



Notice of the 66th Ordinary General Meeting of Shareholders

June 25, 2020

Kyoto, Japan

KYOCERA Corporation

6 Takeda Tobadono-cho, Fushimi-ku, Kyoto, Japan

Please note that this is an English translation of the Japanese original of the Notice of the 66th Ordinary General Meeting of Shareholders of Kyocera Corporation distributed to shareholders in Japan. The translation is prepared solely for the reference and convenience of foreign shareholders. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

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Kyocera Management Philosophy

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.

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.

Kazuo Inamori
Founder and Chairman Emeritus

Greetings

We wish to express our sincere sympathies to those suffering from or adversely affected by COVID-19.

We are pleased to present to you Notice of the 66th Ordinary General Meeting of Shareholders.

In the year ended March 31, 2020 (hereinafter, “66th fiscal year” or “fiscal 2020” refers to the year ended March 31, 2020, with other fiscal years referred to in a corresponding manner), the global economy decelerated due to the slowdown of automotive-related markets resulting from such factors as US-China trade friction coupled with the impact of COVID-19. Within this severe business environment, despite initiatives such as implementing M&A to strengthen key businesses and expand business fields, sales revenue fell slightly below the record-high sales achieved in fiscal 2019. On the other hand, profit increased thanks to the effects of the structural reforms implemented in fiscal 2019. During fiscal 2020, we established the Minatomirai Research Center in Yokohama for the purpose of strengthening R&D for medium-term growth. Concurrently, we made US subsidiary AVX Corporation into a wholly owned subsidiary with the aim of pursuing further synergies for securing business opportunities such as in 5G and IoT.

Kyocera plans to distribute a year-end dividend of 80 yen per share. The annual dividend will be 160 yen per share when aggregated with the interim dividend of 80 yen per share that has already been paid, an increase of 20 yen per share compared with fiscal 2019.

Kyocera is currently operating within an uncertain economic environment due to the spread of COVID-19. Nonetheless, Kyocera is giving top priority to the lives and health of its customers, business partners, employees and their families, and for this reason, we curtail business trips and promote staggered working hours and work from home.

At the same time, in view of the expected spread of 5G services and the recovery of the semiconductor market, Kyocera will also make efforts to respond to demand for related products.

We would very much appreciate your continued support of the Kyocera Group as we move forward.

Goro Yamaguchi
Chairman of the Board and Representative Director

Hideo Tanimoto
President and Representative Director

June 3, 2020

To our shareholders

Notice of the 66th Ordinary General Meeting of Shareholders

This is to inform you that Kyocera Corporation (the “Company”) will hold its 66th Ordinary General Meeting of Shareholders (the “Meeting”) as described below. In order to prevent the spread of COVID-19, we ask you to refrain from attending the Meeting, regardless of your health condition, and to exercise your voting rights in advance in written form or via the Internet.

Please examine the attached reference documents for the General Meeting of Shareholders and exercise your voting rights **no later than 5:30 p.m. Wednesday, June 24, 2020, Japan time.**

- 1. Date and Time** 10:00 a.m. on Thursday, June 25, 2020, Japan Time
- 2. Venue** 3rd Floor “Genji Room” at HOTEL GRANVIA KYOTO, in KYOTO STATION BUILDING, Shiokoji-sagaru, Karasuma-dori, Shimogyo-ku, Kyoto, Japan

3. Purpose of the Meeting

Matters to Be Reported

- (1) Contents of the business report, consolidated financial statements and the audit results of consolidated financial statements by the Accounting Auditor and the Audit & Supervisory Board for the 66th fiscal year (April 1, 2019 to March 31, 2020)
- (2) Contents of the financial statements for the 66th fiscal year (April 1, 2019 to March 31, 2020)

Matters to Be Resolved

- Proposal 1 Appropriation of Surplus
- Proposal 2 Election of Four (4) Audit & Supervisory Board Members

Notes:

The venue, time, etc., of the Meeting is subject to change depending on the state of the spread of COVID-19. Information regarding changes will be posted on the Company’s website (https://global.kyocera.com/ir/s_info/meeting.html).

4. Matters Relating to Exercise of Voting Rights

Please examine the attached reference documents for the General Meeting of Shareholders and exercise your voting rights. In addition to attendance at the Meeting, there are two methods of exercising voting rights as follows. In order to prevent the spread of COVID-19, we ask you to exercise your voting rights in advance in written form or via the Internet as much as possible.

(1) Method of Exercising Voting Rights in Written Form

Please indicate your vote “for” or “against” the proposal on the voting card enclosed herewith and ensure it is returned to us no later than the deadline mentioned on page 2.

(2) Method of Exercising Voting Rights via the Internet

When exercising your voting rights via a smartphone, please scan the “Login QR Code” stated on the voting card enclosed herewith to access the website (<https://evote.tr.mufig.jp/>), and follow the instructions on the website. Please enter “for” or “against” the proposal no later than the deadline mentioned page 2.

When exercising your voting rights via a PC, smartphone or other means, please enter the code and password written on the voting card enclosed herewith to access the website (<https://evote.tr.mufig.jp/>), and follow the instructions on the website. Please enter “for” or “against” the proposal no later than the deadline mentioned on page 2.

[Handling in the Event of Multiple Exercises of Voting Rights]

- (1) In the event that any shareholder exercises voting rights in written form and via the Internet, the exercised voting rights via the Internet shall prevail.
- (2) In the event of multiple exercised voting rights via the Internet by a shareholder, the last exercised voting rights via the Internet shall prevail.

Truly yours,

Hideo Tanimoto
President and Representative Director
KYOCERA Corporation

Notes:

1. This meeting is conducted in Japanese. In addition, an interpreter is not hired. We appreciate your understanding in advance.
2. Pursuant to the provisions of laws and regulations as well as the Articles of Incorporation of the Company, “Four-Year Financial Summary”, “Principal Business Sites”, “Employees”, “Principal Sources of Borrowings” and “System and Policy” in the business report, as well as “Consolidated Statement of Changes in Equity”, “Notes to Consolidated Financial Statements”, “Statement of Changes in Net Assets” and “Notes to Financial Statements” are available to shareholders on the Company’s website (*). Therefore, the business report, the consolidated financial statements and the financial statements, which have been audited by Audit & Supervisory Board Members and Accounting Auditors, are described in the attached Accompanying Documents for the Notice of the 66th Ordinary General Meeting of Shareholders, and also presented on the Company’s website (*).
3. In the event of any changes to the reference documents for the General Meeting of Shareholders, the business report, the financial statements or the consolidated financial statements, the Company shall give notice thereof to shareholders by posting it on the Company’s website (*), which can be accessed via the Internet.
4. The voting results will be posted on the Company’s website (*) without sending a written notice of these results to shareholders.

* https://global.kyocera.com/ir/s_info/meeting.html

Reference Documents for the General Meeting of Shareholders

Proposals and References are as follows:

Proposal 1 Appropriation of Surplus

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 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 50% of profit attributable to owners of the parent. In addition, the Company determines dividend amounts based on a comprehensive assessment, taking into account various factors including the amount of capital expenditures necessary for medium-to-long-term corporate growth.

Pursuant to this policy and based on full year performance through the 66th fiscal year, the Company proposes a year-end dividend for the 66th fiscal year in the amount of 80 yen per share. When aggregated with the interim dividend in the amount of 80 yen per share, the total annual dividend will be 160 yen per share. This amount will represent an increase of 20 yen per share as compared with 140 yen per share for the 65th fiscal year, which included a commemorative dividend of 20 yen per share for the 60th anniversary of the Company's establishment.

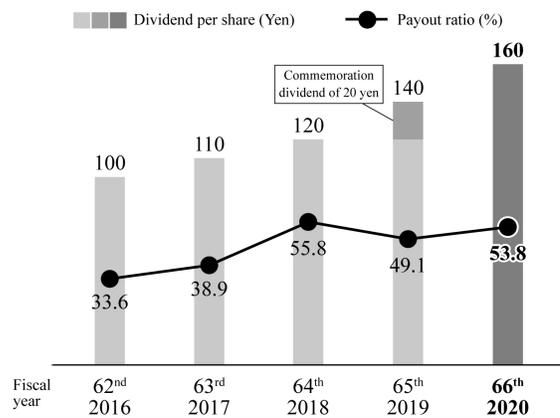
The Company also proposes that a general reserve shall be set aside in order to take into account the Company's financial status, performance through the 66th fiscal year and business conditions going forward.

The proposed appropriation of surplus is as follows:

1. Matters Relating to Year-end Dividend

- (1) Type of Assets Distributed as Dividend:
Cash
- (2) Matters Relating to the Appropriation to Shareholders of Assets Distributed as Dividend and Aggregate Amount Thereof:
80 yen per share of common stock of the Company
The aggregate amount thereof shall be 28,994,578,080 yen
- (3) Effective Date of Distribution of Surplus as Dividend:
June 26, 2020

[Reference]
Annual dividend per share / Payout ratio (Consolidated basis)



Note :

Kyocera 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”) from the 65th fiscal year. Accordingly, the payout ratio for the 64th fiscal year has been reclassified in accordance with IFRS.

2. Matters Relating to General Reserve

- (1) Category of Surplus to Increase and Amount Thereof:
 General Reserve: 38,000,000,000 yen
- (2) Category of Surplus to Decrease and Amount Thereof:
 Unappropriated Retained Earnings: 38,000,000,000 yen

Proposal 2 Election of Four (4) Audit & Supervisory Board Members

The terms of office of all of four (4) Audit & Supervisory Board Members will expire at the conclusion of the Meeting. Accordingly, the Company proposes four (4) Audit & Supervisory Board Members be elected.

The Audit & Supervisory Board has consented to the proposal.

The candidates for the Audit & Supervisory Board Members are as follows:

No.		Name	Expected assignment after election		
			Full-time Auditor & Supervisory Board Member	Outside Audit & Supervisory Board Member	Independent Director
1	Reappointment	Itsuki Harada	○		
2	Reappointment	Hitoshi Sakata		○	○
3	Reappointment	Masaaki Akiyama		○	○
4	New appointment	Shigeru Koyama	○		

No.	Name (Date of birth)	Career Summary, Position and Important Concurrent Post		Number of the Company's Shares Held
1	Itsuki Harada (Aug. 5, 1955)	Mar. 1980	Joined the Company	820
		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 candidacy as Audit & Supervisory Board Member	Mr. Itsuki Harada has long experience in the accounting department and the global audit department of the Company and has substantial knowledge of finance and accounting. He has duly carried out the responsibilities of a Full-time Audit & Supervisory Board Member of the Company since assuming this office in 2016. The Company accordingly has judged that he will continue to conduct overall audits of the corporate activities of the Company in an appropriate manner, and has decided to nominate him as a candidate to serve as a Full-time Audit & Supervisory Board Member of the Company.		
2	Hitoshi Sakata (Jan. 22, 1953)	Apr. 1985	Admitted to the Bar, Registered in the Kyoto Bar Association [Present]	674
		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 candidacy as Outside Audit & Supervisory Board Member	Mr. Hitoshi Sakata has extensive experience and deep insight as an attorney, as well as great familiarity with corporate legal practice and overseas intellectual property rights. Since assuming office as an Outside Audit & Supervisory Board Member of the Company in 2016, he has undertaken effective audit activities, applying an objective and independent perspective. The Company accordingly has judged that he will continue to conduct overall audits of the corporate activities of the Company in an appropriate manner, and has decided to nominate him as a candidate for Outside Audit & Supervisory Board Member of the Company.		

