

## Our goal is to create businesses that fulfill societal needs while achieving sustainable growth.

Since our company's founding, we have devoted ourselves to growing our business and promoting sustainable development based on our Management Rationale: "To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind." At the core of our Management Rationale is the Kyocera Philosophy, a value system carefully cultivated over the course of more than 60 years.

Today, we find ourselves in a time of great change. Transformative innovations in telecommunication, energy, automotive technology, and other fields are opening a new era for our business. We see this change as a great opportunity. To grow as a company, we must launch new businesses that can help fulfill societal needs — in fields as diverse as energy and regenerative medicine. To achieve this, we will accelerate investment to spark growth and improve our technological capabilities further. We will seize new business opportunities through our management strategy for sustainable growth.

President and Representative Director,

*H. Tanimoto*





### Organizational Restructuring toward a New Path to Growth

To create an organizational structure that better adapts to major market changes, we consolidated our business divisions in April 2021 into three segments: Core Components, Electronic Components, and Solutions. One of the goals of this restructuring is to revitalize our Amoeba Management system, and we are beginning to see the fruits of our efforts. The Kyocera Group has been diversifying as part of its long-term strategy — developing not only components-related businesses, but solutions businesses as well. Prior to the reorganization, although we possessed diverse skills and technologies, we were challenged to integrate them into new products and services due to the “walls” between departments that tend to get stronger as a company grows. For this reason, we executed a restructuring to create greater synergies between our businesses by aligning the organization into Components and Solutions groups, and sharing management resources, including staff. As a result, we were able to integrate talent and business infrastructure while retaining the benefits of Amoeba Management.

The new businesses are now beginning to bear fruit. One example is our inkjet printing systems, which will be launched commercially during the next fiscal year. The large volume of wastewater generated in the washing process after textile fabrics are dyed conventionally has become an environmental problem. Our inkjet printing systems use a proprietary pigment ink that eliminates the conventional fabric washing process. Consequently, water consumption and industrial wastewater are greatly reduced, improving environmental impact. In addition to handling small lots and short delivery times, our inkjet printing systems can be installed anywhere. Textile producers using them can enjoy significantly faster production lead times and reduced waste. Our inkjet printing systems are environment-friendly products that can help meet societal needs. This is a great example of our Printer and Inkjet Printhead Divisions working together. It demonstrates how business segment teams can generate greater synergies, and reveals a new path to growth that did not exist previously.

Other examples of organizational restructuring also include company-wide projects that bridge the boundaries of different business divisions. Projects uniting staff of

different divisions with a similar knowledge base are creating new opportunities through digitization. Examples include giving IT members from each business segment a concurrent assignment with the Digital Business Promotion Group for knowledge sharing. We have set up a team system to carry out marketing activities with consistency. Beyond consolidating our business segments, company-wide projects are greatly improving the sense of openness within the organization.

### Proactive Response to Changes in the Telecommunications, Energy, and Automotive Industries

Today’s business environment includes rising geopolitical uncertainty, as seen in the strained relations between the United States and China, and Russia’s presence in Ukraine. Meanwhile, due to the widespread adoption of remote work and remote services following the COVID-19 pandemic, and the rise of the “digital native” generation, digitization is accelerating. Semiconductor-related industries are thus expanding at a record pace, bringing favorable market conditions for the Kyocera Group. Semiconductor packaging and ceramic component technology have been our traditional core competencies, and I feel that the time has come to push onward and upward once again after the stagnation of the past few years. In the past, capital investments were made in response to customer demand. However, it is now clear that this practice is too slow and we will get behind if we continue to respond this way. While digitization has accelerated fluctuations in demand, building and expanding factories takes time. Our decision-making must be based on solid market analysis. Further, in terms of human resources, it is becoming more difficult to hire new staff due to declining birthrates and aging populations. More and more people are also finding it difficult to change their place of residence due to circumstances surrounding a spouse’s job. To respond to these changes in the business environment, we opened the Minatomirai Research Center in Yokohama; and in Japan’s Kansai region, we built a new production technology facility at our Yasu Plant, both conveniently accessible to rail commuters. By establishing sites that are convenient for commuting, we hope to enhance our ability to recruit and retain talented human resources.

In terms of each business sector, changes in the telecommunications, energy, and automotive industries are having a major impact on our business. In the telecommunications sector, as we aim to commercialize IoT-based solutions, developing 5G and “Beyond 5G” technologies will be crucial to our success. Telecommunications technology is central to transportation and autonomous driving. In fact, telecom networks have become essential basic infrastructure for future product and service development. In our Document Solutions Business, we expect office equipment to experience a gradual decline in demand. Meanwhile, demand for commercial and industrial printers is expected to continue to increase, so we will focus on developing inkjet printers. In the energy sector, we believe there is still room for much wider adoption of renewable energy, both by individuals and corporations. By installing storage batteries in a solar power system, energy generated during the day can be used even at night. In urban areas where storage batteries are difficult to install, the widespread adoption of fuel cells that use natural gas shows tremendous promise. Kyocera’s business covers all of these solutions — solar power generation, fuel cells, and storage batteries — and we are examining the possibility of establishing a subscription model for renewable energy. In the automotive industry, the major shift from gas-powered vehicles to electric vehicles (EV) depends on advances in battery technology, making it difficult to predict the exact timing of this transformation. We are watching these trends closely. EVs require parts that are completely different from internal-combustion technology, so we will continue to make upfront investments while carefully monitoring the timing the EV trend. We also plan to roll out a wide range of parts for internal combustion engines, including those for plug-in hybrid vehicles.

