



## **Notice of the 67<sup>th</sup> Ordinary General Meeting of Shareholders**

**To be held on June 25, 2021**

**Kyoto, Japan**

# **KYOCERA Corporation**

**6 Takeda Tobadono-cho, Fushimi-ku, Kyoto, Japan**

Please note that this is an English translation of the Japanese original of the Notice of the 67<sup>th</sup> Ordinary General Meeting of Shareholders of Kyocera Corporation distributed to shareholders in Japan. The translation is prepared solely for the reference and convenience of foreign shareholders. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

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# **Kyocera Management Philosophy**

## **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.

## **Management Rationale**

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

## **Management Philosophy**

To coexist harmoniously with our society, our global community and nature.  
Harmonious coexistence is the underlying foundation of all our business  
activities as we work to create a world of prosperity and peace.

## **Management Based on the Bonds of Human Minds**

Kyocera started as a small, suburban factory, with no money, credentials or reputation. We had nothing to rely on but a little technology and 28 trustworthy colleagues. Nonetheless, the company experienced rapid growth because everyone exerted their maximum efforts and managers devoted their lives to earning the trust of employees. We wanted to be an excellent company where all employees could believe in each other, abandon selfish motives, and be truly proud to work. This desire became the foundation of Kyocera's management.

Human minds are said to be easily changeable. Yet, there is nothing stronger than the human mind. Kyocera developed into what it is today because it is based on the bonds of human minds.

Kazuo Inamori  
Founder and Chairman Emeritus

## Greetings

We wish to express our sincere sympathies to those adversely affected by COVID-19 while also conveying our appreciation to everyone making their utmost efforts each day to prevent the further spread of COVID-19.

We are pleased to present to you Notice of the 67<sup>th</sup> Ordinary General Meeting of Shareholders.

In the year ended March 31, 2021 (hereinafter, “67<sup>th</sup> fiscal year” or “fiscal 2021” refers to the year ended March 31, 2021, with other fiscal years referred to in a corresponding manner), sales revenue and profits decreased from 66<sup>th</sup> fiscal year (fiscal 2020) due to the impact of the economic downturn caused by the spread of COVID-19. During fiscal 2021, Kyocera operated within a harsh environment, which included the need to curtail production activities at some bases as we placed top priority on preventing the further spread of COVID-19. Nonetheless, Kyocera seized these evolving circumstances as an opportunity for making further leaps forward and promoted workstyle reforms such as implementing telework and accelerated the introduction of such technologies as AI. Moreover, Kyocera continued to actively invest in growth fields such as 5G and ADAS (advanced driver assistance systems). We expect that these initiatives will contribute to our results in fiscal 2022 and beyond.

Kyocera plans to distribute a year-end dividend of 80 yen per share for fiscal 2021, the same amount as in fiscal 2020. Despite the COVID-19 pandemic, during fiscal 2021 recoveries in our main markets such as semiconductor markets and the automotive-related market progressed faster than we expected. As a result, profit attributable to owners of the parent per share surpassed our initial forecast for fiscal 2021. The annual dividend will be 140 yen per share when aggregated with the interim dividend of 60 yen per share that has already been paid, an increase of 20 yen per share compared with our initial forecast of 120 yen per share.

In April 2021, Kyocera carried out the reorganization of business structure based on the belief that it must strengthen its capabilities for responding to changes in the environment and accelerate the creation of new businesses for realizing a sustainable expansion in earnings. Specifically, Kyocera consolidated its main businesses into three segments and its administrative divisions into Headquarters while appointing executive officers in charge of each organization. Through this reorganization, Kyocera will strengthen cooperation between each department and execute quicker and more dynamic management decisions.

We would very much appreciate your continued support of the Kyocera Group as we move forward.

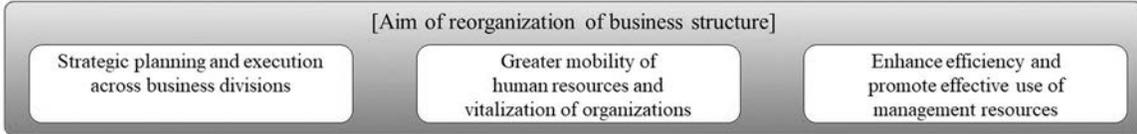
Goro Yamaguchi  
Chairman of the Board and Representative Director

Hideo Tanimoto  
President and Representative Director

# Initiatives to increase long-term corporate value

## 1. Strengthening the Management Foundation through Reorganization of Business Structure

In April 2021, Kyocera restructured its organization in order to implement quicker and dynamic management decisions that transcend the existing organization framework.



[Overview of reorganization of business structure]

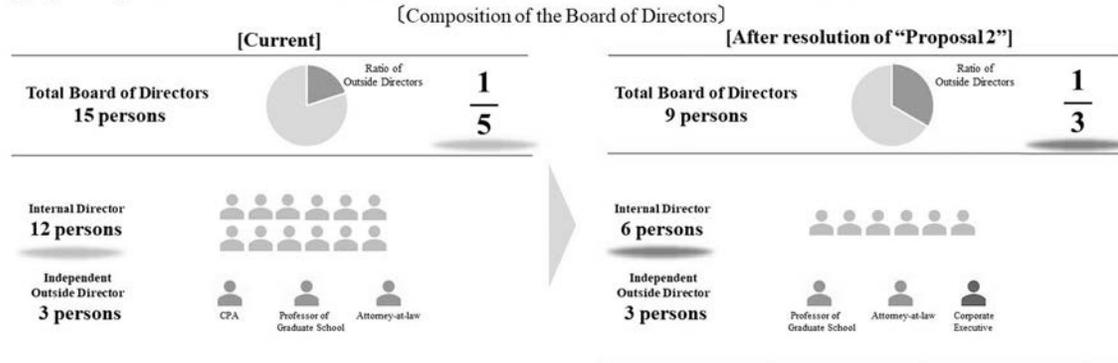
- Consolidate 16 business divisions and subsidiaries into 3 business segments and administrative divisions into Headquarters
- Appoint new officers in charge of each organization and significant delegation of authority

Core Component Business	Electronic Components Business	Solutions Business	Headquarters
Officer in charge: Director, Managing Executive Officer Hiroshi Fure	Officers in charge: Director, Managing Executive Officer John Sarvis*1 (Deputy) Director, Managing Executive Officer Koichi Kano	Officer in charge: Director, Managing Executive Officer Norihiko Ina	Officer in charge: Director, Managing Executive Officer Shoichi Aoki
Fine Ceramic Components	Electronic Components	Industrial Tools	General Affairs Human Resources
Automotive Components	AVX Corporation	Information Equipment	Purchasing
Optical Components		Telecommunications Equipment	Management Control
Ceramic Packages		Information systems and Telecommunication Services	Legal and Intellectual Property
Organic Packages and Boards		Liquid Crystal Displays	Corporate Development
Medical Devices		Printing Devices	Management Promotion
Jewelry and Applied Ceramic Related Products		Smart Energy	

\*1 Scheduled to retire from Director of the Board at the conclusion of the 67<sup>th</sup> Ordinary General Meeting of Shareholders

## 2. Strengthening the Supervisory Function and Enhancing the Effectiveness of the Board of Directors

(1) By halving the number of Internal Directors from 12 to 6, the ratio of Outside Directors will increase to 1/3.<sup>\*2</sup>



(2) Corporate executive will be nominated as a new candidate for Outside Director.

New Candidate for Director

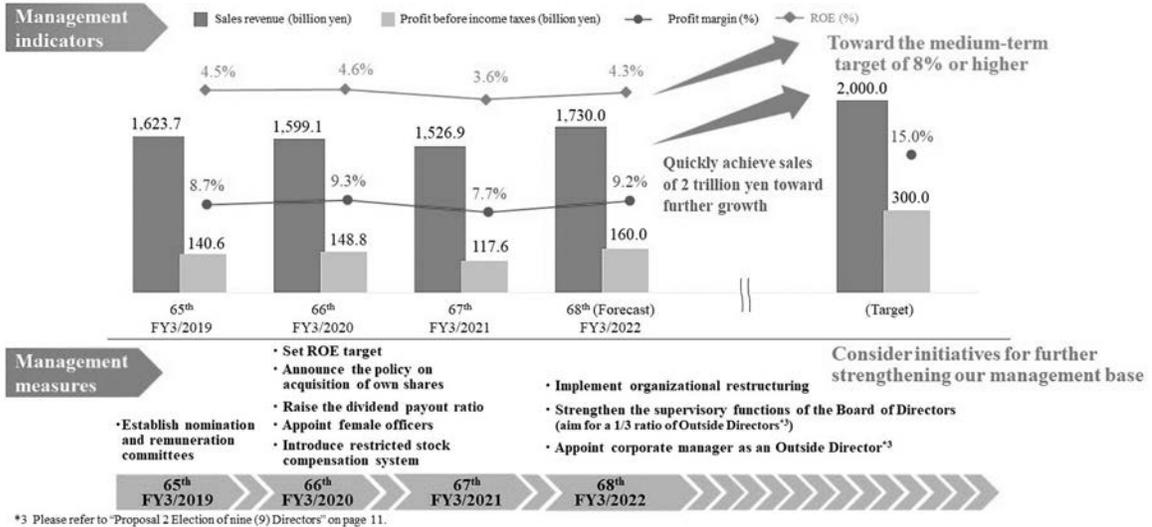
Name	Current Title
Eiji Kakiuchi	Representative Director, Chairman, Member of the Board of SCREEN Holdings Co., Ltd.

\*2 Please refer to "Proposal 2 Election of nine (9) Directors" on page 11.

### 3. Aiming for Sustainable Growth in Corporate Value

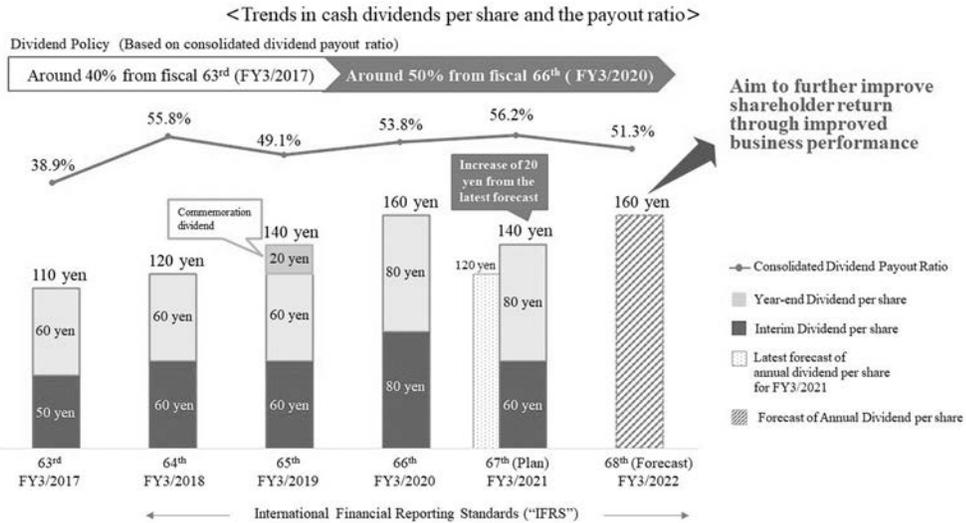
We aim to achieve record-high sales in fiscal 68<sup>th</sup> (FY3/2022).

We will also accelerate growth through organizational reorganization of business structure and strengthening corporate governance to achieve our medium-term targets.



### 4. Enhance Shareholder Return

Kyocera aims to raise dividends based on a high payout ratio by improving its business performance. In addition, from the viewpoint of improving share value, we will consider the acquisition of own shares by utilizing free cash flow when appropriate.



Note: Cautionary statement with respect to forward-looking statements

Certain of the statements made in this document 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. Such risks, uncertainties and other factors include, but are not limited to the following:

- (1) General conditions in the Japanese or global economy;
- (2) Unexpected changes in economic, political and legal conditions in countries where we operate or export;
- (3) The effect of foreign exchange fluctuations on our results of operations;
- (4) Intense competitive pressures to which our products are subject;
- (5) Fluctuations in the price and ability of suppliers to provide the required quantity of raw materials for use in our production activities;
- (6) Manufacturing delays or defects resulting from outsourcing or internal manufacturing processes;
- (7) The possibility that future initiatives and in-process research and development may not produce the desired results;
- (8) Companies or assets acquired by us not produce the returns or benefits, or bring in business opportunities;
- (9) Inability to secure skilled employees;
- (10) Damages on our information security systems from cyberattacks, etc. and significant costs in order to recover and maintain the systems;
- (11) Insufficient protection of our trade secrets and intellectual property rights including patents;
- (12) Expenses associated with licenses we require to continue to manufacture and sell products;
- (13) Unintentional conflict with laws and regulations or newly enacted laws and regulations;
- (14) Environmental liability and compliance obligations by tightening of environmental laws and regulations;
- (15) Inability to respond to global climate change problems or delay in such response, which may lead to increased costs and negatively impact our corporate brands;
- (16) Our market or supply chains being affected by plague, infectious diseases, terrorism, wars or similar events;
- (17) Earthquakes and other natural disasters affecting our headquarters and major facilities as well as our suppliers and customers;
- (18) Credit risk on trade receivables;
- (19) Fluctuations in the value of financial instruments held by us;
- (20) Impairment losses on property, plant and equipment, goodwill and intangible assets;
- (21) Uncertainty over income tax and deferred tax assets; and
- (22) Changes in accounting standards.

Due to such 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 document.

June 3, 2021

To our shareholders

### **Notice of the 67<sup>th</sup> Ordinary General Meeting of Shareholders**

This is to inform you that Kyocera Corporation (the “Company”) will hold its 67<sup>th</sup> Ordinary General Meeting of Shareholders (the “Meeting”) as described below.

In order to prevent the spread of COVID-19, we ask you to refrain from attending the Meeting, and to exercise your voting rights in advance in written form or via the Internet, etc.

Please examine the attached reference documents for the Meeting and exercise your voting rights **no later than 5:30 p.m. Thursday, June 24, 2021, Japan time.**

- 1. Date and Time**                    10:00 a.m. on Friday, June 25, 2021, Japan Time (Reception starts at 9:00 a.m.)
- 2. Venue**                                3rd Floor “Genji Room” at HOTEL GRANVIA KYOTO, in KYOTO STATION BUILDING, Shiokoji-sagaru, Karasuma-dori, Shimogyo-ku, Kyoto, Japan

#### **3. Purpose of the Meeting**

##### **Matters to Be Reported**

- (1) Contents of the business report, consolidated financial statements and the audit results of consolidated financial statements by the Accounting Auditor and the Audit & Supervisory Board for the 67<sup>th</sup> fiscal year (April 1, 2020 to March 31, 2021)
- (2) Contents of the financial statements for the 67<sup>th</sup> fiscal year (April 1, 2020 to March 31, 2021)

##### **Matters to Be Resolved**

- Proposal 1    Appropriation of Surplus
- Proposal 2    Election of Nine (9) Directors
- Proposal 3    Election of One (1) Substitute Audit & Supervisory Board Member

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#### Notes:

1. The Meeting is conducted in Japanese. In addition, an interpreter is not hired. We appreciate your understanding in advance.
2. Pursuant to the provisions of laws and regulations as well as the Articles of Incorporation of the Company, “Four-Year Financial Summary,” “Principal Business Sites,” “Employees,” “Principal Sources of Borrowings” and “System and Policy” in the business report, as well as “Consolidated Statement of Changes in Equity,” “Notes to Consolidated Financial Statements,” “Statement of Changes in Net Assets” and “Notes to Financial Statements” are available to shareholders on the Company’s website. Therefore, the business report, the consolidated financial statements and the financial statements, which have been audited by Audit & Supervisory Board Members and Accounting Auditor, are described in the attached Accompanying Documents for the Notice of the 67<sup>th</sup> Ordinary General Meeting of Shareholders, and also presented on the Company’s website.

