

THE NEW VALUE FRONTIER



Kyocera Group
CSR Report
2016

KYOCERA Corporation

Contents

Management Rationale / Top Management Message

- 002 Corporate Motto / Management Rationale
- 003 Top Management Message

Management Philosophy

- 006 Kyocera Group Management Roots
- 008 Management Based on the Kyocera Philosophy
- 010 Advancing Kyocera Philosophy Education

Feature Articles

- 013 Feature Article 1: Kyocera's Floating Solar Power Plants Contribute to Greater Diffusion of Renewable Energy Use
- 016 Feature Article 2: Kyocera's Fine Ceramic Technology Contributes to Global Environmental Preservation
- 020 Feature Article 3: Sharing the Kyocera Philosophy on a Global Scale to Align Mental Vectors

Management

- 025 Kyocera Group Corporate Social Responsibility (CSR)
- 039 Corporate Governance

Respect for Human Rights / Optimal Work Environment

- 043 Respect for Human Rights and Diversity
- 051 Cultivation of Human Resources
- 055 Building a Safe & Secure Work Environment

Environmental Activities

- 060 Kyocera Group Environmental Management
- 066 Green Management
- 072 Green Products
- 083 Green Factories
- 092 Green Communication

Fair Business Activities

- 095 Risk Management and Compliance
- 105 Supply Chain Management

Customer Concerns

- 109 Approaches to Raising Quality and Customer Satisfaction Levels

Social Contribution Activities

- 113 Academic Advancement and Research
- 116 Support for Culture and the Arts
- 118 International Exchange and Collaboration
- 122 Local Community Activities

-
- 126 Editorial Policy
 - 127 GRI and ISO 26000 Comparison

Corporate Motto / Management Rationale

Corporate Motto

“Respect the Divine and Love People”

敬天愛人

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 harmony.

Methods of Management

1. To earn fair profit through harmonious business practices that result in products that satisfy our customers — providing quality products at lower prices, realized through ongoing R&D and sincere service.
2. To manage our company as if we were a family, hearts bound together devoid of antagonism, helping each other with a mutual sense of gratitude and appreciation.

Coexistence

In order for the human race to survive and prosper in the future, we must remember the concept of coexistence. This is the concept that all living things on Earth must coexist together.

All living things on Earth, including human beings, depend on each other for survival.

In the future, management must be based on collaboration for mutual success. Fostering relationships where we all share a common vision and are willing to help one another and share in the burden so we can all grow together — this is the kind of management philosophy that future prosperity will require.

Based on the idea of coexistence, Kyocera will continue to strive towards corporate activities aimed at the prosperity and harmony of humankind.



Kazuo Inamori
Founder and
Chairman Emeritus
KYOCERA Corporation

Kazuo Inamori

Top Management Message

Contributing to the advancement and development of humankind and society through practice of the Kyocera Philosophy



Tetsuo Kuba
Chairman
KYOCERA Corporation



Tatsumi Maeda
Vice Chairman
KYOCERA Corporation



Goro Yamaguchi
President
KYOCERA Corporation

Correct Application of the Concept, “Do What is Right as a Human Being”

At the heart of Kyocera Group management is the corporate philosophy known as the Kyocera Philosophy, which emphasizes the importance of fair business based on ethical, moral and social standards that people should uphold throughout life. Ultimately, it comes down to one criterion for making decisions: “What is the right thing to do as a human being?”

To realize our corporate philosophy, Kyocera developed a unique management control method known as the Amoeba Management System. With this system in place, Kyocera promotes a management method in which all employees can participate. Furthermore, Kyocera believes in highly transparent corporate activity with timely disclosure of information to customers, employees, shareholders, investors, business associates, and all other stakeholders.

For the Kyocera Group, CSR is tantamount to the practice of the Kyocera Philosophy — the heart of Kyocera Group management. We believe practice of the Kyocera Philosophy builds mutual trust with stakeholders, and contributes to sustainable growth for the Kyocera Group, as well as the overall development of society. We will continue to engage in corporate management through practice of the Kyocera Philosophy.

Kyocera will contribute to the advancement and development of humankind and society through practice of the Kyocera Philosophy.

Contributions to Society through Business Activities

Modern society faces various challenges including economic globalization, diversification of people's values, an increase in energy demand, climate change, and growth of the global population. The Kyocera Group is working on business expansion with an emphasis on such growing markets as Information & Communications, Automotive, Environment & Energy, and Medical & Healthcare. We also reinforce development of various technologies and products to realize diffusion and expansion of IoT (Internet of Things) with the aim of delivering benefits to society through our corporate activities.

In the Information & Communications market, we endeavor to develop high value-added products that can satisfy the various needs of the market, including functional enhancement and diversification of digital consumer devices such as smartphones, and meeting the increasing demands for capacity enlargement and acceleration of data transmission in various industries. Utilizing our proprietary technology, we deliver new types of communication and information equipment that are unique to those of competitors in the market so as to provide consumers with products that satisfy needs such as comfort of operation or ease of use.

In the Automotive market, we are reinforcing our organizational preparedness by establishing a cross-departmental organization in order to cope with the expectations of the market — including computerization of onboard devices, environmental friendliness, and automated driving. In addition, we take various actions to expand applications for existing products, develop new customers, and to accelerate new product development through reinforcement of technical development and collaboration with customers, thereby contributing to the realization of an environmentally conscious, safe and comfortable driving experience.

In the Environment & Energy market, we are determined to help create a society in coexistence with the environment by working on energy creation with solar power generating systems and fuel cells, energy storage with battery units, and encouragement of energy efficiency through energy management systems. To be specific, we endeavor to improve the conversion efficiency of solar modules, market high-efficiency fuel cell systems, and expand large-capacity battery systems in response to growing demands for greater self-sufficiency in electric power usage. In addition, we are reinforcing system development to facilitate stable supply of power and power saving.

In the Medical & Healthcare market, we are engaged in business expansion of medical materials such as artificial joints as well as working towards technological synergy covering everything from materials to components and systems. Furthermore, we promote cooperation with specialized institutes so as to develop innovative products and technologies, thereby ultimately contributing to the improvement of people's quality of life and the advancement of the medical field.

Handling of Global CSR Issues

In order for the Kyocera Group to compete globally and continue its high-rate of growth, we believe it is essential to further reinforce our own management foundation and conduct locally rooted business activities while ensuring compliance with international norms and standards; respecting diversity including local customs and cultures, and environmental harmony.

The Kyocera Group is an active member of the UN Global Compact, the basic rules on human rights, labor, the environment and prevention of corruption, and conducts positive activities towards the resolution of CSR issues. For environmental protection, we actively work on not only the development of environmentally friendly products but also continually work on energy saving at production sites and prevention of climate change while looking to satisfy both ecology and economy according to our philosophy of “living together.” These actions have been duly evaluated by the Japanese Ministry of the Environment, and we have received the Minister of the Environment's Award for Global Warming Prevention Activity consecutively for six years since FY2011.

We will continue to meet the expectations of all stakeholders of the Kyocera Group, thus building relationships of mutual trust and contributing to the robust development of society.

Kyocera Group Management Roots



Company members around the time of foundation

The origin of Kyocera Group management is the Kyocera Philosophy, a philosophy for work and life based on the real-life experiences and empirical rules of Kazuo Inamori, founder and chairman emeritus of Kyocera Corporation. With “What is the right thing to do as a human being?” as its most essential criterion, the Kyocera Philosophy expounds the significance of commitment to fair management and operation in compliance with the most fundamental human ethics, moral values and social norms.

What is the Kyocera Philosophy?

The Management Rationale of the Kyocera Group is: “To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind.” The “material and intellectual growth” that we aim for includes the pursuit of economic stability, and entails the pursuit of mental riches as a human being, in the shape of life with purpose and job satisfaction through self-fulfillment in the workplace.

Additionally, the steady refinement of our technology allows us to provide the world with wonderful products one after another, and thereby contribute to the advancement of science and technology. At the same time, by steadily raising profits as a company we aim to contribute to the improvement of common welfare, through increased tax payments and other means. The guidelines for action in pursuing the Management Rationale are set out in the Kyocera Philosophy. As a state of mind for leading wonderful lives, we are striving day by day to practice the Kyocera Philosophy.

Origin of the Kyocera Philosophy

In 1959, with the generous support of the people around them, company founder Kazuo Inamori and seven other colleagues established Kyoto Ceramic Co., Ltd. (now Kyocera Corporation). Starting with a meager amount of capital, the company had no imposing office building or elaborate machinery in the beginning. All it had were fellow colleagues who shared the joys and sorrows and formed a close bond as members of one big family. Inamori then decided to base the management of the company on this bond of human minds. This is because he believed that while human minds are extremely changeable, they are also most dependable once the minds are bonded by strong trust.

Later, Inamori encountered many difficulties in managing Kyocera, but he overcame them each time believing in the strong bond of human minds. The Kyocera Philosophy was thus born as he debated his life and work.

Basic Ideas of the Kyocera Philosophy

The Kyocera Group believes that decisions should always be made through reason and based on the idea of “What is the right thing to do as a human being?” as the basic criteria to achieve compliance with public morals.

The criterion of “What is the right thing to do as a human being?” is based on the fundamental ethical and moral values of the natural goodness of human beings: “Don’t be greedy,” “Don’t cheat people,” “Don’t lie,” and “Be honest” are teachings we all received from our parents as children and represent the most basic principles of humankind.

We believe that when making decisions and taking action in daily life, we should resort to the criterion of “What is universally right as a human being” and not the criterion of “What best suits our own convenience.”

Kyocera Philosophy Pocketbook

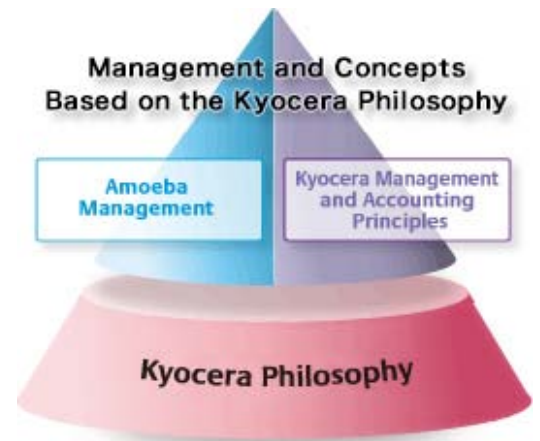
A copy of the Kyocera Philosophy Pocketbook is distributed to each employee at Kyocera. Employees use various opportunities to apply the principles in the Pocketbook, and to independently learn and practice the Kyocera Philosophy. In April 2011, we published the Kyocera Philosophy Pocketbook II, which summarizes additional important points of the Philosophy. The updated Pocketbook is being progressively translated into multiple languages to aid penetration of the Kyocera Philosophy in bases overseas.



Management Based on the Kyocera Philosophy

For the Kyocera Group to realize the Management Rationale, correct understanding and application of the Kyocera Philosophy are essential. This applies also to Amoeba Management, Kyocera Management and Accounting Principles, and The Twelve Management Principles. All are based on the Kyocera Philosophy.

Correct understanding and application are essential for future growth and development, to sustain the dreams of employees, and for the Kyocera Group to continue as a corporate group that contributes to the development of society. In addition, we also strive to promote understanding and diffusion of the Kyocera Philosophy among employees by distributing booklets and pocketbooks.



Amoeba Management

The Kyocera Group uses its own business administration method called the Amoeba Management System, which is specifically developed to realize the corporate philosophy of the Kyocera Group. Under this system, the company organization is divided into small groups called amoebas, which operate on a self-supporting basis. We believe that employees' enhanced sense of participation in management and motivation engendered by Amoeba Management constitutes the source of the Kyocera Group's strength. The small group system also serves to clarify the responsibilities of each member of the group, secure transparency in every detail, and enable a thorough check of efficiency.

The Objectives of Amoeba Management

1. Establish a market-oriented divisional accounting system
2. Foster personnel with a sense of management
3. Realize management by all

Kyocera Management and Accounting Principles

Accounting is integral to the management of a company as it plays the key role as the compass that leads a company to its destination. When handling accounting matters, it is important to trace them back to their essence and take appropriate measures according to our primary criterion of “What is the right thing to do as a human being?” Kyocera considers the ideal state of accounting to be one in which the facts are shown as they are, and recognizes the importance of fair and transparent management.

Kyocera Management and Accounting Principles are a set of practical accounting principles designed to give a correct understanding of the realities of the company and the directions to be taken. In the Kyocera Group, each employee is encouraged to understand and become familiar with the Kyocera Management and Accounting Principles, and to act in accordance with these principles. We believe this becomes a sound foundation not only for fair accounting, but also for the long-term development of the company.

Kyocera Management and Accounting Principles Pocketbook

Introduction: Adhere to Fundamental Rules

1. The Principle of One-to-One Correspondence
2. The Principle of Double-Checking
3. The Principle of Perfectionism
4. The Principle of Muscular Management
5. The Principle of Profitability Improvement
6. The Principle of Cash-Basis Management
7. The Principle of Transparent Management



Advancing Kyocera Philosophy Education

Kyocera Philosophy Education: Basic Concept and Structure

In the Kyocera Group, a variety of education programs are provided to each employee to familiarize them with the Kyocera Philosophy, realize the global growth of the Group through diligent efforts, and with originality and ingenuity, help all employees feel happy working for the Group in order to foster human resources capable of supporting the growth and development of society and humankind.

We regularly hold the Group-Wide Philosophy Committee headed by Kyocera's chairman to further reinforce the diffusion of Philosophy activities. The Group-Wide Philosophy Committee formulates the policies for Philosophy education and examines and determines measures to promote understanding of the Philosophy and reinforce its practice.



Group-Wide Philosophy Committee

Application of the Kyocera Philosophy Education (Results of FY2016)

The Kyocera Group is expanding Kyocera Philosophy Education on a global basis in accordance with the policy of the Group-Wide Philosophy Committee. In Japan, education is divided into programs provided individually by each department, site or Group company, based on the conditions of their specific business activities and the common programs that support the individual programs. In individual educational activities, actions to diffuse the front-line-conscious Philosophy are taken proactively by each department, site or Group company. The Leader Education and the Philosophy Workshop, which are company-wide education programs, set "Aim High" as the integrated theme for FY2016 based on the management policy of the Kyocera Group. Use of the integrated theme aims to create a sense of unity and enhance the quality of education so as to foster human resources who can contribute to the management of the company.

In addition to those Philosophy education programs, various education and diffusion activities are carried out including voluntary workshops, company journals, company Web sites, and a collection of Kyocera Group Philosophy Essays.

		Top Management	Mid-Level Employee	Employee	Part-Time Employee
Philosophy Education	Japan	Philosophy Education by each Department, Site or Group Company			
		Leader Education			
		Philosophy Workshops			Part-Timer Workshops
	Outside of Japan	Philosophy Education by each Group Company			
		Global Philosophy Seminars			
Education and Diffusion Activities	Voluntary Workshops				
	Company Journals, Official Web Sites, and Kyocera Group Philosophy Essays				

Diagram of the Kyocera Philosophy education system

Philosophy Education by Each Department, Site or Group Company

■ Activities of the General Affairs Group

The Corporate General Affairs Group Philosophy Committee is an organization dedicated to promoting activities of the Group-Wide Philosophy Committee. This Committee further has several working groups composed mainly of young members selected from various divisions.

The General Affairs Group holds the Heart-to-Heart Discussion Seminar, in which people discuss how the General Affairs Group, which supports business activities, should be, and also publishes an in-house newsletter, the Philosophy Times. As one of the Philosophy permeation measures meant for individual employees, every employee publicly declares his or her target Philosophy in the form of the Challenge Philosophy Card and announces it at a morning gathering. Thus, various activities for permeation of the Kyocera Philosophy are conducted.



Heart-to-Heart Discussion Seminar

Group-Wide Common Philosophy Education Programs

■ Leader Education

The Kyocera Group (in Japan) aims to develop leaders capable of achieving high aims by enhancing the power of the organization's unity. To this end, we hold leader education intended for people in managerial positions of section manager or higher. In FY2016, we thought about what is important to create a passionate organization as it used to be in the founding days of Kyocera when everybody had a high aim and a grand dream, in order to realize the goal of becoming "The Company" (the company of companies respected the world over). Members who participated in the post-training "compa" party declared their commitments and announced their action plans.



Leader Education

■ Philosophy Workshop

The Kyocera Group (in Japan) holds the Philosophy Workshop in order for employees to learn the basic Kyocera Philosophy essential to do their jobs better and lead a happy life beyond position, age, department, or line of work and enhance the passion for practice. In this workshop, the Philosophy is explained using phrases or comments used by famous people to relate to the Philosophy as well as familiar case examples experienced by Kyocera employees so that trainees learn the Philosophy from various viewpoints. At the same time, training programs are designed to develop a sense of unity in the group. In FY2016, employees shared success and failure examples at their respective worksites and learned the importance of acting on their own initiative (by playing the central role) to fulfill the high aim of the organization and aggressively work with other coworkers towards the same goal.



Philosophy Workshop

FY2016 Results of Kyocera Philosophy Education

	Leader Education	Philosophy Workshop	Part-timer Workshop
Total number of participants	9,665	37,347	6,037
Training hours and times per employee	Top management 7.5 hours x 1 3.5 hours x 1 Mid-level employees 3.5 hours x 2	2.5 hours x 2	1 hour x 2

· These programs cover the education provided by the department in charge of Philosophy education at Kyocera. Other education programs include those unique to each department or Group company.

Provision of Kyocera Philosophy Education to Overseas Group Companies

Since the Kyocera Group considers it is important to share the Philosophy beyond nationality and cultural differences in order to globally operate our business, Kyocera Philosophy education is also provided at overseas Group companies.



Global Philosophy Seminar (China)

Diffusion Activities Based on Kyocera Group Philosophy Essays

The Kyocera Group (in Japan) annually asks for Kyocera Group Philosophy Essays from employees in order for them to reflect on their own experiences with the Kyocera Philosophy, have a clear awareness of the necessity of practical implementation of the Philosophy, and master it. This essay contest has been in place since FY1991. Some overseas Group companies also conduct the same contest.

Essays submitted by employees are reviewed and the authors of selected essays are awarded the Chairman Emeritus' Prize, the Chairman's Prize or the President's Prize.

A collection of award-winning essays and other excellent essays is issued among the entire Kyocera Group to encourage the practice of the Kyocera Philosophy.

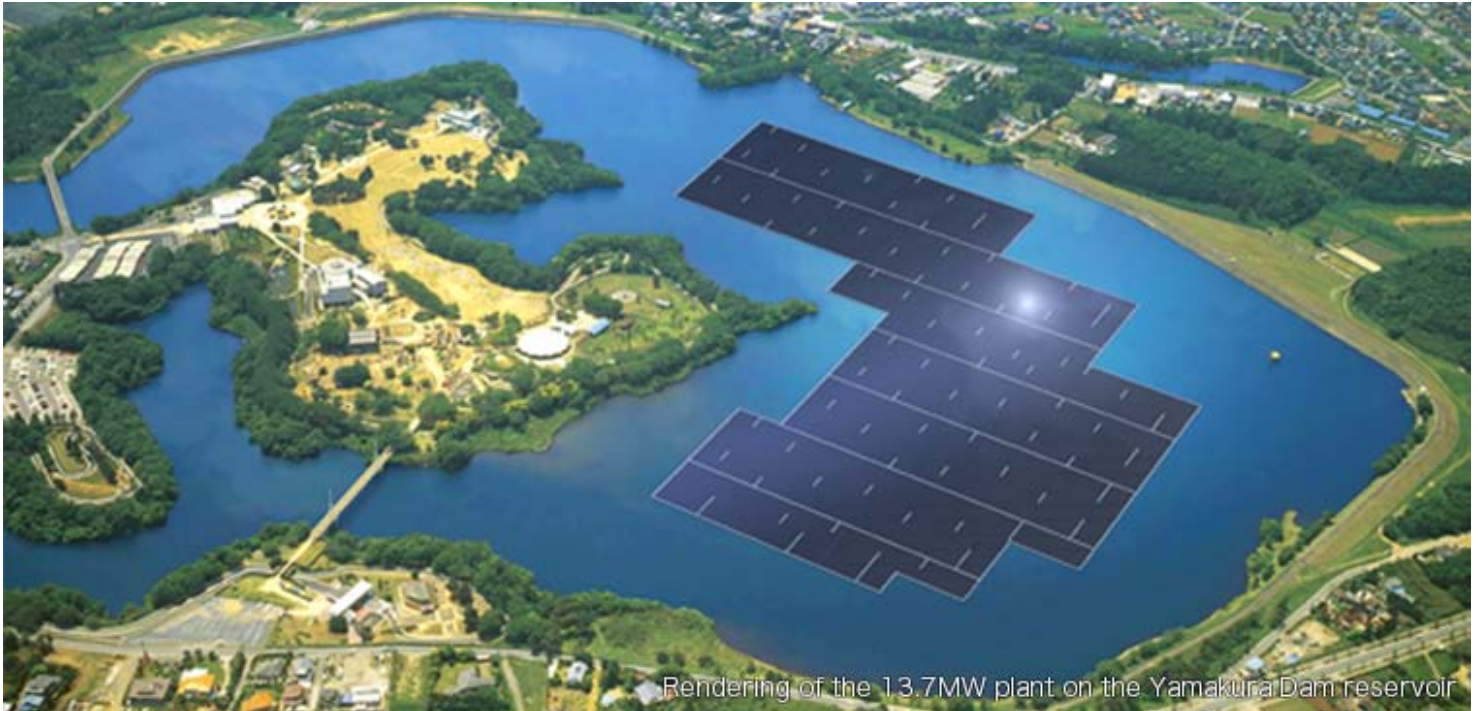


Presentation of Philosophy Essays in China



Collection of Philosophy Essays
(Japanese version on the left and Chinese version on the right)

Kyocera's Floating Solar Power Plants Contribute to Greater Diffusion of Renewable Energy Use



Rendering of the 13.7MW plant on the Yamakura Dam reservoir

While energy is indispensable for our modern lifestyles, its consumption rapidly increases with global population growth and economic growth. Stable supply of energy is now a serious issue to tackle. Under these circumstances, expanded use of solar power generating systems, which do not consume limited resources such as petroleum or coal and emit almost no CO₂ during power generation, is greatly expected.

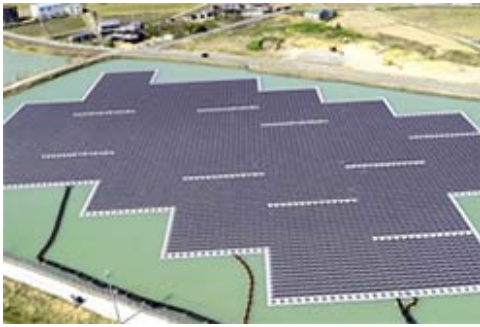
In Japan, since the renewable energy feed-in tariff (FIT) program started in 2012, construction of utility-scale solar power plants has been promoted in various parts of the country. Kyocera has constructed a number of these facilities including Japan's largest* solar power plant (at the time of construction), Kagoshima Nanatsujima Mega Solar Power Plant (approx. 70MW) in Kagoshima Prefecture, which started operation in November 2013.

* Based on research by Kyocera (as of November 2013).

Kyocera's Floating Solar Power Plant Makes Effective Use of Unutilized Space

While utility-scale solar power plants have been constructed one after another in Japan, it has become apparent that land for installation of such facilities is running short. Therefore, Kyocera focused its attention on water surfaces, such as ponds and reservoirs, and started to construct floating solar power plants in 2014 through Kyocera TCL Solar LLC, a joint venture set up by Century Tokyo and Kyocera.

Kyocera TCL Solar LLC has already started operation of three floating solar power plants, including two in Kato City, Hyogo Prefecture, and one in Kasai City, Hyogo Prefecture. In addition, the company is currently constructing another one, the Yamakura Floating Mega Solar Power Plant, with a power output of approximately 13.7MW in Chiba Prefecture, with its completion scheduled for FY2018.



Takaoka Nishi Floating Mega Solar Power Plant (approx. 1.7MW, operation started in March 2015), Hyogo Prefecture



Sakasamaike Floating Mega Solar Power Plant (approx. 2.3MW, operation started in June 2015), Hyogo Prefecture

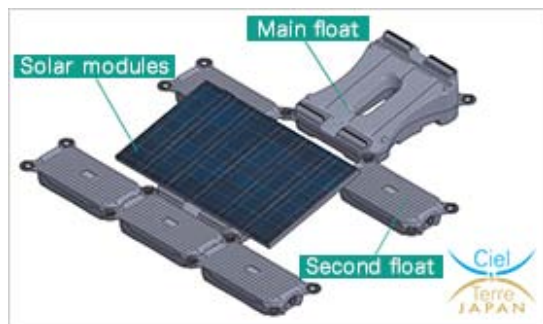


How to Install Solar Modules on Water

Solar modules are installed on floating platforms, called “floats,” first on the ground. The floats are then towed by boat to the installation location and fixed with anchors set under the water. Manufactured by Ciel et Terre International (HQ: France), floats are made of a completely recyclable material that will not cause emission of harmful substances. Hence, environmental compliance is an important part of the design and construction of our floating solar power plants.



Floating platforms being installed on the water



Float structure
(Source: Ciel et Terre International)

Features of Floating Solar Power Plants

1. An installment of solar modules set on the water takes advantage of a cooling effect on the modules from the water and is expected to enable the plant to generate more power output than those installed on the ground or rooftops.
2. As solar modules cover the water surface, it is expected to mitigate evaporation of water and prevent abnormal growth of algae.
3. Floats are made of highly dense polyethylene which possesses excellent resistance to ultraviolet rays and corrosion and are 100% recyclable.
4. The float assembly is designed to have sufficient strength against typhoons coupled with the sturdy float connecting technology.

Comments of the staff in charge of the marketing section of floating solar power plants



“A floating solar power plant is a promising way of installation that expands applicability of solar power. It makes effective use of the water surface of ponds and reservoirs, which have never been used for such purposes. Local people can also use the rent paid from part of the solar power sale to cover upkeep of the ponds.

As Japan is subject to great changes in rainfall depending on the seasons, there are a large number of ponds for agricultural purposes and regulating reservoirs for control of river water flooding. Considering this, we will continue to promote construction of floating solar power plants.”

Kyocera's Fine Ceramic Technology Contributes to Global Environmental Preservation

— Contribution to Cleaning of Diesel Car Emissions



Diesel vehicles make up approximately 30% of all cars produced in the world. They emit less CO₂ — one of the causes of climate change — than gasoline cars and have high power and excellent durability. Because of those advantages, there is growing demand for diesel cars in the world, particularly in Europe.

In Europe, there are many environmentally advanced countries engaged in active reduction of air pollutants which apply strict regulations to soot emission of diesel cars. Diesel cars in Europe are obligated to have pollution control equipment such as diesel particulate filters (DPFs) that capture soot in the exhaust gas. In order to check if the DPF is properly working, sensors to detect soot contained in the exhaust gas are essential. However, presently there are no sensor elements that can precisely detect soot. Therefore, development of such high-performance sensors is urgent.

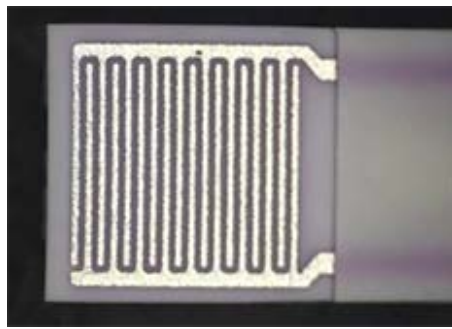
Kyocera developed a soot detection sensor element that has high reliability in high temperatures greater than 500°C for the first time in the world* by using its own metal material technology accumulated over many years.

*Based on research by Kyocera (as of October 1, 2015)

Development of a Soot Sensor Element Capable of Detecting Soot in Temperatures Greater than 500°C without the use of Platinum

Since a soot sensor element needs to be installed near the engine, it needs to be made of a material with excellent heat and acid resistance. In general, platinum is used for such sensor elements. However, when the temperature of the exhaust gas exceeds 500°C, platinum and soot cause a catalytic reaction resulting in the failure to detect soot accurately.

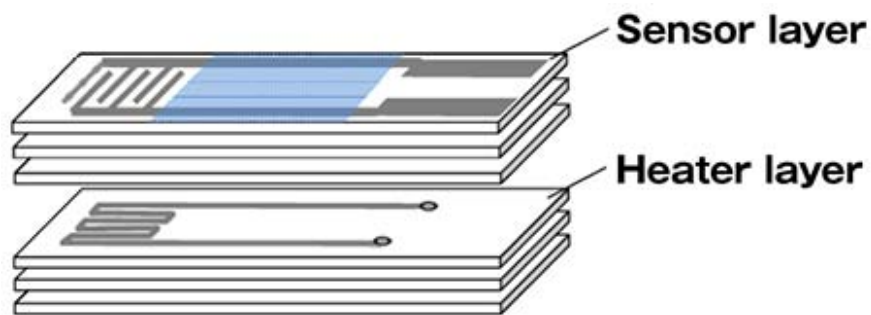
Facing this problem, Kyocera developed a new alloy conductor featuring performance equivalent to that of platinum without using this metal for the first time in the world by utilizing material and production process technologies cultivated in our development of ceramic packages which boast the world's top share (approx. 70%). Furthermore, we realized downsizing and durability enhancement of the soot sensor element by sintering ceramics and the alloy conductor in multiple layers.



Sensor part of the soot sensor element



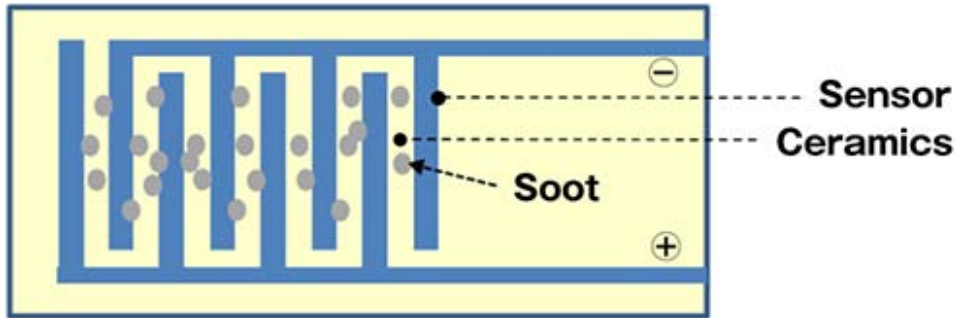
Soot-sensing element



Structure of the soot sensor element

Mechanism of soot detection

Soot conducts electricity, and by using this characteristic, the sensor detects soot with electrodes that are arranged in a comb-like pattern and insulated so that no electricity flows in the electrodes unless soot is attached. When soot is attached among the electrodes, electricity flows, and the amount of soot contained in the exhaust gas is detected. A heater is installed inside the element so it periodically burns the soot attached to the electrodes and thus allows repeated and accurate measurement.