No.	Name (Date of birth)	Career Summary, Position and Important Concurrent Post		Number of the Company's Shares Held
3	Masaaki Akiyama (Jan. 4, 1945)	Oct. 1968	Joined Tomishima Audit Corporation (Currently Ernst & Young ShinNihon LLC)	674
		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 candidacy as Outside Audit & Supervisory Board Member	Mr. Masaaki Akiyama has extensive experience and deep insight as a certified public accountant and has substantial knowledge of finance and accounting. Since assuming office as an Outside Audit & Supervisory Board Member of the Company, he has undertaken effective audit activities, applying an objective and independent perspective. The Company accordingly has judged that he will continue to conduct overall audits of the corporate activities of the Company in an appropriate manner, and has decided to nominate him as a candidate for Outside Audit & Supervisory Board Member of the Company.		
4	Shigeru Koyama (Oct. 6, 1956)	Mar. 1980	Joined the Company	5,321
		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 [Present]	
	Reason for candidacy as Audit & Supervisory Board Member	Mr. Shigeru Koyama has been serving as a president and director of one of the Company's overseas subsidiaries since April 2011, following a career applied to the overseas marketing activities of the Company's semiconductor components department. He has extensive experience and deep insight regarding the Company's overseas business activities. The Company accordingly has judged that he is suitable for an Audit & Supervisory Board Member of the Company, which develops business globally, and has decided to nominate him as a candidate to serve as a Full-time Audit & Supervisory Board Member of the Company.		

Notes:

1. There is no special interest between all the candidates and the Company.
2. The number of shares of the Company owned by the candidates for the Audit & Supervisory Board Members above is as of March 31, 2020, and it includes their ownership in the Stock Purchase Plan for Kyocera Group Executives.
3. Matters with respect to the candidates for Outside Audit & Supervisory Board Member are as follows:
 - (1) Messrs. Hitoshi Sakata and Masaaki Akiyama are candidates for Outside Audit & Supervisory Board Member.
 - (2) The Company believes that Mr. Masaaki Akiyama will be adequately capable of accomplishing his duties as an Outside Audit & Supervisory Board Member of the Company because he is familiar with corporate accounting as a certified public accountant despite his lack of experience in corporate management.
 - (3) The number of years from the time of Messrs. Hitoshi Sakata and Masaaki Akiyama's assumption of offices as an Outside Audit & Supervisory Board Member of the Company to the adjournment of this General Meeting of Shareholders and times of attendances at the meetings of the Board of Directors and the meetings of the Audit & Supervisory Board held during the 66th fiscal year of the Company are as follows:

	Number of years from the time of assumption of offices as Outside Audit & Supervisory Board Member to the adjournment of this General Meeting of Shareholders	Attendances at the meeting of the Board of Directors held during the 66 th fiscal year of the Company	Attendances at the meeting of the Audit & Supervisory Board held during the 66 th fiscal year of the Company
Hitoshi Sakata	4 years	Attendance ratio 100% (13 out of 13 meetings)	Attendance ratio 100% (8 out of 8 meetings)
Masaaki Akiyama	4 years	Attendance ratio 100% (13 out of 13 meetings)	Attendance ratio 100% (8 out of 8 meetings)

- (4) The Company enters into an agreement with Messrs. Hitoshi Sakata and Masaaki Akiyama regarding the limitation of their liability for damages due to negligence in the performance of their duties in accordance with the provisions of the Companies Act and the Articles of Incorporation of the Company. The amount of their liability, as set under such agreement, shall be limited to the smallest amount specified in the applicable laws and regulations. The Company will maintain such agreement upon their re-election as an Outside Audit & Supervisory Board Member.
- (5) The Company has designated Messrs. Hitoshi Sakata and Masaaki Akiyama as Independent Audit & Supervisory Board Members as provided for in the rules of the Tokyo Stock Exchange.

- END -

(Accompanying Documents for the Notice of the 66th Ordinary General Meeting of Shareholders)

Business Report (April 1, 2019 to March 31, 2020)

1. Current Conditions of Kyocera Corporation and its Consolidated Subsidiaries

(1) Business Progress and Results

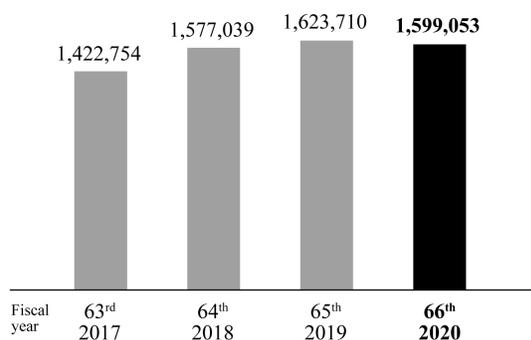
Sales revenue for fiscal 2020 was 1,599,053 million yen, a slight decrease from fiscal 2019. Sales revenue of the Electronic Devices Group and the Document Solutions Group decreased due to a prolonged inventory adjustment and the slowdown of the global economy resulted from the spread of COVID-19, and this decrease was more than offset an increase in sales revenue in the Industrial & Automotive Components Group reflecting a contribution from M&A activity.

On the other hand, despite the impact of an increase in depreciation charge, profit increased from fiscal 2019 due mainly to the absence of a one-time charge recorded in fiscal 2019 in the aggregate amount of approximately 68.5 billion yen resulting from, among others, structural reforms in the solar energy business and the organic materials business. As a result, operating profit increased by 5,370 million yen, or 5.7%, to 100,193 million yen, profit before income taxes increased by 8,216 million yen, or 5.8%, to 148,826 million yen, and profit attributable to owners of the parent increased by 4,511 million yen, or 4.4%, to 107,721 million yen compared with fiscal 2019.

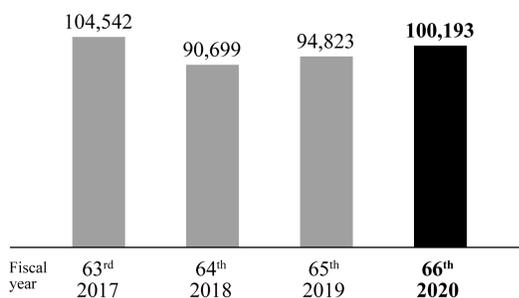
Average exchange rates for fiscal 2020 were 109 yen to the U.S. dollar, marking appreciation of 2 yen, or 1.8%, and 121 yen to the Euro, marking appreciation of 7 yen, or 5.5%, compared with fiscal 2019. As a result, sales revenue and profit before income taxes after translation into yen for fiscal 2020 were pushed down by approximately 36 billion yen and 11.5 billion yen, respectively, compared with fiscal 2019.

Highlights of Consolidated Results

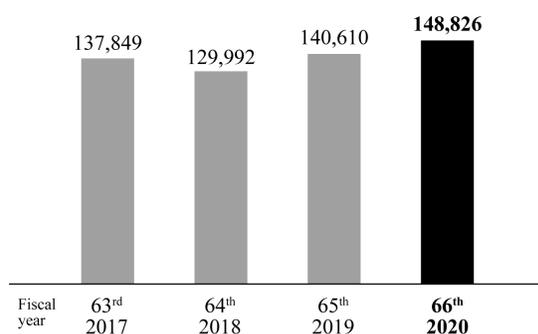
Sales revenue (Yen in millions)



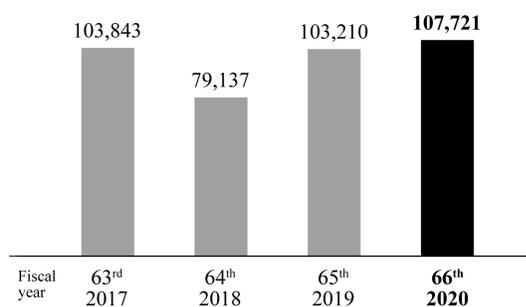
Operating profit (Yen in millions)



Profit before income taxes (Yen in millions)



Profit attributable to owners of the parent (Yen in millions)



Notes:

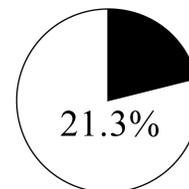
1. The amounts, numbers of shares and ratios (%) in this report are rounded to the nearest unit.
2. Pictures and graphs in this report are presented solely for reference.
3. Kyocera has adopted the International Financial Reporting Standards (“IFRS”) in lieu of the Generally Accepted Accounting Principles of the United States of America (“U.S. GAAP”) from fiscal 2019. Accordingly, financial results for fiscal 2018 have been reclassified in accordance with IFRS. Account title is also presented in accordance with IFRS.

Consolidated Results by Reporting Segment

Industrial & Automotive Components Group

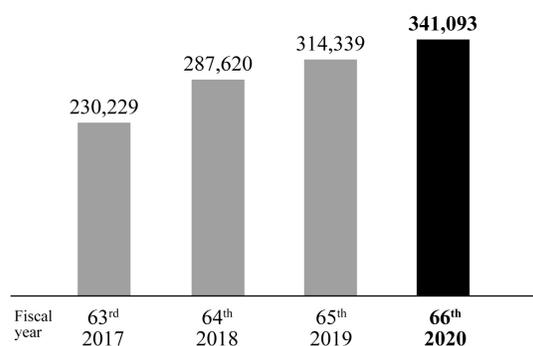
Sales Composition Ratio

Sales Revenue: 341,093 million yen, up 8.5% year on year
Business Profit: 15,813 million yen, down 58.9% year on year

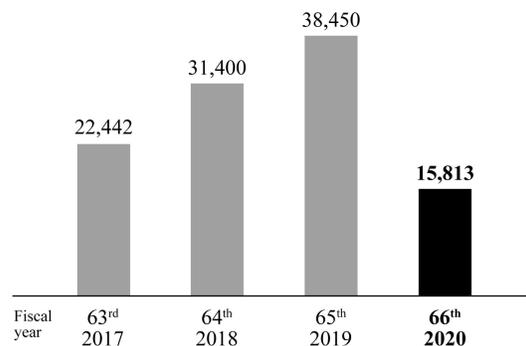


Sales revenue in this reporting segment increased compared with fiscal 2019. Although sales of automotive parts, such as displays, decreased, sales of industrial tools increased as a result of the contribution of M&A. Business profit decreased due to decreased sales in the industrial machinery and automotive-related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

Sales revenue (Yen in millions)



Business profit (Yen in millions)

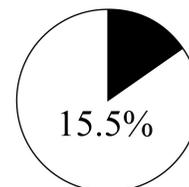


Notes : Kyocera has adopted IFRS in lieu of U.S. GAAP from fiscal 2019. Accordingly, financial results for fiscal 2018 have been reclassified in accordance with IFRS.

