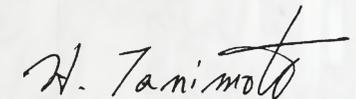


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The Kyocera Group continuously strives to enhance its management infrastructure as part of its ongoing efforts to increase corporate value and provide solutions to the challenges that face society.

Over the more than 60 years since the foundation of the company, the Kyocera Group has expanded its business and supported developments in society through the Kyocera Philosophy of providing opportunities for the material and intellectual growth of all employees while, at the same time, contributing through our joint efforts to the advancement of society and humankind. Today, we find ourselves in a time of significant global-level changes — changes in the climate, the socioeconomic environment, and geopolitical stability. In the face of such changes, Kyocera must create businesses capable of addressing the issues that have arisen as a result of advances in digitalization and the sophistication of social and industrial structures through progress in AI technology. In May of 2023, in recognition of the need to create medium to long-term plans for investment in facilities and human capital, as well as annual plans that respond to significant environmental changes while ensuring further growth, Kyocera established the Medium-Term Management Plan and set new management goals. In order to accelerate the speed of growth and achieve the set goals, Kyocera practices a Management by All approach which allows all employees to experience greater fulfillment and achievement in their work. Moreover, Kyocera improved its unique Amoeba Management system, a system designed to ensure that the Group keeps pace with the times and its business scale. Through the implementation of the Medium-Term Management Plan, Kyocera remains committed to the further improvement of corporate value by offering solutions to problems facing the society that we serve.

President and Representative Director,



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Review of FY2024

As a result of the rapid changes affecting the business environment in which we operate, the semiconductor-related business experienced a contraction for the first time in several years; however, AI markets are expected to undergo significant expansion, and we will continue to closely monitor any movement in this important area.

Looking back over the business results of FY2024, the semiconductor and information communication markets showed no recovery, although the automotive-related market showed an increase in the number of orders received. This lack of recovery was caused by a decrease in sales following a drop in orders for major products in the core component and electronic parts segments. In addition, despite continuing active capital investment in anticipation of future expansion in production, profits decreased as a result of a slowdown in the production facility operation rate and an increase in labor costs.

The semiconductor-related business contracted for the first time in several years, and this created an extremely challenging situation. However, full-scale use of AI technology has begun, and we expect AI-related business to grow as a result. Kyocera is also considering optimal applications of AI technology. Changes in the business environment have accelerated rapidly as both markets and technology experienced significant changes and impressive progress. The expectation is that demand for memory devices and a range of other products in the AI-related market will grow significantly; therefore, we will continue to pay close attention to the movement in this area in order to anticipate and take full advantage of any opportunities it presents.

Looking at the international scene, the conflict in Ukraine has become prolonged, and the situation in the Middle East continues unchanged. Increased energy prices continue to have a significant effect on the global economy. In addition, recent strains in US-China relations have impacted the business environment. Because of increased customs duties on document devices produced in China, Kyocera moved its production base for some products to Vietnam, and the production base for onboard cameras was moved to Thailand to mitigate risk. Furthermore, since economic growth in China has slowed because of restrictions on the export of semiconductors to China, sales of such devices have shrunk. The company continues to focus on parts for machinery tools, printing devices, and displays—items that are in steady demand in the Chinese market.

Interpreting and Practicing Kyocera's Management Philosophy

We must adapt the structure of the business to fully interpret and put into practice the Kyocera Philosophy.

Since its founding, the Kyocera Group has followed the fundamental principle of doing what is right as a human being. This forms the core concept underlying Kyocera's Management Rationale: To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind. This philosophy is shared among employees; however, thorough understanding and practical application of the spirit of the Kyocera Philosophy remains a challenge.

Since the Kyocera Philosophy is deeply rooted in the Group, management understands the tendency to avoid change. There is no need to change the focus on how personnel should live to benefit society and humankind; however, specific attitudes toward work and the attitudes of devoting oneself to working more than anyone else may require reconsideration in order to better fit the changing circumstances.

Maintaining a competitive spirit in business is, of course, essential. However, times have changed from the days when we could achieve positive results simply by putting in more effort than anyone else. It is now necessary to select a flexible structure that matches the current needs rather than merely adhering to conventional thinking and methods. An example of this might be the need to achieve results in a specific area within a short period of time by concentrating efforts as a short-term priority. Not doing so increases the risk of misinterpreting the spirit of the Kyocera Philosophy. Striving to establish this balance and understanding the true meaning of the Kyocera Philosophy means that we will revise the interpretation as needed and pass it down to the next generation of employees.

Expanding solution-type businesses that benefit society

Pursuing the creation of new electric service business models utilizing solar and fuel cells along with storage batteries to address energy and other needs.

Along with recent trends, the need for technologies and services capable of providing solutions for a wide range of needs has grown, such as decarbonization to combat climate change and the

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automation of production functions to address a declining workforce. Among these needs, the environment is the number one priority for the company. Japan, in particular, faces energy issues, and Kyocera has made it a priority to provide effective solutions. We are promoting the shift to renewable energy to achieve decarbonization through the implementation of solar power systems at production facilities. In addition, Kyocera has been working on the creation of new electric services utilizing solar and fuel cells in combination with storage batteries to reduce greenhouse gas emissions in individual regions throughout the country.

Kyocera continues to promote

energy saving in semiconductor-related products. Increasing energy consumption is a pressing global issue at data centers. Estimates are that future implementation of AI technology at data centers will require a ten-fold increase in energy use over current requirements. To help address this issue, Kyocera joined the Development of Next-Generation Green Data Center Technology Project for Next-Generation Digital Infrastructure Construction as part of the Green Innovation Fund Project hosted by the New Energy and Industrial Technology Development Organization (NEDO). Kyocera's focus within this large-scale endeavor is the development of optoelectronic technology. Since onboard camera sensors can help reduce traffic accidents and road congestion, Kyocera is working on the development of millimeter wave sensors. The potential application of millimeter wave sensors is broad, and they are expected to find extensive use in the monitoring of infrastructure damage.

In regard to new business, Kyocera developed the FOREARTH textile inkjet printer. The tex-

tile and apparel industries use tremendous volumes of water in the printing process, which leads to serious water pollution. FOREARTH minimizes water use and alleviates the need for conventional large pre- and post-treatment equipment and steamers. This results in a significant reduction in energy consumption and CO₂ emissions. Through the development of innovative products and services that reduce consumption and pollution, Kyocera contributes to the realization of a sustainable society. From its beginning as a ceramic parts manufacturer, Kyocera has evolved into a solutions provider, and the company will continue to make advances in meaningful research and development with its sights set on providing effective pathways to sustainability.