With regard to further digitizing our manufacturing plants, we continue to shift our Yasu Plant into a smart factory to produce storage batteries, and our new plants will get this technology as well. We plan to adopt a Manufacturing Execution System (MES) at our existing plants to improve productivity and efficiency through the greater use of robotics. We will strive to further digitize our indirect divisions and conduct a fundamental review of business rules and processes.

### Management Strategy for Further Growth

As a medium-to-long-term growth goal, we are targeting 3 trillion yen in annual sales revenue by the fiscal year ending March 31, 2029. Central to this goal are Kyocera businesses that help fulfill societal needs, such as the aforementioned inkjet printing systems and renewable energy products. Some products in our Solutions Business have relatively short life cycles. In contrast, our Components Business includes many products that are becoming more sophisticated and smaller, yet their original role and function have remained unchanged. Consequently, this area should continue to deliver results over the long term. To ensure the steady growth of our Components Business, we will embark on a program of strategic investments. Gallium nitride (GaN), a material used to make highly efficient and durable semiconductors, is capable of producing lasers with several times the brightness and long-distance irradiation of LEDs. GaN is therefore labeled as a next-generation material that can further promote energy conservation. Just as we did in the development of lasers using GaN, we will continue to actively acquire and develop future core technologies. We are also creating and expanding businesses in the medical field to help fulfill societal needs. We have long been involved in making orthopedic joint replacement systems. More recently, we have begun collaborating with an Australian company specializing in joint regenerative medicine — both through investment and by conducting clinical trials. Regenerative medicine is just one of the long-term future challenges we are pursuing. Another challenge is research into joint health care. I would like us to develop businesses related to all kinds of orthopedic joint issues, including preventive medicine. As the population ages, health care will become extremely important. We intend to work on businesses that contribute to this field. Our goals in these domains are clear.

In the past, we formulated fiscal plans one year at a time, but to aggressively expand in the aforementioned fields, we are considering a medium-term management plan based on investments with a three-year outlook in mind. In addition to our plants in Thailand and Vietnam, we plan to build new plants to increase our production of semiconductor-related products, while further increasing our investment in new technologies.

M&A and business alliances are also important for future growth. We have conducted an active M&A program over the past five years. Although our pace of M&A investment has settled down recently, we are always attentive to a good deal and equipped to act swiftly when necessary. We believe that start-up companies can play a key role in our future growth as well. At the same time, we will accelerate and expand the scope of our business alliances. We believe that business alliances are essential for achieving success with renewable energy subscription models and in regenerative medicine.

### Resources to Help Achieve Management Strategies

With regard to organizational structure and HR improvement, my own experience of working in the Corporate Fine Ceramics Group has shown me that staff members tend to develop a narrow outlook if they just stay in the

same division. That's why we decided to introduce a job rotation initiative. It is extremely valuable for staff to work in several different divisions early in their careers to absorb all of the various experiences and knowledge. Ideally, I would like our junior staff to experience working in three or four areas before moving up to the management level. Working overseas is no exception, and we have begun assigning personnel between the Electronic Components Division in Japan and our U.S. subsidiary, KYOCERA AVX Corporation.

The Kyocera Group maintains a solid financial base, with nearly 2 trillion yen in financial assets, including cash, deposits, and stocks. We often invest using cash reserves but we also procure funds externally and borrow from financial institutions when appropriate.

In terms of performance, in the previous fiscal year, we achieved profit before income taxes approximately 200 billion yen and a return on equity (ROE) of around 5%. We estimate that our ROE will increase to more than 10% if our sales revenue reaches 3 trillion yen and profit

before income taxes reaches 600 billion yen. Our immediate goal is to achieve sales revenue of 2 trillion yen. We are also aiming to achieve profit before income taxes of 300 billion yen and an ROE of 8% as soon as possible. We will sow the seeds to achieve these goals by making capital investments and actively engaging in research and development. We anticipate that the next three years will be a preparation period for this business growth, followed by a significant increase in profits.

With regard to our business portfolio, we will implement streamlining measures when appropriate, such as closing redundant operations in Japan and overseas if necessary. We believe we must work on rebuilding our energy-related business, in which profitability has been an issue, so it can once again generate solid profits.

### Environmental, Social, and Governance Initiatives Based on the Kyocera Philosophy

ESG management has a high affinity with the Kyocera Philosophy. In fact, we have been putting this thinking into practice from day one. Environmental issues in particular have become a critical topic that is now inseparable from business activities.