3. In the event of any changes to the reference documents for the Meeting, the business report, the financial statements or the consolidated financial statements, the Company shall give notice thereof to shareholders by posting it on the Company's website.
4. The voting results will be posted on the Company's website without sending a written notice of resolution to shareholders.

\* The Company's website: [https://global.kyocera.com/ir/s\\_info/meeting.html](https://global.kyocera.com/ir/s_info/meeting.html)

#### 4. Matters Relating to Exercise of Voting Rights

In addition to attending the Meeting, you may exercise your voting rights in written form or via the Internet, etc.

##### (1) Method of Exercising Voting Rights via the Internet, Etc.

When exercising your voting rights via a smartphone, please scan the “Login QR Code” located on the right side of the voting card enclosed herewith to access the website (<https://evote.tr.mufg.jp/>), and follow the instructions on the website. Please enter “for” or “against” the proposal no later than the deadline mentioned on page 6.

When exercising your voting rights via a PC or other means, please enter the login ID and temporary password written on the right side of the voting card enclosed herewith to access the website (<https://evote.tr.mufg.jp/>), and follow the instructions on the website. Please enter “for” or “against” the proposal no later than the deadline mentioned on page 6.

##### (2) Method of Exercising Voting Rights in Written Form

Please indicate your vote “for” or “against” the proposal on the voting card enclosed herewith and ensure it is returned to us no later than the deadline mentioned on page 6.

##### [Handling in the Event of Multiple Exercises of Voting Rights]

- (1) In the event that any shareholder exercises voting rights in written form and via the Internet, etc., the exercised voting rights via the Internet, etc. shall prevail.
- (2) In the event of multiple exercised voting rights via the Internet, etc. by a shareholder, the last exercised voting rights via the Internet, etc. shall prevail.

##### <Information on Form for Receiving Questions From Shareholders>

The Company has set up a form on the Company’s website for receiving questions from shareholders regarding the matters to be reported and proposals for the Meeting. The Company plans to post responses to matters of high interest to shareholders on the Company’s website. (Deadline for submitting questions: No later than 5:30 p.m. on June 18, 2021)

##### <Video of “Future Business Development”>

The Company plans to post a video showing the presentation of “Future Business Development” at the Meeting on the Company’s website at a later date.

\* The Company's website: [https://global.kyocera.com/ir/s\\_info/meeting.html](https://global.kyocera.com/ir/s_info/meeting.html)

Truly yours,

Hideo Tanimoto  
President and Representative Director  
KYOCERA Corporation

## Reference Documents for the General Meeting of Shareholders

### Proposals and References are as follows:

#### Proposal 1 Appropriation of Surplus

The Company believes that the best way to increase corporate value and meet shareholders' expectations is to improve future consolidated performance on an ongoing basis.

The Company therefore has adopted a principal guideline that dividend amounts shall fall within a range based on profit attributable to owners of the parent on a consolidated basis, and has set its dividend policy to maintain a consolidated dividend payout ratio of around 50%. In addition, the Company determines dividend amounts based on a comprehensive assessment, taking into account various factors including the amount of capital expenditures necessary for medium- to long-term corporate growth.

Pursuant to this policy and based on full year performance through the 67<sup>th</sup> fiscal year, the Company proposes a year-end dividend for the 67<sup>th</sup> fiscal year in the amount of 80 yen per share, which is the same as the year-end dividend for the 66<sup>th</sup> fiscal year, as an ordinary dividend.

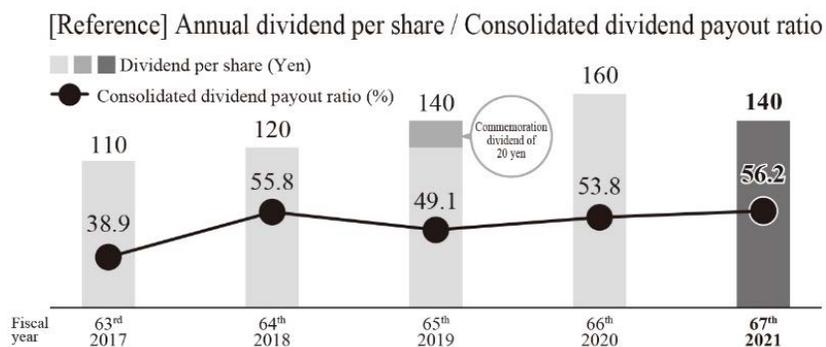
When aggregated with the interim dividend in the amount of 60 yen per share, the total annual dividend will be 140 yen per share. This amount will represent a decrease of 20 yen per share as compared with 160 yen per share for the 66<sup>th</sup> fiscal year.

The Company also proposes that a general reserve shall be set aside, comprehensively taking into account the Company's financial status, performance through the 67<sup>th</sup> fiscal year and business conditions going forward.

The proposed appropriation of surplus is as follows:

#### 1. Matters Relating to Year-end Dividend

- (1) Type of Assets Distributed as Dividend:  
Cash
- (2) Matters Relating to the Appropriation to Shareholders of Assets Distributed as Dividend and Aggregate Amount Thereof:  
80 yen per share of common stock of the Company  
The aggregate amount thereof shall be 28,995,230,080 yen
- (3) Effective Date of Distribution of Surplus as Dividend:  
June 28, 2021



Note:

Kyocera has adopted the International Financial Reporting Standards (“IFRS”) in lieu of the Generally Accepted Accounting Principles of the United States of America (“U.S. GAAP”) from the 65<sup>th</sup> fiscal year. Accordingly, the consolidated dividend payout ratio for the 64<sup>th</sup> fiscal year has been reclassified in accordance with IFRS.

## 2. Matters Relating to General Reserve

- |   |                    |
|---|--------------------|
| (1) Category of Surplus to Increase and Amount Thereof: |                    |
| General Reserve:  | 35,000,000,000 yen |
| (2) Category of Surplus to Decrease and Amount Thereof: |                    |
| Unappropriated Retained Earnings:                       | 35,000,000,000 yen |

## Proposal 2 Election of Nine (9) Directors

The terms of office of all of fifteen (15) Directors will expire at the conclusion of the Meeting. Accordingly, the Company proposes nine (9) Directors, including three (3) Outside Directors be elected, reviewing the composition of the Board of Directors to accelerate decision-making and enhance the management supervision system of the Company.

The policy to nominate the candidates for Director of the Company is that the Company shall maintain the diversity of the members of its Board of Directors in terms of, without limitation, international experience and gender, subject to the prerequisite that the Company must always select superior personnel, who understand Kyocera Group (the “Group”) well and who excel in their “personal qualities,” “capability” and “insight” to manage Kyocera. Based on such policy, the Board of Directors decided the candidates for Director after deliberation in advance by an optional Nomination and Remuneration Committee, a majority of whose members are Outside Directors.

The candidates for Director are as follows:

No.		Name	Expected assignment after election			Member of the Nomination and Remuneration Committee
			Right to represent	Outside Director	Independent Director	
1	Reelection	Goro Yamaguchi	○			○
2	Reelection	Hideo Tanimoto	○			
3	Reelection	Hiroshi Fure				
4	Reelection	Norihiko Ina				
5	Reelection	Koichi Kano				
6	Reelection	Shoichi Aoki				
7	Reelection	Atsushi Aoyama		○	○	○
8	Reelection	Akiko Koyano		○	○	○
9	New election	Eiji Kakiuchi		○	○	○

No.	Name (Date of birth)	Career Summary, Position and Area of Responsibility, and Important Concurrent Post		Number of the Company's Shares Held
1	Goro Yamaguchi (Jan. 21, 1956)	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	48,729
		Apr. 2017	Chairman of the Board and Representative Director of the Company [Present]	
			(Important Concurrent Post outside the Company) Outside Director of KDDI Corporation	
	Reason for nomination as Director	Mr. Goro Yamaguchi has been in charge of leading the management of the Group since he took office as a President and Representative Director in 2013, and has properly operated the Board of Directors as a Chairperson of the Board since serving as a Chairman of the Board and Representative Director from April 2017. He also proactively makes recommendations for the spread of the corporate philosophy throughout the Group. The Company nominated him as a Director sequentially because the Company believes that he will be adequately capable of accomplishing his duties as a Director of the Company, based on his experience and exceptional insight.		
2	Hideo Tanimoto (Mar. 18, 1960)	Mar. 1982	Joined 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	15,335
		Apr. 2017	President and Representative Director, President and Executive Officer of the Company [Present]	
	Reason for nomination as Director	Mr. Hideo Tanimoto has been in charge of leading the management of the Group as a President and Representative Director from April 2017. He leads the sustainable growth of the Group by working to create new businesses and improve productivity, and strongly promoting organizational reform, etc. The Company nominated him as a Director sequentially because the Company believes that he will be adequately capable of accomplishing his duties as a Director of the Company, based on his experience and exceptional insight.		

No.	Name (Date of birth)	Career Summary, Position and Area of Responsibility, and Important Concurrent Post	Number of the Company's Shares Held
3	Hiroshi Fure (Feb. 24, 1960) 	<p>Mar. 1984 Joined the Company</p> <p>Apr. 2009 General Manager of Corporate Automotive Components Group of the Company</p> <p>Apr. 2011 Executive Officer of the Company</p> <p>Apr. 2013 Managing Executive Officer of the Company</p> <p>Jun. 2013 Director and Managing Executive Officer of the Company</p> <p>Apr. 2015 Director and Senior Managing Executive Officer of the Company</p> <p>Sep. 2016 General Manager of Corporate Organic Materials Semiconductor Components Group of the Company</p> <p>Apr. 2021 Director and Managing Executive Officer of the Company [Present] Executive General Manager of Core Components Business of the Company [Present]</p>	7,650
	Reason for nomination as Director	Mr. Hiroshi Fure held positions as a General Manager of the Corporate Automotive Components Group from 2009 and a General Manager of the Corporate Organic Materials Semiconductor Components Group thereby contributing to the development of those businesses. The Company nominated him as a Director sequentially because the Company believes that he will be adequately capable of accomplishing his duties as a Director of the Company, based on his experience and exceptional insight.	
4	Norihiko Ina (Sep. 16, 1963) 	<p>Apr. 1987 Joined Mita Industrial Company Ltd. (currently Kyocera Document Solutions Inc.)</p> <p>Aug. 2011 President of Kyocera Mita America, Inc. (currently Kyocera Document Solutions America, Inc.)</p> <p>Apr. 2012 Executive Officer of Kyocera Document Solutions Inc.</p> <p>Apr. 2014 Managing Executive Officer of Kyocera Document Solutions Inc.</p> <p>Jun. 2014 Director and Managing Executive Officer of Kyocera Document Solutions Inc.</p> <p>Apr. 2016 Director of Kyocera Document Solutions Inc. Senior General Manager of Corporate Sales Division of Kyocera Document Solutions Inc.</p> <p>Apr. 2017 Managing Executive Officer of the Company President and Representative Director of Kyocera Document Solutions Inc.</p> <p>Jun. 2017 Director and Managing Executive Officer of the Company [Present]</p> <p>Apr. 2021 Executive General Manager of Solutions Business of the Company [Present]</p>	5,355
	Reason for nomination as Director	Mr. Norihiko Ina worked as a President and Representative Director of Kyocera Document Solutions Inc. from 2017, and has contributed to its global development. The Company nominated him as a Director sequentially because the Company believes that he will be adequately capable of accomplishing his duties as a Director of the Company, based on his experience and exceptional insight.	

No.	Name (Date of birth)	Career Summary, Position and Area of Responsibility, and Important Concurrent Post		Number of the Company's Shares Held
5	Koichi Kano (Sep. 21, 1961)	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	
		Apr. 2013	Executive Officer of the Company	
		Apr. 2015	Senior Executive Officer of the Company	5,793
		Apr. 2016	Managing Executive Officer of the Company	
		Jun. 2016	Director and Managing Executive Officer of the Company [Present]	
		Apr. 2021	Deputy Executive General Manager of Electronic Components Business of the Company [Present]	
	Reason for nomination as Director	From 2012, Mr. Koichi Kano has contributed to development of the Group by providing proper guidance on the management of domestic and foreign subsidiaries as a General Manager of Corporate Development Group of the Company. The Company nominated him as a Director sequentially because the Company believes that he will be adequately capable of accomplishing his duties as a Director of the Company, based on his experience and exceptional insight.		
6	Shoichi Aoki (Sep. 19, 1959)	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]	14,335
		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	
		Apr. 2021	Executive General Manager of Headquarters of the Company [Present]	
	Reason for nomination as Director	Mr. Shoichi Aoki has been in charge of the accounting and financing strategy of the Group, and has contributed to development of the Group as he has served as a General Manager of the Corporate Financial and Accounting Group for many years. The Company nominated him as a Director sequentially because the Company believes that he will be adequately capable of accomplishing his duties as a Director of the Company, based on his experience and exceptional insight.		

No.	Name (Date of birth)	Career Summary, Position and Area of Responsibility, and Important Concurrent Post	Number of the Company's Shares Held
7	Atsushi Aoyama (Aug. 2, 1960)	 <p>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]</p>	878
	Reason for nomination as Outside Director, and overview of expected role	<p>Mr. Atsushi Aoyama has abundant knowledge and experience as well as exceptional insight in the area of technology management, which creates technological developments and innovation, and carries out research related to research and development and product development processes. After taking office as an Outside Director, he has played a role in giving precise advice and supervision of general corporate activities of the Company, such as by proactively making recommendations regarding the utilization of AI and IoT based on academic knowledge. The Company nominated him as an Outside Director because the Company has judged that he can adequately accomplish his duties as an Outside Director of the Company, based on the above-mentioned reasons. The Company expects that he will continue to play the above-mentioned role after election.</p>	
8	Akiko Koyano (Apr. 23, 1974)	 <p>Dec. 2008 Admitted to the Bar, Registered in the Kyoto Bar Association [Present]  Joined Koyano &amp; 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]</p>	153
	Reason for nomination as Outside Director, and overview of expected role	<p>Ms. Akiko Koyano has abundant experience and exceptional insight in various areas as an attorney, such as corporate law, and has wide-ranging knowledge into social issues, such as gender equality. After taking office as an Outside Director, she has played a role in giving precise advice and supervision of general corporate activities of the Company, such as by proactively making recommendations from a legal perspective and recommendations related to diversity. The Company nominated her as an Outside Director because the Company has judged that she can adequately accomplish her duties as an Outside Director of the Company, based on the above-mentioned reasons. The Company expects that she will continue to play the above-mentioned role after election.</p>	

No.	Name (Date of birth)	Career Summary, Position and Area of Responsibility, and Important Concurrent Post		Number of the Company's Shares Held	
9	Eiji Kakiuchi (Apr. 3, 1954)	Apr.	1981	Joined Dainippon Screen Mfg. Co., Ltd. (currently SCREEN Holdings Co., Ltd.)	500
		Apr.	2005	Corporate Officer of Dainippon Screen Mfg. Co., Ltd. (currently SCREEN Holdings Co., Ltd.)	
		Apr.	2006	Senior Corporate Officer of Dainippon Screen Mfg. Co., Ltd. (currently SCREEN Holdings Co., Ltd.)	
		Apr.	2007	Corporate Executive Officer of Dainippon Screen Mfg. Co., Ltd. (currently SCREEN Holdings Co., Ltd.)	
		Jun.	2011	Director of Dainippon Screen Mfg. Co., Ltd. (currently SCREEN Holdings Co., Ltd.)	
		Apr.	2014	Representative Director, President of Dainippon Screen Mfg. Co., Ltd. (currently SCREEN Holdings Co., Ltd.)	
		Apr.	2016	Chief Executive Officer of SCREEN Holdings Co., Ltd.	
		Jun.	2019	Representative Director, Chairman, Member of the Board of SCREEN Holdings Co., Ltd. [Present]	
		Reason for nomination as Outside Director, and overview of expected role	Mr. Eiji Kakiuchi has abundant experience and exceptional insight in corporate management as he serves as top management of a corporate group that operates business globally. The Company has nominated him as an Outside Director as he will be able to adequately fulfill his duties as an Outside Director and play a role in giving appropriate advice and supervision of general corporate activities of the Company, mainly from his perspective as a manager, based on his experience and insight. The Company expects that he will play the above-mentioned role after election.		