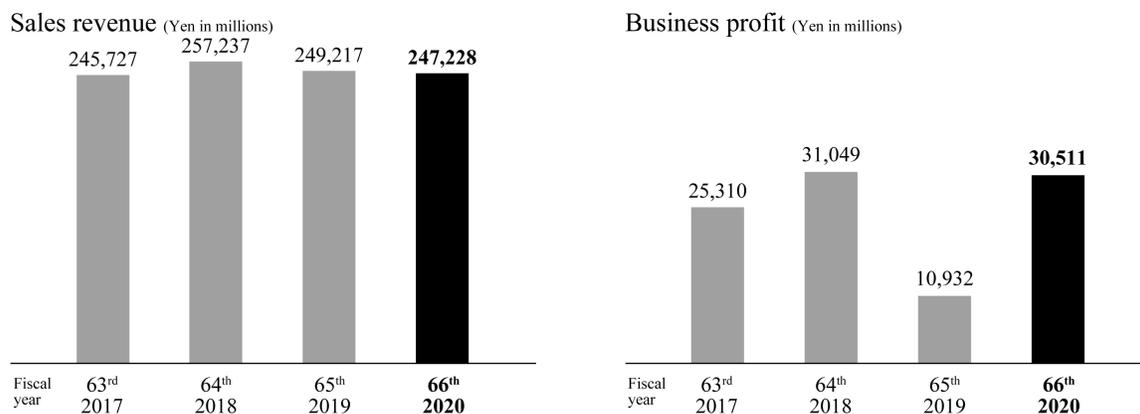
Semiconductor Components Group

Sales Composition Ratio

Sales Revenue: 247,228 million yen, down 0.8% year on year
Business Profit: 30,511 million yen, up 179.1% year on year



Sales revenue in this reporting segment remained almost flat compared with fiscal 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 fiscal 2019.



Notes : Kyocera has adopted IFRS in lieu of U.S. GAAP from fiscal 2019. Accordingly, financial results for fiscal 2018 have been reclassified in accordance with IFRS.

Electronic Devices Group

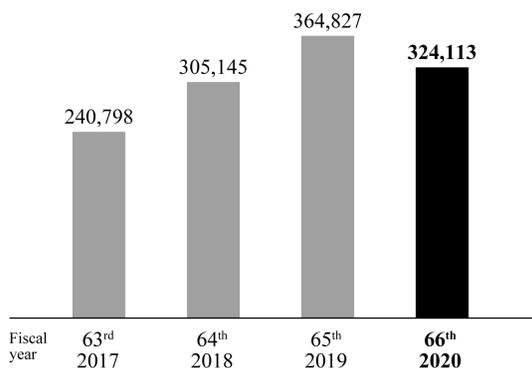
Sales Composition Ratio

Sales Revenue: 324,113 million yen, down 11.2% year on year
Business Profit: 31,744 million yen, down 52.6% year on year

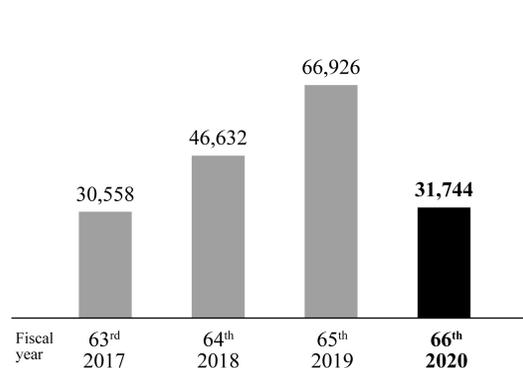


Sales revenue in this reporting segment decreased compared with fiscal 2019. Sales in AVX Corporation, a U.S. subsidiary, decreased due to continued inventory adjustments at the distributor and sluggish demand in the automotive related industry as well as the slowdown of the global economy resulting 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.

Sales revenue (Yen in millions)



Business profit (Yen in millions)

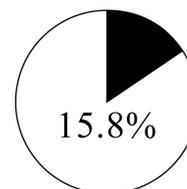


Notes : Kyocera has adopted IFRS in lieu of U.S. GAAP from fiscal 2019. Accordingly, financial results for fiscal 2018 have been reclassified in accordance with IFRS.

Communications Group

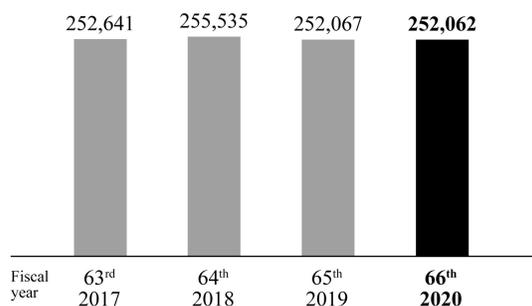
Sales Composition Ratio

Sales Revenue: 252,062 million yen, down 0.0% year on year
Business Profit: 11,450 million yen, up 10.2% year on year

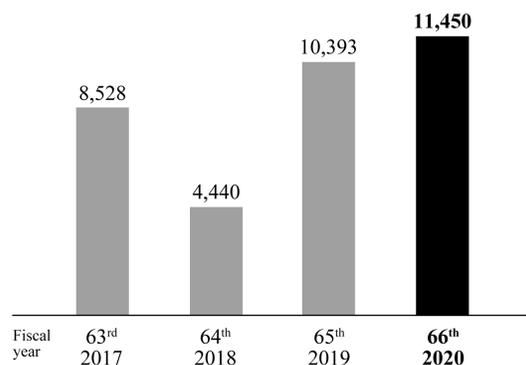


Sales revenue in this reporting segment remained flat compared with fiscal 2019. Despite a slight increase in sales in the information system and telecommunication services business due mainly to higher sales in the ICT solutions business, sales in the telecommunications equipment business decreased 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.

Sales revenue (Yen in millions)



Business profit (Yen in millions)

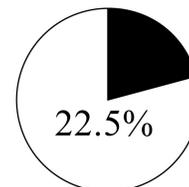


Notes : Kyocera has adopted IFRS in lieu of U.S. GAAP from fiscal 2019. Accordingly, financial results for fiscal 2018 have been reclassified in accordance with IFRS.

Document Solutions Group

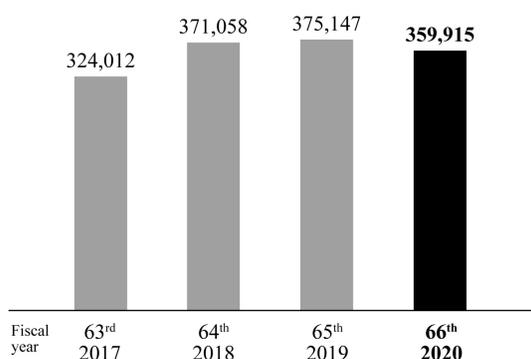
Sales Composition Ratio

Sales Revenue: 359,915 million yen, down 4.1% year on year
Business Profit: 34,489 million yen, down 20.8% year on year

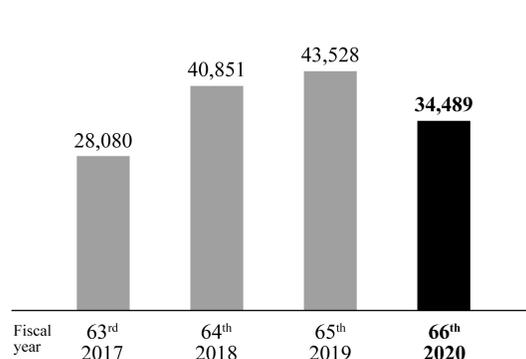


Sales revenue and business profit in this reporting segment decreased compared with fiscal 2019. These were due to the effect of foreign currency fluctuation as well as lower demand caused by the slowdown of the global economy resulting from the spread of COVID-19.

Sales revenue (Yen in millions)



Business profit (Yen in millions)

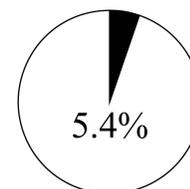


Notes : Kyocera has adopted IFRS in lieu of U.S. GAAP from fiscal 2019. Accordingly, financial results for fiscal 2018 have been reclassified in accordance with IFRS.

Life & Environment Group

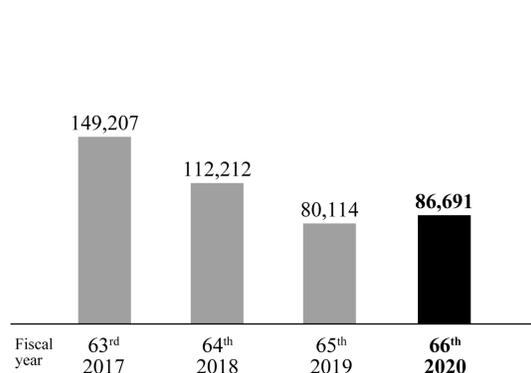
Sales Composition Ratio

Sales Revenue: 86,691 million yen, up 8.2% year on year
Business Profit (Loss): (11,198) million yen, improve 55,818 million yen year on year

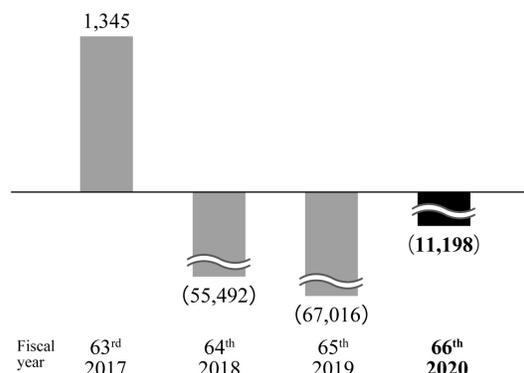


Sales revenue in this reporting segment increased compared with fiscal 2019 due mainly to increased sales in the solar energy business. Business loss decreased due to improved profitability resulting from cost reductions achieved through the progress of structural reforms, in addition to the absence of settlement expenses recorded in fiscal 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.

Sales revenue (Yen in millions)



Business profit (Yen in millions)



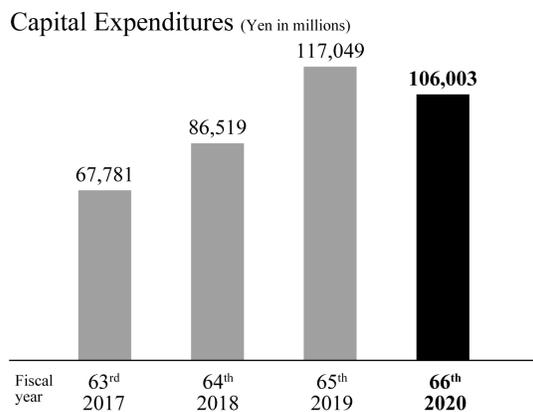
Notes:

1. Kyocera has adopted IFRS in lieu of U.S. GAAP from fiscal 2019. Accordingly, financial results for fiscal 2018 have been reclassified in accordance with IFRS.
2. The sum total of sales composition ratio shown on pages 12 to 17 shall not be 100% because “Others” and “Adjustments and Eliminations”, when aggregated, accounting for (0.8%) of consolidated sales revenue in fiscal 2020.

(2) Capital Expenditures

During fiscal 2020, Kyocera made capital expenditures to enhance production capacity in order to cope with high levels of demand and improve productivity primarily in Electronic Devices Group and Industrial & Automotive Components Group, and to establish the domestic plant building and new research center. Due to the aggressive capital expenditures for fiscal 2019, capital expenditures for fiscal 2020 decreased by 11,046 million yen, or 9.4%, to 106,003 million yen, compared with fiscal 2019.

Required funds for fiscal 2020 were mainly financed from internal resources.



(3) Management Challenges

Kyocera aims to fully leverage its collective strengths to be a high-growth, highly profitable company by coordinating its various management resources within the Group. In particular, we have positioned Information & Communications, Automotive-related, Environment & Energy and Medical & Healthcare markets as our priority markets and are working to promote M&A and strengthen research and development while undertaking initiatives for doubling productivity.