With regard to resource circulation, the time has passed when manufacturers gave little thought to waste. The Electronic Components segment uses a large amount of PET film when manufacturing condensers, and Kyocera is now working on reusing containers for copy machine toner. The recycling of tungsten, a rare metal used in machining tools, is now being implemented, and momentum for tungsten recycling has rapidly increased throughout the industry. Kyocera will continue to cooperate with other companies to promote collaborative approaches to creating and maintaining a workable circular economy.

Strengthening our management foundation

Kyocera aims to ensure a strong management foundation by enhancing human capital and promoting digital transformation (DX) as it pursues investment in priority items.

● Promoting diversity and improving employee engagement

To set medium-term management goals and clarify the required measures, the Kyocera Group established a Medium-Term Management Plan for the period between March 2024 and March 2026. The Group is strengthening the management foundation based on this plan while prioritizing the improvement of employee engagement through the creation of comfortable work environments and the implementation of recruitment strategies to enhance human capital. As a fundamental principle of recruitment, the Group ensures the human resources needed to achieve the Medium-term Management Plan while maintaining a balance between new and mid-career recruitment to ensure diversity. The Kyocera Group also revised its retirement system to allow qualified employees the option of continuing to work until the age of 70. Along with this, Kyocera continues to provide advancement opportunities for employees in their 60s. These opportunities include re-skilling to enable employees to expand their skills beyond their current specializations.

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Kyocera is working on a wide range of projects to create comfortable working environments for employees. As a part of this, the company strives to revitalize in-house communication. Remote work has increased because of COVID-19; however, a number of employees still prefer coming into the office. To accommodate these employees, Kyocera opened a new cafeteria at the head office as a place for communication. To revitalize communication during work, the company also opened cafeterias at other plants, including the Tokyo Ome and Kagoshima Kokubu plants. This has resulted in greater interactions among employees, which in turn has contributed to a very positive effect on the atmosphere at the individual workplaces. This has been reflected in responses to the weekly Workplace Assessment Survey targeting all employees as a part of the communication enhancement initiative, with results showing a clear improvement in internal communication every year. Despite this positive trend, however, the hoped-for increase in employee motivation has been elusive, with junior employees reporting a slight sense of dissatisfaction. While there are varying options for remote work and a flex system at the head office as well as branch and sales offices, employees at plants must be physically present. In an attempt to mitigate this disparity in workstyle options, Kyocera is applying a smart factory concept that makes it possible to reduce the number of employees required to monitor operations at night from a full crew to just one or two employees. The company must make adjustments to ensure that everyone can enjoy a comfortable work environment. Through such forward-thinking reforms, Kyocera works to improve employee satisfaction.

With regard to diversity, equity, and inclusion (DEI), Kyocera Corporation increased the number of women executive officers to three, an increase of one from the previous year. The number of women outside directors also increased from one to two, and one of the two outside auditors is now a woman. Kyocera is further increasing the number of promotions for women. In order to expand the diversity of ideas throughout the Group, Kyocera has been increasing the rate of female employees. The ratio of male employees taking childcare leave has exceeded 30%, and the company is looking to increase this to 50% by FY2026. In order to ensure diversity at the global level, Kyocera has exchanged human resources with Group companies in the United States and Europe and assigned overseas staff to executive officer and division manager positions. Kyocera is also hoping to increase diversity by eventually having more individuals from overseas serving on its Board of Directors.

● Effective use of AI and promotion of DX

To promote Digital Transformation (DX), the company completed the installation of a smart factory system into the storage battery line at the Shigayasu plant. This new technology will be implemented at all future plants and phased into existing plants. The New Robotics Segment is now in operation, and this segment's technology is shared by companies throughout the Group to promote DX. Furthermore, Kyocera now provides smartphones to all employees for more effective sharing of information, an approach also designed to accelerate digitalization. In the Corporate Division, the company is unifying time and monthly balance management across individual divisions to improve productivity and the integration of organizations. The advantage of such allied divisions is that they are being used to further promote the implementation and use of AI technology across the Group. AI-related markets are expected to expand, and along with this expansion, the semiconductor-related market is expected to gradually recover. Along with the increased use of AI in factories, Kyocera requires an increasing number of human resources capable of handling the robots used in the manufacturing process. The advancement of technology and changes in the business environment over time in all industries are givens; therefore, it is impossible to assume that employees entering the company will continue doing the same work throughout their careers. For this reason, Kyocera considers it essential to ensure career mobility and ease of flow among in-house work assignments.

● Investment with a clear focus on priorities

Sluggish business performance in FY2024 led to the decision to temporarily postpone capital investment and R&D until the second half of FY2025. With a focus on priority items, Kyocera implemented R&D while selectively allocating management resources to infrastructure-related businesses, such as the high-efficiency GaN laser, whose low energy consumption will bring the company closer to the realization of a low-carbon society, and infrastructure-related businesses supporting millimeter wave communications for 5G networks that are expected to be implemented in Japan in the future. Another focus of Kyocera is on M&A strategies for companies determined to have potential synergies with our future vision. Looking toward heightened collaboration, the company established a corporate venture capital fund to further accelerate our open innovation initiatives and to reinforce support to facilitate the search for startups with a focus on investments in exciting newcomers in Japan, Asia, the United States, and Europe in areas

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that have high future potential for the company. Areas of focus include environment and energy, information communication, healthcare, mobility, material technology, AI and software, aviation, aerospace and defense, semiconductors, and nuclear fusion.

Strength-
ening our
corporate
governance

Kyocera strives to ensure diversity on its Board of Directors and improve the effectiveness of the decision-making function with the goal of improving corporate value.

In order to enhance corporate governance and increase corporate value, Kyocera strives to ensure diversity on its Board of Directors while improving the effectiveness of the decision-making function. In-depth discussions and decisions regarding medium to long-term business and capital strategies are a major function of the Board of Directors. Kyocera includes outside directors with corporate management experience with the goal of enhancing the content and quality of discussions that result in decisions that set the direction of the company as part of its efforts to improve the effectiveness of this important function. Although the Board has traditionally devoted significant time to a wide range of capital investments, the directors recently shifted the focus to concentrate on relatively large-scale proposals to allow more time for discussion and decisions relating to Group governance and the medium to long-term direction of the business. The Board is now able, for example, to devote more time to decision-making regarding the governance of overseas subsidiaries based on reports submitted by the Global Audit Team and engage in detailed discussions of the medium to long-term Management Plan, including such important aspects of the plan as semiconductor development. This shift in focus has resulted in a significant improvement in the effectiveness of the Board. As mentioned in the DEI section, another female outside director was assigned in FY2025, and the company looks forward to her fresh perspective and unique proposals.

The Digital Business Promotion Group handles approaches to cybersecurity in line with the enhancement of risk management. Kyocera is highly cognizant of its responsibility to ensure the security of the Group network, which includes more than 100 overseas affiliates and partners.

