

Headquarters

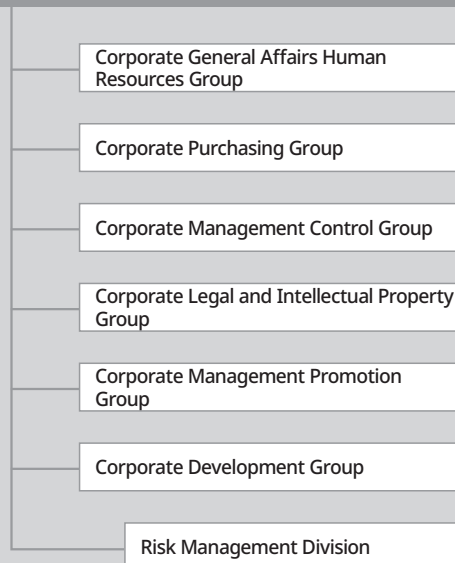


Director
Managing Executive Officer
Executive General Manager
of Headquarters & Senior
General Manager, Corporate
Development Group

Shoichi Aoki

Organizational chart

Headquarters



Vision

Kyocera strives to optimize the management resources of personnel, materials, financial assets, and information to enhance corporate value.

Compared with the previous term, the year ended March 31, 2024, resulted in a decrease in income and profit from the increasingly severe business environment within which the company operates. To mitigate this, Kyocera enhanced the management infrastructure through the implementation of three priority measures.

Looking at the pursuit of sustainable management, the Kyocera Group strengthened group-wide approaches. These included measures for natural disasters and cybersecurity risks, an external audit of compliance with the Responsible Business Alliance (RBA), and response to the Corporate Sustainability Reporting Directive (CSRD), which is scheduled to become a requirement, at 6 of the 14 domestic production bases. As for capital strategies, in addition to providing stable dividend payments, Kyocera concluded a stock buyback totaling 50 billion yen aiming to achieve high returns for shareholders. Measures implemented for shareholders included a share split to further expand the number of investors and improve the liquidity of

Priority Measures

1 Promoting Sustainable Management

The Kyocera Group works on sustainable management based on its management philosophy. This includes the promotion of Diversity, Equity, and Inclusion (DEI), protection of human rights, robust risk management, and adherence to compliance practices along with ensuring new value to society.

2 Capital Strategies

For sustainable corporate development, we will improve capital utilization and improve shareholder returns through a combination of dividends and share repurchases.

3 Enhancement of Corporate Governance

In order to maintain the soundness and transparency of management and ensure fair and efficient practices, the Kyocera Group enhances its governance structure through the assignment of diverse outside directors and improvement of the effectiveness of the Board of Directors.

company shares. Kyocera also established new shareholder benefits as incentives. Furthermore, the company is reducing cross-shareholdings. In regard to approaches to corporate governance, Kyocera further enhanced the supervisory functions and increased the diversification of the Board of Directors. In June 2024, the Board added one female outside director with extensive experience in corporate management and assigned a female outside auditor. These assignments helped to increase the ratio of outside and female executive officers.

To achieve sustainable corporate growth in a rapidly changing business environment, it is increasingly important that approaches are made in cooperation with individual divisions inside the company. Based on the Kyocera Philosophy, which points the company in universally reliable directions, Kyocera leverages its capabilities through internal synergy to advance the enhancement of the management infrastructure as the company improves the Kyocera Group value through active communication with stakeholders.

Promoting Sustainable Management

While solutions to many of the most important issues facing the world require the experience and expertise of global corporations, sustainable corporate growth requires that those solutions be matched to business pursuits that produce the most meaningful results. The Kyocera Group continues to pursue sustainable management and provides unprecedented new value through its business to achieve sustainable growth for both society and the Kyocera Group.

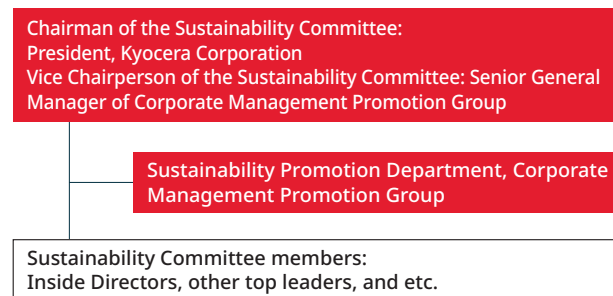
Concept

The Kyocera Group’s sustainability activities reflect our management philosophy and our mission to build businesses that respond to societal needs. We are committed to develop environment-friendly products, implement climate change countermeasures through long-term environmental targets, and respect human rights.

Promotion System

To promote the sustainable development of both society and the Kyocera Group, the Kyocera Group’s Sustainability Committee holds two meetings yearly. The committee is chaired by our president, Hideo Tanimoto, and is attended by Kyocera’s Inside Directors and other top leaders.

Sustainability Committee Structure



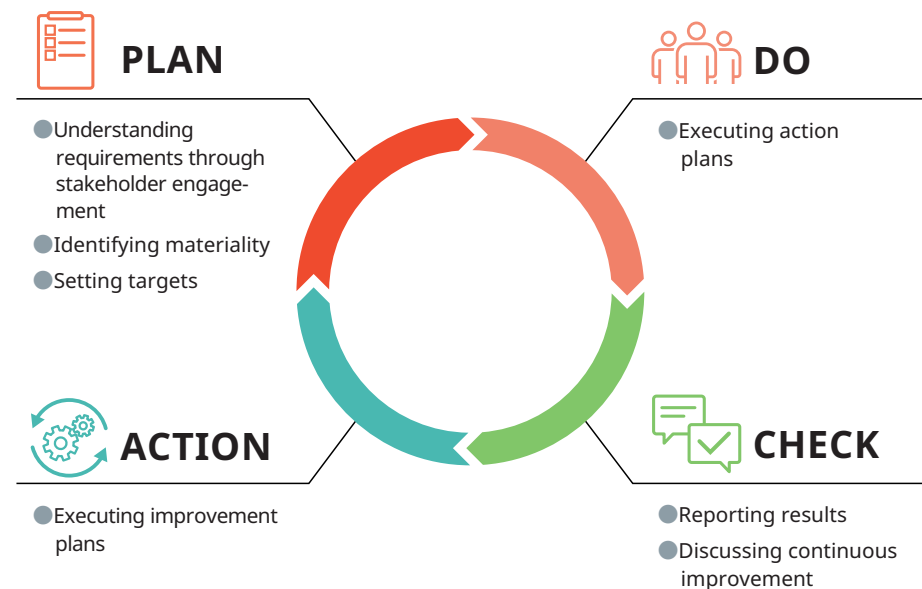
Kyocera reported and discussed the following items in FY2024:

- Progress of long-term environmental goals (Scope 1, 2, 3)
- Approaches to the CSRD (Corporate Sustainability Reporting Directive)
- Biodiversity conservation
- Contribution to the circular economy
- Publication of Kyocera Integrated Report
- External evaluation for the Kyocera Group

Sustainability Management Processes

In order to promote sustainable management, the company first seek to understand societal needs through stakeholder engagement. Next, Kyocera identifies priority issues, sets goals, and takes action to address them. The company then evaluates the results and discusses methods of improvement, while top management reviews them for further improvement and presents their recommendations to the Board of Directors if necessary. Through the application of these processes, Kyocera promotes sustainable management.

Sustainability Management Process Flowchart



Capital Strategies

Realizing sustainable growth and improving corporate value requires the company to find growth opportunities under the ever-changing business environment within which the industry operates. The Kyocera Group effectively combines financial assets and borrowing to maintain a sound financial base that enables the company to make investment in a flexible manner. Kyocera aims to improve capital efficiency through the implementation of capital strategies aligned with the business initiatives presented in the Medium-term Management Plan, in addition to the enhancement of measures for shareholder returns.

Basic Concept

The Kyocera Group considers the increase in profits through business expansion an important factor in achieving the goal of becoming a high-growth, high-profit company as set forth in its management policy. At the same time, it is important to maintain a high shareholder equity ratio and strong financial base so that the company can continue operations under any potential business environment to ensure long-term interest of shareholders. Under this concept, the Kyocera Group strives to enhance production capabilities, invest in research and development, and conduct M&As for business growth along with structural reforms to improve profitability with the objective of achieving sustainable business growth and improving capital efficiency. The company also strives to improve returns to shareholders through the provision of high dividends and share repurchases.

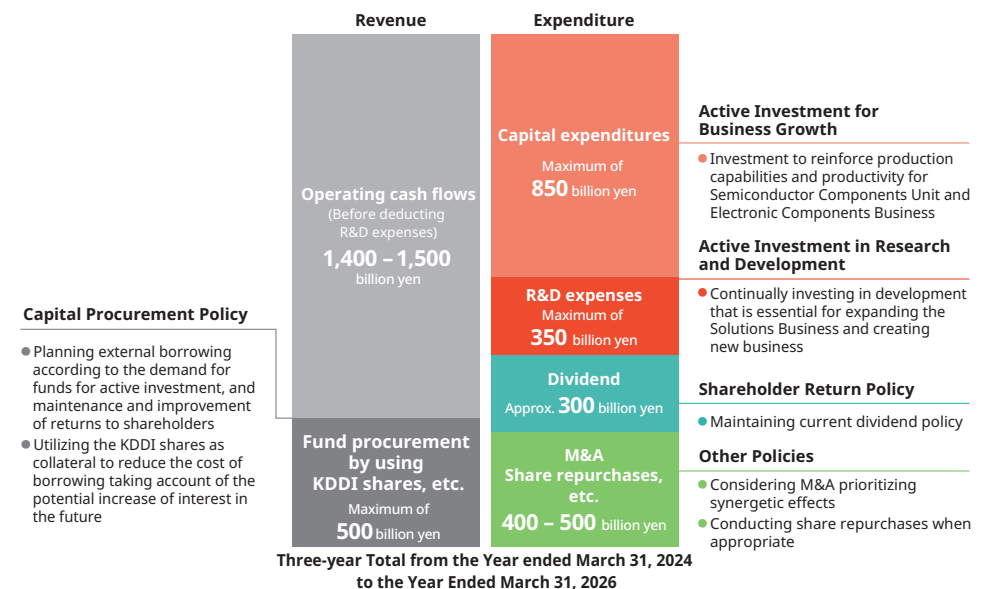
Action to Implement Management that is Conscious of Cost of Capital and Stock Price

In May 2023, the Kyocera Group released the Medium-term Management Plan to clarify its approaches to business growth. The company strives to continuously increase ROE and improve PBR through the execution of measures established by the plan; namely, implementation of the business strategy and strengthening of the management foundation.



