



Corporate Motto

敬天愛人

“Respect the Divine and Love People”
Preserve the spirit to work fairly and honorably,
respecting people, our work, our company
and our global community.



Chairman of the Board and Representative Director
KYOCERA Corporation

Goro Yamaguchi

President and Representative Director
KYOCERA Corporation

Hideo Tanimoto

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.

Thank you very much for your patronage and courtesies to the Kyocera Group.

Since its founding in 1959, our Group has expanded its businesses under the 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.”

Today, changes in the structures of industry and society are taking place more rapidly, on a greater scale than ever, and from a new point of view. While these changes are expected to bring us many business opportunities, as a true global company, we are required to take actions to tackle various social issues.

To communicate to our stakeholders how we will address social issues through our business activities and thereby sustainably fulfill both improvement of our corporate value and contribution to society, we have decided to publish an integrated report starting from this year. By presenting the basic concepts and initiatives for our further growth and development, as well as the multiple potentials such initiatives will bring for society, we expect that our values be shared with all of you, and aim to further enhance our corporate value.

Incidentally, this report was prepared based on the “International Integrated Reporting Framework” proposed by the International Integrated Reporting Council (IIRC) and the “Guidance for Collaborative Value Creation” formulated by the Ministry of Economy, Trade and Industry (METI), in view of the current situation and future business strategies of the Kyocera Group. We hope this report will be helpful to you in understanding our company.

Coexistence



Founder and Chairman Emeritus
KYOCERA Corporation
Kazuo Inamori

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.

15 Top Management Message

To continue to realize the Management Rationale, we must achieve further growth. At a time when individuality and diversity are essential for products, we cannot expect further growth without taking on challenges in new fields or taking new initiatives that we have never taken before. By drawing out the potential of young human resources and also utilizing external resources, we will achieve every target facing us and then challenge subsequent targets one after another.



27 Special Feature Minatomirai Research Center

The Minatomirai Research Center (Yokohama City), our new research institution, opened in spring 2019. By gathering all our research functions in the Tokyo metropolitan area at this institution, we aim to enhance our software and system R&D capabilities and promote open innovation.



41 Messages from Outside Directors/Audit & Supervisory Board Members

Outside Directors/Audit & Supervisory Board Members supervise and audit management from external perspectives. Kyocera has three Outside Directors and two Outside Audit & Supervisory Board Members, who provide us with useful advice based on their experience and skills through the meetings of the Board of Directors and the Audit & Supervisory Board. With Ms. Akiko Koyano joining in June 2019, the five independent Directors/Audit & Supervisory Board Members form a structure to ensure sufficient supervision and auditing from an objective perspective. There are messages from the five Outside Directors/Audit & Supervisory Board Members with their opinions about corporate governance.

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Editorial Policy

Reference guidelines, etc.

This Report was prepared in reference to the "International Integrated Reporting Framework" proposed by the IIRC and WICI and the "Guidance for Collaborative Value Creation" formulated by the Ministry of Economy, Trade and Industry. Information related to CSR is disclosed according to the Core option of the GRI* Standards 2016.

* Global Reporting Initiative
Guidance for Collaborative Value Creation



Scope of the Report

Reporting Period: April 1, 2018 to March 31, 2019
(Data outside of this period is provided where it is appropriate to report based on past or recent data or activities.)

Target Organization: The Kyocera Group
(Whenever the target organization differs, it is so specified.)

Indication of Company: The Company is indicated in this report as follows:
Kyocera, the Company: KYOCERA Corporation
The Kyocera Group, the Group: KYOCERA Corporation and its consolidated subsidiaries
Group companies: consolidated subsidiaries

Cautionary statements with respect to forward-looking statements

• Certain of the statements made in this report are forward-looking statements, which are based on our current assumptions and beliefs in light of the information currently available to us. These forward-looking statements involve known and unknown risks, uncertainties and other factors. These risks, uncertainties and other factors, our actual results, performance, achievements or financial condition may be substantially different from any future results, performance, achievements or financial condition expressed or implied by these forward-looking statements. We undertake no obligation to publicly update any forward-looking statements included in this report.

Indication

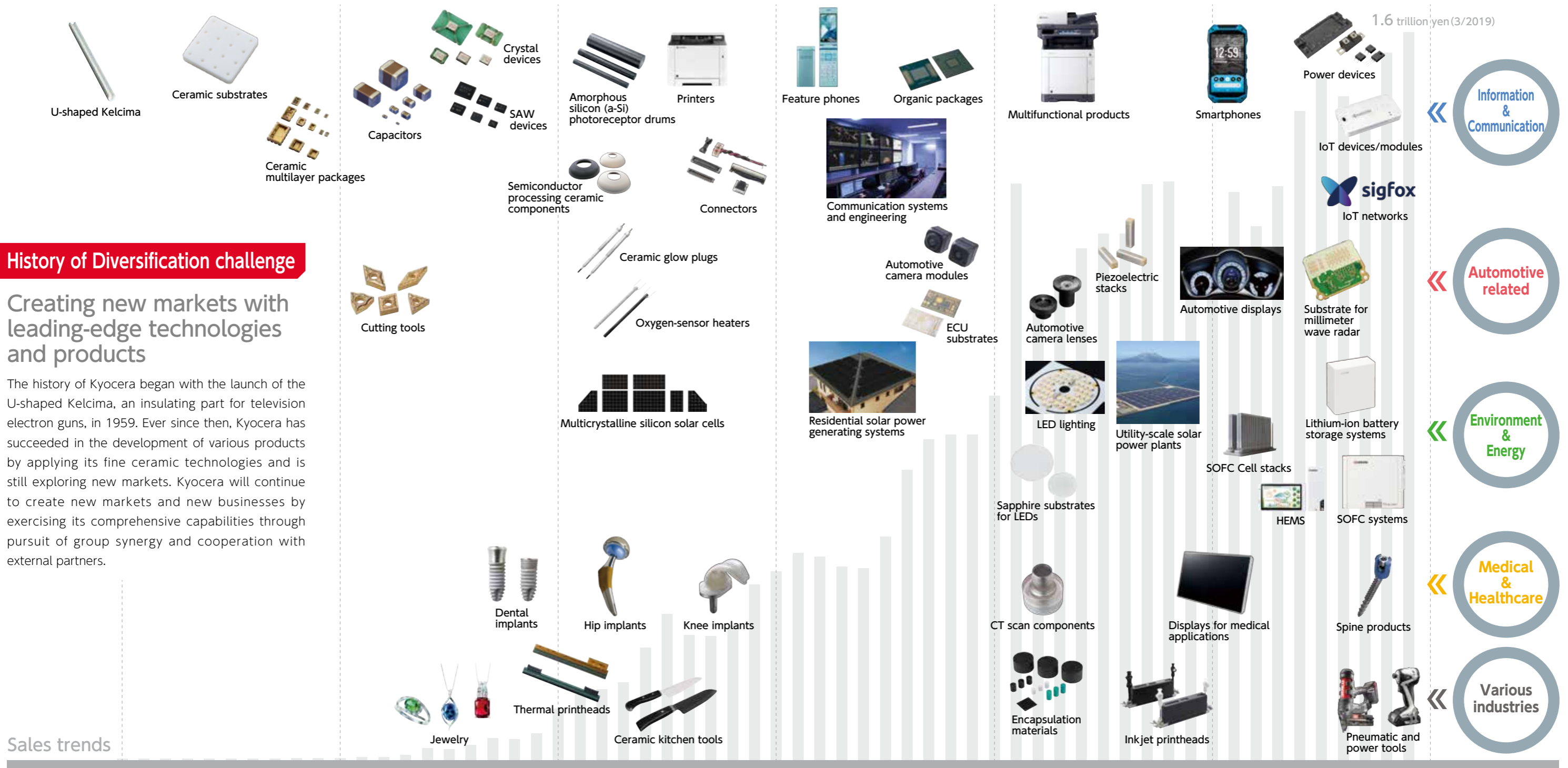
• The amounts and percentages (%) in this report are rounded to the nearest unit. Percentages are computed based on amounts rounded up/down to the nearest millions yen.
• Kyocera Group has adopted the International Financial Reporting Standards (IFRS) in lieu of the Generally Accepted Accounting Principles of the United States (U.S. GAAP) from the year ended March 31, 2019 (FY3/2019). Accordingly, financial results for the year ended March 31, 2018 (FY3/2018) have been reclassified in accordance with IFRS. Account title is also presented in accordance with IFRS.
More detailed information is available to the public in "Investor Relations" and "CSR Activities" on the company website.

History of Diversification challenge

Creating new markets with leading-edge technologies and products

The history of Kyocera began with the launch of the U-shaped Kelcima, an insulating part for television electron guns, in 1959. Ever since then, Kyocera has succeeded in the development of various products by applying its fine ceramic technologies and is still exploring new markets. Kyocera will continue to create new markets and new businesses by exercising its comprehensive capabilities through pursuit of group synergy and cooperation with external partners.

Sales trends



1960

1970

1980

1990

2000

2010

Horizontal deployment of technologies

Diversification of businesses

Expansion of business fields through M&As

Business expansion in global market

Creation of added value
Building new business models

Contribute to the advancement of society and humankind through practice of the Kyocera Philosophy

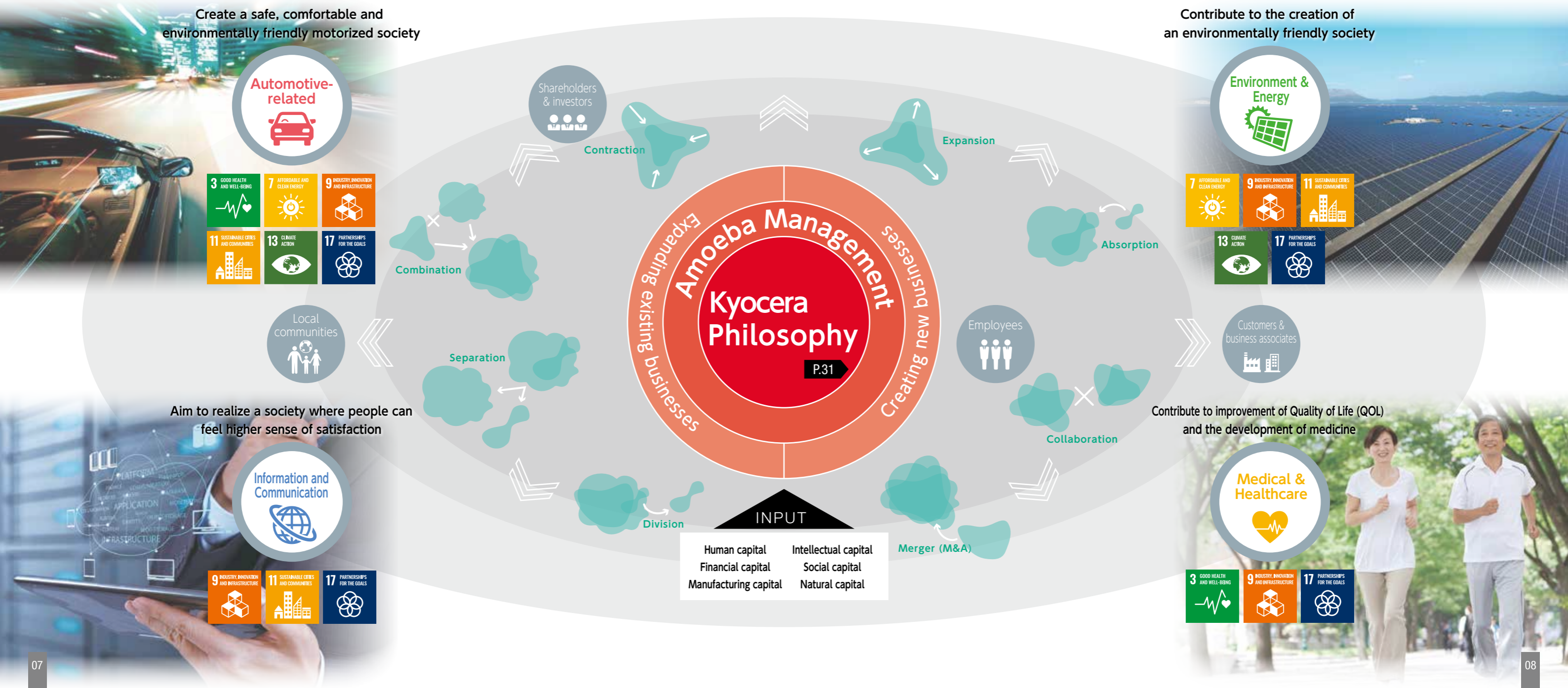
The essence of Amoeba Management, a management control method to realize the Kyocera Philosophy, is to quickly respond to trends of the times and changes in market conditions, and flexibly change its organization. As we live in a world of growing uncertainties, we will strive to flexibly respond to environmental changes like amoeba, and continue to deliver leading-edge products and create new values.

We provide leading-edge products and services to the core field in the IOT (Internet of Things) society, an area of a growing interest; Information and Communications Market connecting everyone and everything, Automotive-related Market with rapid ICT adoption, Environment and Energy Market that contribute to global environmental conservation, and Medical and Healthcare Market that

support safe and secure life of people. The Kyocera Group has set these four markets as priority markets and will continue to deliver valuable products and services by leveraging the Group's comprehensive capabilities to realize a more convenient and sustainable world.

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.



Pursuing Expansion and Growth through Unique Amoeba Management

The Amoeba Management System is a unique business management method in which the organization is divided into small units and operated using an independent, market-oriented, divisional accounting system. This promotes leadership development, gives all employees management awareness, and facilitates “Management by All” — a method of engaging every employee in the day-to-day operation of the business.

Objectives of Amoeba Management:

Develop leaders with managerial awareness

One employee is given full management responsibility within each amoeba. Individuals in this position develop strong leadership abilities with keen managerial awareness as they operate their amoebas.

- ▶ • Dynamic Company Culture: employees seek out new challenges
- Supportive Corporate Culture: employees are focused on achieving goals
- Responsive Corporate Culture: timely, accurate management decisions

Establish a market-oriented, divisional accounting system

The amoeba's results are calculated daily using an independent accounting system that reflects the pricing and principles of the free market.

- ▶ • Identifies issues down to smallest amoeba level
- Gives visibility to all aspects of the company's operations
- Enhances employee awareness of profit and loss

Attain “Management by All”

A management plan is created within each amoeba. All members contribute their expertise and collaborate to achieve the amoeba's business goals.

- ▶ • Collective wisdom of the workplace
- Achieving goals creates a sense of achievement and purpose
- Cultivate a sense of unity in the workplace

Flexible Amoeba-based Organization

The name “amoeba management system” is connected with the fact that smaller units of a company have a similarity to amoebas that are capable of repeating unrestricted, flexible cell divisions as desired. As advantageous characteristics, amoeba management system enables a company to flexibly reorganize its “amoebas” so as to immediately respond to rapid changes in the economic environment, market conditions, technological trends and business competitors. Given the ever-changing market conditions and ever-progressing technology development, companies are

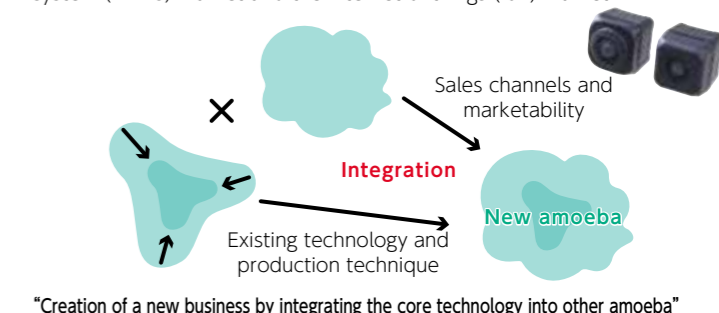
required to be always highly responsive to the surrounding business environment and take flexible actions as necessary. To this end, it is essential for companies to repeatedly and unrestrictedly divide an organization into smaller units, integrate or increase them depending on the business development. In light of this, the Kyocera Group focuses on flexible amoeba management system, rather than a fixed-type of organization management system, in an effort to pursue further business expansion and growth.

Operation 1: Integration

Case 1: Establishment of Automotive Camera Module Business through Fusion among Group Technologies

Since the establishment of its optical equipment business division through the merger with a camera manufacturer in 1983, Kyocera had accumulated a wide variety of technology ranging from the manufacturing of optical lens and similar optical components to the assembly/design of precision cameras. However, due to increasingly intense competition in the market caused by the transition from silver film cameras to digital cameras, Kyocera withdrew from the consumer camera business in the year ended March 31, 2007. After that, integrating the accumulated production/design techniques of high-performance optical lenses and precision equipment with various substrate technologies within the Group companies, and capitalizing on the sales network to automobile manufacturers expanded in other component businesses, Kyocera established a new automotive camera module business group. Currently,

our automotive camera modules are particularly promising, with expectations of growing demand in the advanced driver-assistance system (ADAS) market and the Internet of things (IoT) market.



Operation 2: Mergers and Acquisitions (M&A)

Case 2: Expansion of Document Solutions Business through M&A

Kyocera's printer business based on an eco-friendly concept started with the merger with an information and telecommunication equipment manufacturer in 1982. In addition to the printer business, it also acquired a photocopier business by making Kyocera Mita Corporation (at that time) a consolidated subsidiary in the year ended March 31, 2001. In those days, a business issue for printers was “high-speed printing technology,” while realizing “digitalization” for photocopiers. Regarding the market, printers with an eco-friendly concept were mainly distributed in Europe and photocopiers enjoyed higher brand recognition in North America. Therefore, through this M&A, Kyocera worked hard to solve the business issues for printers and photocopiers and develop new products based on the combined use of the two technologies, while at the same time focusing on the sales market expansion by capitalizing on the conventional distribution channels and brand recognition of

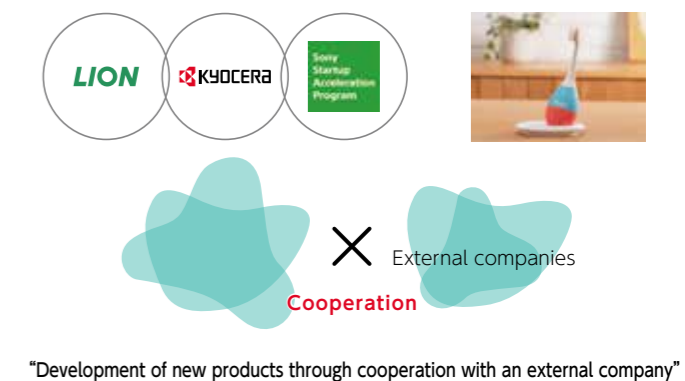
photocopiers and printers. M&A of software- or solutions-related companies was also actively conducted afterwards. With expansion of its business domain, Kyocera's document solutions business has become increasingly profitable, significantly contributing to the business results of the entire Group.



Operation 3: Cooperation

Case 3: Reinforce Development of New Products based on Open Innovation

Participating in the SONY Startup Acceleration Program (SSAP)* by SONY Corporation, Kyocera and Lion Corporation jointly developed a new toothbrush for children named “Possi.” Thanks to crowd-funding activities conducted as part of its marketing campaign, Possi has received a large amount of financial support, exceeding our initial goal. Open innovation is a new type of initiative for Kyocera to give discernible forms to its ideas and concepts. Combining external knowledge and internal concepts through open innovation, we at Kyocera further strive to create innovative products and businesses in the future.



“Possi” Page 30

* <https://sony-startup-acceleration-program.com/>

» Summary of Financial Results for FY3/2019

1. Record high sales revenue for two consecutive years

Sales revenue increased in the Electronic Devices Group and the Industrial & Automotive Components Group due in part to contributions from merger and acquisition activities during FY3/2018.

2. Profits increased due to higher sales and cost reductions despite a record of one-time losses

- Aiming for improvement of business performance for the year ending March 31, 2020 (FY3/2020), we implemented structural reforms in the solar energy business, which is included in the Life & Environment Group, and the organic materials business, which is included in the Semiconductor Components Group.
- Profit increased in the Industrial & Automotive Components Group, Electronic Devices Group and Document Solutions Group due to proactive investment and cost reductions. In addition, profit in the Communications Group increased significantly due to the effects of structural reforms.

» Key Financial Indicators

Sales revenue

1,623.7 billion yen
(up 3.0% year on year)

Profit before income taxes

140.6 billion yen
(up 8.2% year on year)

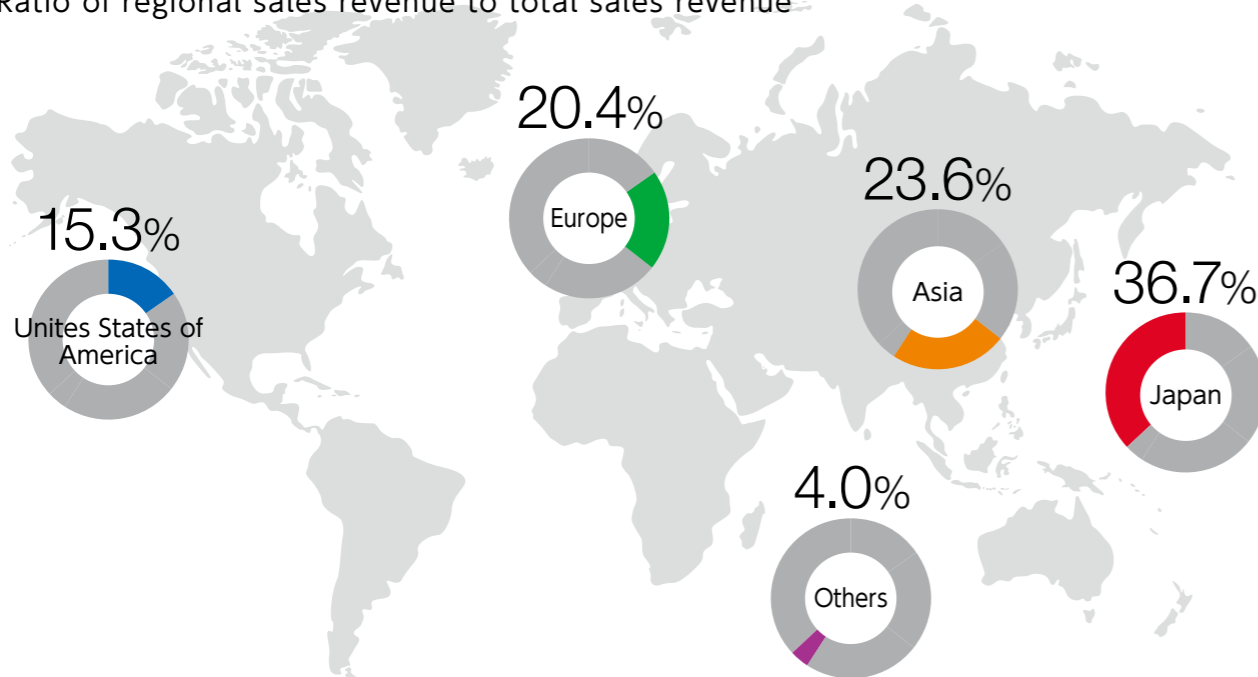
Capital expenditures

117.0 billion yen
(up 35.3% year on year)

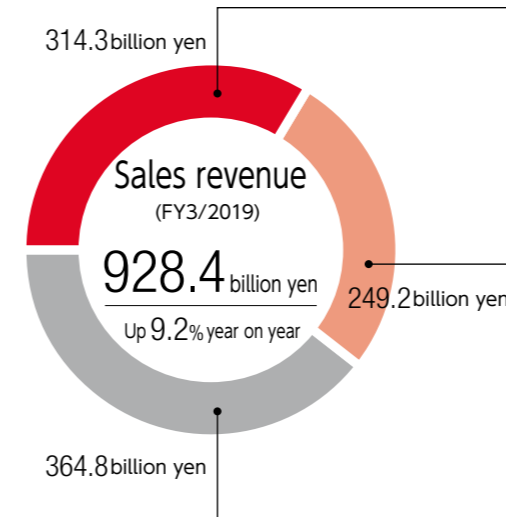
R&D expenses

69.9 billion yen
(up 20.0% year on year)

◇ Ratio of regional sales revenue to total sales revenue

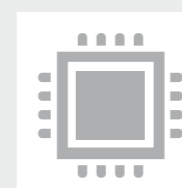


» Components Business



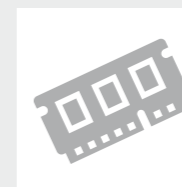
Industrial & Automotive Components Group

Kyocera Group provides various kinds of fine ceramic components, camera modules and liquid crystal displays to the industrial machinery and automotive markets. We also provide industrial tools such as cutting tools and pneumatic and power tools to the general industrial and construction markets.