To all
stakeholders

Kyocera continues to place emphasis on building and maintaining favorable relationships with all stakeholders based on the principle that employees are the source of Kyocera's strength.

The company also prioritizes communication as it strives to ensure open and positive relationships with all stakeholders—shareholders, investors, clients, suppliers, and employees.

In March 2024, the Japan Fair Trade Commission announced the results of its investigation into the abuse of the superior bargaining position in relation to the practice of passing on cost increases as a potential violation of the Antimonopoly Act. Kyocera Corporation was cited in the report along with other companies that may have failed to provide suppliers with sufficient opportunities to discuss pricing unless they had specifically requested adjustments. The Fair Trade Commission issued guidance to Kyocera directing it to communicate more thoroughly with suppliers. Although Kyocera has never violated either the Antimonopoly or Subcontract Acts and has always responded sincerely to requests for price adjustments from suppliers, the company redoubled its commitment to maintaining partnerships based on mutual trust in order to ensure appropriate pricing decisions through better communication. Kyocera is also committed to ensuring that all employees enjoy fair treatment in all aspects of employment, including wages. As part of the response to deflation and increasing commodity prices, the company is developing appropriate systems and structures to maintain a virtuous cycle to optimize pricing decisions with suppliers and ensure fair treatment of employees.

Kyocera believes that declining profit margins are one reason behind the failure of stock prices to rise. In response, the company is taking action to improve profits and provide a better return to shareholders. Kyocera is now in the process of reviewing the Group's target of 2.5 trillion yen in annual sales and 350 billion yen in pretax profit and will report the measures to be implemented to achieve these targets.

Kyocera Corporation's founder, Kazuo Inamori, devoted himself to building a world-class company. Continuing the founder's work, we have made a commitment to ensure the continued sustainable growth and success of the company. Based on the principle that employees are the source of Kyocera's strength, I made it my mission to ensure that everyone at Kyocera is able to derive satisfaction through a deep sense of fulfillment and accomplishment in their work. I look forward to your continuing support as we move together into the future.

Addressing Priorities (Materiality)

The Kyocera Group continually assesses social conditions, global trends, and stakeholder concerns for discussion with our Sustainability Committee. Priorities are addressed at semiannual International Management Meetings, which are attended by the leaders of our global operations. Issues of materiality identified through this process are reported to the Board of Directors.

Materiality	● Risk / ○ Opportunity	Targets (◆) and Initiatives (✦)	Achievements by FY2024	Detail page	
Contributing to Society Through Our Business	Further growth through new segment structure	<ul style="list-style-type: none"> ○ Rising sales through medium to long-term expansion of semiconductor markets ○ Increased demand for electronic components through expanding technologies such as AI/5G ○ Potential for products / services to address sustainability and other societal needs 	<p>◆ Achieving 2.5 trillion yen in sales revenue, medium-term target</p> <ul style="list-style-type: none"> • Focusing on semiconductor markets • Expanding market share by maximizing synergies between Kyocera and KYOCERA AVX • Focusing on capacitors, timing devices, and connectors • Expanding business through strategic initiatives • Creating new businesses to address societal needs 	<p>• Achieved 2.0042 trillion yen during the year ended March 31, 2024</p> <ul style="list-style-type: none"> • Continued working on strategic activities in priority areas • Performed cross-selling activities utilizing comprehensive capabilities • Integrated Kyocera's production technology and Kyocera AVX's design capabilities and developed ceramic condensers and other new products utilizing Kyocera's patent technologies • Strengthened management infrastructure through Group-wide project activities • Growth Strategy for Document Solutions • Smart Energy Structural Reform Initiatives 	<ul style="list-style-type: none"> • Core Components Business ▶ P.18 • Electronic Components Business ▶ P.20 • Solutions Business ▶ P.22
	Aggressive investment in high-growth semiconductor-related businesses	<ul style="list-style-type: none"> ○ Rising sales through medium to long-term expansion of semiconductor markets ● Risk concentration (increased dependence on semiconductor markets) 	<p>◆ Investing up to 400 billion yen in semiconductor equipment during three-year period ending March 2026</p> <ul style="list-style-type: none"> • Increasing production of cutting-edge semiconductor fabrication and packaging components 	<p>• Used 65.8 billion yen for capital investments in the year ended March 31, 2024</p> <ul style="list-style-type: none"> • Flexibly responded to market changes and made approaches along with long-term prospects 	<ul style="list-style-type: none"> • Core Components Business ▶ P.18
	Improving productivity through digitalization	<ul style="list-style-type: none"> ○ Increasing productivity and efficiency ● Information leakage and system failures ● Inability to achieve cost reduction targets through digitalization 	<p>◆ Improving employee proficiency in digitalization through onsite education, training and practice</p> <ul style="list-style-type: none"> • Implementing education and training by position and function for a digitalization-savvy workforce • Reviewing business processes to create in-house digitalization and AI platforms • Expanding business by combining sales and market information • Enhancing manufacturing with IoT data and automation 	<ul style="list-style-type: none"> • Cultivated human resources specialized in digital information • Actively used AI platforms <ul style="list-style-type: none"> • Number of participants: DX training (248), data engineering training (174), data science training (92), and no-code development (975) • Common production management system <ul style="list-style-type: none"> Inventory management: Implemented by 17 divisions Process management: Implemented by 4 divisions • Unification of sales information <ul style="list-style-type: none"> All divisions implemented the system and transitioned into the sales process reorganization phase. • Manufacturing line automation <ul style="list-style-type: none"> In the process of automating new bases and buildings 	<ul style="list-style-type: none"> • Digitalization: Fostering New Corporate Culture (DX) ▶ P.38