Capital Allocation

Based on the Medium-term Management Plan, the Kyocera Group clarified its three-year capital allocation from the year ended March 31, 2024, to the year ending March 31, 2026. The company estimates total capital expenditures for business expansion at a maximum of 850 billion yen and research and development expenses at a maximum of 350 billion yen. However, because of the delay in the recovery of the markets related to semiconductors and information and communications, capital expenditures during the year ended March 31, 2024 were lowered from the initial forecast to 161.7 billion yen with 104.3 billion yen for R&D expenses. Kyocera also estimates returns to shareholders through dividends of 300 billion yen in accordance with the current policy. In addition, the company considers that another 400 to 500 billion yen is available for M&A and share repurchases, etc. The overall plan is to allocate operating cash flows with a maximum of 500 billion yen from borrowings to these investments for business expansion and returns to shareholders. As for borrowings, Kyocera is using its KDDI shares as collateral to reduce borrowing costs.



Shareholder Returns

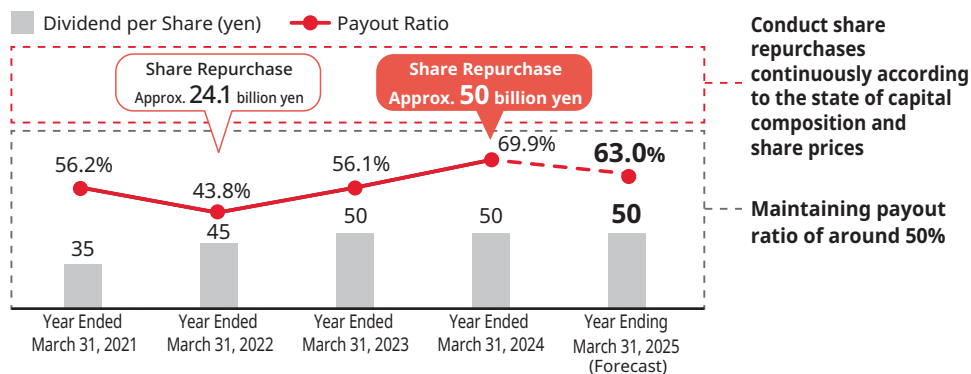
● Basic Profit Distribution Policy

The Kyocera Group believes that the best way to increase corporate value and meet shareholders' expectations is to improve future consolidated performance on an ongoing basis. Therefore, the company has adopted a principal guideline that dividend amounts shall fall within a range based on profit attributable to owners of the parent on a consolidated basis, and has set its dividend policy to maintain a consolidated dividend payout ratio of around 50% of profit attributable to owners of the parent. In addition, the company determines dividend amounts based on a comprehensive assessment, taking into account various factors including the amount of capital expenditures necessary for medium to long-term corporate growth. The company also has adopted policies to ensure a sound financial basis, and, for such purpose it sets aside other general reserves in preparation for the creation of new businesses, cultivation of new markets, development of new technologies and acquisition, as necessary, of outside management resources to achieve sustainable corporate growth. In addition to the above-mentioned basic policy, within a certain range based on cash flow, the company will implement acquisitions of its own shares when appropriate, as a powerful mechanism for enhancing shareholder returns.

● Dividends and Share Repurchases during the Year Ended March 31, 2024 and the Year Ending March 31, 2025

Based on the above-listed policies, the dividend per share for the year ended March 31, 2024, was 50 yen (after the stock-split basis), which was the same as that for the year ended March 31, 2023. The projected dividend per share for the year ending March 31, 2025, will be 50 yen according to performance forecasts and the above-listed policies. Kyocera acquired a total of 50 billion yen (27 million shares based on the split-adjusted number of shares) of its own shares between May 16 and October 31, 2023, to bolster its return to shareholders and to prepare for a flexible capital strategy.

■ Shareholder Returns Combining Dividends and Share Repurchases



Cross-Shareholdings

For the purpose of further clarifying its policy of reducing its shareholdings, on April 27, 2023, the company disclosed a change in its policy relating to “Principle 1.4 Cross-Shareholdings” of the Corporate Governance Code and expressly implemented a numerical target to reduce its shareholdings by at least 5% on a book value basis by the year ending March 31, 2026. To achieve this target, Kyocera has reduced approximately 1% of its shareholdings on a book value basis during the year ended March 31, 2024 and will continue to reduce its shareholdings during the year ending March 31, 2025.

Stock Split/ Improvement of Shareholder Benefits

With the aim of increasing the liquidity of the company's stock and expanding its investor base, the company undertook a stock split on the record date of December 31, 2023, at the ratio of 4 for 1 of all common shares held by shareholders whose names appeared or were recorded in the Registry of Shareholders as of the end of the record date. In addition, the company established a benefit program to award gifts in accordance with the number of shares and the holding period to encourage even more individual investors to hold Kyocera Corporation shares over the long term. This is in addition to existing catalog sales for shareholders.

Continuous Shareholder Benefit Program

Eligible shareholders as of March 31 each year receive a QUO card or Catalog Gift in accordance with the number of shares held and the holding period.

		Holding period	
		1 year or more and less than 5 years	5 years or more
Number of Shares Held	100 shares or more and less than 500 shares	QUO card 1,000 yen	QUO card 2,000 yen
	500 shares or more and less than 1,000 shares	Catalog Gift 3,000 yen equivalent	Catalog Gift 5,000 yen equivalent
	1,000 shares or more	Catalog Gift 5,000 yen equivalent	Catalog Gift 10,000 yen equivalent

Fulfillment of Human Capital — The Kyocera Group Human Capital —

Throughout its wide range of businesses, the Kyocera Group focuses on employee development through skills acquisition in specialized technologies, and through awareness and practice of our Kyocera Philosophy.

In addition, we recognize the importance of improving the work environment to ensure that diverse employees can find fulfillment and thrive.

The Kyocera Group's Approach to Human Capital

The Kyocera Group operates under the Amoeba Management system, which allows all employees to participate in managing the company. We view this as an extension of our philosophy to provide opportunities for employee growth and development, both materially and intellectually, while contributing to a better world. The Kyocera Group strives to create an environment in which all employees can approach their work with a sense of ownership and find empowerment and fulfillment by continually expanding their human potential.

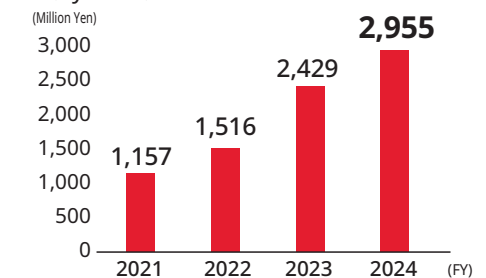
Our “Management by All” approach calls every employee to use “What do we consider to be the right choice as a human being?” as our compass for work and decision-making. As the Kyocera Group expands with a more diverse global workforce, this universal mindset encourages us to aim higher with initiative and enthusiasm, and to grow every day. Our Kyocera Philosophy reminds us that “The Result of Our Life or Work = Attitude × Effort × Ability.” Reflecting the Kyocera Philosophy’s focus on seeking the proper outlook, fulfilling potential, and bolstering enthusiasm, all Group employees are given a wide range of opportunities to gain and improve knowledge and skills in their individual and other career specializations. The Group believes that this enables everyone at the company to fully develop their potential and to grow as the company grows, emphasizing job satisfaction and employee fulfillment.



Initiatives to Strengthen Human Capital

The Kyocera Group companies worldwide employ various methods to enhance understanding and practice of the ideals in our corporate culture, as codified in our Kyocera Philosophy. This is prioritized within other human resource development and professional growth initiatives that also focus on job skills proficiency.

Changes in Education-related Costs (Kyocera)



Initiatives to Advance the Kyocera Philosophy

» Promotion System

The company established the Kyocera Group Philosophy Education Committee, chaired by the chairperson of the company, in order to continue building a sound corporate culture on the solid foundation of the Group philosophy. All Kyocera Group executives attend the committee meetings to formulate the educational policy of the Philosophy based on the results of previous educational and dissemination activities, and to discuss and decide on the direction and specific measures for further dissemination activities.

Kyocera Group Philosophy Committee

Kyocera Group Philosophy Committee Chairman

<Chairman of the Board and Representative Director>

Philosophy Committee Members

Business Segments, Kyocera Divisions, Affiliates

Executive General Managers,
Senior General Managers,
Affiliate Presidents

Philosophy Awareness Committee

Segments, Kyocera Divisions, Affiliates
<Group General Managers and General Managers>

» Kyocera Philosophy Education

The Group is expanding its Kyocera Philosophy Education on a global basis in accordance with the policy established by the Group-Wide Philosophy Committee. Kyocera set up opportunities for top management and senior management throughout the Group to discuss Group Philosophy-related themes to ensure that the next generation of leaders is thoroughly familiar with the principles and practices established by the company. Kyocera also established a digital infrastructure through which all employees can learn freely at any time as a way to cultivate a corporate culture that fully reflects the Philosophy, and commending employees for practicing the Philosophy.

● Initiatives for Capacity Development

» 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 task on a step-by-step basis.

FY2024 Results of Education

	Participants	Training hours per participant (day)
Introductory education (For young and mid-career employees)	2,927 persons	0.5 days
Leader education	431 persons	1 day
Management leader education	464 persons	1 day



Management leader education in overseas

FY2024 Results of Education

Participants	Training hours per participant (day)
13,501 persons	0.6 days

» Technical Training

Kyocera aims to develop human resources with a wide range of knowledge and skills across the Group in the important areas of engineering, R&D, production technology, manufacturing technology, and quality assurance. Kyocera offers a training framework that includes "New Engineer Education" for new employees assigned to technical roles, "Specialized Technical Training" for junior engineers, and "Innovation Training" for mainly mid-level engineers to practically learn innovation creation. Materials technology, semiconductor technology, analysis, quality engineering, and DX-related fields, providing a system for learning the necessary technologies according to the area of responsibility.

» Global Education

Kyocera offers online English learning support and overseas dispatch projects that allow employees to attend graduate school and gain experience at Group companies as part of its efforts to develop human resources capable of playing an active role on the global stage. These projects sent employees to different regions around the world, including the United States, Europe, China, and Southeast Asia. Through these projects, Kyocera is cultivating employees to acquire leading-edge knowledge and technology that can only be gained abroad, as well as providing them with the opportunity to develop an international perspective while they improve their language skills. Furthermore, Kyocera provides in-house online international culture training for employees scheduled for assignment to offices or facilities abroad and employees responsible for overseas-related operations.

FY2024 Results of Education

Participants	Training hours per participant (day)
3,128 persons	9.8 days



Training

FY2024 Results of Education

Participants	Training hours per participant (day)
400 persons	20.2 days



Global education

Fulfillment of Human Capital — DEI Promotion —

To ensure success in today’s rapidly changing business environment, we believe it is essential to attract diverse human resources and enable each employee to reach their full potential on the job.

