

Strengthening Our Management Foundation

To achieve sustainable growth, we will work to strengthen the Kyocera Group's management foundation.

	Strategic Goals	Specific Initiatives	Capital					Reference
			MFG	IP	HR	CSR	ENV	
Efforts to Create a Low-carbon Society	The Paris Agreement, enacted in 2016, aims to limit the increase in global temperatures to less than 2°C — and ideally, less than 1.5°C — over pre-industrial levels. The Kyocera Group recognizes the importance of climate change countermeasures. In 2018, we set a long-term target to support limiting the rise in global temperature to 2°C- revised in 2021 to 1.5°C level- and targets to reduce greenhouse gas emissions by 46% by FY2031 compared to FY2020 levels, with SBT certification. We plan to be carbon neutral by FY2051.	<ul style="list-style-type: none"> Revision of long-term environmental targets from 2°C level to 1.5°C level Planning carbon neutrality by FY2051 Adopting renewable energy Promoting energy conservation 		●			●	Efforts to Create a Low-Carbon Society P.20 Climate Change Scenarios Measures to Fight Climate Change
Developing Human Resources with Diverse Skillsets	At Kyocera, we aim to be a dynamic and attractive company that seeks new challenges and grows by creating a workplace in which diverse individuals can find fulfillment. This involves respecting the individuality and values of each employee while promoting diversity and inclusion. Our commitment to creating a pleasant environment includes promoting a flexible work, and establishing a support system to help employees achieve work-life balance. To improve diversity and inclusion, we have set a goal to achieve a female manager ratio of 6% by the end of March 2023. We are promoting more women to managerial positions, hiring differently-abled persons, and striving for greater understanding of LGBT issues.	<ul style="list-style-type: none"> Introducing flextime and remote work Enhancing support plans for balance work with child care, nursing care, and medical care Training to promote manager candidates of greater diversity Promoting employment opportunities for people with disabilities Providing education on LGBT issues, and creating allies Training on diversity and inclusion for all employees 			●		Developing Human Resources with Diverse Skillsets Promoting Diversity and Inclusion	
Human Rights Initiatives	As attention to human rights grows worldwide, business enterprises must take responsibility. Kyocera Corporation is committed to the cause of ensuring human rights throughout its value chain worldwide. Our recent efforts in this area include developing the Kyocera Group Human Rights Policy and revising our organizational structure to maximize human rights due diligence. Immediate priorities include ensuring the human rights of all stakeholders — including employees as well as Kyocera Group customers, shareholders, business partners, and community members; working to reduce or eliminate human rights risks; and, if ever necessary, disclosing any irregularities we discover, and providing appropriate relief measures wherever needed.	<ul style="list-style-type: none"> Expansion of human rights policy Human rights due diligence based on the RBA Code of Conduct with external organizations Implementing human rights due diligence at Kyocera Group worksites and supplier workplaces in Japan Providing harassment and discrimination prevention training Establishment of a third party consultation desk 				●	Respect for Human Rights	
Supply Chain Management	We will uphold our Management Rationale, that 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” through fair and just business practices in the supply chain. We believe we can achieve mutual prosperity with our partners across the entire supply chain, and respond to the demands of society, by working alongside all companies involved in our business processes — from development to production, marketing, sales and service. As a result, we prioritized active communication with our business associates to build partnerships based on mutual trust, while also establishing a basic procurement policy.	<ul style="list-style-type: none"> Issuance of Kyocera Group Responsible Business Conduct Guidelines Implementing of Supply Chain CSR Survey Implementing Responsible Mineral Procurement 				●	Supply Chain Management	