	Materiality	● Risk / ○ Opportunity	Targets (◆) and Initiatives (◦)	Achievements by FY2024	Detail page
Contributing to Society Through Our Business	Reinforcing R&D	<ul style="list-style-type: none"> ○ Developing business through internal R&D ● Inability to achieve expected results from newly developed technologies 	<ul style="list-style-type: none"> ◆ Achieving 3 trillion yen in sales during FY2030 ◦ Developing technologies to advance existing businesses ◦ Exploring future technologies ◦ Implementing collaborative R&D between segments 	<ul style="list-style-type: none"> • Used 104.3 billion yen for R&D for the year ended March 31, 2024 (Up 10.6% from the previous year) • Focused on approaches to the improvement of competitiveness in organic-based, multilayered packages and electronic components • Selected and concentrated on the search for future technology • Conducted demonstration experiments for 5G millimeter wave transmissions • Focused on new technology and product development through technological capabilities ensured by the reorganization of domestic R&D bases, the strengthening of human resource cultivation, and the enhancement of cooperation inside and outside the company • Promoted approaches to the establishment of new overseas R&D bases • Implemented approaches to open innovation and the creation of new business fields as well as the use of universities and other external resources 	<ul style="list-style-type: none"> • R&D Promotion ▶ P.25 • New Business Creation ▶ P.26
	Incubating new businesses to address societal needs	<ul style="list-style-type: none"> ○ Rising global environmental awareness creates demand for new businesses ○ Potential revenue from new businesses ● Inability to achieve expected results through newly established businesses 	<ul style="list-style-type: none"> ◆ Targeting new projects with 100 billion yen sales potential ◦ Identify and develop new business opportunities that address societal needs ◦ Expand into new growth areas and increase business scale through M&A ◦ Commence sales of textile inkjet printers 	<ul style="list-style-type: none"> • Began placing the products from the robotics business on the market (November 2023) • Began placing textile inkjet printers on the market • Launched the FOREARTH textile inkjet printer at ITMA 2023 in Milan, Italy 	<ul style="list-style-type: none"> • Value Creation with Amoeba Management ▶ P.17 • Special Issue ▶ P.24
Promoting Sustainable Management	Achieving carbon neutrality	<ul style="list-style-type: none"> ○ Greater brand value through successful response to societal needs ● Higher compliance costs from new laws and regulations ● Damage to corporate brand value from inability to respond to issues 	<ul style="list-style-type: none"> ◆ GHG target (Scope 1, 2 / 1.5°C level): 46% reduction by FY2031 compared to FY2020 levels ◆ GHG target (Scope 1, 2, 3 / 1.5°C level): 46% reduction by FY2031 compared to FY2020 levels ◆ Renewable energy adoption: Increase 20X by FY2031 compared to FY2014 usage ◆ Achieving carbon neutrality by FY2051 ◦ Promote renewable energy ◦ Promote company-wide energy efficiency 	<ul style="list-style-type: none"> • GHG Emissions (Scopes 1, 2): Reduced by 24% • GHG Emissions (Scopes 1, 2, 3): Reduced by 29% • Renewable Energy Implementation: Achieved 11.5 times more • Implemented renewable energy on-site and off-site • Implemented thorough energy savings with improved deodorizers • Improved efficiency by visualizing GHG emissions from production and utility equipment 	<ul style="list-style-type: none"> • Approaches to Carbon Neutrality ▶ P.40
	Building a circular economy	<ul style="list-style-type: none"> ○ Increased profits through energy savings, conservation, and advanced recycling technologies ● Higher compliance costs from new laws and regulations 	<ul style="list-style-type: none"> ◆ Target content, post-consumer recycled materials (PCRs) used in multifunction products (MFPs) and printers enclosures and toner containers: 1% or more in 2023; 5% or more in 2024 (Limited to models to be launched) ◦ Reusing materials and components through collection of used multifunction products (MFPs) and printers ◦ Reducing paper use through improved packaging ◦ Using environmental design standards for product design/development 	<ul style="list-style-type: none"> • PCR material reused for multifunction products (MFPs) and printers enclosures and toner containers: 4% in 2023 • Continued the collection and reuse of used printer containers • Reduced paper use by improving packaging materials in the design and development of new machines • Reduced resin in packaging materials by using pulp molds • Established environmental design standards for product design and development of all multifunction products (MFPs) and printers • Discussed the reduction of waste using discarded PET film • Discussed the reuse of rare earth from the collection of fuel cells 	<ul style="list-style-type: none"> • Contribution to Circular Economy ▶ P.44

Materiality	● Risk / ○ Opportunity	Targets (◆) and Initiatives (◦)	Achievements by FY2024	Detail page	
Promoting Sustainable Management	Reinforcing human capital	<ul style="list-style-type: none"> ○ Competitive advantages from workforce diversity ● Labor shortage due to shrinking labor pool 	<ul style="list-style-type: none"> ◆ Target for management positions held by female employees¹: 8.0% by FY2026 ◆ Target for eligible male employees taking childcare leave^{1,2}: 50.0% in FY2026 ◦ Sharing Kyocera Philosophy ◦ Employee skills development ◦ Corporate culture promoting diversity ◦ LGBTQ awareness/inclusivity ◦ Developing more attractive work environment 	<ul style="list-style-type: none"> • Management positions held by female employees: 5.3% • Male employees taking childcare leave: 30.7% • Implemented educational courses on the Kyocera Philosophy, management, technology and skill, and global processes • Provided e-learning courses on psychological safety and a questionnaire targeting all employees • Volunteers handed out special badges and stickers to individuals who took part in a cycling event • Reorganizing of headquarters and offices 	<ul style="list-style-type: none"> • Fulfillment of Human Capital — The Kyocera Group Human Capital — ▶ P.33 • Fulfillment of Human Capital — DEI Promotion — ▶ P.35
	Respect for human rights	<ul style="list-style-type: none"> ○ Enhancing brand value through successful response to societal needs ● Potential human rights issues impacting Kyocera Group or its value chains ● Damage to corporate brand value from inadequate human rights assurance measures 	<ul style="list-style-type: none"> ◆ Building a human rights “due diligence” system throughout Kyocera Group by FY2026 ◦ Identify any Kyocera Group human rights issues ◦ Conduct fact-finding surveys of any issues ◦ Survey guest-worker practices at Japan-based Kyocera Group companies and suppliers 	<ul style="list-style-type: none"> • Established a human rights due diligence system • Conducted a questionnaire on specific human rights issues throughout the Kyocera Group, overseas suppliers, and outsourced companies • Corrective action on identified human rights issues (Failure to conduct evacuation drills for foreign workers, etc.) • Implemented a supplier visit survey on the human rights of foreign labor • Revision of Kyocera Group Human Rights Policy 	<ul style="list-style-type: none"> • Respect for Human Rights ▶ P.46
	Improving stakeholder engagement	<ul style="list-style-type: none"> ○ Improving stakeholder relationships through communication ○ Improving corporate transparency ● Damaged stakeholder relationships due to poor communication 	<ul style="list-style-type: none"> ◆ Continue stakeholder communications to build trust ◦ Reply swiftly to customers ◦ Act on workplace survey results ◦ Hold financial results briefings with shareholders and investors ◦ Seminars and social events for business partners ◦ Discuss social contribution activities with community and business partners 	<ul style="list-style-type: none"> • Continued communication with stakeholders • Inquiries from consumers: 3,604 cases • Employee response rate to the workplace vitality assessment: 93.6% (targeting 29,781 employees) • Held briefings on financial results and provided business summaries for institutional investors (4 times) and one-on-one meetings with institutional investors (350 times) • Held company information sessions with individual investors (2 times) • Sponsored seminars and social gatherings for partner companies (with 250 participants from 215 partner companies) • Held sustainability reporting sessions for local communities (5 locations) 	<ul style="list-style-type: none"> • Improving Stakeholder Engagement ▶ P.50
	Ensuring sustainable supply chains	<ul style="list-style-type: none"> ○ Sustainable growth by ensuring strong supply chains ● Human rights issues in supply chains ● Damage to corporate brand value from inadequate human rights assurance measures 	<ul style="list-style-type: none"> ◆ Human rights and labor: Ensure 0% high-risk transaction rate through supply chain survey ◆ Ethics: Ensure 0% high-risk transaction rate through supply chain survey ◦ Identify risks faced by business partners through the supply chain survey, and implement countermeasures ◦ Survey guest worker practices at Japan-based Kyocera Group companies and suppliers 	<ul style="list-style-type: none"> • High-risk transaction rate regarding human rights and labor: 0% • High-risk transaction rate regarding ethics: 0% • Conducted supply chain surveys (319 companies) • Conducted surveys on foreign workers 	<ul style="list-style-type: none"> • Supply Chain Management ▶ P.51
	Reinforcing risk management	<ul style="list-style-type: none"> ○ Enhancing risk management, and responding effectively during emergency ● Disaster impact, damage to corporate image, or prolonged business interruption, due to lack of disaster countermeasures 	<ul style="list-style-type: none"> ◆ Annual BCP education and training ◦ Create/review early recovery and alternative supply plans ◦ Identify corporate risks and countermeasures from Risk Management Committee ◦ Reinforce risk management processes 	<ul style="list-style-type: none"> • BCP education and training (1 time) • Identified corporate risks • Held Risk Management Committee meetings (2 times) • Start of reporting on corporate risk to the Board of Directors 	<ul style="list-style-type: none"> • Risk Management and Business Continuity Plan (BCP) Initiatives ▶ P.52

