

To All Persons Concerned

Name of Company Listed: Kyocera Corporation

Name of Representative: Hideo Tanimoto, President and Director  
(Code number: 6971, The First Section of the Tokyo Stock Exchange)

Person for Inquiry: Shoichi Aoki  
Director, Managing Executive Officer and General Manager of  
Corporate Management Control Group  
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**Notice Relating to Determination of Detailed Conditions of Disposal of Treasury Stock  
through Third-Party Allotment to Employees Shareholding Association**

This is to advise you that Kyocera Corporation (the “Company”) has resolved, at a meeting of its Board of Directors held on June 25, 2019 (the “Date of Determination”), the number of shares to be disposed of and the disposal price etc., regarding the disposal of treasury stocks through the third-party allotment to Stock Purchase Plan for Kyocera Group Employees, which is the employees shareholding association of the Company (the “Subscriber” or “Shareholding Association”), (the “Third-Party Allotment”), based on the resolution of the Board of Directors held on March 29, 2019.

For your information, the content of this notice is updated based on the result of business performance in the fiscal year ended March 31, 2019, compared with that of “Notice Relating to Disposal of Treasury Stock through Third-Party Allotment to Employees Shareholding Association” disclosed on March 29, 2019.

1. Overview of Disposal of Treasury Stock

(1) Disposal date	July 11, 2019
(2) Class and number of shares to be disposed of	Common stock 672,600
(3) Disposal price	7,053 yen per share
(4) Total Amount to be paid	4,743,847,800 yen
(5) Disposal method (Scheduled Subscriber)	Third-party allotment (Stock Purchase Plan for Kyocera Group Employees 672,600)
(6) Others	The Third-Party Allotment is subject to the effectuation of the Securities Registration Statement under the Financial Instruments and Exchange Act.

2. Purpose and Reason of Disposal of Treasury Stock, etc.

(1) Purpose and reason of disposal of treasury stock

The Company marks its 60th anniversary in 2019. As a part of this 60th anniversary project, the Company has been considering to allot the Company’s shares to the Employees in order to share the delight of the 60th anniversary with the Employees, who has contributed to the development of the Company group, to express our gratitude to the Employees and to motivate the Employees to expand the Company’s corporate value much further.

As a result, the Company decided to grant common stocks to the Employees through the Shareholding Association in light of simplicity of granting process to a lot of the Employees including the Employees of domestic affiliates of the Company and create greater shared values between the Employees and our shareholders.

On the other hand, the Company has been considering the scale of third-party allotment etc. carefully because it

causes a dilution of shareholding ratio.

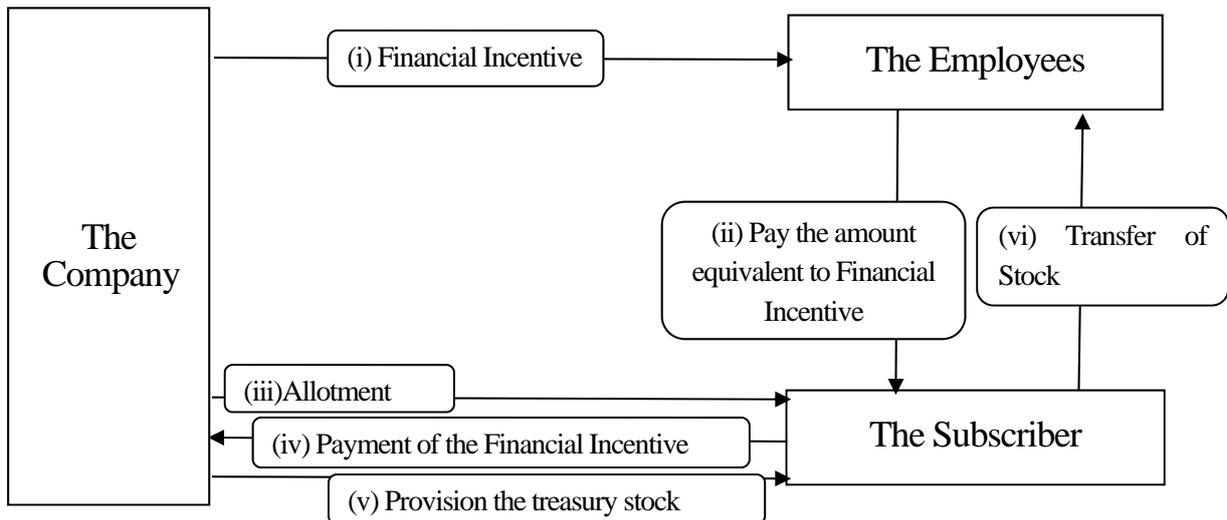
However, the dilution of shareholding ratio to be caused by the Third-Party Allotment is small-scale, 0.18% of total number of issued shares, as described in 5 (2) below. Therefore, the Company decided to carry out the Third-Party Allotment because it will lead to improvement of the corporate value of the Company through the rising in motivation of the Employees and increasing the Employees' incentive to work in the Company group caused by their capital participation as the stockholders.