As mentioned above, textile printing, for example, uses a large amount of water in the process of washing fabrics, and the resulting wastewater has a negative impact on the environment. We will try to solve this problem through digitization and proprietary technology. Also, with regard to energy issues, Japan's expectations for renewable energy are higher than those of many other countries, so we must consider how we can play a larger role. We would like to help achieve carbon neutrality throughout Japan, not only through our solar cells and storage batteries but also other products and services — such as solid-oxide fuel cells (SOFCs) for urban apartments, where installing solar cells and storage batteries is difficult. As for resource recycling and the circular economy, our cutting tool products are made of tungsten. Tungsten is a resource that cannot be found in Japan, so this is an area in which our recycling efforts will increase in the future. We have already established technology in the recycling field.

We are working to create a better environment for our employees based on the statement: "To provide opportunities for the material and intellectual growth of all our employees," which is part of the Management Rationale established by our founder, Kazuo Inamori, that guides how we run the company. With regard to work practices, due in part to the impact of the COVID-19 pandemic, we have increased workplace flexibility by introducing remote work and flextime systems where feasible. To spark greater communication and networking within the company, we are setting up community spaces that all employees can use. We are also working to create a system that enables reliable communication and the timely sharing of information with our suppliers. In recent years, we have been requesting information on human rights risks and greenhouse gas (GHG) emissions from our suppliers. Since data from international suppliers can be difficult to ascertain, we anticipate that a company-wide risk management system will be needed to identify and minimize

or eliminate all such risks.

We are also working to strengthen our corporate governance. In June 2021, we reduced our total number of internal directors and reviewed the composition of our board. The appointment of new outside directors with key management expertise has made our board of directors meetings more vibrant than ever before. In the past, discussions at the meetings were centered on investment-related matters. However, today, we are trying to shift discussion from a medium-to-long-term perspective, narrowing down investment-related matters to those that are particularly important, and emphasizing monthly performance monitoring, understanding our shareholders' needs and examining our management plan. We also recognize that the composition of our audit and supervisory board and the role of our internal audit system will become increasingly important in the future. We will continue to do our best to strengthen our corporate governance.

### To Our Stakeholders

Since my appointment as president, I have felt that the Kyocera Group's growth rate has been slow, and this has also been pointed out by our stakeholders. To overcome this situation, we are making active, conscious efforts to expand both capital investment and research and development programs. Despite the fact that we were hit by the COVID-19 pandemic just as we were beginning to see results from our efforts, in the fiscal year ending March 31, 2022, we were able to achieve record sales revenue. We also succeeded in improving our ROE, from around 3% to 5%. I believe that we will be able to achieve sales revenue of 2 trillion yen, which has been one of our goals for the current fiscal year ending March 31, 2023. We are also accelerating growth investments to achieve our immediate goal of 300 billion yen in profit before income taxes and an ROE of 8%. We will use these three years as a preparation period to lay solid groundwork for future growth. I thank all of our stakeholders for your continued support of the Kyocera Group and I encourage you to expect more success from us in the future.

