



February 18, 2021

Kyocera IR Day

Hideo Tanimoto
President and Representative Director

This is an English translation of the Japanese original. This translation is prepared for the reference and convenience solely for those who do not use Japanese. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

KYOCERA Corporation

Details of Today's Explanation

1. Changes in the business environment and Kyocera's initiatives
2. Creation of new businesses
3. Double productivity
4. Responding to ESG issues

1. Changes in the business environment and Kyocera's initiatives

Recognition of the Business Environment

Social trends have changed dramatically over the past 10 years and the digital shift is further accelerating due to COVID-19

Digitization /Globalization

Diversification of customer needs

Changes in values:
Things → Experiences

Rising environmental awareness

- **Emergence of new business opportunities such as systemization and solutions**
- **Implement drastic reforms of management systems to ensure that new business opportunities lead to profit growth quickly and steadily**

Information & Communication Markets

5G • IoT

- **Electronic components such as ceramic packages and MLCCs**
- **Systematization such as local 5G and IoT at plants**

Automotive Related Markets

ADAS • MaaS • EV

- **Various types of electronic components through electrification**
- **Systematization such as of LiDAR, sensor cameras, and smart roadside units**

Environment & Energy Markets

RE100 • Carbon neutral

- **Hardware such as storage batteries in addition to solar power generating systems**
- **Infrastructure building such as ADR* and smart cities**

*Automated demand response

Medical & Health Care Markets

Preventive medicine and digital health care

- **High-quality implants that realize an even higher QOL**
- **Utilize regenerative medicine and digital technologies**

Please refer to “Cautionary Statements with respect to Forward-Looking Statements” on the last page.

Overview of Business Segments from April 2021

Consolidate our current 16 main businesses and subsidiaries under three new business segments

FY3/2018 to FY3/2021

Business segment	Major businesses and subsidiaries
Industrial & Automotive Components Group	Fine Ceramic Components
	Automotive Components
	Liquid Crystal Displays
	Industrial Tools
	Optical Components
Semiconductor Components Group	Ceramic Packages
	Organic Multilayer Substrates and Boards
Electronic Devices Group	Electronic Components
	AVX Corporation
	Printing Devices
Communications Group	Telecommunications Equipment
	Information systems and
	Telecommunication Services (KCCS ^{※1})
Document Solutions Group	Information Equipment (KDC ^{※2})
Life & Environment Group	Smart Energy Business
	Medical Devices
	Jewelry and Applied Ceramic Related Products

FY3/2022 onward

Business segment	Major businesses and subsidiaries
Core Components Business	Fine Ceramic Components
	Automotive Components
	Ceramic Packages
	Organic Multilayer Substrates and Boards
	Optical Components
	Medical Devices
	Jewelry and Applied Ceramic Related Products
Electronic Components Business	Electronic Components
	AVX Corporation
Solutions Business	Industrial Tools
	Liquid Crystal Displays
	Printing Devices
	Information Equipment (KDC ^{※2})
	Telecommunications Equipment
	Information systems and
Telecommunication Services (KCCS ^{※1})	
	Smart Energy Business

※1 Kyocera Communication Systems Co., Ltd. ※2 Kyocera Document Solutions Inc.

Please refer to “Cautionary Statements with respect to Forward-Looking Statements” on the last page.

Strengthening of Corporate Governance

1. Strengthening our management base through organizational restructuring (from April 2021)

- In addition to the three business segments, the administration departments will be consolidated into Headquarters
- Appoint officers in charge of each business segment

[Vitalization of organization for growth]

Implement dynamic and speedier management decisions that transcend the existing organization framework

Core Component Business

Officer in charge:
Director, Managing Executive Officer
Hiroshi Fure

Electronic Components Business

Officer in charge:
Director, Managing Executive Officer
John Sarvis

Officer in charge (deputy):
Director, Managing Executive Officer
Koichi Kano

Solutions Business

Officer in charge:
Director, Managing Executive Officer
Norihiko Ina

Headquarters

Officer in charge:
Director, Managing Executive Officer
Shoichi Aoki

Strategic planning and execution across business divisions

Greater mobility of human resources and vitalization of organizations

Enhance efficiency and promote effective use of management resources

2. Strengthening the supervisory functions of the Board of Directors

	[Current]		[Scheduled proposal for submission at the Ordinary General Meeting of Shareholders in June 2021]
Internal Directors	12 persons	⇒	6 persons
Outside Directors	3 persons	⇒	3 persons
Total	15 persons	⇒	9 persons



Toward a 1/3 ratio of Outside Directors

Please refer to “Cautionary Statements with respect to Forward-Looking Statements” on the last page.

