Financial Presentation for the Year Ended March 31, 2023
(Held on May 16, 2023)

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President and Representative Director

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<2. (Cover) 1. Financial Results for the Year Ended March 31, 2023>
<3. Financial Results for the Year Ended March 31, 2023 (1)>
Sales revenue for the year ended March 31, 2023 (hereinafter referred to as “FY Mar. 2023,” with other fiscal years referred to in a corresponding manner), increased by 10.1% to 2,025.3 billion yen, compared to FY Mar. 2022, reached a record high for the second consecutive term, and we were able to achieve our long-stated target of 2 trillion yen.
Despite the impact of weakening demand for smartphone components, we saw an increase in sales revenue due to the continuous high-level demand and increased production for cutting-edge semiconductor components, an increase in sales in the Document Solutions Unit and Industrial Tools Unit, and the impact of the depreciation of the yen.
On the other hand, profit before income taxes decreased to 176.2 billion yen, despite the impact of increased sales revenue and the depreciation of the yen.
This decline in profit was due to cost increases caused by inflation, a significant decrease in sales in the Communications Unit, and the recording of one-time costs including a litigation cost and costs associated with structural reforms in the amount of approximately 19 billion yen in total.

<4. Financial Results for the Year Ended March 31, 2023 (2)>
Capital expenditure was 173.9 billion yen, depreciation charge of property, plant and equipment was 108.8 billion yen, and R&D expenses was 94.3 billion yen.
All increased compared to FY Mar. 2022, primarily due to proactive efforts in expanding production for components targeting the semiconductor-related market, strengthening existing businesses, and developing new businesses.

<5. Sales Revenue by Reporting Segment for the Year Ended March 31, 2023>
This is a list of sales revenue by reporting segment.
This is a list of business profit by reporting segment. I will explain the details of sales revenue and profits for each segment on the following pages.

First, in the Core Components Business, sales revenue increased to 592.4 billion yen due to increased demand for organic packages and boards in the Semiconductor Components Unit for the information and communication-related market, and sales of high value-added products, such as fine ceramic components for semiconductor manufacturing equipment in the Industrial & Automotive Components Unit. Business profit was 89.5 billion yen. In addition to the increase in sales revenue, the impact of the depreciation of yen also contributed, improving the profit margin to 15.1%.

In the Electronic Components Business, sales revenue increased to 378.5 billion yen due to increased demand for components such as ceramic capacitors mainly for the industrial and the automotive-related markets, as well as the impact of the depreciation of yen. Business profit decreased to 44.1 billion yen due to the impact of higher price for raw materials, a slowdown in demand for smartphone components, and the recording of the additional charge of approximately 3 billion yen in connection with pension obligations in the Kyocera AVX Components Corporation ("KAVX") Group.

In the Solutions Business, sales revenue increased to 1,068.6 billion yen due to increased sales of major products in the Document Solutions Unit and the Industrial Tools Unit, and the impact of the depreciation of yen. Business profit, however, decreased to 42.2 billion yen due to a substantial decrease in the number of mobile phone handsets sold in the Communications Unit, the recording of approximately 8 billion yen for inventory write-downs associated with structural reforms, and the impact of higher price for raw materials, energy, and logistics costs.

This concludes the overview of FY Mar. 2023. Next, I will explain the financial forecast for FY Mar. 2024.

Although there are concerns about the unstable global situation and economic environment, we expect a gradual recovery in demand in our main markets, and thus we are forecasting an increase in both sales
revenue and profits compared to FY Mar. 2023, with sales revenue of 2,100 billion yen and profit before income taxes of 200 billion yen. The assumed exchange rates for the forecast are JPY125 to the US dollar and JPY130 to the Euro.

<12. Financial Forecasts for the Year Ending March 31, 2024 (2)>
We anticipate capital expenditures of 275 billion yen, depreciation charge of property, plant and equipment of 123 billion yen, and R&D expenses of 115 billion yen. Each of these is planned to increase significantly, as we are planning proactive investments for growth. In particular for capital expenditures, we are expecting a 58.1% increase compared to FY Mar. 2023, mainly for expanding component production for the semiconductor-related market in the Core Components Business.

<13. Sales Revenue Forecasts by Reporting Segment for the Year Ending Mar. 31, 2024>
As for sales revenue by reporting segment, we expect an increase in sales revenue in all segments, with the Core Components Business at 620 billion yen, the Electronic Components Business at 390 billion yen, and Solutions Business at 1,115 billion yen.