Promoting Digitization	To enhance our competitive strength, the Kyocera Group continues to promote company-wide digital transformation (DX) in response to a declining population, a diver diversification of working styles, and related social trends. We will increase productivity using a combination of IoT-based data collection, AI analysis, and multi-cloud deployment for optimized information-sharing. In addition, we are establishing a group-wide strategy to eliminate barriers between departments and help junior employees develop a global perspective. Increased digitization will cross-functional ties across business lines, bringing deeper employee awareness and enhancing our corporate culture.	<ul style="list-style-type: none"> Promoting digital marketing Establishing a data collection / analysis platform Efforts to double manufacturing productivity Improving security and efficiency in administrative work 	●	●	●		Promoting Digitization P.21 Promoting Digitization	
Strengthening R&D	We will continue to be a pioneer in creating new value at the forefront of technology by mastering unique methods of manufacturing. We hope to extend the vision of our founder, Dr. Kazuo Inamori, who once said, “What we aim to do next is what other people tell us we could never do.” We will bolster our technological capabilities and human resource development by consolidating technical engineers in each of our main development fields. To meet global needs, we will develop a research network that spans the Group and deepen technological ties between our various segments. We will promote open innovation and create new business by collaborating with academia to accumulate cutting-edge technologies in emerging fields.	<ul style="list-style-type: none"> Establishing a four-region R&D system (Japan) Strengthening international R&D collaboration Joint research efforts with external research institutes Strengthening intra-department cooperation 		●	●	●	Innovation Management Open Innovation Arena (Japanese only)	
Startup Program	In Japan, Kyocera operates a “Startup program for new business ideas” year-round to foster a bottom-up corporate culture and managerial mindset. This program aims to deliver valuable products and services that help solve problems faced by society through creative thinking that is not bound by traditional business boundaries. Employees participating in this program achieve personal growth as they break down their preconceived notions and look at the market, our customers, and the future in a new light.	<ul style="list-style-type: none"> Startup program for new business ideas held year-round Programs for uncovering and developing intrepeneurs (in-house entrepreneurs) Programs fostering a managerial mindset Programs enhancing motivation and engagement 		●	●		Food Allergy Project	
Occupational Health and Safety Initiatives	Based on our Management Rationale, the Kyocera Group Environmental Safety Policy helps ensure a workplace where employees can do their jobs safely and with complete peace of mind. It is our express goal to eliminate occupational accidents and fire incidents by identifying potential risks and implementing immediate countermeasures. In addition, to enhance the health and wellness of all employees, we are introducing new resources for diet and nutrition wareness, exercise and fitness, smoking cessation, and mental health care. Our goal is to be certified under the “Outstanding Organizations Recognition Program” for Health & Productivity Management by Japan's Ministry of Economy, Trade and Industry.	<ul style="list-style-type: none"> Supporting risk assessors and strengthening risk assessment training with external expert organizations Strengthening health management through total health promotion (THP) 	●		●		Occupational Safety Occupational Health, Safety, and Fitness Initiatives	
Intellectual Property Strategy	Our guideline for legal and intellectual property activities is to “Dedicate ourselves to legal and intellectual property activities that protect and strengthen our business.” In this period requiring flexibility and nimbleness, all Kyocera Group companies remain steadfast in their commitment to intellectual property practices under this consistent set of principles. We believe intellectual property strategies should be incorporated into the early stages of business strategy study so each operation has a robust framework for business activities. This is achieved by integrating our strengths spanning a broad range of technological and business fields, and deliberating upon diverse market needs across divisions.	<ul style="list-style-type: none"> Strengthening human resources and networks in response to increase business diversification Proposing intellectual property strategies in the early stages of business Planning and administration of projects involving multiple divisions Establishment of the IP Planning and Development Division 		●	●		Intellectual Property Strategy P.22 Protection of Intellectual Property Intellectual Property	

