Center (1F, 3F, 4F, 5F, 6F, 9F and 13F in OCEAN GATE MINATO MIRAI)

Built new plants: Expanded production capacity



The new building at the Kagoshima Sendai Plant



The new building at the Kagoshima Kokubu Plant



Expanding business domains and creating greater group synergy

Unites States of America

Sales revenue (FY3/2020)

276.0 billion yen

Kyocera acquired SouthernCarlson, Inc., a North American distributor in the pneumatics and power tools industry with more than 150 locations across the U.S.A., in an effort to expand business as a comprehensive tool manufacturer. AVX has also become a wholly owned subsidiary with the aim of pursuing further synergies in the electronic components business. Going forward, we intend to increase market share as a comprehensive electronic components manufacturer through AVX's higher capabilities in marketing outside of Japan, particularly in the automotive and medical industries, and in overseas production sites management as well as Kyocera's competitive capacity and production technology in the communication-related market.



M&A

U.S.A.: SouthernCarlson, Inc.

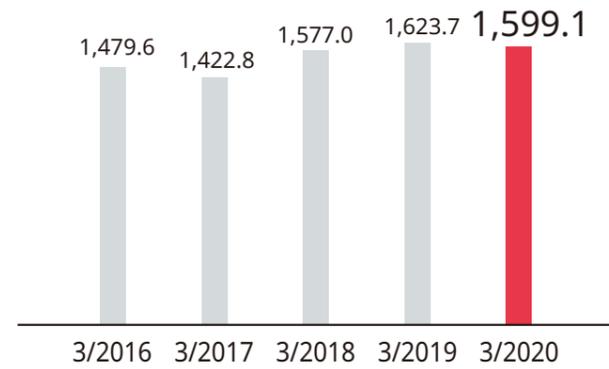


Other
Sales revenue (FY3/2020)

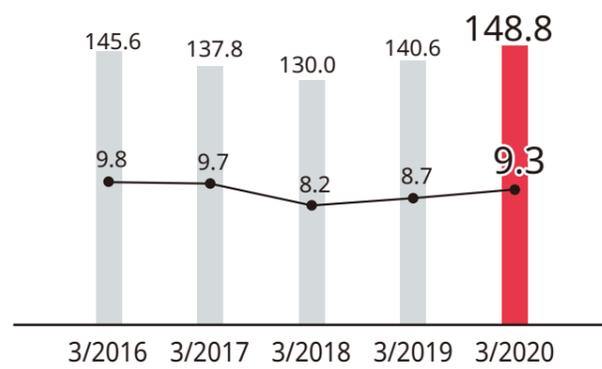
59.7 billion yen

Sales revenue in each reporting region are rounded to the nearest unit.

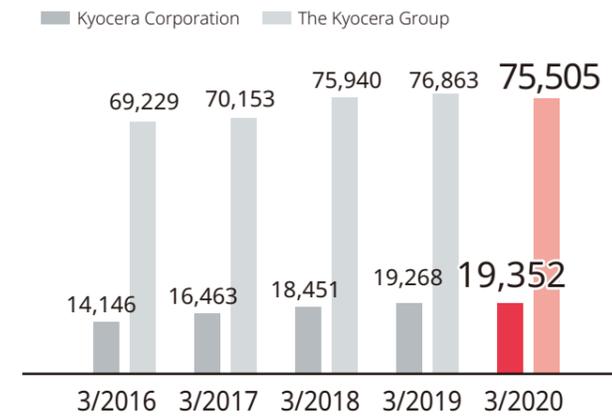
Sales revenue (billion yen)



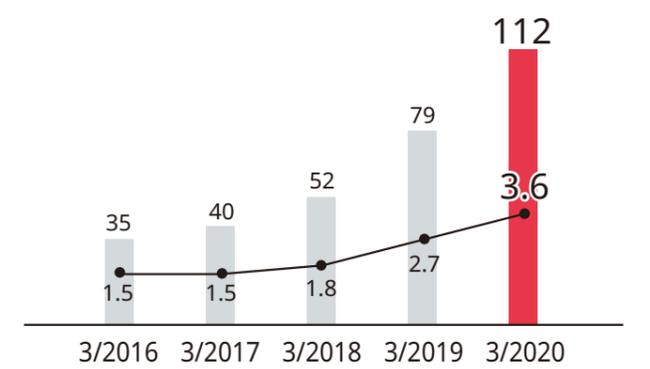
Profit before income taxes (billion yen) / **Profit before income taxes to sales revenue** (%)



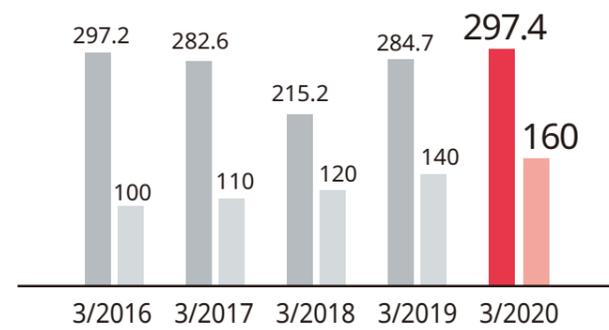
Number of employees



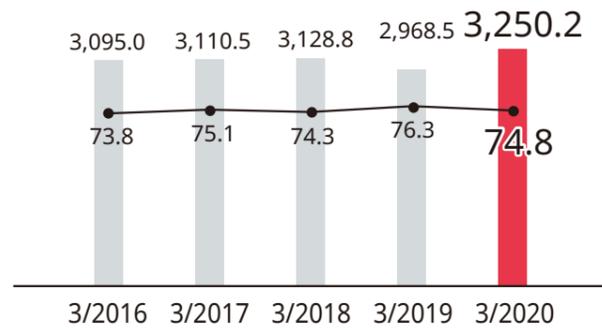
Number of female managers / **Ratio of female managers (%)** *1



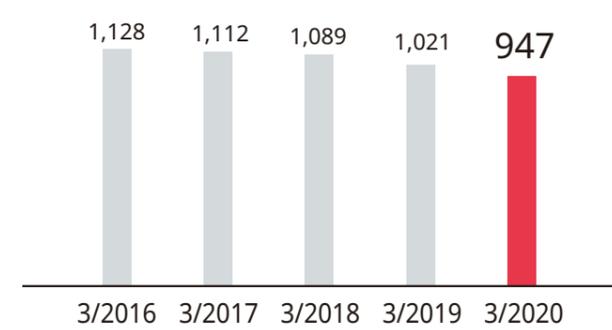
EPS - Diluted (yen) / **Cash dividends per share** (yen)



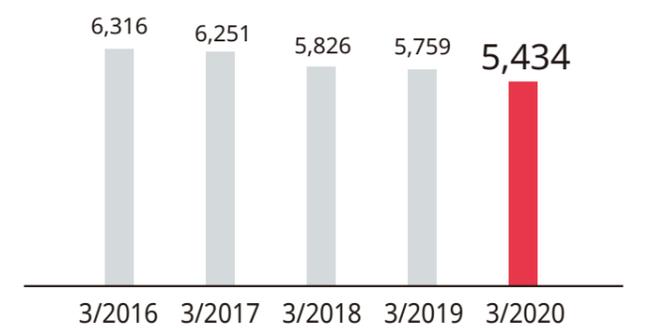
Total assets (billion yen) / **Ratio of equity attributable to owners of the parent to total assets** (%)



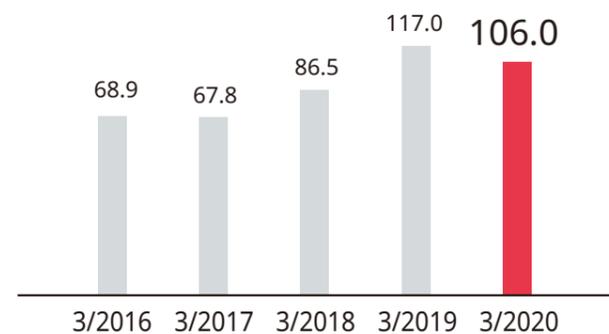
Greenhouse gas emissions (Scope 1, 2)*2 (1,000 tons-CO₂)



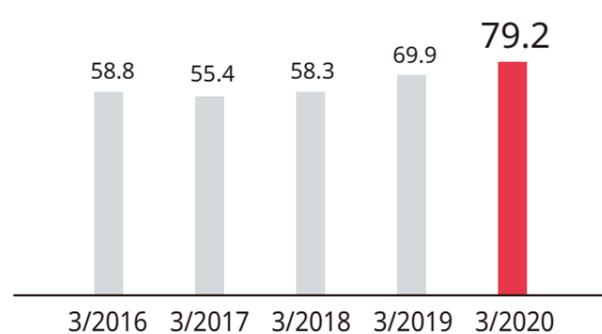
Greenhouse gas emissions (Scope 1, 2, 3)*3 (1,000 tons-CO₂)



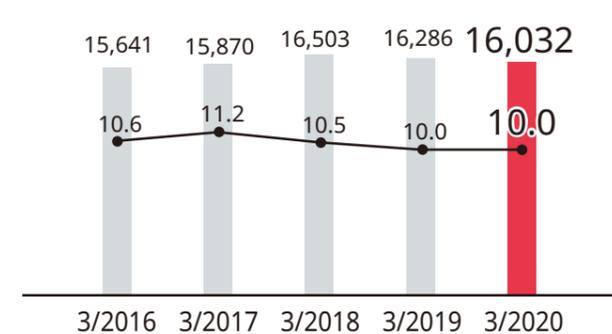
Capital expenditures (billion yen)



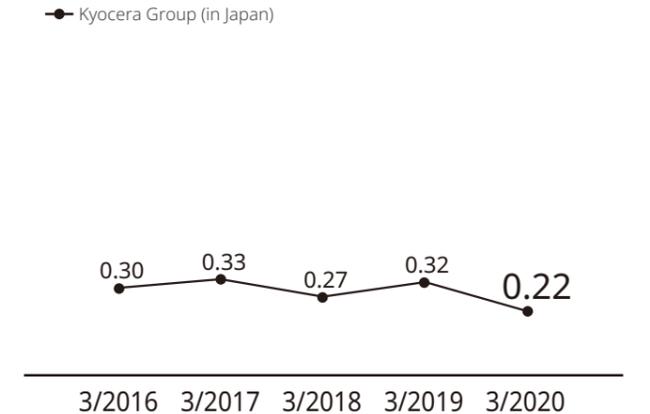
R&D expenses (billion yen)



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



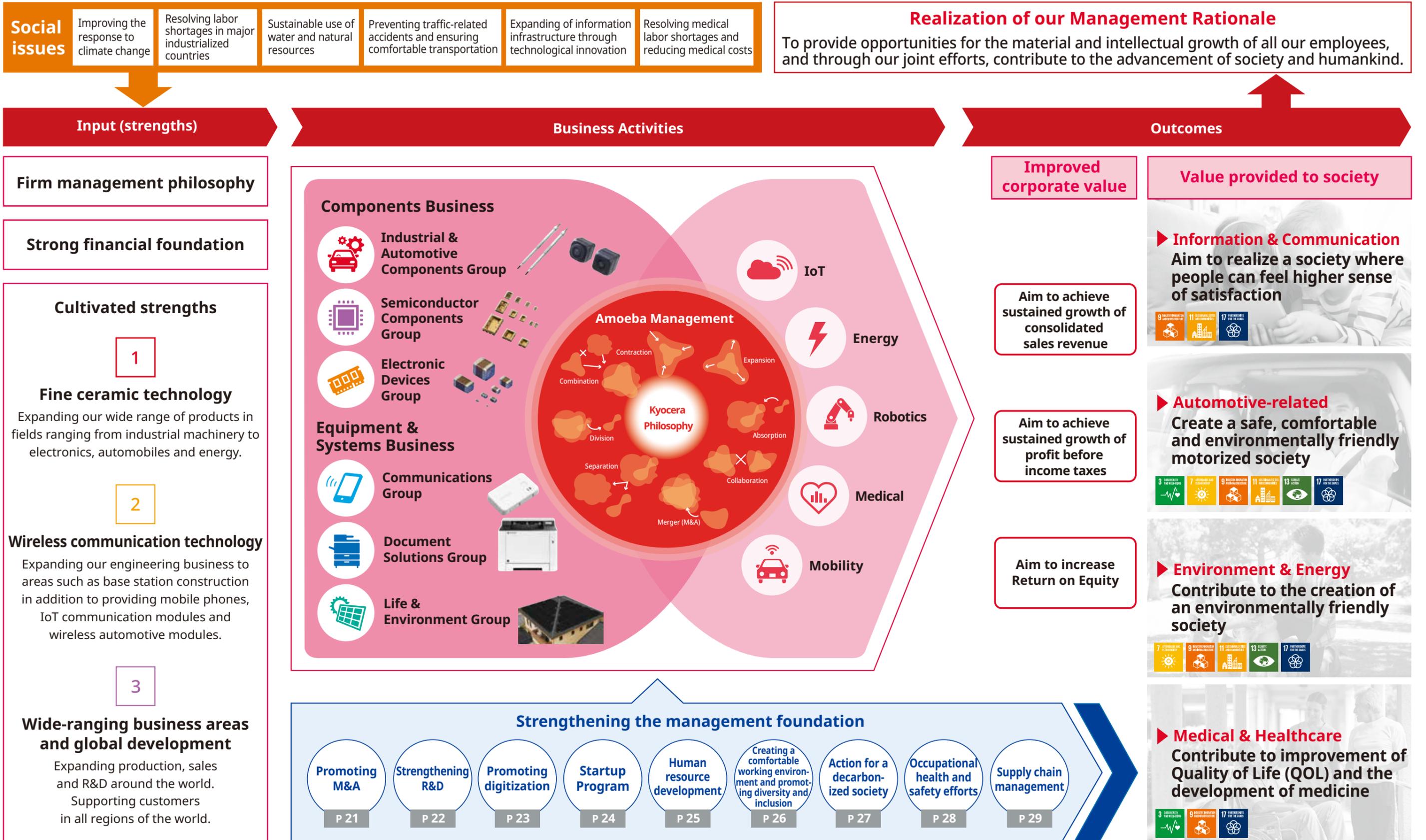
Lost time accident rate*4



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

*1 Number of female managers / total number of managers
 *2, 3 Scope 1: Direct emissions from Kyocera plants and offices
 Scope 2: Indirect emissions associated with consumption of electric power or heat purchased from outside the company
 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)

*4 Number of afflicted persons / 1 million hours (The number of days of missed work is as per Ministry of Health, Labour and Welfare standards.)





We continue challenging ourselves to find solutions to social issues by creating new business and drawing out the potential of our young human resources.

Since its founding in 1959, Kyocera has steadily developed its business in order to realize 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.” The core of our Management Rationale is the Kyocera Philosophy, which has been carefully cultivated over the course of more than 60 years. It is understood by the Group’s approx. 75,000 employees around the world and even today serves as the guide for our business management. The business environment and workstyles are undergoing huge changes as a result of the COVID-19 pandemic that has thrown our world into turmoil. Accordingly, we are continuing to challenge ourselves to draw out the potential of our young employees, determined not to let ourselves be held in thrall to traditional approaches and customs, in order that we may continue to realize our Management Rationale going forward.

President and Representative Director KYOCERA Corporation

H. Tanimoto

Three Years that Showed the Kyocera Group's Potential for Further Growth

It has now been three years since I was appointed president, and I recall something I felt very strongly then. Even though our founder Kazuo Inamori has constantly exhorted us to “always be ready to take on a challenge,” this attitude was not very apparent in our workplaces. I thought hard about what could be done to break free of that situation, and decided to create an opportunity for people to challenge themselves.

Namely the new business idea startup program

Growth Strategy Aimed at Realizing Our Long-term Vision of What We Want to Be

< Aiming to Create New Business >

Ever since we were founded, we have made social issues the starting point from which we drive our business forward. That approach is typified by our solar energy business, which has been in existence for more than 40 years now. We have continued with in-house initiatives and R&D that tackle energy issues ever since a time when the term “renewable energy” was not in general use.

Meanwhile, it has become apparent that Amoeba Management, the unique management system that forms our operational core, has an aspect in which it combines with the changing times to cause organizational inertia. Based on that state of affairs, I realized that we need a totally new approach in order to be future-oriented and flexible in developing new business. By this I mean three new methods of approach which take social issues as their starting point: “top-down,” “lateral expansion of R&D” and “bottom-up.”

The top-down approach is based on the idea that it is the role of management to forecast future trends and create high growth business which will drive next-generation expansion. Robotics development is one typical example of this. With regard to the lateral expansion of R&D, we have established a system where the R&D segment drives the creation of new technologies in a cross-sectional and integrated manner. This is producing solid results, such as our development of the world's first* clay-type Li-ion storage battery. The New Business Idea Startup Program I mentioned earlier is an example of a bottom-up initiative. From amongst the entries submitted by 3,000 employees, three projects so far have been adopted as new businesses, and we are moving forward with the commercialization of the food allergy project, for example.

launched at the end of 2018. More than 800 projects applied to join the program when it was launched, and a number of them are in fact currently moving towards commercialization.

We are stimulating a revival of that fading can-do spirit via such initiatives that give shape to ideas which come from frontline employees. The fact that many young employees applied for the program made it clear to me that our can-do spirit has not been lost, and that Kyocera is still capable of growth.

Regarding business growth in the future, I believe that expansions of existing businesses, such as optical communications for data centers, semiconductor memories, and AI chips, will grow very rapidly. In addition, I intend us to tackle key sectors such as 5G, ADAS (advanced driver assistance systems) and renewable energy as specific new business areas.

I intend us to productize local 5G as systems. For example, setting up a local 5G environment inside a factory will make it possible to control the factory's operating system via AI and sensors. We are also moving forward with the development of local 5G base stations, and will implement initiatives that leverage the Kyocera Group's know-how, for example by utilizing Group companies with experience in the construction of base station facilities and AI.

Going forward, we are required to further accelerate development speed from the safety perspective, as we work towards making ADAS a reality. ADAS is now at the stage where various sensors such as automotive cameras are installed in vehicles to improve safety, but the range that sensors are capable of covering from a vehicle is limited.

We are therefore working on the development of infrastructure such as roadside units that will transmit data to a vehicle from sensors installed above traffic lights, for example, which are capable of monitoring the vehicle's blind spots. As an initiative utilizing these roadside units to ensure safety, we are currently cooperating in a demonstration test for the Bus Rapid Transit (BRT) system being conducted under the aegis of East Japan Railway Company (JR East) in Rikuzentakata, Iwate. Roadside units are based on communication technologies, a field in which Kyocera can make a contribution as we have many years of experience in business related to mobile phones and

other telecommunications devices.

We are also focusing on renewable energy, a field that we identify as a social issue. We will develop an electric power service business that develops not only solar panels but also storage batteries and fuel cells, and offers solutions that provide economic benefits to the users who adopt them. We will also contribute to society by creating electric power supply and demand technologies via initiatives such as our VPP (virtual power plant) experiments. The resulting local production of renewable energy for local consumption will help regions to decarbonize, and will help to supply electricity after a disaster.

< Boosting Productivity and Maintaining Our Competitiveness >

Complex and wide-ranging expertise and technologies are required in times like these, and a business cannot be established without a good command of a broad range of technologies, such as sensors, telecommunications and data analysis in the case of the IoT.

We have established a cross-functional structure for our R&D and marketing organizations to facilitate cooperation between divisions.

The idea is to create new value through interdivisional cooperation and make this our new growth driver. I also consider it essential to set up a cross-functional structure for business groups during the commercialization stage and share information across divisional boundaries.

DX (digital transformation) must be accelerated so that we can move forward with interdivisional cooperation and the development of technology in new sectors. The Corporate Digital Business Promotion Group has been created this year and initiatives are in place to boost work efficiency throughout the company. At the same time, we are also actively adopting technologies such as data science to collect and analyze all manufacturing-related data and discover new solutions.

In addition to gathering data via the IoT and utilizing AI to analyze them, we will reconstruct key networks compatible with multicloud platforms, for example, with the aim of encouraging employees to challenge themselves to leverage new technologies and develop a mindset of departmental optimization that focuses on total optimization. Furthermore, I intend to tackle the shift to a service-oriented energy infrastructure business as a digital business created with IT, and the implementation of client/project data sharing and online negotiations by means of the digitization of our sales offices.

In R&D, we transferred a part of the R&D functions for material technologies located inside the Kokubu Plant, Kagoshima to the Keihanna Research Center in Kyoto, and we launched the Minatomirai Research



Center, a research laboratory to conduct research on software and systems in Yokohama City. These days, software plays an increasingly important role in the development of diverse technologies and products. The mission of the Minatomirai Research Center is to drive further DX and expand R&D laterally, as well as to explore how to incorporate those results into our businesses. Going forward, the plan is to make it into a base that will promote the use of external resources in various forms, such as M&A and business and capital alliances.

< Promoting M&A and Open Innovation >

In order to sustain our growth from now on, in an challenging era where we will need to continue to develop very diverse and distinctive products ahead of our rivals, we will need to engage not only in M&A but also in initiatives such as business and capital alliances with outside companies, joint development with business ventures, and open innovation.

An M&A must not only expand sales revenue but also realize profit growth via improved profitability. We will engage in integrated management of areas such as business strategies, sales management systems, and system linkage in order to create synergy as swiftly as possible between businesses acquired via M&A and our existing businesses.

It is true to say that, in the past, some M&A have quickly made a major contribution while some have taken longer than expected. In each case, we must ensure that the enterprises we acquire fully understand the Kyocera Philosophy, the key framework of our company. I believe we can build a good relationship in the long-term if they do.

* According to a survey by Kyocera (as of October 2, 2019)

The Impact of the COVID-19 Pandemic

COVID-19 has had a huge impact on Kyocera. In the first quarter of the year ending March 31, 2021 (from April 1 to June 30, 2020), our sales revenue decreased by 17.6% and our profit before income taxes by 33.1% in comparison with the same period in the preceding year. Our automotive-related and printer/MFP-related businesses were particularly badly affected.

In terms of our supply chains, although component procurement was barely affected, reduced international cargo services led to a steep rise in logistic costs for product transportation. In our production system, our American subsidiary AVX Corporation was affected by a lockdown, and the supply of some products was impeded.

We recently set up a network with 20,000 lines,

enabling 90% of our office workers in the Kanto and Kansai regions to work from home. The network was originally set up for the Tokyo Olympics and Paralympics scheduled to be held in the Kanto region this year, so the transition went smoothly. In addition, we adopted a flextime system, which we hadn't done before, and provided special furlough for families with children.

The assumption is that we will continue to have to coexist with the coronavirus and that workstyles will change, with a shift towards telework, for example. Marketing will probably no longer be face-to-face, with more efficient tools being utilized. We must accelerate our response to changes brought about by DX.

Future Challenges and Initiatives amidst the COVID-19 Pandemic and Other Changes in Our Business Environment

< Business Expansion >

When we develop new business sectors, in addition to the mobility and energy sectors, we will cultivate businesses that combine "goods, services and software" by implementing DX, and continue to take up the challenge of entering new sectors.

With regard to our existing businesses, the aim is to expand component-related businesses with a particular emphasis on electronic components and capacitors. Having made AVX Corporation a wholly-owned subsidiary, we will focus on sharing information and expanding the business of both companies.

I intend to make a shift towards software and industrial printers in our document solutions business, which develops printers and MFPs. In terms of telecommunications devices, going forward we will shift from the mobile phone business to the B2B sector, such as local 5G and IoT related business.

< Global Expansion >

With regard to overseas business, we will move forward with the reconstruction of a four-region system encompassing Japan, Asia, the U.S.A and Europe. With regard to China in particular, we are diversifying risks in response to the tariff issue that is arising as a result of economic friction with the U.S.A., and are transferring automotive camera operations to production sites in Thailand and photocopier operations to Vietnam. In Europe, we have carried out several M&A deals in the fine ceramics business for the purpose of securing production sites in Europe.