Semiconductor Components Group

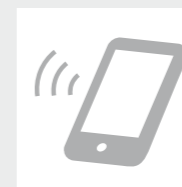
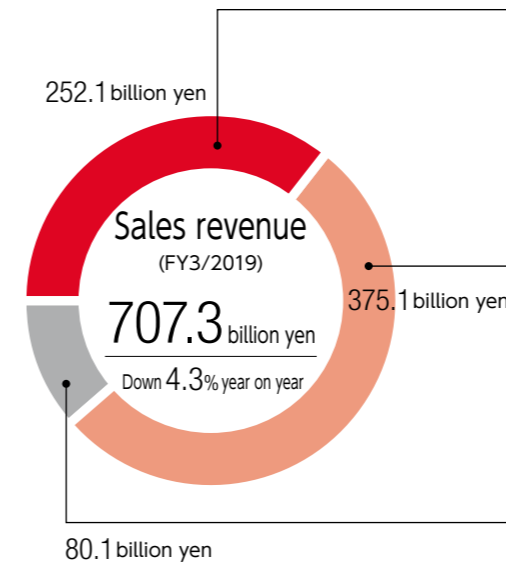
Kyocera Group provides packages for protecting electronic components and ICs as well as high-density organic multilayer printed wiring boards for assembly of such components to the information & communication and automotive markets, etc.



Electronic Devices Group

Kyocera Group provides a wide variety of electronic components and devices for diverse fields from familiar products such as smartphones to industrial machines.

» Equipment & Systems Business



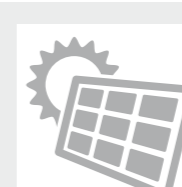
Communications Group

Kyocera Group provides communications modules that support IoT in addition to mobile phones embedded with unique functionality such as exceptional durability and features for senior users, as well as ICT solutions that support management operations of enterprise customers, and information and communication services that support communication infrastructure.



Document Solutions Group

Kyocera Group provides a wide range of lineup of printers and MFPs featuring outstanding environmental and economic performance as well as solutions that resolve each customer's specific management issues.



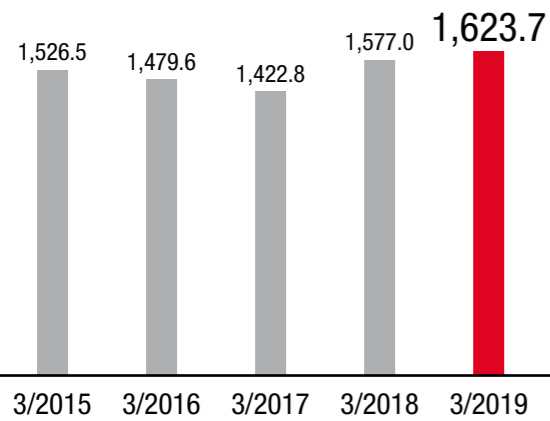
Life & Environment Group

Kyocera Group provides products related to life and environment field such as solar energy products, medical products, jewelry, and kitchen tools.

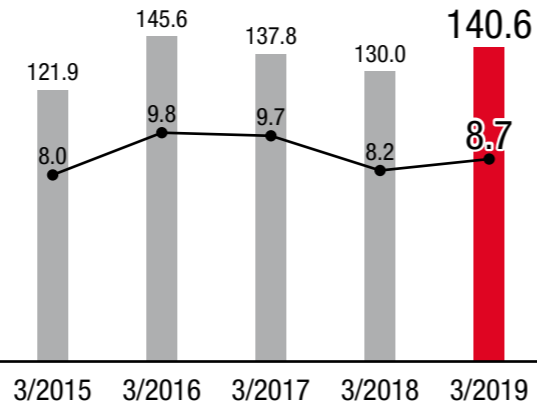
· Sales revenue in each reporting segment and the aggregate amount are rounded to the nearest unit.
· Percentages are computed based on amounts rounded up/down to the nearest millions yen.

Financial/Non-financial Highlights

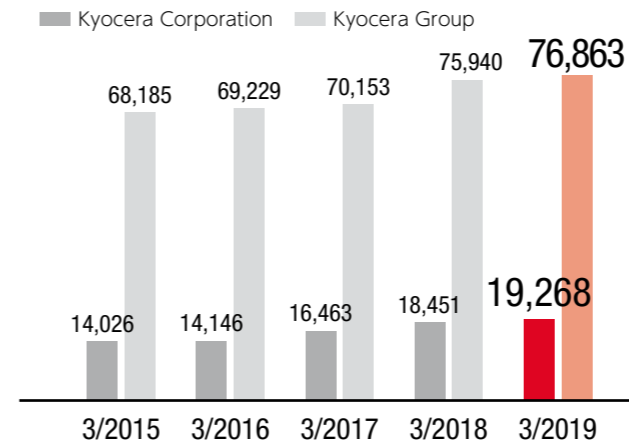
■ Sales revenue (billion yen)



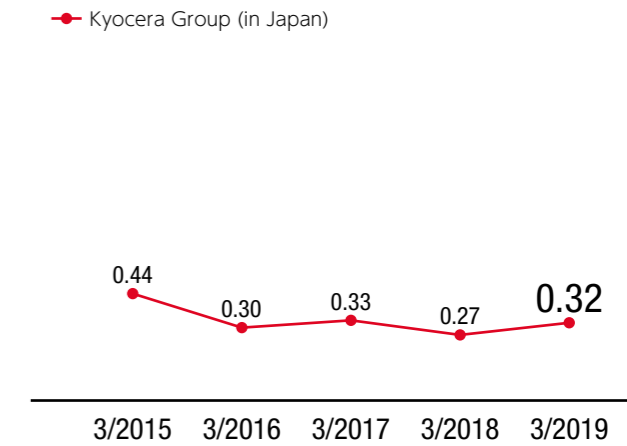
■ Profit before income taxes (billion yen) / Profit before income taxes to sales revenue (%)



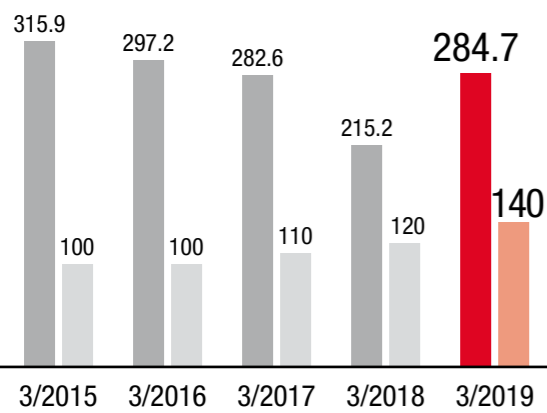
■ No. of Employees (Person)



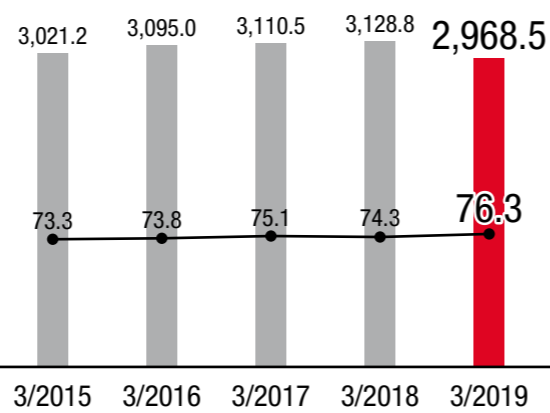
■ Lost Time Accident Rate*1



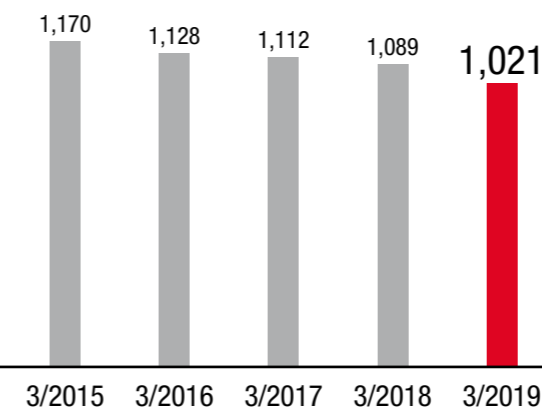
■ EPS - Diluted (yen) / Cash dividends per share (yen)



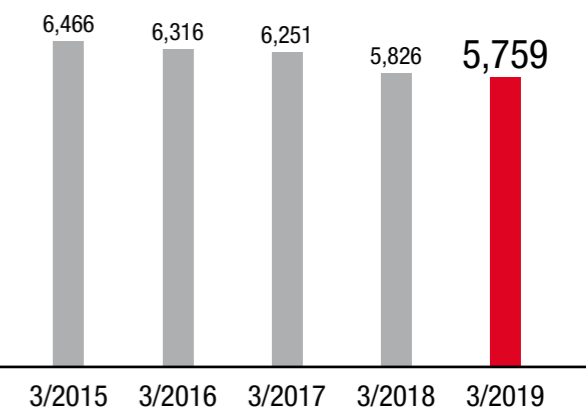
■ Total assets (billion yen) / Ratio of equity attributable to owners of the parent to total assets (%)



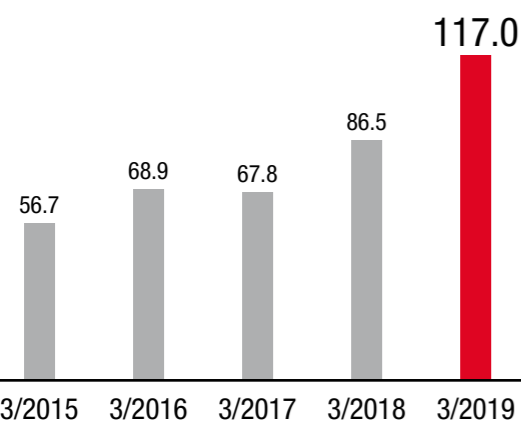
■ Greenhouse Gas Emissions(Scope 1,2)*2 (1,000tons-CO₂)



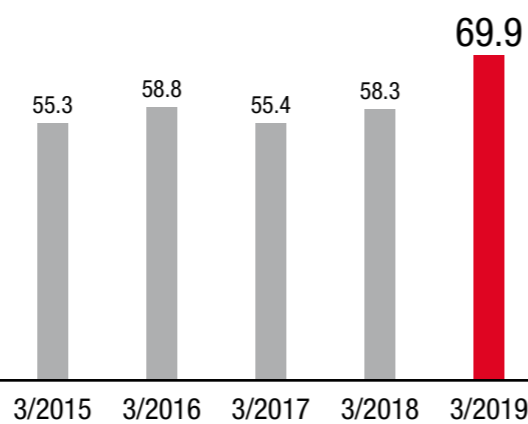
■ Greenhouse Gas Emissions(Scope 1,2,3)*3 (1,000tons-CO₂)



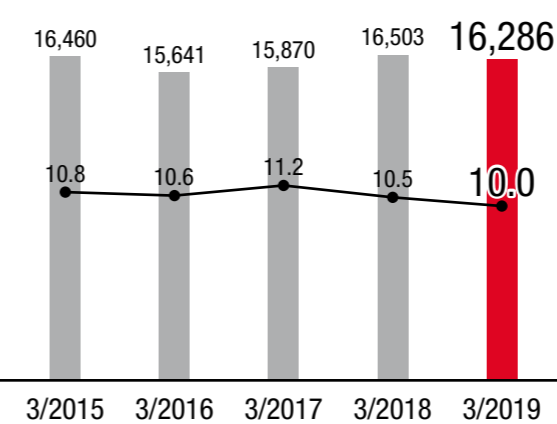
■ Capital expenditures (billion yen)



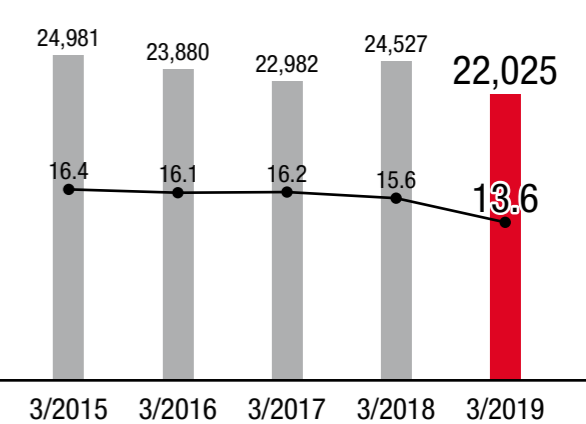
■ R&D expenses (billion yen)



■ Water Consumption (1,000ml) / Per Net Sales (ml/million yen)



■ Industrial Waste Discharge (ton) / Per Net Sales (kg/million yen)



* The amounts and ratios (%) are rounded to the nearest unit.
 * Kyocera Group has adopted IFRS in lieu of U.S.GAAP from FY3/2019. Accordingly, financial results for FY3/2018 have been reclassified in accordance with IFRS.
 Account title is also presented in accordance with IFRS.
 * "Cash dividends per share" in FY3/2019 includes the commemoration dividend in the amount of 20 yen per share.

*1 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.)
 *2.3 Scope 1: Direct emission associated with fuel consumption
 Scope 2: Indirect emission associated with consumption of power or heat purchased from outside
 Scope 3: Indirect emission other than Scope 1 or 2 (including procurement, transport, use, disposal, etc. of raw materials and commuting and business trip of employees)



Taking on new challenges toward realization of the Management Rationale

For 60 years since its founding in 1959, Kyocera has devoted itself to corporate activities toward realization of 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.” This is the principle of the Kyocera Philosophy, which is understood by the Group’s approx. 75,000 employees around the world and serves as the guide for our business management. To continue to realize the Management Rationale in the future, we must achieve further growth. At a time when individuality and diversity are essential for products, we cannot expect further growth without taking on challenges in new fields or taking new initiatives that we have never taken before. By drawing out the potential of young human resources and also utilizing external resources, we will achieve every target facing us and then challenge subsequent targets one after another.

President and Representative Director,
KYOCERA Corporation

Hideo Tanimoto

Toward further growth

I want to give opportunities to young employees

This year Kyocera celebrates its 60th anniversary. I am the same age as the Company. I joined Kyocera in 1982. It was about the time when the Company became one of the medium-scale companies in Japan, soon after that its sales revenue exceeded 100 billion yen.

In those days, unlike today, “workstyle reform” was not yet featured and “Can you fight 24 hours a day?” was the catchphrase of a popular TV commercial. I worked very hard all day every day and experienced various jobs. After its sales revenue exceeded 100 billion yen, the Company was rapidly expanding with a view to targeting 1 trillion yen in sales. The Company was growing so fast that young employees were easily assigned to important jobs. Although I was originally an engineer, I was appointed the leader of a big project at the age of 30. I was responsible for a production line from process development to startup of the line. When the line was finally satisfactorily established, however, no

orders came in. So I and sales staff directly visited customers to promote sales, which resulted in a large volume of orders coming in all at once, causing a delay in production. Thus, I had a very hard time in those days, facing one problem after another. But the variety of experience I gained in those days, from development through to sales, helped me a lot in my subsequent career.

Since the financial crisis in the aftermath of the collapse of Lehman Brothers in 2008, our sales revenue has been hovering at around 1.5 trillion yen. However, I would like to give our young members today the opportunity to take on challenges like the ones we experienced when we were young. To this end, it is crucial for the Company to grow. We therefore set the targets for the fiscal year ending March 2021 (2 trillion yen for sales revenue, 15% for the ratio of profit before taxes), and I think we must aim at 3 trillion yen as the next target.

Top Management Message

Growth Strategy (1) Direction

Revitalize Amoeba Management while utilizing external resources

A key to growth is the use of external resources through M&A and other means. In the days when I joined the Company, we only had to make a large quantity of specific products according to their specifications, and they were sold out right away. Today, however, as individuality and diversity are emphasized in products, we must make unique products before our competitors do. In order to ensure the growth of our businesses in this difficult time, M&A and other open innovation initiatives are crucial. We can no longer stick to the in-house development principle. Looking back on M&A in the past, some brought significant contributions earlier than expected while others took a longer time than expected to show positive effects. In any case, I think that what is most important is to ensure that the Kyocera Philosophy, the key framework of our company, is fully understood. It is of course important to make an M&A deal effective, but a greater emphasis should be placed on whether the management concept and corporate culture of the partner company are consistent with ours. For example, respect for employees is an important point. There are many managers in the US or Europe who pay respect to their employees.

Another key to the growth is to revitalize Amoeba Management, our unique business management method. I joined the Company when the Company was rapidly growing, and I saw the "amoeba" small units that constituted each business division rapidly increasing. Many young employees were appointed leaders of the small amoebae in a flat structure, and the young leaders were able to grow themselves through their work. But now that the Company's growth has become low,

organizations are likely to be fixed to form a pyramid structure, making the amoebae less active than before. It is necessary to flatten the organizational structure again so that young employees are able to play leadership roles in amoeba units. The essence of Amoeba Management has been the same all the time. But unlike the time when we only had to make a large volume of specified products, technologies and requirements for products today are far more complicated. IoT (the Internet of Things), for example, requires businesses to cover a broad range of technologies, such as for sensors, communications, and analysis of collected data. It is now difficult to develop new businesses without interdivisional cooperation. Under these circumstances, to facilitate interdivisional cooperation while keeping the merits of Amoeba Management, we have established a cross-functional structure for our R&D and marketing organizations. The aim of this is to create new value through interdivisional cooperation and make this our new growth driver. Once ideas have taken form and are brought into the commercialization stage, we will also have to consider how to set up a cross-functional structure for business groups. What is most important in Amoeba Management is not its system itself but the "altruistic mind" of the Kyocera Philosophy. Without this mind, each amoeba may solely pursue its own profits and cause disputes with other amoeba, resulting in malfunction of the entire organization. Pursuit of profits for one's own department and for entire organization are both important. But without the basic philosophy, the Amoeba Management system will not properly function.

Growth Strategy (2) Priority areas

Focusing efforts on 5G, ADAS (Advanced Driver Assistance System), and energy saving areas

From now on, we will proactively advance into leading-edge areas such as 5G and ADAS, and areas which can be expected to bring growth to our business while also contributing to the advancement of society, such as renewable energy. ADAS has now come to the stage where various sensors of automotive cameras are installed in vehicles to improve safety, though the range sensors are capable of covering from a vehicle is limited. We are thus planning to take part in the development of infrastructure to assist the sensors by setting up cameras in what we call "roadside units" above traffic lights, for example, to monitor the blind spots of the vehicle and send information to the vehicle. At present, we are cooperating in a demonstration test for

the Bus Rapid Transit (BRT) system being conducted under the initiative of East Japan Railway Company (JR East) in Rikuzentakata, Iwate. The test is part of the initiative to ensure safety using Kyocera's roadside units. The base for a roadside unit is communication technologies, a field in which Kyocera, with long years of experience of conducting businesses related to mobile phones and other telecommunications devices, can be useful. When the 5G becomes the communication standard, a large volume of data can be transmitted instantaneously, enabling the establishment of a safer system. Besides the roadside units, another 5G-related initiative is to promote centralized control of IoT within plants by employing "local 5G" ^{*1}. There are many possibilities of contributing to this



field using our communication technologies.

In the field of renewable energy, as the feed-in tariff system for solar power will end in Japan, it is necessary to establish a system to offer solutions that will bring economic benefits to users that have introduced solar power generation. An example of such solutions is the "Chanto Good! Service," a program launched by a joint venture we established with Kansai Electric Power Company. In this program, users can install a solar power system with, in principle, no initial costs and will be charged lower electricity fees, and after ten years, the solar system will be assigned to the users. In addition, we will also provide other

products and services that are economically rational, including storage batteries and fuel cells, thereby contributing to society. In the field of medicine and health care, we are advancing various research and development projects, including the joint development of wear-resistant artificial joints with the University of Tokyo. Medicine & health care is a field where the highest priority should be placed on safety and therefore it will take a long time for our efforts to bear fruit. But it is a market area with great potential for growth and development, and we will continue to focus our efforts in this field.

^{*1}: A private network established using 5G technology for a specific site or building

Growth Strategy (3) Production system

Based on the "local production for local consumption" principle, providing products for local needs

For production, we have been advancing the restructuring of the production system based on the concept of "local production for local consumption." In each of the roughly divided four regions of the US, Europe, Asia, and Japan, products that are appropriate for the social structure and needs of the region will be manufactured. In Europe, we completed several M&A deals in the fine ceramics business for the purpose of securing production sites in Europe. For China, where the problem of tariffs has been arising due to the economic dispute with the US, we are considering moving some of the production bases outside China, such as to Vietnam.