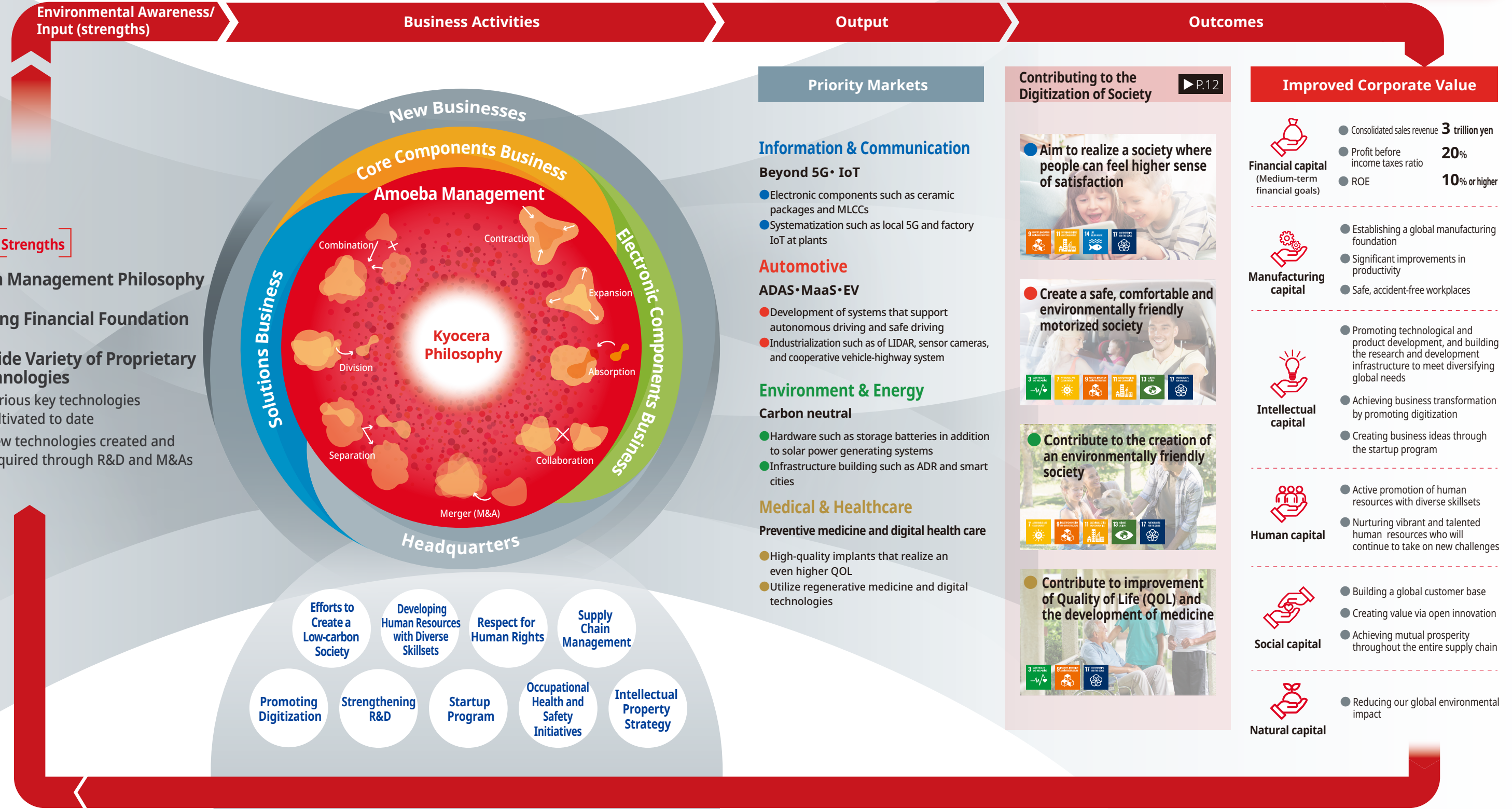




The essence of Amoeba Management, a management control method to realize the Kyocera Philosophy, is to quickly respond to trends of the times and changes in market conditions, and flexibly change its organization. As we live in a world of growing uncertainties, we will strive to flexibly respond to environmental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

- Awareness of the External Environment**
- Digitization/globalization
  - Shift from "selling products" to "selling services and solutions"
  - Diversification of customer needs
  - Greater awareness of the environment

**Realization of our Management Rationale**  
To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind.



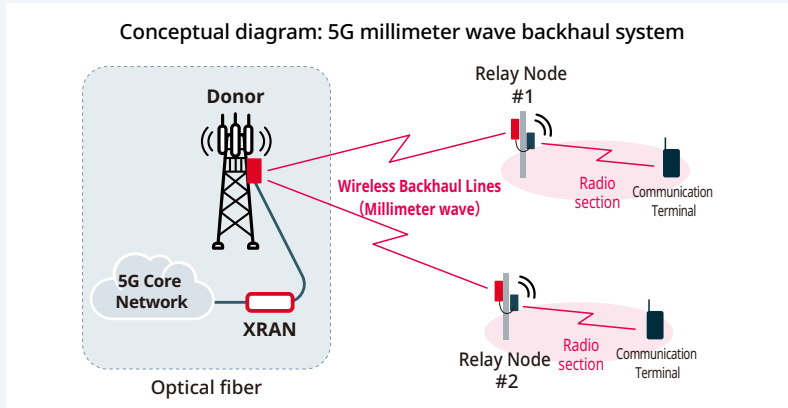


# Value Creation with Amoeba Management

## 1 Getting to Market Earlier Through a Collaboration Involving Proprietary Kyocera Technologies

### 【5G Millimeter-wave Backhaul System】

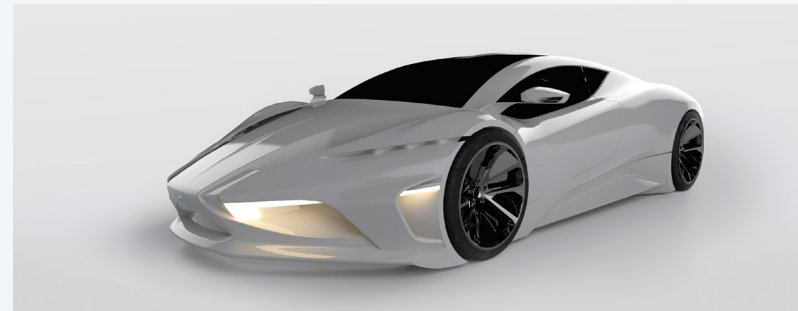
This 5G millimeter-wave backhaul system is being developed in collaboration with U.S.-based JMA Wireless to expand 5G networks quickly and inexpensively in areas lacking adequate coverage due to the high cost of installing optical fiber. This system reduces installation time and cost, while minimizing size, weight and energy consumption by combining JMA's base-band technology (XRAN) with Kyocera's proprietary wireless technologies. We hope our collaborative fusion of technologies will help us commercialize this solution at an early stage.