< Human Resource Development >

Another important key to secure growth going forward is the revitalization of Amoeba Management, our unique business management method. I joined the company during a period of growth when the "amoeba" small units that constitute each business division in the same organizational level were rapidly increasing and many amoeba leaders were born in the flat or non-hierarchical structure. In such an environment, young employees could achieve professional growth. However, when the Company's growth becomes low, organizations are likely to become fixed in a pyramid structure, making the "amoebas" less active than they used to be. I believe it necessary to flatten the organizational structure a little more to recreate a fertile environment where young employees are able to flourish as "amoeba" leaders.

The age ratio in Kyocera is another issue. There is now a high ratio of employees in their 50s as a result of rapid growth in the 1980s. We can assume that these people in our leadership ranks will no longer be with the company in ten years' time. We are endeavoring to promote young people more swiftly as a measure to deal with this issue. We will encourage the assignment of young people through new business creation and organizational reform, regardless of the department, and advance their training.

The new business idea startup program I mentioned earlier is one such initiative to train up young employees. By creating new opportunities that are not bound by the existing business group framework, I want to promote the creation of structures where young people can flourish as leaders in other sectors as well.

< Environment, Society, and Governance >

Meanwhile, we are also faithfully addressing the issues of the environment, society and governance (ESG). We recognize the extremely high level of compatibility between the Sustainable Development Goals (SDGs) adopted by the United Nations General Assembly in September 2015 and the way in which our business contributes to the advancement of society and humankind by putting the Kyocera Philosophy into practice.

We have established long-term environmental targets of reducing CO₂ emissions by 30% from the FY2013 level by FY2030, and adopting ten times more renewable energy than in FY2013 by FY2030. In addition, we are carrying out demonstration tests of "self-consignment," for which we expect to see a demand in the near future. In addition to aiming to establish this business model, I want us to contribute to the construction of stable and appropriate energy supply and demand structures aimed at making the renewable energy currently being developed in Japan the main source of electricity, and to contribute to the creation of a decarbonized society.

To Our Stakeholders

Our vision from a long-term perspective is to be a company that places due importance on our Management Rationale, which 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," and to take special care of our employees. This corporate culture is sacrosanct. We will steadily implement the Kyocera Philosophy. There are, of course, things in society that must, or should, be changed. We must be a company with the ability to change or transform calcified aspects. I believe that it is the spirit of generating change and challenging ourselves that will be our power source ten years from now.

Up until now, we have worked to create a more convenient society and way of life via our business, but from now on we will develop business where solutions to social issues are pivotal. I intend us to work on developing technologies that will play a role in sectors such as renewable energy and advanced mobility, put our Management Rationale into practice, and increase our corporate value. We will make every effort to ensure that all our stakeholders, namely our investors, employees, business associates and local communities, can lead safe and secure lives. I humbly request your continued support.

We are also engaging actively with the social issue of diversity. Telework and flextime are now becoming more common thanks to advancements in communication technologies, opening up the possibility of flexible workstyles. I intend to adopt a multi-faceted approach to establish a working environment that will offer opportunities for our diverse workforce to play an active role at Kyocera; opportunities for all our employees, regardless of gender, nationality, or any disabilities they may have. With regard to governance, in December 2018 we set up a voluntary nomination and remuneration committee, a majority of which is constituted by Outside Directors, to enhance transparency regarding the nomination and remuneration of directors. Our Board of Directors is gradually becoming more diverse as well. Two American and one female outside directors have been added, as well as two female executive officers. The expansion of overseas business means that the number of overseas staff in our audit system is also increasing, and we are making diligent efforts to boost the level of governance by integrating at Head Office the internal audit system previously scattered within the Group.



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.

We always take up new challenges in response to the needs of our customers and of society. We overcome any difficulties we encounter during the course of these challenges, and deliver new products and services. This not only helps our company to achieve growth and development, it also helps enrich the hearts and minds of employees who work for the Kyocera Group by giving them a sense of purpose and fulfillment, and contributes to society. Our Management Rationale has not changed since the day we were founded, and we work towards its realization as we continue our daily corporate activities.

Our Approach to Realize Our Management Rationale

The Kyocera Philosophy: “To do what is right as a human being?”
The Kyocera Philosophy is shared by all employees of the Kyocera Group, an approach that aims to realize our Management Rationale. The Kyocera Philosophy is a philosophy for work and life based on the real-life experiences and empirical rules of Kazuo Inamori, founder and chairman emeritus of Kyocera Corporation. Based on the question “What is the right thing to do as a human being?” it indicates a management approach that complies with the fundamental human ethics, moral values and social norms, is always just and fair, and aims for growth and development. The Kyocera Philosophy consists of the following four elements.

■ **“The regulations and agreements which constitute the company's standards”**

This indicates the standards by which the Kyocera Group is managed, and the rules and morals deemed necessary within the company

■ **“The attitude necessary for the company to achieve its goals and objectives”**

This explains in detail the attitude and action required for a company to achieve high targets it should aim for

■ **“Create a wonderful corporate character”**

Just as human beings have personal character, companies also have corporate character. The way to gain trust and respect worldwide is for the company's “corporate character” to be so impressive that people say, “That is indeed a company with an admirable corporate character.”

■ **“The right way to live” and “How we should behave as human beings”**

It expresses the universal truth of life necessary for each of us to live in a better way

We consider it important to implement this philosophy in our daily life and work rather than just appreciating it as a piece of knowledge. The diligent efforts aimed at putting it into practice foster a mind capable of making the right decisions, and improve our character. We firmly believe that an organization consisting of employees who share such a philosophy will have a strong sense of purpose, and will surely open up a path to a bright future filled with aspirations and hope.

Systems to Realize Our Management Rationale

Amoeba Management, and Kyocera Accounting Principles

The Kyocera Group uses its own business administration method called the Amoeba Management System, which is specifically developed to realize the corporate philosophy of the Kyocera Group. Under this system, the company organization is divided into small groups called amoebas, which operate on a self-supporting basis. The individual employees who form an amoeba independently plan their daily business activities in order to boost the profits of their amoeba. Amoeba profits are calculated according to our unique index of how much added value has been created per hour. The hourly profit figures of each amoeba are made available to the amoeba members as well, so they can see in real time how the results of their work are reflected in our management. Even when amoebas have posted good results, that does not mean that they receive a higher remuneration. This is because the added value that is generated contributes to the shared destiny of the Kyocera Group as a whole. This “management by all” via the Amoeba Management System, and the motivation it generates, are the source of the Kyocera Group's strength.

The Kyocera Accounting Principles underpin Amoeba Management. Accounting is integral to the management of a company as it plays the key role of its “compass.” The Kyocera Group places

great importance on management that is very transparent and fair. The Kyocera Accounting Principles are a practical way to get an accurate grasp of the true state of amoeba operations and the direction in which they should head. These practical management systems underpin the Kyocera Group's solid financial footing.

The Philosophy of Coexistence Combines with Our Management Rationale

The Kyocera Group has continued to develop ever since our founding, and that is driven by the fact that we have always taken up the challenge of new technologies and new sectors, and aimed to realize our Management Rationale.

Our actions were not taken out of a desire for the development of the Kyocera Group alone; they were based on the spirit of coexistence or “living together.”

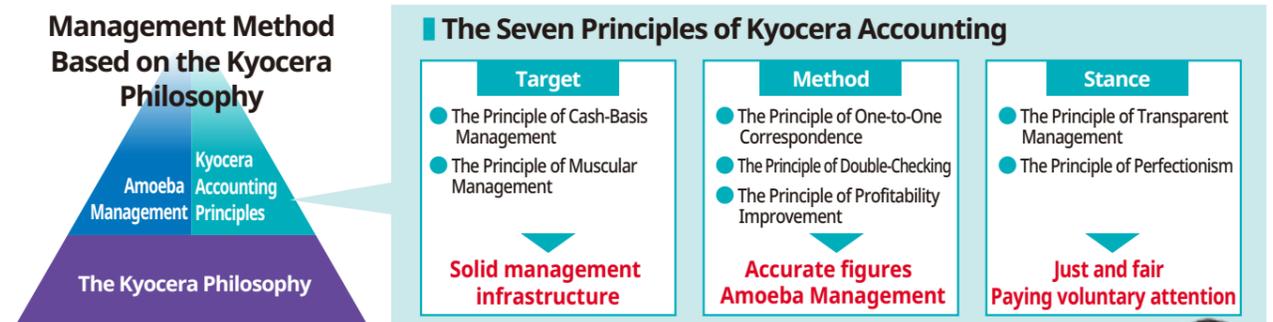
As Kyocera has grown as a company, ever since the 1970s we have made it clear that we maintain an ethos of coexistence, and that our corporate activities should be based on coexistence with nature, coexistence within society, and global coexistence.

Coexistence with nature requires a company to have an ethic of symbiosis and balance with natural cycles, instead of engaging in economic behavior that disrupts the cycles of the natural environment.

Coexistence within society is based on the idea that long-term prosperity is sustainable when a company satisfies society as a whole, for example its employees, customers, business associates, and shareholders.

Global coexistence means that, when a company globalizes, it should aim to have a profound understanding of the culture and history of the region concerned, and to contribute to the region's development.

The philosophy of these three forms of coexistence has been passed down through the years and lives on in the Kyocera Group's business activities even today.



Our Founding in 1959 - With trusty companions



In 1959, Kazuo Inamori and seven other colleagues established Kyoto Ceramic Co., Ltd. (now Kyocera Corporation). At the time they did not have sufficient capital, or even adequate equipment and facilities, but Inamori was supported by colleagues who shared all the ups and downs, and formed a close bond like members of one big family. Inamori decided during this period that partnership would form the foundation of his company management, based on steadfast relationships and trust. That was the starting point for the Kyocera Group, and it remains our cornerstone.

The Inamori Library

- Spreading Kazuo Inamori's management philosophy far and wide

The Inamori Library moved to its present location on the south side of Head Office in 2013. It documents events and actions from Inamori's early years to the present day, and conveys his management philosophy. The library was initially launched with the aim of handing his ideals on to successive generations of Kyocera Group employees, but is now open to the public at large. It attracts more than 20,000 visitors a year from all over the world, ranging from students to business owners.



Keeping Our Legacy of Ideals Alive, and Ensuring that the Kyocera Group Continues to Be a Vigorous Enterprise Where Employees and the Company Can Grow and Develop

Executive Officer, General Manager of Inamori Library Division, and General Manager of Philosophy Division, Corporate General Affairs Human Resources Group

Kayo Hashiura



The Kyocera Group's strength and growth come from having employees and organizations that set high goals and are constantly improving themselves. The base for this is the Kyocera Philosophy, which has become the spiritual support of the Kyocera Group. In a corporate climate of constantly striving for improvement, with a code of conduct that is underpinned by shared criteria and ethics based on its fundamental principles, Kyocera Group employees self-motivate and act autonomously, constantly challenging themselves to provide even better products and services. We will continue to pass down to future generations the Kyocera Group DNA of creating a workplace where each employee can work with enthusiasm and feel a sense of purpose and fulfillment, and of continuing to be creative and engage aggressively in challenges that lead to advances for society at large.

Social Issues Are the Starting Point for Our Business Activities

The world is faced with many social issues, and we believe that it is essential for a company to link its business with solutions to social issues and to contribute to society if it wishes to achieve sustainable growth. The Kyocera Group implements business that solves social issues so that both we and society can continue to develop.

Solving Social Issues via Our Business Activities

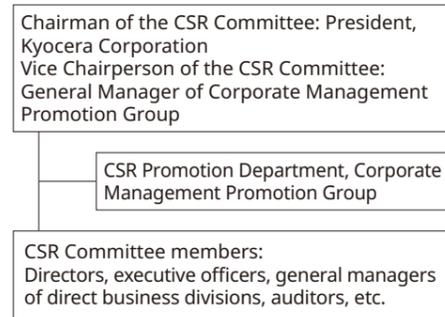
The Management Rationale of the Kyocera Group is: "To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind." Realizing our Management Rationale does not simply mean realizing the international targets known as the SDGs. We believe that it is our mission to help to solve social issues through our business activities. We identify social issues by looking at things such as trends in the global community and our stakeholders' expectations of us. We select priority issues from the perspective of what is important to our stakeholders and what is important to the Kyocera Group, and those priority issues are then deliberated by the Kyocera Group CSR Committee (hereafter referred to as the CSR Committee). We move forward with sustainable management by continually implementing these steps.



The Management System Underpinning Sustainable Operations

With the aim of realizing our Management Rationale and achieving the SDGs, the Kyocera Group holds twice-yearly meetings of the CSR Committee, chaired by the president and attended by the executive officers and other top management staff.

The CSR Committee Structure



CSR Committee



CSR Committee Regulations

New Business Creation Originating from Social Issues

The Kyocera Group creates new businesses with their origins in social issues. We will take a look at three examples of new products/services.

Social issue	Approach	SDG Icons	Target
Climate change	Development of a clay-type Li-ion storage battery to enable effective use of renewable energy	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION	P16, P19
Declining birthrate and aging population	Expansion into the robotics business to prepare against labor shortages	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	P16
Food allergies	Development of services that enable people with food allergies to enjoy meals without worrying about an allergic reaction	3 GOOD HEALTH AND WELL-BEING	P24

A Business Originating from a Social Issue: Our Solar Energy Business Stretches Back for More than 40 Years

Ever since Kyocera was founded, our business core has remained unchanged as we work to resolve social issues. That is typified by our solar energy business, which has been in existence for more than 40 years now. What can we do to enable all humankind to develop sustainable societies without overburdening the environment? One answer to that question is to generate electricity from sunlight, a form of renewable energy. We believe our solar energy business to have social significance, as it enriches people's lives around the world while being gentle on the global environment.

1975

Launch of solar cell R&D

Kyocera played a central role in establishing Japan Solar Energy Corp. with four other companies, including Matsushita Electric Industrial Co., Ltd. (now Panasonic Corp.) and Sharp Corp. At that time, solar cells were expensive, costing between 20 and 30 thousand yen per watt.

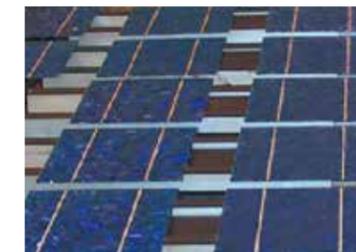


1982

Mass production of multicrystalline silicon solar cells launched

The start of full-scale mass production of multicrystalline silicon solar cells using the casting method, a world first*1. We established an international business division for solar energy products the following year, and began shipments to North America and Europe.

*1 In February 1982.



1998

Global top in solar cell production output*2

Global top for two years running, in 1998 and 1999.

*2 "PV NEWS Vol.18 No.2, February 1999" (In 1999)



2013

70 MW Kagoshima Nanatsujima Mega Solar Power Plant into operation

Kagoshima Nanatsujima Mega Solar Power Plant came online on November 1. 290,000 solar panels were installed in an area of approx. 127 hectares, giving a total capacity of 70 MW.



2016

Participation in VPP demonstration test project

A VPP controls and integrates dispersed energy resources such as solar power generating systems, and makes them function like a single power plant. We are participating in a demonstration test project run by Japan's Ministry of Economy, Trade and Industry (METI), and playing a part in supporting Japan's energy of the future.



2019

Providing new solar power services

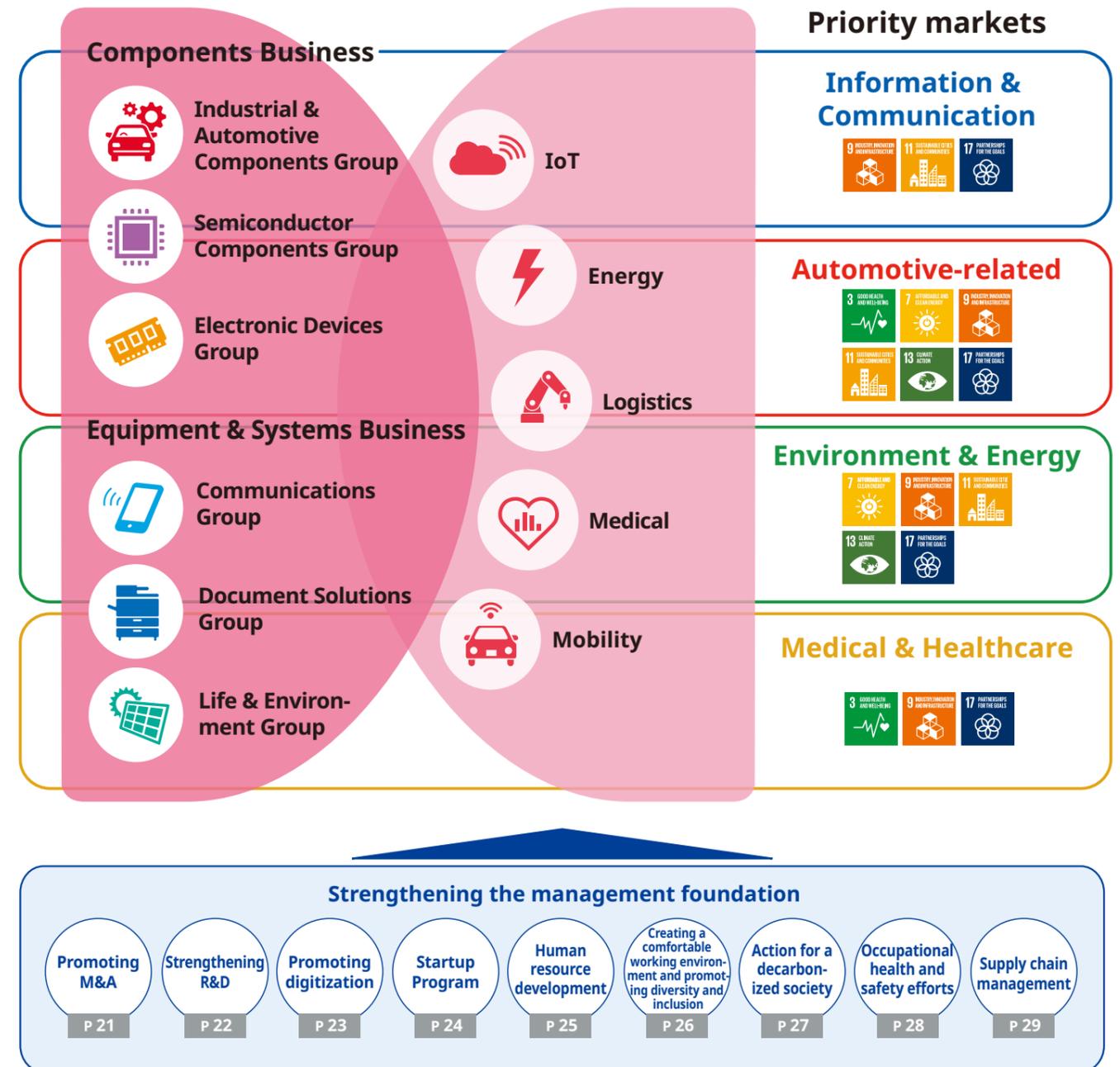
We established Kyocera Kanden Energy LLP, and launched an energy service where, in principle, we install residential solar power generating systems at no cost to the customer. The system is transferred free of charge to the customer once the contract has expired. We also established Kyocera EPA LLC for industrial lease schemes. It has started to provide solar power generating system lease schemes to businesses that offer energy services utilizing renewable energy.



Issues Prioritized by the Kyocera Group

The Kyocera Group identifies social issues by looking at things such as social conditions, trends in the global community and our stakeholders' expectations of us. Priority issues are selected after deliberations by the CSR Committee that take into account such factors as their importance to the Kyocera Group. We have categorized the risks and opportunities of the selected priority issues, focused management resources in four key markets, and are engaged in developing businesses that will resolve social issues and strengthening our management infrastructure.

	Priority Issues	Risks and opportunities for the Kyocera Group (● Risk / ○ Opportunity)
Initiatives responding to key social issues	Intensifying measures to counter climate change	<ul style="list-style-type: none"> ● Stricter regulations and penalties as a consequence of measures against global warming ● Increased costs and damage to the corporate brand as a result of incompatibilities with a decarbonized society ○ Popularization of renewable energy, and increased demand for private power generation for private consumption ○ Greater need for improved thermal efficiency and economical use of energy ○ Increased demand for products related to the change to EV and lighter automobiles
	Eliminating labor shortages in major industrial nations	<ul style="list-style-type: none"> ○ Greater need to improve productivity by installing collaborative robots ○ Greater need to support logistics and optimize deliveries via drones
	Sustainable use of water / natural resources	<ul style="list-style-type: none"> ● Water/natural resources drying up ○ Greater need to develop ocean-related technologies
	Preventing traffic-related accidents and securing comfortable means of transportation	<ul style="list-style-type: none"> ○ Greater need to optimize traffic volume via ICT ○ Increased market for automotive ADAS that help to alleviate the burden on the driver, via automated driving and improved safety, for example
	Expansion of information infrastructures via technological innovations	<ul style="list-style-type: none"> ○ Increased demand for base station-related products aimed at infrastructure improvement ○ Increased demand for products related to 5G-compatible smartphone terminals ○ Expansion of system/service business targeting local 5G construction ○ Greater need for domestic LPWA telecommunications services
	Reducing shortages of medical personnel and cutting medical costs	<ul style="list-style-type: none"> ○ Greater need for medical self-care ○ Greater need for health care and nursing care support ○ Greater need to extend healthy life years
Strengthening our management infrastructure	Achieving diversity	<ul style="list-style-type: none"> ○ Business expansion by securing and training diverse human resources
	Establishing safe and secure working environments	<ul style="list-style-type: none"> ● Suspension of business activities due to causes such as the spread of infectious diseases ● Human rights issues becoming apparent in supply chains ○ Provision of work environments where employees feel healthy, enjoy job satisfaction and can reach their maximum potential
	Enhancing crisis management in areas such as disasters and information security	<ul style="list-style-type: none"> ● Less trust in the Kyocera Group, loss of business, damage to important assets ● Additional measures, and the generation of large expense allocations, such as damages
	Enhancing the functionality of corporate governance and compliance	<ul style="list-style-type: none"> ● The manifestation of diversification risks ● We may be faced with things such as the suspension of transactions due to the loss of customer trust, payment of fines, and demands for damages if conduct occurs that contravenes the law or violates social norms ○ Our ability to create value is improved by implementing and strengthening corporate governance



Strengthening measures to counter climate change - Our response to the TCFD



The Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) asks all companies to assess climate-related risks and opportunities using climate change scenarios, and to reflect and disclose them in their business strategies and risk management.

The Kyocera Group endorses the TCFD recommendations. We have established a governance system, implemented risk management and set targets, carried out scenario analyses for cases of a 2°C and a 4°C temperature increase, and are discussing business strategies based on the results.

Corporate Governance

The Kyocera Group has ranked climate change as one of our priority management issues. The CSR Committee, which is attended by our top management, deliberates such matters as the setting of long-term environmental goals and strategies aimed at achieving them.

The Management System Underpinning Sustainable Operations P13

Risk Management

The Kyocera Group incorporates climate change risks into our company-wide risk management. As a method of assessing risks and opportunities, we categorize requirements from sources such as trends in the global community and our stakeholders' expectations of us, consider what is important to our stakeholders and what is important to the Kyocera Group, and then rate the impact into three levels, with items having a big impact ranked as "Major."

Assessment of the Impact of Climate Change on the Environment and Energy Business Sector (Samples of "Major" and "Medium" items)

Item	Main impact	Assessment
Technological development	Response to the decarbonization of society	Major
Transition risks (Policy risks)	The decarbonization targets and energy policies of each country	Major
	Carbon tax	Medium
	Recycling regulations	Medium
Physical risks (Natural disaster risks)	Intensification of abnormal weather	Medium

* VPP: A technology that can be used to balance and regulate electric power supply and demand via remote and integrated control of dispersed energy resources, such as those owned by factories and households, which the VPP has bundled together. The name "virtual power plant" comes from the fact that it functions as if it were a power plant.

Indices and Targets

The Kyocera Group has set the following targets.