As for business profit, we expect a slight decrease for the Core Components Business at 86 billion yen, but significant increases for the Electronic Components Business at 55 billion yen and the Solutions Business at 79 billion yen.

<15. Summary of Financial Forecasts for the Year Ending March 31, 2024>
This is a summary of our performance forecast for FY Mar. 2024. As shown on the left side of the slide, in the Core Components Business and the Electronic Components Business, we expect a gradual recovery in sales from the latter half of the first half of FY Mar. 2024, even though adjustments in our main markets, such as the semiconductor-related market, will continue for the time being. In the Solutions Business, we expect an increase in sales revenue due to the proactive development of new products primarily in the Document Solutions Unit and new businesses.

For profit, shown on the right side of the slide, we expect a slight decrease for the Core Components Business due to preparatory investment. For the Electronic Components Business, we expect an increase in profit due to the absence of one-time costs recorded in FY Mar. 2023, and the expected recovery in the market for high-profit components such as capacitors. For the Solutions Business, we expect a significant improvement in profit due to an increase in sales revenue as well as an improvement in profitability through the structural reforms. For the Others, we expect the increase in R&D expenses for the creation of new businesses to have an impact.

This concludes the overview of financial forecasts for FY Mar. 2024. Next, I will explain our medium-term management plan.
I will explain the basic concept of the medium-term management plan. The first point is the realization of our management rationale. This 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.” This management rationale can be said to be the very purpose of our existence. The second point is the practice of high-profit management. In order to achieve sustainable growth, it is fundamental to keep management simple and continue to aim for maximum revenues and minimum expenses, persistently and creatively every day.

These two points are immutable for our company, and with this newly formulated medium-term management plan, we would like to return to the basics of our management philosophy once again.

I will explain the business environment and social conditions surrounding us. The left side of the slide shows the medium to long-term expansion of the semiconductor market. Over the eight years from 2022 to 2030, the semiconductor market is expected to double in size to 100 trillion yen. In the center is the full-scale social application of new technologies such as AI, 5G, and ADAS. Rapid advances in digital technology are expected to change our lives. On the right is the increasing global environmental awareness. While convenience is increasing and life is becoming more affluent, there is a demand for solutions for global social issues such as global warming. In response to these medium to long-term changes in the environment and society, we will define each contribution area and aim to solve various issues facing humankind and society by supplying our technologies and related products. As a result, we aim to achieve high growth and high-profit management.

We took 22 years from sales revenue of 1 trillion yen achieved in FY Mar. 2001 to achieve sales revenue of 2 trillion yen in FY Mar. 2023. By putting us on a new stage of growth, we aim to achieve the next target of sales revenue of 3 trillion yen and a profit margin of 20% in six years. This time, we have formulated a medium-term management plan for the first three years and set a medium-term target of sales revenue of 2.5 trillion yen and a profit margin of 14%.

We would like to regain the spirit of tackling challenges in the entire Kyocera Group by setting high targets and returning to a growth trajectory.

The most important point for achieving the medium-term management plan is aggressive investment in focus areas.

The bar graph on the slide shows the trends in capital expenditures and R&D expenses over the three years.
from FY Mar. 2018, the three years from FY Mar. 2021, and the three years from FY Mar. 2024, in total. We plan to increase the investment, which was a total of 516.9 billion yen and 696.7 billion yen in the past three-year periods, to up to 1.2 trillion yen in the next three-year period.

The pie chart at the top right of the slide shows the breakdown of the capital expenditures. The plan is that more than 70% of the investment will be for the components business, with the red representing the Core Components Business with semiconductor-related components, and the green representing the Electronic Components Business with capacitors and timing devices.

In addition, we aim for R&D expenses to be around 5% of sales revenue. While strategically investing in markets and products that demonstrate significant growth potential, we will also allocate capital towards the advancement of technologies designed to evolve existing businesses and the development of new businesses that address and resolve societal issues.

**<21. (Overview) Numerical Targets (Kyocera Group Consolidated)>**

The main numerical targets for the medium-term management plan are as shown.