## 2 Expansion of Business Fields through M&A

### 【Laser Module for the Next-generation of EVs】

Only Amoeba Management can enable us to create new value by combining diverse resources acquired through M&As, including highly reliable technologies and research results. One example is our development of headlights and other laser modules for next-generation EVs, a result of collaboration involving KYOCERA AVX Components Corporation, in-vehicle module technology acquired from AB Electronic in 2017, and KYOCERA SLD Laser, Inc.'s high efficiency SMD laser technology, acquired through M&A in 2021. Laser technologies are set to play a vital role in new product development across various fields in the future.



## 3 New Business Fusion by Combining Diverse Core Technologies with Other Amoebas

### 【Inkjet Printing Systems】

The apparel and textile industry is focused on improving its environmental impact, which has historically included industrial wastewater runoff during the fabric dyeing process and the waste of unsold clothing as fashions change. To help solve these issues, the Kyocera Group has combined multiple product lines to develop environment-friendly inkjet printing systems using pigment inks that avoid wastewater issues. Inkjet printheads are developed by Kyocera's Printing Devices Division, while printers and exclusive-use pigment inks are developed by Kyocera Document Solution's Information Equipment Division. The resulting environment-friendly inkjet printing system represents a collaboration between Amoebas that supersedes conventional team frameworks.



**Amoeba Management**

Strengths

Firm Management Philosophy

Strong Financial Foundation

A Wide Variety of Proprietary Technologies



# Addressing Societal Needs in the Textile and Apparel Industry Introducing an Inkjet Textile Printing\* System Developed across Multiple Divisions through a Fusion of Technologies

Kyocera has developed a wide range of new technologies through its expertise in fine ceramic materials. Most recently, integrating these technologies has enabled us to develop environment-friendly inkjet printing systems.

Our new printing concept promises to reduce environmental impacts within the textile and apparel industry.

\* Textile printing: Printing of designs onto fabric

## Steps toward Reducing the Environmental Impact of the Textile and Apparel Industry

Preserving the global environment is an urgent issue confronting humanity. Water consumption by the global textile and apparel industry is estimated at 5.8 trillion liters annually. According to a World Bank study, conventional textile dyeing and finishing processes account for 17 to 20% of the world's industrial water pollution. The industry is also estimated to produce up to 10% of the world's CO<sub>2</sub> emissions. In addition to these societal needs, the textile and apparel industry generates massive waste through the overproduction of fashion garments that can't be sold as styles change, an issue that needs to be addressed in the short-term.

Kyocera has examined ways to resolve these needs using our proprietary technologies. One such solution involved developing the world's most sustainable inkjet printing systems using innovative pigment inks.

Kyocera's textile inkjet printing systems employ a water-free concept which eliminates the fabric-washing

process — a process that requires copious amounts of water in conventional textile printing. Unlike conventional print technologies, Kyocera's system allows printing on a wide range of fabrics and other materials, offering great potential to reduce environmental impact in a wide range of printing applications.

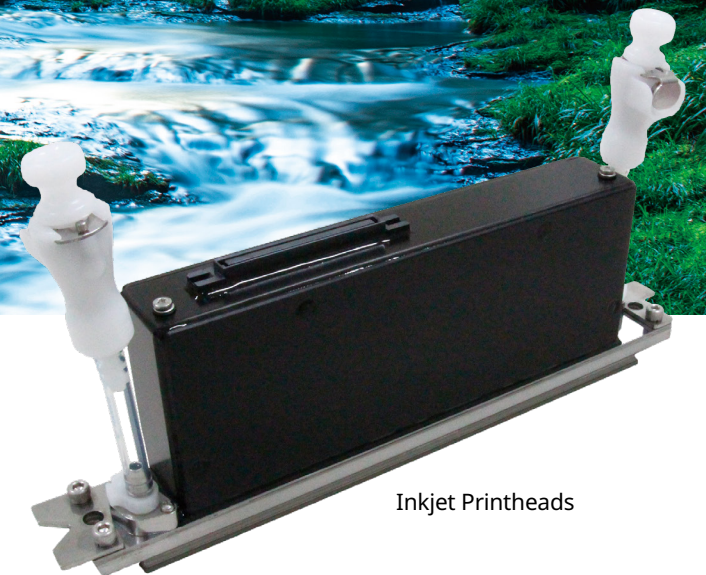
In addition, the ability to deliver small-lot printing easily and flexibly, while reducing lead times using the shortest processes possible, will bring the supply chain enhancements needed in the apparel industry to avoid waste from excessive inventories and overproduction.

## System Development through a Fusion of Technologies across Multiple Divisions

For years, Kyocera has developed and produced inkjet printheads for commercial digital document printing. Developed using proprietary fine ceramics technologies that we have cultivated over decades, our inkjet printheads have become essential to a broad range of

printing applications, including on-demand printing, due to their outstanding image quality, speed and durability. The inkjet textile printing system currently under development will commercialize the water-free concept through the development of new inks and processing agents, in addition to Kyocera's long-standing inkjet printhead expertise. We will provide this high-quality system with market-leading capabilities by combining our expertise in production, software, printers, MFPs, and commercial inkjet technology.