Efforts to Create a Low-Carbon Society

The Paris Agreement, enacted in 2016, aims to limit the increase in global temperatures to less than 2°C — and ideally, less than 1.5°C — over pre-industrial levels.

The Kyocera Group recognizes the fight against climate change as a priority issue. We set long-term environmental strategies in 2018 based on the 2°C-level target.

We have since realigned our long-term strategies to support the 1.5°C-level target, implementing broad measures to promote renewable energy and prevent global warming.

Revision of Long-term Environmental Targets

In FY2020, the Kyocera Group set a target to reduce greenhouse gas emissions to a level that would limit the rise in global temperature to less than 2°C, and received SBT*1 certification. In line with social trends toward decarbonization, we subsequently revised this target downward to support the more aggressive 1.5°C-level scenario, and received SBT certification again in 2022. We have also set a goal of carbon neutrality by FY2051.

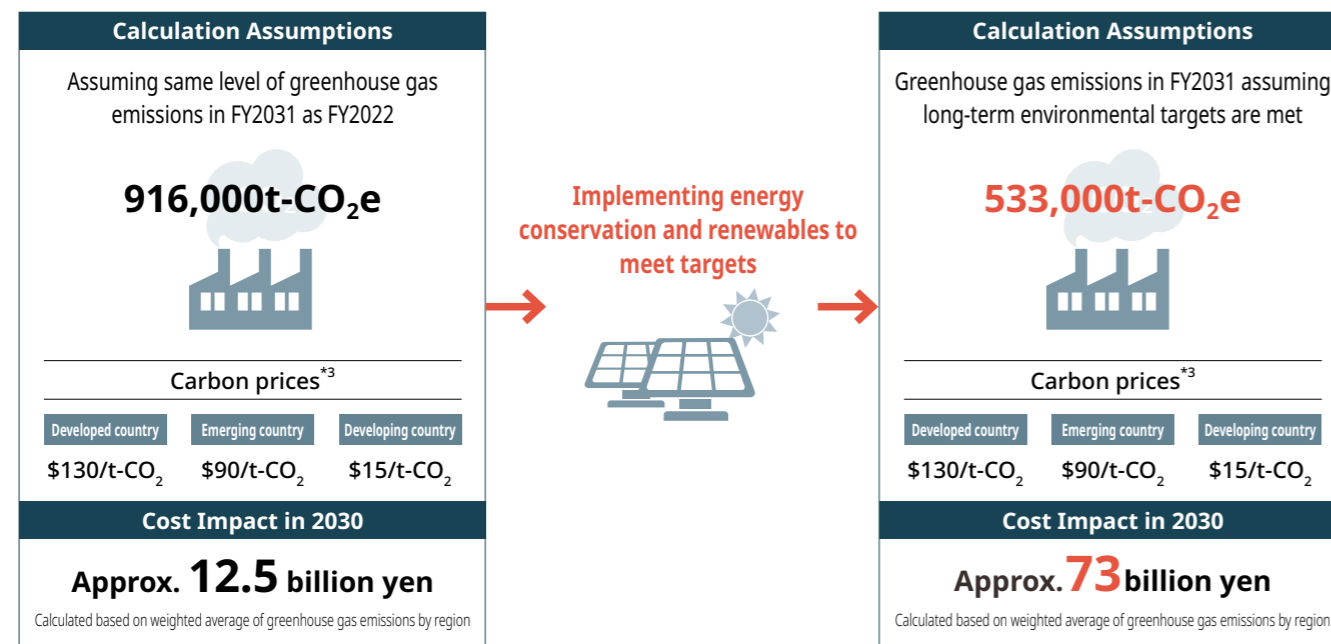
Item	2°C level (previous target)	1.5°C level (new target)
Reduction in greenhouse gas emissions	Scope 1, 2, 3: 30% reduction by FY2031 (compared to FY2014) [SBT certified]	Revised → Scope 1, 2, 3: 46% reduction by FY2031 (compared to FY2020) [SBT certified]
	—	Newly adopted → FY2051 carbon neutral
Adoption of renewable energy	Increasing renewable energy use 10-fold by FY2031 (compared to FY2014 levels)	Revised → Renewable energy adoption to rise 20-fold by FY2031 (compared to FY2014 levels)

[WEB](#) Measures to Fight Climate Change

Calculating Financial Impact of Greenhouse Gas Emissions

The Kyocera Group agrees with TCFD*2 recommendations, and analyzed several different scenarios assuming global temperature increase targets (1.5°C, 2°C, etc.) referring to information from international bodies including the Intergovernmental Panel on Climate Change (IPCC) and International Energy Agency (IEA). Financial impact estimates are based on carbon prices.

Impact From the Introduction of a Carbon Tax (1.5°C scenario)



*1 Science Based Targets

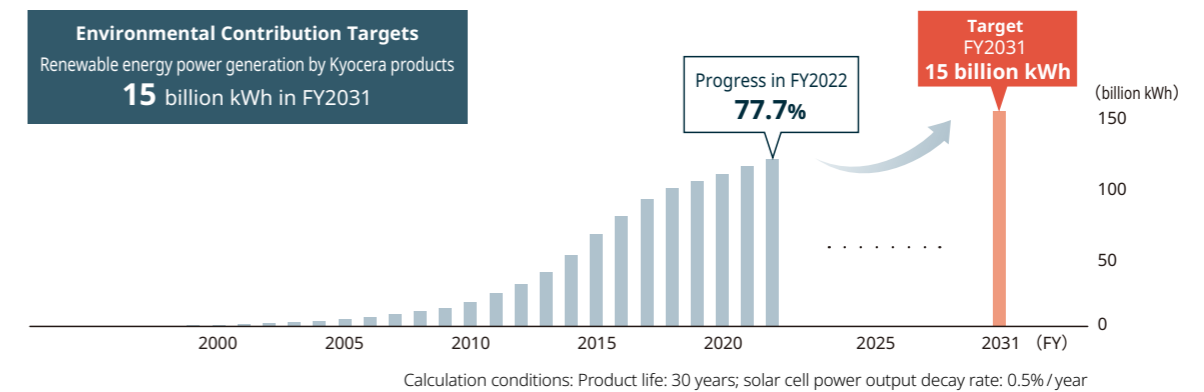
*2 Task Force on Climate-Related Financial Disclosures