(2) The structure of disposal of treasury stock

The Third-Party Allotment will be conducted as follows:

- (i) The Company grants financial incentives to the Employees belonging to the Subscriber (the "Members");
- (ii) Members pay the amount equivalent to financial incentives to the Subscriber;
- (iii) The Company disposes of treasury stocks through the Third-Party Allotment to the Subscriber;
- (iv) The Subscriber makes the payment of the Third-Party Allotment with the amount paid by Members;
- (v) The Company provides the treasury stock to the Subscriber;
- (vi) Members transfer stocks to their own security account from the securities account of Subscriber.

The actual payments described (i) and (ii) above are carried out in the way the Company pay directly into the designated deposit account of the Subscriber.



### 3. Amount, Purpose of Funds and Expected Timing of Spending of Funds

#### (1) Amount of funds

(i) Total amount to be paid	4,743,847,800 yen
(ii) Estimated amount of expenses related to the disposal	2,400,000 yen
(iii) Estimated net proceeds	4,741,447,800 yen

Note 1: Estimated amount of expenses related to the disposal does not include consumption tax, etc.

Note 2: Estimated amount of expenses related to the disposal includes preparation fees of the Security Registration Statement, etc.

#### (2) Specific purpose of funds

Specific Purpose of Funds	Amount	Expected timing of spending
Operating funds to conduct the business	4,741,447,800 yen	On and after July 2019

Note: The Company will keep the funds in the account of the Company until they will be spent.

### 4. Attitude on Reasonableness of Purpose of Funds

The Third-Party Allotment is, as a part of the 60th anniversary project, conducted in the method that the Company grants financial incentives to the Members and the Subscriber receives the amount equivalent to such financial incentives from the Members and pays them to the Company, and is not for the purpose of the financing. The Company will allot the Funds as the operating funds to conduct the business on and after July 2019 and keep the funds in the account of the Company until they are spent.

### 5. Rationality of Terms and Conditions of Disposal

#### (1) Basis of the calculation of disposal price and specific details thereof

The disposal price of the Third-Party Allotment is 7,053 yen per share, which is the closing price of the Company's common stocks on the Tokyo Stock Exchange on June 24, 2019, the business day immediately preceding the Date of Determination (June 25, 2019) because the most recent stock price is considered to be properly reflecting the Company's shareholder value. This price is the market value immediately preceding the Date of Determination, and is a reasonable price that properly reflects the Company's corporate value in a state where there are no special circumstances under which the foregoing price is not relied upon the most recent stock price, and does not fall within a price that is excessively advantageous for the Subscriber. In addition, such method of determination of the disposal price meets the Japan Securities Dealers Association's "Policy regarding Treatment of Allotment to Third Parties".

The disposal price of the Third-Party Allotment is 2.99% premium against 6,848 yen of average (rounded off to the whole number) of closing price of one month up to the day immediately preceding business day (since May 25, 2019 until June 24, 2019), 3.67% premium against 6,803 yen of average (rounded off to the whole number) of closing price of three month up to the day immediately preceding the Date of Determination (since March 25, 2019 until June 24, 2019) and 9.77% premium against 6,425 yen of average (rounded off to the whole number) of closing price of six month up to the day immediately preceding the Date of Determination (since December 25, 2018 until June 24, 2019).

All of four (4) audit & supervisory board members of the Company, including two (2) outside audit & supervisory board members, expressed their view that such disposal price is fair and appropriate and is not particularly favorable to the Subscriber because it is based on the most recent market price which objectively reflects the value of the Company's common stocks.

#### (2) Reasons of rationality of number of shares to be disposed of and extent of stock dilution

The number of shares to be disposed of through the Third-Party Allotment is 672,600.

The dilution of shareholding ratio which would be caused by the number of disposal is small-scale, 0.18% of total number of issued shares (this percentage is rounded off to two decimal places, 0.19% of total number of voting

rights as of March 31, 2019).