In the furthest right column, for FY Mar. 2026, we aim to achieve sales revenue of 2.5 trillion yen, profit before income taxes of 350 billion yen, a profit margin of 14%, and a ROE of 7% or more. To realize these targets, over the three-year period from FY Mar. 2024, we are planning capital expenditures of up to 850 billion yen and R&D expenses of up to 350 billion yen.

We will leverage the collective strengths of the Kyocera Group to achieve these targets.

**<22. (Overview) Management Strategy to Achieve Financial Targets>**

I will explain our management strategy to achieve the financial targets.

The overall management strategy for the entire Kyocera Group includes: 1) Continue proactive investment on a record scale. 2) Realize high growth by concentrating internal resources into areas of competitive advantage. 3) Enhance profitability by maximizing the use of digital technology. 4) Allocate management resources optimally by expediting decision-making on business continuity and/or withdrawal.

In terms of business segments, the Core Components Business will focus on the semiconductor-related market where high growth is expected and will aggressively make capital expenditures to increase production and improve productivity.

The Electronic Components Business will maximize synergies between Kyocera and KAVX, focusing on capacitors and timing devices to expand our market share.

For the Solutions Business, we will expand eco-friendly products and businesses that address social issues and aim to improve profitability through the structural reform in the Communications Unit and energy business.

**<23. (Overview) Medium-Term Target by Reporting Segment (FY Mar. 2026)>**

This slide shows the medium-term targets for each reporting segment.

By FY Mar. 2026, the Core Components Business aims to achieve sales revenue of 780 billion yen, business
profit of 140.4 billion yen, and a profit margin of 18%. The Electronic Components Business aims to achieve sales revenue of 500 billion yen, business profit of 100 billion yen, and a profit margin of 20%. The Solutions Business aims to achieve sales revenue of 1,250 billion yen, business profit of 125 billion yen, and a profit margin of 10%. Next, I will explain the individual business strategies for each segment.

24. (Cover) 3. Medium-Term Management Plan Business Strategy

25. (Core Components Business) Business Environment

I will explain the business environment for the Core Components Business. The left of the slide shows the market environment. The semiconductor market on the upper left is currently in an inventory adjustment phase, but in the medium- to long-term, we expect significant demand growth, particularly in cutting-edge products, with CAGR of 11% for logic and 5% for memory. Semiconductor processing equipment shown on the lower left is expected to see a significant increase in demand by 2030 as compared with 2022, approximately double for lithography equipment and coater/developer and approximately 2.5 times for etching and film forming equipment, due to an increase in manufacturing processes with the evolution of semiconductor generations.

The upper right of the slide shows our key products for semiconductor-related market. We supply organic packages for network servers, ceramic packages for semiconductors, and fine ceramic components for semiconductor processing equipment.

Below that are our strengths. In package products, we have manufacturing technology that can handle larger sizes and advanced multi-layering, as well as a high share among strategic customers. For fine ceramic components for semiconductor processing equipment, we have the advanced technology, quality, and production capabilities for cutting-edge products, such as precision processing and temperature uniformity, and a strong, long-standing relationship of trust with leading equipment manufacturers. Utilizing these strengths, we aim to expand and maintain a high market share by promptly and accurately responding to customer needs, particularly for cutting-edge semiconductors.

26. (Core Components Business) Business Strategy

The graph on the left of the slide shows the medium-term targets for FY Mar. 2026 for sales revenue, business profit, and profit margin for each business unit in the Core Components Business. To achieve this target, we will steadily seize opportunities lie in medium to long-term market expansion for our business growth, and significantly expand our businesses in areas of competitive advantage. Specifically, by FY Mar. 2026, we plan to expand the Semiconductor Components Unit to 490 billion yen in sales revenue, focusing mainly on increasing the production of organic packages and boards for the information and communications-related markets, and the Industrial & Automotive Components Unit to 255 billion yen in sales revenue, mainly by increasing production of fine ceramic components for semiconductor processing equipment of cutting-edge semiconductors.
<27. (Core Components Business) Investment Strategy>

Next is the investment strategy for the Core Components Business. As shown on the left of the slide, our basic policy is to accelerate investment to expand production. To further strengthen preparatory investment based on close cooperation with customers and to accelerate construction of new plants and new buildings considering prolonged procurement of building materials and construction period, we plan to increase capital expenditures from a total of 172.6 billion yen over the past three years by 2.3 times, to 400 billion yen, over the next three years.