Kyocera’s Vision for DEI¹

DEI is not meant to treat women; individuals with physical, intellectual, and emotional challenges; people from overseas; and members of the LGBTQ community as a special category but rather to describe all employees. Kyocera believes that everyone should be able to enjoy life and feel included, that ideas should be respected and accepted on the basis of their merits, and that the diverse potential of different people should be respected and encouraged. Kyocera regards DEI as an initiative intended to ensure the involvement and participation of all employees. Above all, Kyocera strives to understand how it can be an even more progressive company and how all employees can achieve a deeper understanding and acceptance of the true meaning and purpose of DEI.



Approaches to DEI

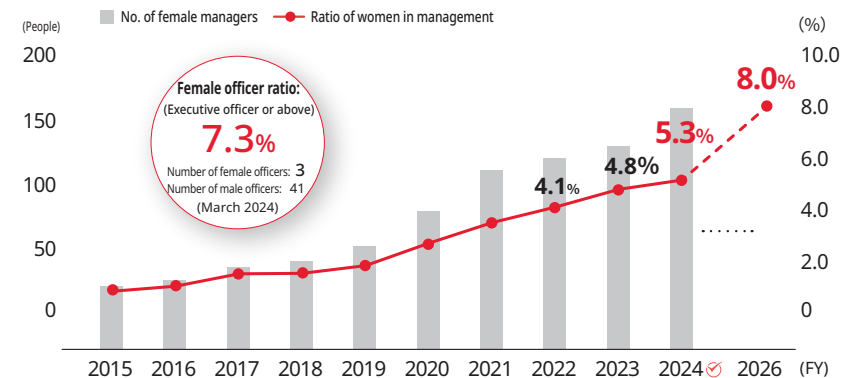
Considering opportunities for women in the workplace a core management theme at its domestic operations, Kyocera has initiated a variety of awareness programs since 2006 to promote corporate culture reforms and advance initiatives like balancing work and parenting. As a result, the number of women in management has increased. In 2019, the Diversity Promotion Division was established at our Japan headquarters to facilitate company-wide initiatives expanding diversity throughout the workforce. A Site-Specific Diversity Promotion Committee was also set up at each of Kyocera’s major domestic plants and offices to lead local activities in response to site-level needs. Further, to cultivate a corporate climate that respects diversity, we provide guidance from top management, awareness education, and diversity training for managers, aiming to ensure a welcoming work environment for all.

Note 1: The abbreviation of diversity, equity, and inclusion

Improving Gender Representation

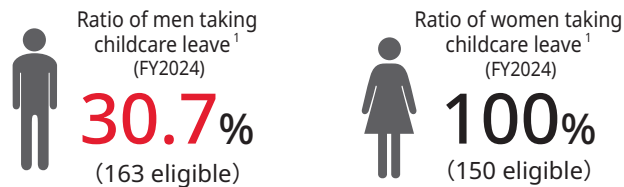
By FY2026, Kyocera Corporation set the goal of having 8.0% of its management positions held by women. The company is improving training opportunities for management candidates and actively promoting capable women to managerial positions. Furthermore, Kyocera established the Positive Action Promotion Committee, a body comprising representatives from each business segment, to focus on employee engagement for women in each department and provided a wide range of external training programs. As of FY2024, Kyocera Corporation had 161 female managers (5.3%) and 1 female director and 2 female executive officers (7.3%) within its executive team. The company will continue to seek new ways of promoting the participation of women throughout the Group.

Transitions in the Numbers and Ratios of Female Managers (Kyocera)

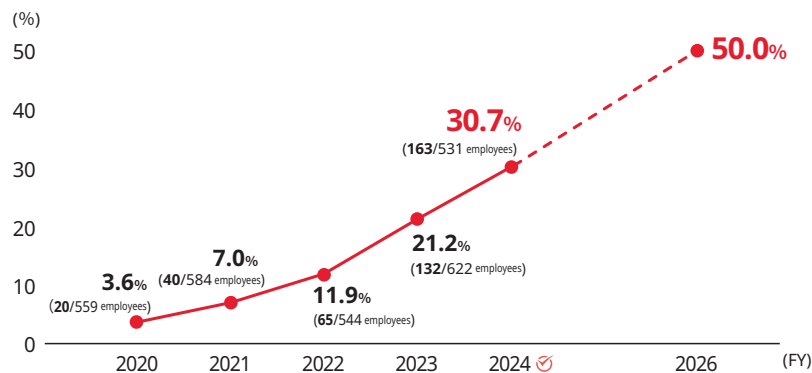


● Promoting Childcare Leave

Kyocera has created a work environment in which all employees, both male and female, are able to take childcare leave more easily. To support men’s participation in childcare, we hold roundtable discussions and workshops to promote understanding and guidance. Our approaches have led to an increase in the ratio of eligible male employees taking childcare leave from 3.6% in FY2020 to 30.7% in FY2024. We set a goal to achieve 50% by FY2026. Through management seminars and other efforts, we continue to create a work environment in which all employees feel comfortable taking childcare leave.



Ratio of Men Taking Childcare Leave (Kyocera)



Note 1: Number of male employees that have taken childcare leave during the period / Number of male employees whose spouses gave birth during the period / Number of female employees that have taken childcare leave during the period / Number of female employees who have given birth during the period

● Approaches to Understanding LGBTQ Issues

Kyocera is making efforts to raise employee awareness of LGBTQ issues and create a comfortable work environment for all. We created SOGI²-LGBTQ Guidelines and have revised our in-house policies to include recognition of same-sex partners as spouses, and the prohibition of conduct, by word or deed, that disadvantages other employees based on their sexual orientation or gender identity. We also provide seminars, both to the general workforce and to employees in general affairs and human resources, to ensure that Kyocera works as an ally to members of the LGBTQ community. In recognition of these efforts, work with Pride, an association that promotes diversity and inclusion to protect members of the LGBTQ community and other sexual minorities, awarded Kyocera the Gold Rating, the highest specified by its PRIDE Index, for two consecutive years.



Participation in LGBTQ events

● Creating an Attractive Work Environment

As a part of the group’s work-style reform efforts, Kyocera has been enhancing the work environment of its headquarters and branch offices, specifically by developing spaces suitable for web communication, implementing a hot-desking system, and expanding open communication areas. Furthermore, in the Tokyo Metropolitan area, we opened our New Tokyo Office to consolidate Kyocera Group bases. In addition, in conjunction with the redevelopment of our business sites, we are renovating common areas within plants and expanding communication spaces, dining facilities and other amenities. Through these efforts, we aim to create an environment in which diverse employees can enhance their productivity and apply their creativity throughout the enterprise.



Enhancements at Kyocera’s global headquarters

Note 2: SOGI: sexual orientation and gender identity

Fulfillment of Human Capital — Human Resource cultivation —

Kyocera's New Business Idea Start-up Program cultivates a corporate culture where all employees strive to look to the future, freely express and act on ideas, and are eager to accept challenges presented through innovative pursuits. This program was developed not only to provide effective support to employees from the creation of new business ideas to commercialization but also to cultivate employees for future top management. Let's look at a case of this bottom-up type new business creation support program.



Matoil – a start-up service from Kyocera Bringing smiles to children with food allergies and their families



As the number of children with food allergies increases, the difficulties faced by the affected children and their families include restricted food choices, anxiety, and a sense of isolation from others.

One of Kyocera's human resource cultivation efforts, the New Business Idea Start-up Program established matoil to provide a solution to the challenges faced by children with food allergies.

Bringing happiness to mealtime

Matoil responds to diverse needs

With the hope of making sure that even children suffering from food allergies can look forward to mealtime with appetizing selections, matoil offers a wide variety of meal choices that bring happiness to everyone regardless of food restrictions.



Delivering meals to children on school trips and vacations

The matoil project delivers a wide variety of delicious allergen-free meals to children on school trips and family vacations so that they can enjoy mealtime without having to worry about limiting their activities because of dietary restrictions.



Message

Accept challenges without the fear of failure in areas where the answers are still unknown

Department Manager
S Project Department Administration Division
Corporate Management Promotion Group

Minako Tani



Since I have a food allergy, I wanted to start a project to provide a solution to others with food allergies. At first, I was thinking of developing a food allergy app based on IoT tools that identifies restaurants with allergen-free menu choices. After talking with a wide range of specialists outside Kyocera, though, I gradually changed my thinking and began to see a food delivery service as a more effective solution. Development was a challenge at times, and progress was often slow, but it was worth it when I saw the smiles on the faces of children with food allergies and their families. The idea spread by word of mouth as matoil users shared their satisfaction with others, and a broad range of people with and without food allergies started expressing their support for the business. This boost encouraged me to continue.

I learned as I moved forward with development that there are no correct answers, and this gave me the freedom to explore new ideas and new directions without fear of failure.

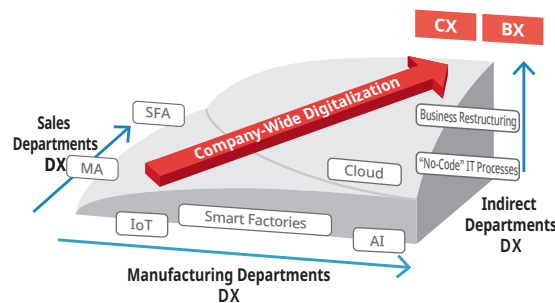
Interacting with many different people through this New Business Idea Start-up Program broadened my view and taught me a diverse sense of value. I am highly motivated to spread the word about matoil and develop the service into a familiar friend that everyone feels comfortable relying on.

Digitalization: A New Corporate Culture(DX)

The Kyocera Group is pursuing company-wide digital transformation (DX) to increase our competitiveness and respond to societal trends ranging from a declining population to changes in the way people work.

Leveraging DX into Corporate Transformation (CX) and Business Transformation (BX) by Enhancing the Corporate Culture and Workforce Expertise

The Kyocera Group is promoting digital transformation (DX) in all business segments in an effort to meet new societal needs while increasing our competitiveness in rapidly evolving markets. To maximize the value we provide our customers, we promote changes in corporate culture and employee awareness about data-centric management and organizational optimization for use as the driving force to strengthen our management base. We consider DX a necessary first step in advancing toward corporate transformation (CX) and business transformation (BX).