Clothing and home textiles are indispensable to modern life, and beautiful fabric designs enrich our lifestyles in a multitude of ways. Through its innovative inkjet printing systems, Kyocera hopes to greatly reduce the environmental impact of the textile and apparel industry, while enabling highly detailed printing on a broad range of fabrics. With no limits on the color palette or design, this new system will help pave the way for a richer and more sustainable lifestyle.



Inkjet Printheads



Inkjet printing example



# Kyocera Products Contributing to the Digitization of Society

By delivering advanced products based on proprietary technologies, Kyocera contributes to the development of a broad range of industries that utilize information, communication, and semiconductor-related technologies, indispensable to modern life.



## Communications Markets



We contribute to the development of information and communication technologies for today's digital society, in which new innovations depend on miniaturization, integration and weight savings.

### IoT Communication Equipment

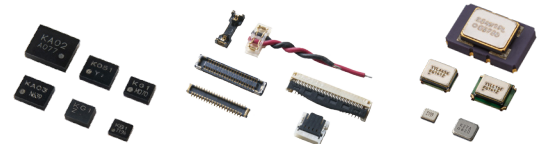


LTE Category 4 Compatible Devices  
5G Compatible Devices

### Smartphones



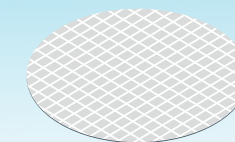
### Electronic Components



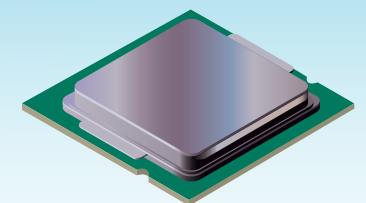
SAW Devices  
Connectors  
Crystal Devices

## Semiconductor Markets

### Wafer Production / Inspection

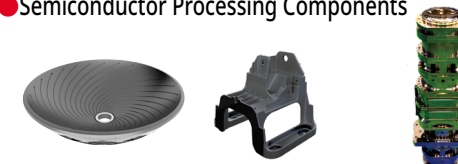


### Semiconductor Packaging



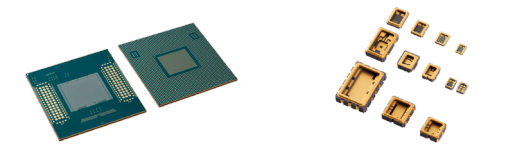
We contribute to the development of the automotive, IT, and energy fields by supplying foundational products for the semiconductor industry, including components for semiconductor manufacturing equipment and semiconductor packages.

### Semiconductor Processing Components



Ceramic Components  
Optical Components

### Semiconductor Package



Organic Packaging  
Ceramic Multilayer Packages



## Implementing Sustainable Management

### Kyocera Group's Basic Approach to Sustainable Management

Our world struggles to fulfill many societal needs. For a company to grow sustainably, it must tie solutions to societal needs into its business endeavors and contribute to society.

The Kyocera Group will seek sustainable development by providing value that can fulfill societal needs so that both society and the Kyocera Group can develop sustainably.

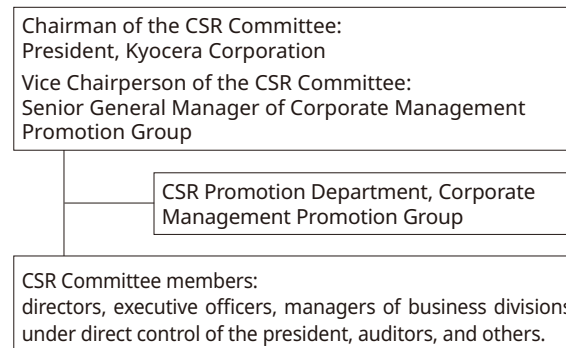
### The Management System Underpinning Sustainable Operations

To uphold our Management Rationale and achieve our sustainable development goals (SDGs), the Kyocera Group holds twice-yearly meetings of its Corporate Social Responsibility (CSR) Committee, chaired by our president and attended by executive officers and other top leaders.



CSR Committee

CSR Committee Regulations



### A Business that Meets Societal Needs

The Management Rationale of the Kyocera Group is "To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind."

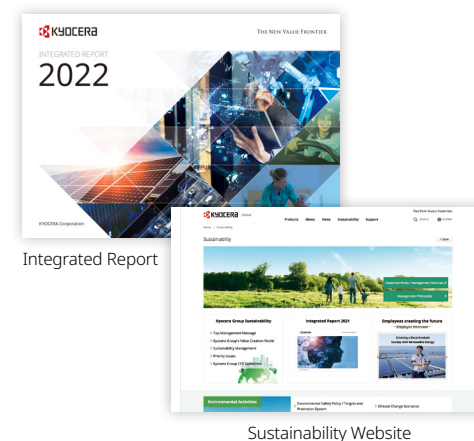
We believe that upholding our Management Rationale will naturally lead to achieving our SDGs on an international basis, and that our mission is to conduct business in ways that fulfill societal needs.