1) Promote M&A

Major M&A activities since Fiscal 2018

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Industrial & Automotive Components Group Fine ceramic parts > Strengthen production system and product lineup			H.C. Starck Ceramics (Germany / Non-oxide fine ceramic components such as SiSiC*1) Friatec (Germany / Oxide-ceramic components and metallized components) Establishing a joint venture with Ube Industries (Japan / Ceramic filters for 5G*2 base stations)
Industrial tools > Expand business field	SENCO (U.S. / Pneumatic tools) Power tool business of Ryobi (Japan)	Van Aerden Group (Netherlands / Pneumatic tools)	SouthernCarlson (U.S. / Sales of tools)
Electronic Devices Group AVX Corporation > Expand business in telecom and auto-related markets	Automotive sensor business of TT Electronics (UK) Ethertronics (U.S. / Small antennas for wireless communications)	Kumatec (Germany / Product automation)	Made AVX Corporation a wholly owned subsidiary (Purchased minority shares of approx. 28%)
Document Solutions Group Kyocera Document Solutions Inc. > Create comprehensive services	DataBank (U.S. / ECM, Document BPO)	Alos (Germany / ECM) Janus (Czech Republic and Slovakia / Sales & services)	Huon IT (Australia / ICT)
Life & Environment Group Medical devices > Expand business in U.S.		Renovis (U.S. / Spinal products & artificial joints)	

*1: Silicon-Infiltrated Silicon Carbide

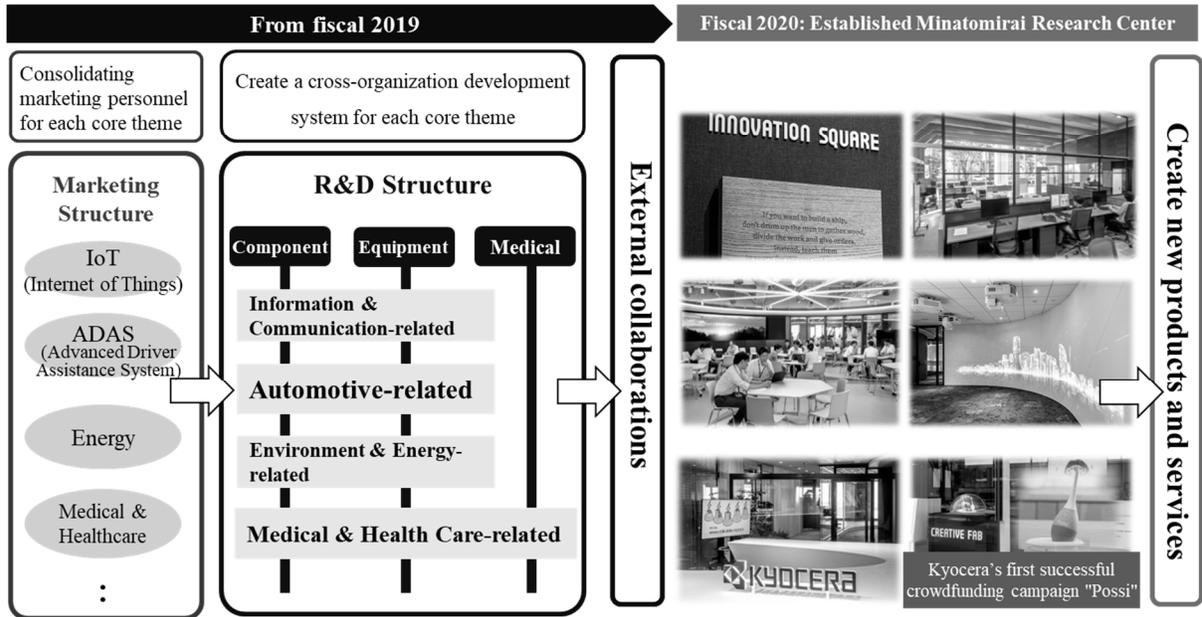
*2: Fifth-Generation Mobile Communications System

The above-mentioned execution of M&A led to an additional increase in sales revenue of approximately 200 billion yen. Going forward, a key issue will be ensuring that this expansion of sales results in increased profits.

To quickly realize synergies between businesses acquired through M&A and existing businesses, Kyocera is currently working on PMI (Post-Merger Integration) encompassing such areas as business strategies, sales and management structures, and systems coordination. Through these initiatives, Kyocera will strive to further expand sales and improve profitability to make a true contribution to profit growth.

2) Strengthen R&D

Reorganize R&D structure:
Strengthen software development and actively promote open innovation



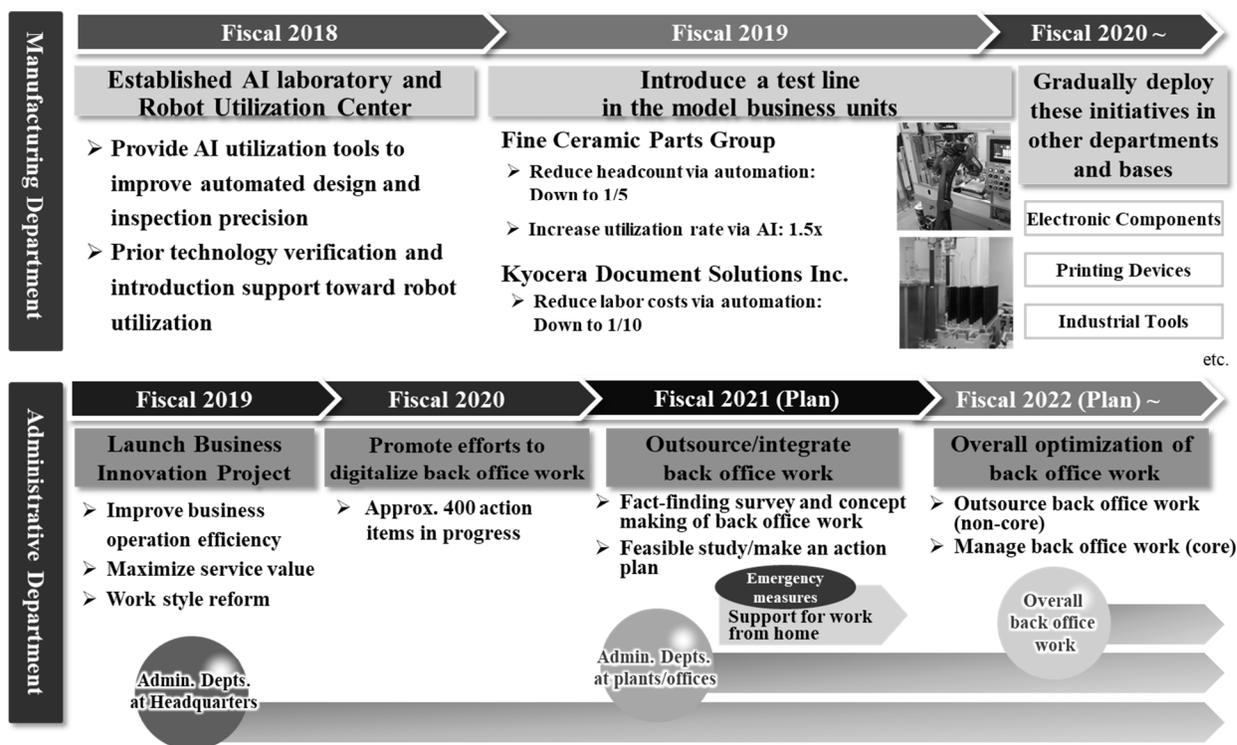
Kyocera reorganized its R&D structure in aiming for new product development and new business creation.

In fiscal 2019, Kyocera promoted collaboration between the Research & Development department and the Marketing department and built a cross-organizational development structure for each priority theme. Additionally, during fiscal 2020 Kyocera newly established the Minatomirai Research Center for the purposes of consolidating engineers and promoting collaboration with outside organizations. By taking these steps, Kyocera, together with Sony Corporation and Lion Corporation, developed Possi, a brand-new toothbrush for kids.

In the future as well, Kyocera will go beyond in-house development and actively promote open innovation to create new products and services that contribute to the advance and development of humankind and society.

3) Undertake initiatives for doubling productivity

Initiatives for doubling productivity in manufacturing and administrative departments



Kyocera is making groupwide efforts to double productivity.

In the manufacturing department, Kyocera is verifying the effects of automation through the utilization of AI (Artificial Intelligence) and robots by the model business units and is expanding deployment to other departments and bases. In administrative departments, Kyocera aims to realize work style reforms by promoting digitization as it strives to improve business efficiency while maximizing service value.

The spread of COVID-19 required both manufacturing and administrative departments to make quick responses such as for realizing laborsaving operations and encouraging work from home. Thanks to these efforts, Kyocera has been able to respond smoothly to these challenging circumstances. In the future, Kyocera will continue to promote activities for doubling productivity.

4) Toward sustainable growth

Kyocera's business activities have also been significantly affected by the spread of COVID-19, such as by ceasing production in accordance with the policies and action plans of the governments of each country. We expect the business environment will evolve due to various factors in the future and we will utilize our current responses to COVID-19 in the future management to fortify our business foundation.

Meanwhile, as value creation through digital reforms emerges as a trend in industrial society, Kyocera will proactively carry out business in new growth areas and strive to accelerate growth. In doing so, we will promote the following three points:

- Further utilize our diverse management resources, from Kyocera's core technology of ceramics and other material technology to components, device and equipment, and system and service
- Actively invest in growth businesses and strengthen R&D
- Promote digitization across the entire Group

We must address the following issues:

a. Respond to COVID-19

Kyocera gives top priority to maintaining the health of our customers, business partners, employees and their families and is making every effort to prevent and stop the spread of infections. Specifically, we placed priority on production to respond to customer needs while ceasing non-urgent production and encouraging employees to work from home. At the same time, we are taking such measures as providing special leave to employees who have difficulty in commuting or working from home due to the temporary closure of their children's schools.

b. Proactive expansion into growth markets

Fields such as 5G, ADAS, IoT and healthcare are expected to increasingly grow and advance in the future. With an eye toward these fields, Kyocera will pursue internal synergies within the Group and promote external collaboration encompassing M&A to expand existing businesses while creating new businesses.

Specifically, Kyocera is taking such initiatives as expanding its lineup of equipment parts for 5G base stations and ADAS-related products such as sensor cameras, strengthening the document solution business that solves document-related issues and undertaking the medical business overseas.

We will also actively undertake capital investments to expand production capabilities for these products as well as make R&D investments to create new products.

c. Cultivate new business areas

In working to solve various social issues, Kyocera will strive to cultivate new business areas by collaborating with external partners on the basis of technologies nurtured in its existing businesses.

In the smart energy business, we will work to expand sales and service businesses for high-quality, low-cost equipment and systems as part of efforts to promote the spread of renewable energy and respond to demand for self-power generation and self-consumption of this power.

Furthermore, we will expand the mobility business that will realize improvements in traffic safety and convenience. We will also make efforts to build ART (Advanced Rapid Transit) systems that link such ADAS-related components as sensing devices with communication devices.