However, because China has a huge domestic market, we will not transfer all of the production sites outside. In rapidly growing India, while the components business is yet to be established, we have set up plants for metal processing in the tools business in cooperation with local companies, where production has been started. In Japan, where the population is aging and the birthrate is declining, it seems impossible to continue to hire about the same number of employees as the number of retiring employees each year. However, even with the number of personnel gradually declining, we must pursue further growth of the Company.

Growth Strategy (4) Production technologies and R&D

Enhancing robot and artificial intelligence (AI) technologies, software, and open innovation

To achieve growth under such severe circumstances, it is necessary to make full use of new technologies such as robots and AI in manufacturing. Model initiatives to improve productivity using these technologies have been launched in Japan, for production plants and for common departments mainly at Head Office. If proven successful in Japan, these initiatives can be launched in other countries. At a plant where the initiative was started in advance, we were able to reduce the necessary personnel headcount to around 10% due to the effects of robots and AI.

It was thus confirmed that these initiatives are technically effective though not yet financially reasonable because a large cost has been incurred for their development. Our task from now on is to deploy these technologies to as many existing businesses as possible.

For common departments, initiatives such as paperless meetings and replacement of some operations with RPA (robotic process automation) have been promoted at Head Office since last year, which will be accelerated to be implemented at all plants and sales offices. Meanwhile, an analysis of the operations of common departments found several overlapping jobs within each department. This situation should be corrected before introducing new technologies, and we are urgently reviewing the operations.

In R&D, we transferred a part of the R&D functions for material technologies located inside the Kokubu Plant, Kagoshima to the

Keihanna Research Center (former Kyocera R&D Center) in Kyoto in April. In May, we opened the Minatomirai Research Center, a new research laboratory to conduct research on software and systems in Yokohama City.

These days, in doing any type of business, software plays an increasingly important role. The mission of the Minatomirai Research Center is not only to conduct research and development but also to serve as a base to determine how to incorporate the R&D results in businesses and promote the use of external resources by various means such as M&A and alliances.

We have already established partnerships with several foreign companies in the US and Europe. We assisted Plug and Play, a renowned startup accelerator in Silicon Valley, in setting up its operation site in Kyoto. As we aim to promote collaboration with Asian companies, we expect the Kyocera (China) Innovation Center opened in Shenzhen, China in April 2019 to play an effective role.



Minatomirai Research Center opened in May 2019, uniquely designed as an embodiment of open innovation

Human Resource Development

Venture event successful, boosting expectations for commercialization

Developing and utilizing in-house human resources is also crucial for growth. Starting from December 2018, with support from outside, the



Venture Startup Program, an in-house event, has been held.

It was originally an event of the R&D segment to gather ideas for new businesses. The program was modified to invite ideas from all departments of the Company with the aim of establishing a bottom-up system that allows young members to play active roles, and we received over 800 ideas for new businesses beyond our expectations. The ideas are now being brushed up and in-house presentations by the applicants will be held by the end of this fiscal year. We hope to see many ideas with potential for commercialization.

Within the framework of existing business groups, in which organizations are fixed, it is difficult for young members to try crazy ideas. But if new places are created, young employees can play active roles as leaders. Not limited to the startup program, we will create other similar opportunities for them.

Environment, Society, and Governance

Enhancing governance system

Meanwhile, we would also like to faithfully address the issues of the environment, society and governance (ESG). "Contributing to the advancement and development of humankind and society through practice of the Kyocera Philosophy" is our basic stance for ESG. We believe that the Sustainable Development Goals, or SDGs, adopted at the U.N. General Assembly in September 2015 will help us realize this basic stance of the Company. Keeping the SDGs in mind, we will not only conduct business activities to address social issues but will also tackle each of the problems in ESG based on the principles of the SDGs.

In the field of the environment, our initiatives are focused mainly on environmental contributions through business activities. The "Chanto Good! Service" program I explained earlier is a good example of such initiatives. Besides this, we are planning to develop an in-house IoT system to control the wastewater and energy use of plants and to subsequently sell it outside.

We have set an internal environmental target of reducing CO₂ emissions by 30% from the FY2013 level by FY2030. Now is the time when the attitude of "say it and do it" is more important than ever before. Otherwise we will not be accepted by our stakeholders. In response to requests from the public, we must clarify the vision we aim at and take action to achieve it.

To our stakeholders

Toward realization of the Management Rationale

Our Management Rationale is to provide opportunities for the material and intellectual growth of all our employees and to contribute to the advancement of society and humankind. We have no intention of launching any business incompatible with that.

In this sense, we always want to be a company in which investors can feel safe to invest, at which employees can feel safe to work, and with which our business associates and local communities feel safe to communicate.

Based on the principle of "Do what is right as a human being," make decisions that are right as a human being for every individual action. This is the basic approach of our company Kyocera, and we will never forget this principle in operating our businesses.

We will also proactively disclose our ESG information. Publication of this integrated report is part of this approach. We are also actively promoting diversity (in human resources). This year, we have a female Outside Director and a female executive officer for the first time.

Marriage and childcare used to be an obstacle. But the spread of telework and flextime along with the advancement of communication technologies has enabled flexible workstyles. At Kyocera, not only for women but for all employees, including foreigners and the disabled, I would like to provide each of the diverse employees with opportunities to play an active role, and will promote the development of a good working environment in various aspects.

For governance, to enhance transparency regarding the nomination and remuneration of directors, we set up a voluntary nomination and remuneration committee, a majority of which is constituted by Outside Directors, in December 2018.

Now that all three Outside Directors have become independent officers in addition to the first female Outside Director I mentioned earlier as well as the two foreign Directors who had been appointed earlier, I may say that we have taken a step forward in ensuring diversity in the Board of Directors.

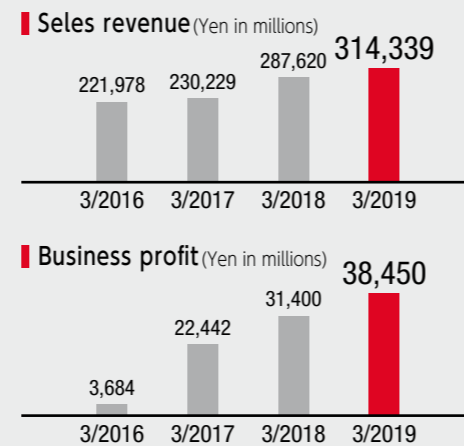


Industrial & Automotive Components Group

Sales revenue and business profit increased due to increased sales of major components, contribution to sales through M&A, and cost reduction

Sales revenue: 314,339 million yen, up 9.3% year on year
Business profit: 38,450 million yen, up 22.5% year on year

- Sales increased by approximately 25 billion yen from M&A.
- Sales of industrial tools and fine ceramic parts for industrial machinery were solid.
- Business profit increased due to improved profitability through increased sales and cost reductions.



[Strengths of business and future strategy]

Kyocera Group has continued to cultivate new markets since our founding through the development of fine ceramic materials and products. At present, Kyocera Group supplies fine ceramic parts to a wide array of markets such as the information and communications market and the industrial machinery market, which includes semiconductors. Kyocera Group boasts production technology and production capacity for these products that enable Kyocera Group to meet customer requirements, which include ceramic materials technology and design expertise accumulated in the process of cultivating new markets. This is one of the key reasons that Kyocera Group has been able to differentiate our products from those of our rivals, and through this, Kyocera Group has established a position as a global manufacturer.



In automotive components, Kyocera Group has products that boast high market share in heater pins that utilize fine ceramic technology, which are the heat generating parts of glow plugs for diesel engine ignition and combustion support. In addition, Kyocera Group is striving to increase market share of automotive cameras, an area on the rise to boost automotive safety, by developing new products and technologies including the means of alliances and collaborations with other companies.



In liquid crystal displays, Kyocera Group is focusing on the development of small- and medium-sized products and is seeking to expand business mainly for automotive and industrial applications. In particular, Kyocera Group is working to further strengthen our competitiveness and expand business through new product development in fields requiring reliability such as the medical field.



In the industrial tool business, our products are used primarily for metallic processing in automotive-related markets. Although Kyocera Group has many competitors globally, Kyocera Group provides a diverse array of cutting tools for processing machinery based on advanced materials technology that contribute to enhanced productivity for our customers. Kyocera Group is also developing products for a wide range of markets in addition to the automotive industry, including the aviation and energy markets, and is expanding our lineup of pneumatic tools and power tools, for example, through aggressive merger and acquisition activity, in an effort to expand business as a comprehensive tool manufacturer.

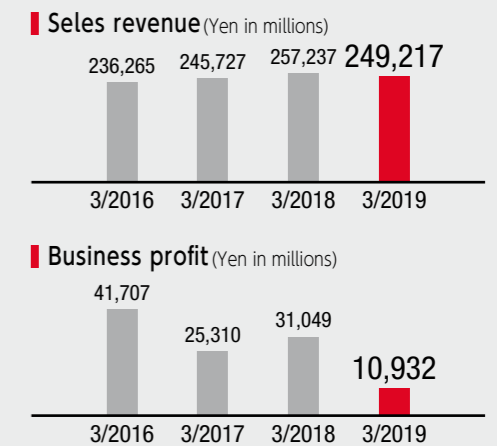


Semiconductor Components Group

Sales revenue and business profit decreased due to a decrease in sales of ceramic packages and a record of one-time loss

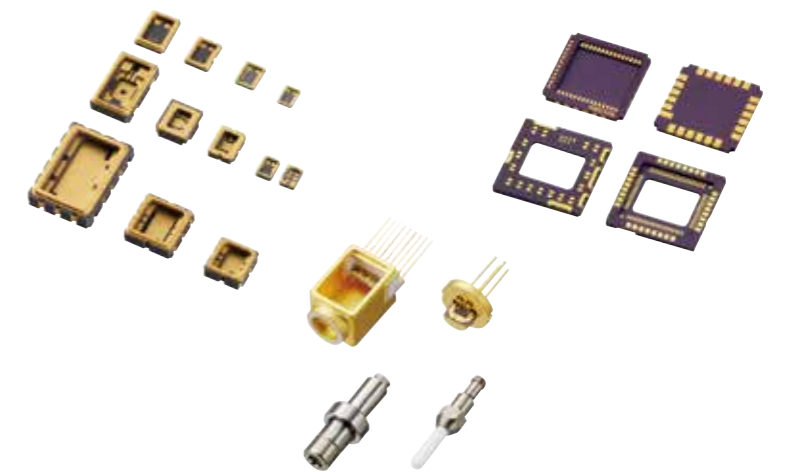
Sales revenue: 249,217 million yen, down 3.1% year on year
Business profit: 10,932 million yen, down 64.8% year on year

- Decline in sales of ceramic packages for use in smartphones and optical communications.
- Record of an impairment loss relating to machinery, equipment and goodwill and intangible assets in the amount of 16,184 million yen in the organic materials business.

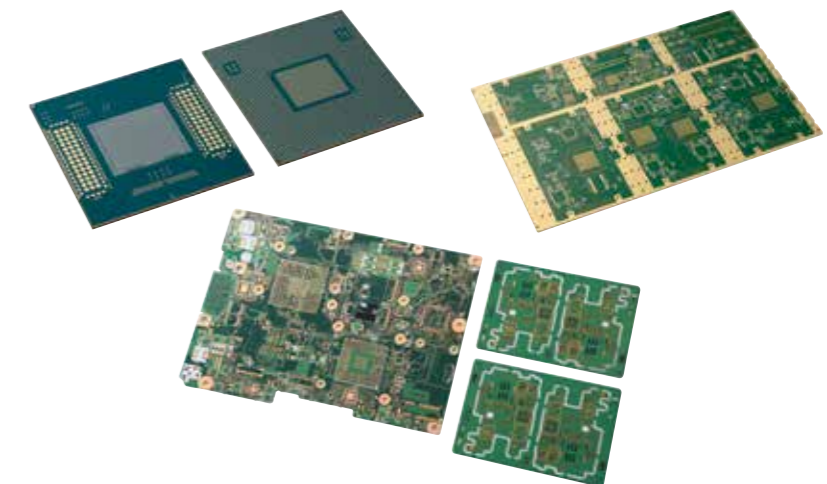


[Strengths of business and future strategy]

In the ceramic material components business, Kyocera Group has established its position as a leader in the global market through sophisticated development, production technology and supply capabilities. Kyocera Group will maximize use of these outstanding management resources and work to broadly expand the application of ceramic material components for the digital consumer equipment market as well as the automotive-related markets, optical communications market, medical market, IoT-related markets and other areas. Kyocera Group is also working to maintain and improve our high market position by actively expanding production capacity in response to growing market needs.



In the organic multilayer package and multilayer PWB business, our main competitors are Japanese and Asian manufacturers. Kyocera Group has become a major supplier of high-end flip-chip packages and advanced multilayer PWBs used in communications infrastructure such as servers and routers demanding exceptional electrical properties and reliability. In addition, Kyocera Group is working on the development of new products to strengthen business competitiveness in the automotive market where the use of electronics is increasing by leveraging our accumulated technological expertise in such areas as design technology.

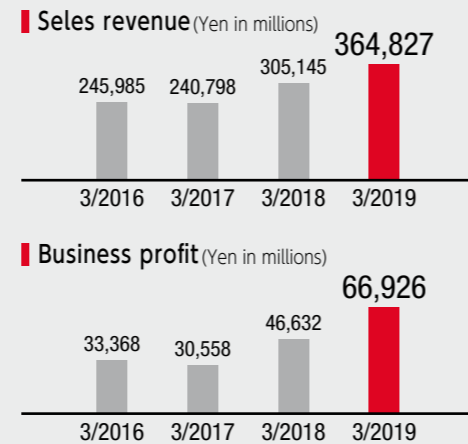


Electronic Devices Group

Sales revenue and business profit increased due to contribution by M&A and increased demand for highly profitable products

Sales revenue: 364,827 million yen, up 19.6% year on year
Business profit: 66,926 million yen, up 43.5% year on year

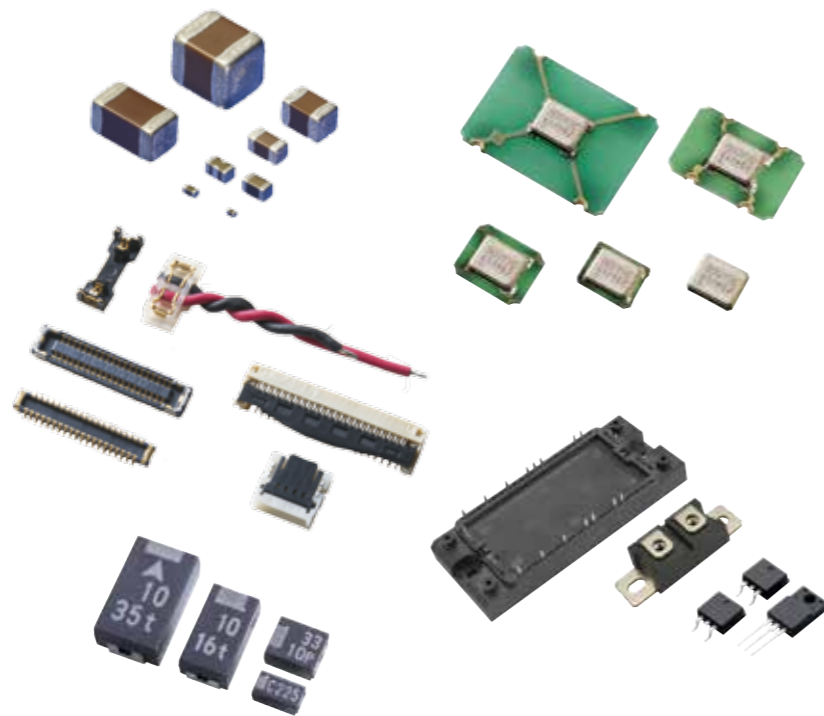
- AVX Corporation's M&A resulted in an increase of sales revenue approximately 30 billion yen.
- Sales of ceramic capacitors (MLCC) for smartphones increased.
- Business profit increased due to improved profitability through sales growth, higher sales of highly profitable products, and cost reduction.



【Strengths of business and future strategy】

Kyocera Group develops and manufactures a wide variety of capacitors, crystal components, connectors, thermal printheads, inkjet printheads, power semiconductors, sensors, and wireless communications antennas. Kyocera Group develops our business with our extensive product lineup for diverse applications worldwide.

Kyocera Group is a major supplier of parts for high-end smartphones by focusing on the development of products in cutting-edge fields that meet needs such as for miniaturization and high performance in capacitors, crystal components and connectors. In particular, Kyocera Group is striving to expand our market share in MLCCs, where demand is growing, by actively introducing new products and increasing production capacity. AVX Corporation, our subsidiary, is a leading supplier in the tantalum capacitor market that develops products for a broad array of fields, including general industry, automotive-related and communications infrastructure. AVX Corporation is seeking to expand its product lineup and market share through research and development and aggressive merger and acquisition activity.



Kyocera Group boasts high market share in thermal printheads used for barcode label printing and in inkjet printheads used in industries such as the textile printing market. Kyocera Group is striving to further boost our market share by actively releasing new products and expanding applications.

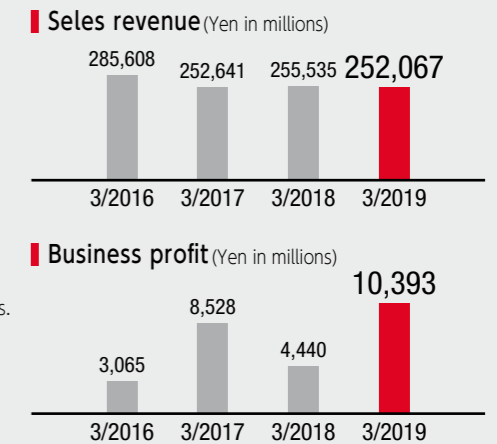


Communications Group

Profitability improved as a result of structural reforms, despite lower sales revenue due to a decline in sales volume of mobile phones

Sales revenue: 252,067 million yen, down 1.4% year on year
Business profit: 10,393 million yen, up 134.1% year on year

- Sales of information and communications services increased mainly in the engineering business.
- Sales in the telecommunications equipment business decreased due to a decline of sales volume of mobile phones by approximately 10%.
- Business profit increased due to improved profitability resulting from the reduction of unprofitable products and cost reductions in the telecommunications equipment business.



【Strengths of business and future strategy】

Kyocera Group supplies smartphones and feature phones mainly in Japan and is focusing on developing products that provide a level of differentiation such as by adding waterproof and robustness features. In particular, Kyocera Group is developing an array of products, from simple mobile phones to sophisticated smartphones, for the Japanese market, and by doing so, Kyocera Group is meeting diverse user needs.



Kyocera Group is developing communication modules (M2M modules), an area of growing demand, for automobiles and the IoT and thus striving to expand business fields by leveraging communications technology. In the communication module field, Kyocera Group has been able to release products ahead of the competition by utilizing relationships with major carriers in Japan that Kyocera Group has built up in our mobile phone business and this has become a strength in terms of enabling response to the increasing sophistication of technology.



In the information and communications services business, Kyocera Group develops business mainly in Japan. In the ICT business, which primarily involves the development of application-related software and security-related software, Kyocera Group is developing and supplying products that meet user needs in line with the proliferation of the IoT and AI. Kyocera Group has also become a leading company in the LPWA (Low Power Wide Area) communications services field in Japan by securing license as the only operator in the country that can deploy Sigfox, an LPWA network where there are growing needs as a wireless communications network for the IoT.

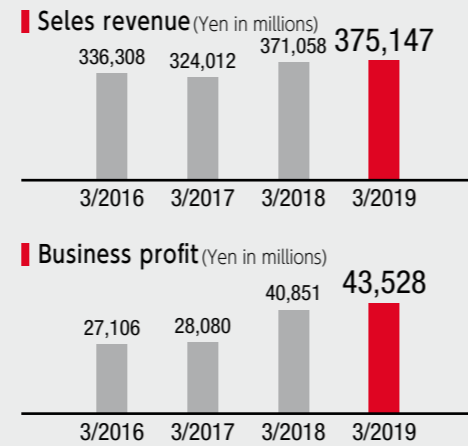


Document Solutions Group

Sales revenue and business profit increased due in part to solid sales volume coupled with the contribution of merger and acquisition activities which more than offset the impact of appreciation of the yen

Sales revenue: 375,147 million yen, up 1.1% year on year
Business profit: 43,528 million yen, up 6.6% year on year

- Appreciation of the yen pushed down sales revenue by approximately 6 billion yen, and business profit by approximately 1.5 billion yen.
- Sales revenue increased by approximately 4 billion yen from M&A
- Sales volume increased in multifunctional products and other items.
- Business profit increased due to cost reduction and productivity improvement as well as approximately 2.5 billion yen decrease in depreciation and R&D expenses.



[Strengths of business and future strategy]

Kyocera Group manufactures and sells printers and MFPs, and provides solution services in the global market. Kyocera Group supplies products that have been differentiated from the competition by being environmentally friendly and realizing low running costs through unique, long-life photoreceptor drums, including amorphous silicon drums and positive single layer photoconductor (PLSP) drums, and low-power-consumption systems. Kyocera Group has also expanded our extensive product lineup ranging from high-end to low-end products, and is meeting customer needs. At the same time, Kyocera Group is raising our cost competitiveness by automating production lines for core components, toner containers and other areas.

In addition, Kyocera Group is working to further enhance competitiveness by bolstering Kyocera's document solutions business. Kyocera Group is building up our MDS (Managed Document Services) business to provide the optimal document environment for each customer through unique HyPAS (Hybrid Platform for Advanced Solutions), which enables users to embed various applications and software that meet user needs in document equipment to connect with a cloud computing environment or mobile terminals. Aside from this, Kyocera Group is further heightening the value Kyocera Group provides to customers in our document solutions business by adding companies that handle ECM (Enterprise Contents Management) and document BPO (Business Process Outsourcing) via merger and acquisition activity.

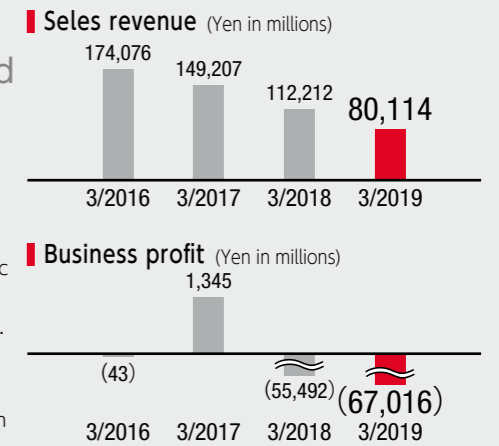


Life & Environment Group

Sales revenue decreased and business loss expanded due to a decrease in sales and a record of one-time losses in the solar energy business

Sales revenue: 80,114 million yen, down 28.6% year on year
Business profit (Loss): (67,016) million yen, down 11,524 million yen year on year

- Sales in the solar energy business decreased mainly due to the sluggish domestic residential market.
- Sales volume of solar modules decreased by approximately 40% from FY3/2018.
- Implemented structural reforms in the solar energy business.
 1. Consolidation of production sites
 2. Recorded approx. 52,313 million yen settlement expenses relating to long-term purchase agreements for procurement of polysilicon material.