*3 Source: IEA: World Energy Outlook 2021 (2021)

*4 Source: Agency for Natural Resources and Energy "Basic Energy Plan" (October 2021)

Environmental Contribution Targets

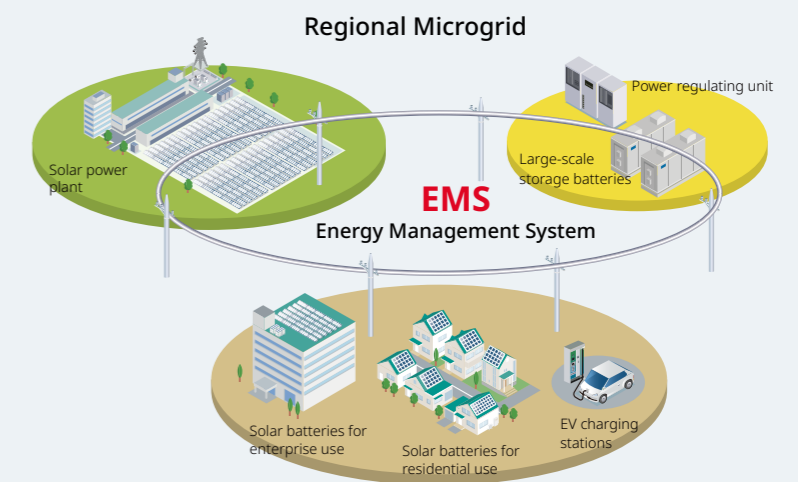
To contribute to the decarbonization of society, and as an environmental target, we have set a goal of 15 billion kWh of renewable energy generated by Kyocera products annually by FY2031. This amount of renewable energy is equivalent to about 1.6% of Japan's total electricity generation forecast for FY2031, which is expected to be about 934 billion kWh*4.



TOPICS

Expansion of the Regional Microgrid

To contribute to the decarbonization of society and achieve our social contribution targets, the Kyocera Group provides solar power generating systems, storage batteries, and fuel cells, actively promotes the "regional microgrid" in Odawara City, Kanagawa Prefecture, and conducts other activities based on the concept of local energy production for local consumption. The regional microgrid is an ambitious initiative envisioning a new type of energy eco-system that links extensive streamlining of energy consumption with an increase in the captive consumption of renewable energy. Kyocera is promoting local energy production for local consumption and regional decarbonization through the introduction of renewable energy resources - such as solar power with storage batteries, inverters that control the frequency in the grid, and an energy management system (EMS) that integrates and controls these devices.



Case study in Odawara City, Kanagawa Prefecture



Cloud-based solar power plant



EV charging stations



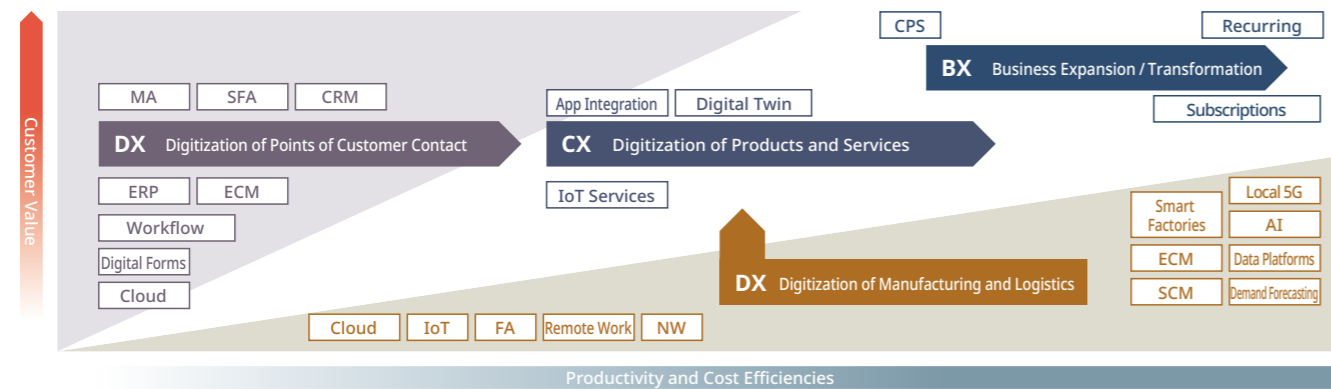
Storage batteries, power receiving and transforming facilities, distributed server facilities