Toward Growth from the Next Fiscal Year and Beyond

Implement management measures for self-sustaining and sustainable growth

1. Creation of new businesses for medium-to-long-term growth

Deployment of next-generation technologies that contribute to solving social issues

Medium term (around 5 years)

Robotics

GaN systems

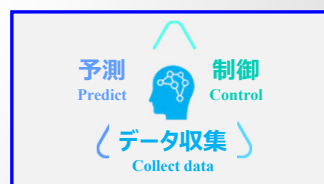
Long term (around 10 years)

Energy

Regenerative medicine

2. Double productivity

Raise profitability through smart factories that utilize AI and IoT



3. Respond to ESG issues

- Respond to environmental issues
- Promote diversity and inclusion



2. Creation of new businesses

Kyocera's AI Collaborative Robot System Business (1)

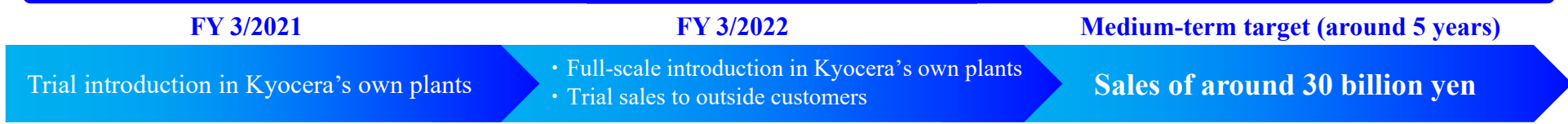
Video
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Kyocera's AI Collaborative Robot System Business (2) Overview and Future Development

Aiming for early commercialization by utilizing Kyocera's comprehensive strengths + external collaboration



Kyocera's Features:
 Unique AI technologies that minimize "Teaching" - a bottleneck in collaborative robot system
 Subscription service for AI solutions matched to each site (continuous value provision)
 Target market: High-mix low-volume production sites (an almost entirely undeveloped field in the industrial robot market)

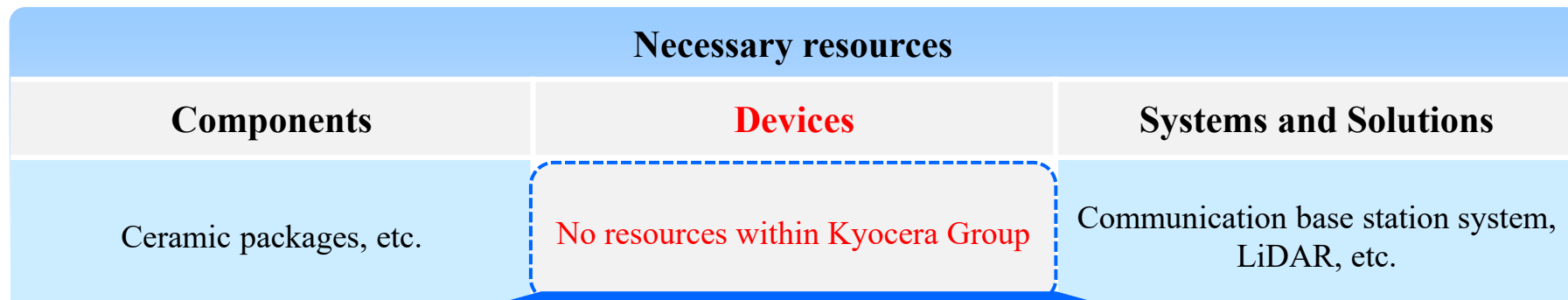


Please refer to "Cautionary Statements with respect to Forward-Looking Statements" on the last page.

Commercialization of GaN Systems (1)

GaN
(Gallium Nitride)

Core material that contributes to the realization of a low-carbon society
Having started to consider entering GaN-related businesses since 2013



Obtained high-quality devices (GaN laser) through acquisition (M&A*) of U.S.-based SLD Laser

* Completed in January 2021
Acquisition amount: Approximately 50 billion yen

Eliminate bottlenecks and enables Kyocera to realize vertical integrated business from components through systems

Commercialization of GaN Systems (2)

Introducing the Features of the Technologies of U.S.-based SLD Laser

SLDLASER

Technology features

1. High efficiency, high power laser technology using GaN
2. Obtained safety certification from a third-party organization for assuring safety of skin and eyeballs*



Laser Diode (LD) module



Laser flashlight

*Obtained from ANSI (American National Standards Institute), UL (Underwriters Laboratories Inc.), and IEC (International Electrotechnical Commission)

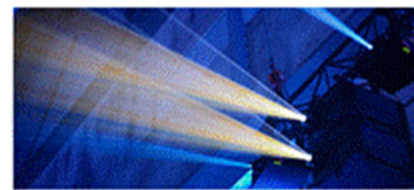
Main applications Mobility, Specialty lighting, Consumer, Industrial, etc.