Mechanism of soot detection

Awarded the Semi Grand Prix of the CEATEC AWARD 2015 in the Green Innovation Category

The soot sensor element developed by Kyocera won the Semi Grand Prix of the CEATEC AWARD 2015 in the Green Innovation Category at CEATEC JAPAN, one of Asia's largest comprehensive exhibitions of advanced IT and electronics held in Japan every October. Products and technologies on exhibit at CEATEC JAPAN that show particularly excellent innovation are given CEATEC AWARDS. The alloy conductor, a new material developed by Kyocera to replace platinum, was used to make the element capable of detecting soot under high temperatures greater than 500°C. This innovation was highly evaluated and led to the awarding of the Semi Grand Prix Award.



CEATEC AWARD 2015
Semi Grand Prix

Comments of the staff in charge of the development section of the soot sensor element



“I was thinking for days and days about whether we could do something using the multilayer technology cultivated in the development of ceramic packages. Then my attention was drawn to the soot sensor. In Europe, control of emissions is becoming even stricter, and the present detection system was going to fail the requirement with its current precision. The advantage of multiple layering generally applies to semiconductor components and allows them to be downsized. I came to think that this technique could meet the strict condition of exposure to high temperatures. So we started development in 2013. One of the greatest challenges that we faced in development was the selection of the right materials and determination of the right sintering conditions so that we could successfully sinter ceramic and alloy simultaneously. I hope that successful

commercialization of the soot sensor using this element will be able to help not only Europe but also the rest of the world promote application of stricter emissions controls and prevention of air pollution.”

Sharing the Kyocera Philosophy on a Global Scale to Align Mental Vectors



The Kyocera Group conducts fair management and business operation according to the decision making criterion of “What is the right thing to do as a human being?” This criterion contains the fundamental ethics, sense of morality, and social norms which should be shared by all employees regardless of nationality or culture. Kyocera positions it as the most important element to realize our management philosophy. Education on this is provided to all employees in the world.

		Top Management	Mid-Level Employee	Employee	Part-Time Employee
Philosophy Education	Outside of Japan	Global Philosophy Seminars			
		Philosophy Education by each Group Company			

Diagram for the Kyocera Philosophy Education System Outside Japan

Global Philosophy Seminar

For overseas Group companies, Global Philosophy Seminars are held for top management and executives in the U.S.A., China, Asia & Oceania, and Europe. As in Japan, these seminars are provided to help foreign employees earnestly learn the Kyocera Philosophy, reconfirm what an ideal leader is, and have a better understanding of the type of leadership required to achieve management goals. In FY2016, seminars were held for employees to learn the Twelve Kyocera Management Principles under the theme of “Aim High.”

■ Results of FY2016 Global Philosophy Seminars

Region	Venue(s)	Schedule	No. of participants
U.S.A.	Greenville, San Diego	August 2015 and March 2016	226
China	Shilong, Shanghai	August 2015	444
Asia & Oceania	Singapore	September 2015	132
Europe	Dusseldorf (Germany)	October 2015	72
		Total	874

The Twelve Kyocera Management Principles

The Twelve Kyocera Management Principles are fundamental management rules. In other words, they do not change, regardless of any changes occurring in the business environment or conditions. They are the starting point of universal management, and represent the tenets of our management.

1. Clearly state the purpose and mission of your business.
2. Set specific goals.
3. Keep a passionate desire in your hearts.
4. Strive harder than anyone else.
5. Maximize revenues and minimize expenses.
6. Pricing is management.
7. Success is determined by willpower.
8. Possess a fighting spirit
9. Face every challenge with courage.
10. Always be creative in your work.
11. Be kind and sincere.
12. Always be cheerful and positive.



Participants listening to a lecture (China)



Group discussion (U.S.A.)

Comments of participants



"I felt anew that setting a high aim would create a motivating power for growth. So I am determined to do my job to achieve the goals of the team in the capacity of the leader." (China)

"I felt that creating a positive atmosphere in the team is the role of the leader." (Asia & Oceania)



Kyocera Philosophy diffusion activity of each region

Education staff of each overseas Group company play the central role in conducting diffusion of the Kyocera Philosophy that matches the local culture and customs. We also conduct preparation of teaching material and planning of training curriculum in the language of local employees.

■ Kyocera International, Inc. (U.S.A.)

Kyocera International, Inc. tries to let trainees enjoy the lesson and deepen their understanding of the Kyocera Philosophy and conducts activities to promote communication in the workplace. In FY2016, hands-on experience of calligraphy writing characters of the corporate motto “Keiten Aijin;” Respect the Divine and Love People was provided, and original goods with the words of the Kyocera Philosophy printed were produced for distribution to employees.



Local employees enjoying the calligraphy experience

Development of philosophy education staff

It is indispensable to develop personnel dedicated to Philosophy Education in each region in order to conduct planning and operation of Philosophy diffusion activities that meet local demands. Workshops meant for those employees started in FY2015. In FY2016, a workshop was held for education staff in Asia & Oceania and China. A total of 41 employees from 34 Group companies participated in the workshop. The purpose of the workshop is to deepen employees' understanding of the Philosophy diffusion activities and reinforce cooperation among the education staff by sharing the problems and solutions of each region. In the future, based on the actual conditions of and requests from each region, we intend to provide training programs designed to primarily help each region set up their own educational system that allows them to design and operate their own education programs by themselves.



Workshop for education staff (Asia, China, and Europe / U.S.A. from left to right)

Comments of participants



“We shared the problems with regional education staff, and that gave me good stimulation. I hope I can work with leaders of relevant departments and conduct better Philosophy diffusion activities in the future.” (Europe / U.S.A.)

“I felt anew from this training that the people in charge of education, like us, are the very people who must continuously learn the Kyocera Philosophy.” (China)



Actual Case Examples of the Kyocera Philosophy Diffused in the Workplace

Comments of Chinese staff in charge of business management where the Kyocera Philosophy is practically applied



“I am in charge of customs clearance management for raw materials and finished products. The mission of my department is to reduce risk while reducing cost and thereby support the business. When I do my job, I always keep in mind one of the phrases of the Kyocera Philosophy, “Always Be Creative in Your Work.” In China, the business environment is becoming stricter and stricter because of various factors including rapidly rising labor costs. It is therefore important for us to realize improvement in every department. I focused on the import route that went through an airport and a warehouse both located far from the factory and decided to improve its structure. Initially, I had objections from surrounding people about taking on such drastic changes to the structure, with some saying it was reckless. I myself felt uneasy. However, I believed it was definitely something that must

be achieved in order for us to survive in the severe business environment, and so I decided to involve all the people concerned. Then I solved problems one by one. We conducted tests more than 10 times and finally established a route that brings materials directly to the factory from a nearby airport. That actually resulted in reduction of both logistics costs and lead-time. From this experience, I learned that it was important to always be creative in our work without fear of change.”

Kyocera Group Corporate Social Responsibility (CSR)

CSR Activities Based on the Kyocera Philosophy

Shortly after its founding, Kyocera adopted its 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 is based on the Kyocera Philosophy, which uses the concept “What is the right thing to do as a human being?” as its decision-making criterion. This also forms the basis for the Kyocera Group’s CSR activities.

Through implementation of the Kyocera Philosophy, we work to find solutions to corporate citizenship issues, build relationships of mutual trust with our stakeholders, and aim for the sustained development of the Kyocera Group. At the same time, we endeavor to contribute to the healthy development of society.



Kyocera Group CSR Guidelines

The Kyocera Group establishes the Kyocera Group CSR Guidelines, our standards of corporate conduct, and will act towards the creation of a sustainable society.

Kyocera Group CSR Guidelines

Introduction

Since its foundation, Kyocera has declared that it will “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” as its management rationale and has managed its business based on the Kyocera Philosophy ‘ the core of management in the Kyocera Group. By practicing the Kyocera Philosophy on a daily basis, we will contribute to the sound development of society as well as build mutual trust with stakeholders, and continuously develop the Kyocera Group.

We therefore establish the Kyocera Group CSR Guidelines, our standards of corporate conduct, and will act towards the creation of a sustainable society.

These guidelines apply to Kyocera Corporation and Kyocera Group companies, as well as all executive officers and employees.

1. Basic duties

We shall observe laws, regulations and corporate rules, have unshakable moral values based on the Kyocera Philosophy and perform corporate activities globally, making decisions based on the criterion of “What is the right thing to do as a human being?”

2. Human rights and labor

We shall respect fundamental human rights.

- 2-1. We shall always be aware of changes in work environments and the characteristics and culture of each country to build up a personnel system that can respond appropriately.
- 2-2. We shall respect the human rights of employees and not treat them severely or inhumanely, including abuse or any type of harassment.
- 2-3. We shall promote the creation of attractive, rewarding work environments by attempting to share opinions and information with employees.
- 2-4. We shall respect the right of freedom of association based on the laws, regulations and labor practices of each country.
- 2-5. We shall not allow forced labor or child labor.
- 2-6. We shall not engage in unfair and discriminatory treatment.

3. Health and safety

We shall observe laws and regulations related to health and safety, fire control, and undertake health and safety measures more actively and continuously including through the implementation of risk assessment and emergency preparedness to provide work environments that are accident and disaster-free, where employees can work in safety and free from anxiety.

4. Environmental conservation

We shall regard the Kyocera Environmental Charter as our guideline for the environmental protection activities to be achieved. We shall perform improvement activities more actively and continuously to contribute to global environmental protection by working in a comprehensive fashion on environmental measures such as environmental preservation, energy conservation, climate change prevention, resource conservation, global environmental product development and biodiversity conservation. At the same time, we shall communicate those efforts widely to society.

5. Fair trade and ethics

We shall always carry out fair trade in the spirit of equity and fair play.

- 5-1. We shall compete fairly, transparently and freely, and carry out fair trade.
- 5-2. We shall arrange and manage a clear import and export management system in accordance with related laws and regulations in Japan and overseas.
- 5-3. When procuring materials, we shall conform to laws and regulations, do business faithfully, justly and fairly without abusing any dominant bargaining position, and work to build up partnerships based on mutual trust.
- 5-4. We shall request business partners to understand and cooperate with our CSR activities.
- 5-5. We shall create, protect and utilize intellectual property rights, respect the intellectual property rights of others, and prevent any violation of their rights.
- 5-6. We shall neither offer nor receive inappropriate profits in relationships with stakeholders.
- 5-7. We shall maintain sound and normal relationships with political organizations and the authorities, and shall never offer bribes or illegal political contributions.
- 5-8. We shall steadfastly maintain an attitude of confrontation with antisocial forces and reject any unjust claim.
- 5-9. We shall carry out activities to prevent wrongdoing and also arrange systems to detect and respond to it immediately.
- 5-10. We shall not purchase any materials or products including conflict minerals or metals derived from them that create a source of funds for armed groups causing human rights violations.

6. Quality and product safety

We shall regard the Kyocera Quality Policy and Kyocera Product Safety Policy as our guidelines to be achieved.

7. Information disclosure

We shall always foster communication with society through appropriate information disclosure and active PR and IR activities; and aim at being a fair, highly transparent and open business enterprise.

- 7-1. We shall strive to disclose information to stakeholders including stockholders and investors quickly, appropriately and fairly; and promote understanding of our management and business activities.
- 7-2. We shall foster fair stock transactions and strive to prevent insider trading such as the buying and selling of stocks based on undisclosed internal information.

8. Information security

We shall be aware that personal information and confidential information are important and strive to prevent information leakages while maintaining and promoting information security.

- 8-1. We shall be aware that personal information is important information that constitutes privacy, and strive to protect it thoroughly.
- 8-2. We shall properly manage and protect confidential information received from customers or third parties, and confidential information of companies obtained in the conduct of business, and prevent any leakage or misuse.

9. Business continuity plan (BCP)

We shall formulate a BCP and aim for quick recovery and operation even if concerns over supply arise due to disaster, etc.

10. Social contribution

Based on the awareness that a business enterprise is a member of society, we shall do our duty at all times as a corporate citizen that supports the development of local communities and society, and carry out various social contribution activities, not just business.

- 10-1. We shall actively interact with local people and support sports to contribute to the development of local communities.
- 10-2. We shall strive to do our duty as a member of society through various activities that contribute to society such as education, research, culture, the arts, international exchange and cooperation, and environmental protection activities.

Response to International Standards and Initiatives

Utilization of ISO26000

The Kyocera Group effectively uses ISO26000, the international guidance standard related to social responsibility issued in November 2010. ISO26000 puts together items to be reviewed in implementing CSR activities and summarizes them as seven core subjects. The Kyocera Group evaluates our own CSR activities based on these core subjects and conducts continuous improvement for reinforcement of our CSR management.

Seven Core Subjects of ISO26000 and Corresponding References

Core subjects	References
Organizational Governance	Management
Human Rights	Respect of Human Rights / Optimal Work Environment
Labour Practices	
The Environment	Environmental Activities
Fair Operating Practices	Fair Business Activities
Consumer Issues	Customer Concerns
Community Involvement and Development	Social Contribution Activities

Participation in the UN Global Compact

The Kyocera Group is a participant of the United Nations Global Compact — an initiative proposed in 1999 by the then UN Secretary-General Kofi Annan which was officially established in 2007. The Compact consists of 10 principles in four areas: human rights, labour, the environment, and anti-corruption.

The Kyocera Group continues to contribute to society's sustainable growth by practicing these ten principles without fail.



Ten Principles of the UN Global Compact

Human Rights

- 1: Businesses should support and respect the protection of internationally proclaimed human rights.
- 2: Businesses should make sure they are not complicit in human rights abuses.

Labour

- 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.
- 5: Businesses should uphold the effective abolition of child labor.
- 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Environment

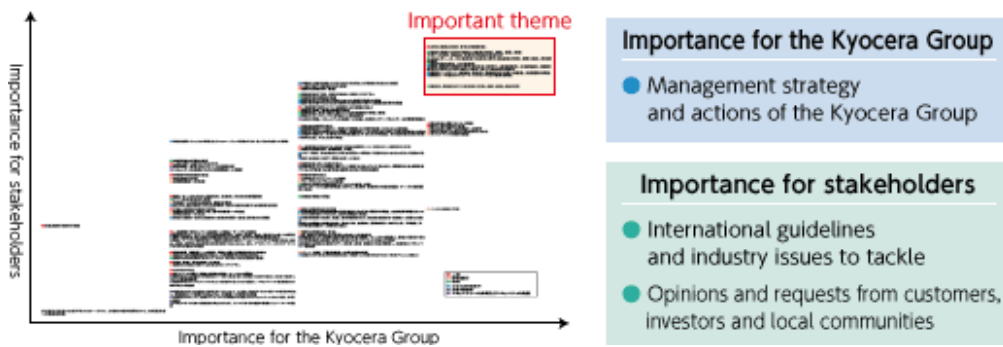
- 7: Businesses should support a precautionary approach to environmental challenges.
- 8: Businesses should undertake initiatives to promote greater environmental responsibility.
- 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Important Themes of CSR Activities

The Kyocera Group uses an evaluation sheet based on the “core subjects and issues” and “related actions and expectations” described in ISO26000 and makes evaluations from two viewpoints: “importance for stakeholders” and “importance for the Kyocera Group.”



The Kyocera Group actively conducts the following CSR activities as important themes based on the evaluation results.

■ Important Themes of CSR Activities

● Response to environmental problems
(P13, P16, P60)

● Respect for diversity
(P43)

● Supply chain management
(P105)

Enhance Communication with all Stakeholders

CSR Report Meetings

CSR Economic, Social and Environmental Report Meetings have been held by the Kyocera Group (Japan) each year since FY2005. Their purpose is to raise the level of mutual communication with local communities — important stakeholders for the Kyocera Group.

Factories invite local residents, government representatives, business associates, nearby companies and other people from the community to attend meetings where we provide participants with reports on the economic, social and environmental activities of the Kyocera Group as a whole and of the local facilities; along with exchanging views with the participants on CSR measures. In FY2016, 212 people participated in the meetings at 10 sites.




Introduction of CSR Activities
(Nagano Okaya Plant)



Experiment of effluent treatment during factory visit
(Shiga Gamo Plant)


Example Questions from Participants

■ Nagano Okaya Plant

 Q. Please tell us specifically what activities your plant conducts within Kyocera's forestation activities?

A. The Nagano Okaya Plant has signed the "Forest Foster Parent Agreement" for preservation of biodiversity and local contribution and works with the government and the local community to conduct thinning, undergrowth weeding and forestation. Before start of work, the Plant also holds a workshop to learn about the condition of forests near the action site and dos and don'ts about the activity.

■ Tochigi Moka Office

 Q. Has the Tochigi Moka Office acquired ISO14001 certification? Is examination regularly conducted?

A. ISO14001 is obtained by the Kyocera Group. As part of that, the Tochigi Moka Office also undergoes examination once a year.

Apart from that, we have received opinions and questions from a lot of people.

Goals and Results of CSR Activities

	FY2016 Goals		FY2016 Results	FY2017 Goals
Management Philosophy	<ul style="list-style-type: none"> Education and Permeation of the Kyocera Philosophy 	<ul style="list-style-type: none"> Reinforcement of the Philosophy Education Programs 	<ul style="list-style-type: none"> The Group-wide Philosophy Committee, whose role is to formulate policies on Kyocera Philosophy Education and examine and determine measures on the implementation of the Philosophy, was held (June and December) Revision of the content of programs common in Japan, or Leader Education and Philosophy Workshop, depending on the actual situation 	<ul style="list-style-type: none"> Enhancement of Philosophy Education appropriate for the actual situation of each department
		<ul style="list-style-type: none"> Promotion of Philosophy training systems that match the actual conditions in each country or region 	<ul style="list-style-type: none"> Local languages used in preparation of teaching materials in addition to English and Chinese, namely Spanish, Thai, Korean, German and Danish Global Philosophy Seminar held for managers of overseas Group companies in the U.S.A., China, Asia & Oceania, and Europe Workshops held for education coordinators of each region 	<ul style="list-style-type: none"> Reinforcement of Philosophy training systems that match the actual conditions in each country or region
Management	<ul style="list-style-type: none"> Reinforcement of communication with stakeholders for greater mutual trust 	<ul style="list-style-type: none"> Promotion of communication with local society through CSR Report Meetings 	<ul style="list-style-type: none"> CSR Report Meetings were held, and relevant stakeholders in the plant neighborhood, such as the local government were invited (212 attendants at 10 sites) 	<ul style="list-style-type: none"> Reinforcement of communication with local society through periodic holding of CSR Report Meetings

Management	<ul style="list-style-type: none"> • Realization of highly transparent corporate governance and internal control systems 	<ul style="list-style-type: none"> • Improvement of corporate governance systems and internal control systems 	<ul style="list-style-type: none"> • The basic policies on corporate governance and internal control were revised to reinforce internal control system • Information was disclosed in accordance with each principle of the corporate governance code 	<ul style="list-style-type: none"> • Further enhancement of corporate governance systems and internal control systems
Respect for Human Rights / Optimal Work Environment	<ul style="list-style-type: none"> • Promotion of measures relating to human rights 	<ul style="list-style-type: none"> • Implementation of awareness enhancement for employees and legal audits that check legal compliance 	<ul style="list-style-type: none"> • Morning meeting presentations conducted, and readings on related issues from the Kyocera Employee's Action Guideline, which is distributed to all employees, conducted • Self-assessment by the human resource department and legal audit by the audit department were made with respect to the condition of legal compliance and management system based on labor-related laws, in-house regulations and labor agreements with labor unions 	<ul style="list-style-type: none"> • Kyocera will continue to implement awareness enhancement for employees and legal audits that check legal compliance

Respect for Human Rights / Optimal Work Environment

<ul style="list-style-type: none"> ● Promotion of respect for diversity / work-life balance 	<ul style="list-style-type: none"> ● Promotion of creation of a working environment that allows a variety of employees to do their job 	<ul style="list-style-type: none"> ● Specific numerical targets were set in response to the Act on Promotion of Women's Participation and Advancement in the Workplace <ul style="list-style-type: none"> “Increase the number of woman employees whose position is section manager or higher to 60 by 2020” “Maintain the ratio of women employed by the 'regular university graduate recruitment system' at 20% in and after 2017” ● Actions to improve the employment rate of the disabled persons, including reinforcement of cooperation with special-needs schools, were taken 	<ul style="list-style-type: none"> ● Reinforcement of activities to promote women's success in the workplace toward achievement of the numerical target ● Actions to improve the employment rate of the disabled persons were promoted
	<ul style="list-style-type: none"> ● Enrichment of measures to support work-life balance 	<ul style="list-style-type: none"> ● Meetings for exchange of employees working while rearing children were periodically held ● “Manager fostering” seminars were held to develop senior or managerial employees who can respect the various ways of working of junior employees under them 	<ul style="list-style-type: none"> ● Enhancement of measures to support early return to work for employees from childcare leave or shortened workday system
<ul style="list-style-type: none"> ● Reinforcement of measures on human resource development 	<ul style="list-style-type: none"> ● Promotion of language learning support 	<ul style="list-style-type: none"> ● Measures to support employees' English learning in the Kyocera Group (Japan) taken 	<ul style="list-style-type: none"> ● Expansion of sites to which employees are sent for study or training and reinforcement of language learning programs

Respect for Human Rights / Optimal Work Environment	<ul style="list-style-type: none"> Reinforcement of management for health and safety 	<ul style="list-style-type: none"> Continuation of measures to ensure the safety of mechanical equipment and safety education for employees towards the prevention of labor accidents 	<ul style="list-style-type: none"> Factory tours by safety and disaster prevention departments conducted Japan: 20% reduction in the total accident frequency rate 30% reduction in the lost time accident frequency rate Six fire accidents, which is two up from the previous year Overseas: 25% reduction in the total accidents per 1,000 persons Four fire accidents, which is one up from the previous year 	<ul style="list-style-type: none"> Promotion of Activities toward Reduction in Labor Accidents Japan: Reduction by half in total accident frequency rate relative to that of FY2016 Reduction by half in Zero fire or explosion accidents Overseas: 20% reduction in the total accidents per 1,000 persons relative to that of FY2016 Zero fire or explosion accidents
		<ul style="list-style-type: none"> Promotion of measures for health development 	<ul style="list-style-type: none"> Health improvement activities have been continued at Kyocera sites including mental health education, determination of the health management reinforcement month, and holding of health fairs 	<ul style="list-style-type: none"> Continuation of measures for health development
Environmental Activities	<ul style="list-style-type: none"> Achievement of Environment Vision 2020 	<ul style="list-style-type: none"> Implementation of activities towards the achievement of a Low-Carbon Society Contribution Factor of 3 in 2020 	<ul style="list-style-type: none"> Low-Carbon Society Contribution Factor 2.85 was achieved 	<ul style="list-style-type: none"> Continuation of activities towards the achievement of a Low-Carbon Society Contribution Factor of 3 in 2020
	<ul style="list-style-type: none"> Promotion of environmentally friendly products 	<ul style="list-style-type: none"> Reinforcement of the Green Procurement Promotion System 	<ul style="list-style-type: none"> The revised Green Procurement Guideline was distributed to business associates to request their further reinforcement of management 	<ul style="list-style-type: none"> Reinforcement of the Green Procurement Promotion System

Environmental Activities	<ul style="list-style-type: none"> • Promotion of environmental consciousness at factories and offices 	<ul style="list-style-type: none"> • The basic unit improvement rates for greenhouse effect gas emission, energy consumption, water consumption and industrial waste emission at all production sites increased by 1% or more compared to that of FY2015 	<ul style="list-style-type: none"> • Greenhouse effect gas emission basic unit: 2.5% up from FY2015 • Energy consumption basic unit: 0.9% up from FY2015 • Water consumption basic unit: 1.9% improved from FY2015 • Industrial waste emission basic unit: 1.8% improved from FY2015 	<ul style="list-style-type: none"> • Improvement of the basic unit improvement rate for greenhouse effect gas emission, energy consumption, water consumption and industrial waste emission at all production sites by 1% or more compared to that of FY2016
	<ul style="list-style-type: none"> • Environmental communication with local society 	<ul style="list-style-type: none"> • Promotion of environmental communication through environmental education support and biodiversity preservation activities 	<ul style="list-style-type: none"> • On-site eco lessons for children (participants: 13,117 children in Japan and 533 in China) • Implementation of forestation activities (Nagano and Kagoshima) • Kyocera participated in tree-planting events (Thailand) and environmental enlightenment events (Mexico) 	<ul style="list-style-type: none"> • Promotion of environmental communication through environmental education support and biodiversity preservation activities
Fair Business Activities	<ul style="list-style-type: none"> • Promotion of risk management 	<ul style="list-style-type: none"> • Promotion of risk management 	<ul style="list-style-type: none"> • Revision of the risk management manual was made, and more items on “terrorism” added • Important risks are divided to “natural disasters,” “information security,” and “terrorism” based on the risk assessment results so as to reinforce response 	<ul style="list-style-type: none"> • Reinforcement of global risk management system • Enhancement of risk management education

Fair Business Activities

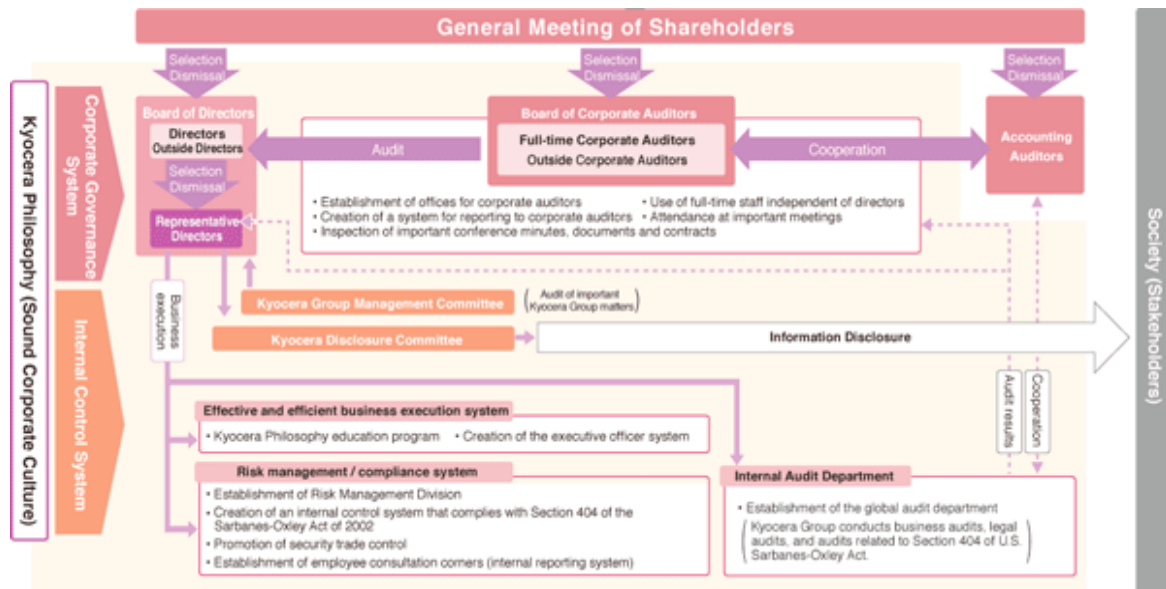
<ul style="list-style-type: none"> • Promotion of risk management 	<ul style="list-style-type: none"> • Reinforcement of information security measures 	<ul style="list-style-type: none"> • Each Group company conducts internal audit of information security • Security measures to cope with cyber attacks optimized • The status of implementation of security measures to externally disclosed systems was verified • Thorough management of IT assets 	<ul style="list-style-type: none"> • Reinforcement of information security measures, such as technical measures against cyber attacks or internal fraud 	
	<ul style="list-style-type: none"> • Promotion of accident countermeasures 	<ul style="list-style-type: none"> • Continued maintenance of BCP activities • Establishment of BCP activity maintenance system for Japan-based Group companies completed • BCP expansion to overseas Group companies continued • Continuation of BCP expansion to business associates 	<ul style="list-style-type: none"> • Continued maintenance of domestic Group companies' BCP activities • BCP expansion to overseas Group companies continued • Continuation of BCP expansion to business associates 	
	<ul style="list-style-type: none"> • Thorough legal compliance 	<ul style="list-style-type: none"> • Reinforcement of export/import management 	<ul style="list-style-type: none"> • Transaction examination system introduced to ensure thorough management of cargoes subject to the export control laws and orders 	<ul style="list-style-type: none"> • Transaction examination system introduced also to ensure thorough management of cargoes not subject to the export control laws and orders
	<ul style="list-style-type: none"> • Reinforcement of legal audit system 	<ul style="list-style-type: none"> • Expansion of a new legal audit system focuses on business process to Japan-based Group companies started 	<ul style="list-style-type: none"> • Greater expansion of the new legal audit system to Japan-based Group companies 	

Fair Business Activities	<ul style="list-style-type: none"> Reinforcement of supply chain management 	<ul style="list-style-type: none"> Promotion of communication with customers 	<ul style="list-style-type: none"> Supplier seminars and social gathering events held for 159 people from 136 major business associates 	<ul style="list-style-type: none"> Continuation of holding of supplier seminars and social gathering events Reinforcement of supply chain management in overseas
Customer Concerns	<ul style="list-style-type: none"> Efforts towards the raising of quality and customer satisfaction levels 	<ul style="list-style-type: none"> Reinforcement of actions for quality improvement 	<ul style="list-style-type: none"> Kyocera CS Improvement Committee meetings were regularly held, and actions to improve the loss rate in and out of company with respect to customer satisfaction indices taken 	<ul style="list-style-type: none"> Periodic holding of Kyocera CS Improvement Committee meetings to promote measures for CS index improvement
Social Contribution Activities	<ul style="list-style-type: none"> Promotion of social contribution activities 	<ul style="list-style-type: none"> Kyocera has implemented activities including the support of academic and research activities, support for cultural and artistic activities, and international exchange and cooperation 	<ul style="list-style-type: none"> Kyocera supports the Inamori Foundation's Kyoto Prize, an award to honor excellence in three fields: Advanced Technology, Basic Sciences, and Arts and Philosophy The 2015 Autumn Special Exhibition, which displayed precious items of Yasaka Shrine, was held at The Kyocera Museum of Art Chinese elementary school and junior high school students were invited to Japan as the China Youth Japan Friendship Tour (a total of 30 visited Japan from Beijing and Tianjin) 	<ul style="list-style-type: none"> Kyocera will continue activities including the support of academic and research activities, support of cultural and artistic activities, and international exchange and cooperation

Corporate Governance

Corporate Governance and Internal Control Systems

The purpose of corporate governance and internal control in the Kyocera Group is to maintain management soundness and transparency, and to achieve fair and efficient management, through which we aim to realize the Management Rationale of the Kyocera Group. To establish a sound corporate culture, the Kyocera Group implements the following measures through the practice of the Kyocera Philosophy.