[Strengths of business and future strategy]

The solar energy industry has a high number of competitors. Despite this, Kyocera Group is working to expand business by leveraging competitive advantages in products that realize high conversion efficiency and long-term reliability based on technology backed up by experience accumulated over more than 40 years as one of the pioneering companies in the industry. Kyocera Group has an integrated production system for the entire manufacturing process from silicon ingots to solar modules for multicrystalline silicon solar cells, thus allowing thorough quality control and cost reductions in each process. Through this, Kyocera Group strives to realize exceptional reliability and enhance cost competitiveness. In addition, Kyocera Group has generated top-class results in installing solar power generating systems for public and commercial use in Japan by providing system design, construction and maintenance. Kyocera Group is actively seeking to expand its energy solutions business by strengthening development, particularly for power storage batteries and an EMS (Energy Management System), through utilization of Kyocera Group's management resources and knowhow and by participating in trial experiments relating to next-generation energy management with the aim of capturing demand for self-consumption of electricity, an area that continues to grow. Further, a strong financial base enabling the provision of after-sales service and maintenance over a long period serves as a competitive advantage for us.



In the medical device business, our main products are prosthetic joints and dental implants, and Kyocera Group deals primarily with the Japanese market. Kyocera Group commands top-class competitiveness as a manufacturer in Japan. In prosthetic joints, Kyocera Group is working to further strengthen competitiveness by leveraging the properties of fine ceramics, which feature high biocompatibility, and developing products with longer life and enhanced antibacterial characteristics. Kyocera Group is also striving to further expand business scale through efforts in the U.S. market based around merger and acquisitions activities.



In the jewelry and applied products business, Kyocera Group supplies familiar products such as jewelry and kitchen goods such as ceramic knives.





Innovation Square (6th floor)

Space for holding meetings and events with people of various companies, universities and government organizations. It is made available to diverse people for meetings toward the realization of open innovation.



Deck

Space for meetings with external personnel. The round room located on the left side is a meeting room named "Compass." With the glass partitions opened, the room can house 230 people at a maximum. If a stage is set up in the center, it can be used for a presentation session using three screens.



Terrace

Common space for Kyocera employees, designed like a cafe in a port town, available for meetings, work and brainstorming in a relaxed atmosphere.

Pier

Entrance to the Innovation Square, where a large ship-shaped object is placed to represent a port, which is the theme of the facility, with a projection mapping vision of 2 meters in height and 9 meters in width on the wall showing the departure of a sailboat.

Minatomirai Research Center opened

The Minatomirai Research Center (Yokohama City), our new research institution, opened in spring 2019. By gathering all our research functions in the Tokyo metropolitan area at this institution, we aim to enhance our software and system R&D capabilities and promote open innovation. We plan to develop this institution into the Group's largest R&D base, where around 1,000 engineers will be working.

Introduction to Minatomirai

Realizing open innovation through "co-creation"

The major feature of Minatomirai is that it has spaces to encourage "co-creation" with people outside Kyocera, such as researchers of startups or other companies and students. The aim is to realize open innovation in the true sense.



Overview of new R&D center

Name : Minatomirai Research Center
 Location : 3-7-1 Minatomirai, Nishi-ku, Yokohama City, Kanagawa
 Total floor area : 10,770m²
 (1st, 3rd, 4th, 5th and 6th floors of Ocean Gate Minatomirai)
 Operation start : May 2019

Creative Fab (1st floor)

Trial production factory where visitors can experience production and installation of sensors, devices and communication networks in a glass-walled showroom of Minatomirai, visible from outside. It is designed like a dock where ships are constructed and repaired and made available to a wide range of people, from company researchers and students to children.



Hatch

An open space available for a wide range of uses, from programming to events. An object in the shape of the framework of a ship is laid out on the ceiling. Like a hatch from which various things leap out, the watertight door is open to allow exchanges with outside.



NC Room

3D printers using ultraviolet-curing resin and NC machines, which enable advanced manufacturing, are installed.



Workshop

In response to diverse manufacturing needs, machine tools, such as drills, cutting machines and cutters, are installed.



Corporate R&D Group General Manager Interview

Masahiro Inagaki
Senior Executive Officer,
General Manager of Corporate R&D Group

Restructuring of R&D bases

In the beginning of this year, we opened the Minatomirai Research Center (hereinafter, "Minatomirai"), where the personnel and facilities of our three R&D sites located in the Kanto region are gathered, and also transferred some of the functions and personnel of the Central Research Laboratory (now Monozukuri R&D Laboratory) in Kagoshima Prefecture to the Keihanna Research Center (hereinafter, "Keihanna"), which we renamed from the Kyocera R&D Center, located in Keihanna Science City, Kyoto Prefecture.

The reason for these moves is simple. Our R&D sites were too dispersed. We thought that it would be more efficient and easier to generate new technologies and products if researchers in various fields are placed in proximity so that they can easily communicate with each other. At Minatomirai, functions for development of devices, systems, and software are integrated. At Keihanna, a comprehensive development system that covers all the way from materials through devices has been established.

Approximately 600 engineers have been gathered at Minatomirai. To start development of technologies for automated driving, for example, the project will be closely related to knowledge not only in information and communication but also in the medical and system development fields. Traffic information can be exchanged using communication technology, the driver's facial expressions can be captured with medical technology, and information can be judged with the system installed on the vehicle. With all these technologies, safety and comfort of the driving environment can be ensured.

We expect that engineers in various fields gathered at Minatomirai will generate synergy, which will expedite our research and development activities.

Promoting open innovation

Both the Minatomirai and Keihanna research centers are equipped with functions to promote open innovation to involve external parties. The Kyocera Group has promoted the "open innovation" project since several years ago and has set up some dedicated facilities for the project at its Tokyo Office. Talking with external people through the project has reminded me of the wide variety of technologies Kyocera has. Reflecting the words of the Group's founder Inamori, "Never give up until we succeed," Kyocera has carefully accumulated a broad range of technologies, including those of its past businesses. If these technologies are combined with technologies and ideas brought by external parties, I am sure that we will be able to create more innovative products.

Fostering new industries

Another of our initiatives for the future is to foster new industries through supporting startup businesses. At the time of the founding of Kyocera, there were people who supported young Inamori, who was then 28, by providing places and funds. Thanks to their support, Kyocera subsequently achieved significant growth and became an entity that has remarkable influence on its business associates, on local communities, and around the world. The Kyocera Group today has abundant funds, human resources and management resources in such fields as sales, purchasing, legal affairs and intellectual property. Kyocera, a startup in the past, now supports the next startups using these resources, thereby circulating the entire ecosystem for further growth. I think this means to realize our Management Rationale "To provide opportunities for the material and intellectual growth of all our employees and to contribute to the advancement of society and humankind," and also to practice "self-benefit and altruism."

Latest R&D Initiatives

» "Possi," a toothbrush that makes children's toothbrushing more fun, developed through open innovation



Kyocera and Lion Corporation have jointly developed "Possi," a toothbrush that helps parents brush the teeth of their children. When the toothbrush touches the teeth of a child, vibrations transmitted from the brush head is turned into music, which the child can enjoy by bone conduction. The round form and colorful design of the toothbrush are attractive to children. As an open innovation initiative, Possi was developed under the concept of turning the tough time of children's toothbrushing into a fun time, by combining Kyocera's ceramic technologies, Lion's oral care know-

how, and Sony's entertainment skills. Kyocera's ceramic piezoelectric element with a customized shape and structure is installed inside the head of the toothbrush, which generates sufficient power to transmit music in combination with the digital amplifier installed in the brush body. It has also enabled the small size, light weight, and low power consumption of the toothbrush. The crowdfunding campaign launched as a preliminary stage for commercialization attracted over 1,300 investors. We will advance commercialization of the product based on the opinions of trial users. Tomohiro Inagaki of Kyocera Medical Development Center, in charge of the development, said: "This project was started from my personal struggle with final toothbrushing of my children and the strong wish for tackling this task with the power of technology. My wish was understood and the three companies were able to collaborate toward a common development goal. I hope that Possi will be delivered to fathers and mothers who have the same problem as I did and that children will enjoy toothbrushing."

* <https://first-flight.sony.com/pj/possi/>

» "Anshin Communicator," a communication and vital sensing wearable device, which enables communication in noisiness and health monitoring



Kyocera has developed "Anshin Communicator," a hands-free communication and vital sensing wearable device that facilitates seamless communication even in noisy environments, such as a tunnel construction site, and measuring of vital signs at the same time. It is useful for the prevention of industrial accidents and health maintenance/management in severe environments. At a construction site where rock drills are used, workers are required to wear dust masks and earplugs, which makes it difficult for them to communicate by voice. It is also difficult to maintain their health because real-time monitoring of their health conditions is not available. The Anshin Communicator is an ear-wearable device made by combining a bone conduction speaker and microphone, and a vital sensor and vital monitoring modules to measure the pulse and breaths. It is connected to its dedicated smartphone app by near field communication and is also connected to the management server via the internet. It enables voice communication in noisy environments (95 dB or above)

* The Bluetooth® word mark and logos are registered trademarks owned by Bluetooth SIG, Inc., and any use of such marks by Kyocera Corporation is under license.

while constantly measuring six vital indicators, heart rate, breathing rate, blood oxygen level, relaxation level, body surface temperature, and perfusion index, which can be monitored in real-time by the manager. We will launch this device in the market, targeting mainly major general constructors in the civil engineering and construction industries.

Kyocera Group Management Roots



Company members around the time of foundation

Kyocera Group Management Roots

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. Also, by constantly honing

our skills and launching excellent products for the public, we will contribute to the advancement of science and technology and continue to make profits for the company while contributing also to the enhancement of public welfare by paying a large amount of taxes. The Kyocera Philosophy shows the action guidelines for us to pursue this Management Rationale and the principles for living a wonderful life, which we try to practice every day.

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.



Kyocera Philosophy Pocketbook

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. Handbooks and pocketbooks on the Kyocera Philosophy are distributed to employees to promote understanding and penetration thereof.

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 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

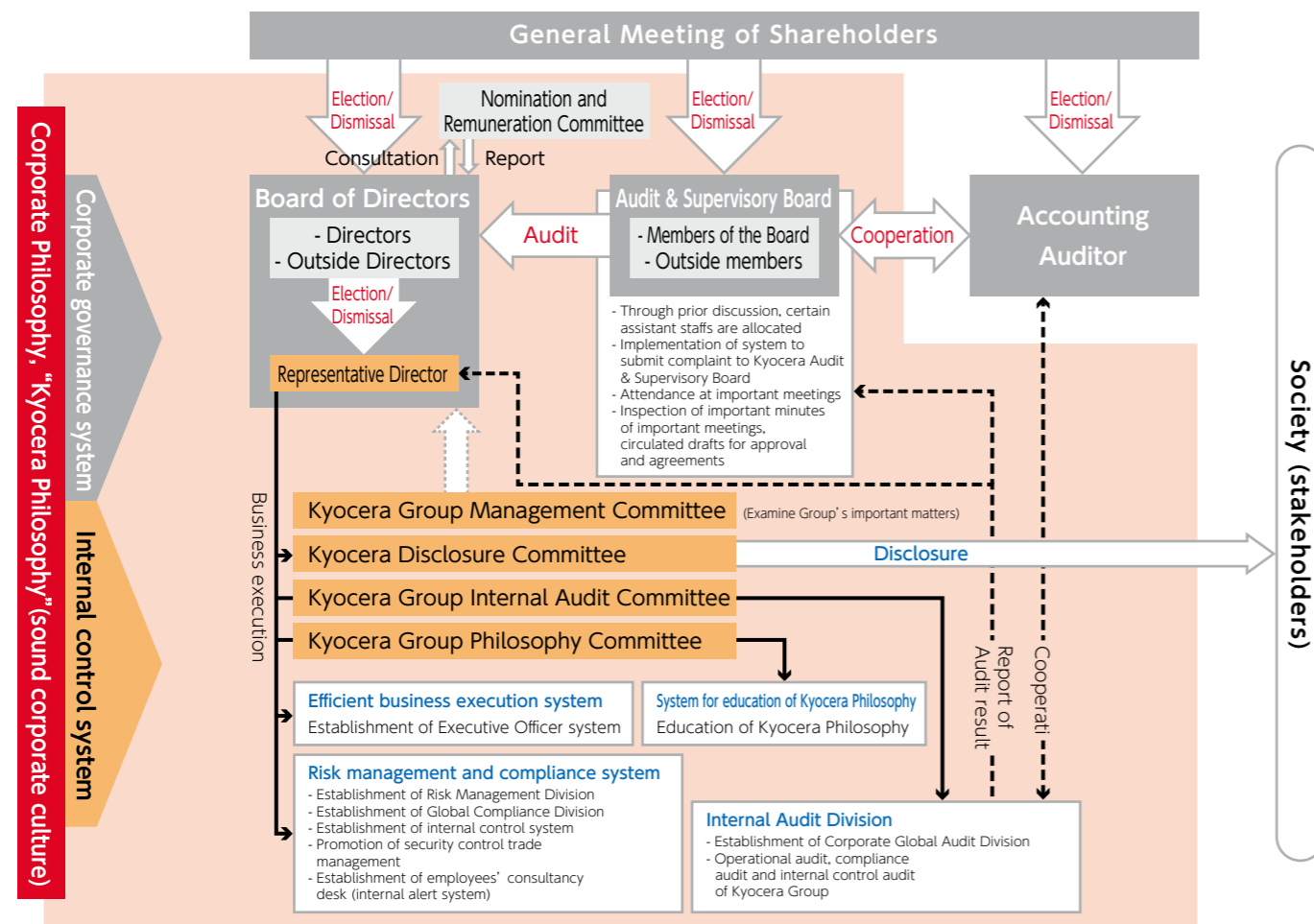
Basic Views on Corporate Governance

The Board of Directors of the company defines the corporate governance of the Kyocera Group to mean "structures to ensure that Directors conducting the business manage the corporations in a fair and correct manner". The purpose of corporate governance is to maintain soundness and transparency of management and to achieve fair and efficient corporate management, through which the management rationale of the Kyocera Group can be realized.

The Board of Directors shall permeate the "Kyocera Philosophy", which is the basis of the management policy of the Kyocera Group, into all Directors and employees working in the Kyocera Group, and establish a sound corporate culture, and it shall establish proper corporate governance through exercise of the Kyocera Philosophy.



Corporate Governance System



Board of Directors

The Board of Directors of the Company is an organization to decide the important matters and to supervise the execution of businesses of 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 Kyocera Group and with outstanding "personality", "capability" and "insight" to engage in the management of Kyocera.

Besides, Kyocera adopts the Executive Officer system to facilitate the efficiency of the management of Kyocera. The execution of the businesses of Kyocera is undertaken by the Executive Officers under the instruction of the Representative Director and President of Kyocera. Representative Director and President is nominated by the Board of Directors, which undertakes the management decision and supervision of the execution of businesses. Representative Director directs the Executive Officers to 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, Kyocera clarifies the responsibility and authority to achieve efficient management of Kyocera, and to realize the efficient functionality of appropriate corporate governance and internal control of Kyocera. The Directors of Kyocera include some presidents of the important subsidiaries in Japan and overseas of Kyocera, to make sure that corporate governance works for whole Kyocera Group.

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 Kyocera, one Audit & Supervisory Board Member who is very much familiar with Kyocera and who is with 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 CPA. The Audit & Supervisory Board Members are conducting audit of Kyocera as a whole based on the accurate information about Kyocera gathered from inside and utilizing variety of view-points as outsider of Kyocera.

Nominating and Remuneration Committee

With respect to the nomination and remuneration of Directors, proposed nomination and remuneration are subject to prior review

by the Nomination and Remuneration Committee, the majority of which consists of Outside Directors, the Board of Directors examine them, so that the decision relating thereto shall be made in a fair manner and appropriately.

Kyocera Group Management Committee

Kyocera has established "Kyocera Group Management Committee" consisting of the Directors (excluding Outside Directors) who live in Japan and Kyocera holds meetings every month regularly. Such 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 Kyocera Group as a whole to secure the sound management of Kyocera Group.

Kyocera Disclosure Committee

Kyocera has established an organ known as the "Kyocera Disclosure Committee" 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 Representative Director and President which educates Group companies concerning rules relating to disclosure and promotes appropriate disclosure of information for the entire Group.

Kyocera Group Internal Audit Committee

Kyocera has established "Kyocera Group Internal Audit Committee" in order to improve of internal control level in Kyocera Group and strengthen cooperation with internal audit department in each company. The committee aims to heighten the effectiveness of internal control by receiving report of audit results from the Corporate Global Audit Division and internal audit division in consolidated subsidiaries and issuing instructions for any necessary corrective action by Representative Director and President and Directors in each subsidiary of Kyocera Group.

Kyocera Group Philosophy Committee

Kyocera has established "Kyocera Group Philosophy Committee" to educate and permeate "Kyocera Philosophy," which is our corporate philosophy setting forth importance of conducting business of management in a fair and honest way, basing its fundamental judgments on a precept that "what is the right thing to do as a human being." The committee has set education policy of "Kyocera Philosophy" of each entity in Kyocera Group, and discusses and decides the measures to promote an understanding of "Kyocera Philosophy" and practice it.

Functions and Roles of Outside Directors and Outside Audit & Supervisory Board Members

Kyocera Corporation assigns three Outside Directors, who have plenty of knowledge and experience as certified public accountant and tax accountant, scholar, or attorney-at-law, and two Outside Audit & Supervisory Board Members, who have plenty of knowledge and experience as an attorney-at-law or certified public accountant. Kyocera Corporation enhances the supervision to Director and the Board of Directors by providing enough explanation from Directors to Outside Directors and Audit & Supervisory Board Members through the meetings of the Board of Directors. Directors also discuss with the Outside Directors and Audit & Supervisory Board

Members relating to management, so that the Directors can make judgment taking outside viewpoint into consideration. Kyocera Corporation establishes sound corporate culture pursuant to the "Kyocera Philosophy," which is the corporate philosophy based on the general criteria in making judgment, namely "what is the right thing to do as human being." Kyocera establishes its corporate governance system through practicing the Kyocera Philosophy. Such system is supplemented by the function to check the management by the Outside Directors and Audit & Supervisory Board Members.

The role of each Outside Director and Outside Audit & Supervisory Board Member which Kyocera Corporation expects is as below: Kyocera Corporation expects that Hiroto Mizobata will be continuously capable of providing advice on and undertaking supervision of general corporate activities as an Outside Director, based on his abundant experience and exceptional insight as a certified public accountant and licensed tax accountant. Kyocera Corporation expects that Atsushi Aoyama will be continuously capable of providing advice on and undertaking supervision of general corporate activities as an Outside Director, based on his abundant experience and exceptional insight relating to the area of Technology Management that study companies who make much of technology development and innovation. Kyocera Corporation expects that Akiko Koyano will be continuously capable of providing advice on and undertaking supervision of corporate

activities as an Outside Director, based on her extensive experience and insight as an attorney at law specializing in corporate law and wide-ranging insight into social issues, such as gender equality, etc. Kyocera Corporation expects that Hitoshi Sakata will be capable of conducting a general audit of the Kyocera's global corporate activities as an Outside Audit & Supervisory Board Member based on his abundant experience and exceptional insight as an attorney at law and his familiarity with the field of company legal affairs including Companies Act and overseas intellectual property. Kyocera Corporation expects that Masaaki Akiyama will be capable of conducting a general audit of Kyocera's corporate activities as an Outside Audit & Supervisory Board Member based on his abundant knowledge relating to finance and accounting as a certified public accountant and his abundant experience and exceptional insight.

Activities of Outside Directors and Audit & Supervisory Board Members (The Year Ended March 31, 2019 (FY3/2019))

Position	Name	Major activities
Outside Director	Tadashi Onodera	Mr. Tadashi Onodera, Outside Director, attended 11 of the 12 meetings of the Board of Directors which were held during fiscal 2019 and expressed his views based on his abundant knowledge and experience as a corporate executive.
Outside Director	Hiroto Mizobata	Mr. Hiroto Mizobata, Outside Director, attended all of the 12 meetings of the Board of Directors which were held during fiscal 2019 and expressed his views based on his abundant knowledge and experience as a Certified Public Accountant.
Outside Director	Atsushi Aoyama	Mr. Atsushi Aoyama, Outside Director, attended 10 of the 12 meetings of the Board of Directors which were held during fiscal 2019 and expressed his views based on his abundant knowledge and experience as a professor of Graduate School.
Outside Audit & Supervisory Board Member	Hitoshi Sakata	Mr. Hitoshi Sakata, Outside Audit & Supervisory Board Member, attended 11 of the 12 meetings of the Board of Directors and all of the 8 meetings of the Audit & Supervisory Board which were held during fiscal 2019 and expressed his views based on his abundant knowledge and experience as an attorney-at-law.
Outside Audit & Supervisory Board Member	Masaaki Akiyama	Mr. Masaaki Akiyama, Outside Audit & Supervisory Board Member, attended all of the 12 meetings of the Board of Directors and all of the 8 meetings of the Audit & Supervisory Board which were held during fiscal 2019 and expressed his views based on his abundant knowledge and experience as a Certified Public Accountant.

Remuneration of Directors

The total amount of remuneration, etc. for Directors and Audit & Supervisory Board Members of the Company was determined by the resolution adopted at the 55th Ordinary General Meeting of Shareholders held on June 25, 2009 and the 65th Ordinary General Meeting of Shareholders held on June 25, 2019 as follows:

Remuneration to the Directors

- [1] Basic Remuneration: No more than 400 million yen per year (not including salaries for services as employees or Executive Officers for those Directors who serve as such).
- [2] Bonuses to Directors: No more than 0.2% of profit attributable to owners of the parent for the relevant fiscal year, provided that such amount shall not exceed 300 million yen per year.
- [3] Compensation for granting restricted stocks: No more than 0.1% of profit attributable to owners of the parent for the relevant fiscal year, provided that such amount shall not exceed 100 million yen per year.
(The total amount of common stock issued or disposed of shall be 25,000 shares or less annually.)