Automotive



Lighting



Display



Beyond Lighting

Company Overview

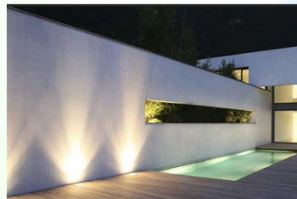
- KYOCERA SLD Laser, Inc. (established in 2013, joined Kyocera_Group in January 2021)
- Location: Goleta, California, U.S.A.
 - Number of employees: 159 (As of December 31, 2020)
 - Sales bases: U.S., Germany, Japan, China
 - Key products: GaN based laser diode products

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Commercialization of GaN Systems (3) Future Business Development

SLDLASER

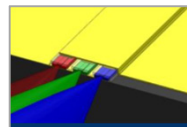
- Industry's highest level of high power, high efficiency laser technology
- World's highest brightness for automotive headlights
- Holding more than 500 patents



Laser Lighting



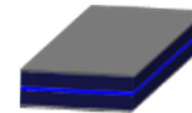
LD-module



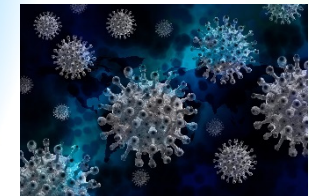
RGB LD-chip



High-power laser



Photodiode



Sterilization

Device

KYOCERA

- Wide range of systems and solutions capabilities
- High production technology capabilities
- Industry's best package development capabilities



AR/VR Display



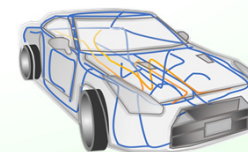
Automotive laser headlights

Realize vertical-integrated business from devices to systems

System



Li-Fi communications



Fiber optical power supply

Aim for annual sales of 100 billion yen as a long-term growth driver

Please refer to "Cautionary Statements with respect to Forward-Looking Statements" on the last page.

Development of Energy Business (1)

Move toward the energy business that supplies renewable electricity to consumers*

-Accelerate shift from solar energy business to smart energy business-

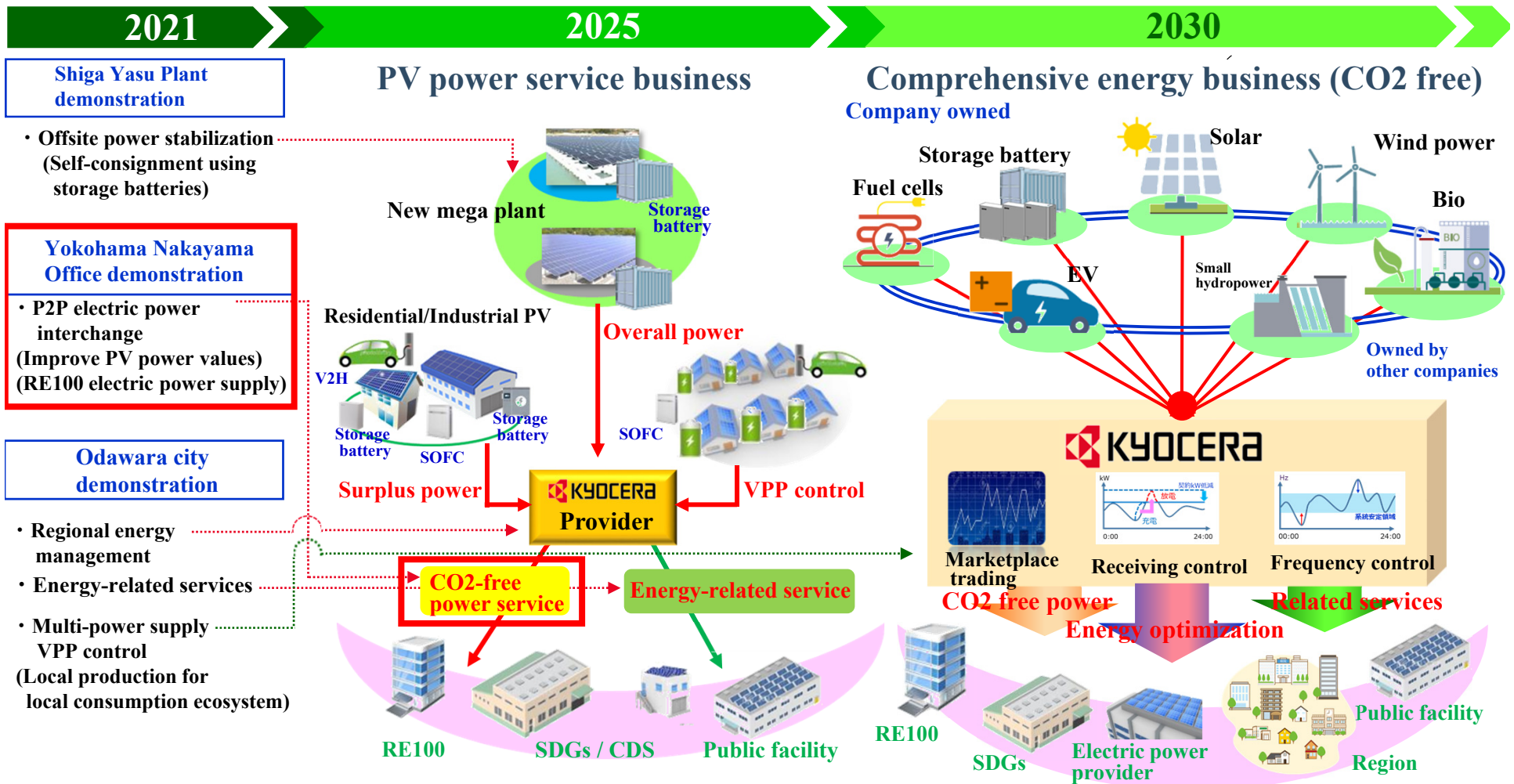
Kyocera's strengths in the energy business

