

To All Persons Concerned

Name of Company Listed: Kyocera Corporation
Name of Representative: Hideo Tanimoto, President and Director
(Code number: 6971, The First Section of the Tokyo Stock Exchange)
Person for Inquiry: Shoichi Aoki
Director, Managing Executive Officer and General Manager of
Corporate Management Control Group
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Notice Relating to Review of Basic Profit Distribution Policy and Dividends for the Year Ending March 31, 2020

This is to advise you that Kyocera Corporation (the “Company”) has resolved at a meeting of its Board of Directors held on April 25, 2019 to amend its basic profit distribution policy for further enhancement of shareholder returns, and also resolved a dividend forecast per share for the year ending March 31, 2020 pursuant to such new basic profit distribution policy, as set forth below.

1. Review of basic profit distribution policy

The Company believes that the best way to increase corporate value and meet shareholders’ expectations is to improve future consolidated performance on an ongoing basis. The Company therefore prioritizes dividends in its basic profit distribution policy. In order to clarify our intention to shareholders and further enhance shareholder returns, the Company will amend its policy to (1) raise its consolidated dividend payout ratio and (2) add the idea of repurchase of its own shares into its basic profit distribution policy.

(1) Raise in consolidated dividend payout ratio

Since its fiscal year ended March 31, 2005, the Company has implemented a dividend policy based on payout ratio, in order to clarify its shareholder-oriented stance and to establish a greater linkage between the amount of dividends and its performance. The Company has adopted a principal guideline that dividend amounts shall fall within a range based on profit attributable to owners of the parent* on a consolidated basis, and has set its dividend policy to maintain a payout ratio of around 40% of profit attributable to owners of the parent* since the year ended March 31, 2017. In addition, the Company determines dividend amounts based on comprehensive assessment, taking into account various factors including the amount of capital expenditures necessary for medium-to-long-term corporate growth.

In order to further enhance the return of profit to shareholders and expand its shareholder base, the Company will amend its dividend policy to aim for a consolidated dividend payout ratio of around 50% of profit attributable to owners of the parent*, an increase of 10% compared with the existing payout ratio of around 40%, commencing from the fiscal year ending March 31, 2020.

*Commencing from the beginning of its fiscal year ended March 31, 2019, the Company has adopted the International Financial Reporting Standards (“IFRS”) in lieu of the Generally Accepted Accounting Principles of the United States of America (“U.S. GAAP”). Therefore, account title is presented in accordance with IFRS.

(2) Idea of repurchase of own shares

The Company heretofore has acquired its own shares from time to time pursuant to the provisions of its Articles of Incorporation under Article 165, paragraph 2 of the Companies Act, in order to utilize the treasury stock to swiftly execute its future-oriented capital strategies, such as stock swaps. Going forward, in addition to the above-mentioned purpose, within a certain range based on cash flow, the Company will implement acquisitions of its own shares as a powerful mechanism for enhancing shareholder returns, as appropriate taking into consideration the amount of capital expenditures necessary for medium-to-long-term corporate growth.

2. Dividend forecast for the year ending March 31, 2020

The Company expects the annual dividend for its fiscal year ending March 31, 2020 to be 160 yen per share, as set forth below, pursuant to the basic profit distribution policy described above, representing an increase of 40 yen per share as compared with the amount of the annual dividend of 120 yen per share for the fiscal year ended March 31, 2019, disregarding the commemoration dividend in the amount of 20 yen per share in addition to the annual ordinary dividend.

Dividends per share					
Effective date	Interim dividend	Year-end dividend		Annual total	
				Dividend	Payout ratio
Dividends for the year ending March 31, 2020 (forecast)	TBD	TBD		160 yen	46.4%
Dividends for the year ended March 31, 2019	Ordinary dividend 60 yen	Ordinary dividend 60 yen*	Commemoration dividend 20 yen*	140 yen*	49.1%*
		Total 80 yen*			

*The distribution of year-end dividends and the amount of the annual dividend per share for the fiscal year ended March 31, 2019 will be subject to a resolution of the Company's Annual General Shareholders Meeting to be held on June 25, 2019.

[Reference: Consolidated financial performance]

(Unit: Yen in millions)

	Sales revenue	Operating profit	Profit before income taxes	Profit attributable to owners of the parent
Year ending March 31, 2020 (Announced on April 25, 2019)	1,700,000	140,000	180,000	125,000
Year ended March 31, 2019	1,623,710	94,823	140,610	103,210

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;
- (3) Various export risks which may affect the significant percentage of our revenues derived from overseas sales;
- (4) The effect of foreign exchange fluctuations on our results of operations;
- (5) Intense competitive pressures to which our products are subject;
- (6) Fluctuations in the price and ability of suppliers to provide the required quantity of raw materials for use in our production activities;
- (7) Manufacturing delays or defects resulting from outsourcing or internal manufacturing processes;
- (8) Shortages and rising costs of electricity affecting our production and sales activities;
- (9) The possibility that future initiatives and in-process research and development may not produce the desired results;
- (10) Companies or assets acquired by us not produce the returns or benefits, or bring in business opportunities;
- (11) Inability to secure skilled employees, particularly engineering and technical personnel;
- (12) Damages on our information security systems from cyberattacks, etc. and significant costs in order to recover and maintain the systems;
- (13) Insufficient protection of our trade secrets and intellectual property rights including patents;
- (14) Expenses associated with licenses we require to continue to manufacture and sell products;
- (15) Environmental liability and compliance obligations by tightening of environmental laws and regulations;
- (16) Unintentional conflict with laws and regulations or newly enacted laws and regulations;
- (17) Our market or supply chains being affected by terrorism, plague, wars or similar events;
- (18) Earthquakes and other natural disasters affecting our headquarters and major facilities as well as our suppliers and customers;
- (19) Credit risk on trade receivables;
- (20) Fluctuations in the value of, and impairment losses on, securities and other assets held by us;
- (21) Impairment losses on property, plant and equipment, goodwill and intangible assets;
- (22) Unrealized deferred tax assets and additional liabilities for unrecognized tax benefits; and
- (23) Changes in accounting principles.

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.