Notes:

1. Mr. Goro Yamaguchi, candidate for Director, is a Representative Director of Kyoto Purple Sanga Co., Ltd., with which the Company engages in transactions relating to advertising. Also, he is a Representative Director of Kyocera Communication Systems Co., Ltd., with which the Company engages in transactions relating to the sale of solar products, etc., and the purchase of information systems, etc.
2. Mr. Hideo Tanimoto, candidate for Director, is the Chairman of the Board of Dongguan Shilong Kyocera Co., Ltd., with which the Company engages in transactions relating to the supply and purchase of liquid crystal displays and industrial tools, etc. He is also the Chairman of the Board of Kyocera (China) Sales & Trading Corporation, with which the Company engages in transactions relating to the sale of electronic components and industrial tools, etc., and also has a competitive relationship in the business relating to the sale of electronic components and industrial tools, etc.
3. Mr. Eiji Kakiuchi, candidate for Director, is the Representative Director of SCREEN Holdings Co., Ltd. The Company engages in transactions relating to the sale of optical components, etc. with the said company, and transactions relating to the sale of ink jet printer heads, etc. with various subsidiaries of the said company. The scale of these transactions is described in 7. (5) below.
4. There is no special interest between the other candidates and the Company.
5. The number of the Company's shares held by the candidates for Director above is as of March 31, 2021, and it includes their ownership in the Stock Purchase Plan for Kyocera Group Executives.
6. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3 paragraph (1) with an insurance company. The policy will cover damages incurred by the insured, such as compensation for damages and litigation expenses when they are subject to claims arising from actions (including inaction) conducted based on their position as a director or officer of the Company. Each candidate for Director will be included as an insured in the policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.
7. Matters with respect to the candidates for Outside Director are as follows:
  - (1) Mr. Atsushi Aoyama, Ms. Akiko Koyano and Mr. Eiji Kakiuchi are candidates for Outside Director.
  - (2) Although Ms. Akiko Koyano has not been directly involved in corporate management other than through her undertaking of offices of Outside Director and Outside Audit & Supervisory Board Member of some companies, the Company believes that she will be adequately capable of accomplishing her duties as an Outside Director of the Company because she has abundant experience and exceptional insight in various areas as an attorney.
  - (3) The number of years from the time of Mr. Atsushi Aoyama and Ms. Akiko Koyano's assumption of offices as Outside Directors of the Company to the conclusion of the Meeting and times of attendances at the meetings of the Board of Directors held during the 67<sup>th</sup> fiscal year are as follows:

	Number of years from the time of assumption of offices as Outside Director of the Company to the conclusion of the Meeting	Attendances at the meeting of the Board of Directors held during the 67 <sup>th</sup> fiscal year of the Company
Atsushi Aoyama	5 years	Attendance ratio 100% (12 out of 12 meetings)
Akiko Koyano	2 years	Attendance ratio 100% (12 out of 12 meetings)

- (4) The Company has entered into agreements with Mr. Atsushi Aoyama and Ms. Akiko Koyano, regarding the limitation of their liability for damages caused by negligence in the performance of their duties, in accordance with the provisions of the Companies Act and the Articles of Incorporation of the Company. The amount of liability to which they are subject, as set under such agreements, is limited to the minimum amount of liability provided under applicable laws and regulations. The Company will maintain such agreement if their re-election as an Outside Director is approved. The Company will also enter into an agreement under the same terms and conditions with Mr. Eiji Kakiuchi if his election as an Outside Director is approved.
  - (5) The Company has designated Mr. Atsushi Aoyama and Ms. Akiko Koyano as Independent Directors as provided for by Tokyo Stock Exchange. The Company will also designate Mr. Eiji Kakiuchi as an Independent Director as provided for by the aforementioned exchange if his election as an Outside Director is approved. Although the Company has a business relationship with SCREEN Holdings Co., Ltd., where Mr. Eiji Kakiuchi serves as the Representative Director as described in 3. above, the amounts of the applicable business transactions represent less than 0.3% of the consolidated net sales of either the Group or the SCREEN Group in any of the past three fiscal years and, therefore, the Company deems that this does not affect his independence.
  - (6) In January 2021, while Mr. Atsushi Aoyama and Ms. Akiko Koyano were appointed as Outside Directors of the Company, the Company identified that an inappropriate response related to certification by Underwriters Laboratories, which is a third-party safety science organization in the U.S., for chemical products manufactured and sold by the Company had occurred, and disclosed the fact publicly. They were both unaware of this matter until they received a report from the Company. However, they regularly promoted awareness regarding the importance of compliance at Board of Directors meetings and so forth. Once this matter came to light, they have performed their duty by calling strongly for an understanding of the facts, identification of causes, and strengthening of governance and compliance systems, and by making recommendations to prevent recurrence in the Group.
8. Akiko Koyano, as set forth above, is her professional name. Her name on the family register is Akiko Yamamoto.

### Proposal 3 Election of One (1) Substitute Audit & Supervisory Board Member

The Company proposes to elect one (1) substitute Audit & Supervisory Board Member in advance to be ready to fill a vacant position should the number of Audit & Supervisory Board Members fall below the number required by laws and regulations.

The Audit & Supervisory Board has consented to the proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career Summary, Position and Important Concurrent Post	Number of the Company's Shares Held	
<div style="text-align: center;"> <p>Minoru Kida (Jul. 30, 1970)</p>  </div>	Oct. 1993	Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)	0
	Jan. 2004	Head of Kida CPA Office [Present]	
	Dec. 2006	Representative Partner of Gravitas Audit Corporation [Present]	
	Mar. 2019	Outside Director (Audit and Supervisory Committee Member) of OPTEx GROUP CO., LTD. [Present]	
Reason for nomination as substitute Outside Audit & Supervisory Board Member	Mr. Minoru Kida has considerable knowledge related to finance and accounting, and abundant experience and exceptional insight as a certified public accountant and certified tax accountant. The Company has judged that he can be expected to conduct accurate audits of the general corporate activities as an Outside Audit & Supervisory Board Member of the Company, and has decided to nominate him as a substitute Outside Audit & Supervisory Board Member.		

Notes:

1. There is no special interest between Mr. Minoru Kida and the Company.
2. The number of the Company's shares held by Mr. Minoru Kida is as of March 31, 2021.
3. Mr. Minoru Kida is a candidate for substitute Outside Audit & Supervisory Board Member.
4. Although Mr. Minoru Kida has not been directly involved in corporate management other than through his undertaking of offices of Outside Director and Outside Audit & Supervisory Board Member of some companies, the Company believes that he will be adequately capable of accomplishing his duties as an Outside Audit & Supervisory Board Member because he is familiar with corporate accounting and tax as a certified public accountant and tax accountant.
5. If Mr. Minoru Kida assumes the office as an Audit & Supervisory Board Member, the Company plans to enter into an agreement with him regarding the limitation of his liability for damages caused by negligence in the performance of his duties, in accordance with the provisions of the Companies Act and the Articles of Incorporation of the Company. The amount of liability to which he is subject, as set under such agreement, is limited to the minimum amount of liability provided under applicable laws and regulations.
6. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3 paragraph (1) with an insurance company. The policy will cover damages incurred by the insured, such as compensation for damages and litigation expenses when they are subject to claims arising from actions (including inaction) conducted based on their position as a director or officer of the Company. If Mr. Minoru Kida assumes the office as an Audit & Supervisory Board Member, he will be included as an insured in the policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.
7. The Company will designate Mr. Minoru Kida as an Independent Audit & Supervisory Board Member as provided for by Tokyo Stock Exchange if he assumes the office as an Audit & Supervisory Board Member.

## Reference

[Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members]

The Company judges that an Outside Director and an Outside Audit & Supervisory Board Member who is not fallen under any of the following items is independent of the Company.

- (1) An executive (note 1) of the Group (note 2).
- (2) A person who has been an executive (including a non-executive Director when judging the independence of an Outside Audit & Supervisory Board Member) of the Group in the past 10 years (note 3).
- (3) A major business partner of the Group (a business partner whose payments to the Group or payments received from the Group in the most recent fiscal year represent 2% or more of the consolidated net sales of either the Company or the business partner) or an executive thereof.
- (4) A person who is a consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property (10 million yen or more per year in the case of individuals, and 2% or more of the total income per year in the case of a body) from the Group, besides remuneration as a Director or an Audit & Supervisory Board Member.
- (5) A person who belongs to audit firms which are the Accounting Auditors of the Group.
- (6) A person who receives a large donation or subsidy (donation or subsidy of an amount equal to or more than 10 million yen or 2% of the total income of the person per year, whichever is greater) from the Group or an executive thereof.
- (7) A major shareholder (a shareholder who holds shares with 5% or more of total voting rights at the end of the most recent fiscal year) of the Company or an executive thereof.
- (8) An executive of the company which accept Directors or Audit & Supervisory Board Members (both full-time and part-time) from the Group, its parent companies or subsidiaries (except when the company, its parent companies or subsidiaries belong to the Group).
- (9) A person who has fallen under any of items (3) through (8) above in the past three years.
- (10) A spouse or relative within the second degree of kinship, of a person who falls under any of items (1) through (9) above (limited to the person in an important position (note 4)).
- (11) Any other person who is likely to have serious conflicts of interest with general shareholders.

Notes:

1. An “executive” means an Executive Director, Operating Officer, Executive Officer or other person or employee similar thereto.
2. “The Group” means the Company or its subsidiaries.
3. When judging the independence of an Outside Director who was a non-executive Director or an Audit & Supervisory Board Member of the Group (in the case of an Outside Audit & Supervisory Board Member who was an Audit & Supervisory Board Member of the Group) at any time in the past 10 years, “the past 10 years” means the 10 years prior to his or her appointment to those positions.
4. An “important position” means a Director, Audit & Supervisory Board Member, Executive Officer, Operating Officer, other person similar thereto, or an employee who executes important operations, such as a general manager.

- END

(Accompanying Documents for the Notice of the 67<sup>th</sup> Ordinary General Meeting of Shareholders)

## **Business Report** (April 1, 2020 to March 31, 2021)

### **1. Current Conditions of Kyocera Corporation and its Consolidated Subsidiaries**

#### **(1) Business Progress and Results**

During fiscal 2021, sales revenue and profit decreased compared with fiscal 2020 due to the impact of the economic downturn caused by the spread of COVID-19.

Sales revenue in the Components Business increased slightly compared with fiscal 2020 due to the contribution of M&A activities and increased demand in the semiconductor and 5G-related markets, which more than offset the significant adverse impact of a slump in the automotive-related market during the three months ended June 30, 2020 (“the first quarter”). On the other hand, sales revenue in the Equipment & Systems Business decreased. As a result, sales revenue for fiscal 2021 decreased by 72,156 million yen, or 4.5%, to 1,526,897 million yen, compared with fiscal 2020.

Profits decreased as compared with fiscal 2020 due to the decrease in sales revenue and also an increase in depreciation charges as well as the recording of a one-time loss in the smart energy business\*<sup>1</sup>. Operating profit decreased by 29,549 million yen, or 29.5%, to 70,644 million yen, profit before income taxes decreased by 31,267 million yen, or 21.0%, to 117,559 million yen, and profit attributable to owners of the parent decreased by 17,507 million yen, or 16.3%, to 90,214 million yen.

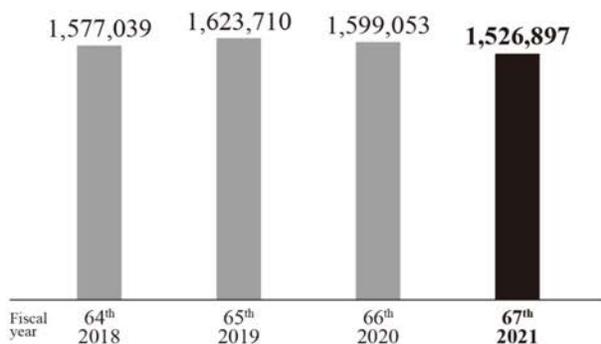
The average exchange rates for fiscal 2021 were 106 yen to the U.S. dollar, marking appreciation of 3 yen or 2.8%, and 124 yen to the euro, marking depreciation of 3 yen or 2.5%, compared with fiscal 2020. As a result, sales revenue after translation into yen for fiscal 2021 was pushed down by approximately 9 billion yen compared with fiscal 2020.

(Notes for Page 22-30)

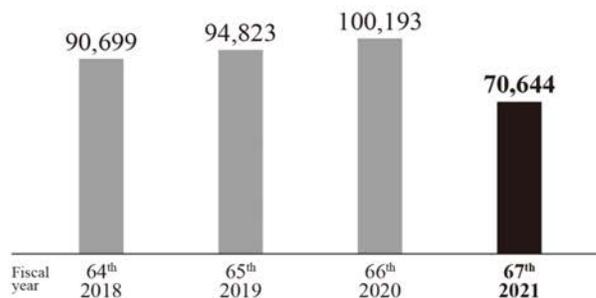
1. The amounts, numbers of shares and ratios (%) in this report are rounded to the nearest unit.
2. Graphs in this report are presented solely for reference.
3. Kyocera has adopted the International Financial Reporting Standards (“IFRS”) in lieu of the Generally Accepted Accounting Principles of the United States of America (“U.S. GAAP”) from the 65<sup>th</sup> fiscal year. Accordingly, financial results for the 64<sup>th</sup> fiscal year have been reclassified in accordance with IFRS. Account title is also presented in accordance with IFRS.
4. Page 22 \*1: On April 1, 2020, the “solar energy business” was renamed the “smart energy business.”
5. Page 27, 29 \*2: On April 1, 2020 (beginning of the 67<sup>th</sup> fiscal year), a domestic subsidiary, Kyocera Communication Systems Co., Ltd., which is included in “Communications Group,” absorbed and merged with a domestic subsidiary Kyocera Solar Corporation, which was included in “Life & Environment Group.” As a result, graphs for the 66<sup>th</sup> fiscal year and earlier have been reclassified in the reporting segment after the merger.
6. The sum total of sales composition ratio shown on pages 24 to 29 shall not be 100% because “Others” and “Adjustments and Eliminations”, when aggregated, accounting for (0.9%) of consolidated sales revenue in the 67<sup>th</sup> fiscal year.