● Moving Toward Digitalization

1 Company-Wide Use and Sharing of Sales Data

2 Data Collection / Analysis Platform

3 Initiatives to Double Manufacturing Productivity

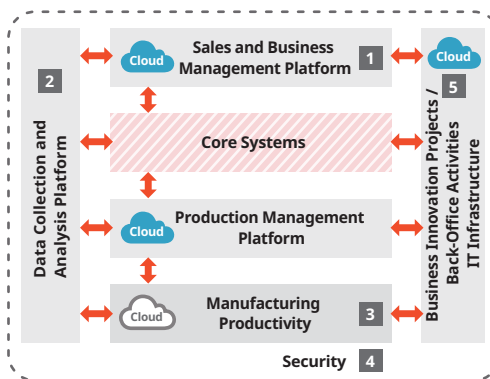
We conduct data-based reviews of manufacturing departments, and use data-sharing platforms to improve product quality and production efficiency.

4 Secure Data Networks

Cybersecurity measures maintain business continuity and ensure the safety of information assets.

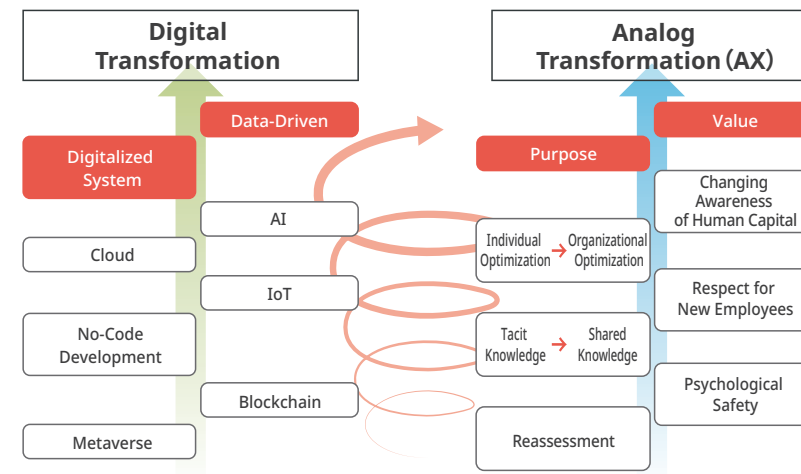
5 Improving Office Efficiency: Bottom-Up IT Skills

A bottom-up approach to IT skills development helps expand opportunities for process improvement.



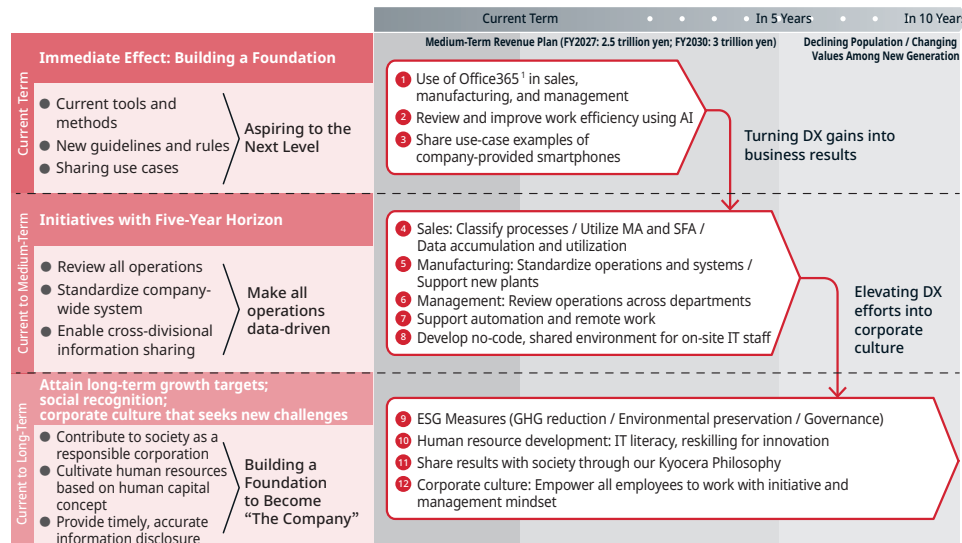
● Relationship Between DX and Analog Transformation (AX)

As we move forward with digitalization in each department, we see areas where traditional corporate culture and habits present obstacles. The role of DX is to change the culture, overcome past practices, reduce fear of change, and unlock expertise that has become individualized. We will review our “analog” processes and use DX to create synergies that expand our business through an intersection of digital systems, corporate culture and employee knowledge.



Digitalization Timelines

Since digitalization takes time to show results, we classify initiatives by timeframe — including those expected to bring immediate benefits, those contributing to the medium-term management plan, and those that support long-term growth (10-year horizon). Within the immediate-impact category, we are expanding deployment of cloud applications, applying AI to office processes, and expanding information-sharing over company-supplied smartphones. To support the medium-term plan, we are increasing data-driven operational efficiencies by creating a shared platform accessible to sales, manufacturing, and administrative teams. For long-term growth, we will implement measures for human resource cultivation preparing for ESG and human capital management, and the timely provision of accurate information to society, which bring the Kyocera Group closer to our goal of becoming “The Company” — the enterprise to which all others may respect.



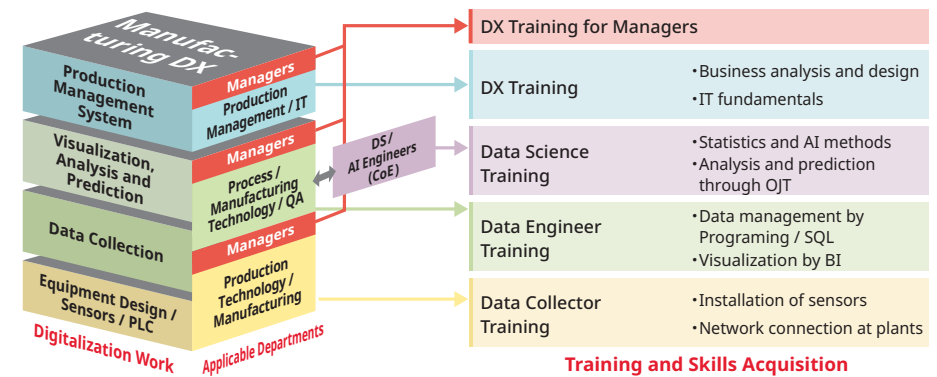
Human Resource Development by Position and Function

DX supports human resource development by enabling better education and training tailored to an employee’s position and function. Manufacturing employees may receive periodic training on how to calibrate sensors that provide data from the production line; how to process real-time

Note 1 : Office365 is a product developed by Microsoft Corporation; reference used by permission.

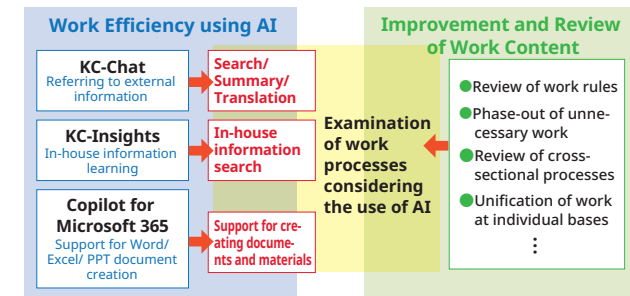
data for peak machine efficiency; how to use data analysis and predictive AI; and how to support upstream processes for digitalization. All of this is designed to cultivate skills development on the job. We also hold training on DX concepts for department managers, with sessions explaining the manager’s roles and responsibilities for optimal DX implementation. This increases awareness of the need for DX and ensures a corporate climate that emphasizes a bottom-up approach to cultivating new talent.

Post-training surveys have shown these sessions to be successful in deepening managers’ understanding of DX. We will continue to provide training to deepen employee understanding of digitalization in the workplace.



Improving the In-house Environment and Utilization of Generative AI

Kyocera established a closed in-house environment for generative AI to prevent the risk of information leaks. The company also established guidelines for the use of generative AI to mitigate legal risks and address ethical issues. Kyocera focused first on use in administrative divisions, and then reviewed the work to increase efficiency. The company will have the AI process and learn from in-house information to expand use in sales and manufacturing division operations.



Approaches to Carbon Neutrality

The Kyocera Group recognizes climate change as a priority issue and has publicly supported the Task Force on Climate-related Financial Disclosures (TCFD) since March 2020. We are implementing climate-change countermeasures by establishing a governance system for risk management that incorporates strategies, metrics and targets.

 [Measures to Fight Climate Change - Information Disclosure Based on TCFD Recommendations-](#)

Governance

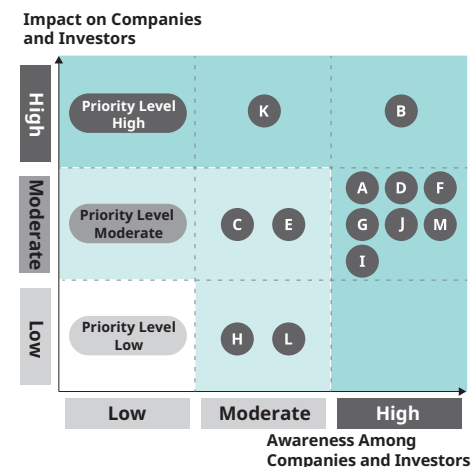
Climate change ranks among the Kyocera Group’s key management priorities. Our Sustainability Committee meets semiannually with top management to determine climate change countermeasures and goals. Sustainability progress is reported to the Board of Directors and shared during semiannual International Management Meetings attended by the leaders of our global operations. In addition, we have established a Long-Term Environmental Targets Task Force under the auspices of the Sustainability Committee to oversee tactical implementation.

Risk Management

Our risk management efforts include identifying climate-related risks and opportunities within each value chain and evaluating them from two perspectives: 1) awareness level1, and 2) impact level 2. We then categorize each risk by priority: high, moderate, or low.

- Evaluated based on survey results of external trends from answers given by other companies to corporate assessments of climate change, policies addressing climate change, and other factors.
- Evaluated by external institutions based on the probability of an event occurring and its impact upon occurrence.

Risk assessment process



Items	
A	Carbon pricing
B	Carbon emission target by nation
C	Energy-saving measures
D	Subsidies for renewable energy / related initiatives
E	Recycling regulations
F	Increased adoption of next-generation technologies in electronic components and semiconductors
G	Increased adoption of next-generation technologies in energy businesses
H	Changes in priority products/product pricing
I	Changes in consumer opinion of electronic components and semiconductors
J	Changes in consumer opinion of energy businesses
K	Changes in investor and consumer opinion
L	Changes in precipitation patterns and rising average temperatures
M	Intensifying extreme weather patterns

Strategy

Scenarios

Forecasting toward 2030, the Kyocera Group analyzed its own risks and opportunities from climate change, the impact of climate change on our business, and probable changes in our customers’ industries by using the 1.5°C scenario¹ and the 2.6°C scenario² provided by the Intergovernmental Panel on Climate Change (IPCC). Since the trend toward decarbonization is particularly relevant to Kyocera’s Smart Energy business, we used various renewable-energy adoption projections based on the 1.5°C scenario in assessing risks and opportunities. Based on this analysis, we expect to achieve our targets for GHG reduction by FY2031 and carbon neutrality by FY2051.