Corporate Governance System

1. Directors shall accommodate requests for reports by corporate auditors.
2. Internal audit departments shall provide regular reports to corporate auditors on the state of internal audits.
3. Establishment of the Kyocera Board of Corporate Auditors Reporting System to enable employees, suppliers, customers and other individuals or organizations associated with the Kyocera Group to report directly to the Board.
4. Corporate auditors have the authority to attend important meetings and to inspect important conference minutes, documents, contracts, etc. Corporate auditors may call for meetings with representative directors to exchange opinions concerning management of the Kyocera Group in general.

Internal Control System

1. Establishment of the Kyocera Disclosure Committee as a means for making timely and appropriate disclosure of management information outside the company.
2. Establishment of a Risk Management Division, as part of the Kyocera Group's risk management system.
3. Establishment of an Employee Consultation Hot-Line Center as part of the Kyocera Group's internal complaint system, where employees can report violations of laws, company regulations or other matters.
4. Introduction of an Executive Officer System to clearly delegate authority and related responsibilities; and construction of an effective and efficient business execution system.

Structure of Business Management

The Board of Directors

The Board of Directors of Kyocera is an organization to decide the important matters and to supervise the execution of businesses of the Kyocera Group as a whole. It consists of Directors including three Outside Directors. The Directors are nominated by the General Shareholders Meeting based on the proposal of candidates who have enough understanding of the Kyocera Group and with outstanding “personality”, “capability” and “insight” to engage in the management of the Company.

Besides, the Company adopts the Executive Officer system to facilitate the efficiency of the management of the Company. The execution of the businesses of the Company is undertaken by the Executive Officers under the instruction of the President and Representative Director of the Company. The President and Representative Director is nominated by the Board of Directors, which undertakes the management decision and supervision of the execution of businesses. The Representative Director directs the Executive Officers report the status of the execution of the businesses to the Board of Directors, and the Board of Directors makes sure that the businesses is efficiently executed. As such, the Company clarifies the responsibility and authority to achieve efficient management of the Company, and to realize the efficient functionality of appropriate corporate governance and internal control of the Company.

Kyocera has two Outside Directors. One of them is an Independent Outside Director. The other one, for who we have not given notice of independent director to the Tokyo Stock Exchange, nonetheless provides us with pertinent advice and supervision over the Board of Directors from an objective standpoint based upon plenty of experiences and appropriate expertise as a corporate manager.

Audit & Supervisory Board

Kyocera has Audit & Supervisory Board Members and Audit & Supervisory Board based on the corporate governance policy and the provision of its Articles of Incorporation which was approved by the General Shareholders Meeting. Audit & Supervisory Board Members include one full-time Audit & Supervisory Board Member originally an employee of the Company, one Audit & Supervisory Board Member who is familiar with the Company and who has plenty of knowledge and experience as an attorney-at-law, as well as two Outside Audit & Supervisory Board Members, who have plenty of knowledge and experience as an attorney-at-law or Certified Public Accountant. The Audit & Supervisory Board Members are conducting audits of the Company as a whole based on accurate information about the Company gathered from inside and utilizing a variety of view-points as an outsider of the Company. Audit & Supervisory Board Members are conducting audits pursuant to the audit policy and audit plan established every fiscal year. Moreover they attend the meetings of the Board of Directors and other important meetings, so that they have access to necessary information to conduct their task and they check the soundness of the management of the Company from various points of view.

The Kyocera Group Management Committee

Kyocera established “the Kyocera Group Management Committee” consisting of the Directors of the Company. The Committee examines not only the agenda of the meetings of the Board of Directors but also other important matters relating to the execution of the businesses of the Kyocera Group as a whole, and holds meetings every month regularly to secure the sound management of the Kyocera Group as a whole.

With respect to the nomination and remuneration of Directors and Audit & Supervisory Board Members, the Kyocera Group Management Committee and the Board of Directors examines them and receive advice thereon from the Outside Directors, so that the decision relating thereto shall be made in a fair and appropriate manner.

The Kyocera Disclosure Committee

Kyocera has established an organ known as the “Kyocera Disclosure Committee” which is primarily entrusted with the role of implementing the abovementioned fundamental policies of the Company for disclosure of corporate information. This Committee investigates all disclosure documents for the purpose of assuring the appropriateness of disclosures of corporate information, reporting the results of its investigations to the President and Representative Director and being the principal independent internal organ of the Company which educates Group companies concerning rules relating to disclosure and promotes appropriate disclosure of information for the entire Group.

Remuneration to the Directors

Remuneration to the Directors of Kyocera consists of two components, namely, “basic remuneration” and “bonus to Directors”. Basic remuneration is remuneration to be paid based on the responsibility of each Director and the amount shall be decided based on the importance of responsibility. Level of the amount to be paid to each Director shall be decided taking into consideration the amount of the remuneration of other companies doing similar businesses with the Company, provided that the total amount of basic remuneration to all Directors shall be 400 million yen or less per year. The bonus to Directors is remuneration linked with the performance of the Company. The total amount thereof to all Directors shall be 300 million yen or less per year, and besides, shall be 0.2% or less of the amount of net income attributable to shareholders of the Company for the relevant fiscal year. The amount shall be decided based on the contribution of each Director for the performance of the Company. Remuneration to the Audit & Supervisory Board Members of the Company consists of “basic remuneration” only to secure the neutrality of audit. The total amount of basic remuneration to the Audit & Supervisory Board Members shall be 100 million yen or less per year.

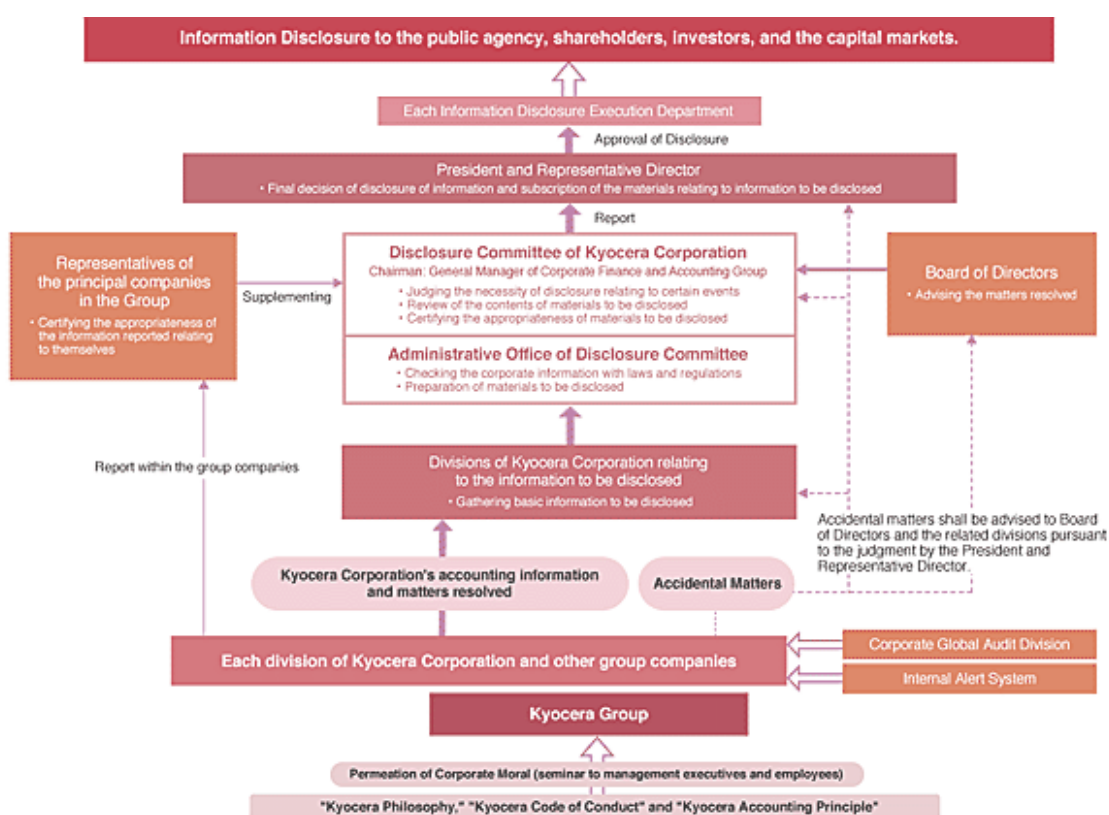
System for Internal Complaint Reporting to the Audit & Supervisory Board

In case employees find conduct that violates or is likely to violate the laws on accounting or matters related to auditing, such as illegal sale or transaction, or feel suspicious of any such conduct, they are encouraged to directly notify the Audit & Supervisory Board by e-mail or letter by means of the System for Internal Complaint Reporting to the Audit and Supervisory Board put in place for this purpose.

Fundamental Attitudes of Timely Disclosure

Kyocera, based on the ethical views appearing in “The Kyocera Philosophy,” believes that it is important to enjoy a high degree of trust from its shareholders, investors and other stakeholders. For this purpose, Kyocera recognizes that sincere efforts to provide timely and appropriate disclosure of corporate information are indispensable and has accordingly established the following basic policies toward the disclosure of information.

1. “With respect to the disclosure of information, it shall be our policy to disclose both favorable information and unfavorable information timely in an equal and accurate manner.”
2. “With respect to the disclosure of information, it shall be our policy to disclose information without delay and in a fair manner, with no bias towards the domestic or foreign, and without preference towards specific persons.”



Corporate System for the Timely Disclosure

Internal Control Audits of the Kyocera Group

As Kyocera is listed on the New York Stock Exchange, the company is subject to Section 404 of the Sarbanes-Oxley Act. Section 404 requires business operators to construct and maintain internal control systems relating to fiscal reporting. Section 404 assesses the effectiveness of internal control systems through internal audits based on internal control evaluation criteria.

Respect for Human Rights and Diversity

Respect for Human Rights

Aside from compliance with the laws of individual countries, the Kyocera Group implements measures in accordance with the United Nation's Universal Declaration of Human Rights, the Fundamental Human Rights Convention by the International Labor Organization (ILO) and other international conventions. The Kyocera Group joined the United Nations Global Compact, a global platform setting out 10 fundamental principles relating to human rights, labor, environment, and anti-corruption, out of agreement with the main purport of the Compact. The Kyocera Group established the Kyocera Group CSR Guidelines and explicitly prohibits the use of forced labor and child labor as well as discriminatory treatment on the basis of gender, age, beliefs, nationality, physical features, etc. The Kyocera Group is also working to prevent power harassment and sexual harassment in the workplace. In addition, the Kyocera Group endeavors to exchange views and share information with employees through organizations such as labor unions and workplace associations. The Kyocera Group promotes development of a comfortable work environment that fosters motivation.

Measures Relating to Human Rights and Labor

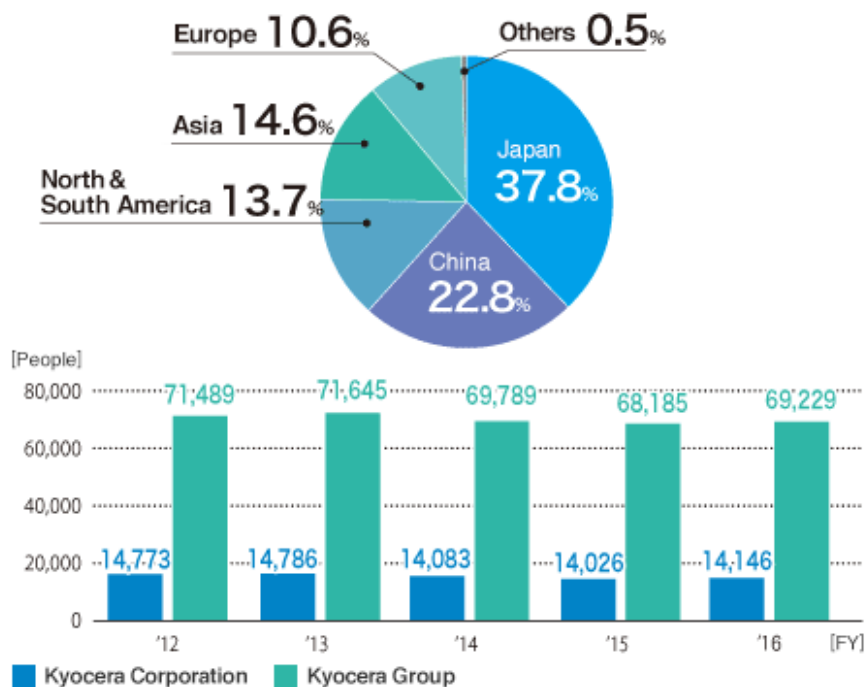
To raise employee awareness concerning human rights and labor, time at morning meetings in Kyocera is set aside for announcements on matters requiring compliance in the workplace. Reading in turn about related issues from the Kyocera Employee's Action Guideline, which is distributed to all employees, is also an ongoing activity. In addition, human resource departments undertake independent checks for legal violations such as discrimination, appropriate payment and working hour management according to labor-related laws and regulations, in-house rules, and labor agreements with unions. Auditing departments also carry out audits regularly to ensure thorough legal compliance.

Respect for Diversity / Work-Life Balance

Adapting to Globalization

Since Kyocera's first overseas office was established in 1968 (U.S.A.), localization has been the basic principle of recruitment. The Kyocera Group has always tried to appoint local employees to management positions. Kyocera directly employs students who graduate from Chinese universities and graduate schools from the viewpoint of the employment and development of personnel who will lead our global development in the future. We will also continue to employ foreign students studying in Japan.

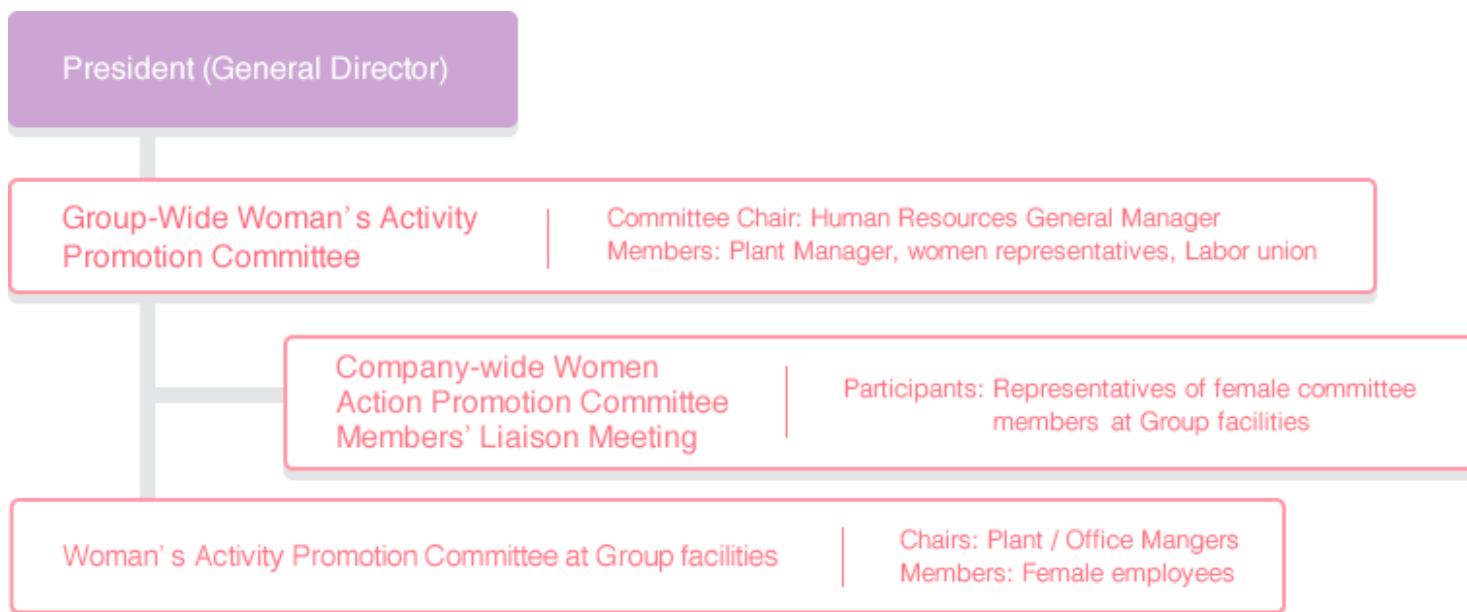
Ratio & No. of Employees by Region (as of March 31, 2016)



Promoting the Careers of Women in the Workplace

Kyocera views the promotion of women's advancement as an important management issues and started efforts in 2006 with the President as the general supervisor. Kyocera actively promotes the creation of a workplace environment that helps a variety of human resources maximize their performance through the promotion of women's advancement activities and ultimately aims to improve corporate competitiveness.

Kyocera(in Japan) sets two specific numerical goals to further promote the careers of women in the workplace in FY2016. They are to "increase the number of woman employees whose position is section manager or higher to 60 by 2020" and "maintain the ratio of women employed by the 'regular university graduate recruitment system' at 20% in and after 2017." Toward these goals, Kyocera is taking various actions.



Organization System

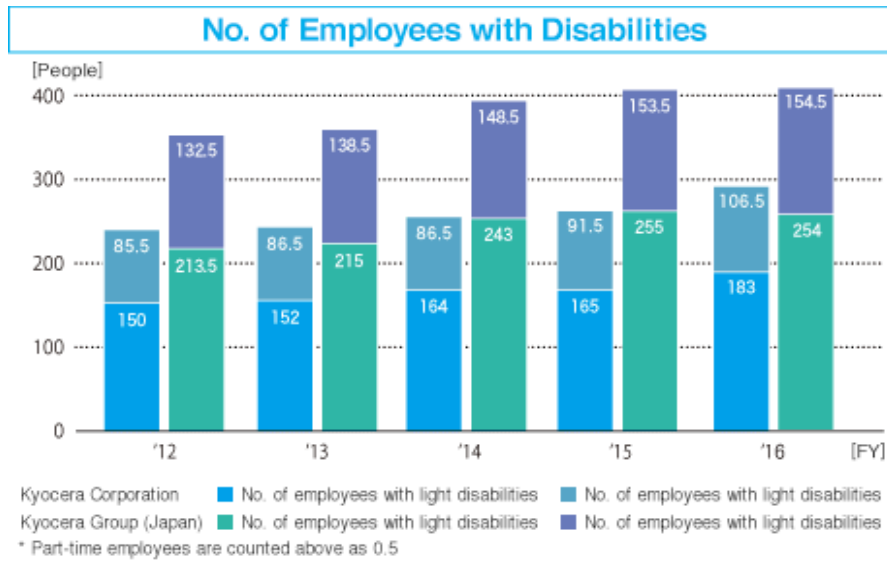
■ Major Actions in FY2016

Action sites	Action details
Hokkaido Kitami Plant	· Workshop held for employees on childcare leave about return to work
Nagano Okaya Plant	· A brochure on the support systems was prepared, and the information is available in digital format on the intranet · The same brochure is distributed to employees who are going to have children, and the explanation is provided to individual employees
Shiga Yasu Plant	· “Manager fostering” seminar held to develop senior or managerial employees who can understand the various ways of working of junior employees under them and create a lively working environment
Shiga Gamo / Shiga Yohkaichi Plant	· Lectures delivered in a seminar held by the labor union for the purpose of providing employees with an opportunity to think about a two-income family · Career design training held
Headquarter	· Exchange meetings for employees engaged in childcare · Career design training held
Osaka Daito Office	· Intranet opened in the office to provide information on “creating a better working environment”
Kagoshima Sendai Plant	· Training held with female role models speaking about episodes of their experience
Kagoshima Kokubu Plant	· Note exchange meetings for female employees held

Employing People with Disabilities

Kyocera focuses on hiring people with disabilities and continuing their employment. Employees with disabilities hired by Kyocera are assigned appropriately so that their jobs and workplaces match their aptitudes. Work environment improvements for employees with disabilities also continue, including elevators and bathroom facilities that are accessible to employees in wheelchairs and braille plates installed at various places to support visually impaired employees. In addition, we provide health care support with the help of occupational health physicians. These fine-tuned responses also help create an attractive work environment for people with disabilities.

The rate of employees with disabilities at Kyocera as of March 2016 is 2.08%. Kyocera intends to actively employ people with disabilities according to specific action plans developed to enhance the rate of employees with disabilities.



One Approach

■ Employing People with Disabilities (Japan)

Shiga Yasu Plant promotes cooperation with schools for people with disabilities in the prefecture as part of the Plant's effort to reinforce connection with local society. In 2015, the Plant provided tours to production lines where Kyocera employees with disabilities work or hands-on lessons on themes such as solar cells so as to provide the students with disabilities opportunities to learn in what working environment we conduct our work. The Plant is also recognized for its series of activities on employment of people with disabilities and received the commendation from the Governor of Shiga Prefecture as a Challenged Work Promotion Establishment that actively and enthusiastically cooperates with promotion of employment of people with disabilities.



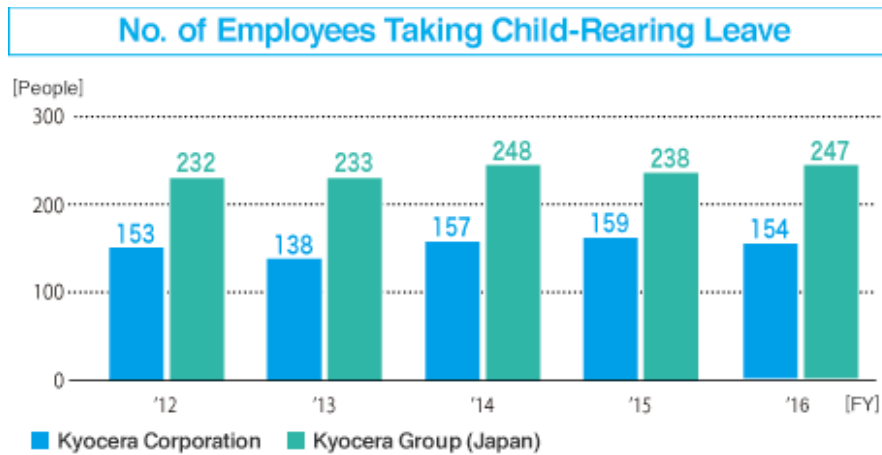
Children with disabilities participate in the lesson

Measures for Child-Rearing and Nursing Care

The Kyocera Group (Japan) introduced the Child-Rearing Leave System, which helps female employees to both work and fulfill their family lives, and in FY2016, a total of 247 female employees used the system. Kyocera has a shortened workday system available for pregnant employees and employees rearing children up to third graders of elementary school. As of March 31, 2016, 272 employees use this system.

Kyocera's support for nursing care is a nursing care leave system that allows employees to take a maximum of one year off work, the benefit surpassing legal requirements. In order to reduce employees' concern about fulfillment of both career and nursing care responsibilities, Kyocera provides necessary information to them through publication of the Guidebook for Balancing Career and Nursing Care and holding of seminars.

As a result of the environmental improvement for balancing both responsibilities, Kyocera was granted certification of standard-compliant general enterprise as per the Act on Advancement of Measures to Support Raising Next-Generation Children by the Health, Labour and Welfare Ministry in 2014.



■ Examples of the systems for supporting a balance of career, childrearing and nursing care

	System	Description
Childrearing	Child-Rearing Leave System	Applicable until one day prior to the first year birthday of a child. Extendable until the child reaches 18 months of age depending on the situation.
	Shortened Workday System	Applicable during pregnancy or the child finishes schooling of the third grade of elementary school. Working hours can be shorted by up to two hours a day.
	Subsidizes use of a baby-sitter	Applicable until the child finishes schooling of the third grade of elementary school. Maximum annual subsidy per child is 200,000 yen.
	Child Care Vacation	Up to five days per year per child providing the child is younger than elementary school age. 10 days for two or more children. Half-day leave may also be obtained.
Nursing care	Family Nursing Care Leave	Total of one year per family member who needs nursing care.
	Working hours can be changed to match needs for nursing care.	When nursing care leave is not obtained, the work start time may be advanced or delayed within one year period.
	Family Nursing Care Vacation	Up to five days per year per family member who needs nursing care 10 days for two or more children. Half-day leave may also be obtained.
Others	Comeback Entry System	This system allows employees, who once left Kyocera for reasons such as childrearing, nursing care, or other personal reasons, to reenter Kyocera. Former Kyocera employees are eligible for this system within 7 years after their departure. When a former employee applies for re-entry, Kyocera's job openings and the applicant's desire will be reviewed for appropriateness, and his/her re-employment will be approved if they are matched.

Approaches to Stimulating Communication

Holding Company Events & After-Work Social Gatherings (“Compa”)

The Kyocera Group believes it is necessary to maintain family-like relationships of trust among employees, and thus considers company events and “compa” to be very important. Kyocera Group “compa” are not simply social gatherings, they are opportunities for interaction aimed at strengthening mutual understanding on reaching specific objectives. This understanding can be attained, for example, by deepening discussion on work-related issues, and by participants declaring their goals. At company events or “compa,” employees can deepen communication with executives and managers, get to know co-workers in other departments better, and deepen mutual relationships and ties.

Approach to Labor-Management Relations

At Kyocera, great emphasis is put on building relationships based on trust and heart-to-heart bonds among employees. Labor-management relations at Kyocera go beyond the generally accepted idea of harmony between management and labor. At Kyocera, the basis of the relationship is “coaxial labor and management,” where perspectives are shared on the same level. We carry out sports meets, summer festivals and many other kinds of events that stimulate and sustain such relations through unity. In Europe, the U.S.A., China and other countries, Kyocera continues to maintain appropriate labor relations via thorough labor-management consultation in accordance with labor laws of individual countries. Labor and management on the same axis is the key for successful labor relations. Maintaining this stance will help to resolve problems in the workplace and keep the company on the path of sustainable development.



Athletic meet (Vietnam)

One Approach

■ Regulations Review Project

The Regulations Review Project, undertaken jointly by labor and management, was launched in 2005. Employees' needs and lifestyles become diversified along with changes in the social climate. Labor and management are therefore working together on checking systems and standards, to ensure they are always appropriate, fair and impartial.

■ Labor and Management Exchange Conference

Meetings of labor and management representatives are held each month in Kyocera plants and offices. The purpose of the meetings is to verify working conditions for employees and the workplace environment, and to actively exchange views on matters needing improvement, among other issues.

■ Kyocera Group Sports Festival

The Kyocera Group Sports Festival is co-sponsored by labor and management in the Kyocera Group to enhance cohesion and relationships of mutual trust throughout the Group via games and victory celebrations. In 2015, the 36th year of the Festival, 34 teams, which had won preliminary tournaments at each of Kyocera's plants and offices and domestic Group companies enthusiastically competed against each other at the Kagoshima Kokubu Plant.

Measures for Raising Workplace Vitality

The Kyocera Group (Japan) regularly conducts an awareness survey of all employees. The survey focuses on topics such as the level of satisfaction with work and the workplace environment, the management situation, the sense of trust in the company, and suggestions for improvements. Responses from each organizational unit are analyzed, enabling diagnosis of “vitality level” in each workplace. In 2012, the survey was expanded to include Group companies in Japan. Results of analyses are compiled into a reference index. The index is then used in improvement activities centered on workplace leaders to achieve higher vitality levels in each workplace.



2014 workplace vitality diagnosis results (Kyocera Group in Japan)

Cultivation of Human Resources

Systems for the Cultivation of Human Resources

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

Kyocera helps employees grow based on the following system:



Structure of the Human Resource Development System

One-to-One Guidance System

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



STEP

Based on the idea that employees grow steadily step by step as if they go up the stairs and move to the next level, Kyocera established the STEP system for new employees up to the fifth year of employment to support the growth of younger employees. When there are regular opportunities for communication between subordinates and supervising employees, young employees are encouraged to talk about their thoughts and ideas with their supervisors, and the supervisors listen to them and share their thoughts. This creates a feeling of oneness among all employees, which then helps support the growth of young employees.

Skill Development Support System for Engineers

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

Challenge System

Kyocera also has another system for human resource development, the Challenge System. It allows the sharing of employee work targets with supervisors and improves employee capabilities through interviews with supervisors. This helps employees understand their roles and encourages them to work proactively on their job and skill development. It also aims to create a working environment where every employee can work actively and brightly. Supervisors, by heeding subordinate feedback, endeavor to improve the ability of the organization to reach goals and succeed in business.

Internal Placement Application System

Kyocera's Internal Placement Application System was established to provide employees with information on departments that need personnel immediately, from the corporate viewpoint, for example, due to the start of a new project or expansion of an existing business. Since this system provides employees with various opportunities that allow them to experience different positions at their own will, it serves as an effective means of support for employee career improvement. The optimal assignment of personnel is also another important goal for the company.

Human Resource Education

The Kyocera Group provides human resource education aimed at improving both theoretical and practical aspects of education, understanding and practice of the Kyocera Philosophy and mastering of the specialized knowledge and skills necessary to execute work. Kyocera thus endeavors to optimize human resources who can help us achieve the Management Rationale by providing a variety of education programs based on the education system composed as follows for each objective:

Training Type		Top Management	Mid-Level Employee	Employee	Part-Time Employee
Philosophy Education	Japan	Philosophy Education each Department, Site or Group Company			
		Leader Education			
		Philosophy Workshops			Part-timer Workshops
	Outside of Japan	Philosophy Education by each Group Company			
		Global Philosophy Seminars			
Management Education		Plant Manager & General Office Manager Training Sales Office Manager Training Training for Department Managers Training for Team Leaders HA* Training Executive Promotion Training Deputy Manager Promotion Training Deputy Super-intended Promotion Training		General Skills Training	
Technical Training		Mid-Level Engineer Training	Specialized Technical Training	Basic Technical Training Sales Training for New Employees	
Global Education			Overseas Training System Training for Employees Going on Overseas Assignment		Training for Improvement of Basic English Skills

*Human Assessment

Human Resource Education System

Education Results in FY2016

	Management Education	Technical Training	Global Education
No. of Course Participants	2,389 people	3,577 people	440 people
Average Annual Training Hours Per Employee	2.5 days	1.5 days	2.5 days

Management Education

Kyocera provides training to supervisors — the leaders of the organization — to develop executives with advanced management capabilities. In addition, Kyocera aims to improve employees’ management capabilities by providing the training to employees necessary in each stage of their career development, from the time of entry into the company to mid-level and executive positions, so that they can learn the skills and knowledge required to fulfill their tasks on a step-by-step basis.

Technical Training

It is Kyocera's goal to develop human resources with a wide range of basic knowledge and advanced expert knowledge in all departments, including engineering, R&D, manufacturing, quality assurance, sales and management. Specific training programs include Basic Technical Training for first year employees, Specialized Technical Training mainly for young engineers, and Mid-Level Engineer Training for mastery of technical management. The training curriculum covers a wide range, such as materials technology, manufacturing technology, production technology, and quality control. Kyocera employees can take the training necessary for their assignments under this training system.



Technical training

Global Education

Kyocera has an Overseas Training System and Overseas Graduate School Study System in order to cultivate human resources who can function on the global stage. First established in 1984, these systems have sent many employees to various regions around the world, including Europe, China, Southeast Asia, and India as well as the U.S.A. Kyocera is thus promoting the cultivation of employees with improved language skills, the ability to obtain up-to-date knowledge and technology that can only be acquired abroad, as well as the development of internationally minded employees.