Scope 1, 2* Greenhouse gas emissions : 30% reduction by FY2030 (in comparison with the FY2013 level)
 Scope 1, 2, 3* Greenhouse gas emissions : 30% reduction by FY2030 (in comparison with the FY2013 level)
 Renewable energy adoption : 10-fold by FY2030 (in comparison to the FY2013 level)

* Scope 1: Direct emissions from Kyocera factories, offices, etc.
 Scope 2: Indirect emissions associated with consumption of heat and power purchased from external sources
 Scope 3: Indirect emissions other than those covered by Scope 1 or 2 (associated with areas such as the procurement, transport, use, and disposal of raw materials, and the commutes and business trips of employees)

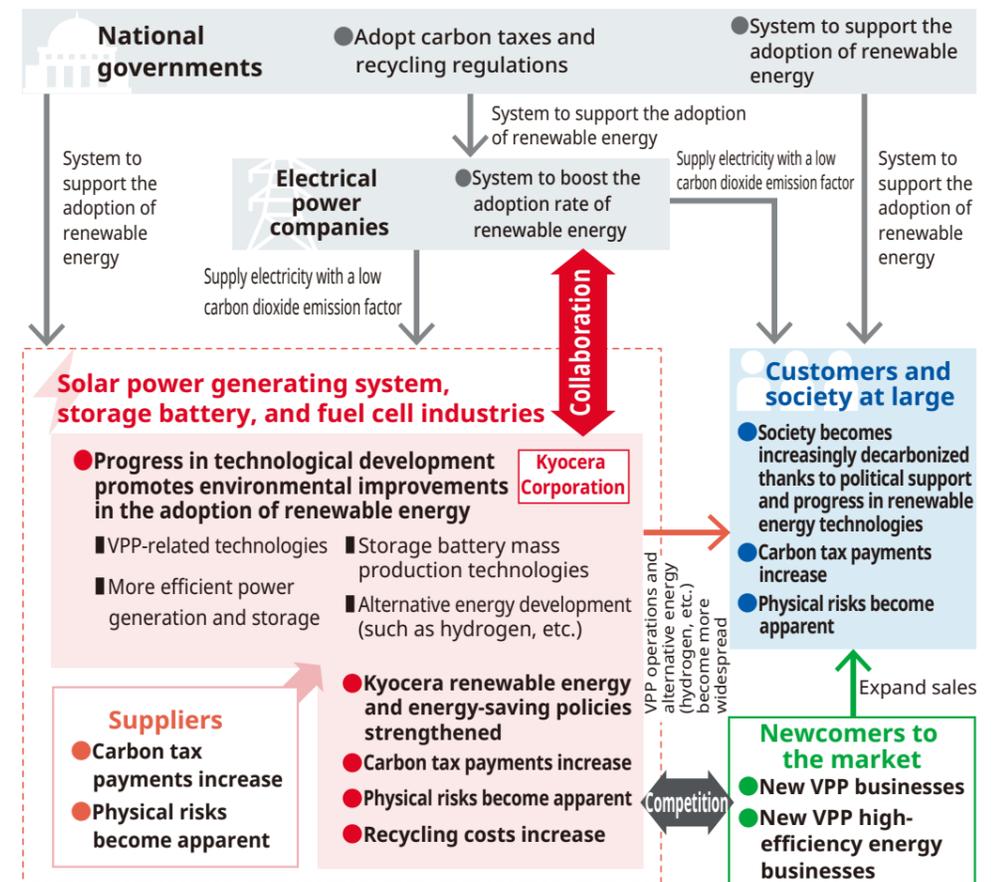
The Kyocera Group's Long-term Environmental Targets P27

Strategies

With climate change becoming a high-profile issue, and renewable energy becoming increasingly important, the CSR Committee has deliberated and set long-term environmental targets. For these targets, we have divided the 12-year period between FY2019 and FY2030 into four 3-year periods. In our activities we label the first quarter, up until FY2021, as short-term, and the period up to FY2030 as long-term. We have also run scenario analyses for the environment and energy business sector using Five Forces analysis. We utilized scenarios etc. provided by the International Energy Agency, and analyzed two cases: a 2°C and a 4°C temperature increase.

The Kyocera Group's 2°C scenario analysis assumes the following circumstances.

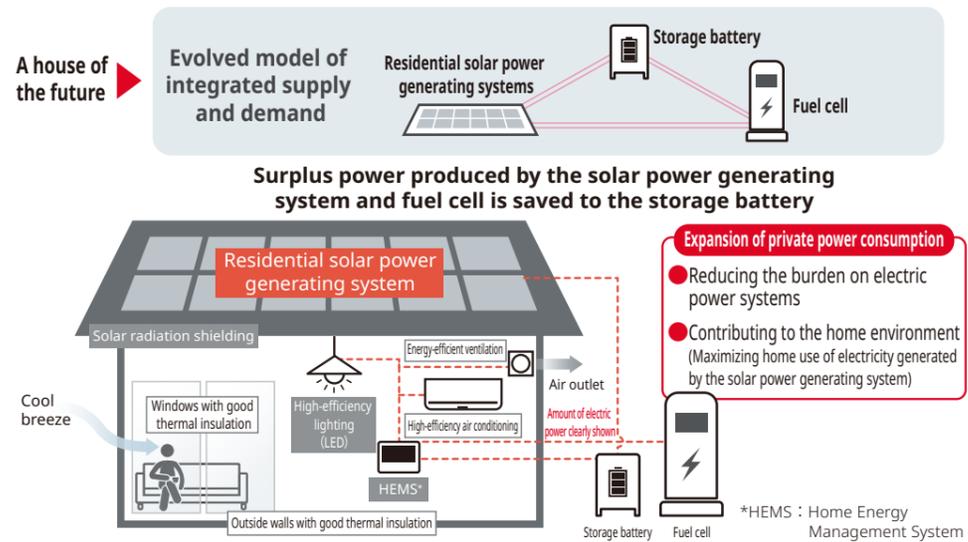
The government of each country has adopted a system to support measures such as renewable energy, and power companies supply electricity with a low carbon dioxide emission factor. Technological development is making progress in industries involved with energy technologies such as solar power generating systems, storage batteries and fuel cells, and as a result society and our customers are moving forward with decarbonization. However, we believe it necessary to resolve the economical and technological issues of renewable energy in order to achieve the 2°C scenario.



Social Issues and Solutions

- Economic Issues** **Solution** Provide inexpensive renewable energy
Establishment of Kyocera EPA LLC, and Kyocera Kanden Energy LLP
 Kyocera EPA LLC has launched services aimed at companies that wish to adopt renewable energy and operators that supply electric power services. With a focus on new, detached residential buildings, Kyocera Kanden Energy LLP has launched services that make it possible to install solar power generating systems with no initial outlay.
Shifting from manufacturing to services P 19
- Technological Issues** **Solution** Secure locations where solar power generating systems can be installed, stabilize electric power from renewable energy, which is affected by weather conditions
Leverage self-consignment for the transmission of renewable energy from external sources
 When a site cannot be secured for a solar power generating system, renewable energy can be used by the "self-consignment" of electric power from solar power generating systems located elsewhere.
Renewable energy "self-consignment" demonstration test utilizing storage batteries P 27
- Solution** **Clay-type Li-ion storage battery cells used in tandem with solar power generating systems**
 Kyocera plans to stabilize electric power from renewable energy by developing long life, very safe, low-cost storage batteries that are easy to link up and use in tandem with existing solar power generating systems. Private power consumption will also expand when surplus power produced by solar power generating systems and fuel cells is saved to storage batteries.

The 2030 energy mix proposal in Japan is based on the assumption that the Net Zero Energy House (ZEH) will be standardized energy-saving houses.



The Kyocera Group will find solutions to financial and technological issues, link our business strategies in the Environment & Energy sector with climate change issues, and contribute to the creation of a decarbonized society.

Resolving Labor Shortages in Major Industrialized Countries by Developing Our Cobot Business



According to United Nations estimates, the working-age populations of the major industrialized countries will show a downward trend between 2020 and 2030, so there is an increasing need for an alternative to human labor on production sites. The Kyocera Group will help to resolve labor shortages by providing solutions that combine collaborative robots (cobots) and AI technologies.

The need for an alternative to human labor in the major industrialized countries due to decreases in working-age populations

The table on the right shows transitions in the working-age populations of the major industrialized countries. It predicts a decrease in the working-age population in Japan, China and Germany between 2020 and 2030, and a decelerating increase in the U.S.A. In these circumstances, there is a growing demand for cobots as a substitute for human labor on high-mix low-volume production sites. However, what causes a bottleneck in robot operations is the need for complex programming (known as teaching) for each type of product targeted, in order to deal with complicated manufacturing situations. Cobots that leverage AI are expected to make it possible to do this teaching accurately and in a short period of time, and to resolve labor shortages.

Transitions in the Working-age Populations of Major Industrialized Countries Unit: 10,000 people

	2000	2010	2020	2030
Japan	7,095	6,958	6,311	5,898
Percentage change +/-		-2.0%	-9.3%	-6.6%
U.S.A	14,685	16,252	17,164	17,455
Percentage change +/-		11.0%	5.6%	1.7%
China	68,077	77,360	84,263	81,670
Percentage change +/-		13.6%	8.9%	-3.1%
Germany	4,620	4,425	4,524	4,163
Percentage change +/-		-4.2%	2.2%	-7.9%

2019 Revision of World Population Prospects

Kyocera's Solution

Kyocera is developing an AI cobot system that utilizes our proprietary AI-leveraging technologies to dramatically reduce the teaching work. Using AI to minimize the programming, and using big data and AI to give robots mastery of their tasks, makes it possible for high-mix low-volume production sites to simply and swiftly utilize cobots.

The Kyocera Corporation AI Cobot System



Teaching	AI is used to minimize programming
Avoidance of unforeseen obstacles	Autonomously avoids obstacles
Learning function	Mastery of tasks achieved with big data and AI



The Kyocera Corporation AI Cobot System

Related businesses

- Industrial & Automotive Components Group
- Semiconductor Components Group
- Electronic Devices Group
- Communications Group
- Document Solutions Group
- Life & Environment Group



The Kyocera Group Will Challenge Ourselves to Create New Businesses, with the 5G, Mobility, Energy, and Healthcare Markets as Our Priority Sectors.

The 5G, mobility, energy, and healthcare sectors will play a key role in resolving social issues from now on. The Kyocera Group will boost our Group synergies, and challenge ourselves to open up new markets.

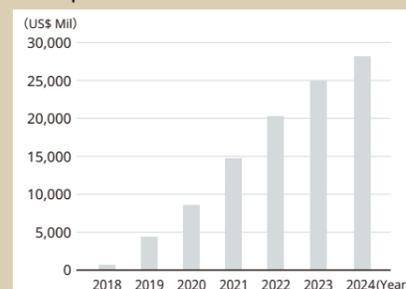
Information & Communication Expansion of 5G-related Business by Developing New Products, and Expanding and Enhancing Production Capabilities

5G is expected to become a driving force in the Information & Communication sector, as digitization makes further progress, and AI and the IoT become more widely used. The Kyocera Group saw an increased demand in 2019 for products targeting 5G base stations, such as ceramic capacitors. In 2020, we expect to see an increased demand for base station-related products intended to further improve infrastructure, and also for information access device-related products as 5G-compatible smartphones start to come onto the market. Furthermore, we can see a trend for proprietary networks to utilize 5G services, which make it possible to transmit large volumes of data to multiple connections at high speeds and with low latency. The Kyocera Group is accelerating the expansion of our system/service business targeting the construction of local 5G which is used in a limited area, such as within a company's grounds.

Market Eye

Further increases in demand for products such as antenna components are forecast as the 5G market expands.

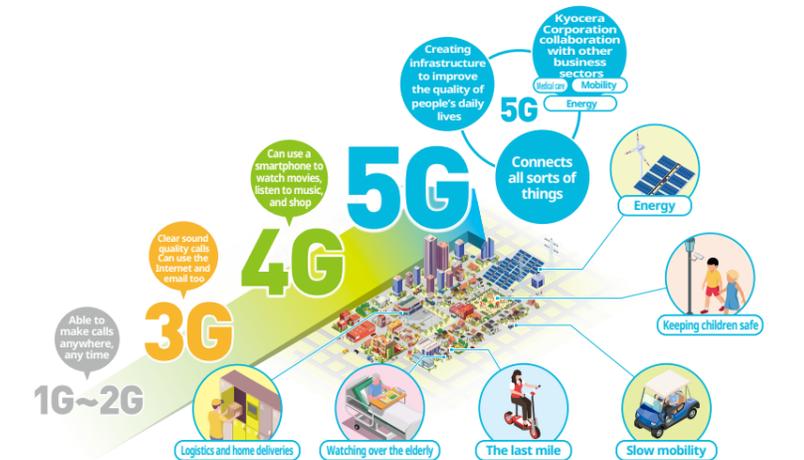
■ 5G Wireless Base Station-related Shipment Amounts



Source: Graph drawn up by Kyocera Corporation, based on Gartner research
Gartner Forecast: Communications Service Provider Operational Technology, 3Q20
Update, Michael Porowski et al., 30 Sep. 2020

5G-related Products and Local 5G Demonstration Tests

Kyocera has been involved in telecommunications-related business for many years, from 1G to 4G. We are now aggressively taking up the challenge of 5G, leveraging the know-how and strengths we have built up over the years. In terms of products, we are developing 5G smart routers that connect devices to the cloud. The smart routers make it possible to upload data to the cloud from various edge devices, and to process and feed back data via edge computing. In addition, local 5G systems construct dedicated networks, and realize local networks with excellent installability, flexibility, and durability.



5G-Compatible Base Station
Its excellent reliability and installability make it easy to construct local 5G with a stable communication environment



5G Smart Routers
Hubs that connect various devices via 5G transmissions. For example, they can upload data from various edge devices to the cloud, connect to devices such as high resolution cameras or vital sign sensors, and carry out real-time AI analyses.

Investment Aimed at Expanding Our 5G-related Business

» **Kyocera-Ube RF TEC Corporation established**
Kyocera is seeking to expand our 5G-related business via M&A and capital expenditure. In December 2019, we established Kyocera-Ube RF TEC Corporation as a joint venture with Ube Industries, Ltd. In addition to products such as duplexers and band pass filters for telecommunications infrastructure and devices, it markets ceramic filters for 5G base stations. Ceramic filters are components that are paired with antennas to allow through or block off specific frequencies. The use of ceramic makes it possible to miniaturize base stations and boost their power output.



Duplexers
High-quality dielectric duplexers for communications infrastructure such as mobile phone base stations



Band Pass Filters
High-quality dielectric band pass filters for various RF devices

» **Seeking synergy with AVX**
AVX, a consolidated subsidiary in the U.S.A, is a leading global company which has an extensive range of products that includes electronic components, connectors, and sensors. We have made it a wholly-owned subsidiary and will create synergy by leveraging its technological capabilities, marketing capabilities, and so on.



AVX Corporation Head Office, U.S.A



Automotive-related

Creating a Society Where Everyone Can Move around Freely and Safely by Utilizing Eco-friendly Means of Mobility

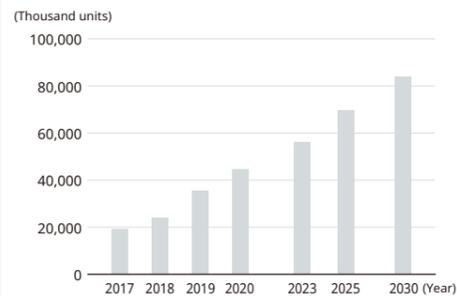


The free movement of people and goods is a social issue that is part of our daily lives and should be tackled constantly. There is a strong need for things such as automated driving systems, systems to support road safety (ADAS), and measures to address environmental issues. In addition to our automotive-related components initiatives centering on camera modules and communications modules, the Kyocera Group will accelerate development connected with mobility infrastructures supporting assisted and automated driving, and respond to market needs from the dual flanks of in-vehicle components and mobility infrastructure.

Market Eye

The automotive industry is said to be in a period of drastic change the like of which only comes once a century. Advances are being made in CASE (Connected, Autonomous, Shared, Electric) and MaaS (Mobility as a Service), and there is an increasing need for greater safety. As a consequence of these trends, there is a growing need for technologies and products that not only improve safety on the automotive side but also support greater safety from the infrastructure side.

Market size for ADAS and automated driving systems



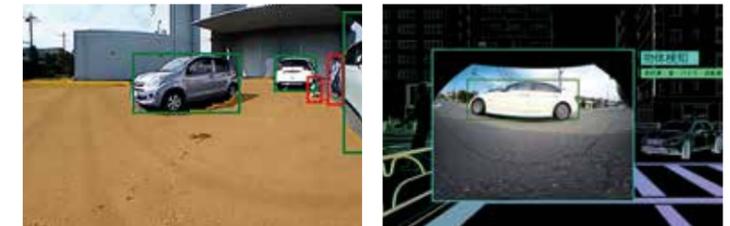
* As of March 31, 2019

Source: "Automated Driving System Market 2019" Yano Research Institute Ltd. (Mar. 2019)

Development of the AI Recognition Camera and Camera-LIDAR Fusion Sensor

AI Recognition Camera

Kyocera has developed a compact automotive AI recognition camera with low power consumption. Advanced recognition technology makes it possible to reliably detect objects such as people and vehicles even when they are partially obscured. Objects such as pedestrians and vehicles captured by the car's front or rear camera can be instantly recognized with a high degree of accuracy, and the driver notified of the danger.

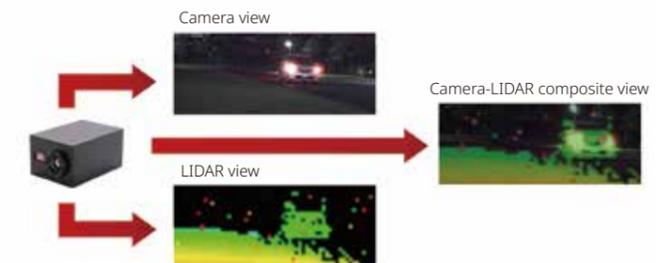


Camera-LIDAR Fusion Sensor

LIDAR is considered to be a key device in order to realize automated driving and, as the vehicle's "eyes," requires high-precision sensing. LIDAR measures distance using light and, by integrating it with an image sensor, we are developing our high-precision Camera-LIDAR Fusion Sensor which has no parallax or distortion differences.



Camera-LIDAR Fusion Sensor (concept model)



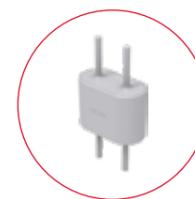
Autonomous Driving on Bus Rapid Transport (BRT) Lines

Kyocera is participating in the Mobility Innovation Consortium led by East Japan Railway Company (JR East). The BRT operates on railway lines that were paved over after being damaged in the Great East Japan Earthquake. The consortium is testing technologies to make BRT self-driving. We are engaged in the development of a collaborative system that will support automated driving and operational safety by gathering and transmitting peripheral dynamic data from roadside units.



BRT self-driving bus (Image courtesy of JTEKT Corporation)

Gathering and transmitting peripheral dynamic data from roadside units (Such as positional data about pedestrians and vehicles)



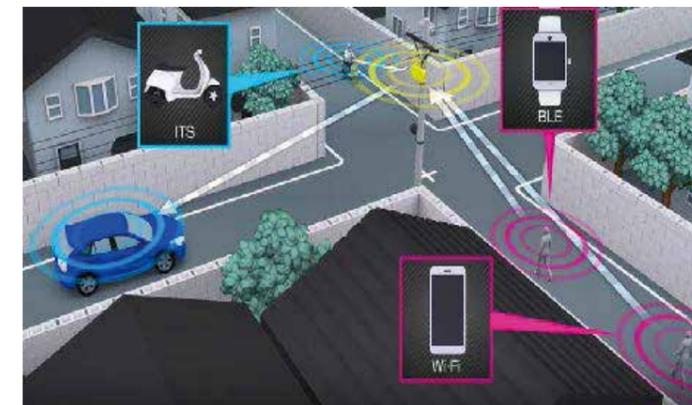
Roadside Unit



Compatible with multiple transmission methods

Wi-Fi®

Bluetooth®



Collaborative control at an intersection without traffic lights



FIR (Far infrared) Camera



FIR (Far infrared) Camera image

* Wi-Fi® is the registered trademark of Wi-Fi Alliance.

* The Bluetooth® word mark and logos are registered trademarks owned by Bluetooth SIG, Inc., and any use of such marks by Kyocera Corporation is under license.

Environment & Energy

Developing New Products for the Self-consumed Energy Market

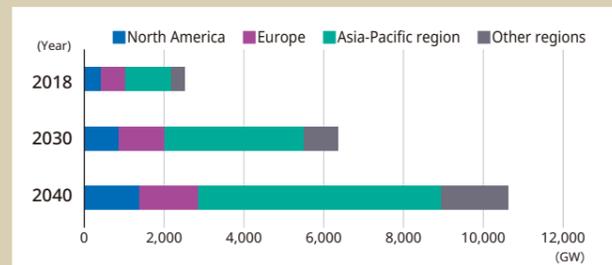


The key market for the Kyocera Group's energy-related business is the Japanese market, where demand is expected to shift from selling electricity via the feed-in tariff system to self-consumed renewable energy. In order to channel this new demand towards profits, we plan to make efforts to expand sales of products such as our world's first*1 clay-type Li-ion storage battery, SOFC (solid oxide fuel cell), and energy management systems(EMS), in addition to our solar power generating systems. We are also watching trends in infrastructure construction, such as VPP and local energy management systems that target efficient energy use centering on renewable energy. Going forward, we will respond to needs that are expanding to include various kinds of systems and services as well as devices, and will contribute to solutions for social issues.

Market Eye

Interest in the energy business is increasing worldwide, and momentum is gathering to resolve environmental and energy issues, with the conclusion of the Paris Agreement at COP21 aimed at achieving a decarbonized world, and the setting of the Sustainable Development Goals (SDGs). According to the IEA Sustainable Development Scenario, the world's renewable electricity capacity will dramatically increase as we head towards 2040.

■ The world's renewable electricity capacity according to the IEA Sustainable Development Scenario



Source: Graph drawn up by Kyocera Corporation, based on the IEA website. IEA:Renewable electricity capacity by region and scenario, 2018-2040, (November 2019) <https://www.iea.org/data-and-statistics/charts/renewable-electricity-capacity-by-region-and-scenario-2018-2040>, (referred to on October 1, 2020)

Regional Energy Management Tests

Kyocera is carrying out joint research with Hioki Regional Energy Co., Ltd. and Hitachi Power Solutions Co., Ltd. on microgrid energy management in the city of Hioki, Kagoshima Prefecture. The aim is to achieve regional decarbonation via the local production and consumption of renewable energy, to expand regional economic circulation via local power companies, and to implement electric power supply and demand technologies that will help to supply power when a disaster strikes.

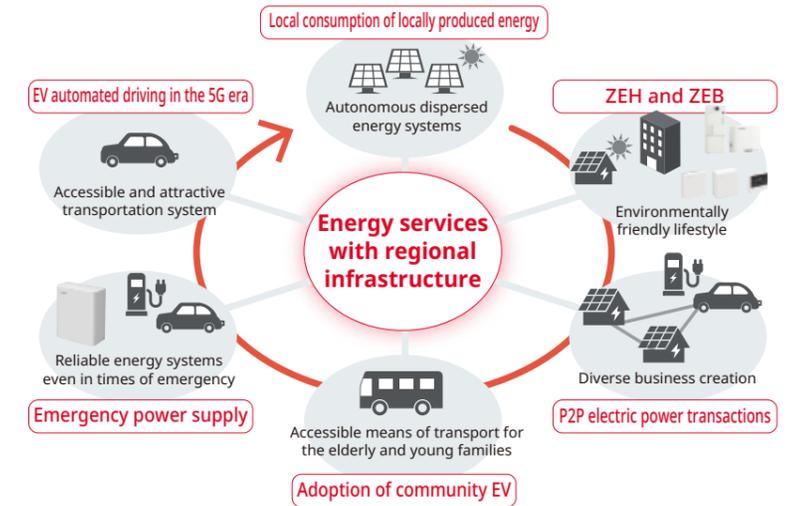
Trifunte, a New Three-battery Product

Kyocera has successfully developed the world's first*1 clay-type Li-ion storage battery and has started small-scale limited sales of the Enezza®*2 energy storage system for residential use, which is installed with that storage battery. We have also launched Ene-Farm Mini, the world's smallest*3 household fuel cell co-generation system, and are supplying Tokyo Gas Co., Ltd. with the fuel cell unit (installed in the hot water tank) we developed jointly with Dainichi Co., Ltd. and PURPOSE CO., LTD. The fuel cell unit is being supplied under the Kyocera brand. Trifunte is a system that combines energy management with Kyocera's solar cells, storage batteries and fuel cells, which are distinguished by their high quality and long-term reliability.