Our major capital expenditures are as shown on the right. In addition to launching new buildings, as shown in the photo, in anticipation of long-term demand growth, we will expand the production capacity of our main products by implementing "scrap and build" existing facilities. Specifically, this facility investment is expected to result in 2.4 times increase in production for organic packages and boards, 1.8 times for fine ceramic components, and 1.4 times for ceramic packages.

In this way, we will make record capital investment to meet growing demand over the medium to long-term.

<28. (Core Components Business) Construction of New Facility>

As it will be difficult to meet the increasing demand in the semiconductor market with existing factories alone, we have decided to acquire a site in Isahaya, Nagasaki Prefecture, for the construction of a new domestic factory for the first time in about 20 years. This slide outlines the new factory construction that we announced in April 2023.

The production items include fine ceramic components for semiconductor processing equipment and ceramic and organic packages, and we plan to start production in FY Mar. 2027 and aim for annual production of 25 billion yen in FY Mar. 2029.

That concludes the explanation of the Core Components Business. Next, I will explain about the Electronic Components Business.

<29. (Electronic Components Business) Business Environment>

As shown on the left of the slide, the electronic components market is expected to expand further with the advancement of the electronics industry. Specifically, connectors are expected to grow at a CAGR of 4%, Multilayer Ceramic Capacitors (MLCCs) at 10%, timing devices at 5%, and polymer tantalum capacitors at 7%.

The upper right of the slide shows our key products, from left to right: tantalum capacitors, timing devices, MLCCs, and connectors.

Below that, our strengths lie in our small-design and high-precision technologies that contribute to higher density ICs, KAVX's broad distributor sales channels and logistics network, which make us capable of dealing with the industrial equipment markets to the automotive, medical, and aerospace markets. While maintaining high market share in tantalum capacitors and timing devices, we aim to boost market share in MLCCs and connectors.
In this way, we will increase market share by creating unique technologies and focusing on areas of competitive advantage where they can be fully leveraged.

<30. (Electronic Components Business) Business Strategy>
The graph on the left of the slide shows the medium-term targets for sales revenue, business profit, and profit margin in the Electronic Components Business for FY Mar. 2026. To achieve these targets, we will focus on areas of expertise and leverage synergies between Kyocera and KAVX to expand our market share and improve profitability.
Specifically, in sales, we will utilize KAVX's global sales network and strong relationships with key customers to expand the sales of Kyocera's electronic components business. On the production side, we will incorporate Kyocera's labor-saving and high-efficiency production technology to KAVX's production sites to increase productivity.
By realizing these synergies, we aim to increase our market share from 30% to 40% for tantalum capacitors, from 10% to 20% for timing devices, from 5% to 10% for MLCCs, and from 2% to 5% for connectors. Through such synergies between Kyocera and KAVX, we aim to expand our market share and achieve faster-than-market growth.

<31. (Electronic Components Business) Investment Strategy>
In the Electronic Components Business, we plan to make proactive investments for the optimization of production sites of Kyocera and KAVX. We plan to build a global production structure for future expansion of production capacity and to proactively adopt digital technologies necessary for automation and labor-saving, totalling 210 billion yen in capital investments over the next three years.
The main capital expenditures are as follows: In addition to building a new plant in Thailand and a new building at the Kagoshima Kokubu Plant, we will promote the introduction of automated lines to existing KAVX facilities to expand the production capacity of major products. Specifically, we expect a 1.9 times increase in MLCCs, a 1.8 times increase in timing devices, and a 1.4 times increase in tantalum capacitors due to this investment. We will continue to promote capital expenditures to create a system for enhanced production and global optimization of production sites, as well as digitalization to boost productivity.
That concludes the explanation of the Electronic Components Business. Next, I will explain the Solutions Business.

<32. (Solutions Business) Business Strategy>
The graph on the left of the slide shows the medium-term targets for sales revenue, business profit, and profit margin in the Solutions Business for FY Mar. 2026. The business strategies to achieve these numerical targets are shown on the right.
The first is the expansion of existing businesses, with the main businesses being industrial tools and information equipment. The second is the promotion of structural reforms, with the target businesses being
telecommunications equipment and energy. Since the Solutions Business consists of a wide range of businesses, we will evaluate each business from both marketability and profitability perspectives and focus and integrate resources into future growth areas. Now, I will discuss the individual strategies for each unit in the Solutions Business on the following pages.