Digitization: Fostering New Corporate Culture

To enhance our competitiveness, the Kyocera Group is responding to declining population, the diversification of working styles, and other social trends through company-wide digitization and digital transformation (DX).

Promoting Digital Transformation for Our Customers and Society

We regard DX as essential to growth in today's interconnected world. Kyocera is implementing workplace reforms to engage employees in data-centric management and organizational optimization. Our goal is to change our corporate culture to drive growth by improving skills and productivity. In so doing, we will maximize the value we provide our customers and contribute to a digitized society. Ultimately, we consider DX a necessary first step toward fundamental changes in how our enterprise responds to a shifting world — part of a complete process otherwise known as business transformation (BX).

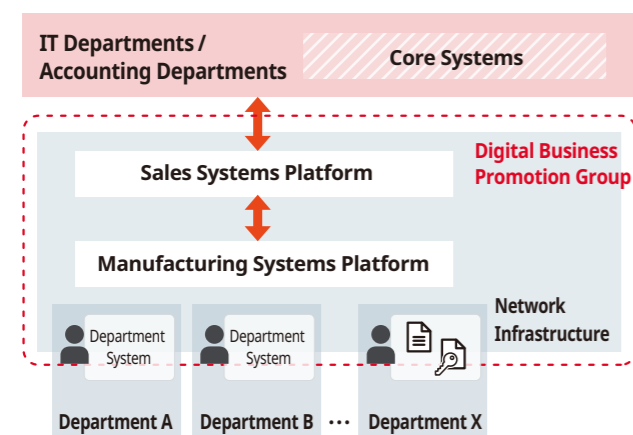


● Current DX Status

Formed in April 2020, Kyocera Corporation's Digital Business Promotion Group is developing a cross-functional platform for information sharing by employees from diverse internal groups.

Sharing systems that individual departments formerly had to develop independently can bring quicker solutions and better return on investment, while developing IT personnel with a company-wide perspective.

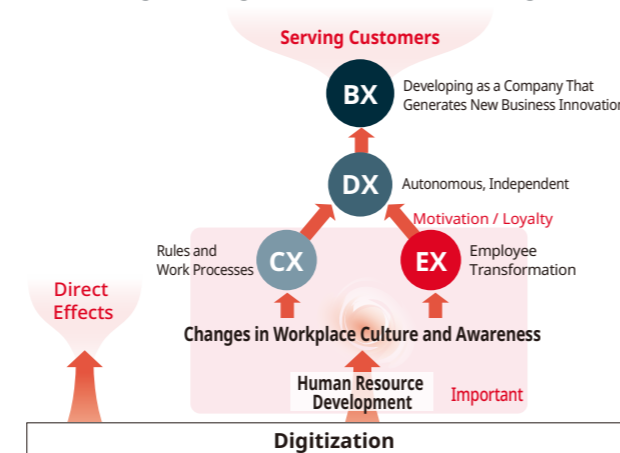
The Digital Business Promotion Group will break down barriers between departments to become a hub of information and human resources serving the entire company.