Shifting from Manufacturing to Services

Kyocera has established Kyocera Kanden Energy LLP with Kansai Electric Power Company, and has launched new electric power services using our solar power generating systems. We are seeking synergy between our high quality solar power generating systems with their long-term reliability, and the Kansai Electric Power Group's know-how regarding energy services. We have also established Kyocera EPA LLC and constructed lease schemes for businesses that provide solar power services. Going forward, we aim to aggressively expand our service business.

- Related businesses**
- Industrial & Automotive Components Group
 - Semiconductor Components Group
 - Electronic Devices Group
 - Communications Group
 - Document Solutions Group
 - Life & Environment Group



Enezza®



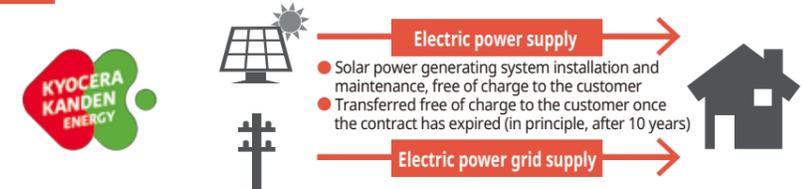
Enezza, stationary residential energy storage system (From the left, power conditioner, storage battery unit, and remote control)

ENE-FARM mini

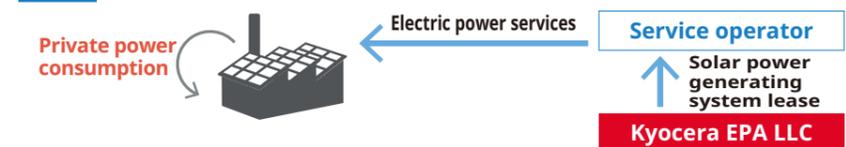


Ene-Farm Mini, household fuel cell co-generation system (From the left, the heat-source machine and fuel cell unit, illustrating their combination)

Home Kyocera Kanden Energy LLP Charito Good!



Industry Kyocera EPA LLC



*1 As a clay-type energy storage system (according to a survey by Kyocera). As of October 2, 2019.

*2 Enezza is a registered trademark of Kyocera Corporation.

*3 The world's smallest size among stationary residential fuel cells (according to a survey by Kyocera). As of October 10, 2019.

Medical & Healthcare

Reinforcing Development of New Products via Open Innovation

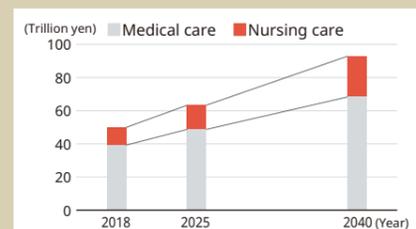


As society continues to gray, we anticipate even more demand from now on for prosthetic joints, which are key products in the Kyocera Group's medical sector. We have the best clinical track record*¹ amongst Japanese manufacturers in the domestic prosthetic joint market, and are highly trusted by many medical personnel. We aim to leverage these strengths and move into overseas markets with a high market volume. We will also develop products related to regenerative medicine and digital health care. In addition, given the expected demand for ways to protect against lifestyle diseases, we will cooperate with external organizations and, by participating in various kinds of projects and creating new businesses, contribute to the creation of a society where people can maintain lifelong good health.

Market Eye

Japan's medical and nursing care benefit costs are increasing yearly, and are forecast to reach approx. 93 trillion yen in FY2040. We will respond to various medical care issues by aggressively developing new technologies for the medical care sector and helping to reduce medical expenses.

Forecast for medical/nursing care benefit costs



Source: "Future Projection of Social Security Focused on 2040" Japanese Cabinet Secretariat and Cabinet, Ministry of Finance, Ministry of Health, Labour and Welfare (May 2018)

Overseas Expansion of our Medical Business

In FY2019, our American holding company KYOCERA International, Inc. took over the main assets related to the spinal products and prosthetic joint business of Renovis Surgical Technologies, Inc., a medical equipment manufacturer that develops and markets orthopedic implants in the U.S.A. It has also established KYOCERA Medical Technologies, Inc. (KMTI) in the U.S.A and is accelerating the overseas expansion of our medical business.



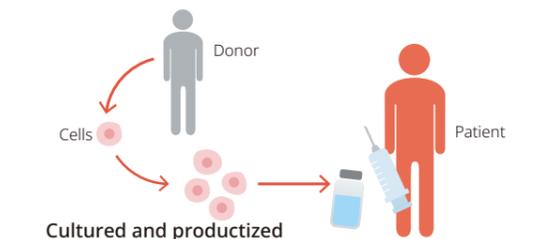
Entering the Regenerative Medicine Sector

» **Launch of our Condensia[®] PRP preparation kit**
Our PRP preparation kit Condensia[®]*² has received pharmaceutical approval and been launched on the market. Condensia[®] is used when concentrating and extracting the platelet-rich plasma (PRP) which is part of human blood. It is the world's only Japanese-made blood component separation kit (as of September 2020).



Technical collaboration on cell preparation with Australian company Regeneus Ltd.

Kyocera has entered a technical collaboration and licensing agreement in Japan with the Australian company Regeneus Ltd. regarding cell preparations for knee osteoarthritis. We have acquired the exclusive right to develop, manufacture and sell the cell preparations in Japan. We will move forward with the adoption and development of cell therapy technologies, and respond to the various medical care issues, also known as unmet medical needs, of patients with knee osteoarthritis.



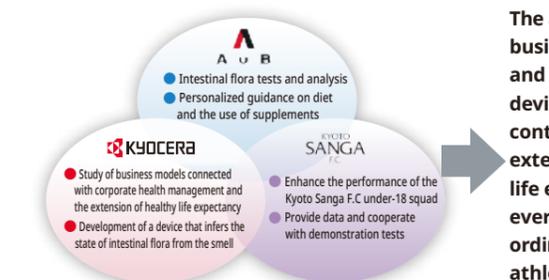
Healthcare-related R&D

» **Development of a carbohydrate monitoring system**
Our carbohydrate monitoring system was named the Grand Prix Runner-Up in the Smart X category at the 2019 CEATEC Awards. CEATEC is Asia's biggest IT technology and electronics expo. Our carbohydrate monitoring system uses changes after a meal in pulse wave patterns to estimate carbohydrate metabolism, and earned high praise as a world-first*³.



Collaborative research on intestinal flora with AuB and Kyoto Purple Sanga

In collaboration with AuB Inc and Kyoto Purple Sanga Co., Ltd., we are moving forward with research aimed at maintaining fitness and improving athletic performance. The research utilizes AuB's analytical data on the microbiome (intestinal flora). Going forward, we will study business models that utilize intestinal flora and the analytical data, and will contribute to extending the healthy life expectancy of ordinary people as well as athletes.



The aim is to study business models and develop devices that will contribute to extending healthy life expectancy for everyone, from ordinary people to athletes

*1 We have the best clinical track record amongst Japanese manufacturers in the domestic prosthetic joint market (according to a survey by Kyocera). As of October 21, 2020.

*2 Condensia is a registered trademark of Kyocera Corporation.

*3 According to a survey by Kyocera (as of October 28, 2019)

- Related businesses**
- Industrial & Automotive Components Group
 - Semiconductor Components Group
 - Electronic Devices Group
 - Communications Group
 - Document Solutions Group
 - Life & Environment Group



Promoting M&A

Kyocera is aiming to leverage M&A and open innovation to expand development of diverse technologies and products so that we can achieve further business growth and create corporate and social value.

The goals we should aim for

Kyocera Corporation must leverage M&A and open innovation so that we can move forward with the development of technologies and products that respond to diversifying global needs, and achieve sustainable growth. We will engage in post-merger integration of areas such as business strategies, sales management systems, and system linkage in order to create synergy as swiftly as possible between businesses acquired via M&A and our existing businesses. This will drive a further expansion in sales and improved profitability, making a real contribution to our profit growth.

Specific projects to strengthen Kyocera

● **Fine Ceramics Group: Strengthening our business infrastructure in Europe**

Our European holding company KYOCERA Europe GmbH (KEG) is in the process of strengthening our fine ceramics business structure in Europe. For example, in FY2019 it acquired the ceramics business of the German company Friatec GmbH, a manufacturer and seller of ceramic and plastic components, and purchased the German company H.C. Starck Ceramics GmbH.

● **Corporate Industrial Tool Group: Global expansion of our business domain via aggressive M&A**

In FY2019, SouthernCarlson, Inc., a U.S.A distributor of professional construction and industrial tools, fastening products (nails, staples, etc.), packaging, and facility supplies, became a wholly-owned subsidiary. In FY2018, we acquired 100% of the shares of Van Aerden Group BV, a European pneumatic tool manufacturing and sales company, moving forward with the global expansion of our industrial tool business.

● **AVX: Seeking synergy**

AVX, a consolidated subsidiary headquartered in South Carolina, U.S.A, has been made a wholly-owned subsidiary. It is a leading global company which has an extensive range of products that includes capacitors, connectors, and sensors. We will create synergy by combining its marketing capabilities in overseas markets and factory management capabilities with the strengths of our material and production technologies.

● **Document Solutions Group: Expanding our solutions business via M&A**

The Document Solutions Group is aiming to develop streamlined solution services by linking hardware, software, services and systems via M&A. It is constructing comprehensive document solution services linking companies that have joined the Group via M&A. These services include coordinating various systems with ICT, managing document content with ECM, and outsourcing work involving documents with document BPO.

■ **Major M&A from FY2017 onwards**

The M&A listed below added approx. 200 billion yen to our sales. Going forward, we will proceed with further post-merger integration with our existing businesses, and work towards further expansion of sales and improvement of profits.

	FY2017	FY2018	FY2019	
Industrial & Automotive Components Group	Fine Ceramics Group ▶ Production system, strengthen manufacturing capabilities		H.C. Starck Ceramics (Germany. Non-oxide ceramics such as SiSiC*) Friatec (Germany. Oxide ceramics, metalized ceramics, etc.) Company jointly established with Ube Industries, Ltd. (Japan. 5G base station components)	
	Corporate Industrial Tool Group ▶ Expansion of business domain	SENCO (U.S.A. Pneumatic tools) The Ryobi Limited power tools business (Japan)	Van Aerden Group (The Netherlands. Pneumatic tools)	SouthernCarlson (U.S.A. Tool distributor)
Electronic Devices Group	AVX ▶ Business expansion in the communications and automotive markets	TT Electronics Automotive sensor business (U.K.) Ethertronics (U.S.A. Compact wireless communications antennas)	Kumatec (Germany. Production line automation)	AVX became a wholly-owned subsidiary (Acquisition of minority interests representing approx. 28% of shares)
Document Solutions Group	Document Solutions Group ▶ Construction of comprehensive services	DataBank (U.S.A. ECM, document BPO)	Alos (Germany. ECM) Janus (Czech Republic/Slovakia. Sales, services)	Huon IT (Australia. ICT)
Life & Environment Group	Medical ▶ Business expansion in the U.S.A		Renovis (U.S.A. Spinal products, prosthetic joints)	

* Silicon-Infiltrated Silicon Carbide



Germany: H.C. Starck Ceramics GmbH



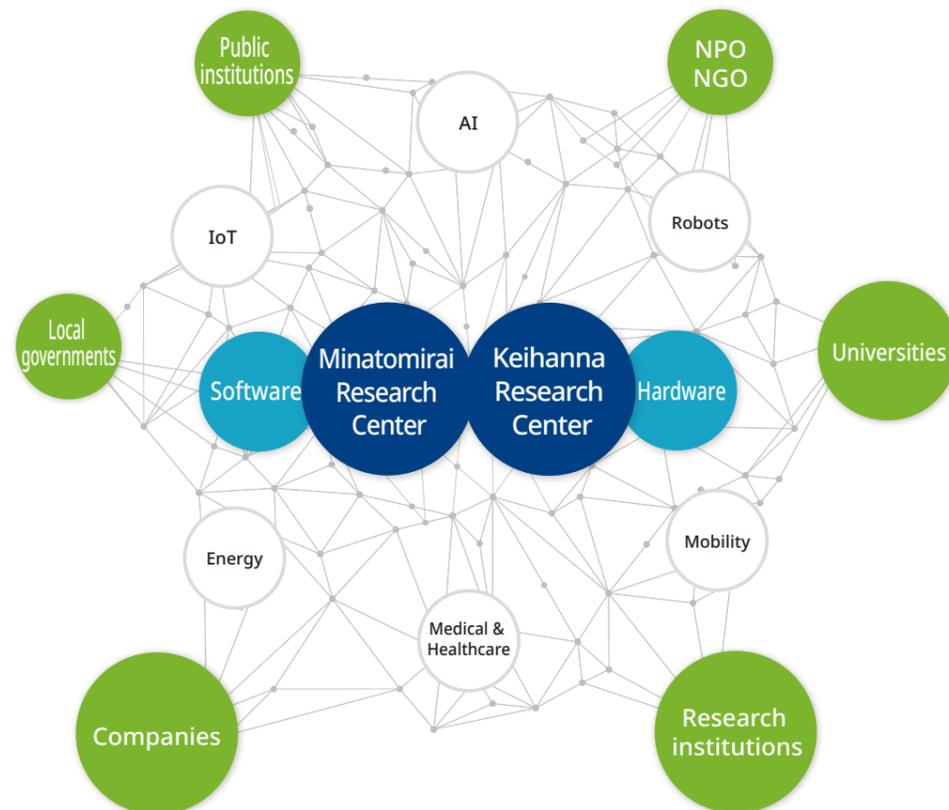
U.S.A.: SouthernCarlson, Inc.

Strengthening R&D

In addition to constructing a cross-Group research network, Kyocera will leverage open innovation to create social value and business growth.

The goals we should aim for

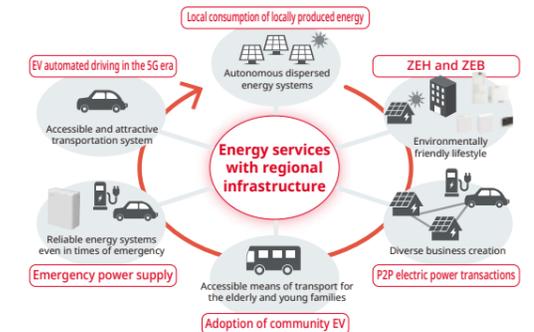
The Minatomirai and Keihanna research centers will be our core R&D facilities. In addition to materials, components, devices, equipment and systems, and software R&D departments within the Group, we are constructing a global research network with regard to production process technologies. This will stimulate open innovation making active use of external collaborations, and will contribute to business growth and to the advancement of society. Going forward, we will reinforce development of new products and technologies designed to seize business opportunities in such advanced sectors as 5G, the IoT, ADAS, energy management, and digital health care. We will also move forward with research into the use of AI and robots to boost productivity. Kyocera has inherited the DNA of our founder, Kazuo Inamori, who once said, "What we want to do next is something that people told me we would never be able to do." We will persist in our unique manufacturing, and continue to be a pioneer that creates new value and is always at the cutting edge.



Specific projects to strengthen Kyocera

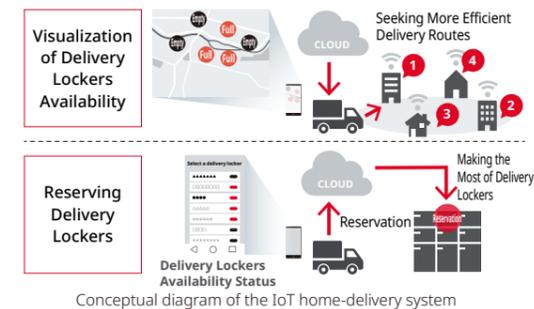
● The energy sector: Microgrids

Kyocera is carrying out joint research with Hioki Regional Energy Co., Ltd. and Hitachi Power Solutions Co., Ltd. on microgrid energy management in city of Hioki, Kagoshima Prefecture. The aim is to achieve regional decarbonation via the local production and consumption of renewable energy, to expand regional economic circulation via local power companies, and to implement electric power supply and demand technologies that will help to supply power when a disaster strikes.



● The information and communication sector: IoT home-delivery system

Demonstration tests of the IoT home-delivery system developed by Kyocera Corporation have started in Yokohama's Wakabadaidanchi. They are part of the Yokohama municipal government's project to solve the problem of redeliveries to homes by linking delivery lockers to the IoT. Two major Japanese home-delivery companies are participating in the project, in which large-scale demonstration tests are being carried out targeting the 790 households in Wakabadaidanchi.



● The mobility sector: JR East's BRT

Kyocera is participating in the Mobility Innovation Consortium led by East Japan Railway Company (JR East), testing autonomous bus driving technologies for BRT* in the JR East area. Utilizing a dedicated BRT route, tests are being carried out to verify technologies such as lane-keeping control, speed control, in-tunnel operation, obstacle detection, passing oncoming vehicles, and in-vehicle monitoring.

*BRT: Bus Rapid Transit



BRT self-driving bus (Image courtesy of JTEKT Corporation)

● Medical and health care sector: Anshin Communicator

Kyocera is carrying out joint research with Tokyo Medical and Dental University (TMDU) into a headset-style wearable system that can obtain vital sign data such as blood oxygen saturation (SpO₂). TMDU began preparations for clinical trials in May 2020, and in the near future we will move forward with initiatives aimed at applying this research to teliagnosis.



Headset-style wearable system (Image courtesy of TMDU)

Promoting Digitization

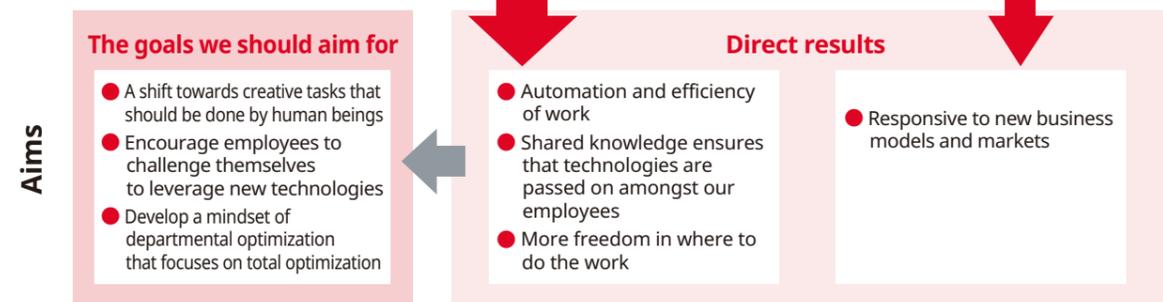
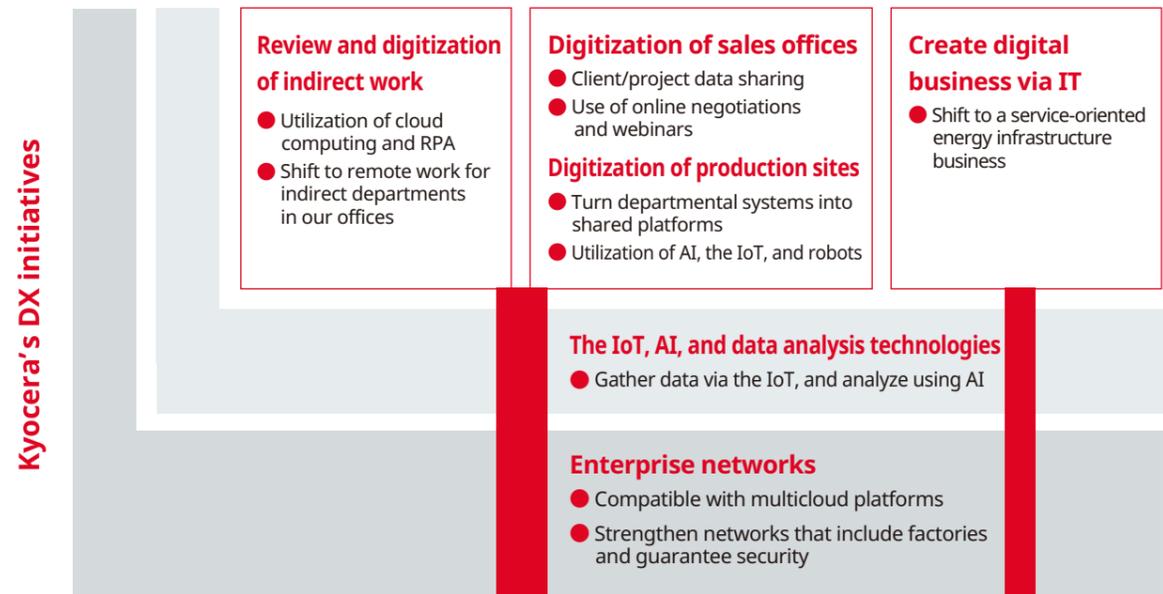
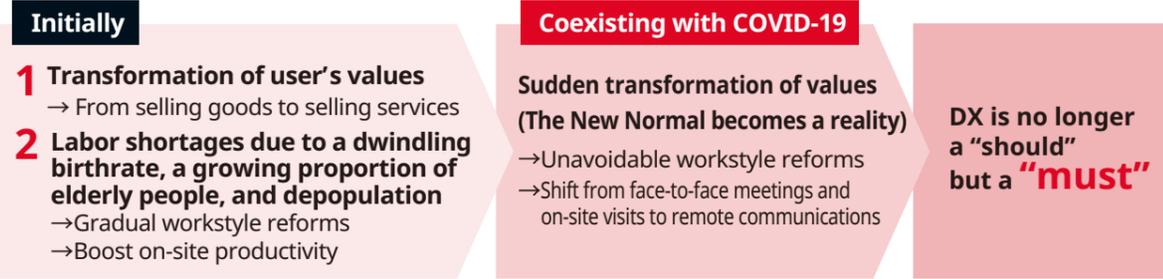
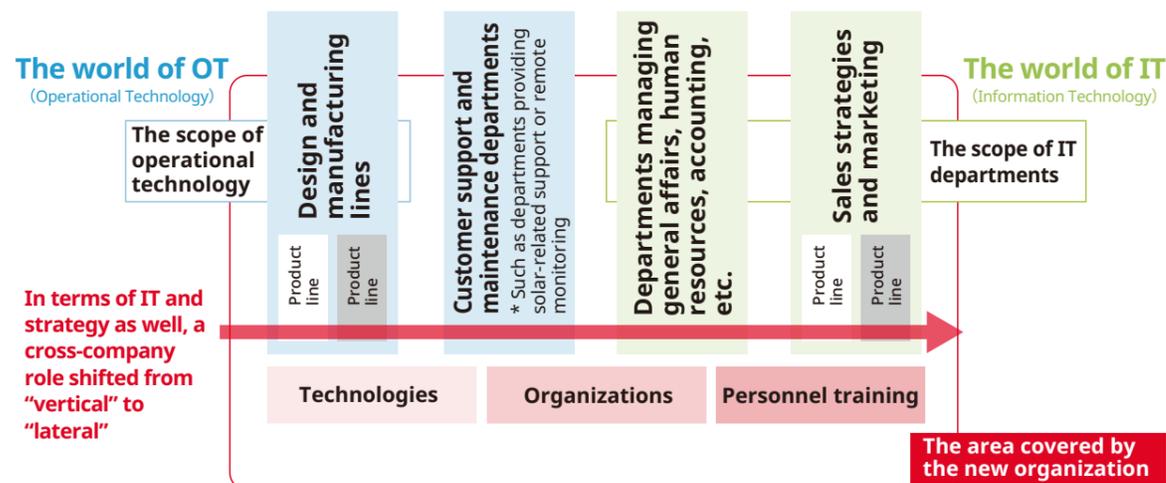
By promoting digitization, Kyocera aims to deploy IT and business strategies laterally across the entire Group, and to further cultivate a can-do spirit leveraging new technologies.