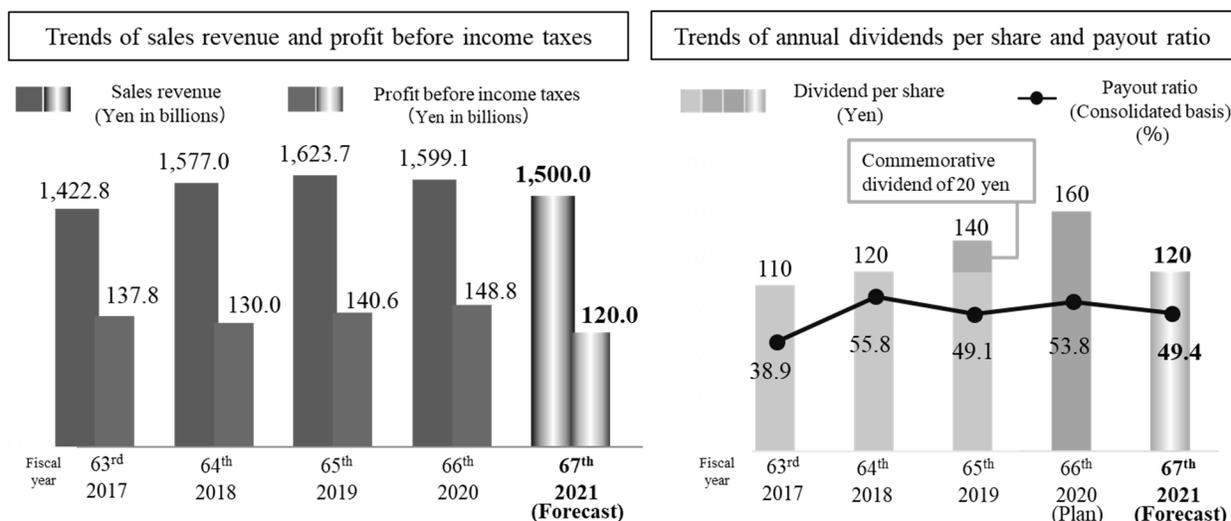
d. Strengthen our management foundation

Kyocera will progress with the strengthening of the Group's management foundation by promoting digitization. We will improve productivity by introducing collaborative robots at manufacturing sites in addition to strengthening quality control and responses to customer demand utilizing AI. To further strengthen these efforts and realize improvements in the business operations of administrative departments, in April 2020 we newly established a specialized department responsible for promoting digitization.

By promoting work style reforms through these initiatives and strengthening production, sales and logistics management using digital technology, Kyocera will strive for sustainable corporate management.

[For Reference Only : Fiscal 2021 Outlook]

For fiscal 2021, although the proliferation of 5G services and recovery of the semiconductor market are expected, a global economic downturn is also projected to continue due to the spread of COVID-19. As a result, demand in automotive-related parts and document solutions businesses is expected to decline. Kyocera announced the earnings forecasts for fiscal 2021 as shown in the graphs below on the basis of the assumption that the global economy will continue to be unstable through the end of the three month period from April 1 to June 30, 2020 due to the impact of the spread of COVID-19, however, that it will gradually recover toward the end of fiscal 2021 commencing from the three month period from July 1 to September 30, 2020. Kyocera expects the amount of its annual dividend for fiscal 2021 in accordance with our profit forecast based on the above-mentioned assumption and basic profit distribution policy to maintain a payout ratio of around 50% of profit attributable to owners of the parent. Even in such an uncertain economic environment, Kyocera will strive to meet our shareholders' expectations through the pursuit of business opportunities and will make efforts to improve productivity through the utilization of AI and robotics along with cost reductions.



Note : Kyocera has adopted IFRS in lieu of U.S. GAAP from fiscal 2019. Accordingly, financial results and the payout ratio for fiscal 2018 has been reclassified in accordance with IFRS.

Note: Cautionary statement with respect to forward-looking statements

Certain of the 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. 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 do not produce the returns or benefits, or bring in business opportunities;
- (11) Inability to secure skilled employees, particularly engineering and technical personnel;
- (12) Damages to 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 plague, infectious diseases, terrorism, 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 report.

(4) Principal Businesses (as of March 31, 2020)

Kyocera manufactures and sells a highly diversified range of products, including fine ceramic components and various kinds of products utilizing fine ceramic technologies, telecommunications and information equipment, etc. The principal products and businesses are as follows:

Reporting Segment and Content of Business	Principal Product and Business
Industrial & Automotive Components Group: Kyocera 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.	Fine Ceramic Components Automotive Components Liquid Crystal Displays Industrial Tools
Semiconductor Components Group: Kyocera 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, etc.	Ceramic Packages Organic Multilayer Substrates and Boards
Electronic Devices Group: Kyocera provides various electronic components and devices for diverse fields from familiar products such as smartphones to industrial machines.	Electronic Components (Capacitors, Crystal Devices, Connectors, Power Semiconductor Devices, etc.) Printing Devices
Communications Group: Kyocera 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.	Smartphones, Mobile Phones Communication Modules (Telematics, IoT) Information Systems and Telecommunication Services
Document Solutions Group: Kyocera provides a diverse lineup of printers, MFPs and commercial inkjet printers featuring outstanding environmental performance as well as solutions that resolve document-related issues.	Printers / Multifunctional Products Commercial inkjet printers Document Solution Services Supplies
Life & Environment Group: Kyocera provides products related to life and environment such as solar energy products, medical products, jewelry and kitchen tools.	Solar Power Generating System Related Products Medical Devices Jewelry and Ceramic Knives

(5) Significant Subsidiaries (as of March 31, 2020)

Name of Subsidiary	Amount of Capital (Yen in millions and others in thousands)		Ownership by Kyocera Corporation (%)	Principal Business
Kyocera Document Solutions Inc.	Yen	12,000	100.00	Development, manufacturing and sale of printers and multifunctional products and provision of document solution services
Kyocera Communication Systems Co., Ltd. *1	Yen	2,986	76.30	Provision of information systems and telecommunication services
Kyocera (China) Sales & Trading Corporation	US\$	10,000	90.00	Sale of industrial tools, ceramic packages and electronic components
Kyocera (Tianjin) Solar Energy Co., Ltd.	US\$	30,200	90.00	Manufacturing of solar power generating system related products
Dongguan Shilong Kyocera Co., Ltd.	HK\$	472,202	90.00	Manufacturing of liquid crystal displays and industrial tools
Shanghai Kyocera Electronics Co., Ltd.	Yen	17,321	100.00	Manufacturing of ceramic packages
Kyocera Korea Co., Ltd	Won	1,200,000	100.00	Sale of semiconductor components and electronic components
Kyocera Asia Pacific Pte. Ltd.	US\$	35,830	100.00	Sale of industrial tools, semiconductor components and electronic components
AVX Corporation *2	US\$	1,763	100.00	Development, manufacturing and sale of electronic components
Kyocera International, Inc.	US\$	34,850	100.00	Manufacturing and sale of fine ceramic components and semiconductor components, and sale of mobile phones
Kyocera Fineceramics GmbH *3	EURO	1,687	100.00	Sale of fine ceramic components, semiconductor components and printing devices

(Note) *1 As of April 1, 2020, Ownership by Kyocera Corporation was changed to 76.64%.

*2 As of March 30, 2020, Kyocera Corporation acquired all of the common shares held by minority shareholders of AVX Corporation and made it a wholly owned subsidiary of Kyocera.

*3 As of April 1, 2020, Kyocera Fineceramics GmbH change its name to Kyocera Europe GmbH.

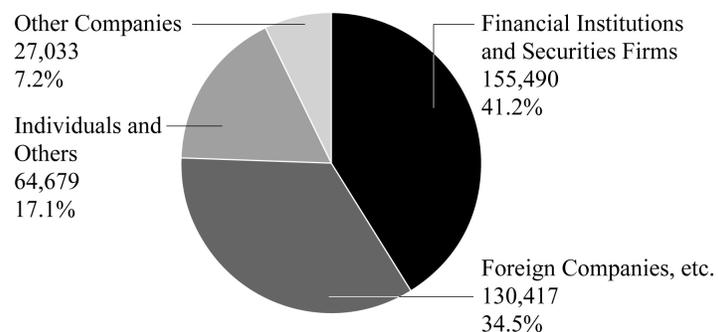
2. Shares (as of March 31, 2020)

(1) Total Number of Shares Authorized to Be Issued:	600,000,000
(2) Total Number of Shares Issued:	377,618,580
(Of which, Number of Treasury Shares:	15,186,354)
(3) Number of Shareholders:	50,335
(4) 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.

Shareholder Composition (Shares in thousands)



3. Directors and Audit & Supervisory Board Members

(1) List of Directors and Audit & Supervisory Board Members (as of March 31, 2020)

Position	Name	Area of Responsibility and Important Concurrent Post
Chairman of the Board and Representative Director	Goro Yamaguchi	
President and Representative Director	Hideo Tanimoto	President and Executive Officer
Director	Ken Ishii	Senior Managing Executive Officer General Manager of Corporate Industrial Tool Group
Director	Hiroshi Fure	Senior Managing Executive Officer General Manager of Corporate Organic Materials Semiconductor Components Group
Director	Yoji Date	Senior Managing Executive Officer General Manager of Corporate Electronic Components Group
Director	Norihiko Ina	Managing Executive Officer President and Representative Director of Kyocera Document Solutions Inc.
Director	Keiji Itsukushima	Managing Executive Officer General Manager of Corporate Communication Equipment Group
Director	Koichi Kano	Managing Executive Officer General Manager of Corporate Development Group
Director	Shoichi Aoki	Managing Executive Officer General Manager of Corporate Management Control Group
Director	Takashi Sato	Managing Executive Officer General Manager of Corporate General Affairs Human Resources Group
Director	Junichi Jinno	Managing Executive Officer General Manager of Corporate Legal and Intellectual Property Group
Director	John Sarvis	Chairman of the Board, Chief Executive Officer and President of AVX Corporation
Director	Robert Whisler	President and Director of Kyocera International Inc.
Director	Hiroto Mizobata	Certified Public Accountant Licensed Tax Accountant Representative of Mizobata Certified Public Accountant Office

Position	Name	Area of Responsibility and Important Concurrent Post
Director	Atsushi Aoyama	Professor of Graduate School of Technology Management Department, Ritsumeikan University
Director	Akiko Koyano	Attorney-at-law Partner Attorney-at-law of Koyano LPC
Full-time Audit & Supervisory Board Member	Itsuki Harada	
Audit & Supervisory Board Member	Osamu Nishieda	Attorney-at-law
Audit & Supervisory Board Member	Hitoshi Sakata	Attorney-at-law Partner Attorney-at-law of Oike Law Office
Audit & Supervisory Board Member	Masaaki Akiyama	Certified Public Accountant

Notes:

1. At the 65th Ordinary General Meeting of Shareholders held on June 25, 2019, Akiko Koyano was newly elected and assumed the position of Director.
2. Tadashi Onodera retired as Director due to the expiration of his term of office at the conclusion of the 65th Ordinary General Meeting of Shareholders held on June 25, 2019.
3. Important Concurrent Posts Undertaken by Directors and Audit & Supervisory Board Members in fiscal 2020.
 - (1) Messrs. Goro Yamaguchi, Chairman of the Board and Representative Director, Hideo Tanimoto, President and Representative Director, Hiroshi Fure, Director, Koichi Kano, Director, and Shoichi Aoki, Director, serve as Directors of AVX Corporation.
 - (2) Mr. Goro Yamaguchi, Chairman of the Board and Representative Director, serves as an Outside Director of KDDI Corporation.
 - (3) Mr. Hiroto Mizobata, Director, serves as an Outside Director (the Audit Committee) of Yamaki Co., Ltd. and of ES-CON JAPAN Ltd.
 - (4) Mr. Hitoshi Sakata, Audit & Supervisory Board Member, serves as an Outside Director of Nippon Shinyaku Co., Ltd.
 - (5) Mr. Masaaki Akiyama, Audit & Supervisory Board Member, serves as an Outside Audit & Supervisory Board Member of Joyful Honda Co., Ltd. He served as a Supervisory Officer of the United Urban Investment Corporation until August 31, 2019.
4. Important Concurrent Posts Undertaken by Outside Directors and Audit & Supervisory Board Members, and their Relations with Kyocera Corporation
 - (1) There is no special interest between Kyocera Corporation and Mizobata Certified Public Accountant Office where Mr. Hiroto Mizobata, Director, serves as a Representative. Also, there is no special interest between Kyocera Corporation and Yamaki Co., Ltd. and ES-CON JAPAN Ltd. where he serves as an Outside Director (the Audit Committee).
 - (2) Kyocera Corporation has the Technical Assistance Agreement (600 thousand yen) in the field of electronic devices with Ritsumeikan University where Mr. Atsushi Aoyama, Director, serves as a Professor of Graduate School, but has no agreement with Technology Management Department where he serves as a Professor.
 - (3) There is no special interest between Kyocera Corporation and Koyano LPC where Ms. Akiko Koyano, Director, serves as a Partner Attorney-at-law.
 - (4) There is no special interest between Kyocera Corporation and Oike Law Office where Mr. Hitoshi Sakata, Audit & Supervisory Board Member, serves as a Partner Attorney-at-law. Also, there is no special interest between Kyocera Corporation and Nippon Sinyaku Co., Ltd. where he serves as an Outside Director.

- (5) There is no special interest between Kyocera Corporation and Joyful Honda Co., Ltd. where Mr. Masaaki Akiyama, Audit & Supervisory Board Member, serves as an Outside Audit & Supervisory Board Member. Also, there is no special interest between Kyocera Corporation and United Urban Investment Corporation where he served as a Supervisory Officer until August 31, 2019.
5. Messrs. Hiroto Mizobata and Atsushi Aoyama and Ms. Akiko Koyano are Outside Directors, and Messrs. Hitoshi Sakata and Masaaki Akiyama are Outside Audit & Supervisory Board Members.
6. Mr. Itsuki Harada has abundant experience in the accounting division and exceptional insight about financial and accounting affairs.
7. Mr. Masaaki Akiyama has qualifications as a Certified Public Accountant and exceptional insight about financial and accounting affairs.
8. Kyocera Corporation has designated Messrs. Hiroto Mizobata and Atsushi Aoyama and Ms. Akiko Koyano as Independent Directors, and Messrs. Hitoshi Sakata and Masaaki Akiyama as Independent Audit & Supervisory Board Members, as provided for in the rules of the Tokyo Stock Exchange.
9. “Area of Responsibility and Important Concurrent Post” of Directors was changed as follows as of April 1, 2020 as follows.

Position	Name	Area of Responsibility and Important Concurrent Post
Director	Ken Ishii	Assistant to General Manager of Corporate Industrial Tool Group

(2) Remuneration to Directors and Audit & Supervisory Board Members for Fiscal 2020

	<u>Number of Persons Qualified to Receive Remuneration</u>	<u>Amount of Remuneration (Yen in millions)</u>
Directors	16	385
(Outside Directors of 16 Directors above)	(4)	(38)
Audit & Supervisory Board Members	4	57
(Outside Audit & Supervisory Board Members of 4 Audit & Supervisory Board Members above)	(2)	(21)
Total	<u>20</u>	<u>442</u>

Notes:

1. Remuneration to Directors includes 49 million yen recorded as an expense for the fiscal year under review for restricted Stock Compensation.
2. Aside from the remuneration in the above table, the aggregate amount of remuneration to Directors (excluding Outside Directors) was 452 million yen in remuneration for services as employees or Executive Officers for those Directors who serve as such.
3. As of the end of fiscal 2020, there were 16 Directors and 4 Audit & Supervisory Board Members, with 3 of the former being Outside Directors and 2 of the latter being Outside Audit & Supervisory Board Members.
4. Remuneration to Directors and Audit & Supervisory Board Members was determined by the resolution adopted at the 55th Ordinary General Meeting of Shareholders, which was held on June 25, 2009, and the 65th Ordinary General Meeting of Shareholders, which was held on June 25, 2019, as follows:

[Aggregate Amount of Remuneration to Directors]

Basic Remuneration: 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).

Bonuses to Directors: 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.*

*As of June 25, 2009. "No more than 0.2% of the Consolidated Net Income of Kyocera" was determined based on U.S. GAAP. The account is presented based on IFRS from fiscal 2019.

Restricted Stock Compensation: No more than 100 million yen per year as well as no more than 0.1 % of profit attributable to owners of the parent (The total number of common stock to be issued or disposed of shall not exceed 25,000 shares per year).

[Aggregate Amount of Remuneration to Audit & Supervisory Board Members]

Basic Remuneration: No more than 100 million yen per year.

(3) Outside Directors and Audit & Supervisory Board Members

(i) Activities of Outside Directors and Audit & Supervisory Board Members During Fiscal 2020

- (a) Mr. Hiroto Mizobata, Outside Director, attended all of the 13 meetings of the Board of Directors which were held during fiscal 2020, and expressed his views based on his abundant knowledge and experience as a Certified Public Accountant.
- (b) Mr. Atsushi Aoyama, Outside Director, attended all of the 13 meetings of the Board of Directors which were held during fiscal 2020, and expressed his views based on his abundant knowledge and experience as a Professor of Graduate School of Technology Management Department, Ritsumeikan University.
- (c) Ms. Akiko Koyano, Outside Director, attended all of the 11 meetings of the Board of Directors which were held after taking office during fiscal 2020, and expressed her views based on her abundant knowledge and experience as an Attorney-at-law.
- (d) Mr. Hitoshi Sakata, Outside Audit & Supervisory Board Member, attended all of the 13 meetings of the Board of Directors and all of the 8 meetings of the Audit & Supervisory Board which were held during fiscal 2020, and expressed his views based on his abundant knowledge and experience as an Attorney-at-law.
- (e) Mr. Masaaki Akiyama, Outside Audit & Supervisory Board Member, attended all of the 13 meetings of the Board of Directors and all of the 8 meetings of the Audit & Supervisory Board which were held during fiscal 2020, and expressed his views based on his abundant knowledge and experience as a Certified Public Accountant.

(ii) Summary of Agreements Regarding the Limitation of Liability

Kyocera Corporation has entered into agreements with all of Outside Directors and Outside Audit & Supervisory Board Members regarding the limitation of their liability for damages caused by negligence in the performance of their duties in accordance with paragraph 1 of Article 427 of the Companies Act and Article 28 and 36 of the Articles of Incorporation of the Company. The amount of liability to which they are subject, as set under such agreements, is limited to the minimum amount of liability provided under applicable laws and regulations.

4. Accounting Auditor

(1) **Name of Accounting Auditor:** PricewaterhouseCoopers Kyoto

(2) **Remuneration and Other Amounts Payable to Accounting Auditor**

Remuneration and Other Amounts Payable by Kyocera Corporation to the Accounting Auditor for the Services for Fiscal 2020	245 million yen
Total Amount of Cash and Other Financial Benefits Payable by Kyocera Group to the Accounting Auditor for the Services for Fiscal 2020	487 million yen

Notes:

1. The overseas subsidiaries of Kyocera Corporation are audited by auditing firms other than that used by Kyocera Corporation as its Accounting Auditor.
2. In the audit agreement between Kyocera Corporation and the Accounting Auditor, remuneration is determined without separately indicating amounts payable for auditing under the Companies Act and for auditing under the Financial Instruments and Exchange Law. Accordingly, 245 million yen represents the aggregate remuneration for both of these auditing services.
3. Audit & Supervisory Board agrees to the fee of Accounting Auditor based on Paragraph 1 of Article 399 of the Companies Act through following measures.

Audit & Supervisory Board obtains the necessary materials from Directors, relevant internal company divisions and Accounting Auditor and receives the reports. And Audit & Supervisory Board confirms audit content, hours and details and trend of its fee in the previous fiscal year, and considers estimates of the audit fee in the fiscal year.

(3) **Non-Audit-related Service**

The consolidated subsidiaries of Kyocera Corporation paid consideration to PricewaterhouseCoopers Kyoto for the advisory service relating to the financial report as the service (non-audit-related) except services provided in Paragraph 1 of Article 2 of the Certified Public Accountants Act of Japan.

(4) **Policy Regarding Decision to Terminate or Not to Reappoint Accounting Auditor**

In the event that the Audit & Supervisory Board determines that the Accounting Auditor is subject to any of the events provided in Paragraph 1 of Article 340 of the Companies Act, the Audit & Supervisory Board is authorized to terminate the office of such Accounting Auditor, based on the Regulations of the Audit & Supervisory Board. Should anything occur to negatively impact the qualifications or independence of the Accounting Auditor, making it unlikely that such Accounting Auditor will be able to properly perform an audit, the Audit & Supervisory Board shall determine the resolution to be proposed to the General Meeting of Shareholders to terminate or not to reappoint such Accounting Auditor.

Consolidated Statement of Financial Position

	(Yen in millions)		
	March 31,		Increase (Decrease)
	2019	2020	
(Assets)			
Current assets:			
Cash and cash equivalents	512,814	419,620	(93,194)
Short-term investments	99,210	62,999	(36,211)
Trade and other receivables	357,352	336,294	(21,058)
Other financial assets	9,871	11,035	1,164
Inventories	343,880	344,304	424
Other current assets	34,637	28,455	(6,182)
Total current assets	<u>1,357,764</u>	<u>1,202,707</u>	<u>(155,057)</u>
Non-current assets:			
Debt and equity instruments	963,651	1,196,634	232,983 *1
Investments accounted for using the equity method	4,159	17,422	13,263
Other financial assets	17,869	27,179	9,310
Property, plant and equipment	341,855	383,271	41,416
Right-of-use assets	—	34,921	34,921
Goodwill	149,499	212,207	62,708
Intangible assets	80,001	118,533	38,532
Deferred tax assets	38,558	40,434	1,876
Other non-current assets	15,119	16,867	1,748
Total non-current assets	<u>1,610,711</u>	<u>2,047,468</u>	<u>436,757</u>
Total assets	<u><u>2,968,475</u></u>	<u><u>3,250,175</u></u>	<u><u>281,700</u></u>

Remarks:

*1 Debt and equity instruments increased due mainly to a rise in market value of equity securities.

Note: The consolidated financial position and the consolidated statement of profit or loss for the year ended March 31, 2019, and indications of increase (decrease) of amounts and remarks are presented solely for reference.