The amount of payment of each remuneration is determined by the Board of Directors within the range of the resolution above, after consulting in advance the Nomination and Remuneration Committee, a majority of which consists of Outside Directors, from the perspective of ensuring objectivity and achieving transparency in decision-making processes. Specifically, upon being consulted by the Board of Directors, the Nomination and Remuneration Committee examines the standard remuneration amount for each position, and based on the results of the examination, the Chairman and Representative Director, and the President and Representative Director, who are entrusted by the Board of Directors, determine individual amounts of payment.

* [3] Compensation for granting restricted stocks has been introduced starting from remuneration relevant to fiscal year ending March 2020.

Remuneration to Audit & Supervisory Board Members

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

Individual amounts of payment are determined within the range of the above resolution upon consultation among Audit & Supervisory Board Members.

Amount of Remuneration by Classification, Components and Number of Directors (The Year Ended March 31, 2019 (FY3/2019))

(Yen in Millions)

Classification	Amount	Components		Number of Directors
		Basic remuneration	Bonus to Directors	
Directors (excluding outside Directors)	346	163	183	13
Outside Directors	36	36	—	3
Auditors (excluding outside Auditors)	34	34	—	2
Outside Auditors	20	20	—	2
Total	436	253	183	20

(Notes) Aside from the "Basic remuneration" and "Bonus to Directors" in the above table, the aggregate amount of remuneration to Directors (excluding Outside Directors) was 265 million yen in salaries for services as employees or Executive Officers for those Directors who serve as such and was 248 million yen in bonus for services as employees.

Compensation for granting restricted stocks has been introduced starting from fiscal year ending March 2020.

Evaluation of the effectiveness of the Board of Directors

Regarding analysis and evaluation of the effectiveness of the Board of Directors as a whole, the Board of Directors shall conduct analysis and evaluation, and a summary of the results shall be disclosed once per year. The Company conducted such evaluation by issuing questionnaires to all Directors and Audit & Supervisory Board Members, in order to obtain an appropriate understanding of the current condition of the Board of Directors and of avenues for more effective operation. Discussions were conducted within the Board of Directors about the results of the evaluation and the opinions

raised therein. As a result, improvements in securing time for discussions and in materials for meetings, taking into consideration the improvement in corporate value in the medium to long-term, were confirmed. The Board of Directors was evaluated as generally ensuring effectiveness. However, some opinions were received regarding the timing of distribution of materials for meetings and the way in which discussions were conducted. Based on these opinions, we are endeavoring to further improve effectiveness and to make ongoing improvements.

Cross-Shareholdings

Policy regarding cross-holding of shares

We engage in cross-holding of shares with the objective of improving our business value in the medium to long-term, focusing on corporate growth through enhancement, maintenance and development of business relationships, realization of profits through shareholdings, and the issuing companies' social significance. In our annual review of cross-holdings of shares, if we determine that there

is no significance in holding the relevant shares, in principle we will dispose of such shares. Pursuant to the above-mentioned policy, we currently hold shares of KDDI CORPORATION ("KDDI"). We continue to hold these shares for economic reasons and because we anticipate that KDDI will be an important business partner of ours in future business opportunities.

Review of cross-holdings of shares

Kyocera Group Management Committee and our Board of Directors conduct an annual review of all cross-holdings of shares to assess whether continued holding of the relevant shares is appropriate, taking into account business needs, such as maintenance and/or enhancement of business relationships and efficiency in use of assets, including capital costs, with respect to individual shares. For

any shares as to which a justifiable reason for holding them cannot be identified, we decrease our holdings of such shares through discussions with the issuing companies. We sold some of our cross-holdings of shares in the fiscal year ended in March 2019 as a result of such review.

Exercise of voting rights

In exercising the voting rights of shares that we hold through cross-holdings, we undertake a comprehensive assessment based on criteria that include whether the proposed measure conforms to our basic policy regarding cross-holdings of shares, and whether our exercise of such voting rights will produce improvement in medium

to long-term business value and in shareholder returns, or may cause damage to the management efficiency or financial soundness of the issuers, while continuing to respect their overall management policy and strategy.

Directors, Audit & Supervisory Board Members, and Executive Officers

(as of June 25, 2019,)

Directors



Chairman of the Board and Representative Director

Goro Yamaguchi

Member of the Nomination and Remuneration Committee

- Mar. 1978 Joined the Company
- Jun. 2003 Executive Officer of the Company
- Jun. 2005 Senior Executive Officer of the Company
- Apr. 2009 Managing Executive Officer of the Company
- Jun. 2009 Director and Managing Executive Officer of the Company
- Apr. 2013 President and Representative Director, President and Executive Officer of the Company
- Apr. 2017 Chairman of the Board and Representative Director of the Company [Present]



President and Representative Director

Hideo Tanimoto

- Mar. 1982 Joined the Company
- Apr. 2014 General Manager of Corporate Fine Ceramics Group of the Company
- Apr. 2015 Executive Officer of the Company
- Apr. 2016 Managing Executive Officer of the Company
- Jun. 2016 Director and Managing Executive Officer of the Company
- Apr. 2017 President and Representative Director, President and Executive Officer of the Company [Present]



Director

Keiji Itsukushima

- Mar. 1982 Joined the Company
- Jul. 2004 Executive Officer of Kyocera Mita Corporation (currently Kyocera Document Solutions Inc.)
- Apr. 2007 Managing Executive Officer of Kyocera Mita Corporation
- Senior General Manager of Corporate R&D Division 1 of Kyocera Mita Corporation
- Apr. 2008 Senior General Manager of Corporate R&D Division of Kyocera Mita Corporation
- Jun. 2008 Director and Managing Executive Officer of Kyocera Mita Corporation
- Apr. 2012 Senior General Manager of Corporate Quality Assurance Division of Kyocera Document Solutions Inc.
- Apr. 2015 Director and Senior Managing Executive Officer of Kyocera Document Solutions Inc.
- Apr. 2016 Senior Executive Officer of the Company
- General Manager of Corporate Communication Equipment Group of the Company [Present]
- Apr. 2017 Managing Executive Officer of the Company
- Jun. 2017 Director and Managing Executive Officer of the Company [Present]



Director

Koichi Kano

- Mar. 1985 Joined the Company
- Jun. 2005 General Manager of Circuit Device Division of the Company
- Apr. 2012 General Manager of Corporate Development Group of the Company [Present]
- Apr. 2013 Executive Officer of the Company
- Apr. 2015 Senior Executive Officer of the Company
- Apr. 2016 Managing Executive Officer of the Company
- Jun. 2016 Director and Managing Executive Officer of the Company [Present]



Director

Ken Ishii

- Mar. 1977 Joined the Company
- Apr. 2009 Executive Officer of the Company
- General Manager of Corporate Industrial Tool Group of the Company [Present]
- Apr. 2011 Senior Executive Officer of the Company
- Apr. 2012 Managing Executive Officer of the Company
- Jun. 2012 Director and Managing Executive Officer of the Company
- Apr. 2015 Director and Senior Managing Executive Officer of the Company [Present]



Director

Hiroshi Fure

- Mar. 1984 Joined the Company
- Apr. 2009 General Manager of Corporate Automotive Components Group of the Company
- Apr. 2011 Executive Officer of the Company
- Apr. 2013 Managing Executive Officer of the Company
- Jun. 2013 Director and Managing Executive Officer of the Company
- Apr. 2015 Director and Senior Managing Executive Officer of the Company [Present]
- Sep. 2016 General Manager of Corporate Organic Materials Semiconductor Components Group of the Company [Present]



Director

Shoichi Aoki

- Mar. 1983 Joined the Company
- Jun. 2005 Executive Officer of the Company
- General Manager of Corporate Accounting Group of the Company
- May 2008 General Manager of Corporate Financial and Accounting Group of the Company
- Apr. 2009 Managing Executive Officer of the Company
- Jun. 2009 Director and Managing Executive Officer of the Company [Present]
- Oct. 2010 General Manager of Corporate Financial and Business Systems Administration Group of the Company
- Apr. 2013 General Manager of Corporate Financial and Accounting Group of the Company
- Apr. 2018 General Manager of Corporate Management Control Group of the Company [Present]



Director

Takashi Sato

- Mar. 1983 Joined the Company
- Jan. 2005 General Manager of Human Resource Division of the Company
- Apr. 2013 Executive Officer of the Company
- General Manager of Corporate Human Resources Group of the Company
- Apr. 2016 Senior Executive Officer of the Company
- General Manager of Corporate General Affairs Human Resources Group of the Company [Present]
- Apr. 2017 Managing Executive Officer of the Company
- Jun. 2017 Director and Managing Executive Officer of the Company [Present]



Director

Yoji Date

- Mar. 1979 Joined the Company
- Oct. 2008 Transferred to Kyocera ELCO Corporation
- Managing Director of the above company
- Apr. 2009 President and Representative Director of Kyocera ELCO Corporation
- Apr. 2012 Executive Officer of the Company
- Apr. 2013 Managing Executive Officer of the Company
- Jun. 2013 Director and Managing Executive Officer of the Company
- Apr. 2015 Director and Senior Managing Executive Officer of the Company [Present]
- Apr. 2017 General Manager of Corporate Electronic Components Group of the Company [Present]



Director

Norihiko Ina

- Apr. 1987 Joined Mita Industrial Company Ltd. (currently Kyocera Document Solutions Inc.)
- Aug. 2011 President of Kyocera Mita America, Inc. (currently Kyocera Document Solutions America, Inc.)
- Apr. 2012 Executive Officer of Kyocera Document Solutions Inc.
- Apr. 2014 Managing Executive Officer of Kyocera Document Solutions Inc.
- Jun. 2014 Director and Managing Executive Officer of Kyocera Document Solutions Inc.
- Apr. 2016 Director of Kyocera Document Solutions Inc.
- Senior General Manager of Corporate Sales Division of Kyocera Document Solutions Inc.
- Apr. 2017 Managing Executive Officer of the Company
- President and Representative Director of Kyocera Document Solutions Inc. [Present]
- Jun. 2017 Director and Managing Executive Officer of the Company [Present]



Director

Junichi Jinno

- Jul. 1983 Joined the Company
- Aug. 2002 General Manager of Corporate Communication Systems Equipment Division of the Company
- Jun. 2003 Executive Officer of the Company
- Apr. 2007 General Manager of Corporate R&D Group for Equipment and Systems of the Company
- Apr. 2011 General Manager of Corporate Legal and Intellectual Property Group of the Company [Present]
- Apr. 2013 Senior Executive Officer of the Company
- Apr. 2018 Managing Executive Officer of the Company
- Jun. 2018 Director and Managing Executive Officer of the Company [Present]



Director

John Sarvis

- Dec. 1973 Joined AVX Corporation
- Mar. 2005 Officer of the Ceramics Division of AVX Corporation
- Apr. 2015 President, Chief Executive Officer and Director of AVX Corporation
- Jun. 2016 Director of the Company [Present]
- Jul. 2016 Chairman of the Board and President, Chief Executive Officer and Director of AVX Corporation [Present]

Directors



Mar. 1981 Joined Kyocera America, Inc. (currently Kyocera International, Inc.)
 Sep. 2000 President and Representative Director of Kyocera America, Inc.
 Jun. 2005 Executive Officer of the Company
 Apr. 2016 President and Director of Kyocera International, Inc. [Present]
 Jun. 2016 Director of the Company [Present]

Director
Robert Whisler



Apr. 1986 Joined KPMG Asahi Shinwa Accounting, Inc. (now known as KPMG AZSA LLC)
 Mar. 1988 Registration as certified public accountant
 Dec. 1991 Registration as licensed tax accountant
 Mar. 1992 Representative of Mizobata Certified Public Accountant Office [Present]
 Jun. 2015 Outside Director of the Company [Present]

Director
Hiroto Mizobata

Outside Director
 Independent Director
 Member of the Nomination and Remuneration Committee



Apr. 1985 Joined Mitsubishi Research Institute, Inc.
 May 1995 Researcher of Imperial College London
 Oct. 1999 Associate Professor of Resources Science Laboratory, Tokyo Institute of Technology
 Apr. 2005 Professor of Graduate School of Technology Management, Ritsumeikan University [Present]
 Jun. 2016 Outside Director of the Company [Present]

Director
Atsushi Aoyama

Outside Director
 Independent Director
 Member of the Nomination and Remuneration Committee



Dec. 2008 Admitted to the Bar, Registered in the Kyoto Bar Association [Present]
 Joined Koyano & Aoki Law Office
 Jul. 2009 Transferred to Koyano LPC
 Feb. 2018 Partner Attorney-at-law of Koyano LPC [Present]
 Jun. 2019 Outside Director of the Company [Present]

Director
Akiko Koyano

Outside Director
 Independent Director
 Member of the Nomination and Remuneration Committee

Audit & Supervisory Board Members



Mar. 1980 Joined the Company
 Oct. 1996 General Manager of Accounting Div. of Dongguan
 Shilong Kyocera Optics Co., Ltd. (currently Dongguan Shilong Kyocera Co., Ltd.)
 Apr. 2010 General Manager of Corporate Global Audit Division
 Jun. 2016 Full-time Audit & Supervisory Board Member of the Company [Present]

Full-time Audit & Supervisory Board Member
Itsuki Harada



Apr. 1975 Admitted to be the Bar, Registered in the Osaka Bar Association [Present]
 Feb. 1986 Legal Counsel to the Company [Present]
 Jun. 1993 Audit & Supervisory Board Member of the Company [Present]

Audit & Supervisory Board Member
Osamu Nishieda



Apr. 1985 Admitted to be the Bar, Registered in the Kyoto Bar Association [Present]
 Jul. 1995 Partner of the Oike Law Office [Present]
 Feb. 2010 Visiting Researcher of Faculty of Law, University of Cambridge
 Apr. 2011 Professor of Graduate School of Law, Doshisha University (Doshisha Law School)
 Jun. 2013 Outside Director of Nippon Shinyaku Co., Ltd. [Present]
 Jun. 2016 Audit & Supervisory Board Member of the Company [Present]

Audit & Supervisory Board Member
Hitoshi Sakata

Outside Audit & Supervisory Board Members
 Independent Director

(Note) Mr. Sakata became a member of the Kyoto Prefectural Human Resources Committee in July 2019



Oct. 1968 Joined Tomishima Audit Corporation (Currently Ernst & Young ShinNihon LLC)
 Mar. 1973 Registration as certified public accountant
 Sep. 2010 Outside Audit & Supervisory Board Member of Joyful Honda Co., Ltd. [Present]
 Apr. 2011 Supervisory Officer of United Urban Investment Corporation [Present]
 Jun. 2016 Audit & Supervisory Board Member of the Company [Present]

Audit & Supervisory Board Member
Masaaki Akiyama

Outside Audit & Supervisory Board Members
 Independent Director

(Note) Mr. Akiyama stepped down from his former position as Auditor of United Urban Investment Corporation in August 2019

Executive Officers

President and Executive Officer

Hideo Tanimoto

Senior Managing Executive Officer

Ken Ishii

General Manager of Corporate Industrial Tool Group

Hiroshi Fure

General Manager of Corporate Organic Materials Semiconductor Components Group

Yoji Date

General Manager of Corporate Electronic components Group

Managing Executive Officer

Norihiko Ina

President and Representative Director of KYOCERA Document Solutions Inc.

Keiji Itsukushima

General Manager of Corporate Communication Equipment Group

Koichi Kano

General Manager of Corporate Development Group

Shoichi Aoki

General Manager of Corporate Management Control Group

Takashi Sato

General Manager of Corporate General Affairs Human Resources Group

Junichi Jinno

General Manager of Corporate Legal and Intellectual Property Group

Senior Executive Officer

Shigeru Koyama

President and Representative Director of KYOCERA Fineceramics GmbH

Masahiro Inagaki

General Manager of Corporate R&D Group

Masaki Iida

General Manager of Corporate Purchasing Group

Yoshihito Kurose

President and Representative Director of KYOCERA Communication Systems Co., Ltd.

Executive Officer

Takashi Okunosono

General Manager of Corporate Ceramic Materials Semiconductor Components Group

Masaaki Ozawa

Deputy General Manager of Corporate Organic Materials Semiconductor Components Group

Senri Nagashima

Deputy General Manager of Corporate Industrial Tool Group

Hironao Kudou

Deputy General Manager of Corporate R&D Group

Masaki Hayashi

General Manager of Corporate Fine Ceramic Group

Hitoshi Matsunosako

General Manager of Corporate Automotive Group

Hisamitsu Sakai

General Manager of Corporate Printing Device Group

Shigeaki Kinori

Deputy General Manager of Corporate Electronic components Group

Hideji Yanagisawa

Deputy General Manager of Corporate Industrial Tool Group

Yusuke Mizukami

Vice President and Representative Director of KYOCERA Fineceramics GmbH

Akihito Kubota

General Manager of Corporate Solar Energy Group

Nobuhiro Higashihara

General Manager of Production Technology & Development Group & Precision Machine Division

Tayou Hamano

General Manager of Corporate Management Promotion Group

Tadashi Shinagawa

Deputy General Manager of Corporate Fine Ceramic Group

Eri Yoshikawa

General Manager of Corporate Communications Division & Diversity Promotion Division

Messages from Outside Directors and Audit & Supervisory Board Members

Outside Directors and Audit & Supervisory Board Members supervise and audit management from external perspectives. Kyocera has three Outside Directors and two Outside Audit & Supervisory Board Members, who provide us with useful advice based on their experience and skills through the meetings of the Board of Directors and the Audit & Supervisory Board. With Ms. Akiko Koyano joining in June 2019, the five independent directors form a structure to ensure sufficient supervision and auditing from an objective perspective.

The following are messages from the five Outside Directors and Audit & Supervisory Board Members, including their opinions about corporate governance.

Outside Directors



Continue innovation to reinforce governance



Hiroto Mizobata,
Outside Director

Since after working for a major audit corporation for seven years, I have run an accounting office as an independent certified public accountant and tax accountant. I think my experience of supporting the rebuilding of companies from a management standpoint in many cases of corporate reorganization and civil rehabilitation is useful in my role as an Outside Director today.

At the Board of Directors meetings, all of the Outside Directors and Audit & Supervisory Board Members not only proactively give opinions based on our respective experience and knowledge in our specialized fields but also ask questions and make judgments by paying attention to whether the proposals are consistent with the Kyocera Philosophy even to eyes outside of the Company. Though it may not always be the case, I believe that actions and decisions in accordance with the Kyocera Philosophy will lead to the right practice of corporate governance, minimize compliance-related risks, and improve corporate value.

Keeping up with the trends in society, the governance structure of Kyocera has been significantly changing. The nomination and remuneration committee, which was set up less than a year ago, is operated more practically in future. Meanwhile, persons in charge of each business division provide us with reports on their business performance, through which we can see the situations of their activities. The "Compa" * get-together parties are good opportunities for us to talk to many members of the Company. I am sure the committee will be effectively operated year by year.

To keep up with Kyocera's further growth trends, I myself will make continuous efforts to improve my abilities in various fields so that I will be able to give useful opinions in important phases as an Independent Outside Director and support decision making for improving corporate value from an external viewpoint.

* A get-together where participants deepen discussion on work-related issues or their knowledge and understanding of each other, with the aim of heading in the same direction toward achieving a goal.

Become a value-creating company that goes ahead of the times, maintaining the essence of the Philosophy



Atsushi Aoyama,
Outside Director

I have been engaged in research and education on the methodology of creating innovation based on technologies, and on the impact of artificial intelligence and IoT (Internet of Things) and other advancements of ICT on businesses and society. I have also studied the philosophy and business management of Kazuo Inamori, Chairman Emeritus.

As the Business Roundtable, a US business association, suggested earlier, the global trend of corporate management is shifting from shareholder-oriented management to stakeholder-based management, which focuses on benefits of employees and contribution to local communities. Kyocera makes decisions based on "what is right as a human" and aims "To provide opportunities for the material and intellectual growth of all our employees" according to its philosophical and ethical norms called the Kyocera Philosophy. In this sense, Kyocera is already a pioneer of stakeholder-based management.

At the same time, globalization of economy and industry, accelerating technology innovation, and commoditization of goods that has caused a shift in customer value toward "goods and things" require Kyocera to become an innovative and future-oriented company that draws a vision for the future of human society and strategically invests its management resources to create value that leads the times.

There is a (Japanese) term, "fueki-ryuko," meaning continuity and change. I believe that my mission is to support Kyocera in its efforts to become a company full of innovation spirit and entrepreneurship that takes on challenges of the new era while maintaining the essence of the Kyocera Philosophy based on an altruistic mind. The Kyocera Philosophy is the most important asset that constitutes the Kyocera brand. It is also my mission to give advice so that Kyocera will improve its corporate value by making a continuous commitment to activities of people around the world who pursue and practice the Kyocera Philosophy.

Improve corporate value by promoting diversity management



Akiko Koyano,
Outside Director

I became a lawyer after graduating from university and then working in the administration and IT departments of a manufacturer. As a lawyer, I have been engaged in supporting companies mainly in the personnel and labor fields while dealing with a wide variety of legal cases, such as inheritance, divorce, bankruptcy, and criminal cases. Also, my concerns about the environment for child rearing has made me interested in support for work-life balance, child-raising support, childcare, and the adoption/foster parent systems, and I am serving as a member of a local social welfare council.

I will fulfill my duties as an Outside Director, thinking carefully about each one of the employees, business associates, customers and shareholders who gather at Kyocera and trying to feel a bond with each of them.

For Kyocera to continuously be a company full of dreams and vitality in the future, I think that it is important to promote diversity management so that diverse capabilities of the members will be gathered and fully exercised under the Kyocera Philosophy. In these times of drastic change, I expect the Kyocera members, particularly those of younger generations, to get rid of conventional frameworks with flexible ideas and generate innovations that will create a new future. I believe that such challenges will be a driving force for further growth of Kyocera.

Today, Japanese society is unprecedentedly aging with a declining birthrate, which requires both men and women to take care of their children or elderly family members while working. Contributing to society through work and taking care of family members are both indispensable for the lives of employees and directly connected to their sense of happiness. In order to support them in taking on challenges in their work, systems to sufficiently support work-life balance and to allow flexible workstyles must be established. I will do my best to help Kyocera become a leading company in supporting flexible workstyles of employees through such initiatives as encouraging male employees to easily take childcare leave.

Outside Audit & Supervisory Board Members



Sustainable growth based on Kyocera Philosophy and Amoeba Management as two pillars



Masaaki Akiyama,
Outside Audit & Supervisory
Board Member

I worked for Ernst & Young ShinNihon LLC for 40 years. During this period, I held various positions, including the chief auditor for manufacturers, the representative of a Japan-based business in North America, and the chairperson of a council supervising corporate management.