● Digitization Measures, Employee Awareness and Workplace Reforms

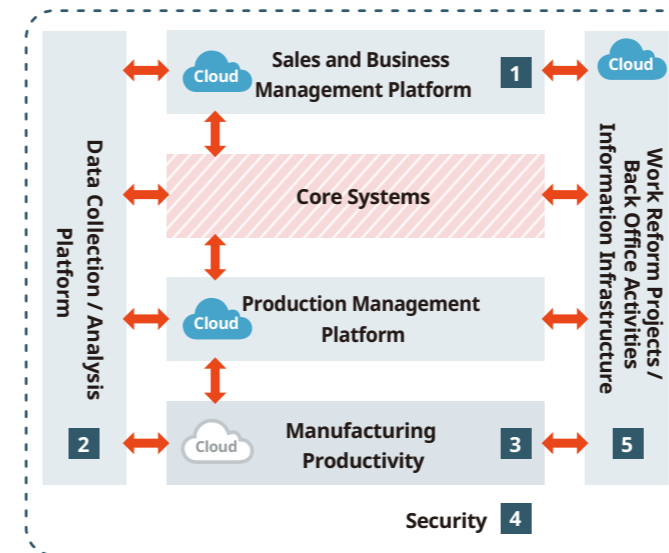
Expanding from DX to BX requires us not only to implement digitization, but also to design processes that drastically enhance our work culture and employee awareness. We are establishing a company-wide roadmap with concurrent controls to support human resource development through digitization, removing any sense of “walls” between departments.

Reaffirming How Digitization Enhances Management



Shift from “selling products” to “selling services and solutions,” transition to a digital business

A shared cloud framework is currently under development to help R&D teams commercialize new businesses more quickly. One example of this is the creation of a platform with authentication and billing functions to help bridge the gap between IT and other areas of the business.



1 Company-wide Sharing and Utilization of Sales Information

We are currently building a Company-wide platform for information sharing and visualization, transitioning away from a sales approach focused on individual product lines and toward sales process pipelines. We expect this to serve as a catalyst for business expansion through increased cross-selling and joint proposals. As of April 2022, we have implemented customer relationship management (CRM) tools at 11 divisions and shifted to a centralized customer knowledge base. In addition, we have introduced marketing automation into our digital marketing efforts to share and visualize market knowledge across divisions.

2 Data Collection / Analysis Platform

We have developed an informatics environment that allows us to format and analyze data collected from each department. Using an in-house training program for AI and data analysis engineers, we have created a new strategy to improve manufacturing quality and productivity.

3 Initiatives to Double Manufacturing Productivity

We plan to massively boost productivity through deeper application of AI-driven data and robotics. Current efforts include improving “visualization” by integrating production process data into our digital platform, utilizing AI for defect and failure prediction, and enhancing manufacturing automation and autonomy through robotic assembly. A new line with smart factory functionality began operating in April 2021.

4 Network and Security

We have optimized our network environment in response to the rapid adoption of cloud computing in business. Development of an IoT network for factories is also under way.

A new department has been established to prevent cyberattacks and manage security through a protection and monitoring system that identifies suspicious activity.

5 Improving Office Efficiency: A Bottom-up Approach to IT Skills Development

To streamline general affairs and administrative functions, we promote information sharing over our cloud environment using a code-free interface with no programming required. This facilitates a bottom-up approach to human resource development while supporting company-wide rules and guidelines.

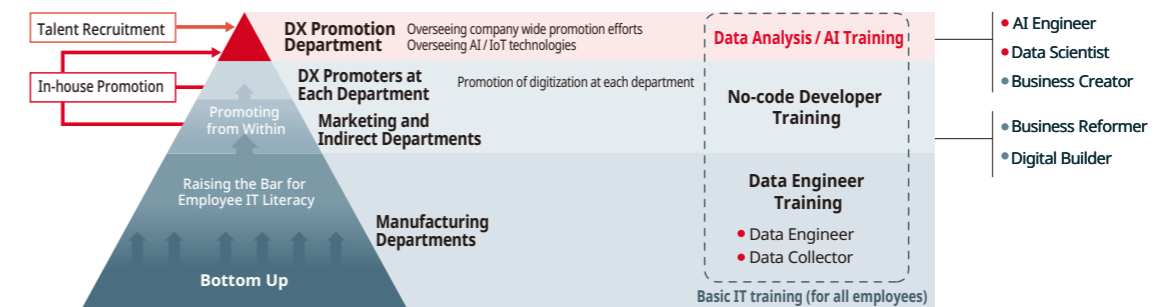
Human Resource Development

Digitization and Skills Enhancement

We aim to enhance our corporate culture and raise employee awareness by promoting skill-set development through digitization (reskilling and upskilling) in a team environment.