As part of training to improve employees' basic English capabilities, Kyocera provides English learning support to aid the achievement of a minimum score of 600 points on the TOEIC English test.



Overseas training



English education

Building a Safe & Secure Work Environment

Occupational Health & Safety Policy

The Kyocera Group aims to create an accident-free and disaster-free workplace environment where everyone can work safely and with peace of mind.

1. To maintain and improve the level of employee safety and health, the Kyocera Group abides by relevant laws and regulations and establishes and operates internal standards that are stricter than the relevant laws and regulations.
2. The Kyocera Group establishes organizations to effectively promote occupational health and safety activities, and clarifies the functions and responsibilities of those organizations. At the same time, all employees continue to receive necessary and sufficient education and training needed for operation of an Occupational Health & Safety Management System.
3. The Kyocera Group is building and implementing an Occupational Health & Safety Management System, and continually aims to raise the level of occupational health and safety.
4. The Kyocera Group is building and implementing an Occupational Health & Safety Management System, and continually aims to raise the level of occupational health and safety.
5. The Kyocera Group is strengthening mental health care through activities for advancing the mental health of employees.
6. The Kyocera Group actively participates and cooperates in governmental and local activities relating to occupational health and safety.

Approaches to Occupational Safety and Health / Fire and Disaster Prevention

The Kyocera Group has in place a safety and disaster prevention management system for Group companies in and out of Japan based on the Occupational Safety and Health Management System (OHSAS18001) and promotes actions to ensure occupational safety and health. In Japan, Kyocera conducts continuous improvement activities by identifying problems to tackle based on the risk assessment, taking actions to solve them, and conducting audits at various sites. In FY2016, Kyocera checked safety-related conditions and identified risks hidden in work at all plants of the Group companies in Japan with the manufacturing departments and safety and disaster prevention departments again working hand in hand. Outside Japan, Kyocera promotes further enhancement of management level through holding safety and disaster prevention meetings and site visits so as to prevent occupational accidents.

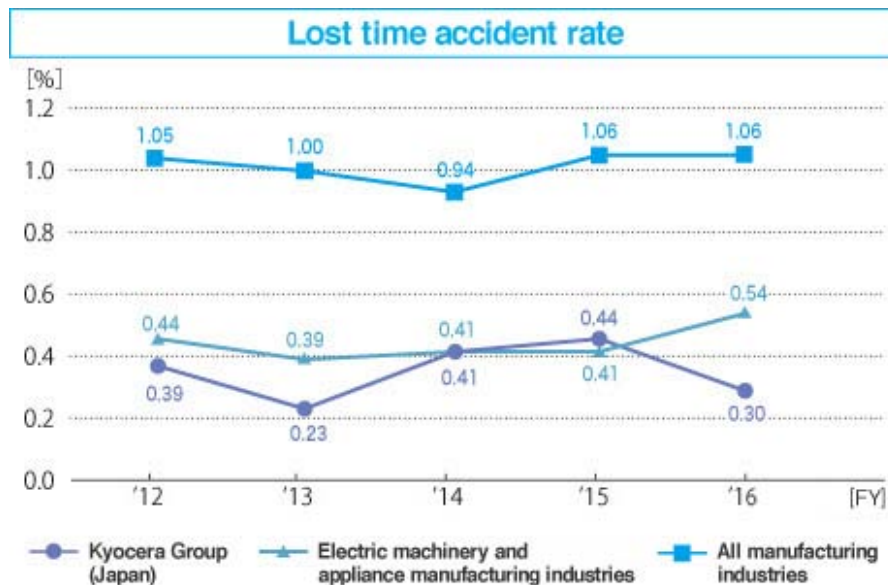


Checking equipment and its condition at a manufacturing site (Shiga Gamo Plant)

Changes in lost time accident rate of the Kyocera Group (in Japan)

The lost time accident rate* of the Kyocera Group (in Japan) in FY2016 was 0.30, lower than the average of all manufacturing industries and electric machinery and appliance manufacturing industries. We are committed to taking actions to reduce occupational accidents.

* Lost time accident rate: The number of casualties, which caused more than missed work, that occur per one million working hours. It indicates the frequency of accident occurrence.



* The lost time accident rates of all manufacturing industries and electric machinery and appliance manufacturing industries are based on the data of the Ministry of Health, Labour and Welfare.

* Lost time accident rate: No. of afflicted persons/1 million hours

* The number of days of missed work is as per the standard of the Ministry of Health, Labour and Welfare.

* Annual data are used for the accident rates of the Ministry of Health, Labour and Welfare. (One or more days of missed work)

* Annual data are used for the lost time accident rate of the Kyocera Group (in Japan). (One or more days-off)

One Approach

■ Holding of Safety Meeting

Kagoshima Sendai Plant invited lecturers from the Labor Standards Inspection Office and the Fire Department and held a safety meeting. Staff In-charge of the environmental safety department and managers of each department participated in the meeting and learned various case examples and measures taken with respect to safety and disaster prevention for enhancement of safety and disaster prevention awareness.



Safety Meeting (Kagoshima Sendai Plant)

■ Governor's Commendation Granted as an Excellent Site about Handling of High-pressure Gas

The Tamaki Plant of Kyocera Document Solutions Inc. was awarded a commendation by the Governor of Mie Prefecture as an excellent site about handling of high-pressure gas. This is the result of evaluation of the various actions of the Plant, including maintenance of equipment as per the High Pressure Gas Safety Act, acquisition of qualifications of maintenance staff, active promotion of education and training to maintenance staff, and appropriate response to newly enacted Act Concerning the Discharge and Control of Fluorocarbons.



Awarding ceremony
(Tamaki Plant, Kyocera Document Solutions Inc.)

■ Holding of Night-time Drill

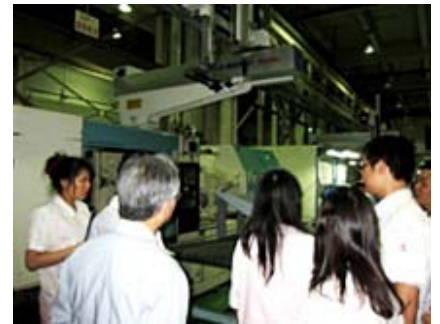
The Nagano Okaya Plant holds disaster prevention drills in the night-time to develop the capability of ensuring employee safety even if a disaster occurs at off times. The major program of the drill is that employees look for an afflicted site in response to an emergency call made following a simulated situation where somebody needs rescue at a site, and then complete the rescue. The purpose is to enable employees to swiftly act at the time of disaster occurrence.



Drill in the night time (Nagano Okaya Plant)

■ Visit to the Plant by the Safety and Disaster Prevention Departments

The safety and disaster prevention departments of Kyocera Document Solutions Inc. take the initiative and visit plants in China and Vietnam, two major manufacturing regions. In this visit, they identify hidden risks with the local safety and disaster prevention staff, discuss measures to take in such situations, and improve the working environment where employees can work safely and securely. The effort is ongoing to periodically check locations that need response and reduce occurrences of accidents.



Plant visit (China)

Actions for Health Enhancement

The Kyocera Group is undertaking various measures to raise awareness of health among all employees and support health in body and mind. At Kyocera, ongoing measures include the assignment of occupational health physicians specializing in mental health at offices, the use of consultants in and out of the company, the study of mental health measures at the In-house Occupational Health Physicians' Meeting, and the introduction of a rehabilitation work system.

Holding of In-house Occupational Health Physicians' Meetings

Kyocera holds In-house Occupational Health Physicians' Meetings twice a year, at which in-house occupational health physicians assigned to Kyocera sites gather to improve the level of health management operations. Participants in the meetings share measures and problems concerning health management and discuss improvement measures and solutions for the future. Representatives of human resources and safety and disaster prevention departments and the health insurance union also attend the meeting. All of these departments and stakeholders combine forces to solve problems and actively promote the health care of employees.

One Approach

■ Health Osaka 21 Promotion Citizens' Council Chairman Award (Grand Prize) Granted

Kyocera Document Solutions Inc. won the Health Osaka 21 Promotion Citizens' Council Chairman Award (Grand Prize) of the First Osaka Health Promotion Award sponsored by Osaka Prefectural Government (Japan). They take various actions to enhance employees' health awareness, with every September designated as health month. Specific actions include measurement of lung age, quit smoking challenges, everyday weight measuring campaign, and diet seminars. The company also holds sports events and athletic meets to encourage employee fitness and improve communication among coworkers. Those health promotion activities were evaluated in this award.



Health Osaka 21 Promotion Citizens' Council Chairman Award (Grand Prize) Granted

Deployment of Kyocera Perfect 5S Promotion Activities

The 5S system (“Seiri”: Sort / “Seiton”: Set in Order / “Seiso”: Shine / “Seiketsu”: Sanitize / “Shitsuke”: Sustain) is at the heart of work. Efforts by the Kyocera Group to implement the 5S system perfectly are called Kyocera Perfect 5S Promotion Activities. They are being introduced globally.

At each worksite, employees regularly evaluate the degree of 5S achievement using a check list common in the entire company. This activity makes employees take points to improve as their worksite task and involves all members as the main players for improvement. It is a rule that evaluators are those who completed 5S training and passed the test so as to prevent evaluation inconsistency and ensure judgment from a more objective viewpoint.

Through these activities, Kyocera aims to create a working environment that allows every employee to work in a safe and secure atmosphere and help every individual employee greatly improve their 5S awareness and upgrade their sensitivity.



Skill test of training for 5S evaluators
(Toyama Nyuzen Plant)

Kyocera Group Environmental Management

Since foundation of the company, based on the corporate motto “Respect the Divine and Love People,” the Kyocera Group has focused all corporate activities on three pillars of coexistence (Living Together): Coexisting with Our Community, Coexisting with Global Society, and Coexisting with Nature. The entire Kyocera Group is committed to environmental management and aims for sustainable corporate development while striving to combine the goals of ecology and economy. The Kyocera Group handles many chemical substances during production processes, such as raw materials and chemical agents for fine ceramics. Regarding treatment of waste water from factories, our policy is to purify discharged water to a state cleaner than the water system into which it is to be released.

It is Kyocera Group policy to render any industrial waste as harmless as possible by using the latest technology.

Based on this concept, the Kyocera Group enacted the “Kyocera Environmental Charter” in 1991, the company’s basic philosophy regarding the environment. Kyocera established its “Environment Vision 2020” in order to embody the Kyocera Environmental Charter and define the company’s stance on a long-term basis up to 2020. As a yearly goal to achieve this vision, Kyocera has formulated the “Kyocera Group Global Environmental Policy.”



Kyocera Environmental Charter

Based on the concept of “Coexistence (Living Together),” the Kyocera Group established the Kyocera Environmental Charter, which provides for comprehensive measures on environmental protection, development of environmentally friendly products, energy conservation, climate change prevention, resource conservation, waste reduction, proper management of chemical substances, and biodiversity protection in order to create a low-carbon producing society, recycling society and a society in harmonious coexistence with nature.

Environment Vision 2020

The Kyocera Group has established the Environment Vision 2020, which clarifies the goals to be achieved by 2020 in order to work on environmental management aimed at sustainable growth while satisfying both ecology and economy demands.

Kyocera Group Global Environmental Policy

The Kyocera Group has established the Kyocera Group Global Environmental Policy, which sets yearly targets to be attained in the four areas of greenhouse gases, energy, water, and industrial waste.

In all production sites, the greenhouse effect gas emissions, energy consumption, water consumption, and industrial waste discharge will be reduced by 1% or more from a year earlier in terms of energy consumption unit improvement rate.

Kyocera Environmental Charter

Established: October 1, 1991

Revised: June 1, 2013

I. Preface

Technological progress and economic development in industrialized countries have given rise to affluent societies with high standards of living. At the same time, they have led to the mass consumption of natural resources and mass discharge of chemical substances — which, in turn now threaten to escalate environmental pollution and destroy the Earth's ecosystem. In addition, explosive population growth and widespread poverty in developing countries have aggravated these environmental problems with large-scale deforestation. The social and economic activities of both advanced and developing countries are intertwined, and with all parties intent on greater material consumption, nature's recuperative powers have been exceeded. As a result, the Earth's natural regenerative mechanism has been damaged on a global scale.

One of our major premises up to this time — that the Earth's ecosystem is infinitely large — is now being rejected in favor of the idea that the Earth is a closed ecosystem. Such a change in view affects the very foundation of humankind's existence and demands a re-evaluation of the quality and quantity of the products used by humankind. This, in turn, will lead to a fundamental change in the industrial / technological system within which such products are manufactured.

In the course of history, humankind has witnessed three eras of rapid development: the Agricultural Revolution, the Industrial Revolution and the Information Revolution. It is generally felt that the current environmental movement will someday be regarded as humankind's fourth era of rapid development: the Environmental Revolution.

Our future thus requires new policy goals. These should state that development and economic growth may be pursued only when proper consideration is given to the balance between nature and society and environmental conservation. While an individual's impact may be small, the cumulative result from a rapidly expanding population could cause complete environmental destruction.

Therefore it is essential to establish a basic philosophy of coexistence and co-prosperity between developed and developing countries, between business and government, and between individuals and societies. All must be viewed as participants in the stewardship of "Mother Earth," not as opposing forces with conflicting interests.

The greatest responsibility for promoting the Environmental Revolution lies with the advanced countries. In particular, businesses in such countries play a vital role, as they possess production technologies and are directly engaged in industrial activities.

II. Basic Philosophy

In accordance with our corporate motto — “Respect the Divine and Love People” — since its foundation, Kyocera has adhered closely to its 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.” We strive to conduct business in harmony with the life-giving force of our universe. Kyocera had early insight into the mindset that today's global environmental problems make demands of every business enterprise. This mindset implies that business should uphold the dignity of humankind and contribute to the sustainable development of society.

Based on the management rationale stated above, the Kyocera Group adopts comprehensive measures for the creation of a low-carbon producing, sustainable society — a society which exists in harmony with nature — and will further heighten our goals towards environmental protection, development of environmentally friendly products, energy conservation, climate change prevention, resource conservation, waste reduction, proper management of chemical substances, and biodiversity protection in order to make proactive and continuous contributions to environmental preservation.

III. Basic Policies

In the course of business activities, the Kyocera Group will take a serious view of global environmental protection adhering closely to the Company's basic philosophy, stated above, and will emphasize the following points:

1. Adhering to internal environmental standards that make global environmental protection our first priority;
 - (1) In order to minimize impact on the natural environment and any harmful effects on the ecosystem, Kyocera will establish and comply with internal standards which are more stringent than those specified by applicable international agreements and national laws local regulations where the Company's facilities are located.
 - (2) At all levels, Kyocera will scientifically study and evaluate the effects of business activities on the environment, and then take the necessary protective measures.
2. Kyocera will strive for the development of environmentally friendly products in two categories;
 - (1) Kyocera will increase its research and development of Products for Environmental Improvement that make a positive contribution to the enhancement of the global environment, and strive to spread the use of such products.
 - (2) Kyocera will increase its research and development of Environmentally Gentle Products that have a lighter burden on the environment at each stage of production, sales, distribution, consumption and disposal and strive to spread the use of such products.
3. Most efficient utilization of resources and innovation of processing technologies;
 - (1) Kyocera will develop processing technologies and production facilities that have maximum resource and energy efficiency. At the same time, the Company will aim to reduce raw material and chemical consumption in all processes.
 - (2) Kyocera will promote internal energy conservation activities, such as more efficient use of electricity and fossil fuels, the introduction of high efficiency equipment, and the reutilization of waste heat. At the same time, the Company will promote measures for climate change prevention.
 - (3) Kyocera intends to purchase recyclable materials which contribute to resource conservation while maximizing resource efficiency by establishing recycling systems for wastewater and waste materials. The Company will take aggressive steps to reduce the volume of and decontaminate all waste.

-
4. Enhancement of environmental communication, participation in, and support for social contribution activities.
 - (1) Kyocera will pursue education to improve employees' environmental awareness and thus promote participation in environmental preservation.
 - (2) Kyocera will broadly establish cooperative relationships with local communities, municipalities and business partners to promote positive environmental communication.
 - (3) Kyocera will promote the “greenification” (tree-planting) of its facilities in an organized effort to create grounds which are lush and inviting. At the same time, the Company will participate in and support social contribution activities.

IV. Promotion Organization

1. Kyocera will establish and operate an environmental management system based on ISO14001 standards, and continuously expand environmental preservation activities.
2. To ensure compliance with legal and governmental environmental regulations, and internal environmental standards, an internal review group will conduct audits on both a regular and an as-needed basis.
3. The Environmental Management Division, facility manager and environmental specialists will implement an independent auditing system regarding environmental protection at each of its business locations.

V. Application

The Kyocera Environmental Charter will be applied to companies within the global Kyocera Group.

Environment Vision 2020



For the Kyocera Group, harmonious coexistence (Living Together) is the underlying foundation of all our business activities as we strive for sustainable development through environmental management. Based on a global environmental management system (Green Management), we strive for ecological and economic compatibility in three areas: Green Products, Green Factories, and Green Communication

1. Contribute to realization of a low-carbon society

Targeting a Low-Carbon Society Contribution Factor of 3 (Contribution Volume / Emission Volume) by maximizing the reduction of greenhouse gas emissions through energy creation, and suppressing greenhouse gas emissions in business activities.

2. Contribute to realization of a recycling-based society

Contribute to realization of a society with sustainable recycling of resources by reducing the volume of new resource input and minimizing waste.

3. Contribute to realization of a society coexisting with nature

- (1) Advance conservation of biodiversity by minimizing negative impact on the natural environment, as well as protecting and nurturing the natural environment.
- (2) Contribute to cultivation of an environmentally conscious society, through environmental communication with various stakeholders and environmental awareness activities.

Commitment to Achieving a Low-Carbon Society

In addition to targets for reducing greenhouse gas emissions from business activities, the Environment Vision 2020 establishes a benchmark in aiming for realization of a low carbon society. Named the Low-Carbon Society Contribution Factor, this benchmark gives an overall assessment of the volume of contribution to greenhouse gas reduction through use of Kyocera Green Products.

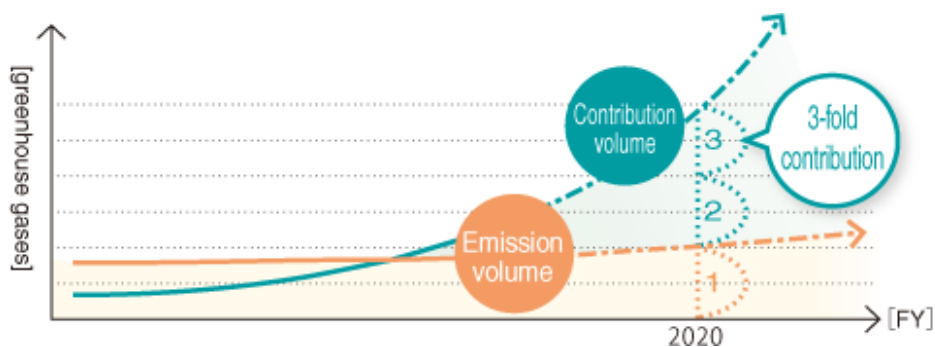
Low-Carbon Society Contribution Factor Calculation Method

$$\text{Low-Carbon Society Contribution Factor} = \frac{\text{Volume of contribution to greenhouse gas reduction}^*}{\text{Volume of greenhouse gas emissions}}$$

*The volume of contribution to greenhouse gas reduction is obtained by converting the volume equivalent to the energy creation effect into the greenhouse effect gas, in which the photovoltaic systems produced and marketed are assumed to continue power generation for 20 years. The emission coefficient used in conversion is set to 0.360 kg-CO₂/kWh from 2010 to 2011 and 0.505 kg-CO₂/kWh from 2012 to 2015 (based on the Industry's Voluntary Rule on Indication of the Japan Photovoltaic Energy Association).

Result of Low-Carbon Society Contribution Factor

FY	'11	'12	'13	'14	'15	Target
Factor	1.04	1.47	1.70	2.14	2.85	FY2020: 3.00



* For this page only, fiscal years (FY) are counted in the style of Japan, where the fiscal year is represented by the year in which it begins (April 1).

Participation in the Low-Carbon Society Action Plan

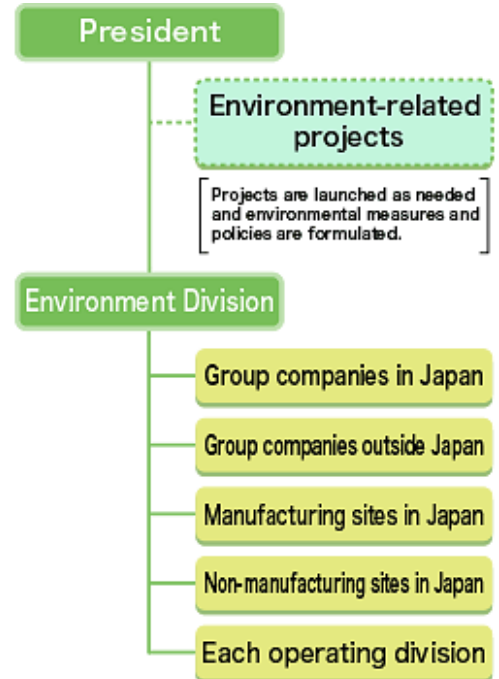
Kyocera participates in the electric and electronic industries' Low-Carbon Society Action Plan to fulfill our contribution to the realization of a low-carbon society. To be specific, what we attempt to achieve by 2020 includes reductions in CO₂ emissions by 1% annually on average in energy basic units and reductions in CO₂ emissions in products. Our efforts are in concert with the industry's commitment to climate change prevention.

Green Management

Environmental Management Promotion System

The Kyocera Group formulates environment-related policies and measures through reviews and discussions in the Planning and Policy Division, Environment Division and other related divisions with the President as leader. Environment-related projects are set up whenever required to take on any environment-related challenges and resolve outstanding issues.

A separate organization has been established with the Environment Division playing a central role so that Kyocera can continue activities for environmental protection. Specifically, the contents of the Kyocera Group Global Environment Policy are assimilated into our environment management system based on ISO14001 and managed through the monthly PDCA process.



Environmental Management Promotion System

Environmental Education

The Kyocera Group provides systematic environmental education to help all employees understand the significance of environmental protection activities and their roles in them. Specifically, environment education is divided into general/awareness education and special education and is provided to employees systematically depending on their rank and occupation so as to improve environmental awareness.

		Top Management	Mid-level Employee	Employee	Part-time Employee
General / Awareness		Employee magazine, Web site, various monthly activities, etc.			
Specialty	Hierarchy	Plant Manager & General Office Manager Training	Sales Office Manager Training	Supervisory / Leader Skills Training	Education for new employees
	Function	Education for environmental safety directors	Education for department managers	Education for environmental enhancement leaders	Education for environmental enhancement personnel
	Technique	Education for environmental safety managers			Education for personnel in charge of environmental safety divisions
	Certification	(Other: Education for employees of in-plant resident companies, education for vendor companies)			
		Education for personnel engaging in specific environmental jobs			Basic environmental technology program
		Education for chief internal environmental safety auditors	Education for internal environmental safety auditors	Training of lecturers for "Eco-Lessons"	

Efforts to Improve Employees' Environmental Awareness

The Kyocera Group sets a specific period in which environmental protection activities such as energy conservation are conducted intensively so as to improve awareness of the environment and enhance environmental conservation activities at plants and offices.

In Japan, the months from June to September were designated "Summer Eco Challenge 2015" as a movement to intensify efforts for energy saving during summer. Kyocera conducted various activities during this period, including a "Green Curtain" and Environmental audit.



Poster of Eco Challenge 2015

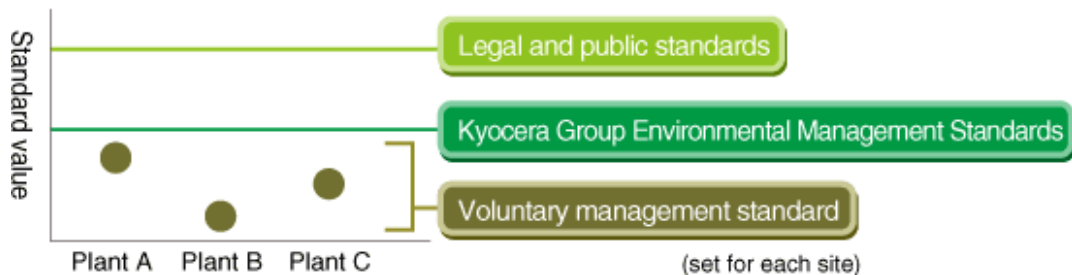


Holding of the Environment Event (U.S.A.) 2015

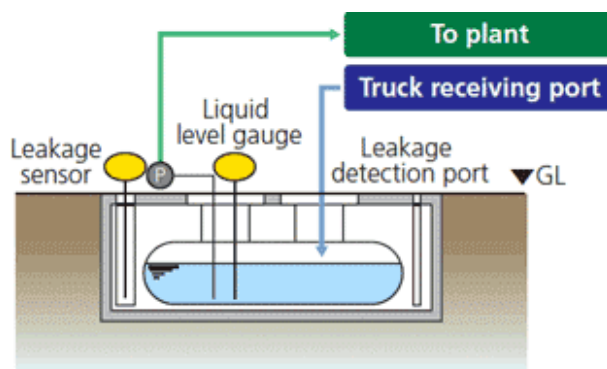
Overseas, Kyocera also carried out active efforts including participation in local environment-related events.

Environmental Risk Management

The Kyocera Group established the Kyocera Group Environmental Management Standard in 1992, which is stricter than statutory and public regulations on emissions, wastewater, soil and groundwater. Based on this Environmental Management Standard, we have more stringent voluntary management standards for each site. Thorough management for environmental conservation is thus ensured using these strict standards, including periodic environmental measurement. In addition, we have Soil and Groundwater Management Regulations to ensure the prevention of soil contamination. To comply with these regulations, we take various measures, including the use of double wall structures for underground storage tanks and leakage detection systems to promote early detection of leaks and prevention of the spread of contamination.



Kyocera Group Environmental Management Standard



Double wall structures for underground tank storage

Dealing with Emergencies

Dealing with Emergencies Assuming the inevitability of accidents and emergencies which may affect the environment, we have taken preventative countermeasures, such as the installation of dikes. We have also prepared procedures for dealing with emergencies. To ensure that employees are familiar with these procedures, we hold emergency training drills more than once each year.



Emergency drill
(Headquarters, Kyocera Display Corp.)

Environmental Regulations Compliance Status

In the Kyocera Group, no violations of environment-related legal regulations occurred in FY2016.

■ Reports on Soil and Groundwater Contamination

The Kyocera Group (Japan) conducts soil surveys based on the Soil Contamination Countermeasures Act and provides survey reports to the relevant local governments. As a result, a total of four Kyocera sites were designated by local authorities as warning areas, namely one site at Kyocera Crystal Device Corp. (Asahi City, Chiba) in 2013, two sites at Kyocera Crystal Device Corp. (Ebetsu City, Hokkaido, and Hachioji City, Tokyo) in 2014, and one site at Kyocera Crystal Device Corp. (Mikasa City, Hokkaido) in 2015.

Strict control of contaminants is now being carried out at these sites, including measures to prevent the spread of contamination. No spreading or effects on surrounding areas have so far been reported. Kyocera will continue to work with local authorities and take appropriate measures to prevent pollution.

Environmental Audit

The Kyocera Group conducts periodic internal audits to make sure the Environmental Management System is being run properly based on the requirements of ISO14001. The results and corrective actions are reflected in the review and in the improvement of the Environment Management System.



Environmental Audit

Environmental Accounting

The Kyocera Group established an Environmental Accounting System which has been in practice since FY2003. In its business activities, the Kyocera Group quantitatively assesses the cost laid out for environmental conservation and its conservation effects as well as economic benefits, and positively utilizes this information for environmental conservation measures.

Kyocera started revision of data summation methods in FY2015 to ensure company-wide sharing of information on case examples of environmental conservation and promote efficient and effective implementation of activities for environmental conservation.

[Range of data collection: 185 sites]

Sites collectively certified under the Kyocera Group Integrated Environment & Safety Management System

Period covered: April 2015 through March 2016

Environmental Accounting Analysis Results (FY2016)

The investment amount rose to 179 million yen, up 43% from FY2015. However, active promotion to reduce energy consumption by, for example, consolidating compressors produced the effect of 882 million yen, up 140% from FY2015.

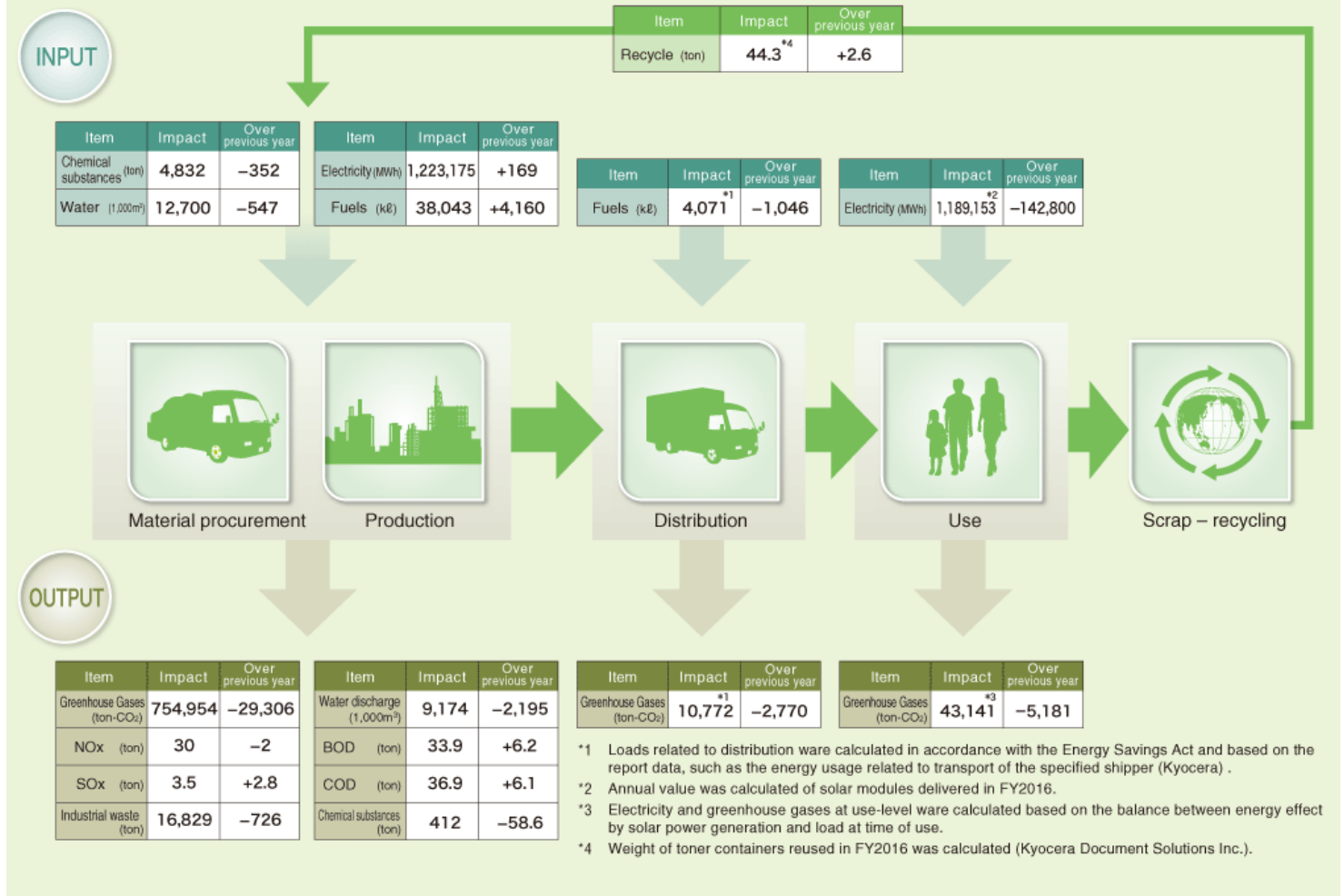
Environmental Conservation Effects

Effect Content	Investment (million yen)		Effect (million yen)		Effect content		
	FY2015	FY2016	FY2015	FY2016	Unit	FY2015	FY2016
Reduction of energy consumption	412	179	417	697	kℓ (crude oil equivalent)	7,111	10,449
Reduction of waste			157	112	Tons	2,006	2,290
Reduction of water usage			7	31	1000m ³	171	671
Others			49	42	-	-	-
Total	412	179	630	882	-	-	-

Overall Environmental Impact

The Kyocera Group monitors and manages the relationship of business activities and environmental burdens as numerical data. The data for each stage of materials procurement, manufacturing, distribution, use, and disposal/recycling are used in the formulation of measures and the analysis and assessment of results to realize effective reductions in environmental burdens.