- 1. Possesses a solar photovoltaic power plants** (together with partner companies)
Over 600 MW in operation
- 2. Aggregation of renewable energy and development of storage battery control technologies**
through “VPP demonstrations*” over five years (* Consortium with partner companies)
- 3. Commenced production of storage batteries needed for distributed power sources of**
renewable energy (the world's first clay-type lithium ion battery)
- 4. Plentiful in-house resources such as IoT, communication, and mobility resources needed for**
building an energy business

* CO2 free electricity consumers such as RE100, SDGs companies, public facilities, local communities

Please refer to “Cautionary Statements with respect to Forward-Looking Statements” on the last page.

Development of Energy Business (2) Energy Business Aimed for by Kyocera



• Expand sales of storage batteries and SOFCs
 • Thorough deployment of PPA services

Storage battery cost reduction / EV utilization
 • Launch of related services (starting in FY2023)

Carbon minus technology (hydrogen, artificial photosynthesis, etc.)

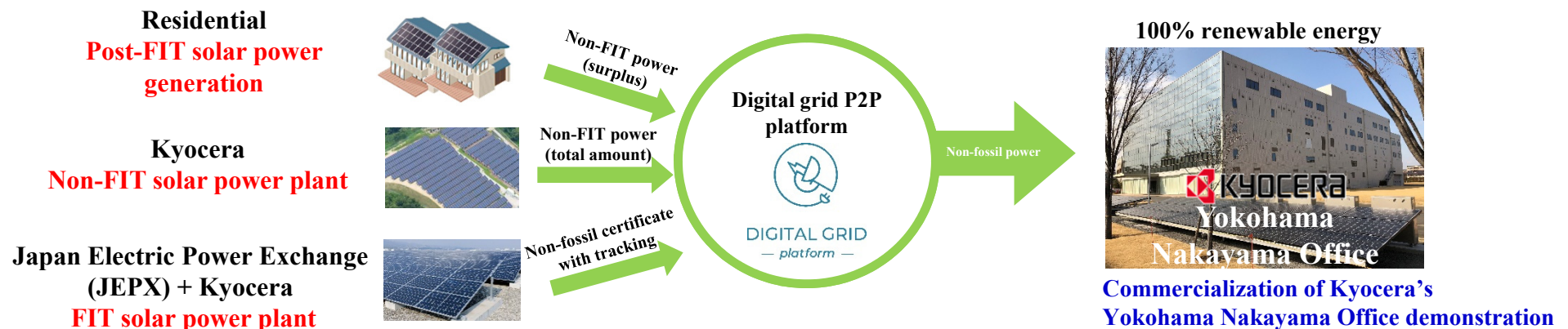
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Development of Energy Business (3) Actions for Realization

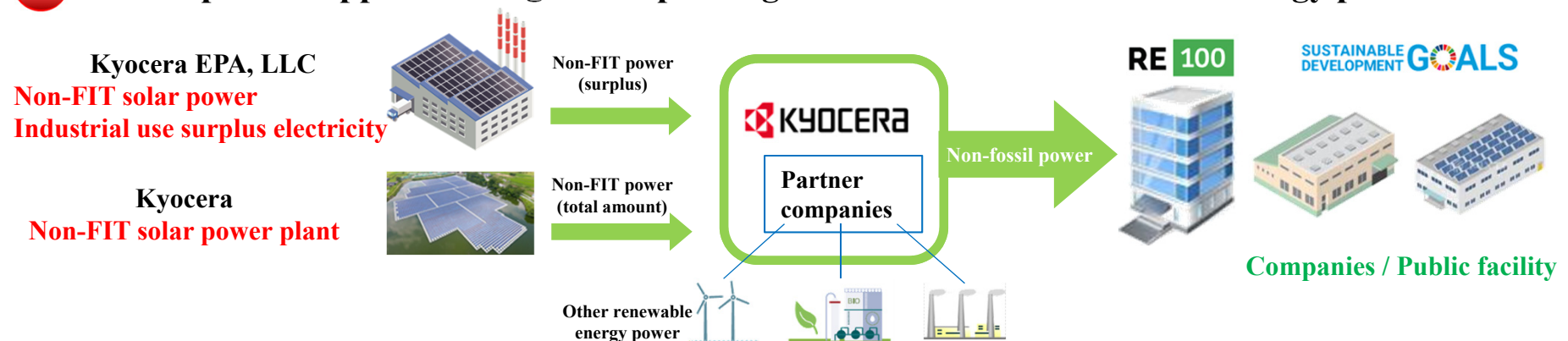
1 Peer to Peer (P2P) power supply (distributed surplus power, power plant power)

2 Utilize non-fossil values of solar power plants

**Start proposal
in FY3/2022**



3 Stable power supplies through solar power generation + other renewable energy power sources



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Regenerative Medicine (1) Technical Tie-up with Regeneus Ltd., of Australia

Concluded a technical tie-up and license agreement for a cell preparation^{*1} for osteoarthritis of the knee with Australia-based Regeneus Ltd.