In addition, the Company believes that the Third-Party Allotment leads to improvement of the corporate value of the Company through the rising in motivation of the Employees and increasing the Employees' incentive to work in the Company group caused by their capital participation as the stockholders. Therefore the Company judges the scale of number of disposal and dilution of shareholding ratio is reasonable and effect to the share market is minor.

## 6. Reasons for Selection of Subscriber and Related Matters

### (1) Outline of Subscriber

(i) Name	Stock Purchase Plan for Kyocera Group Employees
(ii) Address	6 Takeda Tobadono-cho, Fushimi-ku, Kyoto, Japan
(iii) Name and title of Representative	Satoshi Murakami, President
(iv) Date of establishment	September 29, 1973
(v) Relationship between the Company and Subscriber	
Capital relationship	N/A
Personnel relationship	Seven Employees of the Company are appointed to the administrator (including 1 president and 1 deputy president) or the auditor of the Subscriber.
Business relationship	N/A
Applicability as related party	N/A

\* The Subscriber is the Shareholding Association whose members are the Employees (its president is also the Employee).

As the Company regularly confirms that the Employees are not anti-social forces, the Company deems that the president and the Members are not a gang, gangster or any kind of anti-social forces, and have no business relationship or no capital relationship with such anti-social forces, and the Company has filed the certification about such fact to the Tokyo Stock Exchange.

### (2) Reasons for selecting the Subscriber

As described in "2. Purpose and Reason of Disposal of Treasury Stock, etc." above, the Company has been considering, as a part of the 60th anniversary project, to allot the Company's shares to the Employees in order to share the delight of the 60th anniversary with the Employees, who had been contributed to the development of the Company group, express our gratitude to the Employees and motivate the Employees to enlarge corporate value much further.

As a result, the Company has decided to grant common stocks to the Employees through the Shareholding Association, which established for the Members to acquire shares of the Company easily and to help Members accumulate their fortunes in light of simplicity of granting process for allotment to a lot of the Employees including the Employees of domestic affiliates of the Company and create greater shared values between the Employees and our shareholders.

Furthermore, a sufficient period to encourage the Employees to join the Subscriber has been established in order to grant shares as many Employees as possible.

### (3) Subscriber's shareholding policy

Shares of the Company to be granted to the Subscriber will not be subject to any restrictions on transfer etc. Therefore, in accordance with the terms and conditions of the Subscriber, the Members may, at their own discretion, transfer shares from the securities account of Stock Purchase Plan for Kyocera Group Employees, to securities account of each Employees and sell the shares.

For your information, the Company will obtain a written affirmation from the Subscriber in which it state that (i) when the Subscriber transfers all or some part of common stocks of the Company disposed of through the Third Party Allotment within two years from the disposal date, the Subscriber shall report the details thereof in writing to the Company, (ii) the Subscriber shall agree that the Company will report the details of such report to the Tokyo Stock Exchange, and (iii) the Subscriber shall agree that the details of such report will be available for public inspection.

(4) Confirmed facts regarding existence of assets to be paid by the Subscriber

The Company will grant financial incentives to the Employees and such Employees will pay the amount equivalent to financial incentives to the Shareholding Association and the Subscriber makes payment with the amount. In practice, payment of financial incentives to the Employees is made by remitting them to the designated deposit account of the Subscriber directly. Therefore, the Company considers that there is no particular problem with the payment of the Third-Party Allotment.

7. Major Shareholders and Percentage of Voting Rights Ratio After the Disposal

Before the Disposal (as of March 31, 2019)		After the Disposal	
Name	Voting rights ratio	Name	Voting rights ratio
The Master Trust Bank of Japan, Ltd. (Trust Account)	15.30%	The Master Trust Bank of Japan, Ltd. (Trust Account)	15.27%
Japan Trustee Services Bank, Ltd. (Trust Account)	7.56%	Japan Trustee Services Bank, Ltd. (Trust Account)	7.55%
SSBTC CLIENT OMNIBUS ACCOUNT	4.80%	SSBTC CLIENT OMNIBUS ACCOUNT	4.79%
The Bank of Kyoto, Ltd.	3.99%	The Bank of Kyoto, Ltd.	3.99%
Kazuo Inamori	2.83%	Kazuo Inamori	2.82%
Inamori Foundation	2.59%	Inamori Foundation	2.59%
KI Enterprise Co., Ltd.	1.96%	KI Enterprise Co., Ltd.	1.96%
Trust & Custody Services Bank, Ltd. (Stock Investment Trust Account)	1.85%	Trust & Custody Services Bank, Ltd. (Stock Investment Trust Account)	1.84%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1.66%	Japan Trustee Services Bank, Ltd. (Trust Account 5)	1.65%
Stock Purchase Plan for Kyocera Group Employees	1.56%	Stock Purchase Plan for Kyocera Group Employees	1.75%

Note 1: Voting rights ratio after the disposal is calculated by dividing the number of the voting rights of shareholders after the disposal by the total number of the voting rights of the Company (3,620,764), which is calculated by adding the number of voting rights granted through the Third-Party Allotment (6,726) to the total number of the voting rights of the Company as of March 31, 2019 (3,614,038).