Note 1: A scenario in which average global temperature rises between 1.0 and 1.8°C by 2100 compared to pre-industrial levels (IPCC Sixth Assessment Report: SSP1-1.9)

Note 2: A scenario in which average global temperature rises between 2.1 and 3.5°C in 2100 compared to pre-industrial levels (IPCC Sixth Assessment Report: SSP2-4.5)

● Business Impact

We conduct business impact assessments on all items categorized as “high priority.”

■ Main Business Impact Assessment

Classifications	Risks and Opportunities	Changes in Operating Profit		Reference Materials and Calculation Methods
		2.6°C Scenario	1.5°C Scenario	
Manufacturing/Services	Increase in Carbon Pricing	▲10 billion yen	▲12 billion yen	Assuming achievement of the 2030 reduction target using the IEA’s World Energy Outlook 2023 as a reference Method of Calculation Future company greenhouse-gas emissions × Future carbon price
	Increase in Energy Costs	▲15 billion yen	▲15 billion yen	Assuming achievement of the renewable energy target for 2030 using the IEA’s World Energy Outlook 2023 as a reference Method of Calculation Future co-operative energy use × Renewable energy ratio (%) × 2030 electric power unit price
	Damage from Natural Disasters	▲3 billion yen	▲2 billion yen	Assuming that all domestic and overseas bases at high risk for potential flooding will be affected at some point by 2030 using the WWF Water Risk Filter, Aqueduct Flood, and Global Flood Depth-damage Functions as reference. Method of Calculation Amount of damage to bases by region and industry × Site area × Flood depth-damage coefficient
Sales and Consumption	Expansion of Energy Businesses	0 billion yen	▲6.5-8.5 billion yen	Estimated using the IEA’s EV Outlook 2022, the Renewable Energy Institute’s Proposal for 2030 Energy Mix in Japan (First Edition), the WWF’s Net Zero Emissions by 2050 Scenario, and METI’s Strategic Energy Plan and Outlook for Energy Supply and Demand in FY2031 as reference Method of Calculation Sales Revenue by Related Businesses × Operating Profit Ratio × Market Expansion Ratio

Countermeasures

● Measures Addressing Rising Carbon and Energy Prices

To enhance its GHG reduction measures, Kyocera has divided the timeframe from FY2020 to FY2031 into four periods, with phased targets for power conservation and renewable energy adoption.

	Phase 1 FY2020 to FY2022	Phase 2 FY2023 to FY2025	Phase 3 FY2026 to FY2028	Phase 4 FY2029 to FY2031
Renewable Energy Adoption	On-site Install solar power generation at Japanese and International operations			
	Off-site Install “self-consignment” solar power generation in Japan			
		Off-site Install “PPA” solar power generation in Japan		
Energy Conservation/Savings	Install exhaust heat recovery systems			
	Install superior energy-saving equipment			
		Application of Energy-Saving Design and Optimal Operation of Clean Rooms		
		Visual energy monitoring for production equipment		
	Shift away from petroleum (to natural gas and others) and steam (electrification/humidification)			Review hydrogen/ammonia use

» New Renewable Energy Options

Since FY2021, the Kyocera Group expanded the use of renewable energy with the implementation of independent power generation and a wheeling system¹ using off-site solar power generation equipment. The Group also concluded a power purchase agreement (PPA)² involving renewable energy supply and demand (solar power, wind power, and biomass power generation). In addition, the Group has installed solar power generation systems on buildings and in parking lots at plants and offices both in Japan and overseas.

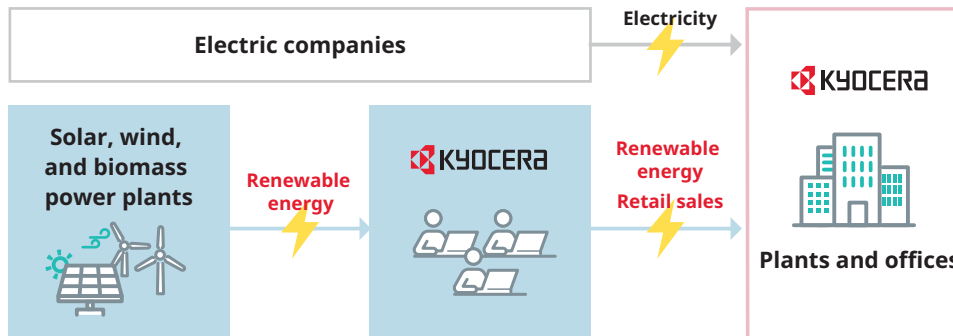
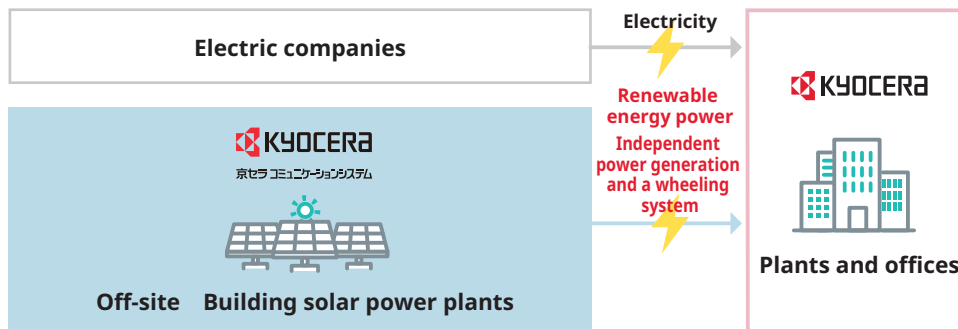
On-site Solar Power Installation



Installation of Solar Panels in the Parking Lot at the Shiga-Yasu Plant

Note 1: Self-consignment allows power generated by a system owner to be supplied to other off-site users over the utility power grid.

Note 2: A power purchase agreement (PPA) allows users to benefit from renewable energy without having to own power-generating equipment

Off-site Expanding the installation and use of renewable energy**(1) Renewable energy power supply based on PPA****(2) Renewable energy power supply through an independent power generation and wheeling system**» **Promotion of Saving Energy****Replacement of deodorizers with hybrid catalysts**

The Kyocera Group installed new waste gas treatment equipment at certain plants to mitigate the effects of waste gas and odor generated from the manufacturing process. Existing waste gas treatment equipment filtered heated waste gas using a platinum catalyst to oxidize and decompose the waste through chemical reactions into harmless ingredients. However, replacement of the system with a hybrid catalyst, a combination of a low-temperature and platinum catalysts, made it possible to reduce the combustion temperature, which helps reduce the need for city gas by about 60% compared with that of FY2023. The Group will discuss the implementation of this hybrid catalyst inside Kyocera Group plants and offices.



Appearance of the Deodorizer

Improvement of GHG emission efficiency through visualization of the compressor

The Kyocera Group is moving forward to visualize GHG emissions from individual pieces of manufacturing equipment at plants. The Group will check target values against actual results in a timely manner to reduce GHG emissions and strive to conserve the power of compressors, an important piece of utility equipment, while aiming to prevent defects through efficiency monitoring.



Visualization of Compressors

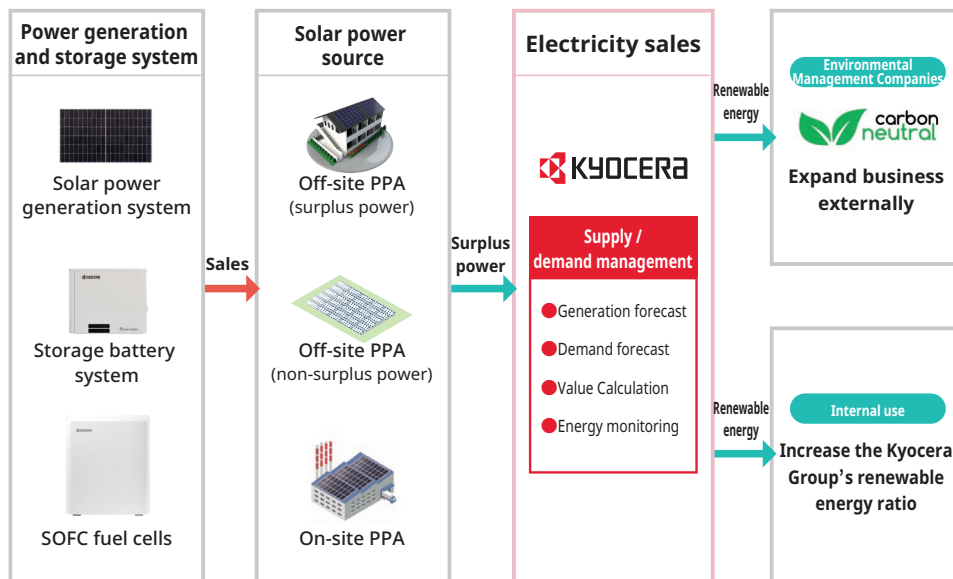
● Natural Disaster Countermeasures

As part of our risk management efforts, the Kyocera Group assesses geographic variables in planning countermeasures to potential natural disasters. These include installing water barriers at facilities in flood-prone regions and assessing flood stage data during facility planning or expansion.

● Expansion of Smart Energy Businesses

Kyocera is aggressively expanding its use of renewable energy resources internally. In addition, we are branching out externally with our Smart Energy businesses. This includes purchasing surplus power generated by homes, other businesses, and large-scale solar power plants, applying analytics to balance energy supply with demand, and selling the surplus renewable power to other users.

■ Vision for the Kyocera Group renewable energy services



Metrics and Targets

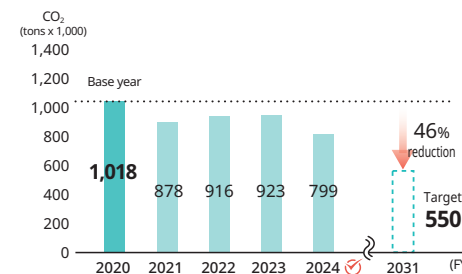
Since the signing of the Paris Agreement in 2016, governments have been collaborating with industry to reduce GHG emissions. Kyocera likewise considers climate change is an urgent issue. In 2018, we adopted long-term efforts to help limit average temperature rise to less than 2.0°C above pre-industrial levels and received SBT¹ certification in 2019. We updated this target to 1.5°C in 2021, acquiring SBT 1 certification in May 2022.