	(Yen in millions)		
	March 31,		Increase
	2019	2020	(Decrease)
(Liabilities)			
Current liabilities:			
Borrowings	4,204	35,025	30,821
Trade and other payables	186,281	173,300	(12,981)
Lease liabilities	—	15,477	15,477
Other financial liabilities	2,417	1,544	(873)
Income tax payables	12,672	11,396	(1,276)
Accrued expenses	120,903	114,983	(5,920)
Provisions	11,166	14,411	3,245
Other current liabilities	37,105	31,373	(5,732)
Total current liabilities	<u>374,748</u>	<u>397,509</u>	<u>22,761</u>
Non-current liabilities:			
Borrowings	5,656	44,970	39,314
Lease liabilities	—	31,847	31,847
Retirement benefit liabilities	25,479	28,406	2,927
Deferred tax liabilities	174,823	271,317	96,494 *1
Provisions	7,892	8,760	868
Other non-current liabilities	17,617	13,124	(4,493)
Total non-current liabilities	<u>231,467</u>	<u>398,424</u>	<u>166,957</u>
Total liabilities	<u>606,215</u>	<u>795,933</u>	<u>189,718</u>
(Equity)			
Equity attributable to owners of the parent:			
Common stock	115,703	115,703	—
Capital surplus	165,225	123,539	(41,686)*2
Retained earnings	1,638,709	1,686,672	47,963
Other components of equity	418,643	575,495	156,852 *3
Treasury stock	(72,361)	(69,275)	3,086
Total equity attributable to owners of the parent	<u>2,265,919</u>	<u>2,432,134</u>	<u>166,215</u>
Non-controlling interests	96,341	22,108	(74,233)*4
Total equity	<u>2,362,260</u>	<u>2,454,242</u>	<u>91,982</u>
Total liabilities and equity	<u>2,968,475</u>	<u>3,250,175</u>	<u>281,700</u>

Remarks:

- *1 Deferred tax liabilities increased due mainly to a rise in market value of equity securities.
- *2 Capital surplus decreased due mainly to making AVX Corporation, a U.S. based subsidiary, a wholly-owned subsidiary in March, 2020.
- *3 Net unrealized gains (losses) on securities increased due mainly to a rise in market value of equity securities.
- *4 Non-controlling interests decreased due mainly to making AVX Corporation a wholly-owned subsidiary.

Consolidated Statement of Profit or Loss

	(Yen in millions)		
	Years ended March 31,		Increase (Decrease)
	2019	2020	
Sales revenue	1,623,710	1,599,053	(24,657)
Cost of sales	1,159,687	1,157,879	(1,808)
Gross profit	464,023	441,174	(22,849)
Selling, general and administrative expenses	369,200	340,981	(28,219)*1
Operating profit	94,823	100,193	5,370
Finance income	44,750	48,154	3,404
Finance expenses	1,241	1,553	312
Foreign exchange gains (losses)	53	(481)	(534)
Share of net profit (loss) of investments accounted for using the equity method	379	124	(255)
Other, net	1,846	2,389	543
Profit before income taxes	140,610	148,826	8,216
Income taxes	25,754	36,980	11,226 *2
Profit for the year	<u>114,856</u>	<u>111,846</u>	<u>(3,010)</u>
Profit attributable to:			
Owners of the parent	103,210	107,721	4,511
Non-controlling interests	11,646	4,125	(7,521)
Profit for the year	<u>114,856</u>	<u>111,846</u>	<u>(3,010)</u>

Remarks:

- *1 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 fiscal 2019, while the recording of a charge relating to litigation at AVX Corporation in fiscal 2020.
- *2 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 fiscal 2019.

Balance Sheet

	(Yen in millions)	
	March 31,	
	2019	2020
Current assets:		
Cash and bank deposits	297,296	153,130
Trade notes receivable	3,066	2,085
Electronically recorded monetary claims	11,421	10,490
Trade accounts receivable	176,310	159,229
Short-term investments in debt securities	34,000	22,803
Finished goods and merchandise	51,890	50,756
Work in process	59,028	58,501
Raw materials and supplies	38,536	33,322
Prepaid expenses	1,227	2,695
Other	44,205	53,077
Allowances for doubtful accounts	(215)	(216)
Total current assets	<u>716,764</u>	<u>545,872</u>
Non-current assets:		
Tangible fixed assets:		
Buildings	46,041	58,295
Structures	2,502	3,400
Machinery and equipment	50,990	50,917
Vehicles	105	189
Tools, furniture and fixtures	20,790	22,275
Land	43,080	41,147
Leased assets	750	653
Construction in progress	12,153	9,904
Total tangible fixed assets	<u>176,411</u>	<u>186,780</u>
Intangible assets:		
Software	1,266	4,730
Leased assets	22	23
Goodwill	4,387	3,260
Industrial property rights	2,825	2,726
Customer relationships	1,193	1,088
Other	642	1,118
Total intangible assets	<u>10,335</u>	<u>12,945</u>
Investments and other assets:		
Long-term investments in debt and equity securities	958,546	1,185,887
Investments in equity securities of subsidiaries and affiliates	226,406	438,508
Investments in capital of subsidiaries and affiliates other than equity securities	62,634	102,878
Long-term loans	11,057	25,221
Other	19,212	22,372
Allowances for doubtful accounts	(307)	(367)
Total investments and other assets	<u>1,277,548</u>	<u>1,774,499</u>
Total non-current assets	<u>1,464,294</u>	<u>1,974,224</u>
Total assets	<u><u>2,181,058</u></u>	<u><u>2,520,096</u></u>

Note: The balance sheets and statements of income for the year ended March 31, 2019 are presented solely for reference.

	(Yen in millions)	
	March 31,	
	2019	2020
Current liabilities:		
Electronically recorded obligation	24,079	21,597
Trade accounts payable	56,944	54,549
Short-term borrowing	35,698	56,965
Lease obligations	249	257
Other payables	33,949	28,860
Accrued expenses	25,476	18,865
Income taxes payables	913	1,303
Advance received	262	452
Deposits received	6,657	6,322
Accrued bonuses	21,659	21,182
Accrued bonuses for directors	207	215
Product warranty reserves	541	304
Other	701	487
Total current liabilities	<u>207,335</u>	<u>211,358</u>
Non-current liabilities:		
Long-term borrowing	—	40,000
Lease obligations	609	506
Deferred income taxes	163,135	247,338
Product warranty reserves	555	624
Other	3,856	4,484
Total non-current liabilities	<u>168,155</u>	<u>292,952</u>
Total liabilities	<u>375,490</u>	<u>504,310</u>
Net assets:		
Shareholders' equity:		
Common stock	115,703	115,703
Capital surplus:		
Additional paid-in capital	192,555	192,555
Other capital surplus	1	1,701
Total capital surplus	<u>192,556</u>	<u>194,256</u>
Retained earnings:		
Legal reserves	17,207	17,207
Other retained earnings:	987,253	1,017,783
Reserve for special depreciation	504	285
General reserve	930,137	927,137
Unappropriated retained earnings	56,612	90,361
Total retained earnings	<u>1,004,460</u>	<u>1,034,990</u>
Common stock in treasury, at cost	<u>(72,361)</u>	<u>(69,275)</u>
Total shareholders' equity	<u>1,240,358</u>	<u>1,275,674</u>
Valuation and translation adjustment:		
Net unrealized gains on other securities	565,210	740,112
Total net assets	<u>1,805,568</u>	<u>2,015,786</u>
Total liabilities and net assets	<u><u>2,181,058</u></u>	<u><u>2,520,096</u></u>

Statement of Profit or Loss

	(Yen in millions)	
	Years ended March 31,	
	2019	2020
Net sales	736,263	730,388
Cost of sales	608,554	606,097
Gross profit	127,709	124,291
Selling, general and administrative expenses	109,856	124,989
Profit (loss) from operations	17,853	(698)
Non-operating income:		
Interest and dividend income	82,897	96,377
Reversal of allowance for doubtful accounts	18,656	—
Other	4,918	5,158
Total non-operating income	106,471	101,535
Non-operating expenses:		
Interest expense	477	500
Other	3,869	1,981
Total non-operating expenses	4,346	2,481
Recurring profit	119,978	98,356
Non-recurring gain:		
Gain on sale of tangible fixed assets	643	3,389
Gain on sale of long-term investments in debt and equity securities	78	—
Gain on extinguishment of tie-in shares	3,299	—
Other	650	1
Total non-recurring gain	4,670	3,390
Non-recurring loss:		
Loss on sale and disposal of tangible fixed assets	860	1,133
Loss on impairment of tangible fixed assets	9,316	121
Loss on extinguishment of tie-in shares	18,093	—
Loss on impairment of investments in equity securities of subsidiaries	486	1,697
Loss on settlement of purchase agreement	51,060	—
Loss on valuation of investment securities	1,646	875
Other	1,348	131
Total non-recurring loss	82,809	3,957
Income before income taxes	41,839	97,789
Income taxes – current	1,510	78
Income taxes – deferred	(14,800)	9,245
Net income	55,129	88,466

Copy of Audit Report of Accounting Auditors on Consolidated Financial Statements

Independent Auditors' Report (English Translation)

May 20, 2020

To the Board of Directors of Kyocera Corporation

PricewaterhouseCoopers Kyoto
Keiichiro Kagi, CPA [Seal]
Engagement Partner
Tetsuhiro Yasumoto, CPA [Seal]
Engagement Partner

Opinion

We have audited, pursuant to paragraph 4 of Article 444 of the Companies Act of Japan, the consolidated financial statements, which consist of the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes to the consolidated financial statements, of Kyocera Corporation (hereinafter referred to as the “Company”) for the fiscal year from April 1, 2019 to March 31, 2020.

In our opinion, the consolidated financial statements, prepared with the omission of a part of the disclosure item required under the designated International Financial Reporting Standards pursuant to the provisions of the second sentence of paragraph 1 of Article 120 of the Rules of Corporate Accounting of Japan, present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of March 31, 2020 and the consolidated results for the year then ended.

Basis for the opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities in auditing standards are stated in “Auditor's Responsibility for Audit of Consolidated Financial Statements.” We are independent of the Company and its consolidated subsidiaries and fulfill our other ethical responsibilities as an auditor in accordance with the provisions regarding professional ethics in our country. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management, the Audit & Supervisory Board Members and the Audit & Supervisory Board's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view pursuant to the provisions of the second sentence of paragraph 1 of Article 120 of the Rules of Corporate Accounting of Japan which allows to prepare consolidated financial statements with the omission of a part of the disclosure item required under the designated International Financial Reporting Standards. This responsibility includes implementing and maintaining internal controls deemed necessary by management for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements on the basis of the going concern assumption and for disclosing any matters relating to going concern, if necessary, pursuant to the provisions of the second sentence of paragraph 1 of Article 120 of the Rules of Corporate Accounting of Japan which allows to prepare consolidated financial statements with the omission of a part of the disclosure item required under the designated International Financial Reporting Standards.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible to monitor the execution of the directors' duties in the design and operation of the financial reporting process.