## Highlights of Consolidated Results

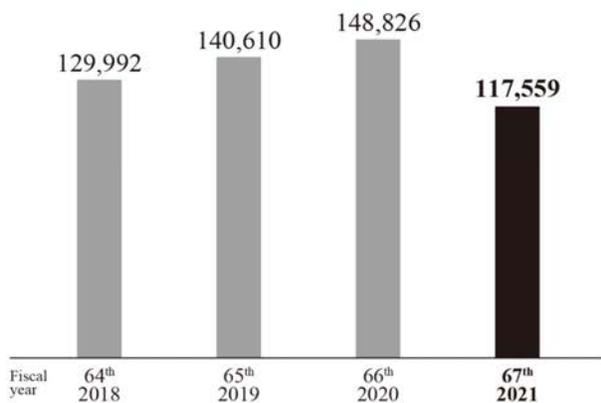
Sales revenue (Yen in millions)



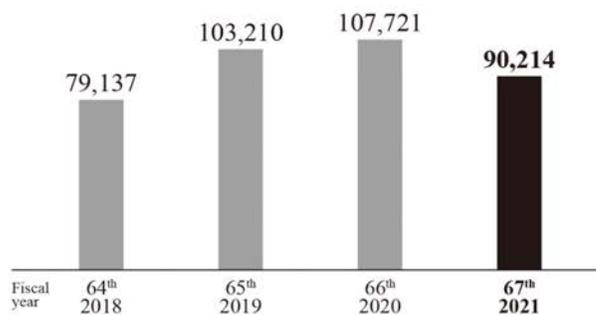
Operating profit (Yen in millions)



Profit before income taxes (Yen in millions)



Profit attributable to owners of the parent (Yen in millions)



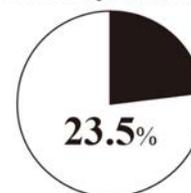
## Consolidated Results by Reporting Segment

### Industrial & Automotive Components Group

**Sales Revenue: 359,044 million yen, up 5.3% year on year**

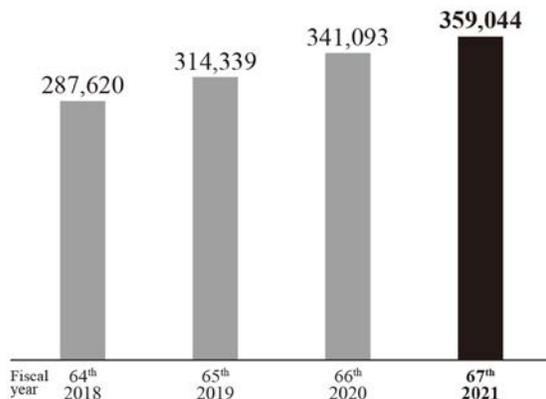
**Business Profit: 18,142 million yen, up 14.7% year on year**

Sales Composition Ratio

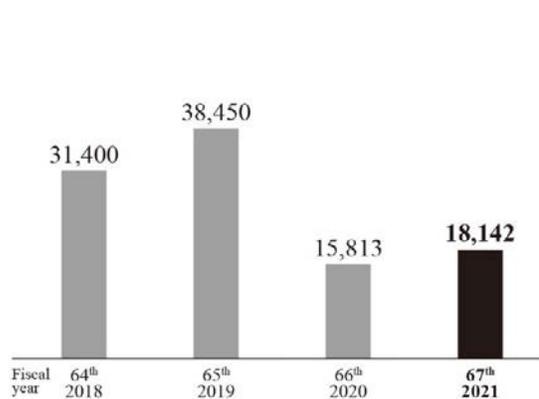


Sales revenue increased compared with fiscal 2020. In addition to contributions from M&A activities, sales of fine ceramic parts for semiconductor processing equipment increased. Business profit increased due to increased sales revenue and decreased manufacturing cost, which more than offset the impact of an increase in depreciation charges, etc.

Sales revenue (Yen in millions)



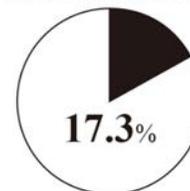
Business profit (Yen in millions)



## Semiconductor Components Group

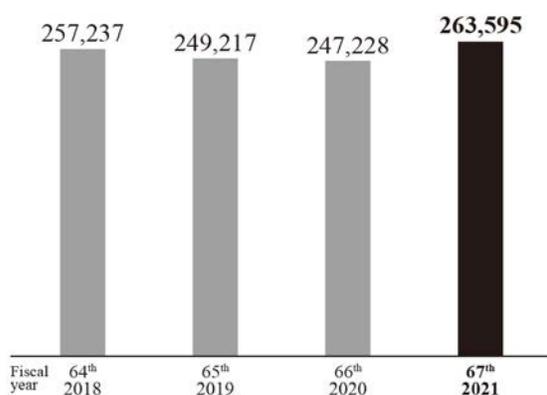
**Sales Revenue: 263,595 million yen, up 6.6% year on year**  
**Business Profit: 28,260 million yen, down 7.4% year on year**

Sales Composition Ratio

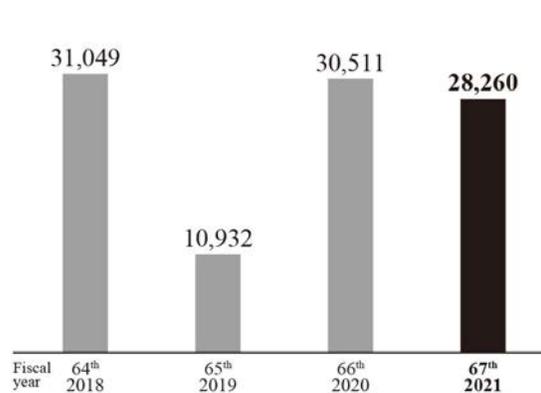


Sales revenue increased compared with fiscal 2020 due mainly to strong demand for ceramic packages for 5G capable smartphones. On the other hand, business profit decreased due to an increase in depreciation charges, etc.

Sales revenue (Yen in millions)



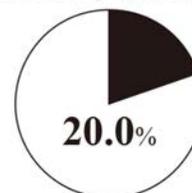
Business profit (Yen in millions)



## Electronic Devices Group

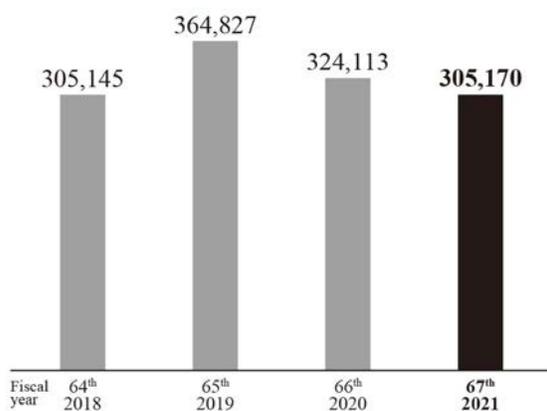
**Sales Revenue: 305,170 million yen, down 5.8% year on year**  
**Business Profit: 25,268 million yen, down 20.4% year on year**

Sales Composition Ratio

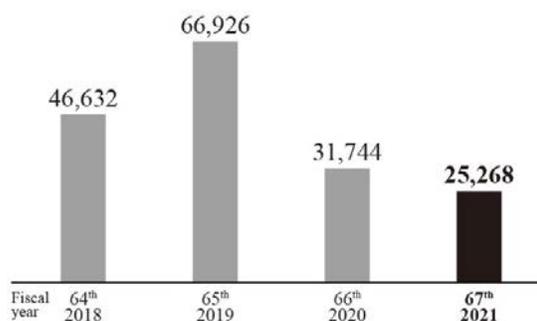


Sales revenue decreased compared with fiscal 2020, due to a decrease in sales at AVX Corporation and sales of printing devices, particularly for the industrial market. Business profit decreased mainly due to the decrease in sales revenue and an increase in depreciation charges.

Sales revenue (Yen in millions)



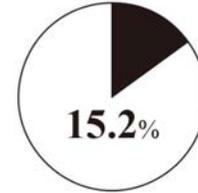
Business profit (Yen in millions)



## Communications Group\*2

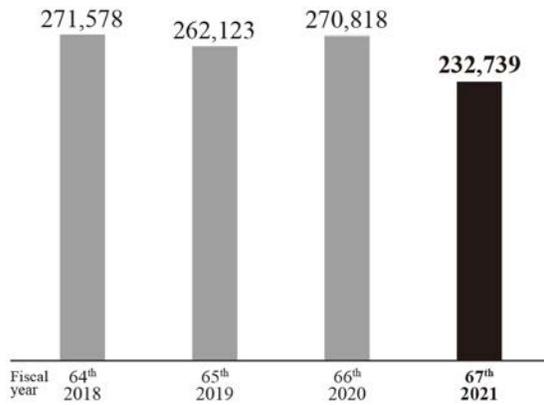
**Sales Revenue: 232,739 million yen, down 14.1% year on year**  
**Business Profit: 14,597 million yen, up 29.6% year on year**

Sales Composition Ratio

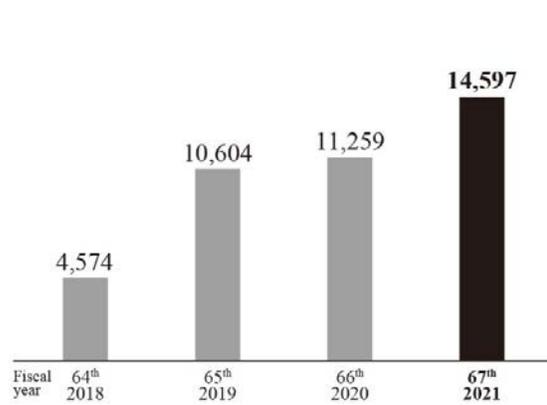


Sales revenue decreased compared with fiscal 2020 due to a decrease in the number of mobile phone handsets sold and a decrease in sales in the engineering business. On the other hand, business profit increased as a result of our efforts to reduce costs.

Sales revenue (Yen in millions)



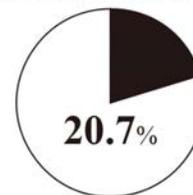
Business profit (Yen in millions)



## Document Solutions Group

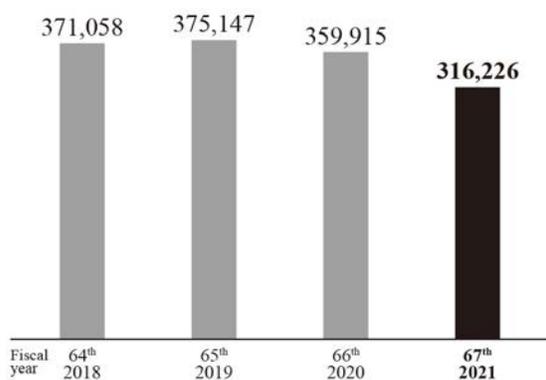
**Sales Revenue: 316,226 million yen, down 12.1% year on year**  
**Business Profit: 28,759 million yen, down 16.6% year on year**

Sales Composition Ratio

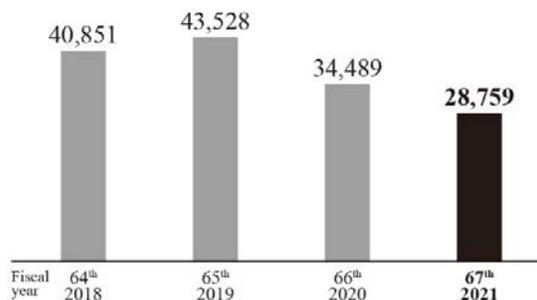


Sales revenue and business profit decreased compared with fiscal 2020. Despite a recovery in demand after hitting bottom in the first quarter, demand for fiscal 2021 as a whole did not reach the level of fiscal 2020. In particular, sales of equipment and consumables decreased.

Sales revenue (Yen in millions)



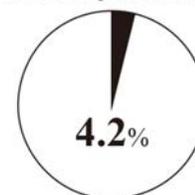
Business profit (Yen in millions)



## Life & Environment Group<sup>\*2</sup>

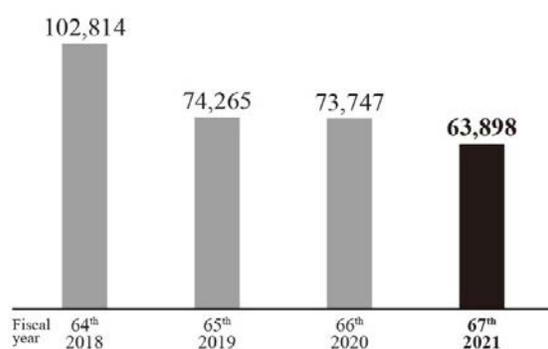
**Sales Revenue:** 63,898 million yen, down 13.4% year on year  
**Business Profit (Loss):** (23,952) million yen, down 12,987 million yen year on year

Sales Composition Ratio

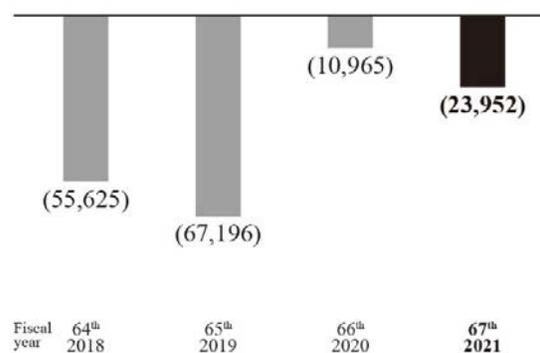


Sales revenue decreased compared with fiscal 2020 due mainly to lower sales of solar power generation systems in the smart energy business. Business loss increased due to lower sales revenue and the recording of an impairment loss and goodwill as well as intangible assets in the smart energy business.

Sales revenue (Yen in millions)



Business profit (Yen in millions)



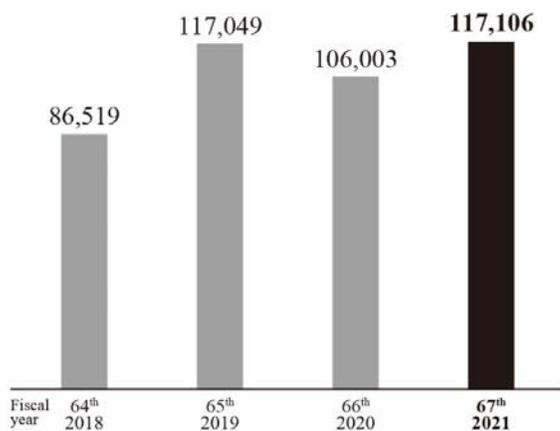
## (2) Capital Expenditures

During fiscal 2021, Kyocera made capital expenditures to enhance production capacity, especially in Electronic Devices Group and Semiconductor Components Group in order to cope with the increased demand for 5G-related products. In addition, Kyocera promoted the introduction of automated production lines mainly at domestic production sites to further improve the productivity.

As a result, capital expenditures for fiscal 2021 increased by 11,103 million yen, or 10.5%, to 117,106 million yen, compared with fiscal 2020.

Required funds for fiscal 2021 were mainly financed from cash on hand.

Capital Expenditures (Yen in millions)



### **(3) Issues to be Addressed**

#### **1. Medium and Long-term Management Strategy**

Kyocera aims to become a high-growth and profitable company by maximizing its comprehensive strengths through the utilization of the Group's various management resources and by strengthening alliances with external resources. In particular, we are working to expand existing businesses and create new businesses mainly in the "Information & Communications," "Automotive-related," "Environment & Energy" and "Medical & Healthcare" markets, while also making efforts to double productivity to improve profitability.

Furthermore, in order to revitalize the organization to accelerate growth, sixteen main business sectors and subsidiaries were consolidated into three reporting segments, namely, the "Core Components Business," "Electronic Components Business" and "Solutions Business" from April 2021, and the administrative divisions were consolidated into "Headquarters." With newly appointed executive officers in charge of each organization, who have been delegated substantial authority from our top management, we will implement a quicker and more dynamic management decision system.

#### **2. Major Management Challenges**

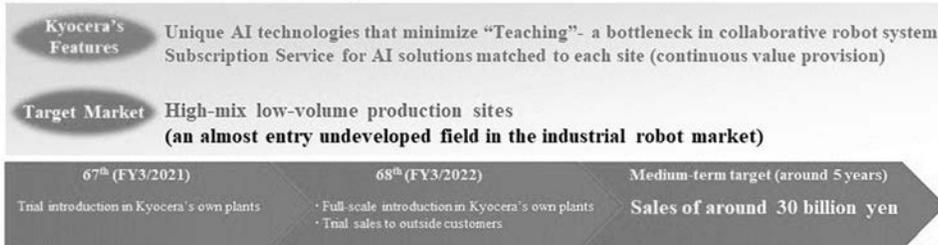
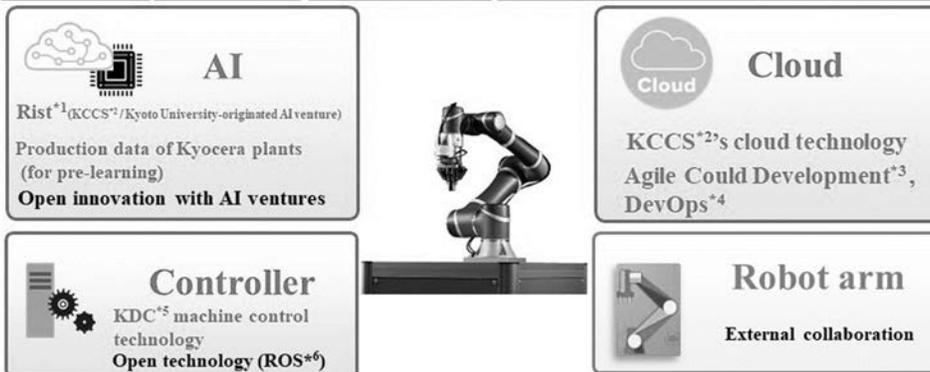
##### **a. Expand existing businesses and create new businesses**

In the "Information & Communications" and "Automotive-related" markets, robust demand for 5G, semiconductors and ADAS-related products is expected to continue. We continue to actively make capital investment to seize this business opportunity and expand existing businesses. In particular, to enhance our production capacity for ceramic packages, capacitors and crystal devices etc., we will install mass production systems and automation of production lines, as well as construct new buildings at production sites in Japan and overseas.