## Information Disclosure

The Kyocera Group is working to expand the scope of its information disclosure to offer stakeholders deeper insights into our sustainability initiatives and targets through our sustainability website and Integrated Report.

Our sustainability initiatives have attracted public attention. In 2021, the Company was added to the DJSI Asia Pacific segment of the Dow Jones Sustainability Index (DJSI), one of the world's leading ESG-focused investment indices. In addition, the Company has been graded highly by various ratings agencies, and has been added to the CDP\*1, S&P Carbon Efficient Index\*2, FTSE Good Index Series\*3, and the FTSE Blossom Japan Index\*4.



Integrated Report

Sustainability Website

\*1 CDP: A prestigious international non-profit organization that selects companies with outstanding track records for initiatives and information disclosure in the environmental field, and in particular, initiatives and information disclosure pertaining to climate change.

\*2 S&P Carbon Efficient Index: Based on the TOPIX (Tokyo Stock Exchange Stock Price Index) as a universe, with the investment weighting of constituent stocks determined by S&P Dow Jones Indices, Inc. of the United States, based on the level of environmental information disclosure and carbon efficiency (carbon emissions per sales volume).

\*3 Good Index Series: An index developed by global FTSE Russell that rates and selects companies with outstanding track records in ESG (Environment, Social, Governance) activities.

\*4 FTSE Blossom Japan Index: An index that rates and selects Japanese companies with outstanding track records in ESG activities.

## Stakeholder Engagement

To understand societal needs and fulfill them, we have improved our communication with stakeholders in order to make decisions based on their opinions.

Stakeholder	Purpose	Method	Results for FY2022
<b>Customers</b>	We strive to improve customer satisfaction by providing higher quality products and services.	<ul style="list-style-type: none"> <li>Customer support services</li> <li>Information provided on our website</li> <li>Information exchanges at stores and exhibition booths</li> </ul>	The Kyocera Group established a customer service office to improve customer satisfaction by promptly responding to any inquiries, comments, or complaints received from customers in a sincere and proper manner. In FY2022, Kyocera received a total of 63,205 inquiries from customers.
<b>Employees</b>	We work to build an environment in which all employees can work with vitality based on our Management Rationale: "To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind."	<ul style="list-style-type: none"> <li>Conduct workplace vibrancy surveys</li> <li>Dialogue through information in company newsletters and on the Intranet</li> <li>Hold discussion sessions with top management</li> </ul>	The Kyocera Group (in Japan) conducts workplace vibrancy surveys with employees to help bolster a sense of dynamism in the workplace. In FY2022 this survey was provided to 27,296 employees, with a response rate of 94.8%. We held four dialogue sessions offering employees and top management a chance to exchange opinions, which were shared with all employees in our company newsletter.
<b>Shareholders</b>	Opinions and requests from shareholders are provided to top management and related internal departments to improve management initiatives and identify key issues to address.	<ul style="list-style-type: none"> <li>General meeting of shareholders</li> <li>Financial results and business presentations for institutional investors</li> <li>Company information sessions for individual investors</li> <li>Individual meetings with institutional investors in Japan and abroad</li> <li>Participation in conferences for institutional investors hosted by brokerage firms</li> </ul>	Kyocera holds briefing sessions with both institutional investors and individual investors every year. In FY2022, we held four presentations on our financial results and one business presentation for institutional investors, which were attended by some 439 people. We also meet individually with institutional investors from both Japan and abroad. About 250 dialogue meetings occurred with institutional investors in FY2022, including ESG-themed meetings. We also held three company information sessions for individual investors, which were attended by a total of 870 people.
<b>Business associates</b>	We demand fair, transparent dealings with business associates and promote sustainable growth with partners to fulfill our social responsibilities concerning human rights, labor and environmental protection.	<ul style="list-style-type: none"> <li>Seminars and social gatherings with suppliers</li> <li>Dialogue through our procurement activities</li> <li>Conducting surveys on the state of CSR activities</li> </ul>	The Kyocera Group holds regular seminars and social gatherings with its suppliers. Annual awards are presented to the most outstanding suppliers of the year (FY2022 event was canceled to reduce COVID-19 risk). In addition, two events were held to exchange opinions on responsible mineral procurement training and human rights due diligence initiatives.
<b>Local communities</b>	In recognition of the fact that companies serve as members of society, we fulfill our responsibility as a corporate citizen to support the development of local communities not only through our business but also through various social contribution activities.	<ul style="list-style-type: none"> <li>Social contribution activities</li> <li>Hold briefing sessions with local residents and business associates</li> </ul>	The Kyocera Group is actively engaged in community revitalization efforts, and supports the professional soccer team, Kyoto Sanga F.C. As part of our environmental protection activities, we hold traveling environment and energy classes for children. In FY2022, we had the opportunity to communicate the importance of protecting the global environment to some 320 participants. We also invite local residents, business associates, administrative officials and neighboring companies to briefing sessions where we exchange opinions on our CSR activities. In FY2022, these sessions were attended by 34 people.