Note 1: Kyocera Corporation

Note 2: Number of Male Employees Taking Childcare Leave During the Period/ Number of Male Employees Whose Spouses Gave Birth
Number of Female Employees Taking Childcare Leave During the Period/ Number of Female Employees Who Gave Birth During the Period

The Kyocera Group's Value Creation Model

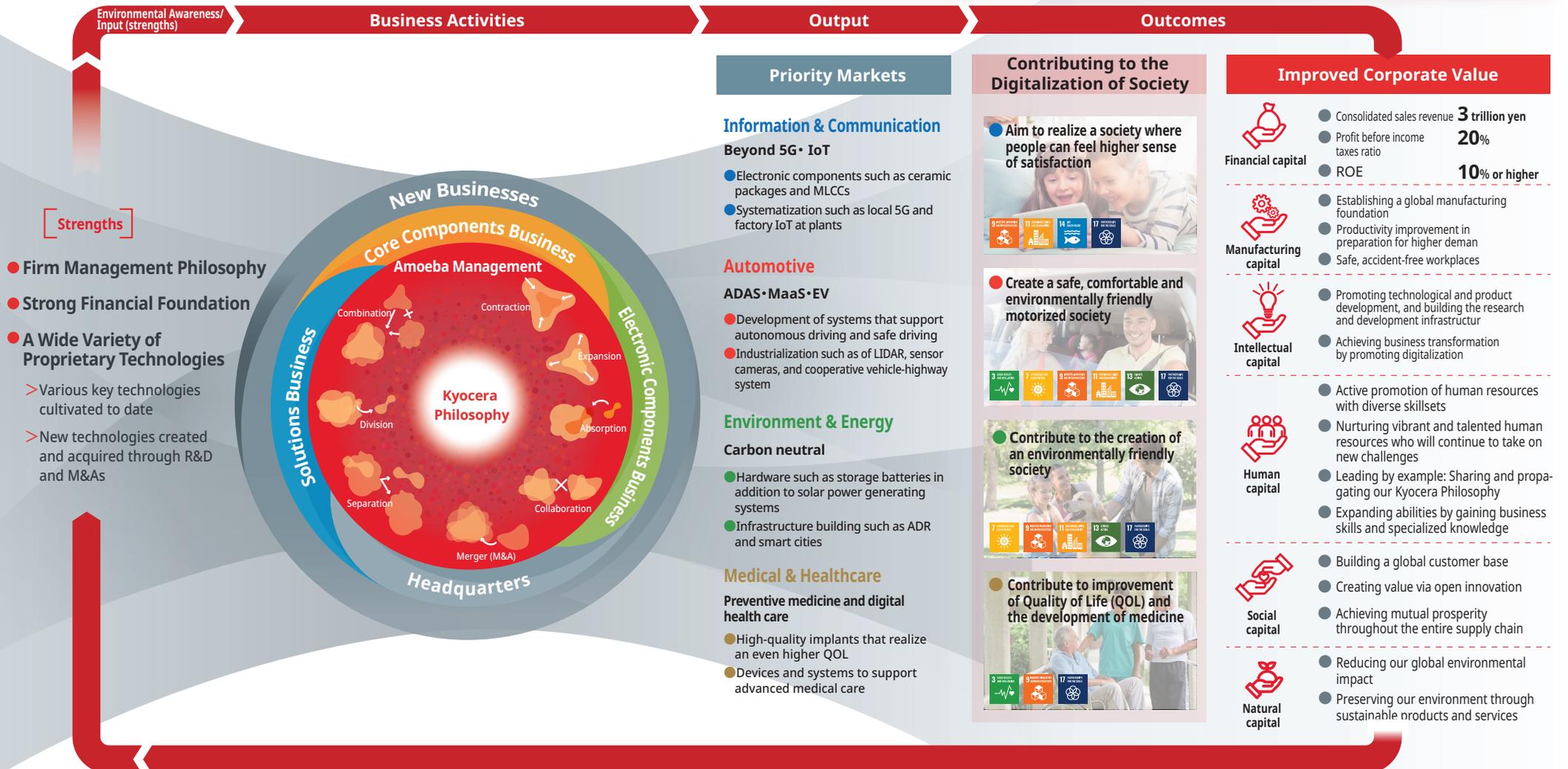
Amoeba Management, which embodies the Kyocera Philosophy, enables quicker response to demand trends and changing market conditions, thus allowing flexible adjustment to the organizational structure. As we live in a world of growing uncertainties, we will strive to flexibly respond to environmental changes like amoeba, and continue to deliver leading-edge products and create new values.