The goals we should aim for

Kyocera will move forward aggressively with digital transformation (DX) and, in addition to gathering data via the IoT and utilizing AI to analyze them, will reconstruct key networks compatible with multicloud platforms and so on, make a shift towards creative tasks that essentially should be done by human beings, encourage employees to challenge themselves to leverage new technologies, and develop a mindset of departmental optimization that focuses on total optimization. Specifically, we will tackle the shift to a service-oriented energy infrastructure business as a digital business created with IT, and the implementation of client/project data sharing and online negotiations by means of the digitization of our sales offices. In addition, by digitizing production sites, we will turn departmental systems into shared platforms, further expand the use of AI, the IoT and robots, and also promote the use of cloud computing and RPA in our indirect divisions and move forward with steps such as shifting to remote work for the indirect departments of our offices.

Specific projects to strengthen Kyocera

- **Double productivity project**
Since 2017, Kyocera has been implementing a company-wide Double Productivity Project. It is based on AI data use and the utilization of robots, and is intended to achieve dramatic improvements in productivity. Our plans for data use include the integration of all manufacturing process data on a digital platform jointly developed with IBM, "visualization" that allows a real-time grasp of the situation, the use of AI to predict defects and breakdowns, and the automation and autonomization of product lines combined with robots.
- **Expansion of DX in indirect departments**
Over the next few years Kyocera will invest over 10 billion yen annually in DX and move forward with digitization that targets certain tasks. For example, we will digitize work at Head Office and in the indirect departments of our factories by FY2024. Given that we anticipate labor shortages due to natural decreases such as mandatory retirement, we will also move forward with on-site reforms using DX and aim to improve work efficiency by about 30%. In addition, the Double Productivity Project mentioned above in connection with manufacturing departments will also be expanded on a large scale in our indirect departments from FY2020 onwards. We will adopt a new enterprise system, and move forward with the integration of general affairs, human resources, labor and purchasing departments, for example by managing indirect departments grouped according to area.



Startup Program

Kyocera launched New Business Idea Startup Program in December 2018. This initiative solicits new business ideas from within the company, and 2,272 employees nationwide have participated in the live briefings and lectures. The program is still running and is engaged in the creation of a new Kyocera.

The goals we should aim for

People of different generations have very different pastimes and preferences. Kyocera thinks this program is a good chance for young people to produce new business ideas as well. It is intended to make young employees in particular aware that it is possible for them to leverage their own perceptions and expectations in business. Ever since Kyocera Corporation was founded, we have valued a corporate culture where all of us actively challenge ourselves, and this program aims to be an environment where young employees express their ideas freely, and actively challenge themselves once they have decided on their plan.

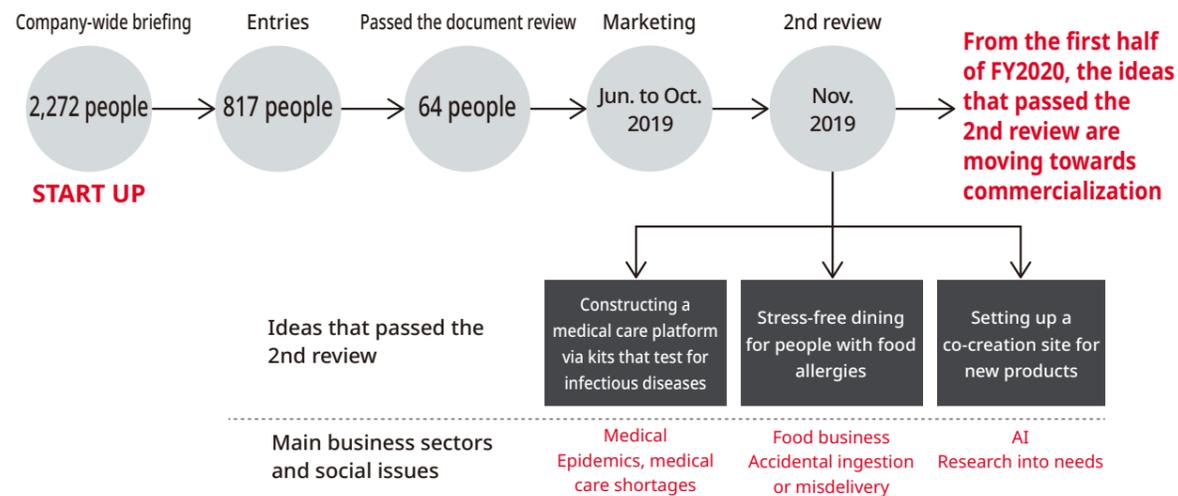
Objectives

Based on the programs policy of "actively challenging ourselves," Kyocera expects this program to cultivate the spirit of a venture business by encouraging participants to have a future-oriented mindset, express themselves freely, and have the courage to put their ideas into action. We hope it will produce bottom-up innovations from our employees. Via this initiative, we aim to encourage people to submit a diversity of business ideas based on flexible approaches and ideas, such as how much easier life would be if such a product or service existed, and to steer those ideas towards commercialization.

Targets

It is no longer an era where new things can be created by the ideas of one individual. That is why Kyocera is moving forward with reforms that will make us a company capable of implementing energetic and open initiatives such as the creation of new businesses that laterally link our production sites, and system development and marketing organizations. Employees who clearly want to challenge themselves will receive training so that a diversity of business ideas are produced and Kyocera Corporation's next core businesses can be created.

The Idea Selection Process (Results of the 1st Program)



Message

Creating a World Where People with Food Allergies Can Enjoy Stress-free Meals Without Accidentally Ingesting Allergens



Project Leader: Minako Tani



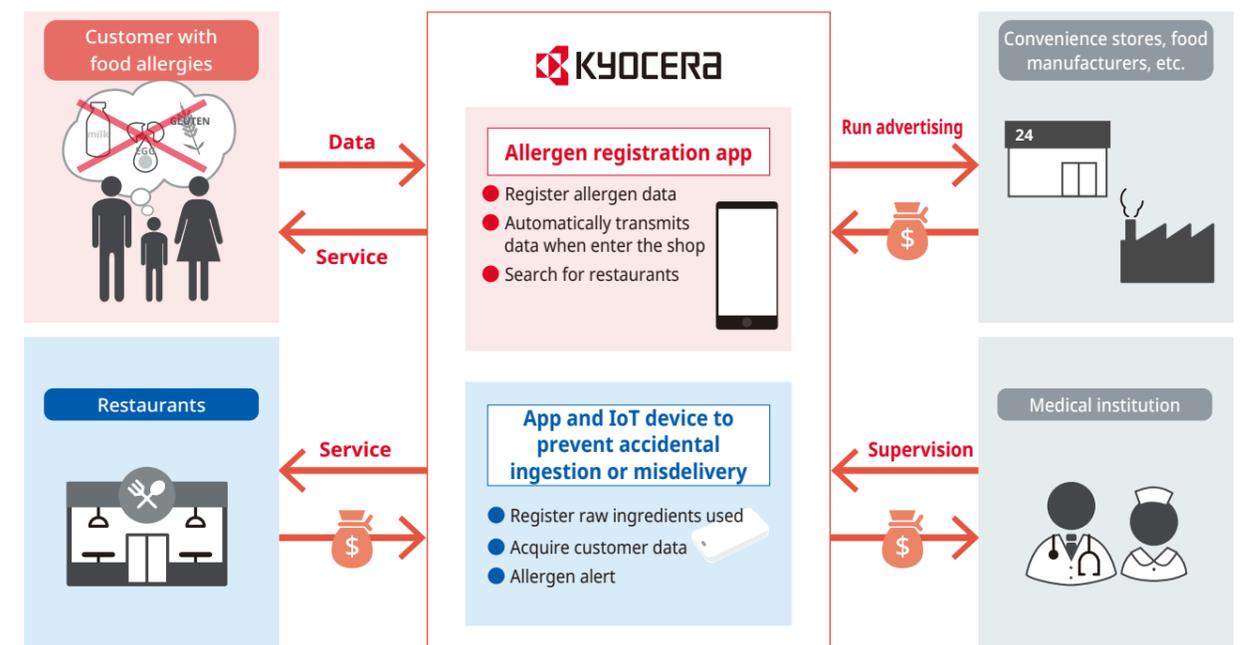
I applied for the program because I wanted to create a mechanism for people with food allergies to display and share information about their allergies with those around them so that they can relax and enjoy socializing over meals. It is difficult for people who have foods that they cannot eat to convey that information accurately to those around them without being misunderstood. So I wanted to create a mechanism to make things easier for them, both physically and mentally, so that they can manage their condition in a positive way, and enjoy stress-free meals.

There is no fundamental cure for food allergies at this point in time, and if a person's allergies do not disappear in adulthood, they must live with them for their entire life. Allergen combinations and symptoms vary from person to person, and they sometimes change as people get older. It seems, therefore, essential that the patient be able to convey accurate information about their condition to the people around them so that they can avoid accidentally ingesting allergens.

Solving a social issue by developing and commercializing an app and IoT device

Issue 10 million people live with food allergies/96.5% eat out ► **Creating a world where people can eat out without having to worry about accidentally ingesting allergens**

Mechanism



Human Resource Development

The Kyocera Group maintains a fundamental 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 continued growth and development of Kyocera Corporation is vital to achieve the aims of this rationale. We believe that enabling our employees to maximize their innate potential is an essential element of this process. The Kyocera Group is constantly working to create a range of innovative human resource initiatives based on its human resources rationale. Through these initiatives, we aim to create a workplace environment where all employees can feel pride in the company and satisfaction in their work. We aim to create a workplace culture where everyone can share their joys and challenges, and contribute to the achievement of our management rationale. Kyocera is committed to promoting human resource development and diversity, as well as ensuring a safe and healthy work environment.

The goals we should aim for

The Kyocera Group regards human resources as human “assets” and supports activities enabling employees to become aware of their personal development and boost their contributions in the workplace. In particular, as personal development can be achieved to a great extent through work, Kyocera is striving to create a workplace environment that enables each employee to work cheerfully and energetically, and draws out their natural talents to the maximum extent.

The main systems

Systems for the Cultivation of Human Resources



One-to-One Guidance System

Kyocera has established a One-to-One Guidance System to support the growth of new employees. Under this system, a guidance manager is assigned to each new employee. Guidance managers undertake close communication with new employees, including periodic interviews and provide fine-tuned guidance. Follow-up interviews are also provided by human resource departments. New employees therefore enjoy a system that gives them advice from various viewpoints.

Interviewing System

STEP System	Based on the idea that employees grow steadily step-by-step as if they go up the stairs and move to the next level, Kyocera established the STEP system for new employees up to the fifth year of employment to support the growth of younger employees. When there are regular opportunities for communication between subordinates and supervising employees, young employees are encouraged to talk about their thoughts and ideas with their supervisors, and the supervisors listen to them and share their thoughts. This creates a feeling of oneness among all employees, which then helps support the growth of young employees.
Follow-up Interviews and 4th Year Milestone Interviews	Follow-up Interviews and 4th Year Milestone Interviews are held in the second and fourth years of employment, respectively. These interviews are valuable opportunities for employees to meet with human resource supervisors. Young employees look back on their career so far, allowing them to receive career-building advice from a human resource supervisor to facilitate their continued growth and development.

Step Up System

In their fourth year of employment, employees can take advantage of the Step Up System. This system allows employees to transition from a work style based on completing allocated tasks to a work style where they can take the initiative in developing their skills to enhance their work performance. The Step Up System helps employees to see the gap between their current work performance and their ideal work performance, allowing them to identify challenges along the way. Employees can then work on resolving those issues as part of their regular duties, and the Step Up System provides the opportunity to report the results of their efforts to the senior management of their Group.

Skill Development Support System for Engineers

Kyocera has an Engineer Ability Development & Support System to help engineers enhance their credentials independently. This system clarifies the level of roles expected of each engineer and allows engineers to quantitatively understand the skills necessary for their roles. This system improves the engineering capabilities of the organization as a whole.

Human Resource Education

The Kyocera Group provides human resource education aimed at improving both theoretical and practical aspects of education, understanding and practice of the Kyocera Philosophy and mastering of the specialized knowledge and skills necessary to execute work. Kyocera thus endeavors to optimize human resources who can help us achieve the Management Rationale by providing a variety of education programs based on the systems shown below whose compositions reflect their respective objectives.

Training Type	Top Management	Mid-Level Employees	Employees
Kyocera Philosophy Education	Philosophy Education by each Department, Site, or Group Company		
	Group-Wide Common Philosophy Education Programs		
Management Education	Philosophy Education by each Department, Site, or Group Company		
	Global Philosophy Seminars		
Management Education	Plant Manager & General Office Manager Training	Sales Office Manager Training	
		Department Manager Training	Team Leader Training
	Executive Promotion Training	HA* Training	Deputy Manager Promotion Training
Management Education		Deputy Superintendent Promotion Training	New Employee Training
Management Education	Management Skills Training		New Employee Sales Training
	Practical Work Skills Training		
Technical Training		MOT* Training	Specialized Technical Training
		IT Technical Training	
Global Education		Overseas Training System	Training for Improvement of Basic English Skills
	Training for Employees Going on Overseas Assignments		

Kyocera Philosophy Education (No. of recipients in FY2019: 3,120, average 1 day of training per person, per year)

The Kyocera Group is expanding Kyocera Philosophy Education on a global basis in accordance with the policy of the Group-Wide Philosophy Committee. In Japan, we have both individualized programs carried out by each department, site, or Group company based on their own respective business conditions, as well as company-wide programs that support each of these programs. The individual programs conducted by each department, site, or Group company are mainly focused on Philosophy diffusion activities from the viewpoint of the frontline employees. The company-wide program is set to a standard study theme to create a sense of Group unity and to help train up employees capable of contributing to company management.



Training sessions

Creation of Good Working Environments and Diversity & Inclusion Initiatives

The business environment is currently in turmoil. If Kyocera Corporation is to continue to grow in the future, it is essential that we not only attract even more diverse human resources, but also bring out the skills of each employee as far as possible.

The goals we should aim for

Creating good working environments

Promoting diversity and inclusion

Kyocera Corporation aims to be a dynamic, attractive company which respects the individual values and identities of our diverse employee base while creating a comfortable working environment in which everyone can work with high motivation and satisfaction, and which always seeks out new challenges to continue growing in the future. We are engaged in initiatives to create good working environments, and to promote diversity and inclusion.

● Adoption of flexible work systems

» Adoption of telecommuting (for office workers)

As of this year, we have adopted a teleworking system for office-based workers in the Head Office and Tokyo metropolitan areas. We are moving forward with a switch to online discussions and meetings via the company-wide use of Office 365. Going forward, we will encourage diverse ways of working in line with the new normal of the post-COVID 19 world.

■ Making it easier to work

Telecommuting (for office workers)



Flexitime (for sales divisions)



» Adoption of flexitime (for sales divisions)

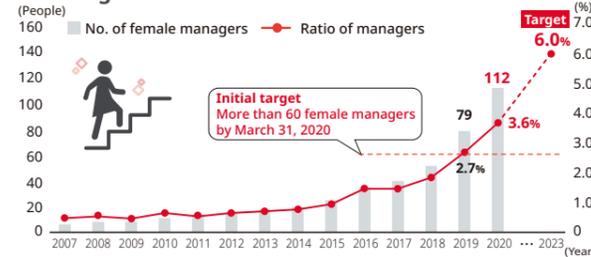
Workstyles are becoming increasingly diverse according to the type of work involved. We are encouraging workstyles that suit the characteristics of the job, and are introducing a flexitime system for sales divisions. This is intended to boost the company's total productivity.

● Training diverse human resources and encouraging them to play an active role in the company

» Promoting female engagement (encouraging the promotion of women to managerial and executive positions)

Our target is for Kyocera Corporation to have a female management ratio of 6% by March 31, 2023. We are improving training opportunities for management candidates, and actively promoting capable female employees to managerial positions. Moreover, as of April 2020 we have one female director and two female executive officers.

■ Transitions in the numbers and ratios of female managers



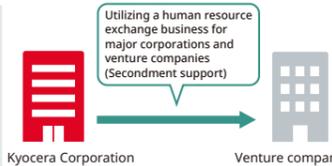
» Training human resources with a diversity of experiences (secondments to venture companies)

With the business environment undergoing major transformations, we are implementing a system of secondments to venture companies. The aim of this system is to train up human resources capable of creating new value (innovations).

Results from this system

- No backup** ▶ Understand own capabilities, see our company more clearly
- Multitasking** ▶ Incredible speed and a good vantage point of the entire organization
- High level of uncertainty** ▶ The passion to think things through and overcome difficulties

The secondment process



● Fostering a corporate culture that respects diversity

» Transmitting the message from our top management

Promoting diversity and inclusion is in line with Kyocera Corporation's Management Rationale, namely "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 also recognize it to be an important management issue if Kyocera is to achieve future growth. Accordingly, we transmit this message from our top management and share it with all our employees via media such as our intranet website.



A message from the president on our intranet website

» Workplace round-table discussions with top management, and articles in our company magazine

Employees with a diversity of backgrounds participate in discussions with top management based on the theme of "making diversity a Kyocera strength." They exchange ideas on a variety of issues, drawing upon their diverse backgrounds; for example, some are not Japanese nationals, some joined us as mid-career hires, some have experience of child-rearing or nursing care, some have studied overseas, and some have a disability. The content of their discussions are then shared in our company magazine.



A round-table discussion between our chairman and employees

» Educational and awareness-raising activities for all employees

We run an e-learning course on unconscious bias for all our employees. This is part of our initiatives to foster a corporate culture that respects diversity.



An e-learning course on unconscious bias

» Educational and awareness-raising activities for managers

Diversity management training is run for management class employees. The aim is that they will acquire the mindset and management skills appropriate to an era of diversity.

● Creating a comfortable workplace environment for all our employees

» Promoting an understanding of LGBT issues

We have revised our in-house regulations to recognize same-sex partners as spouses, and to prohibit conduct that, in word or deed, disadvantages another employee in connection with their sexual orientation or gender identity. In addition to revising the regulations, we are implementing the following initiatives aimed at promoting an understanding of LGBT issues.

- Publication of SOGI and LGBT guidelines
- Inviting outside lecturers to boost awareness in human resources and labor departments (Videos of the training are also posted on our intranet website)



Our SOGI and LGBT guidelines

Initiatives for a Decarbonized Society

Ever since Kyocera was founded, all corporate activities of the Kyocera Group have been based on our corporate motto of "Respect the Divine and Love People" and our three pillars of "LIVING TOGETHER": coexistence with society, coexistence with global community, and coexistence with nature. We aim for sustainable growth while seeking to balance ecology and economy, and the entire Kyocera Group is committed to environmental management.

The goals we should aim for

The Kyocera Group has established the Kyocera Group Environmental Safety Policy, which combines policies on the environment and health and safety, such as the provision of products that contribute to the conservation of the global environment and realization of a sustainable society. Its aim is to promote comprehensive measures for environmental safety based on our management rationale when we conduct our business activities.

Kyocera Group Environmental Safety Policy

- 1. Compliance with laws and other regulations**
 - Kyocera will comply with laws, agreements, and internal standards regarding the environment and work safety.
- 2. Provide products that contribute to the global environment**
 - Kyocera will increase research and development of products that make a positive contribution to the enhancement of the global environment and minimize environmental impact at all stages of the product life cycle; and the Company will strive to spread the use of such products.
- 3. Contribution to a sustainable society**
 - Kyocera will promote greenhouse gas emission control in the entire value chain to contribute to the realization of a carbon-free society.
 - Kyocera will contribute to the realization of a society with sustainable recycling of resources by purchasing resources with low environmental impact, reducing the volume of new resource consumption, and minimizing waste.
 - Kyocera will strive to prevent environmental pollution by properly managing chemical substances in all processes.
 - Kyocera will advance conservation of biodiversity by minimizing negative impacts on the natural environment, as well as by protecting and nurturing the natural environment.
- 4. Ensure employee health and safety and prevent accidents and disasters**
 - Kyocera aims to build a corporate culture that creates an accident-free and disaster-free workplace environment where everyone can work safely and with peace of mind.
 - Kyocera will conduct risk assessments and reduce occupational health and safety risks by eliminating sources of danger in order to prevent workplace accidents and disasters.
 - Kyocera strives to build a work environment where employees feel healthy, enjoy job satisfaction and can reach their maximum potential by promoting mental and physical health.
- 5. Conduct stakeholder communication**
 - Kyocera will support Corporate Social Responsibility (CSR) activities and communicate with various stakeholders.
- 6. Operation of environmental and safety management system**
 - In the course of business activities, through operation of the management system, the Kyocera Group will proactively promote comprehensive measures for environmental protection and work safety, based on the management rationale, and continuously improve environmental and safety performance.

Targets and results

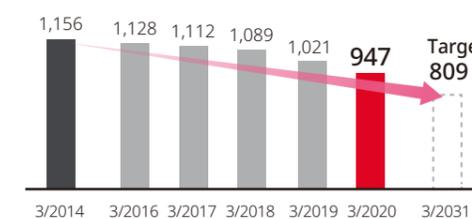
The Paris Agreement, which came into force in 2016, pledges to keep the rise in global temperature to well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 degrees Celsius. The Kyocera Group recognizes the response to climate change as a priority issue, and we set long-term environmental targets in 2018. These targets have been certified as SBT (Science-Based Targets) by the SBT Initiative, an international environmental organization.

The Kyocera Group Long-term Environmental Targets

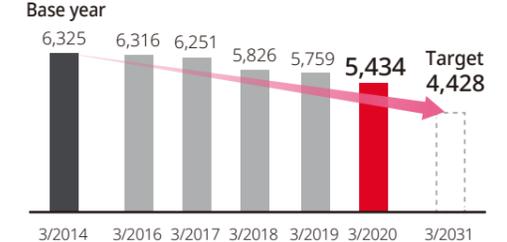
- Scope 1,2* Greenhouse gas emissions : Reduce 30% by 2030 compared to 2013 levels
- Scope 1,2,3* Greenhouse gas emissions : Reduce 30% by 2030 compared to 2013 levels
- Renewable energy adoption : Increase 10x by 2030 from 2013 levels

* Scope 1: Direct emissions from Kyocera plants and offices
 * Scope 2: Indirect emissions associated with consumption of electric 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)

Greenhouse gas emissions (Scope1,2) (k t-CO₂)



Greenhouse gas emissions (Scope1,2,3) (k t-CO₂)



Our main initiatives

Renewable energy self-wheeling demonstration test utilizing a storage battery

When a site cannot be secured for a solar power generating system, renewable energy can be used by the "self-wheeling" of electric power from solar power generating systems located elsewhere. In July 2020, Kyocera Corporation launched demonstration tests of Japan's first*¹ renewable energy self-wheeling system using a storage battery in Yasu, Shiga Prefecture. "Self-wheeling" is a method by which the self-generated energy of an entity such as a company is supplied to its own factory or office located at a different site using the power grid of a general transmission and distribution utility.

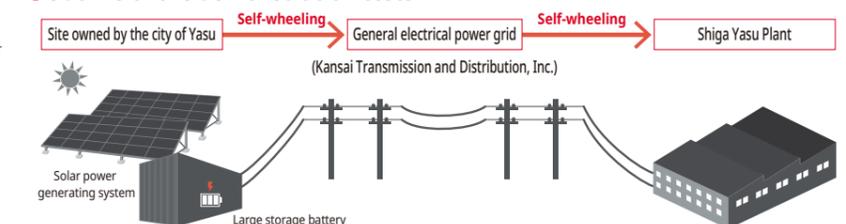


Yasu Kamiya Solar Power Plant
(Solar power generating system and stationary lithium-ion storage battery)

For these demonstration tests, a Kyocera-manufactured 150 kW solar power generating system was constructed on a roughly 2,000 m² site owned by the city of Yasu. The renewable energy generated by the system is supplied to the Kyocera Shiga Yasu Plant, approximately two kilometers away, via the Kansai Transmission and Distribution, Inc's electrical power grid. The tests are Japan's first*¹ to use a stationary lithium-ion storage battery. The aim is to smooth self-wheeling capacity via a stable supply of electric power, and to apply the dispersed storage battery control technologies developed in VPP demonstration tests to high-precision supply-demand management operations that will reduce the power generation supply imbalance*² and demand imbalance*³, thereby securing a stable renewable energy supply while eliminating negative impact on the grid.