Kyocera's strengths are its wide variety of product lineups, high product quality, proper prices, and on-time delivery. I understand that these strengths are supported by the two pillars of Amoeba Management and the Kyocera Philosophy. The balance of these two pillar management systems has brought stable, high growth of the company.

The essence of Amoeba Management is a system to measure added value for each process. The mission of the leader of a process is to increase added value every month while the Kyocera Philosophy is thoroughly implemented to prevent the leader from making wrong decisions.

Consolidated sales revenue overseas is higher than that in Japan. This tendency is likely to become stronger in the future, which is expected to heighten the risk of overseas businesses. To identify risks in overseas businesses, I receive reports on audits of overseas subsidiaries from the Accounting Auditor and the Corporate Global Audit Division. I also confirm the status of subsidiaries in Japan by attending the Kyocera Group Audit & Supervisory Board Meetings to receive reports on the audits by the Audit & Supervisory Board. Moreover, I meet with Outside Directors on a periodic basis to ensure sharing of information on risks, etc. For M&As and other investment deals, I try to carefully examine the business plans and investment recovery plans submitted to the Board of Directors.

Today, corporate management is required to flexibly respond to changing values, such as ESG and diversity. I believe that these changing values do not contract the Kyocera Philosophy. Sustainable growth of Kyocera in the global market will be achieved through understanding of the Kyocera Philosophy and the implementation of Amoeba Management, which I will continue to confirm from the standpoint of an Outside Audit & Supervisory Board Member and by utilizing my knowledge and experience as a certified public accountant.

Enhance Group governance through global cooperation



Hitoshi Sakata,
Outside Audit & Supervisory
Board Member

Based on my experience of working with many companies over my long career as a lawyer, I think that the definition of a good company is one that has an open atmosphere and whose employees work toward their dreams through voluntary efforts. From this perspective, I would like to contribute, as an Outside Audit & Supervisory Board Member of Kyocera, to ensuring effective corporate governance and improving corporate value.

Kyocera has built its prosperity today by enhancing the mind and personality of its employees and by accumulating persistent and untiring efforts under the Kyocera Philosophy. I would like to express my sincere respect for this history.

From now on, it will be crucial to endeavor to keep the Kyocera Philosophy as a universal principle while properly responding to dynamic changes in the world market and labor environment and adding reasonable interpretations in line with the times.

The Kyocera Group has many subsidiaries and affiliates overseas, and it is important to ensure governance of these companies. It is necessary to further enhance internal auditing departments, such as the Corporate Global Audit Division, as well as to pay attention to ensuring communication with local employees.

As a member of the Audit & Supervisory Board, I am determined to help improve the effectiveness of corporate governance in cooperation with these departments.

One of the priority tasks Kyocera has designated for the future is to proactively promote M&As, capital investment, and investment in research and development. I would like to contribute to the sound and well-balanced development of Kyocera in the future, making full use of the knowledge and experience I have as a lawyer.



Audit & Supervisory Board Members receiving reports on financial results from the accounting staff in charge



Audit & Supervisory Board Members discussing details of the financial results

Basic Policy and Management

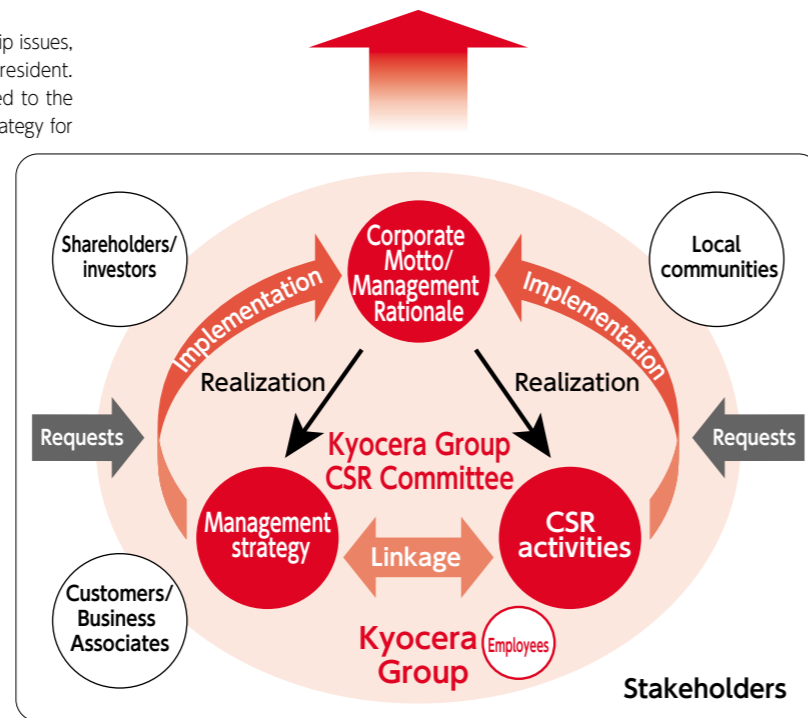
Kyocera adopted its management rationale: "To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind." Management is based on the Kyocera Philosophy, which uses the concept "What is the 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.

To be specific, in an effort to address various corporate citizenship issues, we have the Kyocera Group CSR Committee chaired by the President. Important matters discussed in the CSR Committee are reported to the Board of Directors, so as to map out a Group-wide business strategy for necessary actions.



Kyocera Group CSR Committee (frequency: twice a year)

- Chairman of the CSR Committee: President, Kyocera Corporation
- Secretariat: CSR Promotion Department of Corporate Management Promotion Group
- CSR Committee Members: General Managers, General Managers of Direct Businesses Division, and Presidents of Kyocera Group Companies



Important CSR themes	Main activities in the past	Relevance to the SDGs	Details
Respect for Human Rights/ Promotion of Diversity	<ul style="list-style-type: none"> Establishment of the Diversity Promotion Division Promotion of various action plans to foster female managers Implementation of e-learning programs on diversity, including LGBT Setting of an employment rate target of people with disabilities and the promotion of necessary actions Active acceptance of work experience of various people, through coordination with local communities and relevant organizations Expansion of the number of employees dispatched for language training programs Implementation of cross-cultural understanding training programs Thorough risk assessment to reduce work-related accidents (system reinforcement and skill improvement of risk assessors) Total health promotion (THP) activities Kyocera Group Health and Productivity Management Declaration, and the acceleration of antismoking efforts 		<p>On the CSR activities website</p> <ul style="list-style-type: none"> Diversity Promotion Activities Cultivation of Human Resources Building a Safe & Secure Work Environment

Important CSR themes	Main activities in the past	Relevance to the SDGs	Details										
Environmental Activities	<ul style="list-style-type: none"> Setting of a long-term environmental target (a 30% reduction in greenhouse gas emissions by FY2030 from the FY2013 level) Certification from the Science Based Targets (SBT) Initiative for the long-term environmental target Promotion of environmental performance improvement activities <table border="1"> <thead> <tr> <th>Item</th> <th>FY2019 result (in comparison to the FY2018 level)</th> </tr> </thead> <tbody> <tr> <td>Greenhouse gas emissions (basic unit)</td> <td>A reduction by 8.8%</td> </tr> <tr> <td>Energy consumption (basic unit)</td> <td>A reduction by 2.1%</td> </tr> <tr> <td>Water consumption (basic unit)</td> <td>A reduction by 4.8%</td> </tr> <tr> <td>Industrial waste production (basic unit)</td> <td>A reduction by 12.2%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Implementation of on-site eco-lessons on the environment and energy for children (participants: 3,295 children in Japan and 815 children in China) Implementation of forestation activities (in Nagano, Shiga, Kyoto and Kagoshima prefectures) Participation in a tree-planting event (in Thailand) and an environmental awareness development event (in Mexico) 	Item	FY2019 result (in comparison to the FY2018 level)	Greenhouse gas emissions (basic unit)	A reduction by 8.8%	Energy consumption (basic unit)	A reduction by 2.1%	Water consumption (basic unit)	A reduction by 4.8%	Industrial waste production (basic unit)	A reduction by 12.2%		<p>On the CSR activities website</p> <ul style="list-style-type: none"> Green Management Green Products Green Factories Green Communication
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Water consumption (basic unit)	A reduction by 4.8%												
Industrial waste production (basic unit)	A reduction by 12.2%												
Fair Business Activities	<ul style="list-style-type: none"> Implementation of risk assessment at subsidiaries of Kyocera Group companies (outside of Japan) Enhancement of information security against cyber-attacks and internal fraud Strengthening of risk assessment controls on electronic information security Continued implementation of business continuity plan (BCP) activities based on international/industrial standards Expansion of BCP activities to reduce the risk of damage to electronic information security caused by windstorm/flood or cyber-attacks Investigation of BCP initiatives of suppliers Training programs at Kyocera Group companies (outside of Japan) to promote customer examination management Expanded legal audit of business processes at Kyocera Group companies (in Japan) Holding of supplier seminars and social gathering events (for 292 persons from 235 business associates in total) Surveys on CSR activities in the supply chain 		<p>On the CSR activities website</p> <ul style="list-style-type: none"> Risk Management and Compliance Supply Chain Management 										
Approaches to Raising Quality and Customer Satisfaction Levels	<ul style="list-style-type: none"> Continued improvement of indicators of customer satisfaction and quality levels Information sharing, analysis of problems and their causes, and the implementation of necessary measures by the CS Improvement Committee Start of a data scientist training project and the implementation of new approaches for quality improvement 		<p>On the CSR activities website</p> <ul style="list-style-type: none"> Approaches to Raising Quality and Customer Satisfaction Levels 										
Social Contribution Activities	<ul style="list-style-type: none"> Supported the Inamori Foundation's "Kyoto Prize" to honor those who achieved outstanding success in the fields of Advanced Technology, Basic Sciences, Arts and Philosophy Holding of "Promenade Through Kyoto in Watercolors" (a special watercolor painting exhibition) and the Japan Ceramics Society Encouragement Prize Kansai Exhibition at the Kyocera Gallery, as an opportunity for young artists to exhibit their work Invitation of the Vietnam cultural exchange tour delegation, consisting of 12 Vietnamese junior high school students and three Vietnamese teachers this year, to help increase their understanding of Japan's advanced technology and culture 		<p>On the CSR activities website</p> <ul style="list-style-type: none"> Social Contribution Activities 										

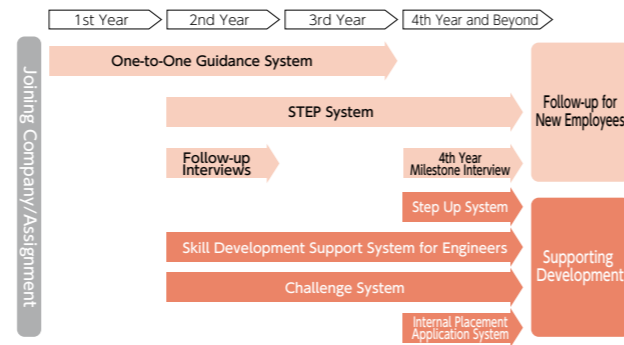
Human Resource Development

Kyocera's Approach to Human Resource Development

The Kyocera Group maintains a fundamental 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. The continued growth and development of Kyocera Corporation is vital to achieve the aims of this rationale. We believe that enabling our employees to maximize their innate potential is an essential element of this process. The Kyocera Group is constantly working to create a range of innovative human resource initiatives based on its human resources rationale. Through these initiatives, we aim to create a workplace environment where all employees can feel pride in the company and satisfaction in their work. We aim to create a workplace culture where everyone can share their joys and challenges, and contribute to the achievement of our management rationale. Kyocera is committed to promoting human resource development and diversity, as well as ensuring a safe and healthy work environment.

Systems for the Cultivation of Human Resources

Kyocera Group regards human resources as human "assets" and supports activities enabling employees to raise awareness of personal development and their contributions in the workplace. In particular, as personal development can be achieved to 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 provides comprehensive support for employee growth and development using the following systems:



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.

Interviewing System

STEP System

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.

Step Up System

In their fourth year of employment, employees can take advantage of the Step Up System. This system allows employees to transition from a work style based on completing allocated tasks to a work style where they can take the initiative in developing their skills to enhance their work performance. The Step Up System helps employees to see the gap between their current work performance and their ideal work performance, allowing them to identify challenges along the way. Employees can then work on resolving those issues as part of their regular duties, and the Step Up System provides the opportunity to report the results of their efforts to the senior management of their Group.

Follow-up Interviews and 4th Year Milestone Interviews

Follow-up Interviews and 4th Year Milestone Interviews are held in the second and fourth years of employment, respectively. These interviews provide valuable opportunities for employees to meet with human resource supervisors. Young employees look back on their career so far, allowing them to receive career-building advice from a human resource supervisor to facilitate their continued growth and development.

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.

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 Employees	Employees
Philosophy Education	Japan	Philosophy Education by each Departments, Sites, or Group Companies Group-Wide Common Philosophy Education Programs	
	Outside of Japan	Philosophy Education by each Departments, Sites, or Group Companies Global Philosophy Seminars Philosophy Education for Employees	
Management Education	Training by hierarchy	Plant Manager & General Office Manager Training Sales Office Manager Training Department Manager Training Team Leader Training	
	Qualification-Specific Training	Executive Promotion Training HA* Training Deputy Manager Promotion Training Deputy Superintendent Promotion Training *Human Assessment	New Employee Training
	Skills Training	Management Skills Training Practical Work Skills Training	
Technical Training		Mid-Level Engineer Training	Specialized Technical Training Basic Technical Training New Employee Sales Training
Global Education		Overseas Training System Training for Employees Going on Overseas Assignments	Training for Improvement of Basic English Skills

Kyocera Philosophy Education

(2,271 employees receiving training annually, average 1 day of training per person, per year)

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, we have both individualized programs carried out by each department, site, or Group company based on their own respective business conditions, as well as company-wide programs that support each of these programs. The individual programs conducted by each department, site, or Group company are mainly focused on Philosophy diffusion activities from the viewpoint of the frontline employees. The company-wide program is set to a standard study theme to create a sense of Group unity and to help foster employees capable of contributing to company management.

Management Education

(4,036 employees receiving training annually, average 1.5 days of training per person, per year)

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.

Technical Training

(4,540 employees receiving training annually, average 1.5 days of training per person, per year)

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 and New Employee Sales 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, design skills, manufacturing technology, production technology, management skills, and quality control. Kyocera employees can take the training necessary for their assignment under this training system.

Global Education

(47 employees receiving training annually, average 60 days of training per person, per year)

Kyocera established an Overseas Language Training System and Overseas Graduate School Study System in order to foster human resources who can thrive on the global stage. These systems have sent employees to various regions around the world, including USA, Europe, China, Southeast Asia, and India. 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. Furthermore, Kyocera provides those employees scheduled to be sent overseas sites and employees in overseas sales with training programs to understand foreign cultures. Many employees take part in this training every year.

Diversity and Inclusion Efforts

Establishment of the Diversity Promotion Office and Systems for Promotion (transition from promoting the careers of women to diversity)

Considering the promotion of women's careers in the workplace as its core management theme, Kyocera has conducted a wide variety of enlightenment programs since 2006 under the overall responsibility of the President, mainly focusing on more female managers, a higher ratio of women to all applicants employed, more support systems to balance work and parenting, and a corporate culture reform. As a result, the number of female managers as of April 2019 reached 79 (six in 2006). In 2019, the Diversity Promotion Division was established as a dedicated

section to facilitate company-wide diversity promotion activities, targeting not only female employees but also all employees, based on the top's management policy. In addition, the Site-Specific Diversity Promotion Committee was also set up at Kyocera's major domestic plants and offices. The main committee members are selected from among employees of each workplace, so they are expected to carry out various activities and programs, responding to the site-level opinions and issues on diversity.

Kyocera's Ideal Diversity and Inclusion

To realize the Management Rationale, which is "to provide opportunities for the material and intellectual growth of all our employees," Kyocera Group strives to create a workplace environment that enables all its employees to make the most of their own personality and talents, as well as work cheerfully and energetically while feeling pride in the company and satisfaction in their work.

Aiming to ensure continued expansion and growth in the future as a business entity and to "contribute to the advancement of society and humankind," we at Kyocera Corporation will make continued efforts to promote diversity and inclusion.

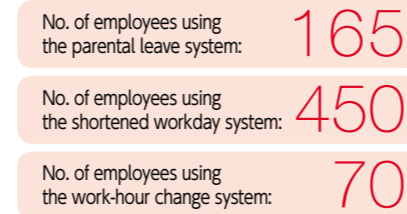


To Ensure the Fullest Participation of Diverse Human Resources

Support Systems (to balance work, child-rearing and family nursing care)

The Kyocera Group companies (in Japan) provide a wide variety of support systems, such as the parental leave system and the shortened workday system, to help employees satisfy both career and child-rearing. For nursing care support, the family nursing care leave system is established to allow leave of up to one year, which exceeds the length designated by law. Since it is important to reduce employees' anxiety regarding the balance between work and family care, the Guidebook for Balancing Career and Nursing Care is also available on the internal portal site to provide relevant information to employees.

Use of the Main Support Systems (results in FY2019)

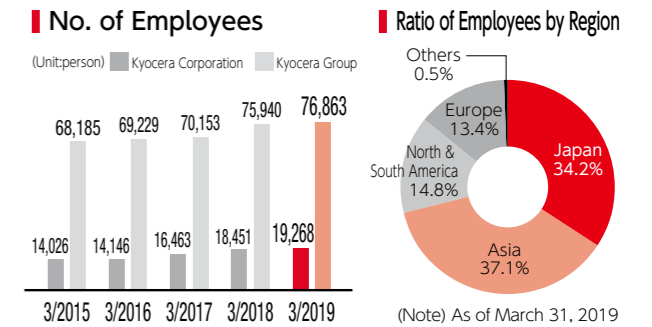


Main support systems to balance career, child-rearing and nursing care

	System	Details
Child-rearing	Parental leave system	The system is available until the day before the first birthday of the baby concerned. An extended use of the system (until the day before his/her second birthday) is also acceptable, depending on the situation.
	Shortened workday system	The system is available to female employees in pregnancy or until the child concerned finishes the sixth grade of elementary school. Working hours can be shortened by up to two hours in total per day.
	Work-hour change system	The system is available to female employees in pregnancy or until the child concerned finishes the sixth grade of elementary school. The time to start/stop working can be delayed/advanced up to 90 minutes in total per day.
	Subsidies for use of babysitters	The system is available until the child concerned finishes the sixth grade of elementary school. The maximum annual amount of subsidy is 200,000 yen per child.
Nursing care	Child nursing care vacation	The system is available to employees providing nursing care for their preschool-age children. Five days of vacation in total are allowed per year per care recipient child and ten days of vacation in the case of two or more care recipient children. Half-day vacation can also be used.
	Family nursing care leave system	The system is available to employees providing family nursing care. A one-year of leave is acceptable in total per care receiver. (Vacation divided into several times can be also accepted.)
	Shortened workday system	There are no time limits for the use of the system. Working hours can be shortened by up to two hours per day.
	Work-hour change system	Employees who do not take family nursing care leave are allowed to delay/advance their time to start/stop working up to 90 minutes in total per day for one year. The system is available to employees providing family nursing care. Five days of vacation in total are allowed per year per care recipient and ten days of vacation in the case of two or more care recipients. Half-day vacation can also be used.
Others	Come-back entry system	The system allows employees, who once left Kyocera for reasons such as child-rearing, family nursing care, or other personal reasons, to reenter the company. Former Kyocera employees are eligible for this system within seven years after their departure. When a former employee applies for reentry, 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.
	Paid vacation system on an hourly basis	The system allows employees to take a paid leave by the hour (up to three hours per day) for the reasons of family/child nursing care, parenting, or participation in the school events of their children.

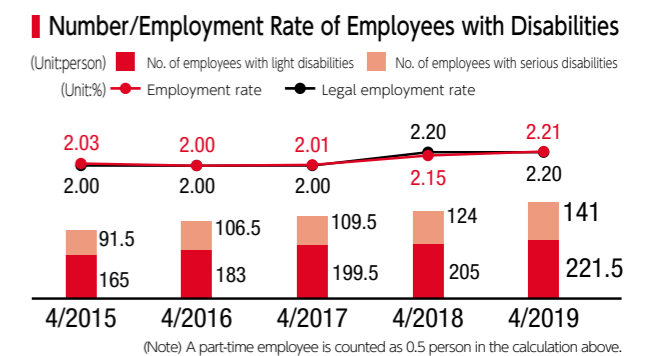
Adapting to Globalization

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.



Employment for People with Disabilities

Kyocera is committed to the hiring of people with disabilities and to promoting their continued employment. Employees with disabilities hired by Kyocera are assigned with consideration so that their jobs and workplaces match their capabilities. As of April 2019, the rate of employees with disabilities is 2.21%. Kyocera intends to develop specific action plans and actively employ people with disabilities to enhance the rate of employees with disabilities.



Action for LGBT

To further promote diversity and inclusion, we held training on LGBT to managers of the personnel and general affairs departments. The training had an external lecturer who spoke about the facts of LGBT, including discussion that the rights of LGBT are human rights. The trainees deepened their understanding about the fundamental knowledge of gender diversity as well as the trends within and outside of Japan. We also provided company-wide e-learning programs to help all employees better understand LGBT issues.



Executive Officer
General Manager of Corporate Communications Division and Diversity Promotion Division
Eri Yoshikawa

Message from Diversity Promotion Division

Making Diversity a Strength of Kyocera

Management based on the bonds of human minds is a principle Kyocera has kept since its founding. Employees with different experiences and values have cared for and helped each other like a family, striving together with the goal of making Kyocera a wonderful company. This view is consistent with "diversity & inclusion," a concept which aims to pursue respect for the human rights and diverse personalities of all individuals. Implementation of this concept will result in the happiness of all employees, growth of the company, and contribution to the development of society; this represents a key aspect of management at Kyocera.

Today, Kyocera is a corporate entity with true diversity, where employees with diverse backgrounds, experiences, and skills are gathered together on a global scale. To achieve future growth, it is necessary to maximize use unique capabilities of each employee, turning them into a strength for Kyocera to create new technological and business innovations.

To strongly promote diversity & inclusion throughout the Group, Kyocera created the Diversity Promotion Division in 2019 as a dedicated department. We have set a high goal of promoting female engagement, especially in Japan, by doubling the percentage of women in management by fiscal year 2022. At the same time, we aim to become a company where not only women but all employees will be motivated and play active roles in their daily work. I will do my utmost as an Executive Officer in charge of diversity promotion to make this goal a reality.