Scope of management: Manufacturing sites of the Kyocera Group (Japan)



Input Items

Chemical substances	Amount of used Chemical substances specified by PRTR (Class1 Chemical substances)
Water	Amount of city water, industrial water and groundwater consumption
Electricity	Electricity purchased from electric power companies
Fuels	Amount of fuels used as energy, such as LPG, light oil, and heavy oil (crude oil equivalent)

Output Items

Greenhouse gases	Amount of major gases discharged including CO ₂ and six types of PFC as a result of electricity, gas and fuel consumption
NOx	Amount of nitrogen oxides discharged from gas and fuel consumption
SOx	Amount of sulfur oxides discharged from gas and fuel consumption
Industrial waste	Amount of discharged industrial waste generated by business Activities
Water discharge	Amount of discharged water into rivers (except water discharged to sewage system)
BOD	Load of discharged biochemical oxygen demand
COD	Load of discharged chemical oxygen demand
Chemical substances	Release and transfer amount of chemical substances specified by PRTR (Class 1 chemical substances)

Green Products

Development of Environmentally Friendly Products

The Kyocera Group aims for every product that it sells to contribute to the betterment of the global environment and endeavors to develop environmentally friendly products.

Kyocera has clearly specified the Concept of Environmental Consciousness to guide our design of environmentally conscious products. Kyocera also identifies products designed to contribute actively to the climate change prevention, energy saving, resource saving, and reductions in hazardous substances as Green Products, and has set up evaluation criteria for each product based on the Concept of Environmental Consciousness. As a result of these efforts, 99% of our products were designated as Green Products in FY2016.

We intend to continue being active in this respect to continue supplying environmentally friendly products to society.

Concept of Environmental Consciousness

Kyocera considers the three themes of “Climate Change Prevention and Energy Conservation,” “Resource Recycling” and “Environmental Preservation and Safety” as high-priority issues. For each of these, we have established clear guidelines for environmental protection at the product development stage.

■ Concept of Contributing to Environmental Protection

These products allow customers and end-users to contribute to the reduction of environmental impact through use of our products.

■ Concept of Lowering Environmental Impact

These products minimize environmental impact at all stages of the product life cycle, including manufacturing, sales, distribution, use, and disposal.



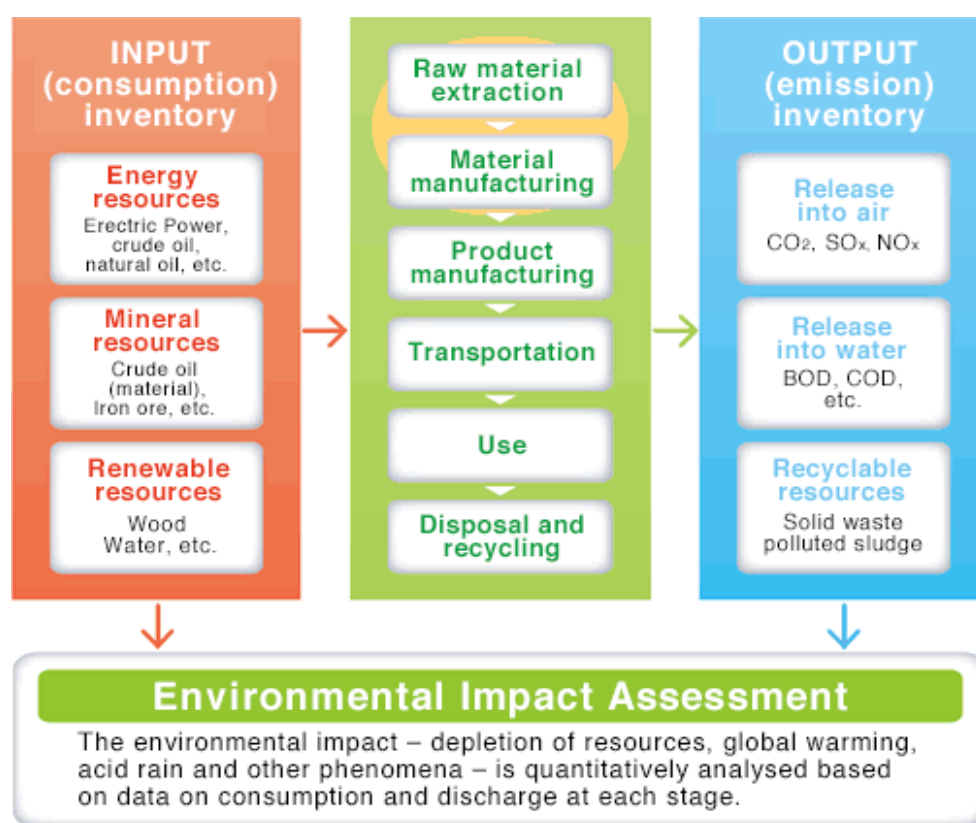
Concept of Environmental Consciousness

Environmentally Conscious Designs for Printers and Multifunctional Products (MFPs)

Kyocera Document Solutions Inc., which produces and sells printers and multifunctional products (MFPs), conducts environmentally conscious activities in various aspects including longevity design that reduces part replacement or disposal; 3R design that focuses on "reduce," reuse," and "recycling," and low consumption power design that reduces greenhouse effect gas emission.

In the design stage, designs are developed based on the Environmentally Conscious Design Standard from the initial development stage of new products through each of the subsequent development steps. The Environmentally Conscious Design Check Sheet is then used to make sure designs are environmentally conscious during product development.

Kyocera Document Solutions Inc. also conducts a life cycle assessment (LCA), which digitalizes the resources, energy, and waste used or discharged for products or services during the stages from the acquisition of resources to manufacturing, transport, use, and disposal/recycling for all products to reduce the environmental burden of our products.



Compliance with Environmental Product Standards

Kyocera Document Solutions Inc. is committed to producing environmentally conscious products and actively acquiring Environmental Labels.

The Environmental Label contains three types as specified by the International Organization for Standardization (ISO), or Type I (label for or with which a third party independently conducts product categorization and establishes the judgment criteria and certifies compliance); Type II (self-declaration type label for which a company independently established the criteria and holds that its products are made environmentally conscious); and Type III (label for which the environmental loads of a product from “resource acquisition” to “disposal” are calculated based on the life cycle assessment technique and are disclosed based on quantitative analysis).

Kyocera actively promotes acquisition of those certification programs. To be specific, when Kyocera manufactures products, we always attempt to create products that can satisfy the required criteria of major environmental labels (Type I), such as Eco Mark or Blue Angel Mark, as early as their development stage.

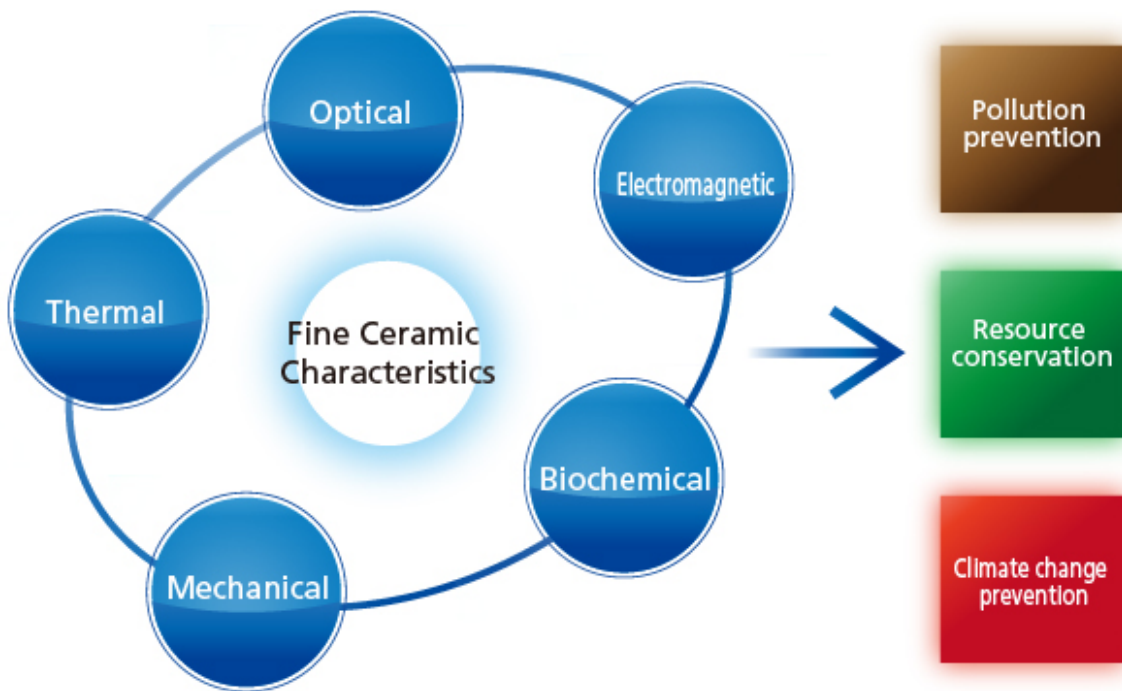
For Eco Leaf environmental label (Type III), we manufacture products that have less environmental loads and actively register and disclose environmental information of products.

Environmentally Friendly Products

The Kyocera Group develops environmentally friendly products including fine ceramic products, energy management systems (EMS), solid oxide fuel cells (SOFC), LED lighting, and solar power generation systems.

Fine Ceramic Products

Fine ceramics are representative ecological materials. Because of their excellent mechanical, electromagnetic and thermal properties, fine ceramics are used frequently in machines and equipment for industrial use in such fields as environment, energy and automobiles. This contributes to the prevention of environmental pollution, conservation of resources and the prevention of climate change.

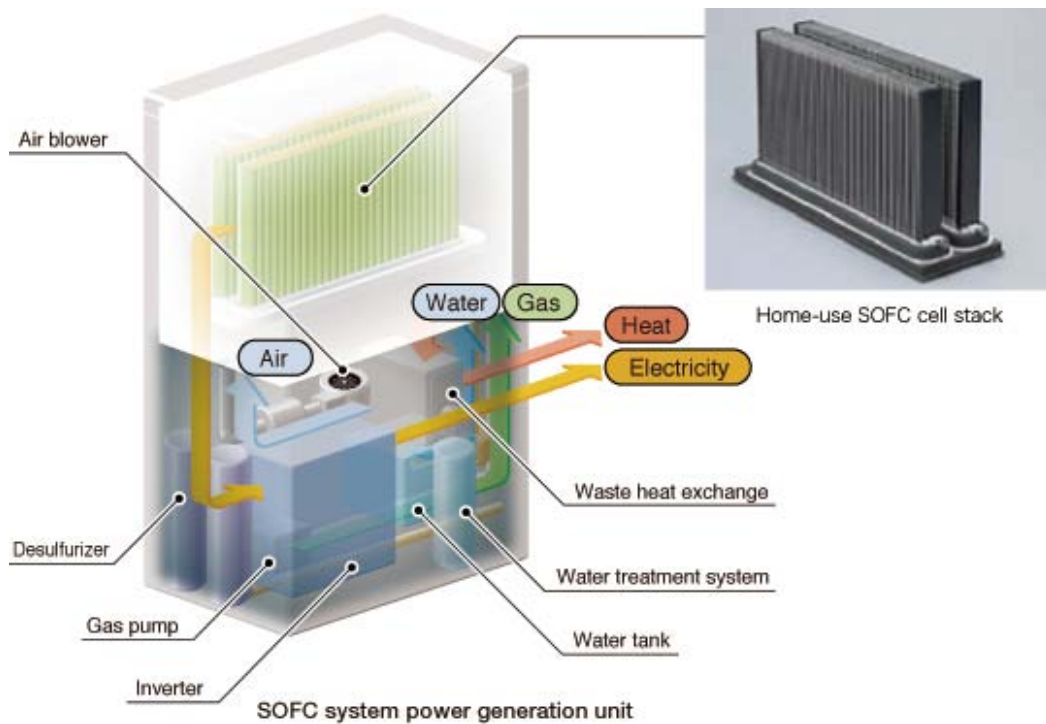


Home-Use Solid Oxide Fuel Cell (SOFC) Cell Stack

A residential-use fuel cell has two parts — a power generation unit and a water heating unit that uses exhaust heat from the power generation unit. The fuel cell has high energy efficiency, and produces only extremely small amounts of the greenhouse gases CO₂, nitrous oxides, sulfur oxides or other byproducts. Use of the fuel cell as an environment-friendly system is expected to increase.

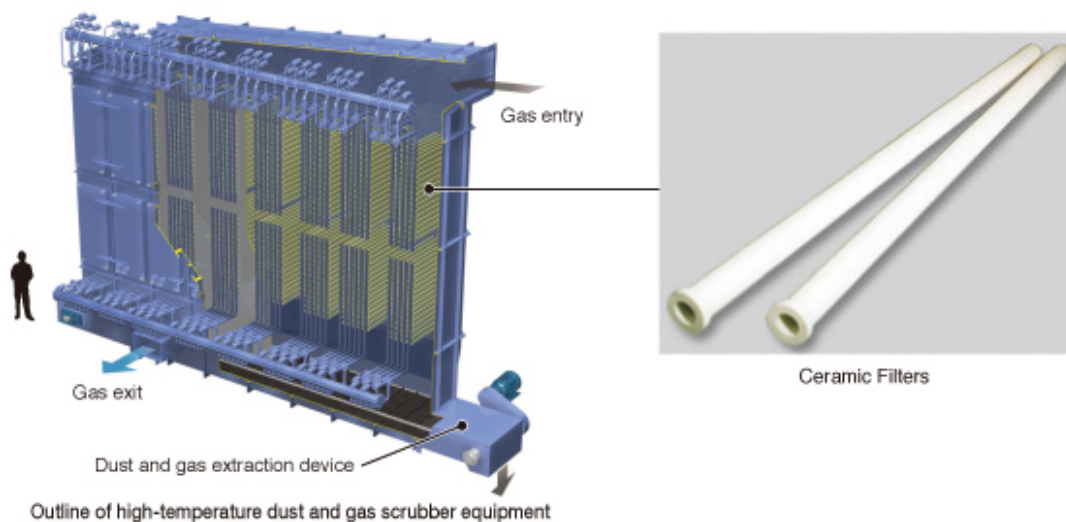
Kyocera realized the world's highest level power generation efficiency* by promoting the development of cells and cell stacks, which form the core of solid oxide fuel cells (SOFC) with high power generation efficiency, and using fine ceramics, which have excellent thermal resistance and durability, as cell materials.

* World's highest efficiency as a home-use fuel cell with a rated output of 1kW or under (as of Feb. 24, 2016)



Ceramic Filters

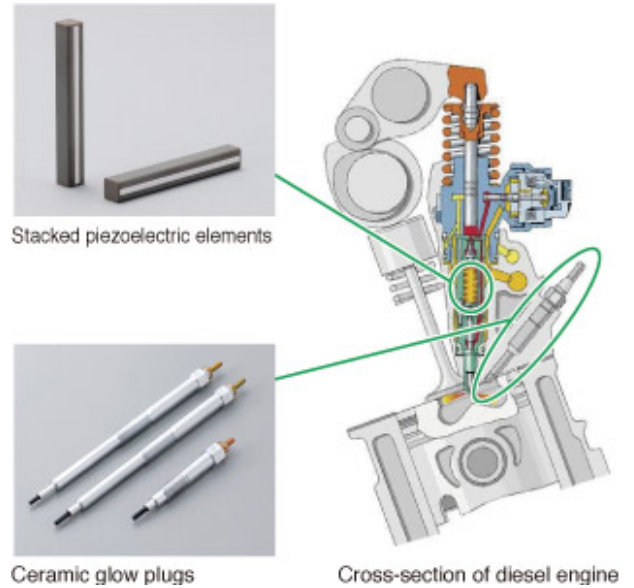
Excellent in thermal resistance, ceramic filters are used in emission gas treatment equipment such as those at large-scale waste incineration plants which optimize efficient use of exhaust heat energy. Compared with the service temperature range (150 to 200°C) of conventional bag filters, ceramic filters are capable of collecting dust at higher temperature ranges (300 to 900°C) to realize improved energy efficiency during the use of waste heat and the reuse of filters by washing.



Ceramic Glow Plugs and Stacked Piezoelectric Elements

Ceramic glow plugs help reduce production of hazardous substances in exhaust gas as they support start-up of diesel engines.

Piezoelectric stacks for fuel injectors use piezoelectric ceramics and help optimize combustion by precise control of the high-pressure injection of fuels and the volume of injection as components of fuel injectors.



Aluminum Foundry Components

Kyocera's silicon nitride ceramic material features outstanding high-temperature strength, heat and thermal shock resistance as well as corrosion resistance. When used in molten aluminum smelting equipment for the production of automobile engines and aluminum wheels, silicon nitride extends the product life of components and reduces the risk of impurities entering molten metal. With such benefits, silicon nitride contributes to the reduction of waste and improves product quality.

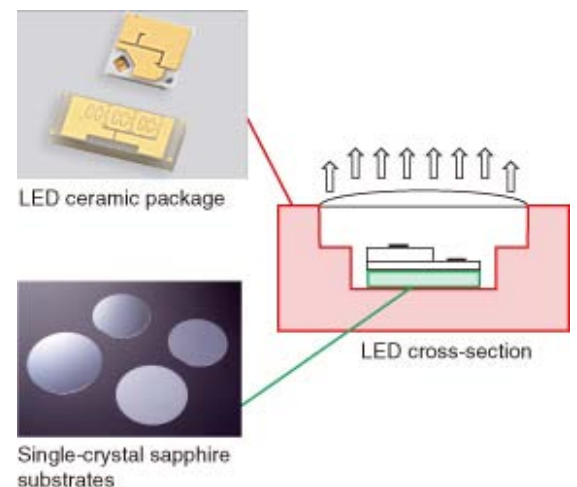


Aluminum foundry components

LED Ceramic Packages and Single-Crystal Sapphire Substrates

Since ceramic materials are capable of efficiently diffusing the heat generated by LEDs, they can maintain high longevity and reliability without compromising LED luminescence efficiency. Such features led to the realization of very bright LEDs.

Single-crystal sapphires are used as the base substrates of LEDs and the backlights of mobile phones and LCD TV sets.



Solar Power Generating Systems

If all solar light that reaches the entire globe could be fully converted to electric power, it would only take one hour of sunlight to meet the power consumption of the entire world for one year; showing just how enormous the solar energy of the sun is.

Fossil fuels such as petroleum or coal will be gone when existing resources are used up. On the contrary, solar power is available as energy as long as we have the sun. Solar power produces almost no CO₂ during power generation. Therefore, it is a powerful solution to the resource and energy problems and climate change issues that are becoming more and more serious each year.

Kyocera came to firmly believe that solar power generation was an absolutely necessary future energy source for a resource-poor country like Japan when we were hit by the first oil shock (1973). We started R&D of solar cells in 1975. In 1982, we successfully mass-produced multicrystalline silicon solar power cells, which are now the mainstream model, ahead of any other manufacturers in the world. Furthermore, we started selling a residential-use solar power generating system for the first time in Japan in 1993.

Today, we provide solar power generating systems for residential and industrial use in and out of Japan. We also serve as a power supplier and operate solar power plants, thereby actively promoting solar power generation.

Energy Management System

Kyocera's energy management system is designed to visualize energy, such as electricity or gas, and realize efficient use of energy.

When electricity created by solar power generation is stored in a battery storage system, it allows for efficient use of electricity, helping reduce utility costs. In this way we support consumers' ecological living. Through our energy management system, which allows effective and efficient use of electricity, we aim to realize electricity self-sufficiency.

We also actively conduct demonstration experiments of automatic demand response (ADR) systems that adjust the balance of power supply and demand in an entire region or a whole community.

Kyocera strives to contribute to the creation of a future energy environment that prevents climate change, a major issue for all of humankind, by realizing a management system that makes maximum use of renewable energy.

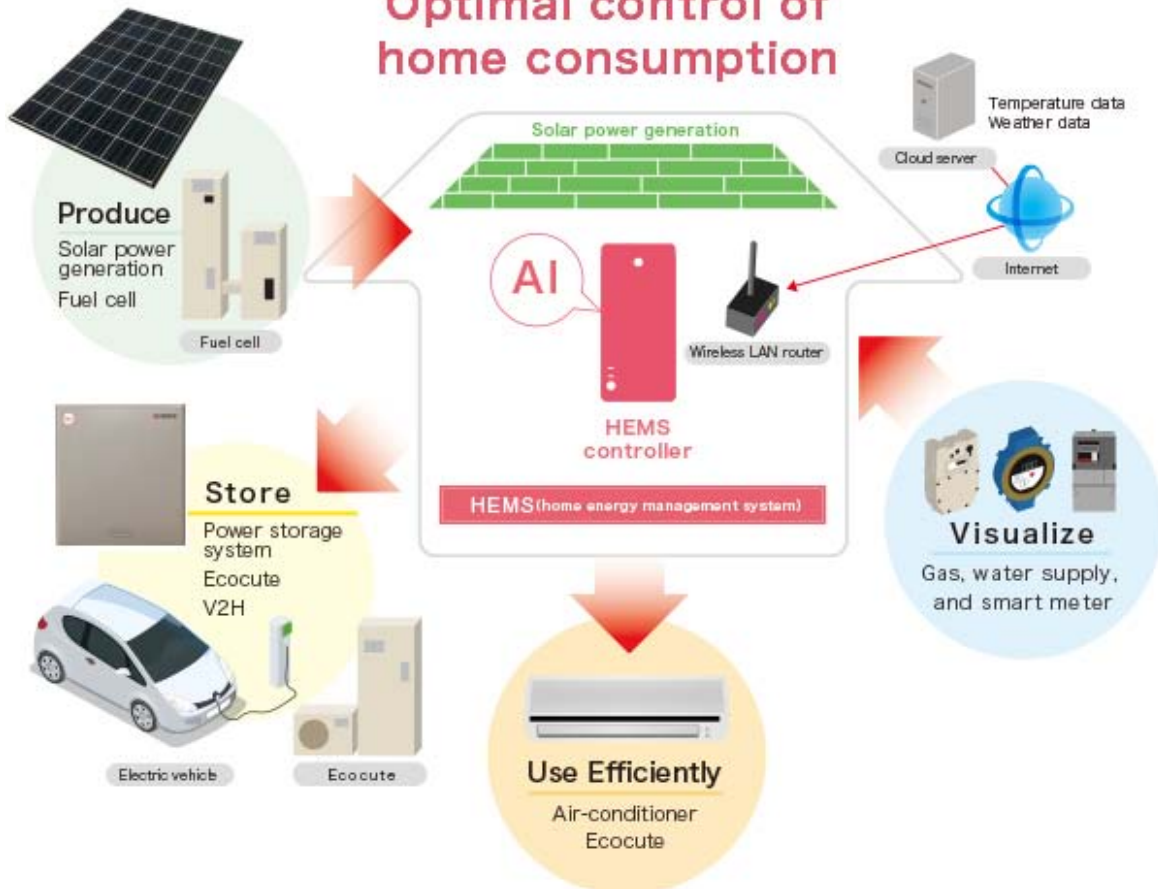


Residential-use solar power generation system
RoofleX



Kagoshima Nanatsujima Mega Solar Power Plant
(approx. 70MW), Kagoshima Prefecture, Japan

Optimal control of home consumption



Home energy management system

Printing Devices

Amorphous silicon (a-Si) photoreceptor drum

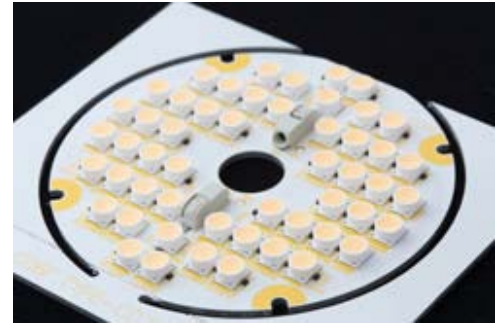
Used in core parts of laser printers and multifunctional products, high-durability amorphous silicon (a-Si) photoreceptor drums contribute to elongation of the service life of the equipment, reduction of maintenance costs, and reduction of waste materials.



High-durability a-Si photoreceptor drum

LED Lighting

Kyocera supplies high-color rendering index (CRI) LED modules that reproduce light very similar to sunlight. Application of ceramics to the package realizes a life expectancy of 100,000 hours, about twice that of a resin package, thereby helping reduce waste. We also provide high-efficiency LED lights for various uses, including office lighting, high ceiling lighting in factories and warehouses, and illumination of signboards and plazas. We contribute to reduction of power consumption by promoting these products.



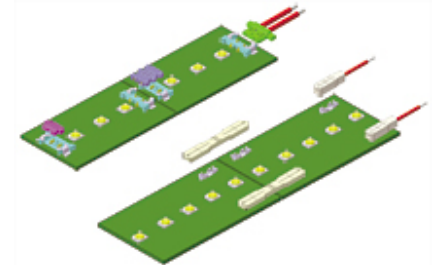
High-color rendering index (CRI) LED module



High-efficiency LED light

Connector for LED light

LED connectors, developed by Kyocera Connector Products Corp., contribute to mounting of LED light to compact or thin equipment as they have a stacking height of 1.4 mm, that causes no light distribution.



Schematic illustration of substrates fitted with LEDs and connectors

Cutting Tools

Milling Cutter

Milling cutters are used in a variety of metal cutting processes. Featuring both reductions in cutting resistance and excellence in loss resistance, milling cutters contribute to the improvement of productivity through stable processing and elongation of service life.



Milling cutter

Recycling of Used Cutting Tools and Tip Cases

Kyocera collects and recycles cutting tools and tip cases after use at users' production sites. Kyocera is actively involved in the reduction of waste and effective utilization of resources by properly recycling collected tips and tip cases for relevant applications, such as material powder and RPF (refuse plastic fuel), slag used for roadbed material, and others.



Organic Material

Silver Sintering Paste

We are recently seeing reinforcement of lead control regulations. One such move is regulation of high melting point lead, which had been excluded from the EU's ELV Directive*.

Kyocera used low-temperature sintering performance of silver nano particles and developed a new connecting material, silver sintering paste, as a replacement of lead solder. The new paste will contribute to reduction of environmental impacts by chemical substances as it is being applied to vehicular LED headlights and inverters.



Silver sintering paste

* Directive aiming to reduce environmental loads by reducing automobile wastes.

Halogen-Free Material

Halogenated elements, such as chlorine, bromine, and others, may produce harmful substances such as dioxin when burned. Their use is controlled according to regulations for chemical substances all over the world, with Europe as a leader. Kyocera has developed a wide variety of halogen-free* materials that conform to such legal regulations and contribute to a reduction in the environmental burden caused by the use of chemical substances.

* Based on the standard values of the Japan Electronics Packaging and Circuits Association (JPCA).



Molding compounds for semiconductor encapsulation (Halogen-free)

Low-VOC Materials

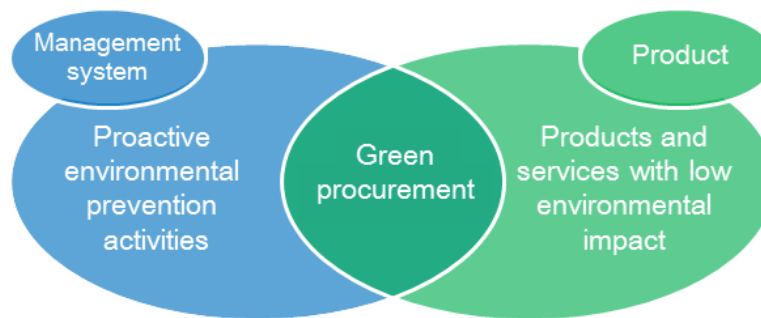
VOC (volatile organic compounds) is the generic name for organic compounds which are highly volatile and turn into vapor in the atmosphere, including toluene, styrene, and many other substances. VOC is considered to be one of the causes of suspended particle matters and photochemical oxidant, which are suspected to affect human health. In the insulation varnish field, where varnish is used for insulation of motors, Kyocera has developed and markets styrene-free varnishes that reduce VOC generation to 1/50 or less that of conventional products, as well as greatly reduce odor.



Insulation varnish

Promotion of Green Procurement

Aware of the importance of making efforts in the entire supply chain including Kyocera as well as our suppliers and business associates in order to tackle worsening global environment issues, Kyocera formulated the Kyocera Green Procurement Guideline in 1998 and has promoted green procurement since then. In FY2014, we revised this Guideline and divided it into two guidelines, the Kyocera Guideline on Environmentally Hazardous Substances, which established the standards for product specifications in promoting green procurement; and the Kyocera Guideline on Environmental Protection Activities, which describes the guiding principles of Kyocera's idea of environmental protection activities. With this revision, we have reinforced our ties with our business partners.