Awareness of the External Environment

- Digitalization / globalization
- Shift from “selling products” to “selling services and solutions”
- Diversification of customer needs
- Greater awareness of the environment

Realization of our Management Rationale

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



Division

Absorption

Collaboration

Introduction

Value Creation Strategies

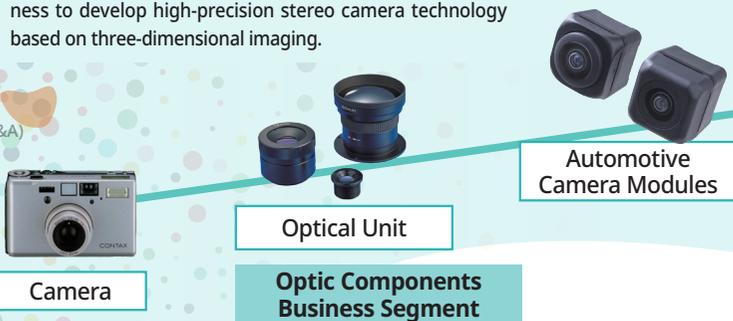
Management Foundation

Corporate Governance

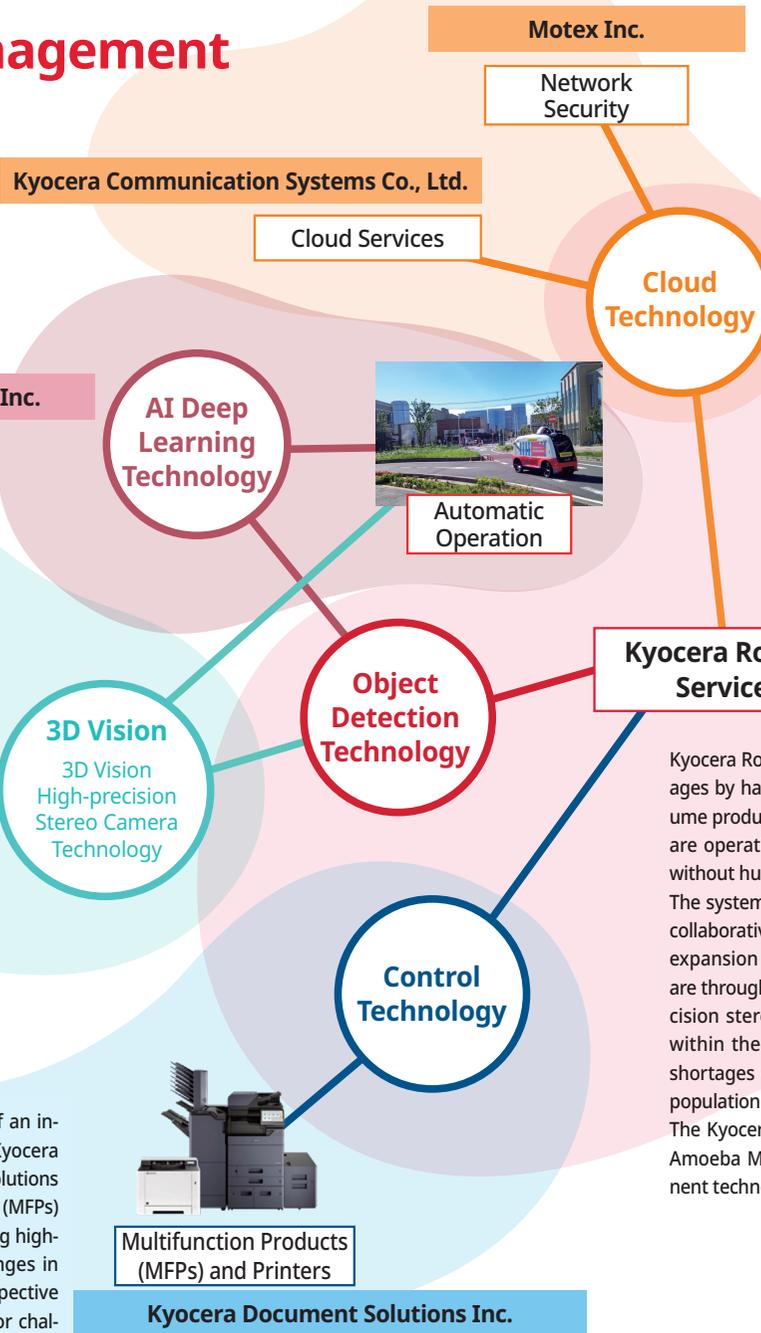
Value Creation with Amoeba Management

The essence of the Amoeba Management method is to build an organizational structure that can flexibly respond to changes in the market and society at large. While aiming to develop products and services capable of providing solutions for the many issues facing society, the Kyocera Group continues to provide new value by gathering and combining the component technology accumulated over time to create synergistic results.

The acquisition of a camera manufacturer in 1983 established Kyocera's optical component business segment. This segment held a broad range of assets from component technology used in optical lenses to design technology for assembling precision cameras. Considering the overwhelming changes in the competitive environment during the transition from film to digital cameras, Kyocera made the strategic decision in 2007 to withdraw from the consumer camera business. As part of its strategy, Kyocera integrated lens design technology and technology applied to substrates with the sophisticated technology that had been accumulated through the camera business to develop high-precision stereo camera technology based on three-dimensional imaging.



Kyocera established its printer business through the acquisition of an information communication device manufacturer in 1982. In 2000, Kyocera acquired Kyocera Mita Corporation (currently Kyocera Document Solutions Inc.) as a wholly owned subsidiary and with it multifunction products (MFPs) business. Initially, the printer business faced challenges in developing high-speed printing technology, while the MFP business faced challenges in adopting full-color imaging and digitization. By integrating the respective technologies, Kyocera succeeded in overcoming both of these major challenges to provide new products and apply the control technology accumulated to the development of other successful products.



In 1995, Kyocera's Management Information Business branched off to become Kyocera Communication Systems Co., Ltd. (KCCS). In 2018, Kyocera entered an agreement for equity participation in Rist and integrated KCCS security business into Motex Inc. The ICT and security services of the KCCS Group are used effectively for other products.



Kyocera Robotic Services provide solutions for labor shortages by handling irregular components, high-mix low-volume production, and precision pick-and-place tasks, which are operations that conventional robots cannot conduct without human intervention.

The system uses AI and three-dimensional vision to make collaborative robots intelligent, which enables a significant expansion of applications. Management and operations are through cloud subscriptions. Using the cloud, high-precision stereo cameras, and other technological synergy within the Kyocera Group, the system addresses labor shortages due the growing decrease in the working-age population.

The Kyocera Group continues creating new value with its Amoeba Management utilizing a wide variety of component technology accumulated over its history.

Core Components Business



Director,
Executive General Manager of Core
Components Business, Senior General
Manager of Corporate Components
Sector QMS Promotion Group

Hiroshi Fure

Kyocera is aggressively investing in facilities that serve the semiconductor-related markets, which have potential for high medium to long-term growth, to expand production capacity and improve productivity.