The storage battery at the plant will operate autonomously if a large-scale power outage occurs, such as in the event of a disaster. The city plans to utilize it as part of its measures to mitigate the effects of natural disasters, for example by using it to offer a battery charging service for local residents.

Outline of the demonstration tests



*1 Among self-wheeling tests in Japan (as of Jan. 28, 2020, according to a survey by Kyocera)

*2 Discrepancy between the actual power generated and the power generation forecast that the producer has sent to the general transmission and distribution utility in advance

*3 Discrepancy between the actual consumption level and the amount set in the power contract between consumers and power suppliers

Occupational Health and Safety Initiatives

In carrying out Kyocera Group business activities, we actively promote initiatives related to environmental safety based on our management rationale, and make every effort to create sanitary and accident- and disaster-free workplaces where our employees can work safely and healthily.

Occupational Safety Initiatives

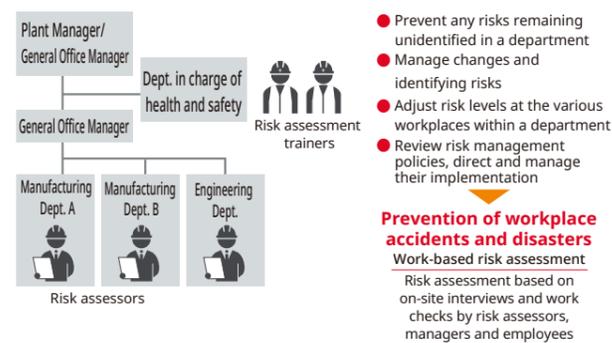
The goals we should aim for

The Kyocera Group is committed to creating a safe and secure workplace environment for our employees via the Kyocera Group Environmental Safety Policy **P27**, which is based on our Management Rationale.

Systems and initiatives

The Kyocera Group has established a management system in accordance with the Occupational Health and Safety Management System (ISO 45001) and promotes efforts for occupational safety and health. In Japan, we train risk assessment trainers and risk assessors at each business site, identify potential hazards, and implement measures against them. Going forward, we will continue to make further improvements, and will establish an effective system to identify potential hazards so that we can engage in steps to prevent accidents and disasters.

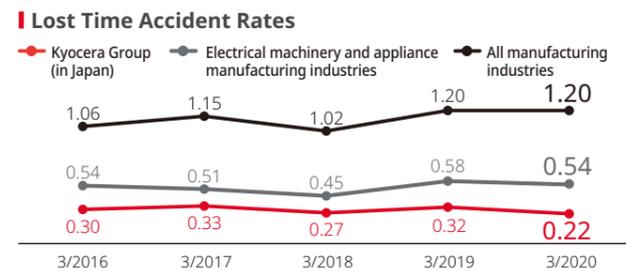
Risk assessment overview



Targets and results

● Transitions in the Kyocera Group Lost Time Accident Rates (in Japan)

The lost time accident rate of the Kyocera Group (in Japan) in FY2019 was 0.22, lower than the average of all manufacturing industries as well as the electric machinery and appliance manufacturing industries. (Our target was 0.15.) Going forward, we will continue to take action to reduce industrial accidents and create a safe and secure working environment for all our employees.



* The lost time accident rates of all manufacturing industries and electrical machinery and appliance manufacturing industries are based on the data of the Ministry of Health, Labour and Welfare.
* Lost time accident rates: No. 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.)
* The Ministry of Health, Labour and Welfare figures utilize fiscal year data. (Lost time of one day or more)
* Kyocera Corporation and Kyocera Group (in Japan) lost time accident rates utilize fiscal year data. (Lost time of one day or more)

[Example Approach] Hazard Awareness Training Using Virtual Reality (VR)

Kyocera Corporation runs hazard awareness training that utilizes VR. Inexperienced employees are given a virtual experience of the dangers inherent in their work. This boosts their hazard awareness and makes them more safety-conscious in their actions. Through this training, we are endeavoring to prevent work-related injuries and deaths.



VR experience of getting a hand trapped in a press (Kokubu Plant, Kagoshima)



Occupational Health, Safety, and Fitness Initiatives

The Kyocera Group is implementing various initiatives to boost the health awareness of all our employees and support their physical and mental health.

The goals we should aim for

● Total Health Promotion Plan (THP) Activities

The Kyocera Group carries out total health promotion (THP) activities, under the overall control of the president and the leadership of the Corporate General Affairs Human Resources Group. THP activities aim to help employees maintain and improve their physical and mental health so that they feel happy with their health, and to make the company more productive and energetic. In line with our Health and Productivity Management Declaration, we are implementing various ongoing initiatives to improve employee health, including measures to promote healthy eating habits, exercise, non-smoking, and good mental health. We are aiming to be a company with excellent health management, where every employee can work energetically and enthusiastically.

Kyocera Group Health and Productivity Management Declaration

The Kyocera Group declared as its corporate principle, "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," in the Management Rationale and has conducted management based on this philosophy since it's the company's foundation. Since the physical and mental health of employees is indispensable to realize this management rationale, the Kyocera Group carries out total health promotion (THP) activities to conduct "health and productivity management." Kyocera aims to remain a lively and energetic group where all of its employees are delighted to work in a healthy way while achieving their maximum performance potential.

Our main initiatives

I Details of Key THP Initiatives

- 1 Improving dietary habits** Offering healthy menus at company cafeterias, selling more designated health foods and sugar-free products in company stores and vending machines, awareness-raising activities for healthy diets, etc.
- 2 Encouraging exercise** Promoting the 2-Up/3-Down campaign, etc.
- 3 Preventing passive smoking, and encouraging smokers to stop** Total ban on indoor smoking (as of March 2020), discussions on extending the ban to outdoors as well, awareness-raising activities for smokers, encouraging the use of outpatient treatment to stop smoking, etc.
- 4 Mental health care** Improved mental health education for managers
- 5 Development of health improvement apps** Visualization of health checkup results, dissemination of information on health (seasonal newsletters, etc.), sharing information with industrial physicians, public health nurses and nurses, etc.
- 6 Reinforcement of the health management system** Increasing the number of industrial physicians, commissioned mental health doctors, public health nurses, and nurses
- 7 Other** Established the annual Kyocera Group Health Promotion Month (September)



Health improvement app



THP handout



Stop Smoking seminar handout

Supply Chain Management

The Kyocera Group has established the Basic Policy on Purchasing to ensure that transactions with our business associates are carried out fairly and transparently. In addition, we and our business associates work together as a team to implement fair business activities.

The goals we should aim for

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 aim to realize that rationale by committing ourselves to the implementation of fair business activities in our supply chains. The Kyocera Group believes that the mutual prosperity of the entire supply chain can only be realized if all companies involved in the series of business processes, including development, production, sales and service, work together to meet the demands of society. To this end, the Kyocera Group actively communicates with its business partners and focuses on the building of partnerships based on mutual trust.

Basic Policy on Purchasing

- Whether the fundamental thinking of the Kyocera Group is understood.
- Whether the thinking of the business operator and the management rationale of the prospective supplier are acceptable to Kyocera.
- Whether the company aims to improve management ability, technological strength and manufacturing ability; and whether business management is appropriate and stable in terms of scale and finances. (e.g.: VA^{*1} / VE^{*2} proposal strength)
- Whether the company excels in such areas as quality, price, delivery time, service response, etc. (e.g.: ISO9000 series or equivalent quality management systems; lead-time reduction activity)
- Whether the company is seriously involved in global environmental conservation activities (e.g.: ISO14001 certification)

*1 VA: Value Analysis *2 VE: Value Engineering

Our main initiatives

● CSR Activities Shared with Our Business Associates

In order to fulfill our social responsibilities in areas such as human rights, labor conditions, and environmental protection, the Kyocera Group works together with our business associates to promote shared CSR activities. We have established the Kyocera Supply Chain CSR Procurement Guidelines in order to respond appropriately to CSR issues that need to be addressed throughout the supply chain, such as conflict minerals and the establishment of BCP to swiftly restore and continue operations in the aftermath of a disaster. We also carry out surveys on the state of our business associates' CSR activities.

● Initiatives for Responsible Procurement of Minerals

In July 2010, the Dodd Frank Wall Street Reform and Consumer Protection Act was passed by the US Congress due to concerns that mineral resources mined in the Democratic Republic of the Congo and neighboring countries have become a source of funds for armed insurgents. It identifies tantalum, tin, gold and tungsten, and their derivatives, as "conflict minerals" and requires disclosure of information such as their use in products. The EU Conflict Minerals Regulation, enacted in January 2021, applies to companies that import the specified minerals into the EU. The Kyocera Group is therefore moving forward with preparations to comply with it.

In addition to those laws, we are also required to engage in the responsible procurement of minerals, based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Based on that guidance, the Kyocera Group has established our Responsible Mineral Procurement Policy, adding cobalt to the list of minerals. We survey supply chains to see if there is any risk of involvement in conflicts or human rights violations, and engage in risk assessment and corrective action to reduce any such risks and ensure transparency in our supply chains.

— Responding to the COVID-19 Pandemic —

Kyocera Group Initiatives in Response to the COVID-19 Pandemic

With the number of COVID-19 cases increasing, the Kyocera Group is prioritizing the health of our customers, business associates, employees, and their families, and making every effort to protect against infection and prevent the spread of infection.

As well as moving forward with initiatives aimed at providing a constant supply of products and services, we are contributing to the local community via action such as the donation of masks and face shields.

1 In-house Response to the COVID-19 Pandemic

When a state of emergency was declared in Japan, and when 13 prefectures, including Kyoto, were designated as areas requiring special vigilance, Kyocera adopted telecommuting as a general rule at Head Office, and at business facilities, and sales offices in those prefectures, and kept the number of employees who came into work at the bare minimum. In May 2020, the telecommuting ratio was approx. 90% at the business premises in those prefectures. As of October 2020 we are maintaining a steady telecommuting ratio, with 50% of our employees coming into work. Although production was prioritized at factories in the designated prefectures in order to

meet our customers' needs, we made efforts to keep the number of employees coming into work at the absolute minimum by halting nonessential production. With regard to our overseas bases, we prioritized measures to protect against infection and prevent the spread of infection, based on the policies and action plans of the national governments concerned. Although we adopted telecommuting as a general rule at our overseas marketing bases, after receiving the necessary approval and implementing strict measures to prevent infection, we operated manufacturing sites for products that are essential for daily life.

2 Social Contributions and Business Expansion in Response to the COVID-19 Pandemic

● Donation of face shields

The Kyocera Group is continuing to provide assistance, for example by donating a total of 150,000 face masks to Kyoto Prefecture and the city of Kyoto. Our aid activities are undertaken with the sincere wish that the pandemic will be ended as soon as possible and that life will return to normal. As emergency aid for the medical frontlines, Kyocera Document Solutions speedily manufactured 60,000 simple face shields which it started to distribute in late April 2020. The shields are primarily donated in Kyoto and Shiga prefectures, and to designated medical institutions for specified infectious diseases nationwide that request them.



● Anshin Communicator

From the perspective of reducing the risk of infection for medical staff, there is a growing need to provide remote physical therapy for COVID-19 patients. Accordingly, Kyocera is accelerating our joint research with Tokyo Medical and Dental University (TMDU) into a wearable system (the Anshin Communicator) that will contribute to telediagnosis and remote physical therapy. We are carrying out joint research with their Department of Cardiovascular Medicine into a headset-style wearable system that can obtain vital sign data such as blood oxygen saturation (SpO₂). Preparations for a TMDU clinical study began in mid-May 2020. The adoption of direct intervention physical therapy for patients seriously ill with COVID-19 and remote physical therapy for moderately ill patients who have recovered enough to enable them

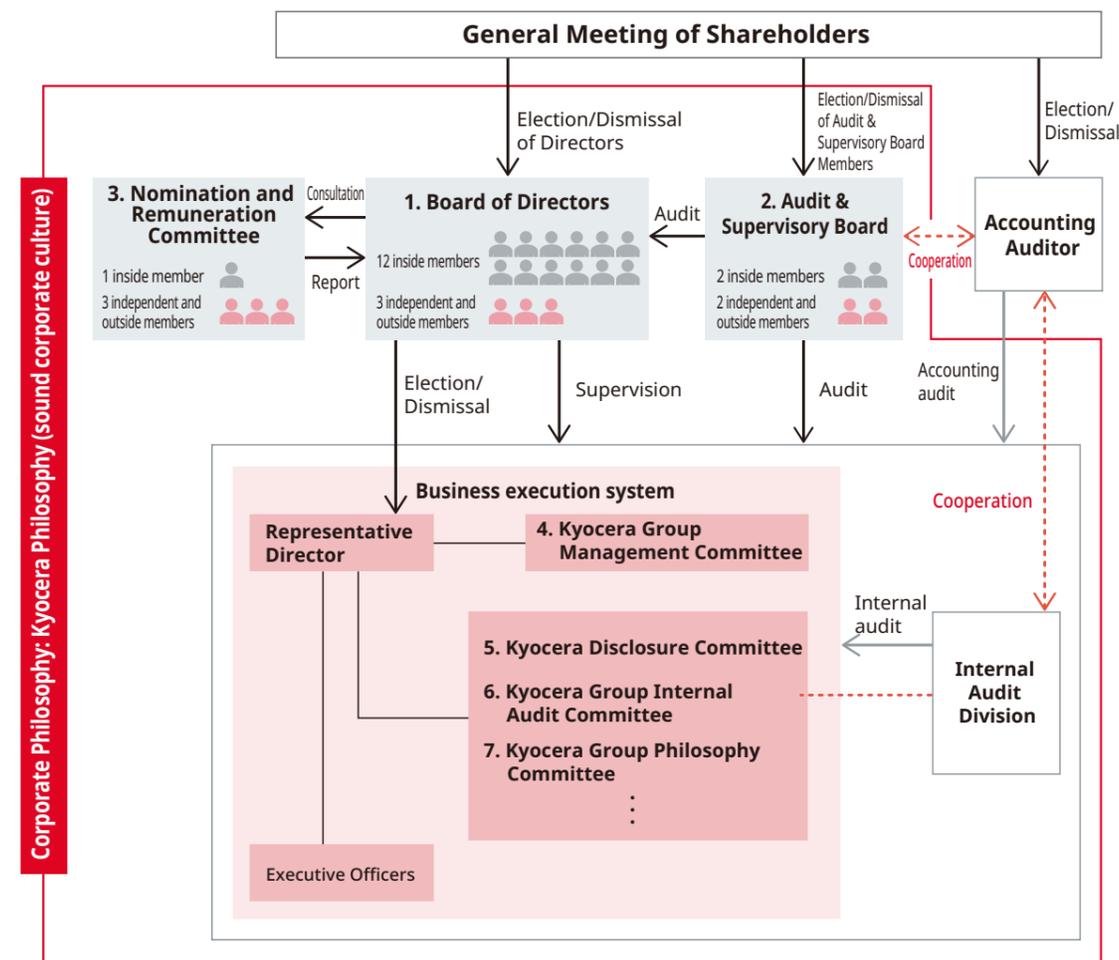
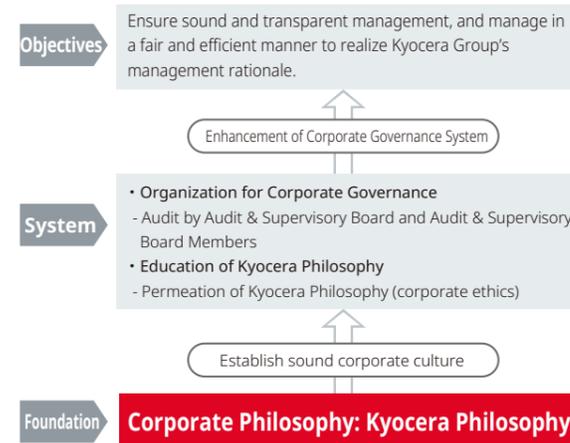
to walk independently is intended to speed up recovery times, and is also expected to produce such benefits as less risk of infection for medical staff and more economical use of medical resources such as protective clothing and masks.



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



(As of June 25, 2020)

1. Board of Directors

The Board of Directors of Kyocera is an organization to decide the important matters and supervises the execution of businesses of Kyocera Group as a whole. It comprises fifteen Directors, of which three are Outside Directors. The Board of Directors also includes one female Director and two Directors from outside of Japan.

The policy to nominate the candidates for the Directors of Kyocera is that Kyocera shall maintain the diversity of the members of its Board of Directors in terms of, without limitation, nationality and gender, subject to the prerequisite that Kyocera must always select superior personnel, who understand Kyocera Group well and who excel in their "personality", "capability" and "insight" to manage Kyocera. Based on such policy, the Board of Directors is well balanced in skills, knowledge and experience, and it is constituted in a manner to achieve both diversity and appropriate size.

In principle, the Board of Directors meets once per month. However, extraordinary meetings may also be held should the need arise. The Board of Directors met thirteen times in the year ended March 31, 2020.

2. Audit & Supervisory Board

The Audit & Supervisory Board comprises 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 a certified public accountant. The Audit & Supervisory Board Members conduct audits 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 eight times in the year ended March 31, 2020.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is an advisory body to the Board of Directors and comprises four members, all of the Outside Directors and the Chairman of the Board. In order to ensure fair and appropriate decision-making with regards to the nomination of Directors and Executive Officers and the remuneration of Directors, these matters are subject to prior review by the Nomination and Remuneration Committee before being deliberated by the Board of Directors.

The Nomination and Remuneration Committee met three times in the year ended March 31, 2020, deliberating and responding to requests for consultation from the Board of Directors.

4. Kyocera Group Management Committee

The Kyocera Group Management Committee consists of the Directors (excluding Outside Directors) who are resident in Japan and holds regular meetings throughout the year. This 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 ensure Kyocera Group's sound management.

The Kyocera Group Management Committee met twenty-four times in the year ended March 31, 2020.

5. Kyocera Disclosure Committee

The Kyocera Disclosure Committee was established as part of our internal system for the disclosure of corporate information. This Committee examines all disclosure documents for the purpose of assuring the appropriate disclosure of corporate information. Its findings are reported to the President and Representative Director. The Committee also educates Kyocera Group companies concerning disclosure rules and promotes appropriate disclosure of information throughout the entire Group.

The Kyocera Disclosure Committee met four times in the year ended March 31, 2020.

6. Kyocera Group Internal Audit Committee

The Kyocera Group Internal Audit Committee was established in order to improve internal control levels within Kyocera Group and strengthen cooperation between the internal audit departments in each company. The Committee aims to heighten the effectiveness of internal control levels by receiving reports of audit results from the Corporate Global Audit Division and the internal audit divisions of consolidated subsidiaries. It then issues instructions for any necessary corrective action given by the President and Representative Director of Kyocera Group or the Directors of each subsidiary.

The Kyocera Group Internal Audit Committee met once in the year ended March 31, 2020.

7. Kyocera Group Philosophy Committee

Kyocera has established the "Kyocera Group Philosophy Committee" to educate and permeate the "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 is the right thing to do as a human being." The committee has set the education policy regarding "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, 2020.

Members of Board of Directors, Audit & Supervisory Board and Committees

◎: chairperson, ○: member, □: attendance required under the Companies Act

Position	Name	1. Board of Directors	2. Audit & Supervisory Board	3. Nomination and Remuneration Committee	4. Kyocera Group Management Committee	5. Kyocera Disclosure Committee	6. Kyocera Group Internal Audit Committee	7. Kyocera Group Philosophy Committee
Chairman of the Board and Representative Director	Goro Yamaguchi	◎		○	◎			◎
President and Representative Director	Hideo Tanimoto	○			○		◎	○
Director	Hiroshi Fure	○			○			○
Director	Yoji Date	○			○			○
Director	Norihiko Ina	○			○			○
Director	Keiji Itsukushima	○			○			○
Director	Koichi Kano	○			○	○		○
Director	Shoichi Aoki	○			○	◎		○
Director	Takashi Sato	○			○	○		○
Director	Junichi Jinno	○			○	○		○
Director	John Sarvis	○						
Director	Robert Whisler	○					○	
Outside Director (Independent Director)	Hiroto Mizobata	○		○				
Outside Director (Independent Director)	Atsushi Aoyama	○		○				
Outside Director (Independent Director)	Akiko Koyano	○		○				
Full-time Audit & Supervisory Board Member	Itsuki Harada	□	◎					
Full-time Audit & Supervisory Board Member	Shigeru Koyama	□	○					
Outside Audit & Supervisory Board Member (Independent Audit & Supervisory Board Member)	Hitoshi Sakata	□	○					
Outside Audit & Supervisory Board Member (Independent Audit & Supervisory Board Member)	Masaaki Akiyama	□	○					
—	Other					○ Note 1	○ Note 2	○ Note 3

Note 1: Divisional manager of management strategies division, internal audit division, information security division, accounting division, finance division, investor relations division and management control division are included.

Note 2: Divisional manager of internal audit division and President of consolidated subsidiaries that have an internal audit division are included.

Note 3: Executive officers and general managers of domestic divisions of Kyocera and President of domestic subsidiaries are included.

Outside Directors and Outside Audit & Supervisory Board Members

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. Kyocera selects persons who satisfy the above-mentioned criteria as Independent Outside Directors and Independent Outside Audit & Supervisory Board Members in compliance with the requirements concerning Outside Directors and Outside Corporate Auditors prescribed by the Companies Act and the independence standards prescribed by the financial instruments exchanges.

Name	Reason for appointment	Attendance at meetings in FY3/2020 (meetings attended / total number of meetings)			
		Board of Directors	Audit & Supervisory Board	Nomination and Remuneration Committee	
Outside Directors	Hiroto Mizobata Independent Director Member of the Nomination and Remuneration Committee	Kyocera expects that Mr. Hiroto Mizobata will be capable of providing appropriate advice on and undertaking supervision of general corporate activities based on his abundant experience and exceptional insight as a certified public accountant and licensed tax accountant.	13/13	-	3/3
	Atsushi Aoyama Independent Director Member of the Nomination and Remuneration Committee	Kyocera expects that Mr. Atsushi Aoyama will be capable of providing appropriate advice on and undertaking supervision of general corporate activities based on his abundant experience and exceptional insight relating to the area of technology management that studies companies which make much of technology development and innovation.	13/13	-	3/3
	Akiko Koyano Independent Director Member of the Nomination and Remuneration Committee	Kyocera expects that Ms. Akiko Koyano will be capable of providing appropriate advice on and undertaking supervision of general corporate activities based on her extensive experience and insight as an attorney at law specializing in corporate law and various other areas. She also has wide-ranging insight into social issues such as gender equality.	11/11	-	2/2
Outside Audit & Supervisory Board Members	Hitoshi Sakata Independent Audit & Supervisory Board Member	Kyocera expects that Mr. Hitoshi Sakata will be capable of conducting overall audits of corporate activities based on his extensive experience and deep insight as an attorney at law and his great familiarity with corporate legal practice and overseas intellectual property rights.	13/13	8/8	-
	Masaaki Akiyama Independent Audit & Supervisory Board Member	Kyocera expects that Mr. Masaaki Akiyama will be capable of conducting overall audits of corporate activities based on his extensive experience and deep insight as a certified public accountant and substantial knowledge of finance and accounting.	13/13	8/8	-

Efforts to improve the effectiveness of the Board of Directors

Evaluation of the effectiveness of the Board of Directors

The Board of Directors shall conduct analysis and evaluation of the effectiveness of the Board of Directors as a whole, and a summary of the results shall be disclosed once per year.

Kyocera conducts this evaluation by issuing questionnaires to all Directors and Audit & Supervisory Board Members in order to obtain an appropriate understanding of the current condition of the Board of Directors and of avenues for more effective operation. Discussions are conducted within the Board of Directors about the results of the evaluation and the opinions raised therein.