Environmental Activities

The Kyocera Group has put in place the Kyocera Group Environmental Safety Policy, which combines policies on the environment and safety and sanitation, including reduction in environmental loads through product life cycle or control of greenhouse gas emissions throughout the entire value chain, to promote comprehensive measures for environmental safety based on its management rationale in conducting business activities.

Kyocera Group Environmental Safety Policy (excerpts)

- Kyocera will comply with laws, agreements, and internal standards regarding the environment and work safety.
- Kyocera will increase research and development into products that make a positive contribution to the enhancement of the global environment and minimize environmental impact at all stages of the product life cycle; the Company will strive to spread the use of such products.
- Kyocera will promote greenhouse gas emission control in the value chain to contribute to the prevention of climate change.
- Kyocera will contribute to the realization of a society with sustainable recycling of resources by purchasing materials with low environmental impact, reducing the volume of new resource consumption, and minimizing waste.
- Kyocera will advance conservation of biodiversity by minimizing negative impacts on the natural environment, as well as by protecting and nurturing the natural environment.
- Kyocera will support corporate social responsibility (CSR) activities and communicate with various stakeholders.

Response to Climate Change

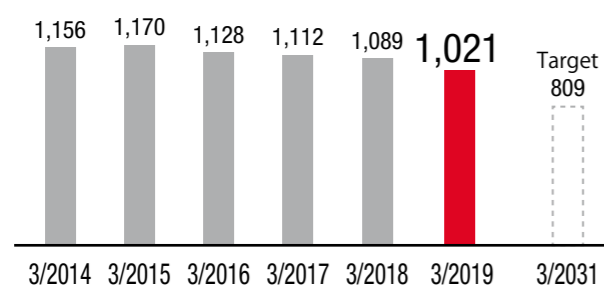
Since the Paris Agreement took effect in 2016, governments and businesses have been advancing toward reducing greenhouse gas emissions. The Kyocera Group positions response to climate change as a priority task and set its long-term environmental targets in 2018. These targets have been certified as SBT (Science-Based Targets) by the SBT Initiative, an international environmental organization.

- **Scope* 1, 2 GHG emissions: Reduce 30% by 2030 compared to 2013 levels (SBT certified)**
- **Scope 1, 2, 3 GHG emissions: Reduce 30% by 2030 compared to 2013 levels (SBT certified)**
- **Renewable energy adoption: Increase 10x by 2030 from 2013 levels**

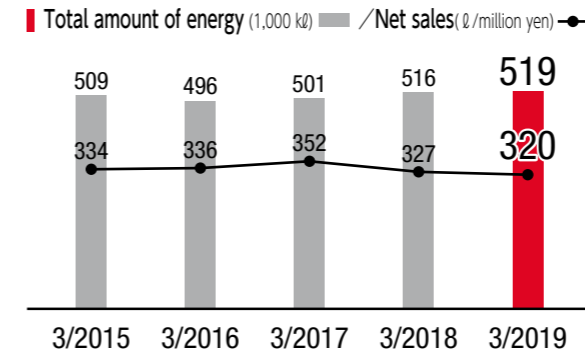
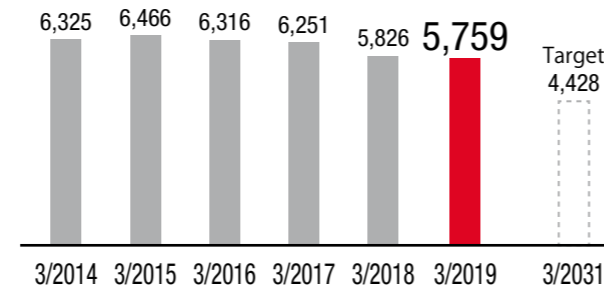


* Scope 1: Direct emission associated with fuel consumption and production processes
 Scope 2: Indirect emission associated with consumption of power or heat purchased from outside
 Scope 3: Indirect emission other than Scope 1 or 2 (Including procurement of raw materials, transport, use and disposal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

GHG emissions (Scope 1, 2) (1,000 tons-CO₂)



GHG emissions (Scope 1, 2, 3) (1,000 tons-CO₂)



Third-party verification of Greenhouse gas (GHG) emissions

Greenhouse gas (GHG) emissions were verified by a third-party contractor, SGS Japan Inc., to improve data reliability. Their verification confirmed that Kyocera correctly totaled, calculated and disclosed data.



Verification Statement

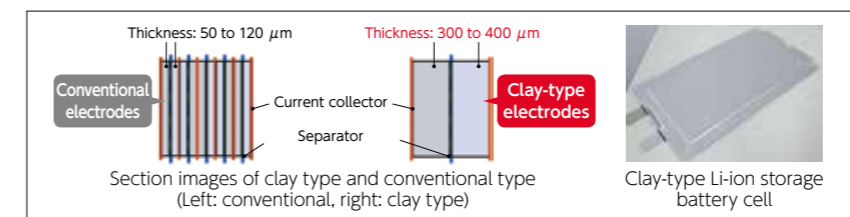
Contribution to the Environment through Products

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.

“Enezza” energy storage system for residential use, with the world’s first clay-type Li-ion storage battery

Kyocera has launched “Enezza,” a stationary energy storage system for residential use equipped with the world’s first* clay-type Li-ion storage battery. A clay-type lithium-ion battery has positive and negative electrodes that can be designed to be three to five times thicker than a conventional liquid-type Li-ion storage battery, which helps simplify the production processes and reduce costs. Also, by employing a structure that combines unit cells sealed with a pouch material, a long product life and high safety were realized.

* According to a survey by Kyocera (as of October 2, 2019). As a clay-type energy storage system.



“Enezza,” new stationary residential energy storage system (From the left, power conditioner, storage battery unit, and remote control)

Launched “Ene-Farm Mini,” the world’s smallest household fuel cell

Tokyo Gas Co., Ltd. and Kyocera have jointly developed and launched “Ene-Farm Mini,” the world’s smallest*1 household fuel cell co-generation system.

The size of Ene-Farm Mini is as small as an outdoor unit of an air-conditioner, which was realized by decreasing the sizes of the cell stack and hot water tank. The system can be installed at any location with a depth of at least 500 mm. A solid oxide fuel cell (SOFC) with high power generation efficiency is used, and the rated power output is 400 W. It is expected to reduce annual CO₂ emissions by approximately 1 ton*2, realizing high energy saving effects. Equipped with a standard “resilience function”, Ene-Farm Mini will continue to generate power even if a power failure occurs, and it will thus be useful as an emergency power source.



Heat-source machine Fuel cell power generation unit (Combination with a heat-source machine (standard type))

*1 The smallest in the world among stationary residential fuel cells (according to a survey by Kyocera). As of October 10, 2019.

*2 Calculation conditions are as follows:

Calculation conditions: CO₂ emissions factor: Electricity 0.587 kg-CO₂/kWh, gas 2.277 kg-CO₂/m³ (August 2017 issue of the Guide for Household Energy Saving by METI Agency for Natural Resources and Energy)

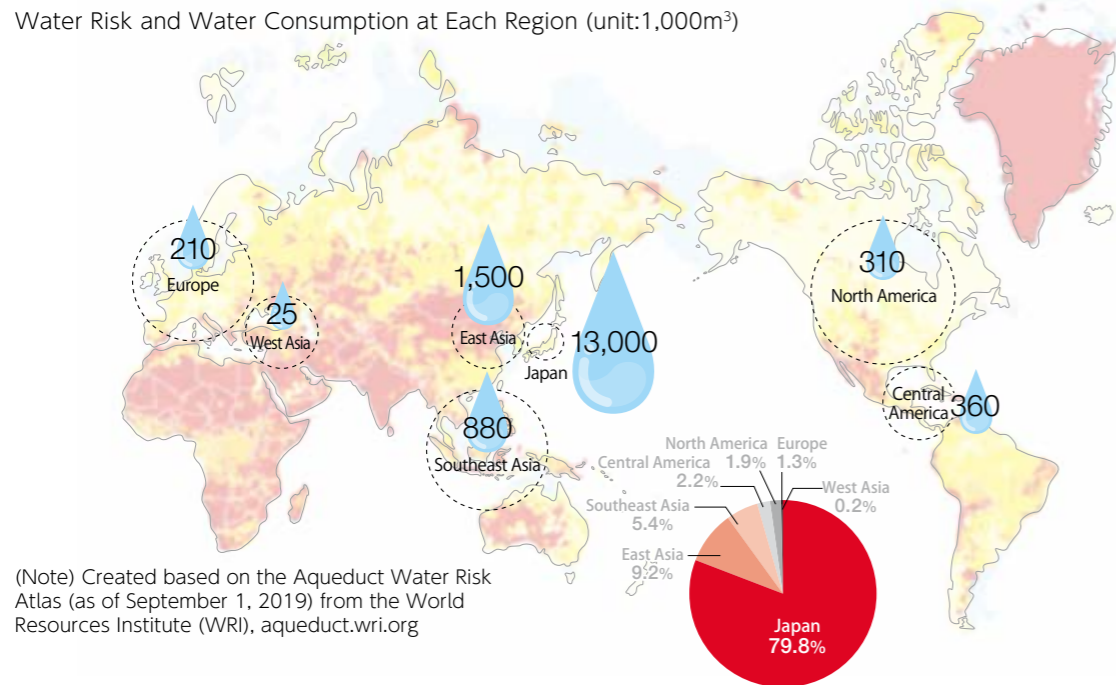
Power load: JIS C 8851 intermediate season

Load of hot water supply: Calculated by Kyocera with conditions of JIS S 2075 intermediate season. Figures may vary depending on the use environment.

Effective Use of Resources

Water is a precious natural resource. However, the importance of water resources, or water risk, is increasing in some parts of the world because of the ongoing impacts of climate change. The Kyocera Group carefully manages the intake and release of water and quantitatively assesses water risk at each production site using data from the Aqueduct Water Risk Atlas* such as water stress level, amount of water use, unit price of water, and local-level water stress assessment results. The water risk assessment found no production sites with high risk, but we set a target for water consumption for the entire Kyocera Group and continue to implement measures to protect water resources.

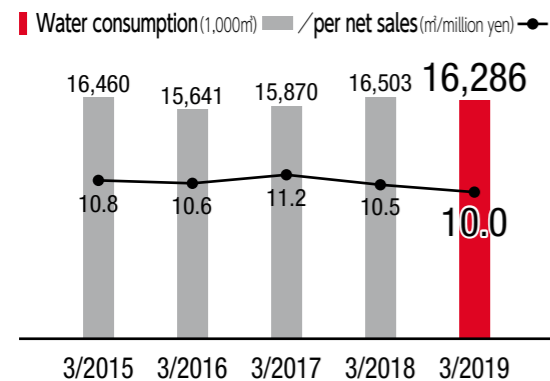
Water Risk and Water Consumption at Each Region (unit:1,000m³)



(Note) Created based on the Aqueduct Water Risk Atlas (as of September 1, 2019) from the World Resources Institute (WRI), aqueduct.wri.org

Efforts for Effective Use of Water Resources

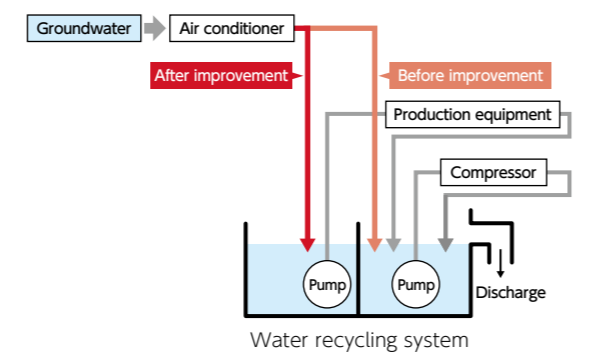
Water consumption per net sales for the entire Kyocera Group decreased compared to FY2018, due to increased efforts for wastewater recycling and water use reduction in production process. The Kyocera Group receives a third-party verification of water consumption and discharge data to enhance the reliability of disclosed data.



[Example Approach] Water Consumption Reduction by Reusing Air-Conditioning Cold Water

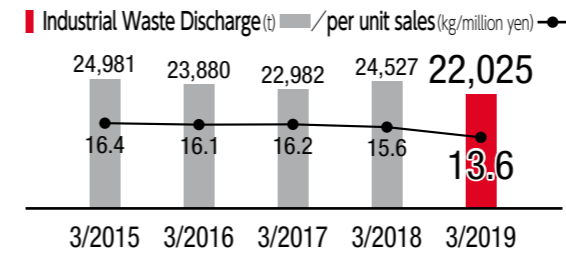
The Toyama Nyuzen Plant uses groundwater as cold water for air conditioners. The Plant has successfully reduced water consumption by reusing the air-conditioning cold water as cold water for production equipment.

[Annual water consumption reduction] 180,000 m³/year



Waste Reduction and Recycling Efforts

Due to emissions reduction efforts, including internal treatment of liquid waste and recovery of valuable materials from liquid waste, waste emissions per net sales decreased compared to FY2018.



[Example Approach] Industrial Waste Reduction by Internal Treatment

The Niigata Shibata Plant reduced industrial waste emissions by newly introducing treatment equipment and promoting in-house treatment of waste acid generated from the plating equipment.



[Annual waste emissions reduction] 81 t/year

Waste acid treatment equipment

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.

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.

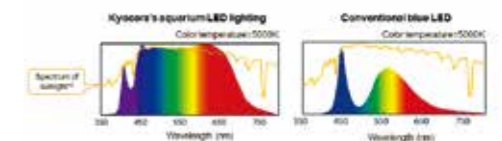
Contribution to the Environment through Products

Development of Aquarium LED Lighting

By combining violet LEDs and RGB phosphor blending technology "CERAPHIC*", Kyocera's high-color-rendering LEDs produce light extremely close to natural sunlight. By customizing the spectrum, it reproduces light close to that of the natural habitats of corals and water plants at specific underwater depths.

Furthermore, as each LED element emits full-spectrum light close to natural sunlight, it produces light with luminance uniformity without color separation making it ideal for growing corals and other sea creatures over a long period of time.

*CERAPHIC is a registered trademark of Kyocera Corporation in Japan.



Contribution to Global Environment

Kyocera Forestation Activities

The Kyocera Group conducts activities to restore local forests and increase greenery around its plants. These activities mainly include tree thinning and undergrowth cutting, together with local residents.

Records of Activity

	Place of Activity	Start of Activity
Okaya City, Nagano Prefecture	Minatozaisan area (about 80,000m ²)	October 2011
Higashi-Omi City, Shiga Prefecture	Forest owned by the Shiga Gamo Plant (about 20,000m ²)	June 2008
Kyotanabe City, Kyoto Prefecture	Mt. Kannabi (about 880,000m ²)	November 2012
Satsuma Sendai City, Kagoshima Prefecture	Forest owned by the Kagoshima Sendai Plant (about 3,000m ²)	April 2011



Kyocera employees participating in a forestation event

Risk Management Efforts

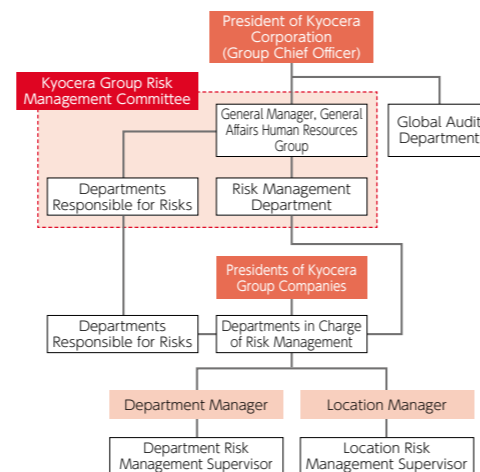
The Kyocera Group is making group-wide efforts to reinforce its risk management system to cope with global risks that are becoming ever more complicated. The Kyocera Group faces various risks that may affect the credibility or business sustainability of the Kyocera Group, including changes in the market environment, occurrence of natural disasters, incidents and accidents, the impact of climate change, information leakage, deficiencies labor conditions in the supply chain, and violations 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.

Kyocera Group Basic Policy on Risk Management

1. In accordance with assurance of compliance and the spirit of the Kyocera Philosophy, the Kyocera Group will consider what is the right conduct as a human being and act based on this value standards.
2. In accordance with the spirit of the Kyocera Philosophy, the Kyocera Group will accept that "the highest priority is to ensure physical safety and human life," deal with crisis, and for the convergence of crises, cooperate among employees as a unit to minimize loss, recover damage, and make efforts to prevent reoccurrences, thereby attempting to remove or mitigate impediments to the interests of each stakeholder, 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 Kyocera 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 the Corporate General Affairs Human Resources Group as Chair of the Kyocera Group Risk Management Committee, to supervise risk management-related divisions. The Committee conducts risk assessments for each unit of the Kyocera Group and each site and formulates, examines, and approves response measures and monitors their progress with priority given to risks considered to be particularly high in importance. In FY2017, risk-management departments were established at Group companies in Japan and risk management supervisors were appointed for every division and every location managed by Group companies in Japan (including Kyocera). A training program was implemented to educate supervisors about response methods for natural disasters, risk management methods, and information security issues. Training at Group companies (outside of Japan) began in FY2019 as part of Kyocera's company-wide efforts to reinforce risk management capabilities.



Business Continuity Plan (BCP) Efforts

The Kyocera Group has a Business Continuity Plan (BCP) in place to ensure rapid recovery and resumption of business operations in the event that the supply of products and services is temporarily halted due to a natural disaster or other issue. In Japan, the Kyocera Group has formulated a BCP to respond to a major earthquake. It outlines necessary responses including anchoring vital equipment, dispatching materials for repairs, and securing alternate means of production. A number of natural disasters occurred in FY2019 including an earthquake in northern Osaka, Typhoon Jebi, and the Hokkaido Eastern Iburi earthquake. During each of these events, the company's BCP functioned effectively, allowing operations to continue without any significant damage or interruptions. In FY2020, Kyocera is working to expand the plan and further improve its response capabilities based on the company's experience of responding to the previous year's weather events and earthquakes. Group companies (outside of Japan) are also developing and maintaining their own BCPs to respond to region-specific disasters and risks including natural disasters and infectious diseases.



Earthquake Disaster Drill (Fukushima Koriyama Plant)

Information Security Efforts

The Kyocera Group has in place the Information Security Management Policy for the entire Kyocera Group as we see management strategies, product development, expertise, technology, organization, personnel information and other as the company's important assets. The company President is the Chief Officer of the information security management system. Based on the Information Security Management Policy, Kyocera has formulated Classified Information Management Regulations, Personal Information Protection Management Regulations, Intellectual Property Management Guidelines, Technological Know-how Leak Prevention Regulations, Physical Security Management Regulations, Visitor Management Regulations, and Personnel Security Regulations for classified information management, intellectual property management, physical security management, visitor management, and personnel security management, thereby ensuring thorough information security management.

The Kyocera Group has established an Information Security Committee and a Digital Information Security Committee. These committees implement various digital security measures including periodic training sessions specific to employees' posts or duties, restrictions on taking information-related devices outside the company, measures to prevent information asset leaks, comprehensive management of IT assets, and enhancement of information security against cyber-attacks. Group companies (outside of Japan) are also working to strengthen information security in accordance with national laws to suit local business practices, cultures, and various business types in their region, based on their own information security management guidelines and related regulations.

Thorough Legal Compliance

The Kyocera Group makes its basic stance handling compliance management actively widely known internally and externally through enacting "Kyocera Compliance Statement", and 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 the 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 and compliance 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 others 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 Compliance Conference

Kyocera Compliance Statement

The Kyocera Group applies the spirit of its Corporate Motto "Respect the Divine and Love People - Preserve the spirit to work fairly and honorably, respecting people, our work, our company and our global community" as its basic code on global compliance with laws and regulations. Since its founding, the Kyocera Group has maintained a fair and honest corporate culture as established in the Kyocera Philosophy whose central principle is "Do what is right as a human being". In alignment with the Kyocera Philosophy, we have never accepted anticompetitive practices such as cartels or acted to endorse criminal organizations, and we have consistently maintained appropriate accounting practices according to the Kyocera Accounting Principles.

"Living Together" has been the foundation of our corporate activities, and as such, we honor coexistence within society and diversity, the traditions and cultures of the related countries, and the humanity of employees, and pursue both material and spiritual happiness for our employees with concern to their physical and emotional health.

Today, laws and regulations that align with Kyocera Group's basic principles are being enacted across the globe. The Kyocera Group fully supports this movement and complies with competition laws, anti-bribery regulations, personal information protection laws and any other related laws and regulations of the related countries. The Kyocera Group also respects the efforts of international organizations and countries to protect human rights. Corporate compliance with laws and regulations is a subject of increasing attention in society, and compliance demanded by society is increasing. The Kyocera Group understands that compliance with laws and regulations is an important endeavor essentially required by the Corporate Motto and Kyocera Philosophy that have regulated our company since founding, and that compliance with related laws and regulations in all countries of the world where the Kyocera Group conducts business is crucial for maintaining the trust of customers, business partners, suppliers, investors, employees and any other stakeholders, therefore the Kyocera Group actively establishes specific departments and prepares regulations for the cause to ensure Group-wide and global compliance with laws and regulations.

January 1, 2019 Kyocera Corporation
Goro Yamaguchi, Chairman
Hideo Tanimoto, President

Supply Chain Management

Policy and Systems Related to Purchasing Activities

The Kyocera Group believes that the mutual prosperity of the entire supply chain can 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 its business partners and focuses on the building of partnerships based on mutual trust. Furthermore, to provide guidelines for purchasing activities, we have established the Basic Policy on Purchasing. Under this policy, we conduct various surveys on company overviews and CSR to evaluate and select our business partners fairly. We also ensure thorough compliance with business-related laws such as the Act against Delay in Payment of Subcontract Proceeds, etc. by regularly implementing in-house education and audits of personnel in charge of materials and business divisions.

Basic Policy on Purchasing

- 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 activities (e.g.: ISO14001 certification).

*1 VA:Value Analysis *2 VE:Value Engineering

Holding of Supplier Seminars and Social Gatherings

The Kyocera Group regularly holds supplier seminars and social gatherings 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 FY2019, a total of 292 people from 235 companies participated in the supplier seminar, where we gave commendations to business partners who demonstrated excellent performance in quality, price and delivery time during the past one year.



Supplier Seminars and Social Gatherings

Efforts to Improve Product Quality

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

All departments must pursue the right way to perform their jobs based on a firm policy in order to realize an enterprise that is worthy of trust throughout the world. All employees of the Kyocera Group continue to strive to do every job right the first time toward the goal of becoming a world leader in quality.

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.

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.