In order to achieve medium- to long-term growth, we will strive to create new businesses, which will contribute to the solution of social issues, by strengthening cooperation within and outside the group. We are entering the AI collaborative robot system business utilizing our unique AI technology, etc. We have also begun development of application for gallium nitride (GaN) devices, a key material that will contribute to the achievement of a low-carbon emission society. In addition, we are developing energy businesses which place solar power generation systems at their center, as well as regenerative medicine businesses taking advantage of our accumulated know-how in the artificial joint business. In the future, we will promote the trial introduction and demonstration of these new businesses to achieve contributions to profit as soon as possible.

## Overview of Kyocera's AI Collaborative Robot System

Aiming for early commercialization by utilizing  
Kyocera's comprehensive strength + external collaborations



\*1 Rist: Rist, Inc., a group company of Kyocera Communication Systems Co., Ltd.\*2 KCCS:Kyocera Communication Systems Co., Ltd.  
\*3 Agile Cloud Development. \*4 DevOps: A method of system and software development  
Agile software development is a software development method that promotes development of processes from planning to design, development, testing, etc. by having small functional units as a team, working collaboratively and repeatedly.  
DevOps is a coined term that combines Development and Operations. It is a method for developers and operations personnel to collaborate on development.  
\*5 KDC:Kyocera Document Solutions \*6 ROS: Robot Operating System: A software platform for robots.

## Overview of Gallium Nitride (GaN) Systems Business

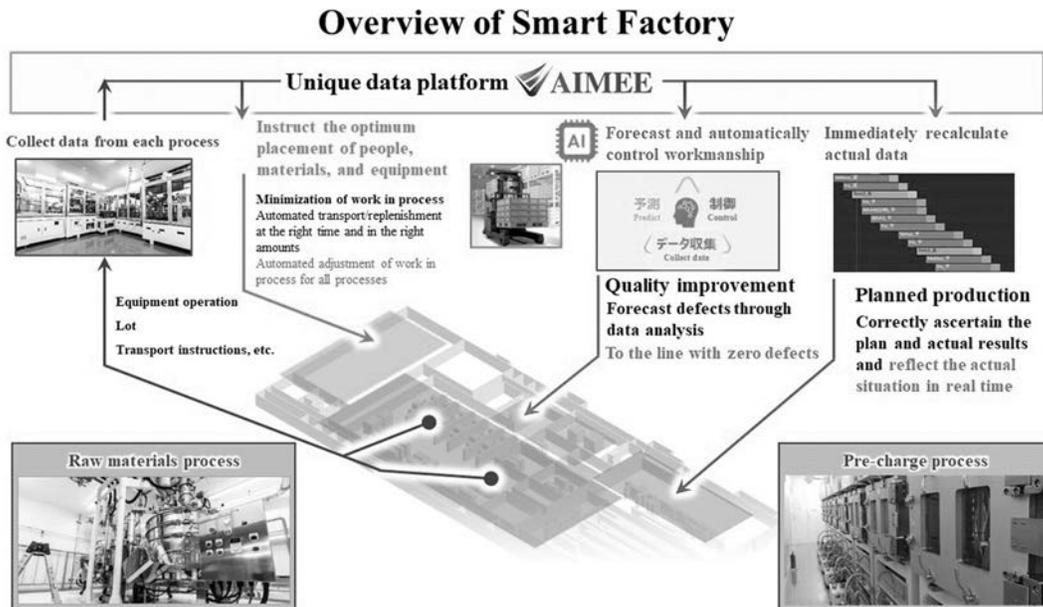


\*7 Li-Fi communication : A wireless communication technology which utilizes lights such as laser.  
\*8 AR/VR : AR stands for Augmented Reality, VR stands for Virtual Reality.

b. Double Productivity

We are working to double productivity by developing production technologies that make full use of AI, robots and IoT. Specifically, at our manufacturing site for clay-type lithium-ion energy storage system, we are constructing a smart factory that incorporate data links among our manufacturing processes through IoT devices and make production lines autonomous through AI control. In the future, we will expand these automation technologies and systems to each business in order to improve the productivity of the Group as a whole.

In addition, we will make further use of remote work, which has accelerated due to the COVID-19 pandemic, to further improve operational efficiency in our sales and administrative divisions.



### 3. Promotion of ESG (Environment, Social and Governance) Management

Kyocera strives to address environmental and social issues as well as strengthen corporate governance, for sustainable corporate management.

With respect to environmental issues, we are working to reduce greenhouse gas emissions through the use of renewable energy, including the installation of solar power generation systems at our own sites. We are also setting long-term environmental targets and enhancing information disclosure based on TCFD (Task Force on Climate-related Financial Disclosures) recommendations.

Regarding social issues, we are working to create a work environment and systems in which diverse human resources can play an active role in order to realize our management rationale “To provide opportunities for the material and intellectual growth of all our employees.” In addition to the arrangement of flexible work systems, we are introducing various systems to encourage new ideas and challenges.

With regard to corporate governance, we are working to further clarify the role of the Board of Directors in management supervision and execution and also to improve its effectiveness. At the 67<sup>th</sup> Ordinary General Meeting of Shareholders to be held in June 2021, Kyocera will propose to increase the ratio of Outside Directors to one-third of all Directors. Kyocera will also propose to nominate a corporate executive as a new Outside Director. With this new board structure, we aim to establish an enhanced level of corporate governance.

## Promotion of ESG Management

1. Responding to Environment Issues	2. Active Participation of Diverse Workforce	3. Strengthening Corporate Governance												
<p><b>Utilize renewable energy</b></p> <p>Installation of solar power generation systems at own sites</p>	<p><b>Introduce a flexible work system</b></p> <p>Work from home, flextime system, etc.</p>	<p><b>Increase ratio of outside directors</b></p> <p>Following the resolution of the 67<sup>th</sup> Ordinary General Meeting of Shareholders, the number of internal directors will be reduced by half and the ratio of outside directors will be increased.</p>												
<p><b>Establish long-term environmental targets</b></p> <p>Setting targets for reducing greenhouse gas emissions and introducing renewable energy</p> 	<p><b>Introduce a system to support challenges</b></p> <p>Launch the new business idea startup programs utilize system for seconding personnel to external ventures, etc.</p>	<p>[Composition of the Board of Directors]</p> <table border="1"> <thead> <tr> <th>Number of Director</th> <th>Before resolution</th> <th>After resolution</th> </tr> </thead> <tbody> <tr> <td>Internal Director</td> <td>12</td> <td>6</td> </tr> <tr> <td>Independent Outside Director</td> <td>3</td> <td>3</td> </tr> <tr> <td>Ratio of Outside Director</td> <td><math>\frac{1}{5}</math></td> <td><math>\frac{1}{3}</math></td> </tr> </tbody> </table>	Number of Director	Before resolution	After resolution	Internal Director	12	6	Independent Outside Director	3	3	Ratio of Outside Director	$\frac{1}{5}$	$\frac{1}{3}$
Number of Director	Before resolution	After resolution												
Internal Director	12	6												
Independent Outside Director	3	3												
Ratio of Outside Director	$\frac{1}{5}$	$\frac{1}{3}$												
<p><b>Enhancement of disclosure based on TCFD</b></p> <p>Details disclosed in the Integrated Report</p> 	<p><b>Promote active participation by women</b></p> <p>Raise the ratio of female managers            Aim to reach 6%*<sup>9</sup> by the end of March 2023            (Reference) 3.5%*<sup>9</sup> as of April 1, 2020</p> <p>*<sup>9</sup> At Kyocera Corporation</p>	<p><b>Propose Election of Outside Director with Management Experience</b></p> <p>Eiji Kakiuchi            Representative Director, Chairman,            Member of the Board of SCREEN Holdings Co., Ltd.</p>												

#### (4) Principal Businesses (as of March 31, 2021)

Kyocera manufactures and sells a highly diversified range of products, including fine ceramic components and various kinds of products utilizing fine ceramic technologies, telecommunications and information equipment, etc. The principal products and businesses are as follows:

<b>Reporting Segment and Content of Business</b>	<b>Principal Product and Business</b>
<b>Industrial &amp; Automotive Components Group:</b> Kyocera provides various kinds of fine ceramic components, camera modules and liquid crystal displays to the industrial machinery and automotive-related markets. We also provide industrial tools such as cutting tools and pneumatic and power tools to the automotive, general industrial and construction markets.	Fine Ceramic Components Automotive Components Liquid Crystal Displays Industrial Tools
<b>Semiconductor Components Group:</b> Kyocera provides ceramic and organic packages for protecting electronic components and ICs to the information and communication and automotive-related markets, etc.	Ceramic Packages Organic Packages and Boards
<b>Electronic Devices Group:</b> Kyocera provides various electronic components and devices for diverse fields from familiar products such as smartphones to industrial machines.	Capacitors Crystal Devices SAW Devices Connectors Power Semiconductor Devices Sensing and Control Devices Printing Devices
<b>Communications Group:</b> Kyocera provides communications modules that support in-vehicle installation and IoT in addition to mobile phones embedded with unique functionality such as exceptional durability and features specifically for senior users. We also provide ICT solutions that support a company's management and promote DX, and engineering services that support communication infrastructure.	Smartphones Mobile Phones Communication Modules (Telematics, IoT) Information Systems and Telecommunication Services
<b>Document Solutions Group:</b> Kyocera provides a diverse lineup of printers, MFPs and commercial inkjet printers featuring outstanding environmental performance as well as document solution services that resolve document-related issues.	Printers Multifunctional Products (MFPs) Commercial Inkjet Printers Document Solution Services Supplies
<b>Life &amp; Environment Group:</b> Kyocera provides products related to life and environment such as environmental energy-related products, medical products, jewelry and kitchen tools.	Solar Power Generating System Related Products Medical Devices Jewelry and Ceramic Knives

(5) Significant Subsidiaries (as of March 31, 2021)

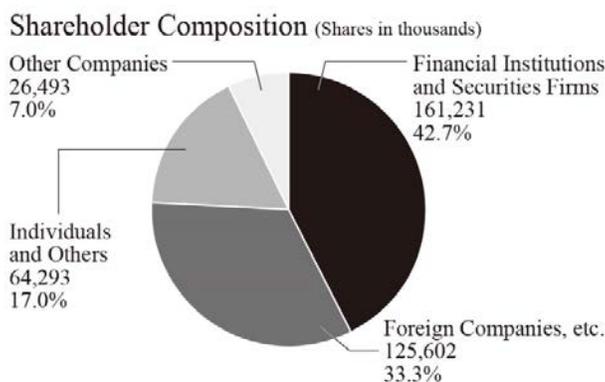
Name of Subsidiary	Amount of Capital (Yen in Millions and Others in Thousands)	Ownership by Kyocera Corporation (%)	Principal Business
Kyocera Document Solutions Inc.	Yen 12,000	100.00	Development, manufacture and sale of printers and multifunctional products and provision of document solution services
Kyocera Communication Systems Co., Ltd.	Yen 2,986	76.64	Provision of information systems and telecommunication services
Kyocera (China) Sales & Trading Corporation	US\$ 10,000	90.00	Sale of industrial tools, ceramic packages and electronic components
Kyocera (Tianjin) Solar Energy Co., Ltd.	US\$ 30,200	90.00	Manufacture of solar power generating system related products
Dongguan Shilong Kyocera Co., Ltd.	HK\$ 472,202	90.00	Manufacture of liquid crystal displays and industrial tools
Kyocera Korea Co., Ltd.	Won 1,200,000	100.00	Sale of semiconductor components and electronic components
Kyocera Asia Pacific Pte. Ltd.	US\$ 35,830	100.00	Sale of industrial tools, semiconductor components and electronic components
AVX Corporation	US\$ 1,763	100.00	Development, manufacture and sale of electronic components
Kyocera International, Inc.	US\$ 34,850	100.00	Manufacture and sale of fine ceramic components and semiconductor components, and sale of mobile phones
Kyocera Europe GmbH	EURO 1,687	100.00	Sale of fine ceramic components, semiconductor components and printing devices

## 2. Shares (as of March 31, 2021)

(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:	15,178,204)
(3) Number of Shareholders:	50,845
(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) . . . . .	61,520	16.97
Custody Bank of Japan, Ltd. (Trust Account) . . . . .	26,071	7.19
The Bank of Kyoto, Ltd. . . . .	14,436	3.98
SSBTC Client Omnibus Account . . . . .	12,538	3.46
Kazuo Inamori . . . . .	10,212	2.82
Inamori Foundation . . . . .	9,360	2.58
KI Enterprise Co., Ltd. . . . .	7,099	1.96
Stock Purchase Plan for Kyocera Group Employees . . . . .	6,526	1.80
Custody Bank of Japan, Ltd. (Stock Investment Trust Account) . . . . .	5,769	1.59
State Street Bank West Client - Treaty 505234. . . . .	5,101	1.41

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



### (5) Shares issued to Directors and Audit & Supervisory Board Members as a consideration for the execution of the duties in fiscal 2021

	Class and Number of Shares	Persons provided
Directors (excluding Outside Directors)	Common stock 7,477 shares	10 persons
Outside Directors	-	-
Audit & Supervisory Board Members	-	-

(Notes) The Company's common stocks were delivered as the restricted stock compensation. An outline of the transfer restrictions under the restricted stock allocation agreement is as follows.

- (1) An Eligible Officer may not transfer, create security interest on, or otherwise dispose the Allocated Stocks during the restriction period (30 years).
- (2) The Company will cancel the transfer restriction when an Eligible Officer meets certain conditions. These conditions include the expiration of the transfer restriction period, and resignation or retirement from his/her position as the Director, etc. of the Company during the transfer restriction period due to death, expiration of term of office, or other reasons deemed legitimate by the Board of Directors.