## Addressing Priorities (Materiality)

To identify priority issues for the CSR Committee (P.13), the Kyocera Group considers social conditions, trends in the international community, our external environment, and priorities identified through stakeholder engagement.

In addition to these priorities, sustainability issues and business strategies to achieve the mid-term financial targets

(Consolidated sales revenue: 3 trillion yen; Profit before income taxes ratio: 20%; ROE: 10% or higher) are disseminated to top management at the International Management Meeting and reported to the Board of Directors. Through this process we identify issues of “materiality.”

Key Issues		● Risk / ○ Opportunity	Targets / KPIs / Initiatives	
Business Side (products / services / strategy)	Expansion of The Semiconductor Business	○ Increase in demand for semiconductor components	● Increased production of semiconductor-related components	● Making capital investments in factories in Japan and abroad
	Promoting Business Related to Next-gen Communications Systems	○ Rising demand for base station-related products to improve communications networks ○ Rising demand for 5G smartphones and related products ○ New system / service business opportunities supporting 5G infrastructure ○ Increase in demand for 5G services by industry ● Decline in existing businesses due to advancements in communications technology	● Contributing to the expansion of high-speed communications systems ● Development of 5G millimeter-wave backhaul systems	● Development of 5G smart routers ● Development of local 5G systems / services
	New Business Creation	○ Expand sales through new business creation ● Inability to achieve expected results and profit targets through newly developed technologies	● Total sales revenue of 3 trillion yen; 250 billion yen from new businesses ● Continued new business creation	● Expansion of the GaN devices business ● Launch robotics and digital printing businesses
	Contributions in Fields of Rising Social Importance	○ Business expansion aligned with social trends toward decarbonization ● Reduced sales due to price competition and other factors	● Renewable energy power generation by Kyocera products: 15 billion kWh in FY2031 ● Expansion of regional microgrid technologies	● Sales of solar power generating systems and storage batteries ● Contributions to the decarbonization of society
Strengthening our Management Infrastructure	Decarbonizing Manufacturing Processes	○ Enhancing Company's brand value by promoting decarbonization ● Increased costs from new laws, regulations, carbon taxes ● Damage to corporate brand value resulting from incompatibilities with a decarbonized society	● Long-term environmental targets revised from a 2°C to a 1.5°C level ● Target for reducing greenhouse gas emissions, Scope1, 2, 3 (1.5°C level): 46% reduction in FY2031 compared to FY2020 levels	● Expanding renewable energy adoption: 20 X by FY2031 (compared to FY2014 levels) ● Targeting carbon neutrality by FY2051 ● Promoting energy conservation activities and visualizations
	Securing Human Resources for Sustainable Growth	○ Establishing a diverse workforce ○ Business expansion achieved by work force specializing in digital technologies ● Labor shortages due to smaller working population	● Expanding women management ratio to 6% by the end of March 2023 ● Expanding paternity leave / childcare take rate of 30% ● Promoting education on LGBT issues, and creating LGBT allies ● Promoting employment opportunities for people with disabilities	● Introducing flexible working systems (flextime, remote work) ● Enhance support plans for balancing work with child care, nursing care, and medical needs ● Training on diversity and inclusion for all employees ● Implementing basic IT training for all employees to build digital technology awareness company-wide
	Promoting Individual Employee Growth	○ Business expansion through employee development	● Fostering a workplace culture that allows employees to reach full potential ● Improving employee engagement through “workplace vibrancy surveys” ● Promoting employee mobility (developing human resources with diverse experience and skills) ● Implementing career development support measures (in-house recruitment system, career registration system)	● Providing support for English language learning to develop human resources with a global mindset ● Implementing a system for dispatching employees to external venture companies ● Developing next-generation leaders ● Implementing a startup program for new business ideas
	Respect for Human Rights	● Growing need to enforce human rights in supply chains ● Loss of brand value due to a lack of human rights measures	● Preventing human rights violations ● Expanding human rights policy ● Human rights due diligence based on RBA Code of Conduct with external organizations	● Implementing human rights due diligence at Kyocera Group worksites and supplier workplaces in Japan ● Anti-harassment and anti-discrimination training ● Establishing a third-party consultation service
	Establishing a Sustainable Supply Chain	● Growing need to enforce human rights in supply chains ● Loss of brand value due to a lack of human rights measures	● 0% rate of high-risk business associates as per human rights and labor items in CSR surveys ● 0% rate of high-risk business associates as per the ethics items in CSR surveys	● Reduction of risk across the entire supply chain ● Implementation of Supply Chain CSR Survey
	Promoting Digitization	○ Greater productivity and management efficiency	● Promoting digital marketing ● Establishing a data collection / analysis platform	● Implementing initiatives aimed at doubling manufacturing productivity ● Improving security and efficiency in administrative work