Auditor's Responsibility for Audit of the Consolidated Financial Statements

Our responsibility is to express an opinion on these consolidated financial statements in the audit report from an independent position based on our audit, with obtaining reasonable assurance as to whether the consolidated financial statements are free from material misstatement due to fraud or error. A misstatement can be caused by fraud or error and is judged to be material when individually or collectively it is reasonably expected to affect decisions of users of the consolidated financial statements. We shall, in accordance with the auditing standards generally accepted in our country, make judgments as professional experts and maintain professional skepticism throughout the audit process and carry out the following:

- We shall identify and assess material misstatement risks due to fraud or error. In addition, we shall plan and perform audit procedures in response to material misstatement risks. The audit procedures selected and applied depend on the auditor's judgement. In addition, we shall obtain sufficient appropriate audit evidence which provides a basis for our opinion.
- In making such risk assessment, we shall consider the Company's internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- We shall assess the appropriateness of the accounting policies adopted by management and the application thereof, as well as the reasonableness of accounting estimates made by management and the validity of related notes.
- We shall conclude whether it is appropriate for management to prepare the consolidated financial statements based on the going concern assumption and whether there are significant uncertainties regarding events or circumstances that may raise material doubts about the going concern assumption based on the audit evidence obtained. If significant uncertainties regarding the going concern assumption are identified, we are required to draw attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements are inappropriate, we are required to express an opinion with exceptive items to the consolidated financial statements. Our conclusions are based on audit evidence obtained by the date of the audit report, but there are possibilities not to continue as a going concern by future events and circumstance.
- We shall assess whether the presentation and notes to the consolidated financial statements are pursuant to the provisions of the second sentence of paragraph 1 of Article 120 of the Rules of Corporate Accounting of Japan which allows to prepare consolidated financial statements with the omission of a part of the disclosure item required under the designated International Financial Reporting Standards, as well as the presentation, structure and content of the consolidated financial statements, including related notes, and whether the consolidated financial statements properly present the underlying transactions and accounting events.
- We shall obtain sufficient appropriate audit evidence of the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the instructions, supervision and implementation of the audit of the consolidated financial statements. We are solely responsible for the audit opinion.

We shall report to the Audit & Supervisory Board Members and the Audit & Supervisory Board on the scope and timing of the planned audit, the significant findings of the audit including the significant deficiencies in internal control identified in the process of the audit, and other matters required by the audit standards.

We shall report to the Audit & Supervisory Board Members and the Audit & Supervisory Board on their compliance with the provisions on professional ethics in our country with regard to independence and on matters reasonably considered to affect the independence of the auditors and the content of safeguards, if any, to remove or reduce impediments to their independence.

Other Matters

We have no interest in or relationship with the Company and its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Copy of Audit Report of Accounting Auditors

Independent Auditors' Report (English Translation)

May 20, 2020

To the Board of Directors of Kyocera Corporation

PricewaterhouseCoopers Kyoto
Keiichiro Kagi, CPA [Seal]
Engagement Partner
Tetsuhiro Yasumoto, CPA [Seal]
Engagement Partner

Opinion

We have audited, pursuant to paragraph 2-1 of Article 436 of the Companies Act of Japan, the financial statements, which consist of the balance sheet, the statement of profit or loss, the statement of changes in net assets and the notes to the financial statements and the supplementary schedules thereto (hereinafter referred to as the “the financial statements and other”), of Kyocera Corporation (hereinafter referred to as the “Company”) for its 66th fiscal year from April 1, 2019 to March 31, 2020.

In our opinion, the financial statements and other present fairly, in all material respects, the financial position of the Company as of March 31, 2020 and the results for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities in auditing standards are stated in “Auditor's Responsibility for Audit of the Financial Statements and Other.” We are independent of the Company and fulfill our other ethical responsibilities as an auditor in accordance with the provisions regarding professional ethics in our country. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management, the Audit & Supervisory Board Members and the Audit & Supervisory Board's Responsibility for the Financial Statements and Other

Management is responsible for the preparation of the financial statements and other that give a true and fair view in accordance with accounting principles generally accepted in Japan. This responsibility includes implementing and maintaining internal controls deemed necessary by management for the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and other, management is responsible for assessing whether it is appropriate to prepare the financial statements and other on the basis of the going concern assumption and for disclosing any matters relating to going concern, if necessary, in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible to monitor the execution of the directors' duties in the design and operation of the financial reporting process.

Auditor's Responsibility for Audit of the Financial Statements and Other

Our responsibility is to express an opinion on these financial statements and other in the audit report from an independent position based on our audit, with obtaining reasonable assurance as to whether the financial statements and other are free from material misstatement due to fraud or error. A misstatement can be caused by fraud or error and is judged to be material when individually or collectively it is reasonably expected to affect decisions of users of the financial statements and other. We shall, in accordance with the auditing standards generally accepted in our country, make judgments as professional experts and maintain professional skepticism throughout the audit process and carry out the following:

- We shall identify and assess material misstatement risks due to fraud or error. In addition, we shall plan and perform audit procedures in response to material misstatement risks. The audit procedures selected and applied depend on the auditor's judgement. In addition, we shall obtain sufficient appropriate audit evidence which provides a basis for our opinion.
- In making such risk assessment, we shall consider the Company's internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- We shall assess the appropriateness of the accounting policies adopted by management and the application thereof, as well as the reasonableness of accounting estimates made by management and the validity of related notes.
- We shall conclude whether it is appropriate for management to prepare the financial statements and other based on the going concern assumption and whether there are significant uncertainties regarding events or circumstances that may raise material doubts about the going concern assumption based on the audit evidence obtained. If significant uncertainties regarding the going concern assumption are identified, we are required to draw attention to the notes to the financial statements and other in the audit report, or if the notes to the financial statements and other are inappropriate, we are required to express an opinion with exceptive items to the financial statements and other. Our conclusions are based on audit evidence obtained by the date of the audit report, but there are possibilities not to continue as a going concern by future events and circumstance.
- We shall assess whether the presentation and notes to the financial statements and other comply with accounting principles generally accepted in Japan, as well as the presentation, structure and content of the financial statements and other, including related notes, and whether the financial statements and other properly present the underlying transactions and accounting events.

We shall report to the Audit & Supervisory Board Members and the Audit & Supervisory Board on the scope and timing of the planned audit, the significant findings of the audit including the significant deficiencies in internal control identified in the process of the audit, and other matters required by the audit standards.

We shall report to the Audit & Supervisory Board Members and the Audit & Supervisory Board on their compliance with the provisions on professional ethics in our country with regard to independence and on matters reasonably considered to affect the independence of the auditors and the content of safeguards, if any, to remove or reduce impediments to their independence.

Other Matters

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Copy of Audit Report of Audit & Supervisory Board

Audit Report (English Translation)

The Audit & Supervisory Board (hereinafter referred to as “the Board”), based on audit reports prepared by each Audit & Supervisory Board Member (hereinafter referred to as “Board Member”) related to the execution of duties of Directors during the 66th fiscal year from April 1, 2019 to March 31, 2020, hereby reports its results of audit after deliberations, as the unanimous opinion of all Board Members, as follows:

1. Methods and Details of Audit by Individual Board Members and by the Board

- (1) The Board established auditing policies, auditing plans and role sharing for the fiscal year and received audit reports from each Board Member on the execution of his auditing activities and the result thereof. In addition, it received reports on the execution of duties from Directors, etc. and from the Accounting Auditors, and, when necessary, requested their explanations regarding such reports.
- (2) In accordance with the auditing standards for Board Members set by the Board, each Board Member communicated with Directors, the Corporate Global Audit Division of the internal audit department and employees of Kyocera Corporation (hereinafter referred to as the “Company”) and endeavored to gather information and create an improved environment for auditing, according to the auditing policies, auditing plans and role sharing for the fiscal year, and conducted the audit by the following methods.
 - (i) Board Members attended the meetings of the Board of Directors and other important meetings, received reports from Directors, the Corporate Global Audit Division and employees of the Company on business execution, and, when necessary, requested their explanations regarding those reports. Board Members also inspected documents related to important decisions and examined operations and assets at the Company’s head office, plants and major operational establishments. In addition, Board Members had a meeting with the Chairman of the Board and Representative Director and the President and Representative Director of the Company and exchanged opinions and information on issues, etc. on auditing. With respect to subsidiaries, Board Members not only visited and examined subsidiaries based on the auditing plans, but also received reports on auditing condition of subsidiaries from their Board Members, etc. at the regular meetings with them, and facilitated communications and exchanged information with Directors of them too, and, when necessary, attended important meetings, received reports on business, requested explanations and expressed opinions.
 - (ii) Board Members received reports on the status of maintenance and operations from Directors, the Corporate Global Audit Division and Board Members of subsidiaries, etc., and, when necessary, requested their explanations and expressed opinions regarding the content of the resolution of the Board of Directors with respect to the development and maintenance of a system to ensure that the execution of duties by Directors as described in the business report shall be in compliance with laws and regulations and with the Company’s Articles of Incorporation and other systems required by paragraphs 1 and 3 of Article 100 of the Ordinance for Enforcement of the Companies Act as being necessary for ensuring the appropriateness of operations of the corporate group consisting of the Company and its consolidated subsidiaries, and the systems (internal control systems) established under such resolution. With respect to the internal control systems regarding financial reporting, Board Members received reports on the evaluation of such internal control systems and the auditing condition from Directors, the Corporate Global Audit Division and from PricewaterhouseCoopers Kyoto, and, when necessary, requested their explanations regarding those reports.
 - (iii) Board Members monitored and examined whether the Accounting Auditors maintained their independence and performed their audits in an appropriate manner, and received reports from the Accounting Auditors on the execution of their duties and, when necessary, requested their explanations regarding those reports. Board Members also received notification from the Accounting Auditors that

they have taken steps to improve the “system for ensuring appropriate execution of their duties” (matters set forth in the items of Article 131 of the Ordinance on Accounting of Companies) in compliance with the “Quality Control Standards Relating to Auditing” (adopted by the Business Accounting Council on October 28, 2005), etc. and, when necessary, requested their explanations regarding such notification.

Based on the foregoing methods, Board Members reviewed the business report and supplementary schedule thereto, the financial statements (balance sheet, statement of income, statement of changes in net assets and notes to financial statements) and supplementary schedules thereto as well as consolidated financial statements (consolidated statement of financial position, consolidated statement of income, consolidated statement of changes in equity and notes to consolidated financial statements) for the fiscal year.

2. Results of Audit

(1) Result of the Audit of the Business Report, etc.

- (i) The business report and the supplementary schedules thereto fairly present the condition of the Company in accordance with Japanese laws and regulations and the Articles of Incorporation of the Company.
- (ii) There has been neither unfair conduct nor any material violation of Japanese law or regulation or the Articles of Incorporation of the Company in connection with the execution of duties of the Directors.
- (iii) The content of the resolution by the Board of Directors regarding internal control systems is due and proper. Furthermore, nothing has arisen that requires comment on the description in the business report and the Directors’ execution with respect to the internal control systems, including financial reporting.

(2) Result of the Audit of Financial Statements and Supplementary Schedules Thereto

The methods and results of the audit by the Accounting Auditors, PricewaterhouseCoopers Kyoto are due and proper.

(3) Result of the Audit of Consolidated Financial Statements

The methods and results of the audit by the Accounting Auditors, PricewaterhouseCoopers Kyoto are due and proper.

May 27, 2020

Audit & Supervisory Board,
Kyocera Corporation

Itsuki Harada [Seal]
Full-time Audit & Supervisory Board Member

Osamu Nishieda [Seal]
Audit & Supervisory Board Member

Hitoshi Sakata [Seal]
Audit & Supervisory Board Member

Masaaki Akiyama [Seal]
Audit & Supervisory Board Member

Note: Messrs. Hitoshi Sakata and Masaaki Akiyama are Outside Audit & Supervisory Board Members as specified in Item 16 of Article 2 and Paragraph 3 of Article 335 of the Companies Act.