<33. (Solutions Business) Industrial Tools Unit>
I will explain the Industrial Tools Unit.
In this business unit, the cutting tools market is expected to be 1.2 times larger by 2025 compared to 2022, and the pneumatic and power tools market is expected to be about 1.15 times larger, with market growth expected in both. Under these conditions, we plan to grow to 350 billion yen in sales revenue, 42 billion yen in business profit, and a profit margin of 12% by FY Mar. 2026.
On the right side of the slide, we indicate our key measures. In cutting tools, we are focusing on strengthening sales in Europe and Asia, developing products for growth industries by leveraging expertise in developing high-value-added custom tools and new manufacturing methods, and promoting value-added DX services. In pneumatic and power tools, we are expanding global share by leveraging advantages of an integrated system for development, production, sales, and service and creating added value through standardizing charging platforms and other technology collaborations within the business segment.
We will continue aggressive investments to expand our business as a global comprehensive tool manufacturer.

<34. (Solutions Business) Document Solutions Unit>
I will explain the Document Solutions Unit.
As indicated in the upper left, the market for MFPs and printers is expected to shrink to about 0.95 times the 2022 level by 2025 since offices go paperless. On the other hand, commercial inkjets printers are forecasted to expand to about 1.25 times, and ECM to about 1.15 times. Under this environment, we plan to grow our sales revenue to 500 billion yen, business profit to 53 billion yen, and profit margin to 10.6% by FY Mar. 2026.
Our key measures are shown on the right side of the slide. In MFPs and printers, we will work on expanding our market share by actively introducing new eco-friendly products leveraging strengths in long-life design and improving profitability by increasing production in Vietnam. In commercial inkjet printers, we will aim to increase sales revenue and profit by introducing new products capable of printing on various types of paper. In ECM and Document BPO services, we will work on expanding the lineup of ECM software developed in-house and expand services globally.
As one of the strengths of the Document Solutions Unit, we aim to contribute to the realization of a sustainable society with eco-friendly products and solutions.

<35. (Solutions Business) Communications Unit -Structural Reform->
I will explain about the structural reform in the Communications Unit.
The reform theme, as shown in the upper left of the slide, is a fundamental transformation of the business structure, with a focus on selection and concentration of products and categories and a focus on the corporate solutions business. By advancing this structural reform, we plan to return to profitability by FY Mar. 2024 and aim for a profit margin of 7% by FY Mar. 2026.

On the right side of the slide, we present the main initiatives of the structural reform. We plan to phase out the consumer smartphone business, which is colored in red, with the termination of new product developments in FY Mar. 2023 and discontinuation of supply and sales of products by FY Mar. 2025. Going forward, we will concentrate our development resources on infrastructure-related business to further promote the adoption of millimeter-wave 5G communication, which is expected to be implemented widely in Japan. On the other hand, for the part in blue regarding device development, we will shift to developing high-profit custom devices and providing telecommunication services for corporations, and we will expand Kyocera Communication Systems Co., Ltd.’s main business of ICT services and engineering.

In summary, by shifting to a telecommunications solutions business for corporate customers and infrastructure-related business, we plan to increase the profitability of the Communications Unit.

<36. (Solutions Business) Energy Business -Structural Reform->
I will explain about the structural reform of our energy business. The theme of the reform is to expand corporate renewable energy selling business that address the demand of renewable energy and rising energy costs. First of all, we aim to double productivity and reduce the cost of our three types of equipment: solar cells, storage batteries, and SOFC fuel cells. As shown in the graph below, we plan to turn profitable by FY Mar. 2024. At the same time, we aim to shift from traditional “product” sales to “service” business of the renewable energy power sales business such as surplus power purchase and resale, aiming for a profit margin of 5% by FY Mar. 2026.

The slide on the right shows the business model of the renewable energy selling service that we are aiming for. Going forward, we plan to purchase surplus power from homes, businesses, and large-scale solar power plants, adjust and match the supply and demand of renewable energy power, and use this renewable energy power within Kyocera. This will enhance the renewable energy ratio for the entire Kyocera Group, and we also plan to actively expand sales to external companies with environmental awareness.

Addressing environmental issues is one of the most important challenges facing humanity and society, so we strive to take on this task with a sense of mission.