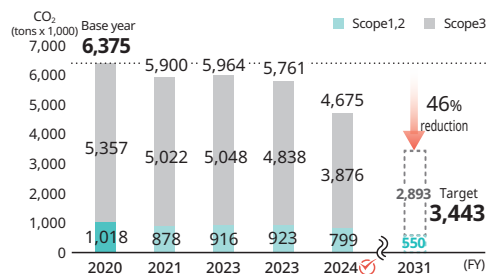
GHG Emissions (Scope 1, 2 ²) Reduction Target (1.5°C -level)	Reduce by 46% by FY2031 (compared to FY2020 levels, SBT certified)
GHG Emissions (Scope 1, 2 ² , 3 ³) Reduction Target (1.5°C -level)	Reduce by 46% by FY2031 (compared to FY2020 levels, SBT certified)
Renewable Energy Implementation Target	Increase 20x by FY2031 (from FY2014 levels)
Carbon Neutrality	Achieve by FY2051

Note 1: Science Based Targets Note 2: Scope 1 Direct emissions associated with fuel consumption and production processes, Scope 2 Indirect emissions associated with consumption of power or heat purchased from outside Note 3: Indirect emissions other than Scope 1 or 2 (Including procurement of raw materials, transport, use and disposal of products, as well as employee commuting and business trips)

■ GHG Emissions (Scope 1, 2)



■ GHG Emissions (Scope 1, 2, 3)

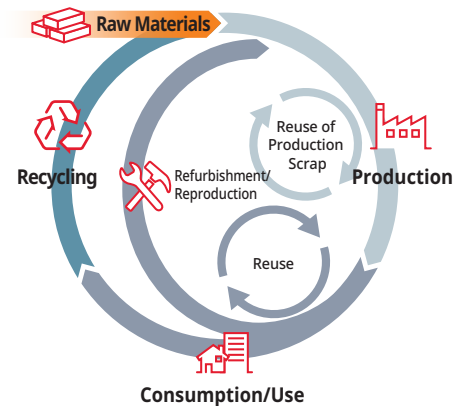


Contribution to the Circular Economy

The Kyocera Group aims to establish a recycling system that reduces the consumption of natural resources in its efforts to protect the global environment and realize a sustainable society. Specifically, Kyocera recycles waste from the different divisions produced through business diversification as necessary resources.

The Circular Economy Concept

Recently, people have become more interested in the circular economy, and the trend for regulation through laws and standardization has become more prevalent around the world. Utilizing the long-term technological capabilities and strengths of business diversification, the Kyocera Group strives to develop a recycling-oriented society. The Group includes recycling and reuse as essential aspects of product design to maximize the effective use of resources and reduce the environmental impact throughout the entire product lifecycle.



Case 2 Recycling of Disposed PET Film

Used PET film is generated during the production of ceramics, which can be recycled only by thermal methods. The Kyocera Group has been working on upcycling within the group to address the issue in the following manner.



Image of used PET Film

- 1 The Kyocera Group reduced the disposal of used PET film and minimized the use of new ingredients by reusing PET film for toner containers for multi-function products (MFPs). Kyocera set the goal of using recycled materials at a level of 50% for MFPs.



MFPs and toner containers

- 2 The Kyocera Group maximizes the reduction of PET film waste and minimizes the use of new ingredients by reusing PET film as an ingredient for PET product trays. The company set the goal of using recycled PET film at a level of 50% for trays.



Image of PET Product Trays

Case 1 Collecting rare earth elements from fuel cells

As a part of the approaches to sustainable product development and resource circulation, Kyocera has collected used fuel cells from markets and the extraction of rare earth from cell stacks. The development of technology contributes significantly to the recycling of rare earth minerals.



Fuel Cell



Cell Stack



Rare Earth

Biodiversity Conservation

The Kyocera Group supports environment-friendly, sustainable growth by promoting both ecology and economy.

The Biodiversity Concept

Survival depends on the many gifts of nature. Nevertheless, a forest area equivalent to one-fifth of Japan's land mass is lost from the earth every year — and extinction rates have accelerated 1,000 times because of human activity over the past several hundred years, making biodiversity an extremely serious issue.

Since business activities depend on ecosystems but also having a significant impact on them, protecting biodiversity is an important aspect of environmental management for sustainable growth. The Kyocera Group management philosophy includes living together to coexist harmoniously with our society, our global community and nature. In line with this, the Group strives to conduct its corporate activities in harmony with nature based on coexistence with society, the global community and nature. The Group also aims for a more sustainable society by minimizing the environmental impact of our business and protecting the natural environment based on the Kyocera Group Environmental Safety Policy.

- Reduce natural environmental destruction and ecological impacts, such as avoiding areas of significant biodiversity
- Conduct environmental impact assessments and work to mitigate impacts, including minimization, restoration, and offsets
- Actively promote the greening of business sites
- Participate in and support social contribution activities in cooperation with external partners

Since 2010, we have participated in the Nippon Keidanren's "Declaration of Biodiversity" and have endorsed the Keidanren Declaration of Biodiversity and Action Guidelines (revised version) proposed by the Keidanren Declaration of Biodiversity Initiative since 2020.

Efforts to Conserve Biodiversity

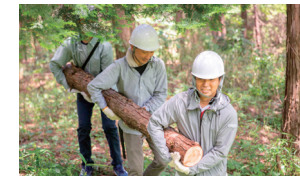
To improve environmental awareness among employees while addressing issues of climate and biodiversity, the Kyocera Group engages in domestic reforestation efforts, biotope development, protection of endangered species, and efforts to preserve and cultivate traditional vegetables in local communities.

Exceeding the goal of engaging in 29 biodiversity protection activities in FY2024, Kyocera actually conducted 30 activities. In FY2025, the company plans to increase this to 47 biodiversity protection activities.

FY2024 Target	Performing 29 biodiversity protection activities
FY2024 Results	Performed 30 biodiversity protection activities
FY2025 Target	Performing 47 biodiversity protection activities

» Promoting Kyocera Forestation Activities

The Kyocera Group is working regenerate natural greenery on factory grounds and in the local forests. Its activities focus mainly on thinning, weeding, and planting trees in collaboration with forestry associations and local residents.



Thinning work

» Biodiversity Survey at a Plant

The Shiga-Yasu plant conducted a joint biodiversity survey with an external organization to understand the current status of the biotope and other green spaces at the plant and to develop guidelines for biodiversity protection activities. The survey on plants, insects, birds, and aquatic organisms showed that native species, endangered plants and animals, and trees native to the region inhabited the biotope and the green spaces at the plant, and these have become valuable habitats for the organisms in the surrounding area. Within the biotope, we found signs of a colony of *Celtisaspis japonica* larvae, listed as a near threatened (NT) species on the Red List compiled by the Ministry of the Environment, Japan (MOEJ Red List), and listed as a principal species in the Red Data Book published by Shiga Prefecture. The company will continue to conduct effective activities that contribute to the protection of biodiversity in the region based on the results of the survey.

Respect for Human Rights

The Kyocera Group is committed to ensuring respect for human rights throughout the value chain in order to fulfill its management rationale and create a more sustainable society.

Human Rights Policy & Promotion Structure

● Human Rights Policy

With the UN Guiding Principles on Business and Human Rights as a foundation, the Kyocera Group fulfills its responsibility to protect human rights by preventing violations caused by corporate activities and taking appropriate action against any negative impact that its activities might have on human rights. While respecting human rights under the Universal Declaration of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work, the company also respects the rights of children in accordance with the Children's Rights and Business Principles. In addition, the company supports international codes of conduct, including the OECD Guidelines for Multinational Enterprises, and is a signatory to the Ten Principles of the UN Global Compact. The Kyocera Group have also established the "Kyocera Group Human Rights Policy" as one of the codes of conduct for employees based on the "Kyocera Philosophy," the criteria for realizing the "Management Rationale" In August 2024, with the approval of the Board of Directors, the report was revised to reflect the efforts made so far, and signed by the President and Representative Director of Kyocera Corporation, in order to demonstrate the company's strong top commitment to respect human rights, which is an important corporate issue.



Human Rights Policy

Human Rights Due Diligence

The Kyocera Group conducts human rights due diligence to identify, prevent, and reduce any negative impact on human rights that may occur along its value chain. Human rights due diligence aggressively reflects opinions within and outside the company, including rights holders. In the event a negative impact on human rights is identified or even suspected anywhere along the value chain, the company will respond promptly through aggressive communications.

● Promotion Structure

The Kyocera Group considers risks regarding human rights as corporate risks. Human rights due diligence results are reported and approved by the president of Kyocera Corporation at meetings of the Risk Management Committee. Human rights and other agenda items discussed at meetings of the Risk Management Committee are properly reported to the Board of Directors for supervision. Serving as the secretariat, Kyocera's Corporate General Affairs Human Resources Group implements human rights initiatives with support from both internal and external specialists, and cooperates with supply chain and related divisions.

Plans for Respecting Human Rights

The Kyocera Group has been identifying salient human rights issues since FY2023 through Kyocera's Working Team for Human Rights in cooperation with third-party sustainability experts. The company obtains surveys of actual conditions in all Kyocera Group companies to ensure that the necessary corrective measures are implemented when a negative impact on human rights is identified or suspected. Kyocera continues its monitoring activities to ensure that such corrective measures are effectively implemented as the company works on human rights due diligence to understand and respond to changes in internationally recognized human rights. Furthermore, to expand the human rights initiatives, major Kyocera Group companies will work together to establish a framework to implement human rights due diligence.

● Implementation of Human Rights Impact Assessment

Identification of Salient Human Rights Issues

Survey Target and Scope

Region: Areas surrounding Kyocera Group and supplier operations
Scope: Kyocera Group value chain¹ and rights holders²

Survey Method

■ Steps to Identify Human Rights Issues



Note 1: Resource mining; raw materials procurement and transport; R&D and manufacturing; construction; product and service use; product disposal

Note 2: Employees (unconsolidated companies); employees (Group companies in Japan); employees (Group companies outside Japan); suppliers; temporary employees; contractors; local residents; consumers

Survey Results

Following these steps to identify human rights issues, Kyocera listed 15 countries and regions as high-risk regions based on the severity and potential for occurrence and identified the 13 areas of salient human rights risk shown below:

No.	Salient Human Rights Issues Identified	Rights Holders				
		Suppliers	Group company employees (in Japan)	Group company employees (outside Japan)	Temporary Employees / Contractors	Local Residents Consumers
1	Forced labor	✓		✓	✓	
2	Child/underage labor	✓		✓	✓	
3	Occupational health and safety	✓	✓	✓	✓	
4	Right to social security			✓	✓	
5	Fair wages	✓		✓	✓	
6	Fair working hours	✓	✓	✓	✓	
7	Discrimination in the workplace	✓		✓	✓	
8	Freedom of association and right to collective bargaining	✓		✓	✓	
9	Rights of migrant and foreign workers	✓		✓	✓	
10	Social discrimination and invasion of privacy	✓				✓
11	Harassment	✓	✓	✓	✓	
12	Impact on local communities (environmental and social)					✓
13	Product safety					✓

Salient Human Rights Issues Impact Assessment

In order to understand the impact of identified salient human rights issues on rights holders, the company conducted questionnaire surveys at 131 companies, including Group companies, suppliers, and on-site contractors.