Conforming to Environmental Product Regulations

Today, the creation of products that are more friendly to the global environment is being demanded while regulations on the restriction of chemical substance management and use (RoHS Directives^{*1}, REACH^{*2}, etc.) are being reinforced from the perspective of preventing impacts on humans and environmental pollution. In response to these moves, Kyocera regularly holds Product Environmental Quality Meetings to develop company-wide response measures and share information on environment-related laws and regulations. In addition, each production department responds to environmental regulations by obtaining information on the chemical substances contained in each purchased item and conducting thorough management of chemical substances in every process.

*1 Restrictions on the use of specified substances contained in electric and electronic equipment

*2 Regulations on the registration, assessment, permission and control of chemical substances

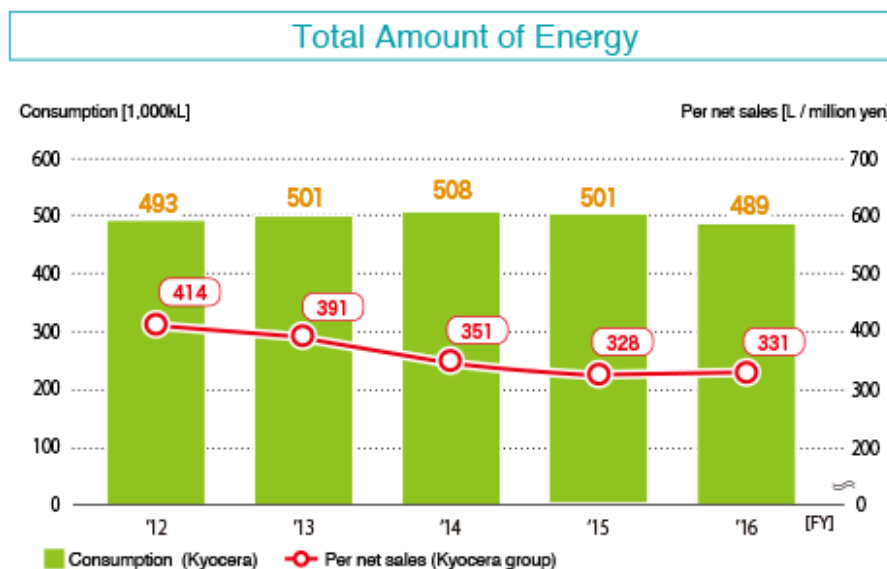
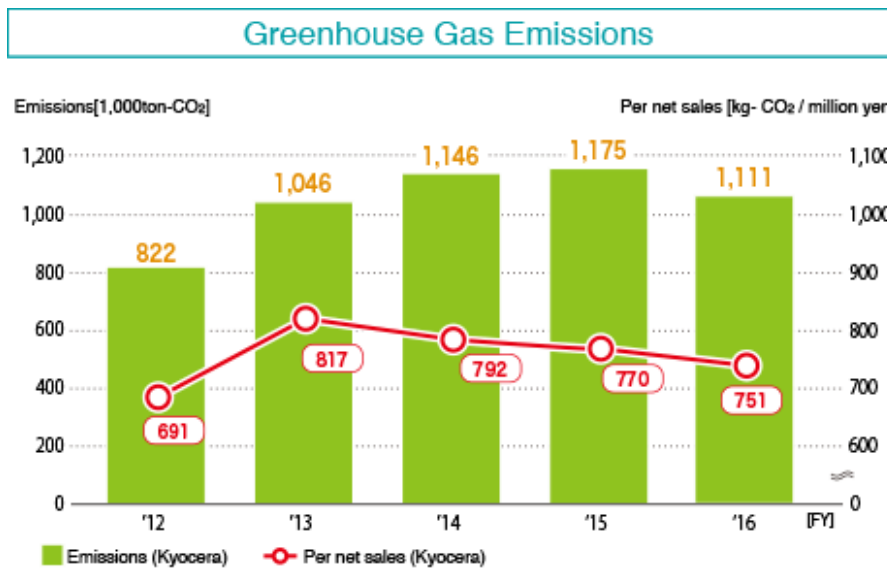
Green Factories

Energy Conservation and Prevention of Climate Change

Increased energy consumption has an impact on the environment, including negative effects such as climate change. We share the task of using limited energy resources more effectively, including energy use in industrial activities.

The Kyocera Group works on measures for the prevention of climate change in various ways, including the setting of targets for greenhouse gases and energy reduction, and the implementation of energy-saving measures in business activities.

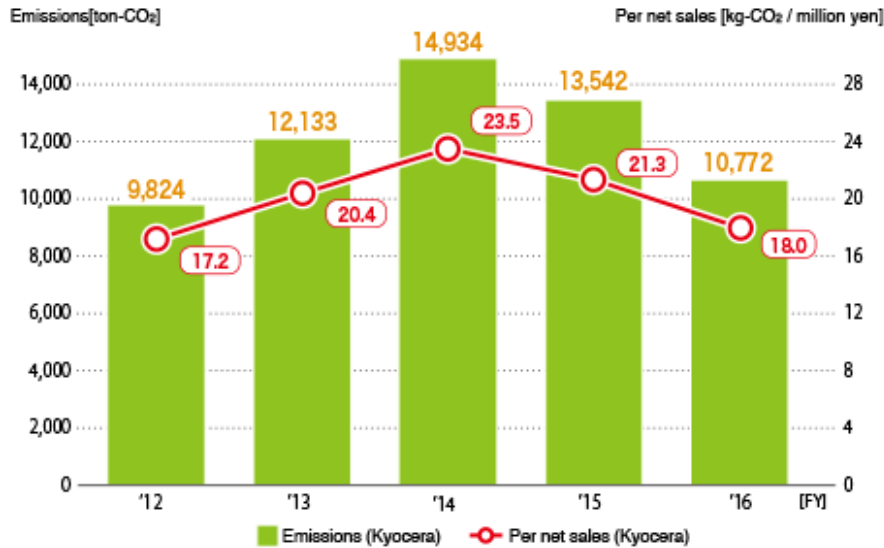
Energy Saving and Reduction of Greenhouse Gas Emissions



- Emission coefficients are calculated based on the Act on Promotion of Global Warming Countermeasures.
- Greenhouse gas means CO₂, CH₄, N₂O, PFC, HFC, and SF₆.
- Figures for overseas facilities are calculated using the emission coefficients of electricity for each country in IEA CO₂ EMISSIONS FROM FUEL COMBUSTION Highlights (2015 Edition).

Efforts to Reduce CO₂ Emissions Associated with Freight Transport

CO₂ Emission Associated with Freight Transport



One Approach

Installation of Solar Power Generating Systems

The Kyocera Group has introduced solar power generating systems at facilities at home and abroad, such as the Kyocera Head Office Building and Kyocera International Inc. in North America.

Additional solar power generating systems were installed at five sites: Mie Ise Plant, Shiga Gamo Plant, Shiga Yohkaichi Plant, Shiga Yasu Plant, and Kyoto Ayabe Plant in FY2016. The total power generation capacity exceeds 10MW in and out of Japan. We will continue to actively introduce solar power generating systems at more Group sites to expedite reductions in CO₂ emission in business activities.

In Japan



■ Hokkaido Kitami Plant (115kW)
(introduced in FY2011)



■ Fukushima Tanagura Plant (230kW)
(introduced in FY2011 and expanded in FY2012)



■ Fukushima Koriyama Plant (1,500kW)
(installed in FY2014)



■ Chiba Sakura Plant (493kW)
(introduced in FY1985 and expanded in FY2014)



■ Nagano Okaya Plant (173 kW)
(introduced in FY2011 and expanded in FY2014)



■ Mie Ise Plant (366kW)
(introduced in FY2005 and expanded in FY2016)



■ Shiga Gamo Plant (571kW)
(introduced in FY2011 and expanded in FY2014, FY2016)



■ Shiga Yokkaichi Plant (1,549kW)
(introduced in FY2006, expanded in FY2011-FY2014, FY2016)



■ Shiga Yasu Plant (890kW)
(introduced in FY2011 and expanded in FY2014, FY2016)



■ Kyoto Ayabe Plant (1,500kW)
(introduced in FY2014 and expanded in FY2016)



■ Kagoshima Sendai Plant (649kW)
(introduced in FY2011 and expanded in FY2014)



■ Kagoshima Kokubu Plant (1,100kW)
(introduced in FY2006 and expanded in FY2014)



■ Kagoshima Hayato Plant (40kW)
(introduced in FY2006)



■ Headquarters (214kW)
(introduced in FY1999)



■ Yokohama Office (58kW)
(introduced in FY2012)



■ Kyocera Document Solutions Inc. Headquarters (12kW)
(introduced in FY2008)



■ Kyocera Document Solutions Inc. Tamaki Plant (50kW)
(introduced in FY2011)



■ Kyocera Document Solutions Inc. Hirakata Plant (60kW)
(introduced in FY2006)



■ Kyocera Connector Products Corp. Headquarters (130kW)
(introduced in FY2012)

■ Kyocera Crystal Device Corporation (688kW)
(introduced in FY2015)

Reduction of CO₂ Emissions by Introduction of LED Lighting

The Kyocera Group promotes introduction of LED lighting that features low power consumption. A total number of 56,000 fluorescent lamps have been replaced by LED lights by FY2016.

[Annual CO₂ emission reduction]
4,300 ton-CO₂

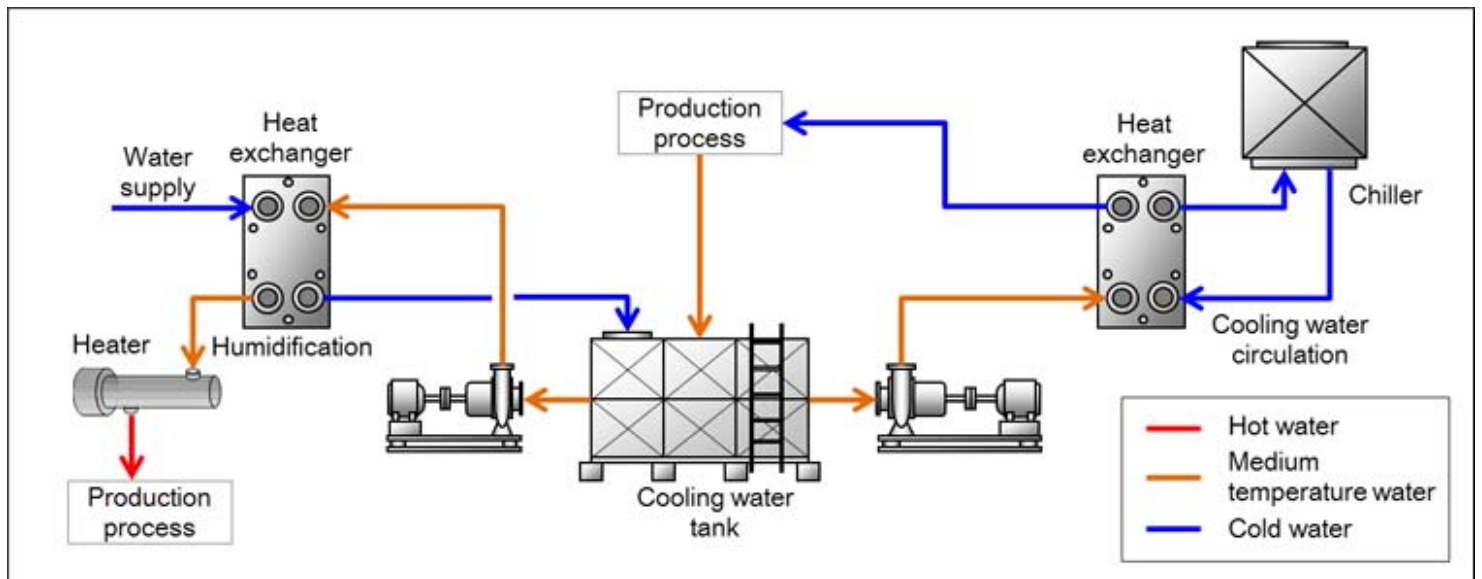


LED lights installed at Kagoshima Kokubu Plant

Reduction in CO₂ Emissions by Use of Waste Heat from Production Equipment

At the Shiga Yasu Plant, a new heat exchanger was installed to use waste heat from the production process as part of the effort to further reduce energy consumption.

[Annual CO₂ emission reduction]
264ton-CO₂



Waste heat recovery flow

Energy Reduction by Introducing High-efficiency Equipment

The Shiga Gamo Plant used air-conditioning systems using city gas as a fuel. Now they introduced a new high-efficiency heat pump chiller. The Plant also reduced energy consumption by replacing the conventional steam humidifier, used for humidification of clean rooms, with the spray type humidifier.

[Annual CO₂ emission reduction]
785ton-CO₂



High-efficiency heat pump chiller

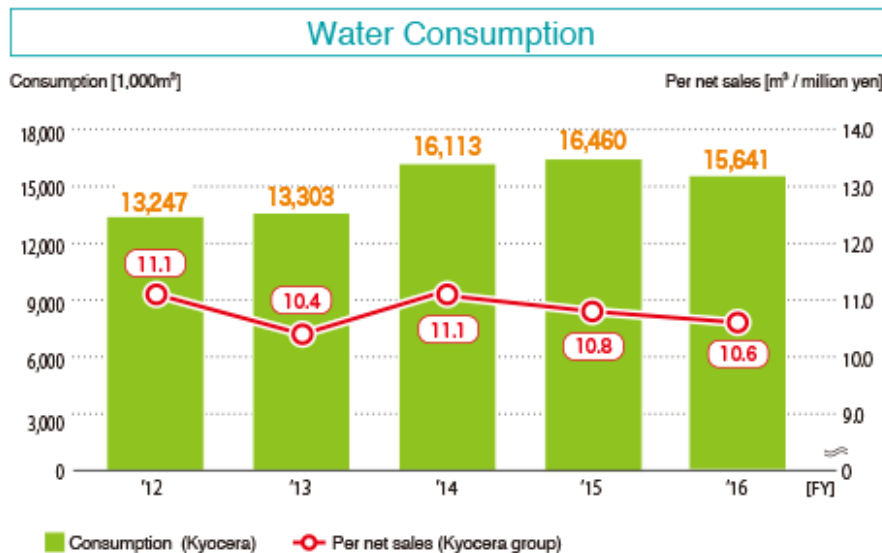
■ Growing “Green Curtains”

The Kyocera Group covers windows with plants, such as goya (bitter melon), hechima (sponge cucumber), and morning glory to screen off strong sunlight as part of “Green Curtains” that effectively control increase of indoor temperatures. In FY2016, the Green Curtains at 30 factories and offices in Japan, and 2 sites in foreign countries, covered a total length of 891.4m and a total area of 3,535.3m² (approximately 13 tennis courts). An annual CO₂ reduction of approximately 12,000kg was achieved. In FY2017, we plan to create Green Curtains at 27 sites.



Green Curtain of goya

Effective Use of Water Resources



One Approach

Reduction of Water Consumption by Improving the Production Process and Introducing Effluent Recycling Equipment

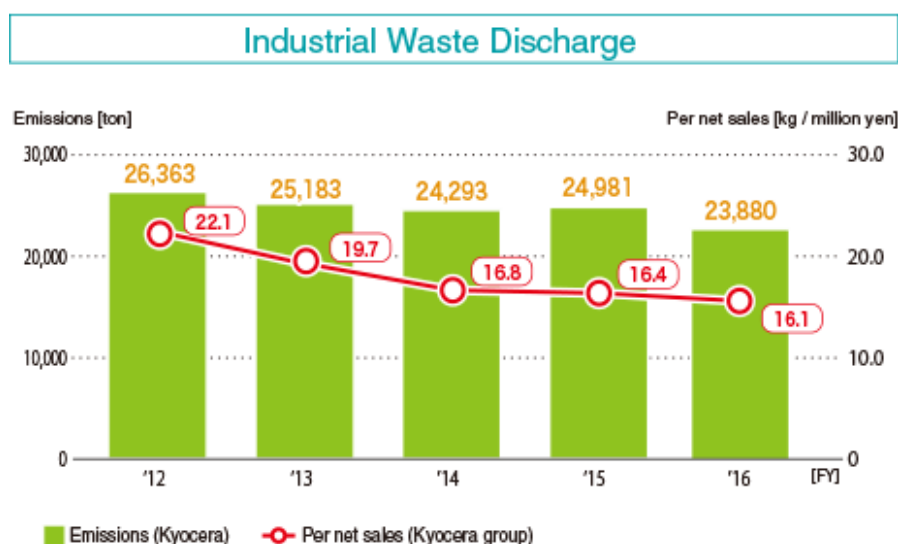
The Shiga Gamo Plant reduced water consumption by taking various measures. To be specific, shower washing was adopted at part of the processes following the installation of a new plating line to reduce water supply. Used washing water is also recycled with the newly installed recycling equipment.

[Annual water consumption reduction]
50,000m³



Wastewater recycling equipment

Waste Reduction and Recycling Measures



One Approach

Reduction of Production Wastes by Internal Treatment of Resin-containing Waste Fluid

Kagoshima Sendai Plant formerly treated resin-containing waste fluid from the development process of substrates but partly remodeled the wastewater treatment facility to newly treat the waste fluid in the plant, thereby reducing emission of industrial wastes.

[Annual waste emission reduction]
1,050ton



Effluent treatment plant

Chemical Substances Management

Some chemical substances cause environmental pollution and can affect human health and the ecosystem as a result of long-term accumulation. The Kyocera Group sets a voluntary control standard and takes initiative in carrying out environmental load reduction activities. In addition, the Kyocera Group (Japan) carries out thorough control of emissions and the transferred amount of Class I Designated Chemical Substances as prescribed by PRTR Law.

Management and Disposal of PCB Waste

The Kyocera Group (Japan) strictly controls and manages PCB (polychlorinated biphenyl) waste at specified locations with control sheets prepared in accordance with relevant laws. Kyocera has already become an early registrant for disposal of these wastes with the Japan Environmental Safety Corporation and will dispose of them accordingly.



Transporting operations for outsourced disposal (Kagoshima Sendai Plant)

Environmental Load Data at Major Production Sites

Area	Country	Company	Energy consumption ^{*1} [as converted to crude oil consumption in kℓ]		CO emission ^{*2} [t-CO ₂]		Water consumption [m ³]		Industrial waste emission [t]	
			FY2015	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015	FY2016
Asia	Japan	Hokkaido Kitami Plant, KYOCERA Corporation	2,595	2,614	7,014	7,110	21,149	19,852	59	42
		Fukushima Tanagura Plant, KYOCERA Corporation	418	440	984	1,001	7,373	7,672	24	15
		Fukushima Koriyama Plant, KYOCERA Corporation	1,563	1,562	3,755	3,648	9,719	9,696	266	372
		Tochigi Moka Office, KYOCERA Corporation	269	238	569	479	1,616	1,190	42	75
		Kawasaki Plant, KYOCERA Corporation	1,356	1,420	2,737	2,803	18,314	20,823	294	241
		Toyama Nyuzen Plant, KYOCERA Corporation	11,315	12,878	28,313	33,564	2,233,544	1,753,942	449	358
		Niigata Shibata Plant, KYOCERA Corporation	14,376	18,893	43,631	41,976	1,561,138	1,529,754	4,218	4,573
		Nagano Okaya Plant, KYOCERA Corporation	12,864	8,680	26,468	17,259	100,214	67,343	128	65
		Mie Ise Plant, KYOCERA Corporation	3,032	2,594	6,219	5,155	10,541	8,233	355	334
		Shiga Gamo Plant, KYOCERA Corporation	16,691	15,171	34,483	31,863	613,297	803,755	134	194
		Shiga Yohkaichi Plant, KYOCERA Corporation	53,948	51,091	114,812	110,341	1,151,834	1,142,886	2,041	1,729
		Shiga Yasu Plant, KYOCERA Corporation	29,920	27,949	63,292	60,177	1,202,553	922,394	1,454	1,459
		Kyoto Ayabe Plant, KYOCERA Corporation	16,818	19,407	35,210	41,321	1,434,347	1,637,870	346	831
		Kyoto Fushimi Office, KYOCERA Corporation	235	228	489	483	1,430	1,424	5	6
		Osaka Daito Office, KYOCERA Corporation	1,018	1,078	2,057	2,209	20,535	20,173	89	113
		Kagoshima Sendai Plant, KYOCERA Corporation	50,270	51,651	122,111	120,329	1,528,091	1,603,736	3,171	2,429
		Kagoshima Hayato Plant, KYOCERA Corporation	64,368	65,329	152,607	148,787	1,746,160	1,703,729	1,448	1,250
		Kagoshima Kokubu Plant, KYOCERA Corporation	5,493	5,593	13,316	12,941	172,251	217,471	408	382
		Hirakata Plant, KYOCERA Document Solutions Inc.	3,211	3,582	6,507	7,381	34,299	36,879	78	70
		Tamaki Plant, KYOCERA Document Solutions Inc.	7,247	6,860	14,455	13,256	27,294	29,276	610	492
		Okaya Plant, KYOCERA Connector Products Corporation	1,499	1,405	3,181	2,874	7,292	7,008	6	6
		Headquarters, KYOCERA Crystal Device Corporation	6,204	6,952	14,823	16,043	135,938	171,939	248	342
		Nagano Okaya Plant, KYOCERA Crystal Device Corporation	809	1,955	4,027	3,949	15,505	18,123	2	3
		Shiga Yohkaichi Plant, KYOCERA Crystal Device Corporation	2,455	2,497	5,129	5,306	2,581	3,322	5	6
		Headquarters and Chigase Plant, KYOCERA OPTEC Co., Ltd	1,103	1,106	2,331	2,227	21,287	20,417	85	77
		Shiga Plant, KYOCERA Medical Corporation	793	761	1,656	1,616	8,726	8,011	12	10
Kobe Plant, KYOCERA Medical Corporation	371	363	752	750	850	1,174	10	8		
Headquarters and Shiga Yasu Plant, KYOCERA Display Corporation	20,944	21,894	51,195	47,983	784,194	776,487	1,299	1,133		
Kagoshima Hayato Plant, KYOCERA Display Corporation	3,431	2,235	8,292	5,156	255,447	97,728	161	119		

China	Shanghai KYOCERA Electronics Co., Ltd.	14,345	11,210	51,393	38,585	389,842	282,537	868	358	
	Dongguan Shilong KYOCERA Co., Ltd.	6,587	6,891	21,370	21,958	218,021	237,720	199 ³	238 ³	
	KYOCERA OPTEC (Dongguan) Co., Ltd.	2,516	2,512	8,222	8,048	67,230	73,406			
	KYOCERA Document Technology Company (Dongguan) Limited	8,349	8,236	25,327	24,176	366,550	367,870	416	374	
	KYOCERA Connector Products (Dongguan) Co. Ltd.	3,705	3,878	12,106	12,233	45,749	62,817	63	57	
	KYOCERA (Tianjin) Solar Energy Co., Ltd.	4,275	3,823	16,057	14,342	44,664	37,980	493	278	
	KYOCERA Display (Zhangjiagang) Co., Ltd.	3,846	3,139	14,185	11,623	278,914	212,460	111	99	
Thailand	KYOCERA Crystal Device (Thailand) Co., Ltd.	6,925	4,865	13,773	9,859	249,911	186,250	209	214	
Malaysia	KYOCERA Telecom Equipment (Malaysia) Sdn.Bhd.	3,674	4,394	9,791	12,099	142,335	109,808	38	21	
North and South America	U.S.A.	KYOCERA America, Inc.	4,609	4,945	8,924	9,592	121,199	126,319	66	58
	Mexico	KYOCERA Mexicana, S.A. de C.V.	4,783	5,064	8,616	10,181	128,653	76,860	317	327

*1

·Crude oil conversion factor is calculated based on the Act on the Rational Use of Energy.

*2

·The emission factor is calculated based on the Act on Promotion of Global Warming Countermeasures.

·Data is calculated based on the emission factor of electricity of each country as given in IEA CO₂ Emissions From Fuel Combustion Highlights (2015 Edition).

*3

·The total sum of the emissions of Dongguan Shilong KYOCERA Co., Ltd. and KYOCERA OPTEC (Dongguan) Co., Ltd.

Green Communication

Support of Environmental Education for Children

Kyocera Group “Eco-Lessons”

The Kyocera Group has conducted “Eco-Lessons”, a locally rooted social contribution activity, since FY2003, to help children, the next-generation of leaders, better understand environmental problems and energy, and receive an environmentally friendly school education. Kyocera started Eco-Lessons in China too in FY2010 based on knowhow accumulated in Japan.

In FY2016, the Kyocera Group provided lessons to 13,117 students at 210 elementary schools around the Group’s 21 sites (in 11 prefectures). In China, Eco-Lessons were provided to 533 children at primary schools in Shanghai. The total number of students who took the lessons after FY2003 is 110,363.



Children enthusiastically taking a lesson (Japan)

Cooperating with Environmental Awareness Event

Since 1996, Kyocera Mexicana, S.A. de C.V. has participated in an annual environmental education event organized by the Tijuana municipal government for local middle and high school students from Tijuana, where Kyocera operates a manufacturing plant, and its neighboring areas. Attracting roughly 20,000 participants, the event enlightens students about the importance of environmental protection as they learn about local environmental initiatives undertaken by companies and the government in an enjoyable way.



Students learning at the Kyocera booth

Activities Related to the Conservation of Biodiversity

Human society consists of various blessings from nature. On the other hand, forests equivalent to one fifth of Japan’s land area are lost from the world every year. It is also said that the effect of human activities over the last several hundreds of years has caused the extinction rate of species to be accelerated by 1,000 times. In these ways, circumstances surrounding biodiversity have become extremely serious.

In regards to the Kyocera Group’s business activities, while we are benefitting from the ecological system in the form of raw materials, its output has no small effect on biodiversity.

The Kyocera Group establishes working policies relating to the conservation of biodiversity on activities such as the reduction of destructive effects on the natural environment and on the ecological system, active promotion of greenification at Group facilities, and participation in and support of social contribution activities.

Promotion of Kyocera Forestation Activities

The Kyocera Group works on the prevention of climate change and the conservation of biodiversity. The Group also conducts activities to restore rich greenery in plant compounds and local forests to improve employee awareness of environmental protection.

Kyocera conducts forestation activities in Nagano, Kanagawa, Shiga, Kyoto, and Kagoshima prefectures (Japan), including thinning and bottom grass cutting together with local residents.



Employees taking part in forestation activity with local residents (Okaya City, Nagano Prefecture)

Promoting Project Firefly

The Kagoshima Kokubu Plant launched Project Firefly in November 2009 in order to preserve the distinctive local biosphere around the manufacturing plant. With the cooperation of local firefly researchers, employees improved the environment around a pond in the plant premises to make it habitable. As a result, fireflies flew around the plant in May 2010, glowing brilliantly. We also endeavor to enhance the environmental awareness of employees through this project.



A firefly in the plant compound

Conducting Local Forestation Activity

Kyocera Crystal Device (Thailand) Co., Ltd. has actively engaged in local forestation activities in Lamphun Province and Chiang Mai Provinces of the northern part of Thailand since 2007. Timed to coincide with World Environment Day in June, the tree-planting involves local students and residents at places that need “greening” — such as schools, temples and public spaces. Organizers provide tree seedlings and conduct youth camps for people to learn about the environment.



Engaging in tree planting with local residents

Main Feedback on Sustainable Management

Minister of the Environment's Commendation for Global Warming Prevention Activity Awarded to Kyocera Consecutively for Six Years

Kyocera received the Minister of the Environment's Commendation for Global Warming Prevention Activity for our high-output solar module in 2010. Since then, we have been awarded the same prize consecutively for six years. In 2015, we were presented the commendation in the Action Results and Diffusion Category as a result of comprehensive evaluation of the Shiga Yasu Plant's activities toward realization of low-carbon society including energy saving for production equipment in the plant and provision of environmentally themed Eco-Lessons to local elementary schools, in addition to energy saving and CO₂ emission reduction benefits by the plant's production of solar power cells.



Award ceremony

Awards Received Related to the Environment (FY2016)

Date	Award	Recipient
June 2015	2015 Recycler of the Year	KYOCERA Communications, Inc. (U.S.A.) (now KYOCERA International, Inc)
October 2015	Encouragement Award, Osaka Environmental Award	KYOCERA Document Solutions Inc. Group
November 2015	Environmental Grand Prize by the Japan Cutting & Wear-resistant Tool Association	Kagoshima Sendai Plant
November 2015	Environmental Special Prize by the Japan Cutting & Wear-resistant Tool Association	Nagano Okaya Plant and Shiga Yohkaichi Plant
November 2015	3R Activity Excellent Establishment by Yokohama City	Yokohama Office
February 2016	Grand Prize (Manufacturing Industry Category) by Fukushima Protocol Business Commendation	Fukushima Tanagura Plant
March 2016	Practice Award, Yokohama Environmental Activity Award	KYOCERA Connector Products Co., Ltd.

Risk Management and Compliance

Risk Management Promotion

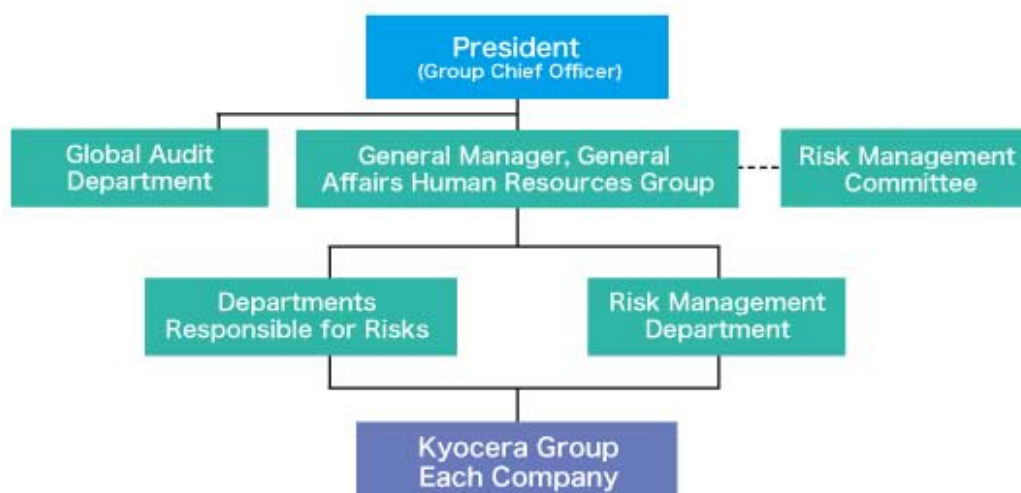
The Kyocera Group is making Group-wide efforts to reinforce its risk management system to cope with global risks that are becoming ever more complicated. The Kyocera Group faces various risks that may affect the credibility or business sustainability of the Kyocera Group, including changes in the market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

Basic Policy on Risk Management

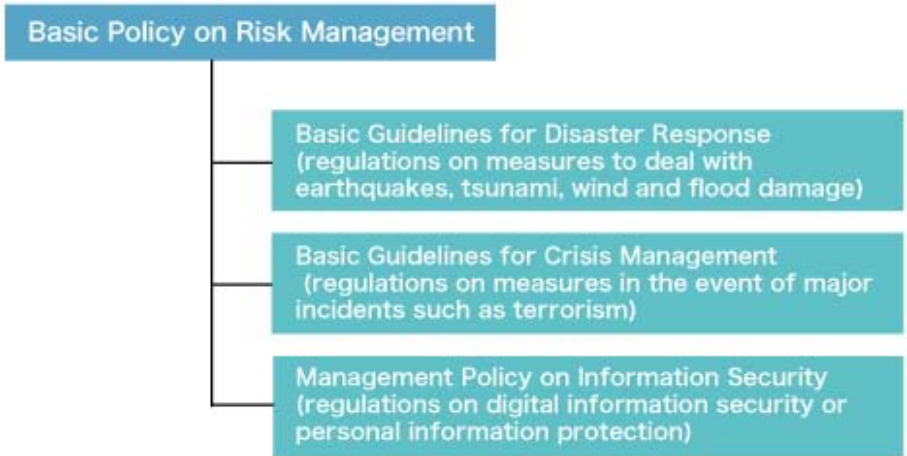
1. In accordance with assurance of compliance and the spirit of the Kyocera Philosophy, the group will consider what is the right conduct as a human being and act based on the value standards.
2. In accordance with the spirit of the Kyocera Philosophy, the group will accept “the highest priority is to ensure safety of bodies and lives of people,” deal with crisis, and for convergence of crisis, cooperate among employees as a unit to minimize loss, recover the damage, and make efforts to prevent reoccurrences, thereby attempting to remove or mitigate impediments to the interests of each stakeholder (the interested party), including customers, business partners, shareholders/investors, and the community.
3. The Kyocera Group will attempt to continuously develop its business through implementing risk management.
4. The group will act with its social mission to stably supply products and services helpful to the progress and development of society.