### 3. Directors and Audit & Supervisory Board Members

#### (1) List of Directors and Audit & Supervisory Board Members (as of March 31, 2021)

Position	Name	Area of Responsibility and Important Concurrent Post
Chairman of the Board and Representative Director	Goro Yamaguchi	
President and Representative Director	Hideo Tanimoto	President and Executive Officer
Director	Hiroshi Fure	Senior Managing Executive Officer General Manager of Corporate Organic Materials Semiconductor Components Group
Director	Yoji Date	Senior Managing Executive Officer General Manager of Corporate Electronic Components Group
Director	Norihiko Ina	Managing Executive Officer President and Representative Director of Kyocera Document Solutions Inc.
Director	Keiji Itsukushima	Managing Executive Officer General Manager of Corporate Communication Equipment Group
Director	Koichi Kano	Managing Executive Officer General Manager of Corporate Development Group
Director	Shoichi Aoki	Managing Executive Officer General Manager of Corporate Management Control Group
Director	Takashi Sato	Managing Executive Officer General Manager of Corporate General Affairs Human Resources Group
Director	Junichi Jinno	Managing Executive Officer General Manager of Corporate Legal and Intellectual Property Group
Director	John Sarvis	Chairman of the Board, Chief Executive Officer and President of AVX Corporation
Director	Robert Whisler	President and Director of Kyocera International Inc.
Director	Hiroto Mizobata	Certified Public Accountant Licensed Tax Accountant Representative of Mizobata Certified Public Accountant Office

<b>Position</b>	<b>Name</b>	<b>Area of Responsibility and Important Concurrent Post</b>
Director	Atsushi Aoyama	Professor of Graduate School of Technology Management, Ritsumeikan University
Director	Akiko Koyano	Attorney-at-law Partner Attorney-at-law of Koyano LPC
Full-time Audit & Supervisory Board Member	Itsuki Harada	
Full-time Audit & Supervisory Board Member	Shigeru Koyama	
Audit & Supervisory Board Member	Hitoshi Sakata	Attorney-at-law Partner Attorney-at-law of Oike Law Office
Audit & Supervisory Board Member	Masaaki Akiyama	Certified Public Accountant

Notes:

1. At the 66<sup>th</sup> Ordinary General Meeting of Shareholders held on June 25, 2020, Shigeru Koyama was newly elected and assumed the position of Audit & Supervisory Board Member.
2. Director and Audit & Supervisory Board Member retired during fiscal 2021 are as follows:

<b>Position as of Retirement</b>	<b>Name</b>	<b>Area of Responsibility and Important Concurrent Post as of Retirement</b>	<b>Reason for Retirement</b>	<b>Retirement Date</b>
Director	Ken Ishii	Assistant to General Manager of Corporate Industrial Tool Group	Resignation	June 25, 2020
Audit & Supervisory Board Member	Osamu Nishieda	Attorney-at-law	Expiration of term of office	June 25, 2020

3. Important concurrent posts undertaken by Directors and Audit & Supervisory Board Members in fiscal 2021.
  - (1) Mr. Goro Yamaguchi, Chairman of the Board and Representative Director, serves as an Outside Director of KDDI Corporation.
  - (2) Mr. Hiroto Mizobata, Director, serves as an Outside Director (Audit and Supervisory Committee Member) of Yamaki Co., Ltd. and of ES-CON JAPAN Ltd.
  - (3) Mr. Hitoshi Sakata, Audit & Supervisory Board Member, serves as an Outside Director of Nippon Shinyaku Co., Ltd.
  - (4) Mr. Masaaki Akiyama, Audit & Supervisory Board Member, serves as an Outside Audit & Supervisory Board Member of Joyful Honda Co., Ltd.
4. Important concurrent posts undertaken by Outside Directors and Outside Audit & Supervisory Board Members, and their relations with Kyocera Corporation
  - (1) There is no special interest between Kyocera Corporation and Mizobata Certified Public Accountant Office where Mr. Hiroto Mizobata, Director, serves as a Representative. Also, there is no special interest between Kyocera Corporation and Yamaki Co., Ltd. and ES-CON JAPAN Ltd. where he serves as an Outside Director (Audit and Supervisory Committee Member).
  - (2) There is no special interest between Kyocera Corporation and Ritsumeikan University where Mr. Atsushi Aoyama, Director, serves as a Professor of Graduate School.
  - (3) There is no special interest between Kyocera Corporation and Koyano LPC where Ms. Akiko Koyano, Director, serves as a Partner Attorney-at-law.
  - (4) There is no special interest between Kyocera Corporation and Oike Law Office where Mr. Hitoshi Sakata, Audit & Supervisory Board Member, serves as a Partner Attorney-at-law. Also, there is no

special interest between Kyocera Corporation and Nippon Shinyaku Co., Ltd. where he serves as an Outside Director.

- (5) There is no special interest between Kyocera Corporation and Joyful Honda Co., Ltd. where Mr. Masaaki Akiyama, Audit & Supervisory Board Member, serves as an Outside Audit & Supervisory Board Member.
5. Messrs. Hiroto Mizobata and Atsushi Aoyama and Ms. Akiko Koyano are Outside Directors, and Messrs. Hitoshi Sakata and Masaaki Akiyama are Outside Audit & Supervisory Board Members.
  6. Mr. Itsuki Harada, Audit & Supervisory Board Member, has long experience in the accounting department and substantial knowledge of finance and accounting.
  7. Mr. Masaaki Akiyama, Audit & Supervisory Board Member, has qualifications as a Certified Public Accountant and substantial knowledge of finance and accounting.
  8. Kyocera Corporation has designated Messrs. Hiroto Mizobata and Atsushi Aoyama and Ms. Akiko Koyano as Independent Directors, and Messrs. Hitoshi Sakata and Masaaki Akiyama as Independent Audit & Supervisory Board Members, as provided for in the rules of the Tokyo Stock Exchange.
  9. “Area of Responsibility and Important Concurrent Post” of Directors was changed as of April 1, 2021 as follows:

Position	Name	Area of Responsibility and Important Concurrent Post
Director	Hiroshi Fure	Managing Executive Officer Executive General Manager of Core Components Business
Director	Yoji Date	Managing Executive Officer General Manager of Corporate Electronic Components Group
Director	Norihiko Ina	Managing Executive Officer Executive General Manager of Solutions Business
Director	Koichi Kano	Managing Executive Officer Deputy Executive General Manager of Electronic Components Business
Director	Shoichi Aoki	Managing Executive Officer Executive General Manager of Headquarters
Director	John Sarvis	Managing Executive Officer Executive General Manager of Electronic Components Business Chairman of the Board, Chief Executive Officer and President of AVX Corporation
Director	Robert Whisler	Managing Executive Officer President and Director of Kyocera International, Inc.

## (2) Summary of Agreements Regarding the Limitation of Liability

Kyocera Corporation has entered into agreements with all of the Outside Directors and Outside Audit & Supervisory Board Members regarding the limitation of their liability for damages caused by negligence in the performance of their duties, in accordance with Article 427, paragraph (1) of the Companies Act and Articles 28 and 36 of the Articles of Incorporation of the Company. The amount of liability to which they are subject, as set under such agreements, is limited to the minimum amount of liability provided under applicable laws and regulations.

**(3) Total Amount of Remuneration to Directors and Audit & Supervisory Board Members**

**(i) Total Amount of Remuneration to Directors and Audit & Supervisory Board Members for Fiscal 2021**

Classification	Amount of Remuneration	Basic Remuneration		Performance-linked remuneration (Bonuses to Directors)		Non-monetary remuneration (Restricted Stock Compensation)	
		Total amount	Persons paid	Total amount	Persons paid	Total amount	Persons paid
Directors (Outside Directors out of Directors above)	367 million yen (39 million yen)	205 million yen (39 million yen)	15 persons (3 persons)	116 million yen (-)	12 persons (-)	46 million yen (-)	10 persons (-)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members out of Audit & Supervisory Board Members above)	67 million yen (22 million yen)	67 million yen (22 million yen)	5 persons (2 persons)	- (-)	- (-)	- (-)	- (-)
Total	434 million yen (61 million yen)	272 million yen (61 million yen)	20 persons (5 persons)	116 million yen (-)	12 persons (-)	46 million yen (-)	10 persons (-)

- (Notes)
- Aside from the remuneration in the above table, the aggregate amount of remuneration to Directors (excluding Outside Directors) was 366 million yen in remuneration for services as employees or Executive Officers for those Directors who serve as such.
  - As of the end of fiscal 2021, there were 15 Directors (including 3 Outside Directors) and 4 Audit & Supervisory Board Members (including 2 Outside Audit & Supervisory Board Members).
  - Bonuses to Directors are paid to Directors as performance-linked remuneration.  
The performance indicator for bonuses to Directors is profit attributable to owners of the parent and this amounted to 90,214 million yen. This was selected as a performance indicator to clarify the link with dividends and to ensure conformance with the interests of shareholders. The amount of bonuses to Directors is calculated by multiplying a prescribed numerical value determined based on the performance indicator by a prescribed coefficient according to the position of the Director and a coefficient for individual assessments based on the degree of contribution to performance.
  - Restricted Stock Compensation is issued to Directors as non-monetary remuneration.  
Restricted Stock Compensation consists of the Company's common stock (restricted stock) and the delivery conditions and statuses are as listed in "(iii) Decision Policy Regarding the Details of Individual Remuneration for Directors (b) Outline of the Details of the Decision Policy" and "2. Shares."
  - Regarding basic remuneration and restricted stock compensation for fiscal 2021, the Board of Directors has consulted with the Nomination and Remuneration Committee in advance about the payment criteria and stock granting criteria for each position and obtained a report. Messrs. Goro Yamaguchi, Chairman of the Board and Representative Director and Hideo Tanimoto, President and Representative Director, who have been delegated authority by the Board of Directors, determined the amounts of individual compensation according to details of the report. This delegated authority consists of determining the payment amounts and the

number of allotted shares, etc. This authority was delegated because the Chairman of the Board and Representative Director and the President and Representative Director are the most suitable persons for evaluating the roles and responsibilities of each Director while having an overall view of the business results of the entire Kyocera Group. Regarding director bonuses for fiscal 2021, following the 67<sup>th</sup> Ordinary General Meeting of Shareholders, details of individual remuneration will be determined using in the same process.

(ii) Resolution of the Ordinary General Meeting of Shareholders for Remuneration for Directors and Audit & Supervisory Board Members

Regarding basic remuneration and bonuses for Directors, at the 55<sup>th</sup> Ordinary General Meeting of Shareholders held on June 25, 2009, it was resolved that the amount of basic remuneration payable to Directors shall be 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), and the aggregate amount of bonuses payable to Directors shall not exceed 0.2% of the consolidated net income\* of the Company for the relevant fiscal year, provided that such amount of bonuses shall in no case exceed 300 million yen annually. The number of Directors stood at 12 at the end of this Ordinary General Meeting of Shareholders.

Regarding restricted stock compensation for Directors, at the 65<sup>th</sup> Ordinary General Meeting of Shareholders held on June 25, 2019, separate from basic remuneration and bonuses to Directors, it was resolved that their total compensation amounts shall be no more than 100 million yen per year as well as no more than 0.1% of the profit attributable to owners of the parent as the reasonable amounts and that the number of shares shall be no more than 25,000 shares per year (Outside Directors are not eligible for share grants). The number of Directors stood at 13 (excluding Outside Directors) at the end of this Ordinary General Meeting of Shareholders.

The amount of basic remuneration for Audit & Supervisory Board Members was determined by a resolution adopted at the 55<sup>th</sup> General Meeting of Shareholders, which was held on June 25, 2009, and shall be no more than 100 million yen per year. The number of Audit & Supervisory Board Members stood at five at the conclusion of the Ordinary General Meeting of Shareholders.

\*The notation has been changed to “Profit attributable to owners of the parent” due to the application of International Financial Reporting Standards (“IFRS”).

(iii) Decision Policy Regarding the Details of Individual Remuneration for Directors (hereafter referred to as “Decision Policy”)

(a) Method for determining the Decision Policy

The Company resolved the Decision Policy at the Board of Directors meeting convened on February 26, 2021. At the time of the resolution of the Board of Directors meeting, consultation on the details of the resolution was conducted with the Nomination and Remuneration Committee in advance and a report was obtained.

(b) Outline of the Details of the Decision Policy

**[Basic policy]**

- The remuneration system for Directors is designed to be a mechanism that effectively encourages Directors to thoroughly demonstrate their abilities and fulfill their roles and responsibilities toward the healthy and sustainable growth of the Kyocera Group.

- The remuneration level of Directors shall be set at an appropriate level by referring to objective data from external specialist organizations while giving consideration to securing and maintaining excellent human resources necessary for realizing the management rationale.
- Regarding the remuneration system and remuneration level of Directors, high objectivity and transparency in the process for determining remuneration for Directors shall be assured by making decisions according to a resolution by the Board of Directors based on the deliberations with and reports from the Nomination and Remuneration Committee, which consists of a majority of Outside Directors.

#### **[Remuneration Composition and Proportion]**

##### **<Representative Directors/Executive Directors>**

- Compensation for Representative Directors and Executive Directors consists of “basic remuneration,” “bonuses to Directors,” and “restricted stock compensation.”
- Based on the belief that a system for the healthy and sustainable growth of the Kyocera Group is important, the proportion of basic remuneration and restricted stock compensation is determined placing emphasis on the level and stability of basic remuneration as well as giving consideration to the pursuit of shareholder interests. Moreover, the higher the position of the Director, the higher the proportion of the restricted stock compensation to basic remuneration.
- For bonuses to Directors, to ensure maximize incentives for growing business results, no limit shall be established for proportions of basic remuneration or restricted stock compensation.

##### **<Outside Directors>**

- The remuneration of Outside Directors with duties independent of business execution shall consist only of “basic remuneration.”

#### **[Details of Each Type Remuneration]**

##### **<Basic Remuneration>**

- This is monetary remuneration paid monthly according to the responsibilities of the Directors, and for individual payment levels of the payment amount will be determined according to each respective role upon taking into consideration the payment levels of other companies in the same industry.
- The annual amount shall be paid monthly in 12 equal portions.

##### **<Bonuses to Directors>**

- This is monetary remuneration paid according to the degree of contribution of each Director to business results in the relevant fiscal year. The performance indicator is “profit attributable to owners of the parent,” which represents the result of the Kyocera Group’s annual corporate activities. This is calculated by multiplying the numerical value determined based on this performance indicator by a prescribed coefficient according to the position of the Director and a coefficient for individual assessment according to the degree of contribution to performance.
- Provided once per year following the end of the business year.

##### **<Restricted Stock Compensation>**

- This is remuneration that provides the Company’s common stock (restricted stock) for the purpose of further sharing value with shareholders while granting incentives to continuously improve medium- to-long-term corporate value of the Company and shareholder value. Specifically, monetary compensation claims are paid to Directors, and Directors receiving this payment are paid entirely with assets contributed in-kind for the issue or disposal of the Company’s common stock

- (restricted stock). The amount to be paid to each Director shall be determined by position.
- Granted once a year in each business year.

**[Process for Determining Remuneration]**

- The Nomination and Remuneration Committee composed of a majority of Outside Directors shall be established as an advisory body to the Board of Directors. This committee receives inquiries from the Board of Directors and also upon referring to objective data such as benchmark results of executive compensation provided by external specialist organizations the committee validates the appropriateness of the Director remuneration system that encompasses the basic remuneration payment standard, the bonuses to Directors calculation standard, and restricted stock compensation grant standard, and the results shall be reported to the Board of Directors.
- The Chairman of the Board and Representative Director and the President and Representative Director shall be delegated with the authority to determine specific details for the amounts of individual remuneration for Directors based on a resolution of the Board of Directors. The details of their authority shall be as follows.

Basic remuneration	Determine the payment amount by position
Bonuses for Directors	Assess individuals and determine payment amount according to the degree of contribution to business results
Restricted stock compensation	Determine the amount of payment and the number of shares to be allotted by position

- To ensure that such authority is properly exercised by the Chairman of the Board and Representative Director and the President and Representative Director, the Board of Directors shall consult with and obtain a report from the Nomination and Remuneration Committee on the payment standards, calculation method and grant standards for each type of remuneration by position and the Chairman of the Board and Representative Director and the President and Representative Director who have been delegated authority as mentioned above shall make their determinations in accordance with the contents of the relevant report, and shall report the results of the determined payment amount and the number of shares to be allotted to the Nomination and Remuneration Committee.
- (c) Reasons the Board of Directors determined that individual remuneration for Directors for the current fiscal year is in accordance with the Decision Policy

Regarding the details of individual remuneration for Directors for fiscal 2021, the Nomination and Remuneration Committee has made a report in advance after undertaking a multifaceted examination that includes consistency with details prescribed in the Decision Policy regarding the payment standard, calculation method and grant standard for each type of remuneration. The Board of Directors judged that this is in accordance with the Decision Policy because the Chairman of the Board and Representative Director and the President and Representative Director, who have been delegated authority by the Board of Directors, have determined remuneration is in accordance with the details of the aforementioned report. (Director bonuses shall be decided following the 67<sup>th</sup> Ordinary General Meeting of Shareholders.)