<37. (Solutions Business) Energy Business -Partner Collaboration->
Realizing renewable energy power services requires partner collaboration. On the left of the slide is an example of a power purchase agreement with Daito Trust Construction Co., Ltd. ("Daito"). Starting from April 2023, we have been purchasing surplus power generated in Daito’s ZEH (Net Zero Energy House) rental apartments and have begun using it in our factories.

The right side of the slide shows an example of a capital and business alliance with au Renewable Energy
for the promotion of renewable energy power generation business. In addition to using the generated power at facilities such as base stations, communications infrastructure, and data centers owned by KDDI CORPORATION (“KDDI”), we also plan to store surplus power in daytime in large energy storage systems and sell it to supply-demand adjustment market, etc. That concludes the Solutions Business part.

38. (Create New Businesses) Expansion of Businesses Addressing Social Issues
I will explain creation of new businesses. We are investing aggressively in R&D to expand businesses that address social issues. I will introduce a few ongoing projects.

The left side of the slide shows a high-efficiency GaN laser using gallium nitride. Our subsidiary, Kyocera SLD Laser, is working to expand the applications and product lineup of its proprietary laser light technology, which balances illuminance/brightness and safety, to contribute to the realization of low-carbon society.

Right next is the digital textile printing system takes advantage of our proprietary printhead and ink technologies to realize water-free operations, contributing to the reduction of wastewater and waste in the apparel industry. We are also developing collaborative robots, next one, enhanced with AI control technology. This advanced system simplifies the task of giving work instructions to robots. Furthermore, our unique position as a manufacturer with multiple in-house factories allows us to leverage a vast amount of manufacturing learning data. The result is a solution that addresses labor shortages not only for our customers but also for the in-house operations.

Finally, the right end, the cooperative road-vehicle system. By using ITS wireless roadside system that detects information in blind spots and far-infrared camera technology, we contribute to the creation of safe and secure communities with no accidents.

One of our specific business targets is to aim for future sales revenue of 100 billion yen per project, and we will continue to aggressively invest in R&D.

39. (Cover) 3. Medium-Term Management Plan  Strengthening of Management Foundation

40. (Strengthening of Management Foundation) Capital Strategy to Support Business Growth
I will explain the strengthening of our management foundation.

First, I will explain our capital strategy to support business growth. Based on our medium-term management plan, we have clarified our capital allocation for the three years from FY Mar. 2024 to FY Mar. 2026. I will explain it in order using the diagram shown in the middle.

The cash flow from operating activities, marked as (1) in the diagram, is calculated to be between 1,400 billion yen and 1,500 billion yen on a pre-R&D cost deduction basis. As shown in (2), we are considering borrowing up to 500 billion yen from banks to meet future funding needs, including aggressive investment and for maintenance and improvement of shareholder returns. In borrowing, we will use KDDI shares as a collateral to reduce borrowing costs in anticipation of future increases in interest rates.

The numbers (3) and (4) on the right side of the diagram represent the aggressive investment explained earlier, and (5) represents our plan to maintain current dividend policy for the next three years, with a total of
approximately 300 billion yen in dividends. For (6), in addition to considering M&A that emphasizes synergy as well as following our policy of conducting share repurchases when appropriate, we are considering an allocation of 400 billion yen to 500 billion yen.

<41. (Strengthening of Management Foundation) Shareholder Returns>
I will explain our shareholder return measures.
Our shareholder returns are based on a basic policy of paying dividends with a payout ratio of around 50% and share repurchases as appropriate. The annual dividend for FY Mar. 2023 will be 200 yen per share. We also anticipate an annual dividend of 200 yen per share for FY Mar. 2024, and we also announced that we will repurchase its own shares up to 50 billion yen on May 15, 2023. We will continue to provide stable dividends and share repurchases as appropriate, aiming to further enhance shareholder returns through improved performance.

<42. (Strengthening of Management Foundation) Introduce Reduction Target of Cross-shareholdings>
I will explain the introduction of a reduction target of cross-shareholdings.
We have been reducing cross-shareholdings as appropriate, and once a year, we review the need to maintain cooperative relationships and capital efficiency for all individual stocks, and at the Board of Directors, we have been assessing the appropriateness of holding them. As a result, we have reduced the number of domestic listed stocks, which were 37 stocks in FY Mar. 2017, to 17 stocks today.
In addition to this, to clarify the immediate policy, we have set a quantitative target of reducing at least 5% on a book value basis by FY Mar. 2026, and we revised the Corporate Governance Report on April 27, 2023 accordingly. We will promote further reductions to achieve this target.