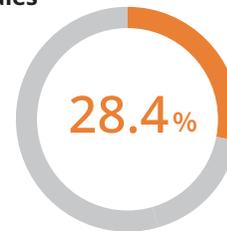
The Core Components segment comprises fine ceramic components (our founding product line), automotive components, optical components, semiconductor-related components, medical equipment, and jewelry. In semiconductor-related markets, which show strong growth potential, the company is expanding capital investments to increase production capacity and productivity while addressing the needs of society. With regard to the reinforcement of management infrastructure, Kyocera is increasing the speed of human resource cultivation and the optimization of business processes in response to common segment-wide issues that have not been sufficiently addressed by individual divisions. The company continues to cultivate a culture that encourages people to pursue their dreams as Kyocera works proactively to facilitate success and realize the goals of the management philosophy.

Business results for the year ended March 31, 2024

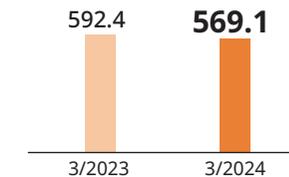
Sales decreased by 23.3 billion yen (3.9%)¹ from the previous consolidated fiscal year to 569.1 billion yen. Although sales of fine ceramic components for semiconductor manufacturing equipment increased along with a favorable increase in demand for high-end devices, inventory control along with stagnant market conditions for organic substrates used in information communication infrastructure and the ceramic packages for smartphones led to an overall decrease. Business profit decreased by 32.3 billion yen (36.0%)² from the previous consolidated fiscal year to 57.2 billion yen, and the profit ratio decreased to 10.1%. The decrease was due mainly to a decrease in organic substrate sales and increased depreciation costs.

Segment Sales Ratio, Sales Revenue, Business Profit for the Year Ended March 31, 2024

Segment Sales Ratio

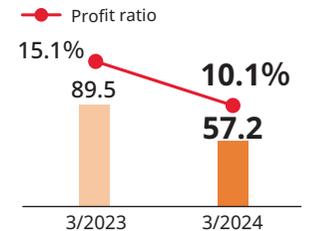


Sales Revenue (Unit: billion yen)



Note 1: March 2024/March 2023 -3.9%

Business Profit (Unit: billion yen)

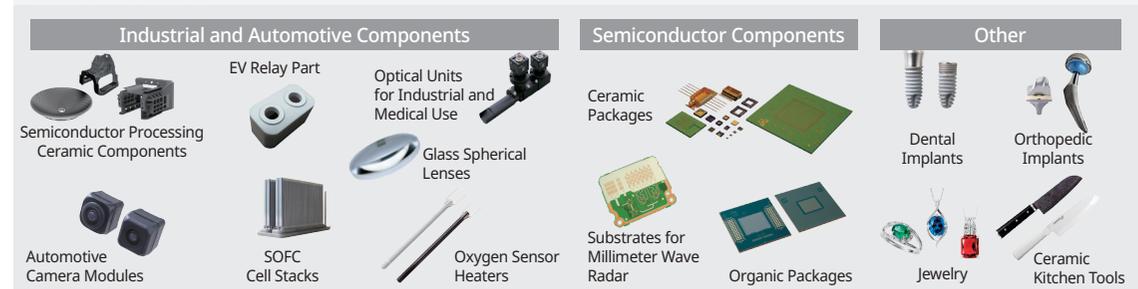


Note 2: March 2024/March 2023 -36.0%

Trend of Market and Demand

Looking at semiconductors, a major market for Kyocera, demand for innovative products is expected to increase significantly in the medium to long-term. Kyocera boasts outstanding manufacturing technology for large and multi-layered organic packages, high-level supply capability, material and processing technology for ceramic packages, precision processing, temperature uniformity and other technology, quality, and production capabilities for fine ceramic components for semiconductor manufacturing equipment. These strengths give the company the advantage of gaining and maintaining a high market share and further fortifying the ability to respond promptly to customer requirements for innovative semiconductors and other products.

Main Products



Vision

We realize the management rational by providing core products of sustainable society and creation of healthy and fulfilling life.

Priority Measures

1 Reinforcing Semiconductor-Related Market Strategy

Kyocera is aggressively increasing investment and expanding production in package substrates and fine ceramic components for semiconductor manufacturing equipment in anticipation of high medium to long-term growth in semiconductor-related markets. In addition, the company is increasing both capacity and productivity by promoting the development of smart factories through reconstruction efforts at existing plants, expanding DX, and building new factories as the company prepares for future expansion of demand.

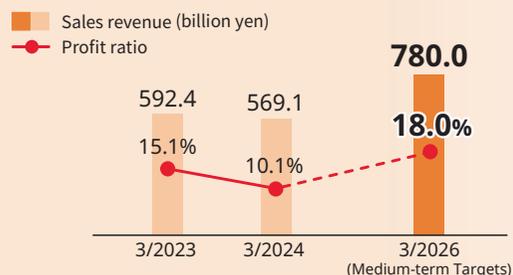
2 Enhancing Our Sustainable Business Structure

The Kyocera Group is accelerating its efforts to reduce energy consumption by modeling electricity demand at each facility and designing and deploying efficiency enhancements horizontally within each segment.

3 Human Resource Cultivation through Project Activities

The company organizes cross-departmental projects to quickly resolve urgent priorities while emphasizing skill development and employee motivation. By linking these initiatives to human resource development, Kyocera continues to build a foundation for employee advancement and growth.

Business Targets



Examples of Priority Measures

Expanding Production of Organic Package Substrates

Increasing Capacity and Improving Yield with Cutting-Edge Equipment

Kyocera is currently prioritizing the expansion of production capacity for organic package substrates, which are expected to drive growth. Demand for PCs and smartphones is currently weak, and inventories have increased at network-related customers because of deferred data-center investment. In the medium to long-term, however, demand for organic package substrates will grow to support higher-performance semiconductors required by generative AI applications, 5G communications, and automotive safety systems. In response, the company is optimizing production lines in new and existing buildings at the Kagoshima Sendai factory to increase the production of high-end large multilayer packages and substrates. Through this shift to next-generation production lines, the company will focus on high-end semiconductor production.



Conceptual drawing: New building at Kagoshima Sendai Factory

Construction of New Factories in Japan

Existing Plants Undergo Reconstruction Efforts and Further Expansion of Production Capacity

Kyocera is now planning up-front investments from the medium to long-term perspective to expand production capacity and enhance work environments. Specifically, the company will restructure existing factories and construct new buildings. It has been about 20 years since Kyocera last built an all-new factory at a new location in Japan. After studying the local transportation infrastructure, human resources, and energy costs, along with other factors, the company recently acquired land for a factory on a new industrial site in Isahaya City, Nagasaki Prefecture. Kyocera plans to manufacture fine ceramic components for semiconductor manufacturing equipment and semiconductor package substrates at the new site, which are expected to see a rise in demand. In order to begin planned production at the new factory in the fiscal year ending in March 2027, the company will start construction during this fiscal year in consideration of the time required for procurement of construction materials and to mitigate any unforeseen delays.