In the evaluation conducted for the year ended March 31, 2020, it was found that improvements had been made in the sharing of information and discussions concerning the broad direction of corporate strategy. The Board of Directors was also found to be generally effective in carrying out its functions through measures such as prior briefing sessions on the matters to be submitted to the Board of Directors for Outside Directors and Outside Audit & Supervisory Board Members, which were implemented during the period under examination. We shall endeavor to operate even more effectively and to make ongoing improvements moving forward.

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 appointing young 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.

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.

Remuneration of Directors and Audit & Supervisory Board Members

Directors

The structure and level of remuneration for Directors is determined by the Board of Directors within the range of a resolution at the General Meeting of Shareholders after advance consultation with the Nomination and Remuneration Committee, a majority of which consists of Outside Directors. This process is followed to ensure objectivity and transparency in decision-making processes. The Nomination and Remuneration Committee also refers to the benchmark results of compensation for directors provided by external consultants, and confirms the appropriateness of Kyocera's remuneration in light of public standards.

	Basic remuneration	Bonuses to Directors (short-term incentives)	Restricted Stock Compensation (mid to long-term incentives)
Applicable to:	Directors	Directors (excluding Outside Directors)	Directors (excluding Outside Directors)
Items determined at General Meeting of Shareholders	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).	No more than 0.2% of profit attributable to owners of the parent for the relevant fiscal year, provided that such amount shall not exceed 300 million yen per year.	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 (The total number of common stocks to be issued or disposed of shall not exceed 25,000 shares per year).
Details and determination method	<ul style="list-style-type: none"> ● Remuneration to be paid based on the responsibilities of each Director ● Level of the amount to be paid to each Director shall be decided based on the responsibilities of each Director taking into consideration the amount of remuneration at other companies involved in similar businesses to Kyocera 	<ul style="list-style-type: none"> ● Performance linked remuneration system varies with the "profit attributable to owners of the parent" in each fiscal year ● The amount to be paid is determined based on the level of each Director's contribution to performance 	<ul style="list-style-type: none"> ● Compensation to be paid for the purpose of providing incentives for Directors to continuously improve Kyocera's corporate value, as well as to promote further shared value between Directors and shareholders over the medium to long term ● The amount of payment is set according to the position of Director
Proportion of amount for the year ended March 31, 2020	50%	40%	10%

Audit & Supervisory Board Members

Items determined at General Meeting of Shareholders: Basic Remuneration of no more than 100 million yen per year Individual payment amounts are determined within the range of the above resolution upon consultation among Audit & Supervisory Board Members.

Amount of Remuneration by Classification, Components and Number of Directors and Audit & Supervisory Board Members (The Year Ended March 31, 2020 (FY3/2020))

(Yen in Millions)

Classification	Amount	Components			Number of Directors and Audit & Supervisory Board Members
		Basic remuneration	Bonuses to Directors	Restricted Stock Compensation	
Directors (excluding Outside Directors)	347	163	135	49	12
Outside Directors	38	38	-	-	4
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	36	36	-	-	2
Outside Audit & Supervisory Board Members	21	21	-	-	2
Total	442	258	135	49	20

*1 The amount of restricted stock compensation stated in the table above is the amount recognized as expense for the year ended March 31, 2020.

*2 Aside from the "Basic remuneration" and "Bonus to Directors" in the above table, the aggregate amount of remuneration to Directors (excluding Outside Directors) was 273 million yen in salaries for services as employees or Executive Officers for those Directors who serve as such and 179 million yen in bonuses for services as employees.

Cross-Shareholdings

Policy regarding cross-holding of shares

We engage in cross-holding of shares with the objective of improving our business value in the medium to long-term, focusing on corporate growth through enhancement, maintenance and development of business relationships, realization of profits through shareholdings, and the issuing companies' social significance. In our annual review of cross-holdings of shares, if we determine that there is no significance in holding the relevant shares, in principle we will dispose of such shares. Pursuant to the above-mentioned policy, we currently hold shares in KDDI CORPORATION ("KDDI"). We continue to hold these shares for economic reasons and because we anticipate that KDDI will be an important business partner of ours in future business opportunities.

Review of cross-holdings of shares

Kyocera Group Management Committee and our Board of Directors conduct an annual review of all cross-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, including capital costs, with respect to individual shares. We decrease our holdings of shares for which a justifiable reason for holding them cannot be identified through discussions with the issuing companies. We sold some of our cross-holdings of shares in the fiscal year ended in March 2020 as a result of such reviews.

Exercise of voting rights

In exercising the voting rights of shares that we hold through cross-holdings, we undertake a comprehensive assessment based on criteria that include whether the proposed measure conforms to our basic policy regarding cross-holdings of shares, and whether our exercise of such voting rights will produce improvement in medium to long-term business value and in shareholder returns, or may cause damage to the management efficiency or financial soundness of the issuers, while continuing to respect their overall management policy and strategy.

Directors, Audit & Supervisory Board Members and Executive Officers (as of June 25, 2020)

■ : attendance at meetings of the Board of Directors (FY3/2020) ○ : attendance at meetings of the Audit & Supervisory Board (FY3/2020)

Directors



Goro Yamaguchi

Chairman of the Board and Representative Director

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

Appointed on the basis of his management experience, exceptional insight, work as a President and Representative Director and service as Chairman of the Board and Representative Director.

■ Board of Directors: 13/13



Hideo Tanimoto

President and Representative Director

Mar. 1982 Joined the Company
 Apr. 2014 General Manager of Corporate Fine Ceramics Group of 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

Appointed based on his contribution to the growth and development of the Corporate Fine Ceramics Group as General Manager and management experience and exceptional insight gained in the role of President and Representative Director.

■ Board of Directors: 13/13



Hiroshi Fure

Director

Mar. 1984 Joined the Company
 Apr. 2009 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 [Present]
 Sep. 2016 General Manager of Corporate Organic Materials Semiconductor Components Group of the Company [Present]

Reason for appointment

Appointed based on his experience as General Manager of the Corporate Automotive Components Group and his contribution to the growth and development of the Corporate Organic Materials Semiconductor Components Group in his current role as General Manager.

■ Board of Directors: 13/13



Yoji Date

Director

Mar. 1979 Joined the Company
 Oct. 2008 Transferred to Kyocera ELCO Corporation Managing Director of the above company
 Apr. 2009 President and Representative Director of Kyocera ELCO Corporation
 Apr. 2012 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 [Present]
 Apr. 2017 General Manager of Corporate Electronic Components Group of the Company [Present]

Reason for appointment

Appointed based on his experience as President and Representative Director of a Kyocera subsidiary and his contribution to the growth and development of the Corporate Electronic Components Group in his current role as General Manager.

■ Board of Directors: 13/13



Norihiko Ina

Director

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. [Present]
 Jun. 2017 Director and Managing Executive Officer of the Company [Present]

Reason for appointment

Appointed based on his contribution to the global growth and development of the document solutions business as President and Representative Director of a Kyocera subsidiary.

■ Board of Directors: 13/13



Keiji Itsukushima

Director

Mar. 1982 Joined the Company
 Jul. 2004 Executive Officer of Kyocera Mita Corporation (Currently Kyocera Document Solutions Inc.)
 Apr. 2007 Managing Executive Officer of Kyocera Mita Corporation, Senior General Manager of Corporate R&D Division 1 of Kyocera Mita Corporation
 Apr. 2008 Senior General Manager of Corporate R&D Division of Kyocera Mita Corporation
 Jun. 2008 Director and Managing Executive Officer of Kyocera Mita Corporation
 Apr. 2012 Senior General Manager of Corporate Quality Assurance Division of Kyocera Document Solutions Inc.
 Apr. 2015 Director and Senior Managing Executive Officer of Kyocera Document Solutions Inc.
 Apr. 2016 Senior Executive Officer of the Company General Manager of Corporate Communication Equipment Group of the Company [Present]
 Apr. 2017 Managing Executive Officer of the Company
 Jun. 2017 Director and Managing Executive Officer of the Company [Present]

Reason for appointment

Appointed based on his experience in the Corporate R&D Division of a Kyocera subsidiary and his contribution to the growth and development of the Corporate Communication Equipment Group in his current role as General Manager.

■ Board of Directors: 13/13



Koichi Kano

Director

Mar. 1985 Joined the Company
 Jun. 2005 General Manager of Circuit Device Division of the Company
 Apr. 2012 General Manager of Corporate Development Group of the Company [Present]
 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]

Reason for appointment

Appointed based on his appropriate leadership of Kyocera subsidiaries in Japan and overseas in his role as General Manager of Corporate Development Group in addition to his contribution to the subsidiaries' growth and development.

■ Board of Directors: 13/13



Shoichi Aoki

Director

Mar. 1983 Joined the Company
 Jun. 2005 Executive Officer of the Company General Manager of Corporate Accounting Group of the Company
 May 2008 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 General Manager of Corporate Financial and Business Systems Administration Group of the Company
 Apr. 2013 General Manager of Corporate Financial and Accounting Group of the Company
 Apr. 2018 General Manager of Corporate Management Control Group of the Company [Present]

Reason for appointment

Appointed based on his responsibility for Kyocera Group's accounting and financial strategy in his role as General Manager of the Corporate Management Control Group, in addition to his contribution to the Group's growth and development.

■ Board of Directors: 13/13



Takashi Sato

Director

Mar. 1983 Joined the Company
 Jan. 2005 General Manager of Human Resource Division of the Company
 Apr. 2013 Executive Officer of the Company General Manager of Corporate Human Resources Group of the Company
 Apr. 2016 Senior Executive Officer of the Company General Manager of Corporate General Affairs Human Resources Group of the Company [Present]
 Apr. 2017 Managing Executive Officer of the Company
 Jun. 2017 Director and Managing Executive Officer of the Company [Present]

Reason for appointment

Appointed based on his appropriate leadership of the corporate general affairs and human resources of Kyocera Group in his role as General Manager of the Corporate General Affairs Human Resources Group in addition to his contribution to the Group's growth and development.

■ Board of Directors: 13/13



Junichi Jinno

Director

Jul. 1983 Joined the Company
 Aug. 2002 General Manager of Corporate Communication Systems Equipment Division of the Company
 Jun. 2003 Executive Officer of the Company
 Apr. 2007 General Manager of Corporate R&D Group for Equipment and Systems of the Company
 Apr. 2011 General Manager of Corporate Legal and Intellectual Property Group of the Company [Present]
 Apr. 2013 Senior Executive Officer of the Company
 Apr. 2018 Managing Executive Officer of the Company
 Jun. 2018 Director and Managing Executive Officer of the Company [Present]

Reason for appointment

Appointed based on his responsibility for Kyocera Group's compliance and intellectual property strategy in his role as General Manager of the Corporate Legal and Intellectual Property Group, in addition to his contribution to the Group's growth and development.

■ Board of Directors: 13/13



John Sarvis

Director

Dec. 1973 Joined AVX Corporation
 Mar. 2005 Officer of the Ceramics Division of AVX Corporation
 Apr. 2015 President, Chief Executive Officer and Director of AVX Corporation
 Jun. 2016 Director of the Company [Present]
 Jul. 2016 Chairman of the Board and President, Chief Executive Officer and Director of AVX Corporation [Present]

Reason for appointment

Appointed on the basis of his management experience, exceptional insight and work as Chairman of the Board, President, Chief Executive Officer and Director of a Kyocera subsidiary in the U.S.A.

■ Board of Directors: 5/13



Robert Whisler

Director

Mar. 1981 Joined Kyocera America, Inc. (Currently Kyocera International, Inc.)
 Sep. 2000 President and Representative Director of Kyocera America, Inc.
 Jun. 2005 Executive Officer of the Company
 Apr. 2016 President and Director of Kyocera International, Inc. [Present]
 Jun. 2016 Director of the Company [Present]

Reason for appointment

Appointed on the basis of his management experience, exceptional insight and work as President and Director of a Kyocera subsidiary in the U.S.A.

■ Board of Directors: 5/13

Directors, Audit & Supervisory Board Members, and Executive Officers

Directors



Hiroto Mizobata

Director

Outside Director
Independent Director
Member of the Nomination and Remuneration Committee

Apr. 1986 Joined KPMG Asahi Shinwa Accounting, Inc. (Currently KPMG AZSA LLC)
Mar. 1988 Registration as certified public accountant
Dec. 1991 Registration as licensed tax accountant
Mar. 1992 Representative of Mizobata Certified Public Accountant Office [Present]
Jun. 2015 Outside Director of the Company [Present]
Jun. 2015 Outside Director (Audit Committee Member) of Yamaki Co., Ltd. [Present]
Mar. 2016 Outside Director (Audit Committee Member) of ES-CON JAPAN Ltd. [Present]

Reason for appointment

Appointed based on his abundant experience and exceptional insight as a certified public accountant and licensed tax accountant.

■ Board of Directors: 13/13



Atsushi Aoyama

Director

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 Resources Science 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

Appointed based on his work as a graduate school professor and his abundant experience and exceptional insight relating to the area of technology management.

■ Board of Directors: 13/13



Akiko Koyano

Director

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

Appointed based on her extensive experience and insight as an attorney at law and wide-ranging insight into social issues such as gender equality.

■ Board of Directors: 11/11

Audit & Supervisory Board Members



Itsuki Harada

Full-time Audit & Supervisory Board Member

Mar. 1980 Joined the Company
Oct. 1996 General Manager of Accounting Div. of Dongguan Shilong Kyocera Optics Co., Ltd. (Currently Dongguan Shilong Kyocera Co., Ltd.)
Apr. 2010 General Manager of Corporate Global Audit Division of the Company
Jun. 2016 Full-time Audit & Supervisory Board Member of the Company [Present]

Reason for appointment

Appointed based on his wealth of experience in corporate accounting and the internal audit department and his substantial knowledge of finance and accounting.

■ Board of Directors: 13/13

○ Audit & Supervisory Board 8/8



Shigeru Koyama

Full-time Audit & Supervisory Board Member

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

Appointed on the basis of his extensive experience and deep insight regarding the Company's overseas business activities and work as President and Director of an overseas Kyocera subsidiary.



Hitoshi Sakata

Audit & Supervisory Board Member

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. [Present]
Jun. 2016 Outside Audit & Supervisory Board Member of the Company [Present]

Reason for appointment

Appointed based on his extensive experience and deep insight as an attorney at law and his great familiarity with corporate legal practice and overseas intellectual property rights.

■ Board of Directors: 13/13

○ Audit & Supervisory Board 8/8



Masaaki Akiyama

Audit & Supervisory Board Member

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. [Present]
Jun. 2016 Outside Audit & Supervisory Board Member of the Company [Present]

Reason for appointment

Appointed based on his extensive experience and deep insight as a certified public accountant and substantial knowledge of finance and accounting.

■ Board of Directors: 13/13

○ Audit & Supervisory Board 8/8

Executive Officers

President and Executive Officer	Senior Managing Executive Officer		Managing Executive Officer			Executive Officer		
Hideo Tanimoto	Hiroshi Fure General Manager of Corporate Organic Materials Semiconductor Components Group	Yoji Date General Manager of Corporate Electronic components Group	Norihiko Ina President and Representative Director of Kyocera Document Solutions Inc.	Keiji Itsukushima General Manager of Corporate Communication Equipment Group	Koichi Kano General Manager of Corporate Development Group	Shoichi Aoki General Manager of Corporate Management Control Group	Takashi Sato General Manager of Corporate General Affairs Human Resources Group	Junichi Jinno General Manager of Corporate Legal and Intellectual Property Group
Masahiro Inagaki General Manager of Corporate R&D Group	Masaki Iida General Manager of Corporate Purchasing Group	Yoshihito Kurose President and Representative Director of Kyocera Communication Systems Co., Ltd.	Takashi Okunosono President and Director of Kyocera Thailand Co., Ltd.	Hironao Kudo Deputy General Manager of Corporate R&D Group	Hisamitsu Sakai General Manager of Corporate Printing Device Group	Yusuke Mizukami President and Director of Kyocera Europe GmbH		
Tayo Hamano General Manager of Corporate Management Promotion Group	Masaaki Ozawa Deputy General Manager of Corporate Organic Materials Semiconductor Components Group	Masaki Hayashi General Manager of Corporate Fine Ceramics Group	Shigeaki Kinori Deputy General Manager of Corporate Electronic Components Group	Akihito Kubota General Manager of Corporate Smart Energy Group	Tadashi Shinagawa Deputy General Manager of Corporate Fine Ceramics Group	Senri Nagashima General Manager of Corporate Industrial Tool Group		
Hitoshi Matsunosako General Manager of Corporate Automotive Components Group	Hideji Yanagisawa Deputy General Manager of Corporate Industrial Tool Group	Nobuhiro Higashihara General Manager of Production Technology & Development Group, Corporate R&D Group and Precision Machine Division	Eri Yoshikawa General Manager of Corporate Communications Division and Diversity Promotion Division, Corporate General Affairs Human Resources Group	Kenichiro Nakamura General Manager of Corporate Ceramic Materials Semiconductor Components Group	Wataru Dokite General Manager of Digital Business Promotion Group	Kayo Hashiura General Manager of Inamori Library Division and Philosophy Division, Corporate General Affairs Human Resources Group		

Messages from Outside Directors and Outside Audit & Supervisory Board Members

Our three Outside Directors and two Outside Audit & Supervisory Board Members give their perspectives on how the Kyocera Group should move forward in the face of the COVID-19 pandemic, from the point of view of aspects such as governance, the Kyocera Philosophy, diversity, innovation and M&A.



Hiroto Mizobata

Outside Director

Looking at concerns together with management and sharing opinions

2020 has been challenging as a result of the COVID-19 pandemic. However, I feel that we were able to establish a new form of management through measures such as the rapid establishment of a web-based system. The Board of Directors is becoming more diverse and more dynamic. Before I was appointed in 2015, there was only one Outside Director. That number has now increased to three, or five if we include Outside Audit & Supervisory Board Members. In terms of governance, I believe that maintaining balanced development across a range of business areas is crucial in a company as large as Kyocera. On the business side, for example, the need for diversification has been reaffirmed by the fact that the company was able to retain overall profitability despite the variations in performance across our various businesses as a result of the COVID-19 pandemic. I believe that my role is to look at concerns from the point of view of management and provide useful insight when I am asked for my opinion. Moving forward, we must pay particular attention to how we formulate our investment strategy. As the world undergoes major changes as a result of the COVID-19 pandemic and our company continues to become more global, I intend to be attentive to trends and information from around the world and be ready to respond effectively.



Atsushi Aoyama

Outside Director

Building collective innovation through entrepreneurship

While the COVID-19 pandemic has had a profound effect on our business, we were able to retain overall profitability as a result of the efforts of all of our employees, the sound judgment of management and the effectiveness of Amoeba Management. The fact that retained earnings were secured effectively also contributed to this outcome. This is based on founder Kazuo Inamori's concept of "wrestle in the center of the ring", and acts as a reminder of the importance of philosophy. Looking to the future, I have always believed that companies require entrepreneurship and open innovation. While Inamori provided excellent top-down innovation and leadership as a strong entrepreneur, now that he has retired from management, bottom-up innovation is becoming more important. To that end, each and every employee must think about the next business with a sense of ownership and display entrepreneurship. In that sense, the startup program is an excellent initiative, and the Kyocera Philosophy will become even more crucial to the support of such efforts in the future. I hope that I am also able to provide support from a long-term perspective.



Akiko Koyano

Outside Director

Diversity is key to Kyocera's growth

One year has passed since I was appointed as a Director at Kyocera. The general workings of the Board of Directors are extremely well explained and I feel that its various aspects, including both the broad direction of corporate strategy and more topical issues, are extremely clear. At the same time, I also receive feedback about aspects that can be worked on and put into practice in the future. I think it is important to have the opportunity to evaluate the decisions made by the Board of Directors based on subsequent trends, especially in the case of M&A and other investments. In addition, I strongly agree with the overriding message that diversity is essential for our future growth. While I think that there is still progress to be made to achieve this throughout the company, I believe that things are changing. Looking to the future, the declining birthrate and aging population in Japan will require alterations to the way in which we implement our management rationale of providing opportunities for the material and intellectual growth of all our employees. I hope that we can accelerate innovation by fostering an atmosphere and environment that supports and encourages all employees, regardless of gender, to embrace challenges.



Hitoshi Sakata

Outside Audit & Supervisory Board Member

Continuing to promote and strengthen collaboration as a group

I became a member of the Audit & Supervisory Board five years ago. Over that time, I feel that discussions among the Board of Directors have become much more open. However, I think even greater dynamism is still required within the board to facilitate the exchange of views between Inside and Outside Directors. While the nature of our company as a large business spanning a range of specialized areas can make it difficult for Outside Directors and Outside Audit & Supervisory Board Members to understand the issues facing Inside Directors, I think it is important that each Director is able to state what they think as much as possible. With regards to the activities of the Audit & Supervisory Board and its members, I believe that it is important to be more proactive in committing to the business activities of subsidiaries and to ensure close communication. In particular, as each overseas subsidiary has its own distinct nature, it is important to promote awareness of the company's management rationale while also recognizing the value of the other partners. Based on this perspective, I hope that I am able to contribute to strengthening collaboration with our group companies.



Masaaki Akiyama

Outside Audit & Supervisory Board Member

Focusing on synergies with Kyocera's businesses through M&A

Our company operates based on the two axes of Amoeba Management and the Kyocera Philosophy. Particularly in the case of Amoeba Management, the leaders of the various units are working to provide added value. I believe that this opportunity to gain leadership from an early stage is one of our strengths as a company. At the Audit & Supervisory Board, we carefully discuss the items on the agenda before we make decisions. The Kyocera Group Audit & Supervisory Board meets twice a year, with auditors from our subsidiaries and the Corporate Global Audit Division in attendance. In-depth reports are provided at these meetings. This is a very valuable opportunity, one that I think is extremely important in terms of the management of overseas subsidiaries. As a member of the Audit & Supervisory Board, I also have a strong interest in M&A, which are indispensable for the company's growth. We are constantly looking for future returns on investments and potential synergies with our company's businesses. Moving forward, promoting awareness of the Kyocera Philosophy at our overseas subsidiaries is an issue we must face. As globalization accelerates, I believe in the importance of a system that allows the parent company to maintain firm control, particularly with regards to human resource development. I hope that I am able to make a contribution in this area.

Improving Compliance, Risk Management and our Business Continuity Plan (BCP)

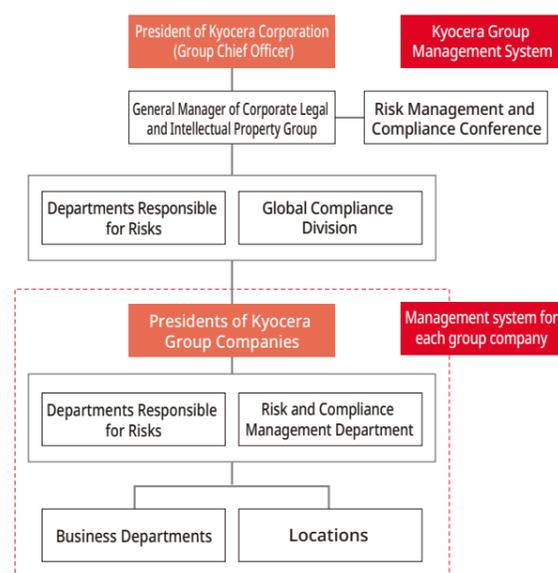
As uncertainty in the environment surrounding our company grows on a global scale year by year, risks continue to diversify and increase in size. In order to meet these challenges, our compliance and risk management systems must improve accordingly.

For this reason, the three separate departments responsible for compliance, risk management and our Business Continuity Plan (BCP) have been integrated as of April 2020.

This integration facilitates the active promotion of risk management within the Kyocera Group and contributes to the group's development through, faster, more efficient operation and the creation of synergies.

● Risk Management Promotion System

Organizational Chart of Risk Management Promotion System



● Risk Management

The Kyocera Group is making group-wide efforts to reinforce its risk management system to cope with global risks that are becoming more complex. The Kyocera Group faces various risks that may affect the credibility or business sustainability of the Kyocera Group, including changes in the market environment, the occurrence of natural disasters, incidents and accidents, the impact of climate change, information security, stoppages and deficiencies in labor conditions in the supply chain, and violations of human rights. To cope with these issues, the Kyocera Group endeavors to reduce and mitigate risks while implementing countermeasures through the BCP and acting on the Basic Policy on Risk Management put in place for this purpose.