Acquired the exclusive rights for development, manufacture and sale of Regeneus' **Allogeneic mesenchymal stem cells**^{*2} technologies in Japan

<Overview of technologies and features of Regeneus Ltd.>

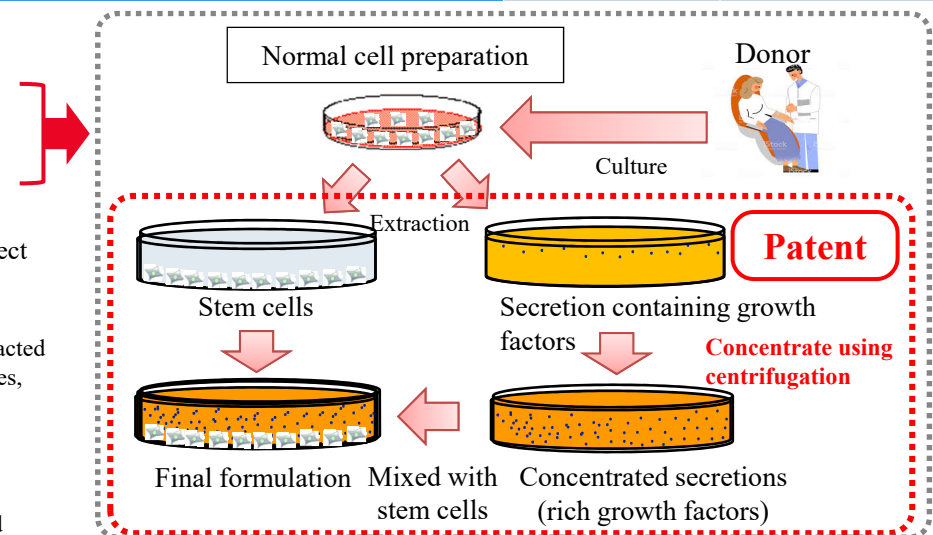
(State of progress of clinical trial)

1. Treatment by intra-articular injection instead of surgery
2. The only intra-articular injection technology to pass clinical trial (test) phase I^{*3} in Japan
3. Possesses manufacturing technology expected to be highly effective

R&D	Non-clinical study	Phase 1	Phase 2~3	Launch
Completed by Regeneus			Efforts currently underway at Kyocera	

- Separate, extract and concentrate secretion from the ordinary stem cell preparation manufacturing process.
- Mix secretion that has obtained a richer growth factor with the stem cells and then formulate.
- The secretion acts on the patient's own cells and promotes repair on its own.^{*4}
- A phase I exploratory clinical trial in Australia shows evidence of a pain-relieving effect and an effect of cartilage loss halting.^{*5}

^{*1} Regenerative medicine products that involve administering cells for treatment.
^{*2} Cells that exist in the body such as in fat, bone marrow, umbilical cords, and synovium are extracted from healthy donors other than the patient and these have the ability for differentiation into bones, cartilage, muscles.
^{*3} Conducted in Australia.
^{*4} "MSC exosome as a cell-free MSC therapy for cartilage regeneration: Implications for osteoarthritis treatment" Seminars Cell Developmental Biology 2017;67:56-64
^{*5} "Safety, tolerability and efficacy of intra-articular Progenza in knee osteoarthritis: a randomized double-blind placebo-controlled single ascending dose study" Journal of Translational Medicine 2018 Mar 6;16(1):49

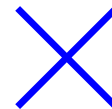


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Regenerative Medicine (2) Future Business Development