Approaches to Raising Customer Satisfaction Levels

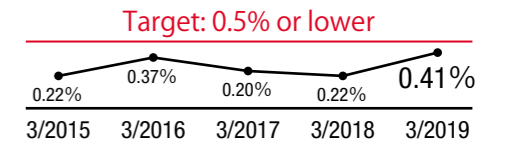
The Kyocera Group (in Japan) uses customer feedback and a customer quality-related indicator to understand customer satisfaction levels. Setting a target for customer quality-related indicator at 0.5% or lower, we strive to improve customer satisfaction every year.

Responses to Accidents Involving Products

Kyocera Group in Japan has established systems that allow the CS (Customer Satisfaction) 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.

Customer quality-related indicator

$$\text{Customer quality-related indicator} = \frac{\text{Quality-related costs}}{\text{Total production}}$$



Social Contribution Activities

The Kyocera Group values its relationships with all stakeholders – including customers, employees, shareholders, business associates, and local communities. We make a concerted effort to be a good corporate citizen that is trusted and respected by society. Moving forward, we will carry out activities that benefit society and contribute to its sustainable development.

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 1984. It celebrates its 33rd anniversary in 2017 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 100 million yen per category. Following the Kyoto Prize presentation ceremony each November, events are held to encourage the public's interaction with the laureates, including commemorative lectures for the general public where the laureates present their research and world view. Academic workshops involving experts in the chosen award fields, and educational programs for students from elementary school to university level are also held. 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 was 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 Kyoto Prize Presentation Ceremony

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.



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Major consolidated financial data (from FY3/2009 to FY3/2019, IFRS / U.S. GAAP)

(Unit: Billions of yen)

FY : For the years ended March 31.	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sales revenue and profit											
Sales revenue.....	1,128.6	1,073.8	1,266.9	1,190.9	1,280.1	1,447.4	1,526.5	1,479.6	1,422.8	1,577.0	1,623.7
Operating profit	43.4	63.9	155.9	97.7	76.9	120.6	93.4	92.7	104.5	90.7	94.8
Operating profit to sales revenue (%)	3.8	5.9	12.3	8.2	6.0	8.3	6.1	6.3	7.3	5.8	5.8
Profit before income taxes	56.0	60.8	172.3	114.9	101.4	146.3	121.9	145.6	137.8	130.0	140.6
Profit before income taxes to sales revenue (%)...	5.0	5.7	13.6	9.6	7.9	10.1	8.0	9.8	9.7	8.2	8.7
Profit attributable to owners of the parent	29.5	40.1	122.4	79.4	66.5	88.8	115.9	109.0	103.8	79.1	103.2
Profit attributable to owners of the parent to sales revenue (%) ...	2.6	3.7	9.7	6.7	5.2	6.1	7.6	7.4	7.3	5.0	6.4
Asset and equity											
Total assets	1,773.8	1,848.7	1,946.6	1,994.1	2,282.9	2,636.7	3,021.2	3,095.0	3,110.5	3,128.8	2,968.5
Equity attributable to owners of the parent	1,323.7	1,345.2	1,420.3	1,469.5	1,646.2	1,910.1	2,215.3	2,284.3	2,334.2	2,325.8	2,265.9
Per share data											
EPS (Diluted-yen) ^(A)	78.6	109.2	333.6	216.3	181.2	241.9	315.9	297.2	282.6	215.2	284.7
Cash dividends per share (yen)	60	60	65	60	60	80	100	100	110	120	140
Equity per share attributable to owners of the parent (yen) (BPS) ...	3,606.2	3,665.1	3,869.7	4,005.4	4,486.9	5,206.5	6,038.6	6,226.6	6,348.0	6,325.1	6,263.7
Capital expenditures, Depreciation, R&D expenses											
Capital expenditures	63.1	37.9	70.7	66.4	56.7	56.6	56.7	68.9	67.8	86.5	117.0
Depreciation	83.8	60.6	59.8	62.4	63.1	65.8	62.4	65.9	66.0	69.7	51.5
R&D expenses	65.9	49.9	49.5	45.6	47.5	48.8	55.3	58.8	55.4	58.3	69.9
Cash flows											
Cash flows from operating activities	97.8	137.6	119.7	109.1	109.5	149.1	130.8	194.0	164.2	158.9	220.0
Cash flows from investing activities	(201.4)	(49.3)	(121.4)	(56.1)	(66.1)	(101.1)	(93.6)	(106.8)	(112.1)	(53.1)	(47.1)
Cash flows from financing activities	(62.9)	(38.0)	(26.8)	(50.8)	(31.4)	(32.8)	(40.0)	(50.6)	(48.0)	(51.6)	(89.1)
Free cash flow ^(B)	(103.6)	88.3	(1.7)	53.0	43.4	48.0	37.2	87.2	52.1	105.8	172.9
ROA, ROE, EBITDA											
ROA (%)	3.0	3.4	9.1	5.8	4.7	5.9	4.3	4.8	4.4	4.2	4.6
ROE (%)	2.1	3.0	8.9	5.5	4.3	5.0	5.6	4.8	4.5	3.4	4.5
EBITDA ^(C)	154.8	136.6	246.1	190.0	176.9	224.4	196.6	224.0	216.1	213.9	205.7
Others											
Payout ratio (%)	76.3	54.9	19.5	27.7	33.1	33.1	31.7	33.6	38.9	55.8	49.1
Number of employees	59,514	63,876	66,608	71,489	71,645	69,789	68,185	69,229	70,153	75,940	76,863

* Amounts are rounded up/down to the nearest 0.1 billion yen. Percentages are computed based on amounts rounded up/down to the nearest millions yen.
 * Kyocera Group has adopted IFRS in lieu of U.S.GAAP from FY3/2019. Accordingly, financial results for FY3/2018 have been reclassified in accordance with IFRS.
 Account title is also presented in accordance with IFRS.
 * The figures from FY3/2009 to FY3/2017 in the above table are recorded as of each fiscal term. No figures have been restated due to changes in accounting standards.
 * Kyocera Corporation undertook a stock split at the ratio of 2 for 1 of all common shares on October 1, 2013. EPS and Cash dividends per share in each fiscal year are retrospectively re-calculated based on the ratio of the stock split.
 * "Cash dividends per share" in FY3/2019 includes the commemoration dividend in the amount of 20 yen per share.
 Note: (A) EPS is calculated based on the weighted average number of shares of common stock equivalents outstanding during each fiscal year period.
 (B) Free cash flow = Cash flow from operating activities + Cash flows from investing activities
 (C) EBITDA = Profit before income taxes + Depreciation and amortization + Finance expenses

Consolidated Financial Statements

Consolidated Statement of Financial Position

(Yen in millions)

	As of March 31, 2018	As of March 31, 2019	Remark:
(Assets)			
Current assets:	1,465,899	1,357,764	
Cash and cash equivalents	424,938	512,814	
Short-term investments	196,802	99,210	
Trade and other receivables	382,659	357,352	
Other financial assets	12,996	9,871	
Inventories	364,875	343,880	
Other current assets	83,629	34,637	
Non-current assets:	1,662,914	1,610,711	
Debt and equity instruments	1,071,990	963,651	Debt and equity instruments decreased due mainly to declines in market value of equity securities.
Investments accounted for using the equity method	3,874	4,159	
Other financial assets	15,681	17,869	
Property, plant and equipment	288,898	341,855	
Goodwill	144,268	149,499	
Intangible assets	80,186	80,001	
Deferred tax assets	41,370	38,558	
Other non-current assets	16,647	15,119	
Total assets	3,128,813	2,968,475	

(Yen in millions)

	As of March 31, 2018	As of March 31, 2019	Remark:
(Liabilities)			
Current liabilities:	419,387	374,748	
Trade and other payables	216,685	186,281	
Other financial liabilities	5,039	6,621	
Income tax payables	19,436	12,672	
Accrued expenses	114,049	120,903	
Provisions	32,302	11,166	
Other current liabilities	31,876	37,105	
Non-current liabilities:	296,127	231,467	
Long-term financial liabilities	7,370	7,800	
Retirement benefit liabilities	29,112	25,479	
Deferred tax liabilities	220,950	174,823	Deferred tax liabilities decreased due mainly to declines in market value of equity securities.
Provisions	19,914	7,892	
Other non-current liabilities	18,781	15,473	
Total liabilities	715,514	606,215	
(Equity)			
Equity attributable to owners of the parent:	2,325,791	2,265,919	
Common stock	115,703	115,703	
Capital surplus	165,079	165,225	
Retained earnings	1,577,641	1,638,709	
Other components of equity	499,710	418,643	Other components of equity Net unrealized gains (losses) on securities decreased due mainly to declines in market value of equity securities.
Treasury stock	(32,342)	(72,361)	Treasury stock decreased due mainly to repurchase of its shares based on the resolution of Board of Directors Meeting which was held on April 2018.
Non-controlling interests	87,508	96,341	
Total equity	2,413,299	2,362,260	
Total liabilities and equity	3,128,813	2,968,475	

Note: The consolidated financial position and the consolidated statement of profit or loss FY3/2018 are presented in accordance with IFRS.

Consolidated Financial Statements

Consolidated Statement of Profit or Loss

(Yen in millions)

	For the year ended March 31, 2018	For the year ended March 31, 2019	Remark:
Sales revenue.....	1,577,039	1,623,710	
Cost of sales	1,204,211	1,159,687	
Gross profit.....	372,828	464,023	
Selling, general and administrative expenses.....	282,129	369,200	Selling, general and administrative expenses Selling, general and administrative expenses increased due mainly to the recording of the settlement expense relating to polysilicon materials in the solar energy business and an impairment loss in the organic materials business.
Operating profit	90,699	94,823	
Finance income	41,483	44,750	
Finance expenses	1,560	1,241	
Foreign exchange gains (losses)	(827)	53	
Share of net profit (loss) of investments accounted for using the equity method	(1,564)	379	
Other, net.....	1,761	1,846	
Profit before income taxes	129,992	140,610	
Income taxes	47,766	25,754	Income taxes Income taxes decreased due mainly to that Kyocera Corporation recognized a deferred tax asset related to tax losses carried forward from the merger of Kyocera Display Corporation into Kyocera Corporation in FY3/2019, while U.S. subsidiaries recorded the one-time tax expenses resulting from revisions in the U.S. tax code in FY3/2018.
Profit for the year	82,226	114,856	

Profit attributable to:

Owners of the parent	79,137	103,210
Non-controlling interests	3,089	11,646
Profit for the year	82,226	114,856

Consolidated Statement of Comprehensive Income

(Yen in millions)

	For the year ended March 31, 2018	For the year ended March 31, 2019
Profit for the year	82,226	114,856
Other comprehensive income, net of taxation		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	—	(84,165)
Re-measurement of defined benefit plans	9,352	(1,618)
Total items that will not be reclassified to profit or loss	9,352	(85,783)
Items that may be reclassified subsequently to profit or loss:		
Net unrealized gains (losses) on securities	(40,138)	—
Net changes in fair value of cash flow hedge	(55)	36
Exchange differences on translating foreign operations	(6,670)	4,943
Share of other comprehensive income of investments accounted for using the equity method	(43)	66
Total items that may be reclassified subsequently to profit or loss:	(46,906)	5,045
Total other comprehensive income	(37,554)	(80,738)
Comprehensive income for the year	44,672	34,118

Comprehensive income attributable to:

Owners of the parent	43,131	21,514
Non-controlling interests	1,541	12,604
Comprehensive income for the year	44,672	34,118

Consolidated Financial Statements

Consolidated Statement of Changes in Equity

(Yen in millions)

For the year ended March 31, 2018	Total equity attributable to owners of the parent						Non- controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total		
Balance as of April 1, 2017 ...	115,703	165,172	1,532,866	545,452	(32,309)	2,326,884	84,794	2,411,678
Profit for the year			79,137			79,137	3,089	82,226
Other comprehensive income				(36,006)		(36,006)	(1,548)	(37,554)
Total comprehensive income for the year	—	—	79,137	(36,006)	—	43,131	1,541	44,672
Cash dividends			(44,125)			(44,125)	(4,182)	(48,307)
Purchase of treasury stock ...					(33)	(33)		(33)
Reissuance of treasury stock ...		1			0	1		1
Transactions with non-controlling interests and other		(94)		27		(67)	5,355	5,288
Transfer to retained earnings ...			9,763	(9,763)		—		—
Balance as of March 31, 2018 ...	115,703	165,079	1,577,641	499,710	(32,342)	2,325,791	87,508	2,413,299

(Yen in millions)

For the year ended March 31, 2019	Total equity attributable to owners of the parent						Non- controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total		
Balance as of April 1, 2018 (Before applying new accounting standard)	115,703	165,079	1,577,641	499,710	(32,342)	2,325,791	87,508	2,413,299
Cumulative effects of new accounting standard applied ...			2,973	(729)		2,244		2,244
Balance as of April 1, 2018 (After applying new accounting standard)	115,703	165,079	1,580,614	498,981	(32,342)	2,328,035	87,508	2,415,543
Profit for the year			103,210			103,210	11,646	114,856
Other comprehensive income				(81,696)		(81,696)	958	(80,738)
Total comprehensive income for the year	—	—	103,210	(81,696)	—	21,514	12,604	34,118
Cash dividends			(43,768)			(43,768)	(4,410)	(48,178)
Purchase of treasury stock ...					(40,020)	(40,020)		(40,020)
Reissuance of treasury stock ...		0			1	1		1
Transactions with non-controlling interests and other		146		11		157	639	796
Transfer to retained earnings ...			(1,347)	1,347		—		—
Balance as of March 31, 2019 ...	115,703	165,225	1,638,709	418,643	(72,361)	2,265,919	96,341	2,362,260

Consolidated Statement of Cash Flows

(Yen in millions)

	For the year ended March 31, 2018	For the year ended March 31, 2019
Cash flows from operating activities:		
Profit for the year	82,226	114,856
Depreciation and amortization	82,370	63,889
Finance expenses (income)	(39,923)	(43,509)
Share of net profit of investments accounted for using the equity method ...	1,564	(379)
Impairment loss	324	16,630
(Gains) losses from sales or disposal of property, plant and equipment	121	442
Income taxes	47,766	25,754
(Increase) decrease in trade and other receivables	(25,609)	25,016
(Increase) decrease in inventories	(20,412)	24,597
(Increase) decrease in other assets	(6,769)	31,022
Increase (decrease) in trade and other payables	11,988	(11,028)
Increase (decrease) in income tax payables	(18,667)	1,508
Increase (decrease) in provisions	31,180	(33,276)
Increase (decrease) in other liabilities	(3,054)	2,210
Other, net	9,166	(290)
Subtotal	152,271	217,442
Interests and dividends received	39,623	45,192
Interests paid	(1,109)	(660)
Income taxes paid	(31,880)	(41,949)
Net cash provided by operating activities	158,905	220,025
Cash flows from investing activities:		
Payments for purchases of property, plant and equipment	(84,195)	(111,040)
Payments for purchases of intangible assets	(7,194)	(7,515)
Proceeds from sales of property, plant and equipment ...	1,886	2,782
Acquisitions of business, net of cash acquired	(75,322)	(22,165)
Acquisition of time deposits and certificate of deposits ...	(420,556)	(331,212)
Withdrawal of time deposits and certificate of deposits ...	466,962	428,810
Payments for purchases of securities	(40,759)	(71,143)
Proceeds from sales and maturities of securities	105,571	65,484
Other, net	479	(1,122)
Net cash used in investing activities	(53,128)	(47,121)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	(3,240)	(356)
Proceeds from long-term borrowings	6,775	3,676
Repayments of long-term borrowings	(6,296)	(3,394)
Dividends paid	(47,936)	(48,064)
Purchase of treasury stock	(33)	(40,020)
Other, net	(842)	(898)
Net cash used in financing activities	(51,572)	(89,056)
Effect of exchange rate changes on cash and cash equivalents ...	(5,462)	4,028
Increase (decrease) in cash and cash equivalents	48,743	87,876
Cash and cash equivalents at the beginning of the year	376,195	424,938
Cash and cash equivalents at the end of the year	424,938	512,814

Corporate Summary (as of March 31, 2019)

Established	April 1, 1959	Group employees	76,863 (Japan: 25,971, Outside Japan: 50,892)
Global headquarters	6 Takeda Tobadono-cho, Fushimi-ku, Kyoto, Japan 612-8501	Stock Listing	Tokyo Stock Exchange (6971)
Capital	115,703 million yen	Closing date	March 31
Consolidated sales revenue	1,623,710 million yen	Record date for the determination of shareholders	Voting rights at Ordinary General Meeting of Shareholders, year-end dividend: March 31 Interim dividend: September 30
Group companies	286 (Including KYOCERA Corporation)	Ordinary General Meeting of Shareholders	June

Main Kyocera Group Companies (as of April 1, 2019)

Japan

KYOCERA Corporation
 KYOCERA Document Solutions Inc.
 KYOCERA Communication Systems Co., Ltd.
 KYOCERA Industrial Tools Corporation
 KYOCERA Solar Corporation
 KYOCERA Realty Development Co., Ltd.
 Kyoto Purple Sanga Co., Ltd.

Asia

KYOCERA (China) Sales & Trading Corporation
 Dongguan Shilong KYOCERA Co., Ltd.
 KYOCERA (Tianjin) Solar Energy Co., Ltd.
 Shanghai KYOCERA Electronics Co., Ltd.
 KYOCERA Connector Products (Dongguan) Co. Ltd.
 KYOCERA OPTEC (Dongguan) Co., Ltd.
 KYOCERA Precision Tools (Ganzhou) Co., Ltd.
 KYOCERA Precision Tools (Zhuhai) Co., Ltd.
 KYOCERA Display (Zhangjiagang) Co., Ltd.
 KYOCERA Chemical (Wuxi) Co., Ltd.
 KYOCERA Document Technology (Dongguan) Co., Ltd.
 KYOCERA Korea Co., Ltd.

KYOCERA Precision Tools Korea Co., Ltd.
 KYOCERA Vietnam Company Limited
 KYOCERA Document Technology Vietnam Co., Ltd.
 KYOCERA Crystal Device (Thailand) Co., Ltd.
 KYOCERA Crystal Device Philippines, Inc.
 KYOCERA (Malaysia) Sdn. Bhd.
 KYOCERA Display (Thailand) Co., Ltd.
 KYOCERA Asia Pacific Pte. Ltd.

Europe

KYOCERA Fineceramics GmbH
 KYOCERA Document Solutions Deutschland GmbH
 TA Triumph-Adler GmbH
 KYOCERA Document Solutions Europe B.V.
 KYOCERA UNIMERCO A/S

North America

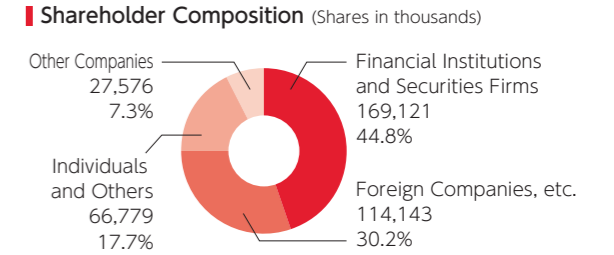
KYOCERA International, Inc.
 AVX Corporation
 KYOCERA SENCO Industrial Tools, Inc.
 KYOCERA SGS Precision Tools, Inc.
 KYOCERA Document Solutions America, Inc.

Global Network (as of April 1, 2019)



Shares (as of March 31, 2019)

- (1) Total Number of Shares Authorized to Be Issued: 600,000,000
- (2) Total Number of Shares Issued: 377,618,580
(Of which, Number of Treasury Shares: 15,864,921)
- (3) Number of Shareholders: 54,725

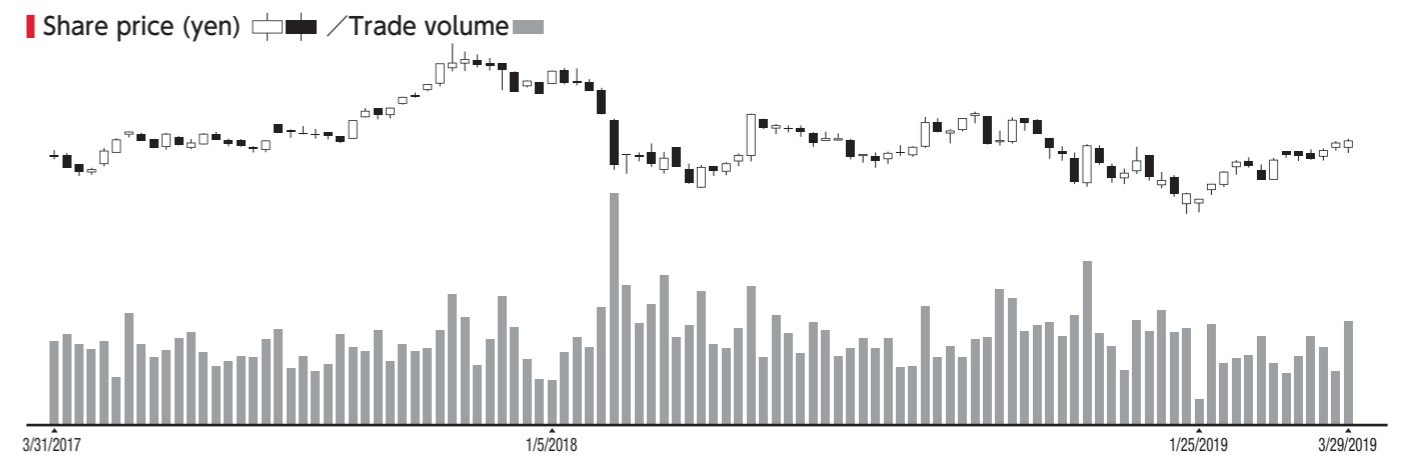


(4) Major Shareholders (Top 10 Largest Shareholders)

Name	Number of Shares Owned (Shares in thousands)	Share Ownership Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	55,280	15.28
Japan Trustee Services Bank, Ltd. (Trust Account)	27,329	7.55
SSBTC Client Omnibus Account	17,330	4.79
The Bank of Kyoto, Ltd.	14,436	3.99
Kazuo Inamori	10,212	2.82
Inamori Foundation	9,360	2.59
KI Enterprise Co., Ltd.	7,099	1.96
Trust & Custody Services Bank, Ltd. (Stock Investment Trust Account)	6,669	1.84
Japan Trustee Services Bank, Ltd. (Trust Account 5)	5,986	1.65
Stock Purchase Plan for Kyocera Group Employees	5,654	1.56

Note: Share ownership ratios are calculated after deduction of the treasury shares.

Trends of share price (from March 31, 2017 to March 29, 2019)





KYOCERA Corporation

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Information about Kyocera is also available on
Kyocera's Facebook page.



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