Survey Results and Future Plans

Based on the questionnaire survey, the company will examine the potential negative impact on human rights. If the potential for negative impact on human rights is identified, Kyocera will take prompt corrective measures. At the same time, the company also works on addressing such issues at suppliers and on-site contractors through aggressive communication with the relevant parties.

● Impact Assessment regarding Migrant and Foreign Workers Rights (Dialogues with Stakeholders)

Questionnaire Survey

Survey Target

Five Kyocera Group companies; 413 Japan-based suppliers¹

Note 1: Materials Suppliers, Other Suppliers including human resources suppliers and on-site contractors, and Partner Companies

Background and Purpose of the Survey

In recent years in Japan, serious human rights violations against migrant and foreign workers involving minimum wage legislation and forced repatriation have been identified. In response, the Kyocera Group conducted a survey of vulnerable migrant and foreign workers regarding salient human rights issues.

Survey Results

Survey results from all companies employing migrant and foreign workers revealed no human rights issues; however, the survey did identify certain inherent risks regarding the employment of migrant and foreign workers along with potential issues regarding the employment of migrant and foreign workers, including technical interns, at our suppliers.

On-site Survey

To further understand matters identified at Japan-based suppliers through questionnaire surveys, Kyocera conducted on-site surveys of sustainability at the suppliers (four material suppliers and one on-site contractor) that employed migrant and foreign workers, including technical interns, jointly with third-party experts

Survey Method

Assessment of Records and Documents

The company assessed records and documents (employment agreements, labor regulations, wage slips, attendance records, whistle-blowing records, etc.) at the supplier in the presence of the supplier's representative.

Interviews of Migrant and Foreign Workers

Kyocera personnel conducted 20-minute interviews with migrant and foreign workers selected by suppliers in advance to confirm conditions, including work content, hours, wages, living environment, health and safety, discrimination, and harassment.

Interviews of Supplier Managers

Kyocera personnel confirmed responses to the results of the survey and interviews of migrant and foreign workers held in the previous year.

Results

1

Interviews with migrant and foreign workers enabled the company to confirm that its suppliers engaged in fair and honest communications and provided an effective consultation system to address employee work and living concerns. The company was able to confirm that suppliers hiring technical interns had supervising organization that provided consultations in the relevant individuals' languages.

2

On the other hand, the companies' issues included insufficient language support, the lack of disaster drills at dormitories, and the absence of secure lockers for storing valuables in rooms.

Corrective Measures and Future Countermeasures

- 1** With regard to the identified issues, the company explained the importance of corrective action, conducted on-site surveys to ensure the resolution, prevention, and reduction of negative impact on human rights, and made proposals to address human rights issues identified at suppliers. Kyocera confirmed that some suppliers have already taken effective corrective action.
- 2** Managers at suppliers indicated a lack of awareness that matters pointed out in feedback during on-site surveys were serious human rights issues, highlighting the benefit of surveys in ensuring a better understanding of risks. The company is confident that this approach has led to positive corrective measures taken by suppliers.
- 3** Making use of questionnaires, on-site surveys, and interviews with workers at our suppliers, the company regularly monitors compliance to the Kyocera Group Responsible Business Conduct Guidelines. We also provide opportunities for communication with partner companies to ensure a thorough understanding of the importance of protecting human rights.

● Initiatives to Reduce and Prevent Human Rights Risks

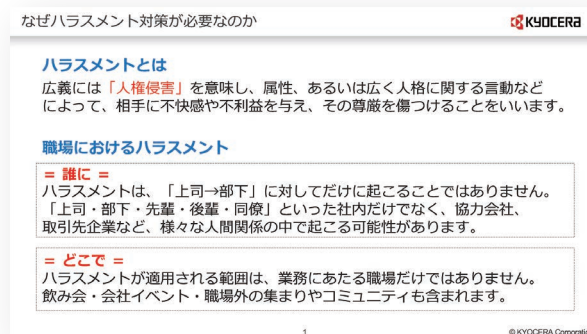
Dissemination of Initiatives

The Kyocera Group is working to establish a Group-wide human rights due diligence framework by FY2026 to advance initiatives designed to reduce human rights risks. The company is also enhancing its approaches to employees as a way to further prevent and reduce human rights risks.

Human Rights Education and Training

» Education on Harassment and Discrimination

Kyocera designated May of each year as Morality Month. Education on harassment and discrimination is provided to all employees, and the Harassment Prevention Handbook is publicized via company intranets to promote preventive measures against harassment and discrimination. Furthermore, in addition to study sessions for managers, special training sessions that include case studies and discussions are provided as part of the commitment to ensuring a workplace entirely free from harassment and discrimination.



Education Materials Regarding Harassment and Discrimination



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Human Rights Protection and
Harassment Prevention Handbook






Grievance Mechanisms and Remedies

● Consultation Service Desks

In addition to the anonymous employee consultation service desk, Kyocera established a third-party consultation service desk in FY2022 to serve as a grievance mechanism with appropriate considerations taken for privacy to monitor human rights violations, harassment, and discrimination. The anonymous employee consultation service desk provides consultations, reports noncompliance with the code of conduct, violations of laws and regulations (including harassment), conducts in-house surveys, and implements corrective measures when necessary. To ensure improvement of corporate governance and to facilitate the early detection and prevention of issues related to laws and compliance, the Kyocera Group established a compliance hotline that allows individuals outside Group companies to report issues. Based on the reports received, the company conducts surveys and implements corrective measures.

Improving Stakeholder Engagement

To understand societal needs and provide solutions, we continue to improve our communication with stakeholders to make decisions based on their opinions.

Stakeholder	Purpose	Method	FY2024 Achievements	Approaches	URL
 Customers	Customer satisfaction depends on higher quality products and services.	<ul style="list-style-type: none"> Customer support services Information provided on our website Dialogue in our markets and at exhibitions Customer service office 	Number of inquiries 3,604	The Kyocera Group maintains a customer service office to improve customer satisfaction by responding to any inquiries, comments, or complaints in a sincere and timely manner.	Approaches to Raising Quality and Customer Satisfaction Levels
 Employees	We strive to build a working atmosphere of enthusiasm based on our 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."	<ul style="list-style-type: none"> Workplace Vitality assessment Dialogue through information in company newsletters and intranet Round-table discussions and Q&A with top management 	Response rate, workplace assessment surveys 93.6% (Subjects: 29,781 employees)	The Kyocera Group in Japan conducts workplace Vitality assessment with employees to help bolster a sense of dynamism in the workplace.	DEI Promotion
			Round-table discussions 5	The Kyocera Group holds round-table discussions between employees and top management to exchange opinions, and the content is shared with all employees in company newsletters.	
 Shareholders	Opinions and requests from shareholders are shared with top management and related internal departments to improve management initiatives and identify key issues.	<ul style="list-style-type: none"> General meeting of shareholders Financial results and business summary briefings for institutional investors Company information sessions with individual investors One-on-one meetings with institutional investors in Japan and abroad Participation at institutional investor conferences hosted by brokerage firms Website (Information for shareholders and investors) 	Financial results briefings for institutional investors:4 Approx. 370 participants	The Kyocera Group holds briefings on the financial results and business summary for institutional investors.	Financial Presentation Materials
			One-on-one meetings with institutional investors Approx. 350	The Group holds individual meetings with major active, passive, and other investors in Japan and overseas. Top management and individuals in charge of IR at corporations actively participate in the meetings.	Business Presentation Materials
			Company information sessions with individual investors:2 Approx. 470 participants	The Kyocera Group holds online company information sessions for individual investors in addition to providing access to archives and posting videos on its official website.	
 Business associates	We demand fairness and transparent dealings to promote sustainable growth with business partners and fulfill our social responsibilities concerning human rights, labor and environmental protection.	<ul style="list-style-type: none"> Seminars and social gatherings with suppliers Dialogue through procurement activities Surveys on sustainability activity status 	Seminars and social gatherings with suppliers 250 participants from 215 companies	The Kyocera Group holds seminars and social gatherings for suppliers. Annual awards are presented to the most outstanding suppliers of the year.	Supply Chain Management
			Response rate, surveys on sustainability activity status 100% (Subject companies: 319)	The Kyocera Group conducts surveys of major suppliers to confirm the state of sustainability activities within our supply chain.	
 Local communities	In recognition of the fact that a company serves as a member of society, we fulfill our responsibility as a good corporate citizen to support the development of local communities not only through our business but also through various social contribution activities.	<ul style="list-style-type: none"> Social contribution activities Dialogue with local residents and businesses 	Off-site classes on environment and energy 1,352 participants	The Kyocera Group offers off-site presentations on the environment and energy to children as a part of its environmental protection activities, to explain the importance of preserving our global environment.	Environmental Communication
			Participants in briefing sessions 81 participants	The Kyocera Group invites residents, business partners, administrative officials, and neighboring companies to its briefing sessions, where we conduct dialogue on our sustainability activities.	Stakeholder Engagement

Supply Chain Management

The Kyocera Group established the Basic Policy on Purchasing to ensure that transactions with business associates are fair and transparent. In addition, as a member of the Responsible Business Alliance (RBA), the Kyocera Group continuously strives to ensure sustainable supply chains through compliance with the RBA Code of Conduct.

Policy on Procurement

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.” We view our commitment to fairness in supply chains as a key requirement toward fulfilling this ideal. The Kyocera Group believes that mutual prosperity is possible only if all supply-chain stakeholders — including development, production, sales, and service enterprises — work together to address societal needs. This demands continuous engagement with business partners through mutual trust. In December 2020, Kyocera announced its “Declaration of Partnership Building” to promote deeper collaboration with existing suppliers and other businesses seeking to create new value.

The Kyocera Group revised its Declaration of Partnership Building in March 2024 to include all suppliers.

 [Declaration of Partnership Building \(Japanese only\)](#)

Risk Assessment for Suppliers

● Supply Chain Survey

The Kyocera Group has established “Kyocera Group Responsible Business Conduct Guidelines” to monitor the sustainability performance of our business partners in such areas as human rights, responsible mineral procurement, and business continuity planning.

Using these guidelines, we conduct annual supplier surveys of practices affecting human rights and labor, the environment, health and safety, fair trade and ethics, quality and safety, business continuity planning (BCP), and information security, among other areas. Our Kyocera Group Human Rights Policy provides a foundation for deeper engagement in human rights due diligence as well.