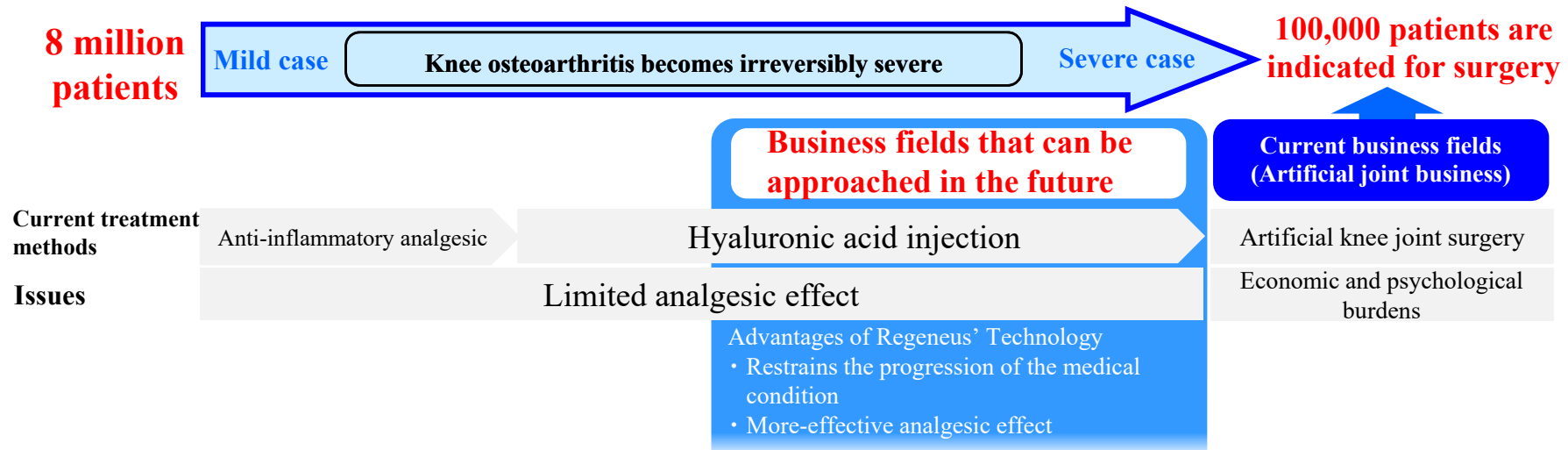
High-level regenerative medicine technologies



High presence in the domestic implant market and relationships with orthopedic medical professionals.



Strive for both business domain expansion and user QOL improvement by taking advantage of existing business position