<43. (Strengthening of Management Foundation) Initiatives Regarding Corporate Governance>
I will explain our initiatives regarding corporate governance.
The first point is the introduction of Performance-Linked Restricted Stock Compensation Plan, which is intended to align the interests of directors with shareholders, as listed on the left side of the slide. This time, we have decided to pay a part of the director's bonus exceeding a certain amount in our company's shares. By increasing incentives for enhancing corporate value and aligning interests with shareholders, we will promote greater value sharing.
The second point is the appointment of an outside director, as mentioned in the upper right section of the slide. This time, we have appointed Mr. Shigenobu Maekawa, Chairman of Nippon Shinyaku Co., Ltd., as a candidate for a new outside director. As a result, of the three outside directors, two will have corporate management experience. Both the first and second points will be proposed at the ordinary general shareholders' meeting in June 2023.
The third point, in the lower right, is about enhancing the effectiveness of the Board of Directors. In FY Mar.
2023, we held two off-site meetings separate from the Board of Directors meetings to discuss the strategy and policy of the Kyocera Group as a whole in formulating the medium-term management plan. This was the first time for us, but the discussions were lively and we felt their effectiveness, so we will continue to hold this meeting.

<44. (Strengthening of Management Foundation) Recruitment Strategies>
I will explain our recruitment strategy for securing talent.
As the competition for human resources is expected to intensify in the future, securing workforce becomes crucial for the realization of the medium-term management plan. Therefore, we will work on measures such as securing workforce through establishing new locations in Isahaya City, Nagasaki Prefecture, which I mentioned earlier, setting salary levels considering inflation and the labor market, expanding recruitment at optimal production locations including overseas, and promoting further localization of overseas business.
As an example of specific recruitment activities, we aim to deepen understanding and interest by conveying our company's features and attractiveness in various aspects, such as the strong public interest towards the management philosophy of our founder, Kazuo Inamori, and appealing to the younger talent pool by cultivating a sense of affinity using original animations and connect this to recruitment.

<45. (Strengthening of Management Foundation) Promote Sustainable Management>
In this slide, I will explain our initiatives related to environment and human capital as concrete examples of promoting sustainable management.
In terms of environmental initiatives, we have declared its support for the Task Force on Climate-related Financial Disclosures (TCFD) since March 2020. We have set specific long-term environmental targets for greenhouse gas emissions and the introduction of renewable energy, aiming to achieve carbon neutrality by FY Mar. 2051.
We will strive to achieve these targets by promoting energy conservation throughout our group, such as promoting the introduction of renewable energy at our own sites and upgrading to high-efficiency equipment, and by utilizing the renewable energy service I mentioned earlier.
Next, in terms of human capital initiatives, we will respect human rights by joining the Responsible Business Alliance (RBA), conducting human rights due diligence for ourselves and suppliers, and providing education to prohibit harassment and discrimination.
In addition, we aim to create a workplace where each employee can work vigorously, and we are working to improve employee engagement and pursue diversity. As one example, the graph in the lower right shows the trend in the number and ratio of female managers. We are promoting the active participation of female employees, and the ratio of female employees among managers, which was 1.5% in 2017, has increased to 4.8% in 2023. We are working on career development programs to increase this ratio to 8% by 2026.
<46. Summary of Medium-Term Management Plan>

This brings us to the summary of the medium-term management plan. The plan is structured on two strategic pillars. Firstly, we are focusing on implementing business strategies including strategic investments in areas of competitive advantage within the Core Components Business and the Electronic Components Business. We also promote the expansion of existing businesses and the restructuring of businesses within the Solutions Business, alongside creating new businesses that address social issues. Secondly, we are strengthening our management foundation. This involves capital strategies, corporate governance initiatives, and promotion of sustainable management. Together, these strategic initiatives will drive us towards achieving our targets of the medium-term management plan and improving our corporate value, continuously increase ROE and improve PBR, which currently stands below 1x.

Cautionary statement

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

Except for historical information contained herein, the matters set forth in this document are forward-looking statements that involve risks and uncertainties including, but not limited to, product demand, competition, regulatory approvals, the effect of economic conditions and technological difficulties, and other risks detailed in the cautionary statements with respect to forward-looking statements on the company’s website. (https://global.kyocera.com/ir/disclaimer.html)