Risk Management System

The Kyocera Group conducts risk management, with the President as the group chief officer and the General Manager of Corporate General Affairs Human Resources Group as his assistant to supervise the risk management divisions. The Risk Management Committee conducts risk assessment of each department and each site in and out of Japan and formulates, examines, and approves response measures and monitors their progress with respect to risks considered to be particularly high in importance. In FY2016, the Kyocera Group conducted active response to major risks including natural disasters, terrorism countermeasures and information security.



Kyocera Group's Risk Management System



Systematic diagram of risk management

Promotion of Contingency Planning

The Kyocera Group has a Disaster Response Manual established based on the Basic Guidelines for Disaster Response to take appropriate actions in the event that a large-scale natural disaster damages the Kyocera Group, including minimization of personal and physical damage and implementation of swift restoration of business operations. The Disaster Response Manual provides regulations based on the Basic Guidelines for Disaster Response regarding collection and distribution of information on disasters and response measures for earthquakes, floods, wind damage, volcanic eruptions and other disasters.



Basic policy of disaster response

Actions against Earthquakes

In an attempt to minimize injury and damage from a major earthquake, the Kyocera Group (Japan) is installing a disaster warning system at all plants and offices. This uses the Earthquake Early Warning System provided by the Japan Meteorological Agency. The Kyocera Group endeavors to minimize earthquake damage through diverse means. These include drills using the Earthquake Early Warning System, disaster prevention training for employees, regular disaster drills held with local fire stations and other organizations.

Considerable damage is expected from a tsunami that could be generated by an earthquake in the Nankai Trough. To counter the potential damage, evacuation areas have been prepared for bases that are likely to sustain damage, based on the expected maximum tsunami height and shortest arrival time. Steps have been taken to ensure employees are fully aware of what they need to do.

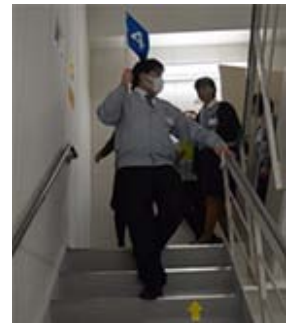
One Approach

■ Holding of General Drill for Large-Scale Earthquakes

The Kyocera Group holds a general drill at all plants and offices assuming that a major earthquake occurred and that a fire has broken out in the building. The head office of Kyocera conducted a drill simulating a fire that follows the occurrence of a major earthquake of 6+ in seismic intensity at two locations. About 1,500 employees participated in the drill. An earthquake early warning was sounded off in the entire site, safety confirmation of the staff was conducted on each floor, and evacuation was completed in approximately 9 minutes. The result of all these actions was reported to the fire brigade. Initial fire extinguishing of a fire was conducted by the fire department, and training on transport of the injured and emergency medical treatment was also provided. Kyocera intends to periodically conduct these drills in preparation for potential unforeseen events in order to improve our disaster prevention capability.



Voluntary fire brigade chief reporting to the Fushimi Fire Department about completion of evacuation.



Employees guided for evacuation on each floor

Business Continuity Plan (BCP) Efforts

The Kyocera Group has its BCP in place and uses it to reinforce the readiness of business continuity in order to fulfill its stated BCP policy, which is swift restoration and restart of business operations in the event of severance of product and service supply due to a natural disaster.

In particular, Kyocera formulated BCP and completed implementation of necessary actions, including fixation of major equipment, arrangement of repair parts, and securing of alternative production in preparation for a possible major earthquake.

In FY2016, we revised measures in response to changes in the business environment and continuously conducted BCP activities. BCP drills are also provided by each department and for entire factories to help employees smoothly conduct a series of response actions in the event of a major earthquake, from securing safety to prevention of secondary disasters and restoration of business.

In FY2017, Kyocera will conduct BCP training, while keeping in mind the problems to solve identified by the previous year's drills, and further improve our response capability to emergency situations.

Group companies in Japan also completed formulation of BCP and drills and aim to make such preparedness so practical that they can continue and maintain BCP activities in FY2017. Overseas Group companies continue to conduct BCP activities depending on the disaster risks (natural disaster, infectious disease, etc.) expected to occur in each region.

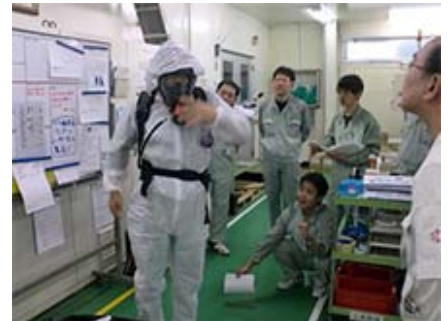
■ BCP Efforts for the Supply Chain

The Kyocera Group promotes evaluation of alternative items and multiple purchasing sources with respect to the procurement of important raw materials and components so as to prevent the stagnation of production activities during a disaster situation.

Kyocera has distributed the Supply-Chain CSR Deployment Guidelines to all business partners to help them understand our concept of BCP since FY2014. For business partners who supply us with important raw materials and components, we are carrying out a survey on the progress of their BCP efforts for business continuity in more detail.



Tabletop training assuming earthquake disaster
(Shiga Gamo Plant)



Drill of wearing oxygen tank at a workplace
(Okaya Plant, Kyocera Connector Products Corporation)

Promotion of Risk Crisis Management

The Kyocera Group has in place the Risk Management Manual, which is developed based on the Basic Guidelines for Crisis Management and contains various scenarios. The Manual is intended to help our employees in foreign sites secure their safety in case a terrorist action occurs. In FY2016, the Manual was revised, and the updated version was distributed to all Group companies.

Information Security Efforts

The Kyocera Group makes effective and efficient use of information assets. We have clarified the basic requirements that employees should comply with in the handling of information assets and established an information management system.

Policy and System of Information Security Management

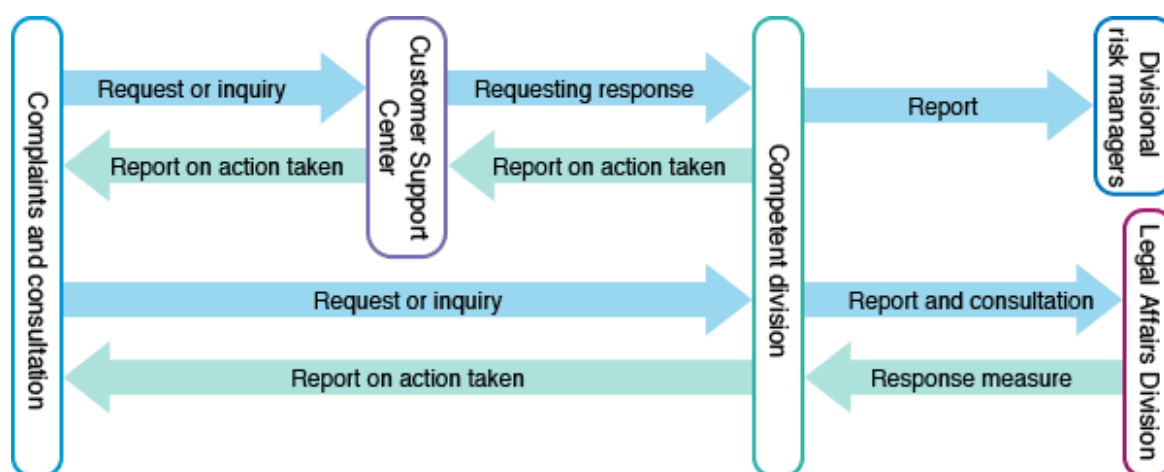
The Kyocera Group regards information on management strategies, product development, expertise, technology, organization, and personnel as important assets of the company. To ensure sufficient protection of these assets, we have formulated the Technical Expertise Leak Prevention Guidelines, which specify necessary rules for the management of information assets including confidential information management, intellectual property management, physical security management, visitor management, and personnel management. In addition, the Kyocera Group has established a digital information security management policy and management regulations to ensure the thorough management of digital information.

The Kyocera Group has established a Digital Information Security Committee with the President as its chairman and is implementing various digital security measures including periodic employee education, restrictions on the external use of information equipment, measures to prevent information leaks from PCs and smart devices, thorough management of IT assets, and enhancement of information security against cyber attacks. Furthermore, the audit and information system divisions conduct reviews, and when any problem is found, they endeavor to solve it while working together with the division that owns the information and the relevant management division.

Protection of Personal Information

The Kyocera Group regards the personal information obtained from stakeholders through business activities as important private information and strives to protect it thoroughly as a primary social responsibility.

Kyocera has set up rules on protection of specific personal information, clarified usage purposes of personal information and the dedicated contact for inquiries, and provided education on private information to employees handling such information, thereby ensuring thorough management.



Communication system on personal information

Protection of Intellectual Property Rights

The basic policy of the Kyocera Group is to safeguard the yields of research and development by the Group as intellectual property rights, and to respect the intellectual property rights of others. We assign liaison officers responsible for intellectual property to main offices and manufacturing plants. Their role is to facilitate the processes of obtaining intellectual property rights — maintaining control of rights and negotiating licenses for intellectual property rights. The Kyocera Group is undertaking activities relating to intellectual property in close cooperation with relevant business units.

Kyocera also regularly holds the Global Intellectual Property Partners Meeting for patent offices and the personnel of Group companies in charge of intellectual property in the U.S.A., Europe, China, Korea, and Japan, which help us obtain patents in those countries. The participants in the Meeting discuss improvement of patent application specifications and response actions to patent acquisition using specific case examples so that Kyocera can improve the Guideline and the system of sharing information.



Global Intellectual Property Partners Meeting

One Approach

■ Kyocera Named a 2015 Top 100 Global Innovator

Kyocera was named as one of the 2015 Top 100 Global Innovators by Thomson Reuters, a worldwide provider of intelligent information. The Thomson Reuters Top 100 Global Innovators awards are presented annually to recognize companies and organizations leading the world with their innovative actions based on the analysis of the candidates' developments in intellectual property and patents using Thomson Reuters' own data and criteria. Kyocera was again highly evaluated for its patent grant success rate and global reach, receiving the honor for a second consecutive year.

2015 THOMSON REUTERS
TOP 100
GLOBAL INNOVATORS



Receiving the trophy

■ Measures for Dealing with Counterfeit Products

The Kyocera Group is implementing diverse measures in various countries around the world to protect customers from the harm caused by counterfeit products, and to enable product use with peace of mind. Kyocera monitors mail order Web sites and distribution sites around the world looking for counterfeit products. Vendors selling counterfeit products are warned and asked to pledge they will no longer handle them. They are requested to destroy stocks and reveal the names of their suppliers. Kyocera also uses hologram seals to distinguish between genuine and counterfeit products for some products, such as toner containers, making it easier to determine whether a product is authentic.



Counterfeit ceramic knife

Thorough Legal Compliance

The Kyocera Group ensures thorough compliance with the law by taking measures including management by each division in charge of a specific law or regulation, the establishment of an in-house communication system for notification of the enactment or revision of a law or regulation, the establishment of Employee Consultation Offices (internal reporting system), the implementation of regular legal compliance audits, and provision of compliance education to employees upon new employment or promotion.

We also regularly hold the Kyocera Group Global Legal Affairs Meeting, in which legal affairs personnel of major Group companies in the U.S.A., Europe, and China participate in order to reinforce global cooperation. At each Meeting, participants learn about each other's results, share information on legal issues currently being faced by each company, and engage in discussions regarding various legal issues affecting the Group.



Kyocera Group Global Legal Affairs Meeting

Measures for Fair and Free Competition

The Kyocera Group considers it important to maintain fair and free competition and promote it while using as a judgment criterion the concept, "What is the right thing to do as a human being?" As part of such activities, the Kyocera Group issued the Kyocera Group Global Antitrust Compliance Manual, common to the entire Group and provides education on antitrust laws to employees in and out of Japan. We also formulated the Antitrust Act Compliance Regulations that specifically provide for items of compliance for employees. In addition, Kyocera started an individual interview based educational program for managers in sales divisions in June 2015 so as to enhance employees' understanding of the antitrust act. We continue to provide such education and ensure thorough compliance with relevant laws including the antitrust act.



Kyocera Group Global Antitrust Compliance Manual

Security Trade Control System

The Kyocera Group complies with the Foreign Exchange and Foreign Trade Act and other regulations relating to international security. In addition, the Kyocera Group is establishing a system for heightening security trade control. The purpose is to prevent the outflow of components for weapons of mass destruction and arms, or products and technology that could be used for their production and development. Kyocera introduced a cargo transaction audit system that complies with the said Act in FY2016 to reinforce the audit system and shipment management system.

In addition, the Kyocera Group (Japan) regularly holds a Security Trade Control (STC) Committee to thoroughly ensure compliance with foreign exchange and export-related laws and regulations. For overseas Group companies, Kyocera has established a system that emphasizes education on and audits of security trade control systems to enhance legal compliance.

One Approach

■ Measures to Ensure Security in International Distribution

Kyocera is recognized as an “authorized exporter” and “authorized importer” according to the AEO (Authorized Economic Operator) system, an international standard designed to ensure safety and smoothness of international trading and for which the mechanism of mutual approval is established in each country. This authorization helps us ensure security and smooth trading related to products delivered to customers outside Japan.

We will continue to improve maintenance of the security system in distribution.



Authorized exporter certificate



Authorized importer certificate

Appropriate Information Disclosure

The Kyocera Group complies with regulations relating to the disclosure of information. The Group endeavors to provide appropriate information without falsehoods or expressions that invite misunderstanding, in accordance with social and moral principles. Additionally, display of product labels and operating instructions, catalogs, sales promotion documents, advertisements and other materials by Kyocera is in line with the company standard as set out in our Public Document Verification Guidelines. We are building a check system for verification by the Quality Assurance, Legal, Intellectual Property and Corporate Communications divisions.

Measures for Prevention of Bribery and Corruption

For the Kyocera Group, the basis of dealings with business associates is to always be fair and just, and to approach all manner of transactions in the spirit of fair play with the correct attitude as a human being. The Kyocera Group CSR Guideline prohibits the excessive exchange of gifts, the provision and receipt of excessive entertainment, and other corrupt activities. The Guideline also forbids activities that depart from customary business practice.

Ensuring Transparency in Political Donations

The Kyocera Group may provide political donations as required from perspectives such as the realization of policy-oriented politics and contributing to the sound growth of parliamentary democracy. When we make political donations, we will comply with relevant laws and regulations including the Political Funds Control Act as well as relevant bylaws.

Measures for Prevention of Insider Trading

The Kyocera Group has established management systems to prevent insider trading and educates employees thoroughly. Kyocera has enacted Insider Trading Prevention Regulations, which establish a management system for insider information and provide restrictions on stock trading. The company prepared an Insider Trading Prevention Handbook and distributed it to employees to enhance understanding of its importance. In addition, the company takes various continuing actions including provision of education on prevention of insider trading to newly employed or promoted employees and advising of no stock trading periods at morning meetings.

In FY2016, Kyocera provided education to a greater range of employees, including fixed-term employees, part-timers, and temporary staff in addition to all regular employees in the form of e-learning and group training. The same education approach is going to be applied to all Group companies.

Measures for Exclusion of Antisocial Groups

The Kyocera Group established a basic policy for corporate governance and internal control including the prevention of involvement in management activities by antisocial groups and the prevention of damage by such groups.

The basis of the measures for exclusion of antisocial groups is that “the entire company is united in confronting antisocial groups with determination.” The Kyocera Group CSR Guideline clearly specifies how to handle antisocial groups to notify all employees of the company’s attitude.

The transaction basic contract form Kyocera has with our business associates now contains terms on exclusion of antisocial groups. More efforts will be made in the entire supply chain to redouble exclusion of antisocial groups.

Establishment of Employee Consultation Hot-Line Center (Internal Reporting System)

Kyocera Group employees can consult the Employee Consultation Hot-Line Center on diverse issues. Employees can seek advice and consult on diverse matters of doubt, and report actions that are or may be in violation of laws and internal regulations relating to human rights, labor, safety and health, environment, fair business practices, etc. Measures for protection of individual privacy are clarified, and employees can consult the Hot-Line Center directly by telephone, e-mail or other means. Details of the consultation are investigated and ascertained in cooperation with the relevant divisions. This is followed by corrective action and preventive measures against recurrence. At Kyocera, consultations were undertaken on 24 matters in FY2016, and steps toward resolution were taken in each case.

Legal Audit System

The Kyocera Group conducts legal audits to check the status of legal compliance of the Kyocera Group as part of the reinforced effort to ensure legal compliance. In FY2015, a new audit system was established and operated with a focus on the operational process. Since FY2016, a new audit system is being sequentially applied to Group companies in Japan based on Kyocera’s audit system.

Supply Chain Management

Policy and Systems Related to Purchasing Activities

The Kyocera Group thinks that the mutual prosperity of the entire supply chain will only be realized if all companies involved in the series of business processes including development, production, sales and service work together to meet the demands of society. To this end, the Kyocera Group actively communicates with business partners and focuses on the building of partnerships based on mutual trust. We also ensure thorough compliance with business-related laws such as the Subcontract Act, by regularly implementing in-house education and audits of personnel in charge of materials and business divisions.

Basic Policy on Purchasing

At the Kyocera Group, we are determined to contribute to value creation and business development through materials business, diligently conduct work, and coexist with business partners, thereby attempting to be better people and win society's trust. We established the Basic Policy on Purchasing with this idea as the basis of our purchasing activities. Under this policy, we conduct various surveys on corporate overviews and CSR to evaluate and select our business partners fairly.

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

*1 Value Analysis

*2 Value Engineering

Holding of Supplier Seminars and Social Gatherings

The Kyocera Group regularly holds supplier seminars and social gathering with business associates in order to better allow them to understand the management policy and business policy of the Group and request their further cooperation with our activities.

In FY2016, the supplier seminar and social gathering were held in Kyoto for major business partners, or 159 people from 136 companies. In addition, we awarded particularly excellent business partners in terms of quality, pricing and delivery, selected based on the transaction records in the past one year.



Awarding at the social gathering in the supplier seminar

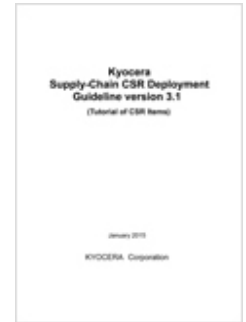
CSR Deployment in the Supply Chain

The Kyocera Group promotes CSR activities together with our business partners in order to fulfill our social responsibilities in terms of human rights, labor and environmental conservation.

Kyocera established the Kyocera Supply-Chain CSR Deployment Guidelines to appropriately handle CSR issues that should be addressed by the entire supply chain, including formulation of BCP regarding conflict minerals and swift business restoration and continuation in disaster situations. We survey the CSR activity efforts on the part of business partners based on the Guideline.

Specifically, we surveyed human rights, labor, environment, safety and health, fair trade, ethics, quality, safety, business continuity plans (BCP), information security and other items with the help of our business partners. For business partners whose efforts on some items was found to be insufficient, we requested them to work more proactively on CSR activities. As a result, we found that many business partners showed successful results from their efforts.

We intend to deploy CSR activities to overseas business partners as well as Group companies' business partners.



Kyocera Supply-Chain CSR Deployment Guideline

■ Supply-Chain BCP Survey

Kyocera asks business partners to have their own business continuity plan (BCP) by surveying their promotion of BCP activities in order to ensure that there is no interruption of important operations in the event of damage by a disaster or an accident, to be able to restart operations as soon as possible even if they are interrupted, and to continue the supply of products and services to customers.

In FY2016, we explained the importance of CSR efforts to business partners who were found by the FY2015 survey to be insufficient in their effort and requested them to reinforce their involvement in BCP activities.

Kyocera will continue to promote and spread BCP in the Kyocera supply-chain to help our business partners further promote their own BCP activities.

Measures to Address Conflict Minerals

In recent years, there is concern that mineral resources mined in the Democratic Republic of the Congo and neighboring countries may serve as a source of funds to the armed groups that have caused human rights violations, and this has become an international issue.

Knowing that some revenue of minerals produced from the Democratic Republic of the Congo and its neighboring countries in Africa — including columbite-tantalite (tantalum), cassiterite (tin), gold, wolframite (tungsten), and their derivatives — are used to fund armed groups that commit human rights violations, the Dodd-Frank legislation of July 2010 designates these minerals as “conflict minerals” regardless of where they are produced and requires all companies listed on the New York Stock Exchange to disclose information on the use of these minerals in their products.



Kyocera Group's Conflict Minerals Policy

The Kyocera Group's policy is that we will not purchase materials or products that use conflict minerals and their derived metals which are mined in the Democratic Republic of the Congo and neighboring countries and serve as a source of funds to the armed groups that have caused human-rights violations. We issued the Kyocera Supply-Chain CSR Deployment Guideline, which states our policy on conflict minerals, to help our business partners understand our stance and policy, thereby sharing the same attitude toward this issue.

Organizational System to Handle Conflict Mineral Issue

In the Kyocera Group, the Kyocera Conflict Minerals Committee, consisting of directors or general managers of departments in charge of procurement (materials), IR, general affairs, internal auditing and legal affairs, has been established as the central player to deal with the conflict mineral issue.

This Committee determines the methods that serve as the basis of conflict mineral investigation and the information to disclose about conflict minerals, and provides reports on its activities to the top management in a timely and appropriate manner. Furthermore, the Committee provides education to Kyocera Group companies about the rules and policies on conflict minerals and makes sure the entire Group appropriately deals with the problem of conflict minerals.

Furthermore, we play important roles to realize early recognition of risks in handling conflict minerals, including communication with stakeholders, communication with the procurement division, and swift response to complaints or notices on conflict minerals collected through the internal reporting system.

■ Coordination and cooperation with trade organizations

As conflict minerals are an issue that should be addressed by the entire supply chain, Kyocera actively promotes coordination and cooperation with trade organizations. Kyocera participated in the Responsible Minerals Trade Working Group, established under the Japan Electronics and Information Technology Industries Association (JEITA), as one of the core members as early as in the establishment stage. We have been in charge of lecturing at the conflict mineral survey briefing sessions as the team leader of education and publicity. Furthermore, Kyocera took part in the symposium on future harmonious coexistence, "Sustainable Mineral Procurement," held by Nikkei Business Publications as a panelist in December 2015.

Actions for Business Partners and Survey Results

Kyocera conducted survey to our business partners using the Conflict Minerals Reporting Template (CMRT) prepared by the Conflict-Free Sourcing Initiative (CFSI), an international organization dealing with conflict mineral issues.

The FY2016 survey included holding a total of four briefing sessions in Japan (Tokyo and Kyoto), where business partners of Kyocera are concentrated. 138 companies participated in those sessions. In China and Malaysia, Kyocera held a training session for in-house personnel in charge of conflict mineral research to reinforce the internal system of the Kyocera Group.



Briefing session to business partners

The survey using CMRT identified some business partners who procured conflict minerals from DRC countries, and we provided due diligence including direct interviewing to those partners. Based on the results of the due diligence, Kyocera collated the list of refineries and smelters disclosed by CFSI with the processing facilities of conflict minerals used in Kyocera's products and obtained the following findings as of April 12, 2016:

	Tin	Tantalum	Tungsten	Gold	Total
Number of refineries/smelters	67	45	36	93	241
Number of refineries/smelters Validated as CFS*	57	45	28	78	208

* Refineries or smelters validated to be conflict-free by a third party

Kyocera Group's Future Measures

The Kyocera Group recognizes the importance of continuing its survey using the CFS program and in identifying and investigating smelters and refiners.

Therefore, we intend to continually establish a strong supply chain relationship through various measures, including the signing of a letter of engagement with suppliers that includes a pledge to contact Kyocera immediately if a connection to a conflict mineral has been uncovered.

It is important to increase the number of smelters that submit to an independent third-party audit in order to be assessed as "conflict-free." However, since it is difficult for a single company to prompt smelters to participate in such audits, Kyocera continues to work through industry organizations such as JEITA for this purpose.

Approaches to Raising Quality and Customer Satisfaction Levels

Efforts to Improve Product Quality

Kyocera Quality Policy

The Kyocera Group has established the Kyocera Quality Policy to achieve production of quality goods that fully satisfy our customers' needs.

We develop all our businesses on the basis of this Quality Policy, and aim to always be an enterprise that is worthy of trust throughout the world. Moreover, Kyocera is doing everything possible to think hard as early as in the planning stage and do the right job at the beginning in order to provide a high level of satisfaction to our customers.

■ Kyocera Quality Policy

1. Kyocera places top priority on our environmental management and product safety systems.
2. Kyocera provides products and services to our customers that exceed their expectations by putting them first.
3. Kyocera aims to be a world leader in quality by doing every job right the first time.

Quality Management Systems

The Kyocera Group holds meetings of the Kyocera CS Improvement Committee with the President serving as its chairman on a regular basis to improve the customer satisfaction indices, share quality information to prevent quality problems, and prevent the recurrence of quality-related problems. The company has established quality management systems based on ISO 9001, and each business unit sets its own quality targets and carries out quality improvements towards their achievement. Furthermore, these improvement activities are continuously being upgraded by holding various quality-related training programs. This training is designed to give employees field drills with the help of Kyocera style tree diagrams and help them enhance their practical capability that allows them to smoothly handle quality problems.



Kyocera CS Improvement Committee

Efforts to Ensure Product Safety

Kyocera Product Safety Policy

Safety is the utmost priority for all products made or sold by Kyocera. Regardless of form or function, they must not endanger a person's life or well-being, nor inflict damage on property. From this perspective, Kyocera has set a Product Safety Policy, in addition to its Quality Policy.

Kyocera established Product Safety System Guidelines as a concrete code of action at all levels of corporate activity. Additionally, the Guidelines for Product Safety Labeling serve as supplementary guidelines for understanding international standards relating to safety labels.

■ Kyocera Product Safety Policy

1. Kyocera is fully acquainted with the latest information related to product liability and product safety.
2. Kyocera maintains an industry-leading standard of product safety.
3. Kyocera systematically practices product safety in accordance with manuals.

Responses to Accidents Involving Products

We have established systems that allow the CS Division and Risk Management Division to gather information and implement countermeasures if a serious product accident occurs. We also notify the competent authority of such accidents and disclose information on our Web site.

Approaches to Raising Customer Satisfaction Levels

Action by the Customer Support Center

The Kyocera Group operates a Customer Support Center (Call Center) to handle mainly matters concerning products for general consumers. By responding earnestly, correctly and promptly to customer inquiries, consultations, complaints and other issues, the Kyocera Group aims to raise the level of customer satisfaction.

Valuable information and inquiries received from our customers are promptly reported to top management and shared among the relevant business segments. The information received is used to improve the quality of our products and services.

In FY2016, Kyocera received 60,197 inquiries, about 2,000 more than in the previous year, mainly because of an increase in the number of questions on smartphone operation.

Safeguarding Customer Personal Information

In the Kyocera Group, the personal information of customers is as a rule obtained directly from customers, upon agreement with the customers, and only after clarification of the purpose for which it would be used is provided. Personal information stored by the Kyocera Group is handled appropriately in accordance with strict controls based on the Electronic Information Security Management Policy and associated regulations.

Efforts of Universal Design

Kyocera Document Solutions Inc. incorporates the concept of User Centered Design in its development process. Under this concept, users are always at the center of the life cycle of products such as printers and multifunctional products (MFPs), covering planning, design, production and sale; and products are designed based on information gathered from users and a good understanding of what they want.

Particularly in the design stage, it is important to understand customers' needs and repeat the production and evaluation of prototypes. This is how the company realizes the supply of easy-to-use products and user-friendly services. Engineers and designers whose job is to develop products actually visit workplaces where people with disabilities work, as well as place themselves in wheelchairs or wear special kits in order to recreate the physical experience of elderly people so that they can better understand the needs of diverse people. What they learn is then incorporated into the verification and development of products.



Wheelchair usability evaluation

One Approach

■ Development of Antibacterial Artificial Hip Joints

Kyocera Medical Corp. developed an antibacterial artificial hip joint that features both antibacterial performance and osteocompatibility jointly with Saga University. While surgical operations that replace deformed joints with artificial ones have become standard, there are still problems of postoperative complications not totally solved although the occurrence ratio of infection is in the low single digit percentile. To solve these problems, the newly developed sterilizing technology AG-PROTEX® features a high sterilization capability against many bacteria and applies coating of silver, a metal of low toxicity in the body, to the surface of an artificial joint. Kyocera is actively engaged in R&D that helps solve various medical problems in the future.



Artificial hip joint using antibacterial technology AG-PROTEX®

■ Rugged Smartphone Won the Red Dot Design Award

Kyocera's rugged smartphone DuraForce XD on sale in the U.S.A. won the Red Dot Design Award 2016, an international product design award sponsored by the Nordrhein Westfalen Design Center, Germany.

Candidates for this award are examined based on 9 criteria including innovativeness, functionality, ergonomics, ecology, and durability. DuraForce XD was evaluated for its design concept that makes it usable under harsh business environments, such as at worksites, and its sturdy and prominent design.



High-durability smartphone DuraForce XD

■ Washable Smartphone DIGNO® rafre Commercialized

Kyocera commercialized a handsoap-washable smartphone called the DIGNO® rafre in December 2015. Kyocera's waterproofing technology and high durability performance accumulated over years of effort make it possible to incorporate the handsoap-washable waterproofing feature and the hot-waterproofing feature to this smartphone. This product was created in response to the requests of customers who want to keep their smartphones clean, as they are usually used in contact with the skin and casually handled by children.