Kyocera Group Responsible Business Conduct Guidelines

» Targets

To promote sustainable procurement, Kyocera has set a goal to achieve a supply chain with no (0%) enterprises rated as “high risk” in the areas of human rights, labor, and ethics.

» Results

Our FY2024 survey of 351 key suppliers identified two with high-risk scores; however, none rated “high risk” for both human rights, labor and ethics, the areas Kyocera has identified as priority.

» Audit for Risk Reduction

We audit suppliers whose survey ratings reveal risk and engage them in direct dialogue for improvement.

In FY2024, we requested formal corrective action plans from both suppliers with “high-risk” ratings. Both suppliers implemented corrective actions within 12 months.

Number of Key Suppliers Surveyed	Number Identified as High-risk	Improvement Among Suppliers with Risk
319	5	100%

Future Initiatives

The Kyocera Group will continue to monitor its supply chains through surveys and audits. We plan deeper engagement among all business partners on key issues, including a new initiative for human rights due diligence. We will continue to investigate risks and seek continuous improvement to build stronger supply chains globally.

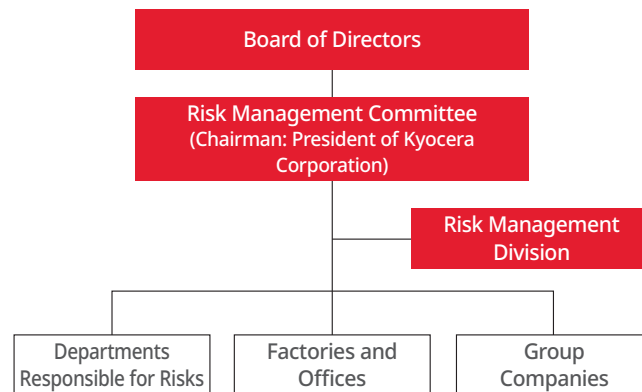
Risk Management and Business Continuity Plan (BCP) Initiatives

The Kyocera Group recognizes a rising need to monitor our supply chains amid the decoupling of the world's economies, which is increasing the factors often referred to as "VUCA" – volatility, uncertainty, complexity, and ambiguity. We will strive to reinforce our management foundation and achieve sustainable growth by pursuing risk management, compliance, and BCP activities essential for survival in these uncertain times.

Risk Management

The Kyocera Group holds periodic meetings to review risk management policies, identify corporate risks, assign risk owners, and monitor progress in risk-handling. The items discussed by the Risk Management Committee are reported to the Board of Directors, and policies are shared among departments responsible for risks, factories, branch offices, and Group companies. The company also established a Risk Management Division in April 2023 to reinforce our risk management structure.

Organization Chart of Risk Management



Risk Management Process

The Kyocera Group conducts regular assessments to identify, analyze, and evaluate major risks as well as to analyze and evaluate risks identified by external specialists in their reports. By examining major risks inside the Group and external environment, the company can then identify corporate risks with significant potential to impact business, implement the necessary countermeasures, and review the risk-handling process using the plan, do, check, act (PDCA) improvement cycle shown below.

Corporate Risk Management Process Flow



Corporate Risk

Corporate risks and countermeasures identified through the risk management process are as follows:

Risk Classifications	Specific Risk Details	Main Countermeasures
Risks Regarding Economic Security	<ul style="list-style-type: none"> Risk related to unexpected changes in laws and regulations regarding economic security policies, investment regulations, product import and export restrictions, and/or restrictions on repatriating profits, due to political, geopolitical, or economic factors affecting international business operations 	<ul style="list-style-type: none"> Establish an economic security project to enact risk prevention measures such as the monitoring of international risks Collect information about changes in regulations regarding investment and profit repatriation, and take all necessary measures
Risks Regarding Human Rights	<ul style="list-style-type: none"> Legal and/or reputational risk related to changing laws and regulations regarding human rights both at the Group companies and in supply chains 	<ul style="list-style-type: none"> Respect human rights of all stakeholders associated with the Kyocera Group, including employees, customers, shareholders, investors, and business partners, and take action to reduce or eliminate any human rights risks Comply with EU Conflict Minerals Regulations and other legal requirements; survey, evaluate and take corrective measures for risks related to conflict materials and human rights violations. Join the Responsible Business Alliance (hereafter, RBA); conduct human rights due diligence on supply chain, and provide education about the prohibition of harassment and discrimination
Risks Regarding Information Security	<ul style="list-style-type: none"> Risk of damages from information leakage, falsification, loss, or business interruption due to hardware or software failure or cyberattack Risk of additional cost for information security in response to new requirements related to technical innovation and customer demands Reputational risk and loss of business competitiveness caused by information breach, loss or hacking 	<ul style="list-style-type: none"> Improve rules regarding information security Provide education to employees, enhance security measures for networks and IT assets, and reinforce business continuity plans (BCP) to establish rapid recovery measures
Risks Regarding Barriers to the Hiring of Excellent Human Resources	<ul style="list-style-type: none"> Risk of becoming unable to fulfill human resource requirements due to fierce labor market competition and shrinking labor pool Risk of becoming unable to maintain current human resources by not improving work-life balance, or not promoting diversity and social inclusion 	<ul style="list-style-type: none"> Secure adequate human resources with an eye on the future, including further expansion outside Japan, and salary levels adjusted to local labor markets and inflation rates Improve work-life balance; promote diversity and inclusion; implement flexible work systems
Risks Regarding Earthquakes and Other Natural Disasters	<ul style="list-style-type: none"> Risk to business from large-scale disasters caused by earthquake, typhoon, heavy rain, flooding or other inevitable natural disasters, equipment failure, and/or human error Risk to financial performance and business results from direct damage caused by disaster, and/or economic harm caused by impaired market conditions resulting from disaster 	<ul style="list-style-type: none"> Develop BCP structures that model earthquakes and other natural disasters, as well as large-scale disasters caused by equipment failures or human error; prepare countermeasures in advance Create disaster-response plans to ensure early recovery and supply-chain alternatives; conduct BCP education and training

Business Continuity Plan (BCP)

The Kyocera Group maintains a policy of seeking prompt recovery and resumption of operations following any disaster-related interruption in business, as reflected in our BCP. A marked increase has been noted recently in the number of risks that pose a threat to business continuity, including natural disasters such as earthquakes, violent storms, pandemics, and supply chain risks caused by international conflict. We review all potentially disruptive risks and prepare aggressive countermeasures by securing equipment, components, and raw materials critical to our operations, and identifying alternate means of production. We are also incorporating business continuity management (BCM) activities, including education and training, with regular review.

Cooperation Among Related Divisions when Incidents Occur

To appropriately handle risks surrounding the Kyocera Group, the company provides prompt initial responses to mitigate impact and ensure early business recovery. Each department responsible for risks develops and maintains the emergency response system and establishes emergency headquarters when necessary. For example, if a cybersecurity incident were to occur, Kyocera would initiate the emergency response system in cooperation with the relevant divisions based on the emergency response rules to coordinate announcements, report to the proper authorities, and conduct surveys depending on the specialty of individual departments.

Compliance

The Kyocera Group operates within a corporate culture guided by our Kyocera Philosophy and its general criterion for decision-making: “Do the right thing as a human being.” This criterion emphasizes the concept of coexisting harmoniously with society amid the traditions and cultures of our host communities. Recent years have seen an increase in international laws and regulations that reflect the spirit of our philosophy, and other corporations are adopting their own similar approaches. The Kyocera Group understands the importance of legal compliance and conducts business in accordance with all applicable laws and regulations.

Compliance Initiatives

To further emphasize the importance of compliance within the Group and among external stakeholders, the company established the Kyocera Compliance Statement. This statement spells out the global-scale efforts that the Group exerts on a proactive basis. Kyocera divisions and overseas Group companies collaborate to ensure effective responses to rapid changes in laws and regulations. For example, following enactment of the European General Data Protection Regulation (GDPR), which introduced strict laws on the handling of personal data in many regions, Kyocera Group companies initiated a program to continuously monitor data collection and retention practices to ensure compliance. In response to expanding anticorruption laws and regulations, which have impacted even well-known global corporations, the company created the Kyocera Group Basic Policy on Anti-Corruption as a guide for global business activities, established a specific anticorruption prevention structure within the Kyocera Group under the anti-corruption regulations of Kyocera Corporation, and promoted Group-wide implementation of internal regulations while providing employee education to thoroughly publicize the rules and procedures. Furthermore, to enhance compliance with the Antimonopoly Act, the Kyocera Group published its own Global Antitrust Compliance Manual and implemented the Antimonopoly Act Compliance Regulations throughout the Group. To ensure continuing adherence to the Antimonopoly Act Compliance Regulations over time, the company monitors each Group company on an ongoing basis and provides guidance when appropriate. This is conducted in addition to periodic in-house education to bolster compliance. The program of compliance education includes e-learning in cooperation with Group companies both in Japan and overseas.



Kyocera Global Legal
Compliance IP Meeting

● Global Five-Region Legal and IP System

Our proactive M&A strategy has seen the number of Kyocera Group companies grow to around 300, with more expected in the future.

For efficiency, the Corporate Legal and Intellectual Property Group divides the globe into five regions. Each local headquarters works with the Kyocera Group companies in its region to build a system for reducing legal risk and ensuring compliance. Building a collaborative network be-

tween Group companies is vital for efficient global compliance.

To facilitate this, we organized Kyocera Group Global Legal Compliance Meetings for the headquarters and operating companies in each region to discuss our policies and identify local challenges.

● Strengthening Cooperation Among Related Divisions and Manufacturing Sites

The Kyocera Group initiated the following measures to ensure compliance at all manufacturing sites.

» Compliance Conference

In order to promote compliance at each business site, Kyocera Corporation appointed risk management and compliance leaders in each business segment and holds conferences twice yearly with allied divisions and domestic partner companies as well as risk management and compliance leaders. These conferences help the company to establish annual plans, confirm progress, share information, and exchange opinions on the topic of risk management and compliance.

» Compliance Promotion Month

Kyocera Corporation designated December as Compliance Promotion Month, during which it emphasizes enlightenment and education regarding compliance to all employees. To heighten employee awareness of the importance of compliance activities, the company publicizes messages from the president, thoroughly disseminates key priorities at morning meetings, and provides e-learning exercises to all employees. Furthermore, Kyocera established a number of new programs that keep pace with current needs, including a consultation desk that enables employees to consult about compliance via chat. By sharing these initiatives with Group companies, the company strives to develop a structure that deeply roots compliance activities throughout the Group.

» Intranet Sites for Compliance Information

Kyocera Corporation uses digital tools and an intranet system to provide smooth access to easy-to-read and understand in-house and compliance-related information. The company continuously reviews and revises the content to reflect changes in laws and the social climate to foster and increase employee awareness of compliance.