**(4) Outside Directors and Outside Audit & Supervisory Board Members**

**(i) Activities of Outside Directors and Outside Audit & Supervisory Board Members During Fiscal 2021**

Position	Name	Attendance, remarks made, and overview of duties performed for the role expected of Outside Director
Outside Director	Hiroto Mizobata	<p>He attended all 12 meetings of the Board of Directors that were held during fiscal 2021. At meetings of the Board of Directors, he actively expressed his views particularly on accounting and tax issues based on his abundant knowledge and experience as a Certified Public Accountant and Licensed Tax Accountant and played the role in giving precise advice and supervision of general corporate activities of the Company.</p> <p>He also attended both of two meetings of the Nomination and Remuneration Committee held during fiscal 2021 as a member of the Committee and provided a supervising function in the process of determining candidates for Directors and Executive Officers, Directors' compensation, and other matters from an objective and neutral position.</p>
Outside Director	Atsushi Aoyama	<p>He attended all 12 meetings of the Board of Directors that were held during fiscal 2021. At meetings of the Board of Directors, he actively expressed his views particularly on AI and IoT based on his abundant knowledge and experience as a Professor of Graduate School and played the role in giving precise advice and supervision of general corporate activities of the Company.</p> <p>He also attended both of two meetings of the Nomination and Remuneration Committee held during fiscal 2021 as a member of the Committee and provided a supervising function in the process of determining candidates for Directors and Executive Officers, Directors' compensation, and other matters from an objective and neutral position.</p>
Outside Director	Akiko Koyano	<p>She attended all 12 meetings of the Board of Directors that were held during fiscal 2021. At meetings of the Board of Directors, she actively expressed her views particularly on legal issues and diversity based on her abundant knowledge and experience as an Attorney-at-law and played the role in giving precise advice and supervision of general corporate activities of the Company.</p> <p>She also attended both of two meetings of the Nomination and Remuneration Committee held during fiscal 2021 as a member of the Committee and provided a supervising function in the process of determining candidates for Directors and Executive Officers, Directors' compensation, and other matters from an objective and neutral position.</p>
Outside Audit & Supervisory Board Member	Hitoshi Sakata	<p>He attended 11 of the 12 meetings of the Board of Directors and 7 of the 8 meetings of the Audit &amp; Supervisory Board, which were held during fiscal 2021. At meetings of the Board of Directors and the Audit &amp; Supervisory Board, he actively expressed his views particularly on legal issues</p>

		based on his abundant knowledge and experience as an Attorney-at-law.
Outside Audit & Supervisory Board Member	Masaaki Akiyama	He attended all 12 meetings of the Board of Directors and all 8 meetings of the Audit & Supervisory Board, which were held during fiscal 2021. At meetings of the Board of Directors and the Audit & Supervisory Board, he actively expressed his views particularly on accounting issues based on his abundant knowledge and experience as a Certified Public Accountant.

(ii) Overview of the Company's Responses to Scandal

In January 2021, the Company identified that an inappropriate response related to certification by Underwriters Laboratories, which is a third-party safety science organization in the U.S., for chemical products manufactured and sold by the Company had occurred, and disclosed the fact publicly. Outside Directors and Audit & Supervisory Board Members were unaware of this matter until they received a report from the Company. However, they regularly promoted awareness regarding the importance of compliance at Board of Directors meetings and so forth. Once this matter came to light, they have performed their duty by calling strongly for an understanding of the facts, identification of causes, and strengthening of governance and compliance systems, and by making recommendations to prevent recurrence in the Group.

#### 4. Accounting Auditor

(1) Name of Accounting Auditor: PricewaterhouseCoopers Kyoto

##### (2) Audit and Other Fees to Accounting Auditor

Audit and other fees by Kyocera Corporation to the accounting auditor for the services for fiscal 2021 . . . . .	218 million yen
Total amount of fees by Kyocera group to the accounting auditor for the services for fiscal 2021 . . . . .	438 million yen

Notes:

1. The overseas subsidiaries of Kyocera Corporation are audited by auditing firms other than PricewaterhouseCoopers Kyoto.
2. In the audit agreement between Kyocera Corporation and the accounting auditor, audit fee is determined without separately indicating amounts for auditing under the Companies Act and for auditing under the Financial Instruments and Exchange Law. Accordingly, 218 million yen represents the aggregate audit fee for both of these auditing services.
3. Audit & Supervisory Board agrees to the fee of accounting auditor based on Article 399, paragraph (1) of the Companies Act through following measures.

Audit & Supervisory Board obtains the necessary materials from Directors, relevant internal company divisions and accounting auditor and receives the reports. Audit & Supervisory Board reviews estimate taking into consideration past fiscal years information which are audit contents and hours as well as breakdown and trend of audit fees.

##### (3) Non-Audit-related Service

Kyocera Corporation and its subsidiaries paid consideration to PricewaterhouseCoopers Kyoto for the advisory service relating to the financial report as the service (non-audit-related) except services provided in Article 2, paragraph (1) of the Certified Public Accountants Act of Japan.

##### (4) Policy Regarding Decision to Terminate or Not to Reappoint Accounting Auditor

In the event that the Audit & Supervisory Board determines that the Accounting Auditor is subject to any of the events provided in Article 340, paragraph (1) of the Companies Act, the Audit & Supervisory Board is authorized to terminate the office of such Accounting Auditor, based on the Regulations of the Audit & Supervisory Board. Should anything occur to negatively impact the qualifications or independence of the Accounting Auditor, making it unlikely that such Accounting Auditor will be able to properly perform an audit, the Audit & Supervisory Board shall determine the resolution to be proposed to the General Meeting of Shareholders to terminate or not to reappoint such Accounting Auditor.

**Consolidated Financial Statements**  
**Consolidated Statement of Financial Position**

	(Yen in millions)		
	As of March 31,		Increase
	2020	2021	(Decrease)
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents.....	419,620	386,727	(32,893)
Short-term investments.....	62,999	79,852	16,853
Trade and other receivables.....	336,294	339,621	3,327
Other financial assets.....	11,035	17,504	6,469
Inventories.....	344,304	345,354	1,050
Other current assets.....	28,455	30,706	2,251
<b>Total current assets.....</b>	<b>1,202,707</b>	<b>1,199,764</b>	<b>(2,943)</b>
<b>Non-current assets:</b>			
Equity and debt instruments.....	1,196,634	1,264,453	67,819 *1
Investments accounted for using the equity method.....	17,422	16,975	(447)
Other financial assets.....	27,179	43,101	15,922
Property, plant and equipment.....	383,271	439,109	55,838 *2
Right-of-use assets.....	34,921	38,639	3,718
Goodwill.....	212,207	256,532	44,325
Intangible assets.....	118,533	151,295	32,762
Deferred tax assets.....	40,434	36,624	(3,810)
Other non-current assets.....	16,867	46,978	30,111
<b>Total non-current assets.....</b>	<b>2,047,468</b>	<b>2,293,706</b>	<b>246,238</b>
<b>Total assets.....</b>	<b>3,250,175</b>	<b>3,493,470</b>	<b>243,295</b>

Remarks:

\*1 Equity and debt instruments increased due mainly to a rise in market value of equity securities.

\*2 Kyocera made capital expenditures to enhance production capacity in order to cope with the increased demand for 5G-related products.

Note: The consolidated statement of financial position and the consolidated statement of profit or loss for the year ended March 31, 2020, and indications of increase (decrease) of amounts and remarks are presented solely for reference.

	(Yen in millions)		
	As of March 31,		Increase
	2020	2021	(Decrease)
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Borrowings .....	35,025	40,020	4,995
Trade and other payables .....	173,300	183,145	9,845
Lease liabilities .....	15,477	15,863	386
Other financial liabilities .....	1,544	7,669	6,125
Income tax payables .....	11,396	15,584	4,188
Accrued expenses .....	114,983	120,165	5,182
Provisions .....	14,411	6,403	(8,008)
Other current liabilities .....	31,373	34,004	2,631
<b>Total current liabilities</b> .....	<b>397,509</b>	<b>422,853</b>	<b>25,344</b>
<b>Non-current liabilities:</b>			
Borrowings .....	44,970	57,888	12,918
Lease liabilities .....	31,847	34,051	2,204
Retirement benefit liabilities .....	28,406	23,624	(4,782)
Deferred tax liabilities .....	271,317	309,951	38,634 *1
Provisions .....	8,760	8,432	(328)
Other non-current liabilities .....	13,124	20,561	7,437
<b>Total non-current liabilities</b> .....	<b>398,424</b>	<b>454,507</b>	<b>56,083</b>
<b>Total liabilities</b> .....	<b>795,933</b>	<b>877,360</b>	<b>81,427</b>
<b>Equity</b>			
Equity attributable to owners of the parent:			
Common stock .....	115,703	115,703	—
Capital surplus .....	123,539	122,745	(794)
Retained earnings .....	1,686,672	1,750,259	63,587
Other components of equity .....	575,495	671,951	96,456 *2
Treasury stock .....	(69,275)	(69,243)	32
<b>Total equity attributable to owners of the parent</b> .....	<b>2,432,134</b>	<b>2,591,415</b>	<b>159,281</b>
Non-controlling interests .....	22,108	24,695	2,587
<b>Total equity</b> .....	<b>2,454,242</b>	<b>2,616,110</b>	<b>161,868</b>
<b>Total liabilities and equity</b> .....	<b>3,250,175</b>	<b>3,493,470</b>	<b>243,295</b>

Remarks:

\*1 Deferred tax liabilities increased due mainly to a rise in market value of equity securities.

\*2 Net unrealized gains (losses) on securities increased due mainly to a rise in market value of equity securities.

**Consolidated Statement of Profit or Loss**

	(Yen in millions)		
	For the year ended March 31,		Increase (Decrease)
	2020	2021	
<b>Sales revenue</b> .....	1,599,053	1,526,897	(72,156)
Cost of sales.....	1,157,879	1,119,950	(37,929)
<b>Gross profit</b> .....	441,174	406,947	(34,227)
Selling, general and administrative expenses .....	340,981	336,303	(4,678) *1
<b>Operating profit</b> .....	100,193	70,644	(29,549)
Finance income .....	48,154	45,650	(2,504)
Finance expenses .....	1,553	2,194	641
Foreign exchange gains (losses) .....	(481)	375	856
Share of net profit (loss) of investments accounted for using the equity method .....	124	261	137
Other, net .....	2,389	2,823	434
<b>Profit before income taxes</b> .....	148,826	117,559	(31,267)
Income taxes .....	36,980	24,209	(12,771)
<b>Profit for the year</b> .....	111,846	93,350	(18,496)
<b>Profit attributable to:</b>			
Owners of the parent.....	107,721	90,214	(17,507)
Non-controlling interests .....	4,125	3,136	(989)
<b>Profit for the year</b> .....	111,846	93,350	(18,496)

Remarks:

\*1 Selling, general and administrative expenses decreased due mainly to a decrease in travel expenses as well as the absence of impact of a charge relating to litigation at AVX Corporation, a U.S. based subsidiary, recorded in fiscal 2020, despite the recording of an impairment loss in the smart energy business in fiscal 2021.

## Financial Statements

### Balance Sheet

	(Yen in millions)	
	As of March 31,	
	2020	2021
<b>Assets</b>		
<b>Current assets:</b>		
Cash and bank deposits .....	153,130	136,346
Trade notes receivable.....	2,085	1,359
Electronically recorded monetary claims .....	10,490	13,038
Trade accounts receivable .....	159,229	165,658
Short-term investments in debt securities.....	22,803	28,570
Finished goods and merchandise.....	50,756	43,333
Work in process.....	58,501	61,430
Raw materials and supplies .....	33,322	35,166
Prepaid expenses .....	2,695	2,721
Other.....	53,077	44,267
Allowances for doubtful accounts .....	(216)	(661)
Total current assets.....	<u>545,872</u>	<u>531,227</u>
<b>Non-current assets:</b>		
<b>Tangible fixed assets:</b>		
Buildings .....	58,295	68,965
Structures.....	3,400	3,746
Machinery and equipment .....	50,917	77,074
Vehicles.....	189	360
Tools, furniture and fixtures .....	22,275	24,788
Land.....	41,147	41,592
Leased assets .....	653	601
Construction in progress.....	9,904	16,282
Total tangible fixed assets .....	<u>186,780</u>	<u>233,408</u>
<b>Intangible assets:</b>		
Software .....	4,730	3,812
Leased assets .....	23	17
Goodwill.....	3,260	2,133
Industrial property rights .....	2,726	1,933
Customer relationships .....	1,088	1,020
Other.....	1,118	2,229
Total intangible assets .....	<u>12,945</u>	<u>11,144</u>
<b>Investments and other assets:</b>		
Long-term investments in debt and equity securities .....	1,185,887	1,256,754
Investments in equity securities of subsidiaries and affiliates.....	438,508	500,667
Investments in capital of subsidiaries and affiliates other than equity securities ...	102,878	103,124
Long-term loans .....	25,221	24,548
Other.....	22,372	24,624
Allowances for doubtful accounts .....	(367)	(359)
Total investments and other assets .....	<u>1,774,499</u>	<u>1,909,358</u>
Total non-current assets.....	<u>1,974,224</u>	<u>2,153,910</u>
<b>Total assets</b> .....	<u>2,520,096</u>	<u>2,685,137</u>

Note: The balance sheet and statement of profit or loss for the year ended March 31, 2020 are presented solely for reference.