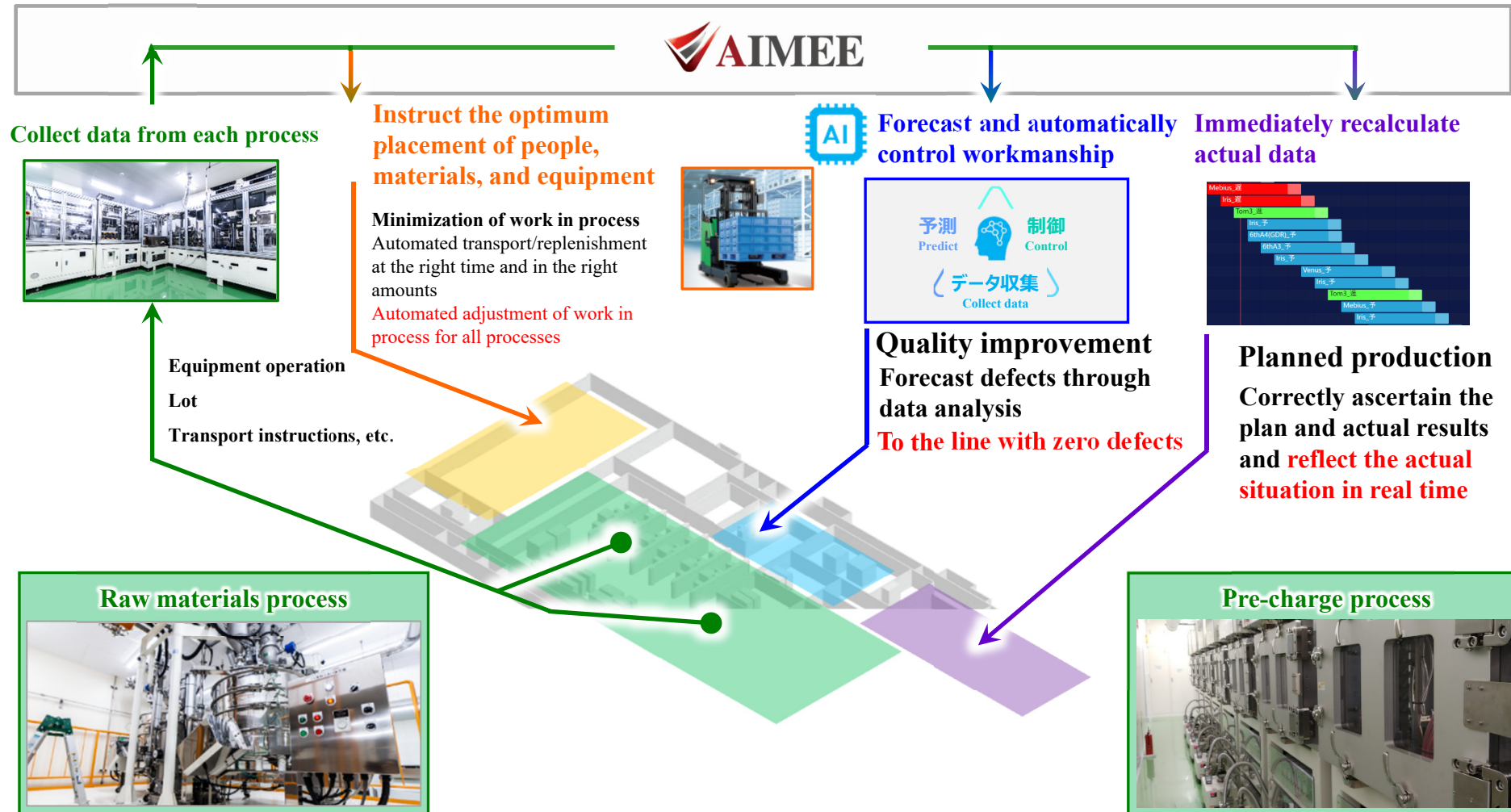


Target Aim for early approval and commercialization in Japan as a new pillar of growth in the medical-related business

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3. Double productivity

Building Smart Factories



Promote horizontal deployment to other businesses for improving the productivity of the entire group

Please refer to “Cautionary Statements with respect to Forward-Looking Statements” on the last page.

Introduction of Smart Factories

Video
(Approx. 40sec.)

4. Responding to ESG issues

Responding to Environmental Issues

Promote initiatives for reducing greenhouse gas emissions such as CO₂

Establish long-term environmental targets • Proactively introduce renewable energy • Enhance information disclosure

SBT

- Establish long-term environmental targets that correspond to COP21 and obtained SBT certification in 2019



CDP

- Certified as a Supplier Engagement Leader for the Supplier Engagement Rating Leaderboard in 2019 and 2020
- Also selected for A list in 2020



TCFD

- Affirmed the TCFD recommendations in 2020
- Disclosed scenario analysis in our Integrated Report published in 2020



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Promotion of Diversity & Inclusion

Toward being a company filled with vitality and appeal that continues to grow and take on challenges in the future

Realize a workplace environment that respects each person's individuality and values and where diverse and highly motivated human resources can play active roles

1. Create a friendly working environment

Introduce a flexible work system

Work from home and flextime system

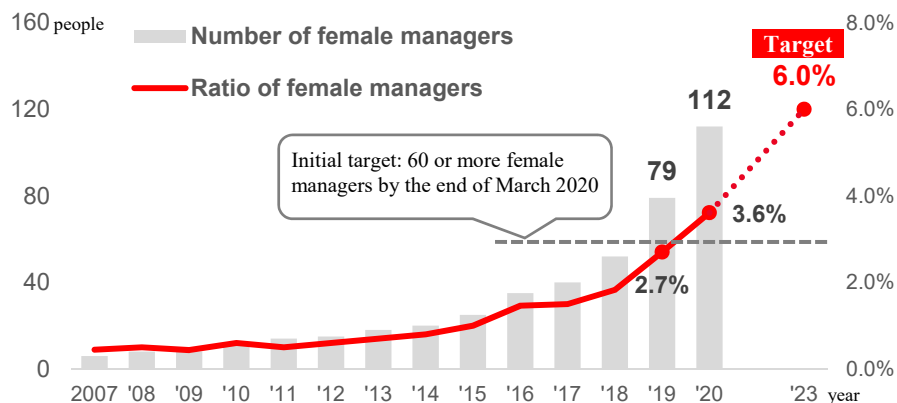
Revise internal regulations

LGBT (review the definition of marriage/prohibit SOGI harassment)
 Nursing care (taking nursing care leave in hourly units, etc.)
 Support systems for illness treatment (infertility treatment leave, etc.)

2. Promote active participation by women

Raise the ratio of female managers

Aim to reach 6% by the end of March 2023



Promote appointment of females to management level positions

- Appointed female outside director for the first time in 2019
- Currently two women are appointed as executive officers



Outside director
Akiko Koyano



Executive officers
Eri Yoshikawa
General Manager of Corporate Communications Division and Diversity Promotion Division, Corporate General Affairs Human Resources Group