● Initiatives for Utilizing Digital Human Resources

Organizational reforms are needed to develop human resources with digital proficiencies, and to create an environment for employees to maximize these skills. We are improving competitiveness and IT literacy with Office365* training tailored to specific roles and responsibilities, while leveraging increased employee mobility through recruitment and internal promotion.



* Office365 is a product of Microsoft Corporation. Kyocera Corporation has been granted permission to publish.

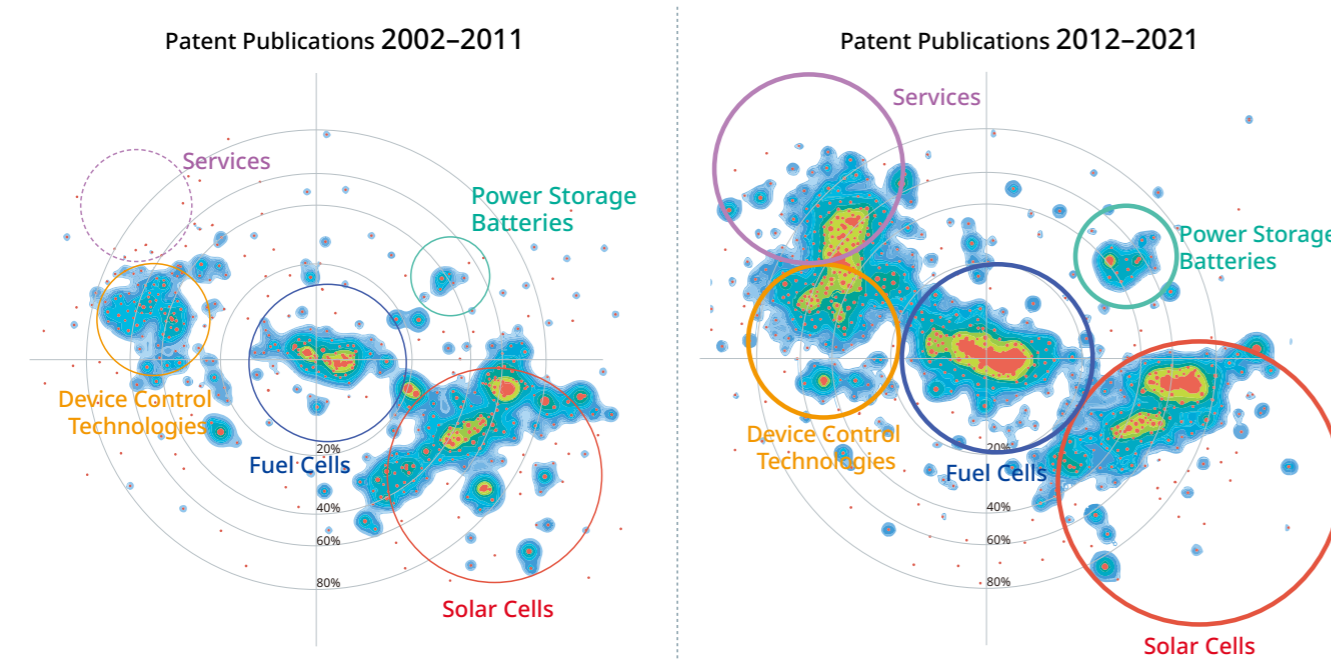
Basic Policy on Intellectual Property

“Committing to the highest legal and intellectual property standards to strengthen and protect our business.”
This statement represents Kyocera's basic principle concerning legal and intellectual property (IP) activities. In an environment requiring flexibility and nimbleness amid sweeping change, we remains steadfast in our commitment to consistent IP practices under this principle.

IP Strategy That Keeps Pace with the Market

Since Kyocera's founding in 1959, we have continued to develop a broad range of technologies. However, to continue meeting customer expectations in a rapidly changing environment, we have expanded our IP activities to include sales of services and solutions in recent years in contrast to our earlier product focused-approach. For example, the following diagram depicts shifting trends in Kyocera patent applications for energy technologies. Before 2011, patent applications were focused on solar cells, fuel cells, and other hardware. However, in the last 10 years, there has been a shift toward patent applications for the technology required to provide total solutions, such as secondary storage batteries, equipment management control systems, and services.