Note 2: The voting rights ratio is rounded off to two decimal places.

8. Future Outlook

The impact of the Third-Party Allotment on the Company's consolidated result will be minor and the Company does not revise the consolidated performance forecast for the fiscal year ending March 31, 2020.

9. Matters Regarding Procedures under the Code of Corporate Conduct

As to the Third-Party Allotment, because (i) the dilution of shareholding ratio by it is less than 25%, and (ii) it does not cause change in the status of the controlling shareholders, the Third-Party Allotment does not require obtaining opinion from independent third-party and procedures to confirm the shareholder's intention under Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange.

## 10. Business Results and Equity Financing for the Last Three Fiscal Years

### (1) Business results for the last three fiscal years (consolidated)

(Unit: Yen in millions)

Years ended March 31,	2017	2018	2019
Net sales (Sales revenue)	1,422,754	1,577,039	1,623,710
Profit from operations (Operating profit)	104,542	90,699	94,823
Income before income taxes (Profit before income taxes)	137,849	129,992	140,610
Net income attributable to Kyocera Corporation's shareholders (Profit attributable to owners of the parent)	103,843	79,137	103,210
Net income attributable to Kyocera Corporation's shareholders per share - Diluted (Earnings per share attributable to owners of the parent - Diluted)	282.62 yen	215.20yen	284.70yen
Annual dividend per share	110 yen	120yen	140 yen
Book value per share (Book value per share attributable to owners of the parent)	6,347.95 yen	6,325.11yen	6,263,71 yen

Note 1: Since the fiscal year ended March 31, 2019, the Company prepares consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"). Therefore, the amount in and after the preceding fiscal year (ended March 2018) term have been prepared in accordance with IFRS. The date of migration to IFRS was April 1, 2017 and ( ) of every particular items above are names of accounting item of IFRS.

Note 2: Annual dividend per share in the fiscal year ended March 31, 2019 includes 20 yen of the commemoration dividend.

### (2) Total number of issued shares and number of potential shares as of March 31, 2019

Type	Number of Shares	Percentage of Total Shares Outstanding
Number of shares outstanding	377,618,580	100%
Number of potential shares at current conversion price (exercise price)	—	—
Number of potential shares at minimum conversion price (exercise price)	—	—
Number of potential shares at maximum conversion price (exercise price)	—	—

### (3) Recent share prices

#### (i) Last three fiscal years

(Unit: Yen)

Years ended March 31,	2017	2018	2019
Opening price	4,941	6,227	6,010
Highest price	6,462	8,345	7,042
Lowest price	4,559	5,613	5,127
Closing price	6,202	6,004	6,500

(ii) Last six months

(Unit: Yen)

	2018	2019				
	December	January	February	March	April	May
Opening price	6,208	5,312	6,128	6,171	6,640	7,118
Highest price	6,237	6,210	6,300	6,535	7,255	7,123
Lowest price	5,127	5,155	5,747	6,122	6,593	6,612
Closing price	5,508	6,114	6,141	6,500	7,190	6,624

(iii) Stock price on the day before the shelf registration resolution

(Unit: Yen)

	As of June 24, 2019
Opening price	7,100
Highest price	7,105
Lowest price	7,037
Closing price	7,053

(iv) Equity financing in the last three fiscal years

N/A

#### 11. Overview of the Disposal

(1) Number of shares	672,600
(2) Disposal price	7,053 yen (Total amount of disposal price 4,743,847,800 yen)
(3) Total amount of disposal	4,743,847,800 yen
(4) Disposal method	Through the third-party allotment
(5) Scheduled Subscriber	Stock Purchase Plan for Kyocera Group Employees
(6) Application date	July 11, 2019
(7) Payment date	July 11, 2019
(8) Number of Treasury stock after disposal	15,192,321 It is calculated by deducting the number of shares to be disposed of from the number of treasury stocks as of March 31, 2019.
(9) Others	The Third-Party Allotment is conditioned upon the Securities Registration Statement filed under the Financial Instruments and Exchange Act taking effect.