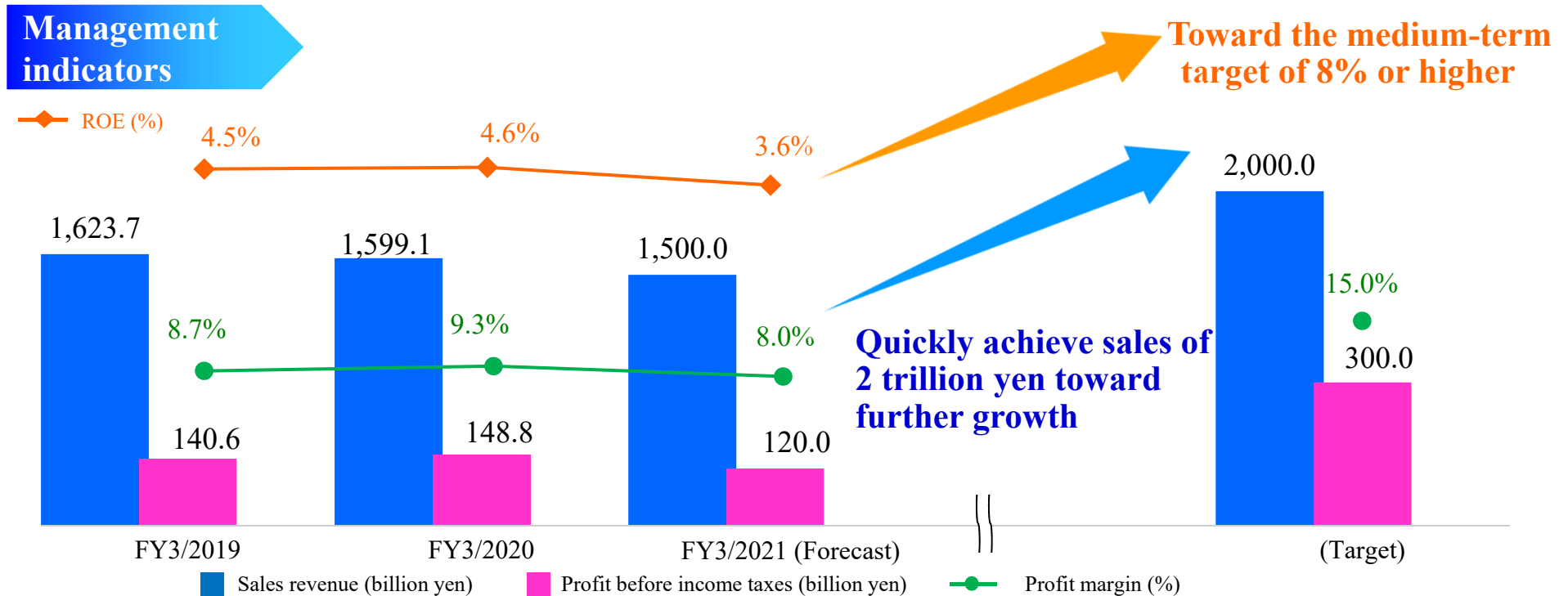
Executive officers
Kayo Hashiura
General Manager of Inamori Library Division and Philosophy Division, Corporate General Affairs Human Resources Group

3. Cultivating diverse human resources

System for seconding personnel to external ventures / Implement “diversity management training”

Please refer to “Cautionary Statements with respect to Forward-Looking Statements” on the last page.

Aiming for Sustainable Growth in Corporate Value



Management measures

- Set ROE target
- Announce the appropriate implementation of share buybacks
- Raise the dividend payout ratio
- Appoint female officers
- Introduce restricted stock compensation system

Establish nomination and remuneration committees

Consider initiatives for further strengthening our management base

- Implement organizational restructuring
- Strengthen the supervisory functions of the Board of Directors (aim for a 1/3 ratio of outside directors)

FY3/2019
FY3/2020
FY3/2021
FY3/2022

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Cautionary Statements with respect to Forward-Looking Statements

Certain of the statements made in this document 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. Such risks, uncertainties and other factors include, but are not limited to the following:

- (1) General conditions in the Japanese or global economy;
- (2) Unexpected changes in economic, political and legal conditions in countries where we operate or export;
- (3) The effect of foreign exchange fluctuations on our results of operations;
- (4) Intense competitive pressures to which our products are subject;
- (5) Fluctuations in the price and ability of suppliers to provide the required quantity of raw materials for use in our production activities;
- (6) Manufacturing delays or defects resulting from outsourcing or internal manufacturing processes;
- (7) The possibility that future initiatives and in-process research and development may not produce the desired results;
- (8) Companies or assets acquired by us not produce the returns or benefits, or bring in business opportunities;
- (9) Inability to secure skilled employees;
- (10) Damages on our information security systems from cyberattacks, etc. and significant costs in order to recover and maintain the systems;
- (11) Insufficient protection of our trade secrets and intellectual property rights including patents;
- (12) Expenses associated with licenses we require to continue to manufacture and sell products;
- (13) Unintentional conflict with laws and regulations or newly enacted laws and regulations;
- (14) Environmental liability and compliance obligations by tightening of environmental laws and regulations;
- (15) Inability to respond to global climate change problems or delay in such response, which may lead to increased costs and negatively impact our corporate brands;
- (16) Our market or supply chains being affected by plague, infectious diseases, terrorism, wars or similar events;
- (17) Earthquakes and other natural disasters affecting our headquarters and major facilities as well as our suppliers and customers;
- (18) Credit risk on trade receivables;
- (19) Fluctuations in the value of financial instruments held by us;
- (20) Impairment losses on property, plant and equipment, goodwill and intangible assets;
- (21) Uncertainty over income tax and deferred tax assets; and
- (22) Changes in accounting standards.

Due to such 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 document.

THE NEW VALUE FRONTIER



KYOCERA Corporation