<b>Liabilities</b>	<b>(Yen in millions)</b>	
	<b>As of March 31,</b>	
	<b>2020</b>	<b>2021</b>
<b>Current liabilities:</b>		
Electronically recorded obligations .....	21,597	22,520
Trade accounts payable .....	54,549	61,502
Short-term borrowing .....	56,965	65,540
Lease obligations .....	257	262
Other payables .....	28,860	26,332
Accrued expenses .....	18,865	19,590
Income taxes payables .....	1,303	2,856
Advance received .....	452	515
Deposits received .....	6,322	6,135
Accrued bonuses .....	21,182	21,050
Accrued bonuses for directors .....	215	180
Product warranty reserves .....	304	299
Other .....	487	3,537
<b>Total current liabilities</b> .....	<b>211,358</b>	<b>230,318</b>
<b>Non-current liabilities:</b>		
Long-term borrowing .....	40,000	40,000
Lease obligations .....	506	439
Deferred income taxes .....	247,338	284,864
Product warranty reserves .....	624	662
Other .....	4,484	4,597
<b>Total non-current liabilities</b> .....	<b>292,952</b>	<b>330,562</b>
<b>Total liabilities</b> .....	<b>504,310</b>	<b>560,880</b>
<b>Net assets</b>		
Shareholders' equity:		
Common stock .....	115,703	115,703
Capital surplus:		
Additional paid-in capital .....	192,555	192,555
Other capital surplus .....	1,701	1,718
<b>Total capital surplus</b> .....	<b>194,256</b>	<b>194,273</b>
Retained earnings:		
Legal reserves .....	17,207	17,207
Other retained earnings .....	1,017,783	1,060,312
Reserve for special depreciation .....	285	76
Reserve for promoting open innovation .....	—	25
General reserve .....	927,137	965,137
Unappropriated retained earnings .....	90,361	95,074
<b>Total retained earnings</b> .....	<b>1,034,990</b>	<b>1,077,519</b>
Common stock in treasury, at cost .....	(69,275)	(69,243)
<b>Total shareholders' equity</b> .....	<b>1,275,674</b>	<b>1,318,252</b>
Valuation and translation adjustment:		
Net unrealized gains on other securities .....	740,112	806,005
<b>Total net assets</b> .....	<b>2,015,786</b>	<b>2,124,257</b>
<b>Total liabilities and net assets</b> .....	<b>2,520,096</b>	<b>2,685,137</b>

## Statement of Profit or Loss

	(Yen in millions)	
	For the year ended March 31,	
	2020	2021
<b>Net sales</b> .....	730,388	708,177
Cost of sales .....	606,097	573,897
<b>Gross profit</b> .....	124,291	134,280
Selling, general and administrative expenses .....	124,989	122,450
<b>Profit (loss) from operations</b> .....	(698)	11,830
Non-operating income:		
Interest and dividend income.....	96,377	87,677
Others .....	5,158	5,318
Total non-operating income .....	101,535	92,995
Non-operating expenses:		
Interest expense .....	500	208
Others .....	1,981	1,372
Total non-operating expenses.....	2,481	1,580
<b>Recurring profit</b> .....	98,356	103,245
Non-recurring gain:		
Gain on sale of tangible fixed assets .....	3,389	306
Gain on sale of long-term investments in debt and equity securities .....	—	5,861
Others .....	1	2
Total non-recurring gain.....	3,390	6,169
Non-recurring loss:		
Loss on sale and disposal of tangible fixed assets .....	1,133	414
Loss on impairment of tangible fixed assets .....	121	—
Loss on valuation of investment securities .....	875	373
Loss on impairment of investments in equity securities of subsidiaries .....	1,697	457
Provision for allowance for doubtful accounts .....	—	459
Others.....	131	12
Total non-recurring loss .....	3,957	1,715
<b>Income before income taxes</b> .....	97,789	107,699
Income taxes – current .....	78	5,144
Income taxes – deferred .....	9,245	9,286
<b>Net income</b> .....	88,466	93,269

## Audit Report

### Copy of Audit Report of Accounting Auditor on Consolidated Financial Statements

#### Independent Auditors' Report (English Translation)

May 21, 2021

To the Board of Directors of  
Kyocera Corporation:

#### PricewaterhouseCoopers Kyoto

Designated and Engagement Partner,

Certified Public Accountant:

Keiichiro Kagi

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Designated and Engagement Partner,

Certified Public Accountant:

Tetsuhiro Yasumoto

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#### *Audit Opinion*

Pursuant to paragraph 4 of Article 444 of the Companies Act of Japan, we have audited the consolidated financial statements, namely, the consolidated statements of financial position as of March 31, 2021 of Kyocera Corporation (the "Company") and its consolidated subsidiaries, and the consolidated statement of profit or loss, and changes in equity for the year then ended, including notes to consolidated financial statements.

In our opinion, the consolidated financial statements, prepared with the omission of a part of the disclosure item required under the designated International Financial Reporting Standards pursuant to the provisions of the second sentence of paragraph 1 of Article 120 of the Rules of Corporate Accounting of Japan, present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of March 31, 2021 and the consolidated results for the year then ended.

#### *Basis for opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities in auditing standards are stated in "Auditor's Responsibility for Audit of Consolidated Financial Statements."

We are independent of the Company and its consolidated subsidiaries and fulfill our other ethical responsibilities as an auditor in accordance with the provisions regarding professional ethics in our country. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Management, the Audit & Supervisory Board Members and the Audit & Supervisory Board's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation of consolidated financial statements that give a true and fair view pursuant to the provisions of the second sentence of paragraph 1 of Article 120 of the Rules of Corporate Accounting of Japan which allows to prepare consolidated financial statements with the omission of a part of the disclosure item required under the designated International Financial Reporting Standards. This responsibility includes implementing and maintaining internal controls deemed necessary by management for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements on the basis of the going concern assumption and for disclosing any matters relating to going concern, if necessary, pursuant to the provisions of the second sentence of paragraph 1 of Article 120 of the Rules of Corporate Accounting of Japan which allows to prepare consolidated financial statements with the omission of a part of the disclosure item required under the designated International Financial Reporting Standards.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible to monitor the execution of the directors' duties in the design and operation of the financial reporting process.

### *Auditor's Responsibility for Audit of the Consolidated Financial Statements*

Our responsibility is to express an opinion on these consolidated financial statements in the audit report from an independent position based on our audit, with obtaining reasonable assurance as to whether the consolidated financial statements are free from material misstatement due to fraud or error. A misstatement can be caused by fraud or error and is judged to be material when individually or collectively it is reasonably expected to affect decisions of users of the consolidated financial statements.

We shall, in accordance with the auditing standards generally accepted in our country, make judgments as professional experts and maintain professional skepticism throughout the audit process and carry out the following:

- We shall identify and assess material misstatement risks due to fraud or error. In addition, we shall plan and perform audit procedures in response to material misstatement risks. The audit procedures selected and applied depend on the auditor's judgement. In addition, we shall obtain sufficient and appropriate audit evidence which provides a basis for our opinion.
- In making such risk assessment, we shall consider the Company's internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- We shall assess the appropriateness of the accounting policies adopted by management and the application thereof, as well as the reasonableness of accounting estimates made by management and the validity of related notes.
- We shall conclude whether it is appropriate for management to prepare the consolidated financial statements based on the going concern assumption and whether there are significant uncertainties regarding events or circumstances that may raise material doubts about the going concern assumption based on the audit evidence obtained. If significant uncertainties regarding the going concern assumption are identified, we are required to draw attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements are inappropriate, we are required to express an opinion with exceptive items to the consolidated financial statements. Our conclusions are based on audit evidence obtained by the date of the audit report, but there are possibilities not to continue as a going concern by future events and circumstance.
- We shall assess whether the presentation and notes to the consolidated financial statements are pursuant to the provisions of the second sentence of paragraph 1 of Article 120 of the Rules of Corporate Accounting of Japan which allows to prepare consolidated financial statements with the omission of a part of the disclosure item required under the designated International Financial Reporting Standards, as well as the presentation, structure and content of the consolidated financial statements, including related notes, and whether the consolidated financial statements properly present the underlying transactions and accounting events.
- We shall obtain sufficient and appropriate audit evidence of the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the instructions, supervision and implementation of the audit of the consolidated financial statements. We are solely responsible for the audit opinion.

We shall report to the Audit & Supervisory Board Members and the Audit & Supervisory Board on the scope and timing of the planned audit, the significant findings of the audit including the significant deficiencies in internal control identified in the process of the audit, and other matters required by the audit standards.

We shall report to the Audit & Supervisory Board Members and the Audit & Supervisory Board on their compliance with the provisions on professional ethics in our country with regard to independence and on matters reasonably considered to affect the independence of the auditors and the content of safeguards, if any, to remove or reduce impediments to their independence.

*Interest*

Our firm and its designated engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

## Copy of Audit Report of Accounting Auditor

### Independent Auditors' Report (English Translation)

May 21, 2021

To the Board of Directors of  
Kyocera Corporation:

#### **PricewaterhouseCoopers Kyoto**

Designated and Engagement Partner,  
Certified Public Accountant:

Keiichiro Kagi

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Designated and Engagement Partner,  
Certified Public Accountant:

Tetsuhiro Yasumoto

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#### *Audit Opinion*

Pursuant to paragraph 2-1 of Article 436 of the Companies Act of Japan, we have audited the financial statements, namely, the balance sheet as of March 31, 2021 of Kyocera Corporation (the "Company") for its 67<sup>th</sup> fiscal year, and the statement of profit or loss, and the statement of changes in net assets for the year then ended, including the notes to the financial statements and the supplementary schedules (hereinafter "the financial statements and other").

In our opinion, the financial statements and other present fairly, in all material respects, the financial position of the Company as of March 31, 2021 and the results for the year then ended in conformity with accounting principles generally accepted in Japan.

#### *Basis for opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities in auditing standards are stated in "Auditor's Responsibility for Audit of the Financial Statements and Other." We are independent of the Company and fulfill our other ethical responsibilities as an auditor in accordance with the provisions regarding professional ethics in our country. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Management, the Audit & Supervisory Board Members and the Audit & Supervisory Board's Responsibility for the Financial Statements and Other*

Management is responsible for the preparation of the financial statements and other that give a true and fair view in accordance with accounting principles generally accepted in Japan. This responsibility includes implementing and maintaining internal controls deemed necessary by management for the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and other, management is responsible for assessing whether it is appropriate to prepare the financial statements and other on the basis of the going concern assumption and for disclosing any matters relating to going concern, if necessary, in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible to monitor the execution of the directors' duties in the design and operation of the financial reporting process.

### *Auditor's Responsibility for Audit of the Financial Statements and Other*

Our responsibility is to express an opinion on these financial statements and other in the audit report from an independent position based on our audit, with obtaining reasonable assurance as to whether the financial statements and other are free from material misstatement due to fraud or error. A misstatement can be caused by fraud or error and is judged to be material when individually or collectively it is reasonably expected to affect decisions of users of the financial statements and other. We shall, in accordance with the auditing standards generally accepted in our country, make judgments as professional experts and maintain professional skepticism throughout the audit process and carry out the following:

- We shall identify and assess material misstatement risks due to fraud or error. In addition, we shall plan and perform audit procedures in response to material misstatement risks. The audit procedures selected and applied depend on the auditor's judgement. In addition, we shall obtain sufficient and appropriate audit evidence which provides a basis for our opinion.
- In making such risk assessment, we shall consider the Company's internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- We shall assess the appropriateness of the accounting policies adopted by management and the application thereof, as well as the reasonableness of accounting estimates made by management and the validity of related notes.
- We shall conclude whether it is appropriate for management to prepare the financial statements and other based on the going concern assumption and whether there are significant uncertainties regarding events or circumstances that may raise material doubts about the going concern assumption based on the audit evidence obtained. If significant uncertainties regarding the going concern assumption are identified, we are required to draw attention to the notes to the financial statements and other in the audit report, or if the notes to the financial statements and other are inappropriate, we are required to express an opinion with exceptive items to the financial statements and other. Our conclusions are based on audit evidence obtained by the date of the audit report, but there are possibilities not to continue as a going concern by future events and circumstance.
- We shall assess whether the presentation and notes to the financial statements and other comply with accounting principles generally accepted in Japan, as well as the presentation, structure and content of the financial statements and other, including related notes, and whether the financial statements and other properly present the underlying transactions and accounting events.

We shall report to the Audit & Supervisory Board Members and the Audit & Supervisory Board on the scope and timing of the planned audit, the significant findings of the audit including the significant deficiencies in internal control identified in the process of the audit, and other matters required by the audit standards.

We shall report to the Audit & Supervisory Board Members and the Audit & Supervisory Board on their compliance with the provisions on professional ethics in our country with regard to independence and on matters reasonably considered to affect the independence of the auditors and the content of safeguards, if any, to remove or reduce impediments to their independence.

### *Interest*

Our firm and its designated engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

## Copy of Audit Report of Audit & Supervisory Board

### Audit Report (English Translation)

The Audit & Supervisory Board (hereinafter referred to as “the Board”), based on audit reports prepared by each Audit & Supervisory Board Member (hereinafter referred to as “Board Member”) related to the execution of duties of Directors during the 67<sup>th</sup> fiscal year from April 1, 2020 to March 31, 2021, hereby reports its results of audit after deliberations, as the unanimous opinion of all Board Members, as follows:

#### 1. Methods and Details of Audit by Individual Board Members and by the Board

- (1) The Board established auditing policies, auditing plans and role sharing for the fiscal year and received audit reports from each Board Member on the execution of his auditing activities and the result thereof. In addition, it received reports on the execution of duties from Directors, etc. and from the Accounting Auditor, and, when necessary, requested their explanations regarding such reports.
- (2) In accordance with the auditing standards for Board Members set by the Board, each Board Member communicated with Directors, the Corporate Global Audit Division of the internal audit department and employees of Kyocera Corporation (hereinafter referred to as the “Company”) and endeavored to gather information and create an improved environment for auditing, according to the auditing policies, auditing plans and role sharing for the fiscal year, and conducted the audit by the following methods.
  - (i) Board Members attended the meetings of the Board of Directors and other important meetings, received reports from Directors, the Corporate Global Audit Division and employees of the Company on the execution of their duties, and, when necessary, requested their explanations regarding those reports. Board Members also inspected documents related to important decisions including internally approved documents and examined operations and assets at the Company’s head office, plants and major operational establishments. In addition, Board Members had a meeting with the Chairman of the Board and Representative Director and the President and Representative Director of the Company and exchanged opinions and information on issues, etc. on auditing. With respect to subsidiaries, Board Members not only visited and examined subsidiaries based on the auditing plans, but also received reports on auditing condition of subsidiaries from their Board Members, etc. at the regular meetings with them, and facilitated communications and exchanged information with Directors of them too, and, when necessary, attended important meetings, received reports on business, requested explanations and expressed opinions.
  - (ii) Board Members received reports on the status of maintenance and operations from Directors, the Corporate Global Audit Division and Board Members of subsidiaries, etc., and, when necessary, requested their explanations and expressed opinions regarding the content of the resolution of the Board of Directors with respect to the development and maintenance of a system to ensure that the execution of duties by Directors as described in the business report shall be in compliance with laws and regulations and with the Company’s Articles of Incorporation and other systems required by Article 100, paragraphs (1) and (3) of the Regulation for Enforcement of the Companies Act as being necessary for ensuring the appropriateness of operations of the corporate group consisting of the Company and its consolidated subsidiaries, and the systems (internal control systems) established under such resolution. With respect to the internal control systems regarding financial reporting, Board Members received reports on the evaluation of such internal control systems and the auditing condition from Directors, the Corporate Global Audit Division and from PricewaterhouseCoopers Kyoto, and, when necessary, requested their explanations regarding those reports.
  - (iii) Board Members monitored and examined whether the Accounting Auditor maintained their independence and performed their audits in an appropriate manner, and received reports from the Accounting Auditor on the execution of their duties and, when necessary, requested their explanations regarding those reports. Board Members also received notification from the Accounting Auditor that

they have taken steps to improve the “system for ensuring appropriate execution of their duties” (matters set forth in the items of Article 131 of the Regulation on Corporate Accounting) in compliance with the “Quality Control Standards Relating to Auditing” (adopted by the Business Accounting Council on October 28, 2005), etc. and, when necessary, requested their explanations regarding such notification.

Based on the foregoing methods, Board Members reviewed the business report and supplementary schedule thereto, the financial statements (balance sheet, statement of profit or loss, statement of changes in net assets and notes to financial statements) and supplementary schedules thereto as well as consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity and notes to consolidated financial statements) for the fiscal year.

## 2. Results of Audit

### (1) Result of the Audit of the Business Report, etc.

- (i) The business report and the supplementary schedules thereto fairly present the condition of the Company in accordance with Japanese laws and regulations and the Articles of Incorporation of the Company.
- (ii) There has been neither unfair conduct nor any material violation of Japanese law or regulation or the Articles of Incorporation of the Company in connection with the execution of duties of the Directors.
- (iii) The content of the resolution by the Board of Directors regarding internal control systems is due and proper. Furthermore, nothing has arisen that requires comment on the description in the business report and the Directors’ execution with respect to the internal control systems, including financial reporting.

### (2) Result of the Audit of Financial Statements and Supplementary Schedules Thereto

The methods and results of the audit by the Accounting Auditor, PricewaterhouseCoopers Kyoto are due and proper.

### (3) Result of the Audit of Consolidated Financial Statements

The methods and results of the audit by the Accounting Auditor, PricewaterhouseCoopers Kyoto are due and proper.

May 26, 2021

Audit & Supervisory Board,  
Kyocera Corporation

Itsuki Harada [Seal]  
Full-time Audit & Supervisory Board Member

Shigeru Koyama [Seal]  
Full-time Audit & Supervisory Board Member

Hitoshi Sakata [Seal]  
Audit & Supervisory Board Member

Masaaki Akiyama [Seal]  
Audit & Supervisory Board Member

Note: Messrs. Hitoshi Sakata and Masaaki Akiyama are Outside Audit & Supervisory Board Members as specified in Article 2, item (xvi) and Article 335, paragraph (3) of the Companies Act.