Kyocera intends to tackle development of various user-friendly products that satisfy customers' demands.



Washable smartphone DIGNO® rafre

■ **Color A4 Multifunctional Product TASKalfa 406ci Earns Highly Recommended Commendation**

The color A4 multifunctional product (MFP) TASKalfa 406ci produced and sold by Kyocera Document Solutions Inc. was highly evaluated for its reliability by the U.S.-based independent survey organization Buyers Laboratory (BLI) and earned their Highly Recommended rating. The Highly Recommended rating is the top of five ranks of comprehensive evaluation. It is generally granted to a product after about two months of examination with wide-ranging tests including reliability, image quality, printing performance and scanning performance. TASKalfa 406ci was awarded the accolade for its easy and simple network settings, color reproducibility and operability. We are determined to create highly reliable products to satisfy customers' needs.



Color A4 multifunctional product
TASKalfa 406ci

Academic Advancement and Research

Supporting the Inamori Foundation's Kyoto Prize

The non-profit Inamori Foundation was established in 1984, based upon the belief of Kyocera's founder Kazuo Inamori, that "a human being has no higher calling than to strive for the greater good of humanity and the world," and that "the future of humanity can be assured only when there is a balance between scientific development and the enrichment of the human spirit." The Kyoto Prize, organized by the Foundation, was established in 1985. It celebrates its 32nd anniversary in 2016 as an international award that honors people who have made significant contributions in the three categories of Advanced Technology, Basic Sciences, and Arts and Philosophy. Each laureate receives a diploma, Kyoto Prize medal and prize money of 50 million yen per category.

Following the Kyoto Prize presentation ceremony each November, events are held to encourage citizen interaction with the laureates, including commemorative lectures for the general public where the laureates present their path of research and world views, academic workshops involving experts in the chosen award fields, and educational programs for students from elementary school to university level.

Also, a Kyoto Prize Symposium for local university students and the general public has been held in San Diego (U.S.A.) since 2001, and in 2017, a Kyoto Prize Symposium will be held for the first time at Oxford University (U.K.). The Kyocera Group is fully aligned with the spirit of the Kyoto Prize and is pleased to support this award.



The 2015 Kyoto Prize laureates



The Kyoto Prize Presentation Ceremony



Kyoto Prize Symposium held in San Diego (U.S.A.)
(©Erik Jepsen/UC San Diego)

Inamori Frontier Research Center at Kyushu University

The Inamori Frontier Research Center was established at Kyushu University (Fukuoka Prefecture, Japan) to undertake research activities contributing to the harmony of minds and technology, and to support the education of young researchers. Kyocera agrees with the goals of the Center, and has supported its operations since 2008 by donating scholarship funds.



Inamori Foundation Memorial Hall housing the Inamori Frontier Research Center

Inamori Academy Building at Kagoshima University

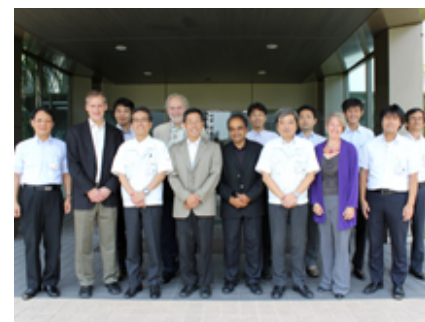
In 2008, the Inamori Academy building opened at Kagoshima University (Kagoshima Prefecture, Japan) to offer a course targeting the comprehensive development of human potential. Kyocera supported the construction of the facility. In 2000, Kyocera endowed the Chair of Management Studies in the Faculty of Engineering. In 2005, the Inamori Academy of Management and Technology was founded, which later reorganized and merged into the Inamori Academy in 2008.



Inamori Academy building

Research Support at Four U.S. Universities

In gratitude for many years of collaboration with the American electronics industry, and based on a desire to ensure the industry's continued development, Kyocera has given endowments to the engineering departments of Alfred University, Case Western Reserve University, Massachusetts Institute of Technology, and the University of Washington. These endowments support the research activities of appointed Kyocera Professors as well as the enrollment of overseas students and researchers at each institution.



Kyocera Professors meet to exchange research ideas

The Kyocera Museum of Fine Ceramics

The Kyocera Museum of Fine Ceramics was inaugurated at 1998 at the global headquarters building in Kyoto, followed by a sister museum in the company's Kagoshima Kokubu Plant, which opened in 2001. Open to the public and free of charge, the museums showcase the evolution and latest technological advances around which Kyocera has grown, and serve to support the future development of fine ceramics. The museum in Kyoto was completely renovated in March 2014, and receives more than 20,000 visitors per year.



The Kyocera Museum of Fine Ceramics

Donation of the Kyocera Collection of British Parliamentary Papers

In 1998, Kyocera donated to Japan's National Museum of Ethnology more than 12,000 volumes of documents that had been submitted to the British parliament in the 19th and 20th centuries. The collection was transferred to the Center for Integrated Area Studies (CIAS) at Kyoto University in 2006 and is utilized as a resource for research.



Kyocera Collection of British Parliamentary Papers

Support for Culture and the Arts

The Kirishima International Music Festival

Since 2001, Kyocera has supported the Kirishima International Music Festival (Japan) with the hope of providing students an opportunity to learn from outstanding musicians by experiencing their performances firsthand. Concerts and workshops are held every year, featuring musicians from around the world as invited performers and lecturers.



Concert at the Kirishima International Music Festival
© Kirishima International Music Festival

Kyoto Hanatouro Project

Kyocera supports the Kyoto Hanatouro Project, in which lights and flowers evoking a rich Japanese ethos decorate Kyoto's prominent streets, temples, shrines and other historic cultural assets. More than two million people enjoyed fantastic night scenery during 2015 events in Higashiyama and Arashiyama. In 2016, Hotel Princess Kyoto Co., Ltd began providing volunteer Information Desk staffing and distributing promotional literature and questionnaires.



Townscape vividly lit by street lanterns
© Kyoto Hanatouro Promotion Council

Shiki Theatre Company's Kokoro no Gekijo

Kyocera supports Kokoro no Gekijo (theatre of the heart), planned and managed by the Shiki Theatre Company, which uses the stage to communicate to children such important life lessons as trust, altruism and the value of life. Children across Japan are invited to attend the free performances.



Shiki Theatre Company performing
The Cat Who Wished to be a Man
(Photo by Akihito Abe)

The Kyocera Museum of Art

The Kyocera Museum of Art, which is open to the public and free of charge, was established at 1998 at Kyocera's headquarters building (Kyoto, Japan). Many works of art are on permanent display, including Picasso's copper plate print series 347, paintings, sculptures, and Qianlong glass from China.

A special exhibition was held in 2015 to display ancient offerings dedicated by the shogunate government during the Edo period (1603-1868) to Yasaka Shrine in Kyoto. These rare exhibits have not been widely available for public viewing and were received enthusiastically by visitors.



The Kyocera Museum of Art



Detail of a poster from the 2015 Autumn Special Exhibition

International Exchange and Collaboration

Donations to Nepal to Support Earthquake Reconstruction

To support reconstruction in Nepal following the 2015 earthquakes, Kyocera donated solar power generating systems through the United Nations Development Programme (UNDP), which established temporary facilities and helped rebuild infrastructure and lifelines. The solar installations power lighting and computers at Gorkha District Hospital and a rehabilitation facility in the Sindhupalchowk District.



Delivery to Sindhupalchowk District (Nepal)

Picture Books for Children in Asia

In 2009, to support international efforts to promote reading, Kyocera joined a program to deliver children's picture books translated into local languages to regions in Asia with lower literacy rates. Books delivered to Cambodia and refugee camps in Myanmar (Burma) help local children learn to read and write.



Employees volunteer to make picture books



Children enjoying the picture books (photo courtesy of Shanti Volunteer Association)

The Inamori-Kyocera Western Development Scholarship

In 2001, Kyocera and its founder, Kazuo Inamori, set up the Inamori-Kyocera Western Development Scholarship Fund to assist economically disadvantaged university students in China's western provinces who show both outstanding academic achievement and high moral character. The fund fosters individuals who will aid regional development through science and technology.

Scholarships are granted at 12 universities each year, with more than 4,000 recipients to date.



Scholarship recipients

Providing Scholarships to Japanese Language Students

Since 1983, Kyocera International, Inc. (U.S.A.) has provided Kyocera Japanese Scholarships and Best Student Awards to students at San Diego State University. These annual partial scholarships and awards recognize outstanding students of Japanese language and encourage cross-cultural studies.



Representatives from Kyocera International, Inc. (center and right) present a Kyocera Japanese Scholarship.
(© Cassandra Neel)

Cultural Exchange Tours Enable Chinese Children to Visit Japan

Since 1997, Kyocera has invited children from China to visit Japan, with the hope that providing firsthand experience of different cultures to children will facilitate future bonds of friendship between the two countries.

The summer of 2015 marked the 16th anniversary of this tour, with 30 children visiting Japan from Beijing and Tianjin Province to travel around Kyoto and Osaka. 454 children have visited Japan and enlarged their experience so far.



Chinese Children visit the headquarters of Kyocera



Lunch party with host family



Chinese children visit a middle school in Japan

Support for Overseas Study

Since 2013, the Japanese Ministry of Education, Culture, Sports, Science and Technology has implemented “TOBITATE! NEXT JAPAN” — a public-private overseas study program aimed at nurturing human resources with a global perspective who can succeed in the modern world.

In August 2015, a Kyocera executive with both overseas study and work experience gave a keynote speech during a pre-departure study abroad training seminar for students about the importance of maintaining hopes and dreams which he tied it in to the company’s corporate philosophy.

Kyocera supports this program in the hope that motivated and capable young people will grow into adults who contribute to a more harmonious global society.



“TOBITATE! NEXT JAPAN” send-off party



Pre-departure training seminar

Supporting Education of Vietnam Maritime University Students

To support the development of the local city of Hai Phong, Kyocera Document Technology Vietnam Co., Ltd. started offering scholarships to Vietnam Maritime University students in 2013. By providing annual scholarships to economically disadvantaged students with excellent academic performance and conduct, Kyocera hopes to assist in developing strong leaders for the next generation.



Ceremony inaugurating the scholarship program



Scholarship recipients

Donations to Schools in Uganda, Tanzania and Nepal

To help improve the educational environment in areas lacking electricity, Kyocera has donated solar power generating systems and basic electrical equipment, including lighting, TVs and radios, to schools in Uganda, Tanzania and Nepal from 2009 to 2014. As a pioneer in solar power, Kyocera can help improve educational standards in developing countries by giving children — our future leaders — classrooms lit by solar electricity.



Solar modules installed at a school
(Uganda)



Schoolchildren watch a solar-powered TV
(Uganda)



Solar modules installed at a school
(Tanzania)



Solar modules installed at a school
(Nepal)

Local Community Activities

Japan

Supporting Kyoto Sanga F.C. Professional Soccer Team

In 1994, in response to the high expectations of Kyoto residents calling for a local professional soccer team, Kyocera helped establish Kyoto Purple Sanga (now Kyoto Sanga F.C.), with the belief that it is the responsibility of local companies to help local communities thrive. Kyocera Group companies in Japan work together to support the team. Kyocera also supports the Sanga Cup Kyoto Youth Soccer Championships, as well as a project that helps develop soccer skills in players ages 18 and younger.



© KYOTO SANGA F.C.

Operation of Kagoshima Nanatsujima Solar Science Museum

Kyocera, working through the Kagoshima Mega Solar Power Corporation, built and operates the 70-megawatt Kagoshima Nanatsujima Mega Solar Power Plant and the adjoining Kagoshima Nanatsujima Solar Science Museum where people can explore global environmental issues and learn how solar power generation works. More than 22,000 people have visited the facilities since they opened in November 2013. In addition to offering stunning views of the solar power plant and Mt. Sakurajima, the Museum seeks to contribute to local revitalization.



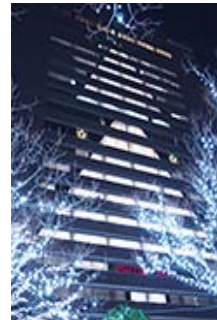
Kagoshima Nanatsujima Mega Solar Power Plant where the Solar Science Museum is located



Students touring the Kagoshima Nanatsujima Solar Science Museum

Christmas Illuminations

In December, Kyocera festively illuminates its global headquarters building in Kyoto with LED lighting to enliven the local community. During the holiday season, the headquarters building becomes a huge, 86-meter-high shining fir tree through the clever arrangement of lighted windows. In 2015, many visitors enjoyed strolling in the headquarters courtyard, which was decorated by approximately 200,000 LED bulbs, providing a festive atmosphere on winter nights.



A giant Christmas tree is created through the clever arrangement of lighted windows



LED illuminations in the public space in front of the headquarters building

Donation of “Kyocera Libraries”

To commemorate its 55th anniversary in 2014, Kyocera donated approximately 50 million yen worth of books — dubbed “Kyocera Libraries” — to 130 local elementary and middle schools in communities where 25 of Kyocera’s main manufacturing plants and business offices are located in Japan. In response to an overall decline in readership, Kyocera hopes that this donation will enhance the development of our next-generation leaders by providing them with more opportunities to enjoy books and discover the importance of reading.



Presentation ceremony at an elementary school (Yasu, Shiga Prefecture)

Outside Japan

Outreach Activities for Local Children and Groups

Kyocera Precision Tools Korea Co., Ltd. (Korea) has conducted outreach to disabled children and elderly persons living alone at Christmastime every year since 1999.

Approximately 400 employees divide into small to deliver food and daily necessities donated by employees, and also engaged in other volunteer activities such as light housekeeping.



Scarves delivered to children in welfare facilities

Donation to the Autism Research and Treatment Organization

Kyocera Document Solutions America, Inc. (U.S.A.) began fundraising for World Autism Awareness Day in 2014. Kyocera employees who donated five dollars or more come to work in blue, the official color of World Autism Awareness Day. Money donated by employees is given to Autism Speaks, an organization specializing in the research and treatment of autism.



Employees in blue who participated in the charity drive

Renovating Schools

Kyocera Crystal Device (Thailand) Co., Ltd., together with local communities, joined in renovations such as re-tiling bathroom floors, painting walls and washbasins, and installing drinking fountains at schools in Lamphun Province where the company is located. These efforts greatly improved the sanitary conditions at the schools and evoked messages of joy and gratitude from the children.



Employees who took part in school renovations

Raising Funds for Cancer Patients

Kyocera Document Solutions Australia Pty. Ltd. (Australia) supports both “Daffodil Day” and “Australia’s Biggest Morning Tea” charity fundraisers, which benefit cancer patients and research. Teddy bears, pens and other goods were sold in the office and a staff-funded morning tea was held to raise donations. All funds raised were donated to the Cancer Council Australia.



Employees participate in “Australia’s Biggest Morning Tea” charity event



“Australia’s Biggest Morning Tea” charity event

Toys for Tots Donation

Since 2006, Kyocera Document Solutions America, Inc. has supported the annual Toys for Tots campaign run by the U.S. Marine Corps, which collects toys to give as holiday gifts to underprivileged children. The primary goal of Toys for Tots is to deliver a message of hope to less fortunate youngsters that will assist them in becoming responsible and productive citizens.



U.S. Marines and Kyocera employee with donated toys

Pink Ribbon Activities

The Kyocera Group supports the Pink Ribbon movement to promote early detection and diagnosis of breast cancer, and donates part of the profits from its pink ceramic kitchen products to this effort. In the United States, Kyocera has donated part of the profits from its pink-handled ceramic knives to breast cancer research since 2004. Kyocera supports similar activities in Australia, Singapore, China, Japan and Korea.



Ceramic knife series supports the Pink Ribbon movement

Summer Festivals at Plants and Offices

Every year since 1972, Kyocera Group has held summer festivals at its offices and plants throughout Japan to deepen the relationship with local communities. The Kyocera Group also began holding summer festivals in China in 2009 and Vietnam in 2014. About 3,000 local residents visit our plant in Vietnam to enjoy food, games, karaoke and dance performances every year.



Employees wearing traditional national dress, ao dai, while performing the Non La dance (Vietnam)

Local Beautification Activities

Kyocera aims to be an integral part of its local communities, participating in beautification efforts for parks, forests, rivers and areas around the company's offices and plants worldwide on a regular basis. Kyocera Document Solutions Australia Pty. Ltd. (Australia) has participated in the nation's largest community-based environmental event, "Clean-up Australia Day" since 2011 and conducted cleanups at Lane Cove's Blackman Park in 2015. Kyocera continually seeks to help beautify its communities.



Employees taking part in the clean-up event (Australia)

Editorial Policy

This CSR report is published to report on the Kyocera Group's CSR activities in keeping with the concept of ISO26000, the international standard concerning social responsibilities. Information contained in this report is disclosed in consideration of opinions and views received from stakeholders, and the degree of importance placed on the above activities by the Kyocera Group.

Reporting Period

Information disclosed focuses on content from FY2016 (April 1, 2015 to March 31, 2016).

Scope of the Report

Kyocera Corporation and consolidated subsidiaries

In this report, "Kyocera" refers to Kyocera Corporation as a separate entity. The environmental data shown here are for production sites. Whenever the scope differs, it is so specified.

Accuracy of Information

To ensure the accuracy of disclosed information, the information presented here is disclosed after being cross-checked by multiple divisions, including the division providing the information, the Editorial Section, and the Corporate Communications Division.

GRI and ISO26000 Comparison Tables

The Kyocera Group strives to report in conformity to international standards and refers to core subjects of Sustainability Reporting Guidelines Version 4 of GRI and ISO26000: 2010.

GRI Guideline

The Company's CSR Report conforms to the core items of the GRI G4 Sustainability Reporting Guidelines.

General Standard Disclosures		
Item	Indicator	References
Strategy and Analysis		
G4-1	Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	→ Top Management Message
G4-2	Provide a description of key impacts, risks, and opportunities.	→ Top Management Message → Form 20-F
Organizational Profile		
G4-3	Report the name of the organization.	→ Corporate Summary
G4-4	Report the primary brands, products, and services.	→ Business Segments
G4-5	Report the location of the organization's headquarters.	→ Corporate Summary
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	→ Business Development → Global Network
G4-7	Report the nature of ownership and legal form.	→ Corporate Summary → Form 20-F
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	→ Corporate Summary
G4-9	Report the scale of the organization.	→ Corporate Summary
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as selfemployed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers.	→ Respect for Human Rights and Diversity

G4-11	Report the percentage of total employees covered by collective bargaining agreements.	→ Respect for Human Rights and Diversity
G4-12	Describe the organization's supply chain.	→ Kyocera Group Corporate Social Responsibility (CSR) → Supply Chain Management
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	Not applicable
Commitments to External Initiatives		
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	→ Corporate Governance → Risk Management and Compliance → Environmental Risk Management
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	→ Response to International Standards and Initiatives
G4-16	List memberships of associations and national or international advocacy organizations in which the organization:	Keidanren (Japan Business Federation), JEITA (Japan Electronics and Information Technology Industries Association) etc
Identified Material Aspects and Boundaries		
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	→ Kyocera Group Corporate Social Responsibility (CSR)
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	→ Kyocera Group Corporate Social Responsibility (CSR)
G4-19	List all the material Aspects identified in the process for defining report content.	→ Kyocera Group Corporate Social Responsibility (CSR)
G4-20	For each material Aspect, report the Aspect Boundary within the organization, as follows.	→ Kyocera Group Corporate Social Responsibility (CSR)
G4-21	For each material Aspect, report the Aspect Boundary outside the organization, as follows.	→ Kyocera Group Corporate Social Responsibility (CSR)
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Not applicable
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Not applicable
Stakeholder Engagement		
G4-24	Provide a list of stakeholder groups engaged by the organization.	→ Kyocera Group Corporate Social Responsibility (CSR)

G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Kyocera Group Corporate Social Responsibility (CSR)
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Kyocera Group Corporate Social Responsibility (CSR)
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Kyocera Group Corporate Social Responsibility (CSR)
Report Profile		
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	Editorial Policy
G4-29	Date of most recent previous report (if any).	July, 2016
G4-30	Reporting cycle (such as annual, biennial).	Annual
G4-31	Provide the contact point for questions regarding the report or its contents.	Support / Contact
GRI Content Index		
G4-32	<p>a. Report the 'in accordance' option the organization has chosen.</p> <p>b. Report the GRI Content Index for the chosen option (see tables below).</p> <p>c. Report the reference to the External Assurance Report, if the report has been externally assured. (GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.)</p>	GRI and ISO 26000 Comparison Tables
Assurance		
G4-33	<p>a. Report the organization's policy and current practice with regard to seeking external assurance for the report.</p> <p>b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.</p> <p>c. Report the relationship between the organization and the assurance providers.</p> <p>d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.</p>	Form 20-F

Governance		
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	→ Corporate Governance
Ethics and Integrity		
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	→ Kyocera Group Management Roots → Kyocera Group Corporate Social Responsibility (CSR) → Corporate Governance

Specific Standard Disclosures

(○ : Selected as material issues for Kyocera Group)

Item	Indicator	References
Economic		
Economic Performance		
G4-EC1	Direct economic value generated and distributed	→ Form 20-F
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	→ Form 20-F → Feature Article 1: Kyocera's Floating Solar Power Plants Contribute to Greater Diffusion of Renewable Energy Use
G4-EC3	Coverage of the organization's defined benefit plan obligations	→ Form 20-F
G4-EC4	Financial assistance received from government	→ Form 20-F
Market Presence		
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	-
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	-
Indirect Economic Impacts		
G4-EC7	Development and impact of infrastructure investments and services supported	→ Social Contribution Activities
G4-EC8	Significant indirect economic impacts, including the extent of impacts	→ Environmental Accounting
Procurement Practices		
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	-

Environmental		
Materials		
G4-EN1	Materials used by weight or volume	-
G4-EN2	Percentage of materials used that are recycled input materials	→ Environmentally Friendly Products
○ Energy		
G4-EN3	Energy consumption within the organization	→ Energy Conservation and Prevention of Climate Change
G4-EN4	Energy consumption outside of the organization	→ Energy Conservation and Prevention of Climate Change
G4-EN5	Energy intensity	→ Energy Conservation and Prevention of Climate Change
G4-EN6	Reduction of energy consumption	→ Energy Conservation and Prevention of Climate Change
G4-EN7	Reductions in energy requirements of products and services	→ Environmentally Friendly Products
○ Water		
G4-EN8	Total water withdrawal by source	-
G4-EN9	Water sources significantly affected by withdrawal of water	-
G4-EN10	Percentage and total volume of water recycled and reused	→ Effective Use of Water Resources
Biodiversity		
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	→ Activities Related to the Conservation of Biodiversity
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	→ Activities Related to the Conservation of Biodiversity
G4-EN13	Habitats protected or restored	→ Activities Related to the Conservation of Biodiversity
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	-
○ Emissions		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	→ Energy Conservation and Prevention of Climate Change
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	→ Energy Conservation and Prevention of Climate Change
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	→ Energy Conservation and Prevention of Climate Change


G4-EN18	Greenhouse gas (GHG) emissions intensity	→ Energy Conservation and Prevention of Climate Change
G4-EN19	Reduction of greenhouse gas (GHG) emissions	→ Energy Conservation and Prevention of Climate Change
G4-EN20	Emissions of ozone-depleting substances (ODS)	Complete elimination
G4-EN21	NOX, SOX, and other significant air emissions	→ Energy Conservation and Prevention of Climate Change
○ Effluents and Waste		
G4-EN22	Total water discharge by quality and destination	→ Effective Use of Water Resources
G4-EN23	Total weight of waste by type and disposal method	→ Waste Reduction and Recycling Measures
G4-EN24	Total number and volume of significant spills	→ Environmental Risk Management
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention ² Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	-
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	-
Products and Services		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	→ Environmentally Friendly Products
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	→ Environmentally Friendly Products
Compliance		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	→ Environmental Risk Management
Transport		
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	→ Energy Conservation and Prevention of Climate Change
Overall		
G4-EN31	Total environmental protection expenditures and investments by type	→ Environmental Accounting

○ Supplier Environmental Assessment		
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	→ Supply Chain Management → Promotion of Green Procurement
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	→ Supply Chain Management → Promotion of Green Procurement
Environmental Grievance Mechanisms		
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	→ Thorough Legal Compliance → Approaches to Raising Customer Satisfaction Levels
Social		
Labor Practices and Decent Work		
Employment		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	→ Careers 
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	-
G4-LA3	Return to work and retention rates after parental leave, by gender	-
Labor/Management Relations		
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	-
Occupational Health and Safety		
G4-LA5	Percentage of total workforce represented in formal joint management — worker health and safety committees that help monitor and advise on occupational health and safety programs	→ Approaches to Stimulating Communication(Approach to Labor-Management Relations)
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of workrelated fatalities, by region and by gender	→ Approaches to Occupational Safety and Health / Fire and Disaster Prevention
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	→ Approaches to Occupational Safety and Health / Fire and Disaster Prevention
G4-LA8	Health and safety topics covered in formal agreements with trade unions	→ Approaches for Health Enhancement

○ Training and Education		
G4-LA9	Average hours of training per year per employee by gender, and by employee category	→ Advancing Kyocera Philosophy Education → Cultivation of Human Resources
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	→ Cultivation of Human Resources
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	→ Advancing Kyocera Philosophy Education → Cultivation of Human Resources
○ Diversity and Equal Opportunity		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	→ Respect for Diversity / Work-Life Balance
○ Equal Remuneration for Women and Men		
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	No discrimination with regard to male and female compensation within the same category
○ Supplier Assessment for Labor Practices		
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	→ Supply Chain Management
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	→ Supply Chain Management
Labor Practices Grievance Mechanisms		
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	→ Thorough Legal Compliance → Approaches to Raising Customer Satisfaction Levels
Human Rights		
Investment		
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	→ Respect for Human Rights and Diversity → Supply Chain Management
Non-discrimination		
G4-HR3	Total number of incidents of discrimination and corrective actions taken	-

Freedom of Association and Collective Bargaining		
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	<ul style="list-style-type: none"> ➔ Respect for Human Rights ➔ CSR Deployment in the Supply Chain
Child Labor		
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	<ul style="list-style-type: none"> ➔ Respect for Human Rights ➔ CSR Deployment in the Supply Chain
Forced or Compulsory Labor		
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	<ul style="list-style-type: none"> ➔ Respect for Human Rights ➔ CSR Deployment in the Supply Chain
Security Practices		
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	-
Indigenous Rights		
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	-
Assessment		
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	<ul style="list-style-type: none"> ➔ Advancing Kyocera Philosophy Education ➔ Cultivation of Human Resources
○ Supplier Human Rights Assessment		
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	-
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	➔ Supply Chain Management
Human Rights Grievance Mechanisms		
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	<ul style="list-style-type: none"> ➔ Thorough Legal Compliance ➔ Approaches to Raising Customer Satisfaction Levels
Society		
Communities		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	<ul style="list-style-type: none"> ➔ Green Communication ➔ Social Contribution Activities
G4-SO2	Operations with significant actual or potential negative impacts on local communities	➔ Environmental Risk Management

Anti-corruption		
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	→ Internal Control Audits of the Kyocera Group → Thorough Legal Compliance
G4-SO4	Communication and training on anti-corruption policies and procedures	→ Thorough Legal Compliance
G4-SO5	Confirmed incidents of corruption and actions taken	-
Public Policy		
G4-SO6	Total value of political contributions by country and recipient/beneficiary	→ Thorough Legal Compliance(Legal Audit System)
Anti-competitive Behavior		
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Not applicable
Compliance		
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Not applicable
○ Supplier Assessment for Impacts on Society		
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	→ Supply Chain Management
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	→ Supply Chain Management
Grievance Mechanisms for Impacts on Society		
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	→ Thorough Legal Compliance → Approaches to Raising Customer Satisfaction Levels
Product Responsibility		
Customer Health and Safety		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	→ Efforts to Ensure Product Safety
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	-

Product and Service Labeling		
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	→ Thorough Legal Compliance
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	-
G4-PR5	Results of surveys measuring customer satisfaction	-
Marketing Communications		
G4-PR6	Sale of banned or disputed products	-
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	-
Customer Privacy		
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Not applicable
Compliance		
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	→ Information 

ISO26000

ISO26000 Core Subjects	Issues	References
Organizational Governance	-	<ul style="list-style-type: none"> ➔ Top Management Message ➔ Kyocera Group Corporate Social Responsibility (CSR) ➔ Corporate Governance
Human Rights	<ol style="list-style-type: none"> 1. Due diligence 2. Human rights risk situations 3. Avoidance of complicity 4. Resolving grievances 5. Discrimination and vulnerable groups 6. Civil and political rights 7. Economic, social and cultural rights 8. Fundamental principles and rights at work 	<ul style="list-style-type: none"> ➔ Respect for Human Rights and Diversity ➔ Risk Management and Compliance ➔ Supply Chain Management
Labour Practices	<ol style="list-style-type: none"> 1. Employment and employment relationships 2. Conditions of work and social protection 3. Social dialogue 4. Health and safety at work 5. Human development and training in the workplace 	<ul style="list-style-type: none"> ➔ Respect for Human Rights and Diversity ➔ Cultivation of Human Resources ➔ Building a Safe & Secure Work Environment
The Environment	<ol style="list-style-type: none"> 1. Prevention of pollution 2. Sustainable resource use 3. Climate change mitigation and adaptation 4. Protection of the environment, biodiversity and restoration of natural habitats 	<ul style="list-style-type: none"> ➔ Kyocera Group Environmental Management ➔ Green Management ➔ Green Products ➔ Green Factories ➔ Green Communication
Fair Operating Practices	<ol style="list-style-type: none"> 1. Anti-corruption 2. Responsible political involvement 3. Fair competition 4. Promoting social responsibility in the value chain 5. Respect for property rights 	<ul style="list-style-type: none"> ➔ Promotion of Green Procurement ➔ Risk Management and Compliance ➔ Supply Chain Management

<p>Consumer Issues</p>	<ol style="list-style-type: none"> 1. Fair marketing, factual and unbiased information and fair contractual practices 2. Protecting consumers' health and safety 3. Sustainable consumption 4. Consumer service, support, and complaint and dispute resolution 5. Consumer data protection and privacy 6. Access to essential services 7. Education and awareness 	<ul style="list-style-type: none"> ➔ Promotion of Green Procurement ➔ Risk Management and Compliance ➔ Supply Chain Management ➔ Customer Concerns
<p>Community Involvement and Development</p>	<ol style="list-style-type: none"> 1. Community involvement 2. Education and culture 3. Employment creation and skills development 4. Technology development and access 5. Wealth and income creation 6. Health 7. Social investment 	<ul style="list-style-type: none"> ➔ Green Communication ➔ Social Contribution Activities



KYOCERA Corporation

Duplication or reproduction of any part of
this brochure without approval is prohibited.

© 2016 KYOCERA Corporation