Kyocera Group Basic Policy on Risk Management

1. In accordance with an assurance of compliance and the spirit of the Kyocera Philosophy, the Kyocera Group will consider appropriate conduct as a human being and act based on these values.
2. In accordance with the spirit of the Kyocera Philosophy, the Kyocera Group will recognize that the highest priority is to ensure physical safety and human life, deal with crises, and upon the resolution of crises, cooperate among employees as a unit to minimize loss, recover damage, and make efforts to prevent reoccurrences, thereby attempting to remove or mitigate impediments to the interests of each stakeholder, including customers, business partners, shareholders/investors, and the community.
3. The Kyocera Group will attempt to continuously develop its business through implementing risk management.
4. The Kyocera Group will act based on its social mission to provide a stable supply of products and services that are helpful to the progress and development of society.

» Creation of a new Risk Management and Compliance Conference

In line with the integration of three departments, the new Risk Management and Compliance Conference has been established to bring together three conferences that were previously held in parallel. This conference provides a means to share information and exchange opinions with business and back-office divisions regarding important measures and issues facing the company. The Kyocera Group conducts risk management, with the President as the Group Chief Officer and the General Manager of the Corporate Legal and Intellectual Property Group as the Chair of the Risk Management and Compliance Conference.

» Establishment of Risk Management and Compliance Managers

In order for each business in Kyocera Group to survive in the face of severe competition as the group continues to diversify its businesses, the Global Compliance Division enhances communication with each business and back-office division and aims to formulate and establish appropriate compliance, risk management and BCP planning activities for each business. For this reason, risk management and compliance managers have been established at each business and back-office division. These managers attend the Risk Management and Compliance Conference and are responsible for actively promoting risk management activities within their respective divisions.

Major initiatives in the year ended March 31, 2020

● Compliance

The Kyocera Group makes its basic stance with respect to active legal compliance widely known internally and externally through the Kyocera Compliance Statement. In order to bolster compliance activities across the entire group and build an emergency contact system for information relating to the occurrence of risk, visits to major companies in the United States, Europe, China and elsewhere in Asia have also been conducted to ensure the cooperation of top-level management in those areas. Managers from these companies also attend the Kyocera Group Global Legal Compliance Conference, which provides a forum for the discussion of group policies. Cooperation with personal information protection laws, which are tightening in response to the massive shift towards digital and the use of big data in numerous countries, and prevention of bribery, which is becoming subject to stronger regulation in emerging countries, are particularly pressing issues. To this end, the Kyocera Group Basic Policy has been established, while the introduction of internal rules at each company has also begun.



Kyocera Group Global Legal Compliance Conference

● Business Continuity Plan (BCP)

The Kyocera Group has a Business Continuity Plan (BCP) in place to ensure rapid recovery and resumption of business operations in the event that the supply of products and services is temporarily halted due to a natural disaster or other issue.

» Improving BCP Activities to Reduce Risks to Cybersecurity Caused by Storms, Floods or Cyber Attacks

In 2019, Typhoon Hagibis caused major storm and flood damage. However, the implementation of improvements to our BCP at each of our locations based on lessons learned from the previous year ensured that there was no major damage or impact on business continuity. In addition, the recent spread of IoT technology to production sites has resulted in growing concerns about business interruptions due to cyber attacks. Preparation for unforeseen circumstances includes both the backup of important information and recovery training to ensure that crucial data can be restored as quickly as possible.

» BCP Response to the COVID-19 Pandemic

The Kyocera Group has taken a flexible approach to responding to the COVID-19 pandemic through measures such as adjusting the number of employees in offices based on the latest information, in addition to implementing the infectious disease countermeasure action plan formulated in response to the 2009 swine flu pandemic.

Deepening coexistence with our communities to build an effective system

The Global Compliance Division was established in October 2018. As part of our mission of contributing to Kyocera Group's internal control system, we have continued to consistently raise awareness of compliance-related issues from the perspective of those working in the field. The three separate departments responsible for compliance, risk management and our Business Continuity Plan (BCP) have also been integrated into the new Risk Management and Compliance Conference as of April 2020. This conference aims to broaden overall perspectives with regards to risk, deepen the Kyocera Group's coexistence with our communities and build an effective risk management system that meets the needs of stakeholders. Some examples of our current efforts are listed here.

Corporate Ethics

In the past, compliance has tended to focus on legal compliance. However, when the selling of data predicting the odds of graduates declining informal job offers emerged as a social issue last summer, Kyocera was implicated as one of the companies that made use of such a service. In order to prevent such occurrences in future, we are currently exploring options for the implementation of in-house confirmation systems for products and services in order to account for a broad range of social conventions and ethics in addition to legal compliance.

Global Five-regional Legal and IP System

Kyocera Group's proactive M & A strategy has seen the number of companies grow to almost 300, a figure that is projected to increase further in future. As a result, the Corporate Legal and Intellectual Property Group, to which our division belongs, divides the global network into five regions. The presiding company in each region works with group companies in their region to build a system for reducing legal risk, while our division also makes an active contribution to promoting compliance.

Improving Risk Management

The current organizational integration has provided an opportunity to assess our previous efforts and systems in relation to aspects such as risk assessment and education. We are also planning the creation of a new Risk Management and Compliance Month. We continue to contribute to the medium to long-term sustainable growth of the business by strengthening risk management systems.

Message



Kazunori Shibata

General Manager, Global Compliance Division
Corporate Legal and Intellectual Property Group

Major consolidated financial data (from FY3/2010 to FY3/2020)

	(Billions of yen)										
FY: For the years ended March 31.	3/2010	3/2011	3/2012	3/2013	3/2014	3/2015	3/2016	3/2017	3/2018	3/2019	3/2020
Sales revenue and profit											
Sales revenue	1,073.8	1,266.9	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
Operating profit	63.9	155.9	97.7	76.9	120.6	93.4	92.7	104.5	90.7	94.8	100.2
Operating profit to sales revenue (%).....	5.9	12.3	8.2	6.0	8.3	6.1	6.3	7.3	5.8	5.8	6.3
Profit before income taxes	60.8	172.3	114.9	101.4	146.3	121.9	145.6	137.8	130.0	140.6	148.8
Profit before income taxes to sales revenue (%)	5.7	13.6	9.6	7.9	10.1	8.0	9.8	9.7	8.2	8.7	9.3
Profit attributable to owners of the parent	40.1	122.4	79.4	66.5	88.8	115.9	109.0	103.8	79.1	103.2	107.7
Profit attributable to owners of the parent to sales revenue (%)	3.7	9.7	6.7	5.2	6.1	7.6	7.4	7.3	5.0	6.4	6.7
Asset and equity											
Total assets	1,848.7	1,946.6	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
Equity attributable to owners of the parent	1,345.2	1,420.3	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
Per share data											
EPS (Diluted-yen) ^(A)	109.2	333.6	216.3	181.2	241.9	315.9	297.2	282.6	215.2	284.7	297.4
Cash dividends per share (yen).....	60	65	60	60	80	100	100	110	120	140	160
Equity per share attributable to owners of the parent (yen) (BPS)	3,665.1	3,869.7	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
Capital expenditures, Depreciation, R&D expenses											
Capital expenditures	37.9	70.7	66.4	56.7	56.6	56.7	68.9	67.8	86.5	117.0	106.0
Depreciation charge of property, plant and equipment	60.6	59.8	62.4	63.1	65.8	62.4	65.9	66.0	69.7	51.5	62.4
R&D expenses	49.9	49.5	45.6	47.5	48.8	55.3	58.8	55.4	58.3	69.9	79.2
Cash flows											
Cash flows from operating activities	137.6	119.7	109.1	109.5	149.1	130.8	194.0	164.2	158.9	220.0	214.6
Cash flows from investing activities.....	(49.3)	(121.4)	(56.1)	(66.1)	(101.1)	(93.6)	(106.8)	(112.1)	(53.1)	(47.1)	(145.6)
Cash flows from financing activities	(38.0)	(26.8)	(50.8)	(31.4)	(32.8)	(40.0)	(50.6)	(48.0)	(51.6)	(89.1)	(157.1)
Free cash flow ^(B)	88.3	(1.7)	53.0	43.4	48.0	37.2	87.2	52.1	105.8	172.9	69.1
ROA, ROE, EBITDA											
ROA (%)	3.4	9.1	5.8	4.7	5.9	4.3	4.8	4.4	4.2	4.6	4.8
ROE (%)	3.0	8.9	5.5	4.3	5.0	5.6	4.8	4.5	3.4	4.5	4.6
EBITDA ^(C)	136.6	246.1	190.0	176.9	224.4	196.6	224.0	216.1	213.9	205.7	243.1
Others											
Payout ratio (%)	54.9	19.5	27.7	33.1	33.1	31.7	33.6	38.9	55.8	49.1	53.8
Number of employees	63,876	66,608	71,489	71,645	69,789	68,185	69,229	70,153	75,940	76,863	75,505

• Amounts are rounded to the nearest 0.1 billion yen. Percentages are computed based on amounts rounded to the nearest million yen.
• 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.
• The figures from FY3/2010 to FY3/2017 in the above table are recorded as of each fiscal term. No figures have been restated due to changes in accounting standards. 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 retroactively re-calculated based on the ratio of the stock split.
• "Cash dividends per share" in FY3/2019 includes the 60th anniversary commemoration dividend in the amount of 20 yen per share.

Note: (A) EPS is calculated based on the weighted average number of shares of common stock equivalents outstanding during each fiscal year period.
(B) Free cash flow = Cash flows from operating activities + cash flows from investing activities
(C) EBITDA = Profit before income taxes + depreciation and amortization + finance expenses

Consolidated Statement of Financial Position

(Yen in millions)

	As of March 31, 2019	As of March 31, 2020	Remark:
(Assets)			
Current assets:	1,357,764	1,202,707	
Cash and cash equivalents	512,814	419,620	
Short-term investments	99,210	62,999	
Trade and other receivables	357,352	336,294	
Other financial assets	9,871	11,035	
Inventories.....	343,880	344,304	
Other current assets	34,637	28,455	
Non-current assets:	1,610,711	2,047,468	
Equity and debt instruments	963,651	1,196,634	Equity and debt instruments Equity and debt instruments increased due mainly to an increase in the market value of equity securities.
Investments accounted for using the equity method	4,159	17,422	
Other financial assets	17,869	27,179	
Property, plant and equipment.....	341,855	383,271	
Right-of-use assets	—	34,921	
Goodwill	149,499	212,207	
Intangible assets	80,001	118,533	
Deferred tax assets.....	38,558	40,434	
Other non-current assets	15,119	16,867	
Total assets	2,968,475	3,250,175	

(Yen in millions)

	As of March 31, 2019	As of March 31, 2020	Remark:
(Liabilities)			
Current liabilities:	374,748	397,509	
Borrowings	4,204	35,025	
Trade and other payables	186,281	173,300	
Lease liabilities	—	15,477	
Other financial liabilities	2,417	1,544	
Income tax payables	12,672	11,396	
Accrued expenses	120,903	114,983	
Provisions	11,166	14,411	
Other current liabilities	37,105	31,373	
Non-current liabilities:	231,467	398,424	
Borrowings	5,656	44,970	
Lease liabilities	—	31,847	
Retirement benefit liabilities	25,479	28,406	
Deferred tax liabilities	174,823	271,317	Deferred tax liabilities Deferred tax liabilities increased due mainly to a rise in market value of equity securities.
Provisions	7,892	8,760	
Other non-current liabilities	17,617	13,124	
Total liabilities	606,215	795,933	
(Equity)			
Equity attributable to owners of the parent: ...	2,265,919	2,432,134	
Common stock	115,703	115,703	
Capital surplus	165,225	123,539	Capital surplus Capital surplus decreased due mainly to making AVX , a U.S. based subsidiary, a wholly-owned subsidiary in FY3/2020.
Retained earnings	1,638,709	1,686,672	
Other components of equity	418,643	575,495	Other components of equity Net unrealized gains (losses) on securities increased due mainly to a rise in market value of equity securities.
Treasury stock.....	(72,361)	(69,275)	
Non-controlling interests	96,341	22,108	Non-controlling interests Non-controlling interests decreased due mainly to making AVX a wholly-owned subsidiary.
Total equity	2,362,260	2,454,242	
Total liabilities and equity	2,968,475	3,250,175	

Consolidated Statement of Profit or Loss

(Yen in millions)

	For the year ended March 31, 2019	For the year ended March 31, 2020	Remark:
Sales revenue	1,623,710	1,599,053	
Cost of sales	1,159,687	1,157,879	
Gross profit	464,023	441,174	
Selling, general and administrative expenses	369,200	340,981	Selling, general and administrative expenses Selling, general and administrative expenses decreased due mainly to the absence of the charge from the recording of the settlement expense relating to polysilicon materials in the solar energy business and an impairment loss in the organic materials business in FY3/2019, while a charge relating to litigation at AVX was recorded in FY3/2020.
Operating profit.....	94,823	100,193	
Finance income	44,750	48,154	
Finance expenses.....	1,241	1,553	
Foreign exchange gains (losses)	53	(481)	
Share of net profit (loss) of investments accounted for using the equity method ...	379	124	
Other, net	1,846	2,389	
Profit before income taxes.....	140,610	148,826	
Income taxes	25,754	36,980	Income taxes Income taxes increased due mainly to that Kyocera recognized a deferred tax asset related to tax losses carried forward from the merger of Kyocera Display Corporation into Kyocera Corporation in FY3/2019.
Profit for the year	114,856	111,846	

Profit attributable to:		
Owners of the parent	103,210	107,721
Non-controlling interests	11,646	4,125
Profit for the year	114,856	111,846

Consolidated Statement of Comprehensive Income

(Yen in millions)

	For the year ended March 31, 2019	For the year ended March 31, 2020
Profit for the year	114,856	111,846
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	(84,165)	177,776
Re-measurement of defined benefit plans	(1,618)	(675)
Total items that will not be reclassified to profit or loss ...	(85,783)	177,101
Items that may be reclassified subsequently to profit or loss:		
Net changes in fair value of cash flow hedge	36	(154)
Exchange differences on translating foreign operations	4,943	(24,222)
Share of other comprehensive income of investments accounted for using the equity method.....	66	25
Total items that may be reclassified subsequently to profit or loss:	5,045	(24,351)
Total other comprehensive income	(80,738)	152,750
Comprehensive income for the year	34,118	264,596

Comprehensive income attributable to:		
Owners of the parent	21,514	262,750
Non-controlling interests	12,604	1,846
Comprehensive income for the year	34,118	264,596

Consolidated Statement of Changes in Equity

(Yen in millions)

For the year ended March 31, 2019	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, 2018 (before applying new accounting standard)	115,703	165,079	1,577,641	499,710	(32,342)	2,325,791	87,508	2,413,299
Cumulative effects of new accounting standard applied			2,973	(729)		2,244		2,244
Balance as of April 1, 2018 (after applying new accounting standard)	115,703	165,079	1,580,614	498,981	(32,342)	2,328,035	87,508	2,415,543
Profit for the year			103,210			103,210	11,646	114,856
Other comprehensive income.....				(81,696)		(81,696)	958	(80,738)
Total comprehensive income for the year	—	—	103,210	(81,696)	—	21,514	12,604	34,118
Cash dividends			(43,768)			(43,768)	(4,410)	(48,178)
Purchase of treasury stock.....					(40,020)	(40,020)		(40,020)
Reissuance of treasury stock		0			1	1		1
Transactions with non-controlling interests and other		146		11		157	639	796
Transfer to retained earnings			(1,347)	1,347		—		—
Balance as of March 31, 2019.....	115,703	165,225	1,638,709	418,643	(72,361)	2,265,919	96,341	2,362,260

(Yen in millions)

For the year ended March 31, 2020	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, 2019	115,703	165,225	1,638,709	418,643	(72,361)	2,265,919	96,341	2,362,260
Profit for the year			107,721			107,721	4,125	111,846
Other comprehensive income.....				155,029		155,029	(2,279)	152,750
Total comprehensive income for the year	—	—	107,721	155,029	—	262,750	1,846	264,596
Cash dividends			(57,935)			(57,935)	(4,111)	(62,046)
Purchase of treasury stock.....					(26)	(26)		(26)
Reissuance of treasury stock		1,700			3,112	4,812		4,812
Transactions with non-controlling interests and other		(43,386)		0		(43,386)	(71,968)	(115,354)
Transfer to retained earnings			(1,823)	1,823		—		—
Balance as of March 31, 2020.....	115,703	123,539	1,686,672	575,495	(69,275)	2,432,134	22,108	2,454,242

Consolidated Statement of Cash Flows

(Yen in millions)

	For the year ended March 31, 2019	For the year ended March 31, 2020
Cash flows from operating activities:		
Profit for the year	114,856	111,846
Depreciation and amortization	63,889	92,748
Finance expenses (income)	(43,509)	(46,601)
Share of net profit of investments accounted for using the equity method	(379)	(124)
Impairment loss	16,630	297
(Gains) losses from sales or disposal of property, plant and equipment	442	(6,938)
Income taxes	25,754	36,980
(Increase) decrease in trade and other receivables	25,016	7,170
(Increase) decrease in inventories	24,597	4,772
(Increase) decrease in other assets	31,022	8,811
Increase (decrease) in trade and other payables	(11,028)	(6,869)
Increase (decrease) in accrued expenses	(34)	(8,573)
Increase (decrease) in provisions	(33,276)	3,409
Increase (decrease) in other liabilities	3,751	(9,690)
Other, net	(289)	(3,702)
Subtotal	217,442	183,536
Interests and dividends received	45,192	48,978
Interests paid	(660)	(1,430)
Income taxes refunded (paid)	(41,949)	(16,454)
Net cash provided by operating activities	220,025	214,630
Cash flows from investing activities:		
Payments for purchases of property, plant and equipment	(111,040)	(107,135)
Payments for purchases of intangible assets	(7,515)	(13,599)
Proceeds from sales of property, plant and equipment	2,782	11,537
Acquisitions of business, net of cash acquired	(22,165)	(83,522)
Acquisition of time deposits and certificate of deposits	(331,212)	(194,493)
Withdrawal of time deposits and certificate of deposits	428,810	218,218
Payments for purchases of securities	(71,143)	(3,920)
Proceeds from sales and maturities of securities	65,484	35,339
Other, net	(1,122)	(7,976)
Net cash used in investing activities	(47,121)	(145,551)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	(356)	28,947
Proceeds from long-term borrowings	3,676	45,059
Repayments of long-term borrowings	(3,394)	(41,055)
Repayments of lease liabilities	—	(17,610)
Dividends paid	(48,064)	(62,017)
Purchase of treasury stock	(40,020)	(26)
Reissuance of treasury stock	2	4,745
Purchase of non-controlling interests	(88)	(115,984)
Other, net	(812)	815
Net cash used in financing activities	(89,056)	(157,126)
Effect of exchange rate changes on cash and cash equivalents	4,028	(5,147)
Increase (decrease) in cash and cash equivalents	87,876	(93,194)
Cash and cash equivalents at the beginning of the year	424,938	512,814
Cash and cash equivalents at the end of the year	512,814	419,620

Corporate Summary (as of March 31, 2020)

Established	April 1, 1959	Stock Listing	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	1,599,053 million yen	Ordinary General Meeting of Shareholders	June
Group companies	298 (Including KYOCERA Corporation)		
Group employees	75,505 (Japan: 26,225, Outside Japan: 49,280) (Excluding non-consolidated subsidiaries and affiliates accounted for by the equity method)		

Main Kyocera Group Companies (as of March 31, 2020)

Japan

KYOCERA Corporation
KYOCERA Document Solutions Inc.
KYOCERA Communication Systems Co., Ltd.
KYOCERA Industrial Tools Corporation
KYOCERA-UBE RF TEC Corporation
KYOCERA Solar Corporation*1
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 (Tianjin) Solar Energy Co., Ltd.
KYOCERA Korea Co., Ltd.
KYOCERA Precision Tools Korea Co., Ltd.
KYOCERA Vietnam Company Limited
KYOCERA Document Technology Vietnam Co., Ltd.
KYOCERA Display (Thailand) Co., Ltd.*2
KYOCERA Asia Pacific Pte. Ltd.

Europe

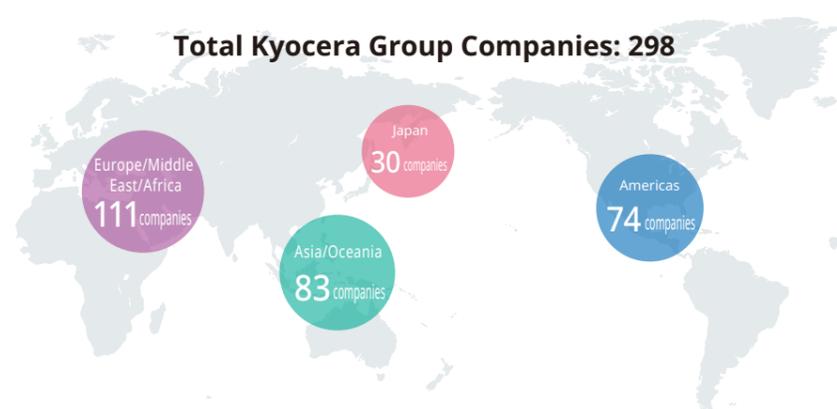
KYOCERA Fineceramics GmbH*3
KYOCERA Fineceramics Precision GmbH
KYOCERA Fineceramics Solutions GmbH
KYOCERA Document Solutions Deutschland GmbH
TA Triumph-Adler GmbH
KYOCERA Document Solutions Europe B.V.
KYOCERA UNIMERCO A/S

North America

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

*1 Merged with KYOCERA Communication Systems Co., Ltd. on April 1, 2020.
*2 Renamed KYOCERA (Thailand) Co., Ltd. on April 1, 2020.
*3 Renamed KYOCERA Europe GmbH on April 1, 2020.

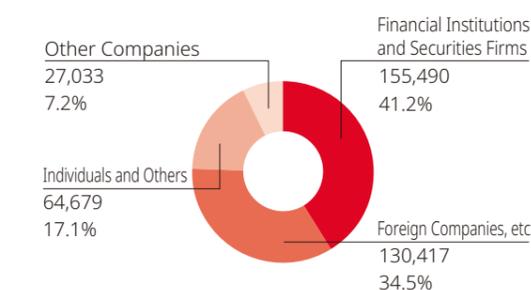
Global Network (as of March 31, 2020)



Shares (as of March 31, 2020)

Total Number of Shares Authorized to Be Issued	600,000,000 shares
Total Number of Shares Issued	377,618,580 shares (of which 15,186,354 are treasury shares)
Number of Shareholders	50,335

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)	54,811	15.12
Japan Trustee Services Bank, Ltd. (Trust Account)	24,715	6.82
SSBTC Client Omnibus Account	14,896	4.11
The Bank of Kyoto, Ltd.	14,436	3.98
Kazuo Inamori	10,212	2.82
Inamori Foundation	9,360	2.58
KI Enterprise Co., Ltd.	7,099	1.96
Stock Purchase Plan for Kyocera Group Employees	6,281	1.73
Japan Trustee Services Bank, Ltd. (Trust Account 5)	5,735	1.58
Trust & Custody Services Bank, Ltd. (Stock Investment Trust Account)	5,706	1.57

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

Trends of Share Price (March 30, 2018 to March 31, 2020)



Total Shareholder Return (TSR)

	3/2016	3/2017	3/2018	3/2019	3/2020
Kyocera Corporation (%)	76.7	97.3	96.1	105.7	106.8
Dividend-included TOPIX (%)	89.2	102.3	118.5	112.5	101.8

Annual Cash Dividend per Share and Consolidated Payout Ratio

	3/2016	3/2017	3/2018	3/2019	3/2020
Cash dividends per share (yen)	100	110	120	140	160
Consolidated payout ratio (%)	33.6	38.9	55.8	49.1	53.8

* "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, financial results for FY3/2018 have been reclassified in accordance with IFRS.



KYOCERA Corporation

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