Kyocera Group Trends in Energy-related Patent Applications Trends in Japan patent applications seen via data mining



Visualization of terms such as “Abstract” and “Claim” using VALUENEX, Inc.'s ValuenexRadar 4,764 Japan applications (publication from 2002 -2021)

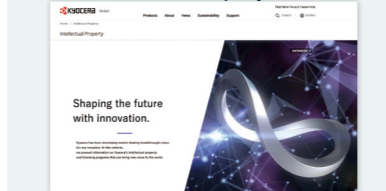
TOPICS

Rights to Over 500 IP Assets (M&A of SLD Laser)

With the January 2021 acquisition of Soraa Laser Diode Inc. (now KYOCERA SLD Laser), a leading producer of GaN laser devices, we have acquired over 500 IP assets. This acquisition will serve as a long-term growth driver as we target 100 billion yen in annual revenue from systems utilizing KYOCERA SLD Laser's technologies — including LiFi communications, power-over-fiber systems, and other innovations.



Contributions to External Communications, and Alliances with Other Companies (Launched the “Intellectual Property” website)



We have established an IP website to introduce some of our proprietary technologies and create business opportunities with other companies.

Sixth award as “Top 100 Global Innovators”



Kyocera was selected as one of the “Top 100 Global Innovators 2022” by Clarivate Analytics, a world-leading information services company.

Incorporating IP Strategy in Early Stages of Business Strategy

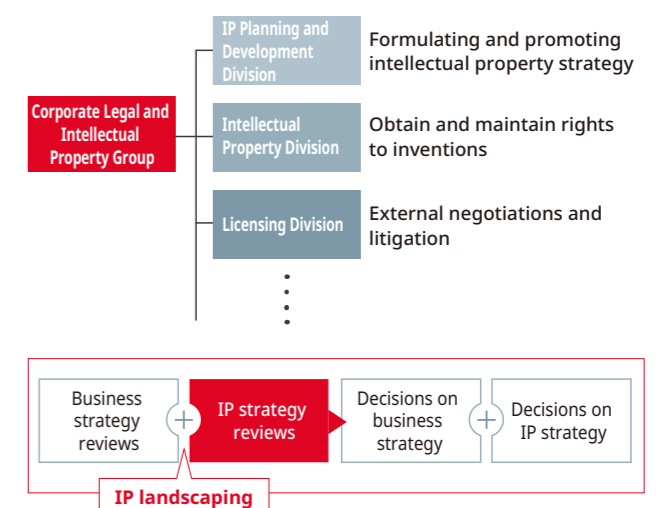
In key cross-functional projects such as the “Smart City,” the IP Division participates in early stages of business planning, not only to propose IP strategy but also to manage projects. This contributes to the development of robust, sustainable business models.

Organizational Structure

● IP Planning and Development Division

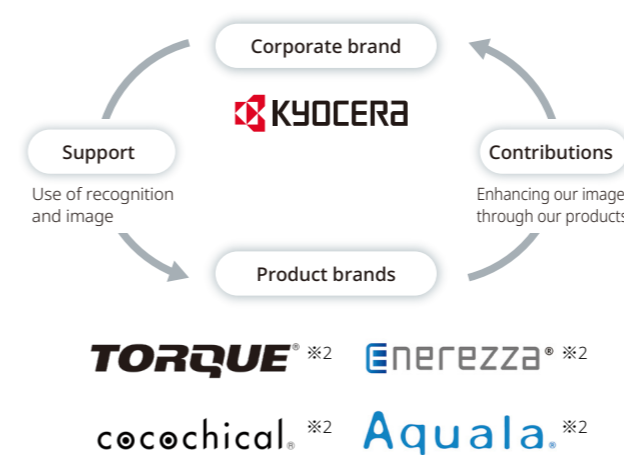
Kyocera has established an IP Planning and Development Division with a mission to integrate intellectual property strategy with business strategy. We strive to incorporate IP strategy into the early stage of business strategy via IP landscaping*1 to create a stronger framework for business activities.

*1 IP landscaping: A general term for analyzing and forecasting market and technological trends based on IP information, news reports, and competitive intelligence, to provide information for a company's own business activities.



● Brand Management Committee

We installed a Brand Management Committee to establish a uniform corporate identity, promote awareness, and enhance the Kyocera Group's brand value.



*2 “TORQUE,” “Enerezza,” “cocochical,” and “Aquala” are registered trademarks of KYOCERA Corporation.

● Education System of IP Person

We continue to focus on investing in human resources in response to our ever-diversifying business activities.