Conceptual drawing: New factory in Isahaya City, Nagasaki Prefecture

Electronic Components Business



Director,
Managing Executive Officer
Executive General Manager
of Electronic Components
Business

**Koichi
Kano**

Managing Executive Officer
Deputy Executive General
Manager of Electronic
Components Business

**Shiro
Sakushima**

Deputy Executive General Manager
of Electronic Components Business,
President and Director of KYOCERA
AVX Components Corporation

Jeff Schmersal

By focusing on core competencies and leveraging synergies between Kyocera and Kyocera AVX, the company aims to increase market share and profitability to achieve the medium-term management goals.

The Electronic Components segment represents a fusion between Kyocera's Japan-based Electronic Components Group and the U.S.-based global subsidiary, Kyocera AVX. In the electronic components market, which is expected to grow, the company continues to provide products and solutions that are differentiated from competitors with the objective of maintaining its advantage as an industry leader in customer support. Based on the trusting relationship between Kyocera and Kyocera AVX built up over more than 30 years of collaboration, the company will leverage its respective strengths to create synergies that provide new value to society.

Business results for the year ended March 31, 2024

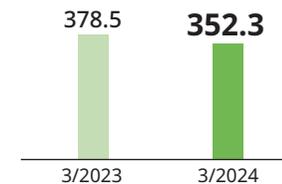
Sales decreased by 26.2 billion yen (6.9%)¹ from the previous consolidated fiscal year to 352.3 billion yen. Business profit decreased by 37.6 billion yen (85.2%)² from the previous consolidated fiscal year to 6.5 billion yen, and the profit ratio decreased to 1.9%. Although the company saw an end to the deterioration of demand in capacitors and crystal devices for the information communication and industrial device markets, sales decreased because of stagnation along with inventory control. Business profit decreased as a result of a significantly worsened cost rate, a lowered operation rate, and the impact of structural reform costs, as well as declining profits.

Segment Sales Ratio, Sales Revenue, Business Profit for the Year Ended March 31, 2024

Segment Sales Ratio

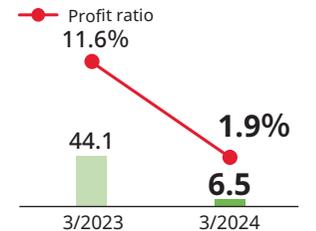


Sales Revenue (Unit: billion yen)



Note 1: March 2024/March 2023 -6.9%

Business Profit (Unit: billion yen)



Note 2: March 2024/March 2023 -85.2%

Trend of Market and Demand

The electronic components market is expected to expand along with progress in the electronics industry. Between 2023 and 2027, among the major Kyocera Group products, connectors are forecast to grow at 7% CAGR, multilayer ceramic capacitors (MLCCs) at 8%, timing devices at 5%, and polymer tantalum capacitors at 7%. Kyocera has strength in small and high-precision technologies contributing to integrated circuit (IC) integration and access to the Kyocera AVX global sales channels and distribution networks covering industrial equipment, in-vehicle components, medical care, and aerospace technologies. With these strengths, the company strives to improve the market share of MLCCs and connectors and maintain a high market share in tantalum capacitors and timing devices.

Main Products



Vision

Contributing to customers and society through the development of valuable electronic components

Priority Measures

1 Investing in Fields with Competitive Advantage

Aggressive capital investment is focused on next-generation oscillation components for timing devices, tantalum capacitors, and MLCCs for aerospace, medical, and industrial applications.

2 Expanding Global Production Bases

Kyocera is optimizing its global manufacturing network by increasing production and building a supply system for key products—including MLCCs at the new Kyocera AVX factory in Thailand and crystal components at its factory in Vietnam.

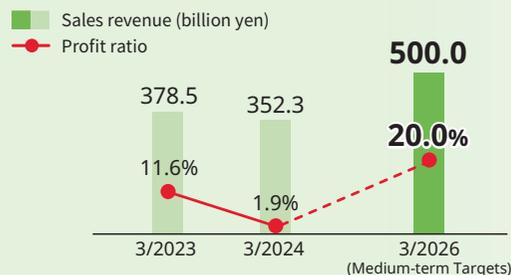
3 Improving Productivity Through Automation

Kyocera ensures diverse labor strengths through the expansion of global Kyocera AVX production bases, energy saving through the automation of production processes, and improvement of quality stability through automated control of AI robots.

4 Developing Unique Technologies

The company is combining the advanced capabilities of Kyocera AVX in the design of low-ESL products with the small-form-factor MLCC production technologies of Kyocera. In addition, the Group's U.S. R&D base will continue to conduct research on innovative technologies.

Business Targets



Examples of Priority Measures

Strengthening Sales Synergies Between Kyocera and Kyocera AVX

Establishing a Global One Face Sales Structure Will Help Maximize Profits by Deploying Global Strategies Across the Organization

An umbrella organization has been established over the Kyocera Electronic Components Group Headquarters in Japan and U.S.-based Kyocera AVX to place product marketing functions within the local business divisions and maximize profit opportunities through collaboration. As part of this effort, in April 2023, the company established a global business strategy based on its Global One Face Sales Structure. In response to customer requests, Kyocera unified customer contact points and transaction conditions, creating a global business structure by increasing the number of local on-site managers assigned in the United States, Europe, and Asia.



Global “One Face” Sales Structure

Investment Strategies

Promoting Facility Investment to Establish a Structure for Increasing Production and Optimizing Global Bases While Promoting DX to Improve Productivity

The company is planning active investments to optimize the Kyocera Electronic Components Group and Kyocera AVX production centers. In establishing a global production system in preparation for the expansion of production capability and actively adopting digital technologies essential for automation and labor-saving, the company plans capital investments totaling 210 billion yen over three years. Specifically, in addition to the construction of a new factory building at Kyocera AVX Thailand and a new building at the Kokubu factory in Kagoshima Prefecture, Kyocera is promoting labor saving and implementing automated lines into the Kyocera AVX bases with the aim of achieving an increase in production of 1.9 times for MLCC, 1.8 times for timing devices, and 1.4 times for tantalum capacitors compared with the fiscal year ended March 31, 2023.



Conceptual drawing: New building at Kagoshima Kokubu Plant

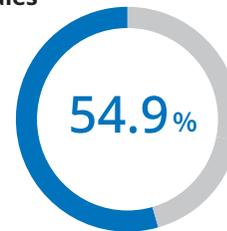
Solutions Business

Business results for the year ended March 31, 2024

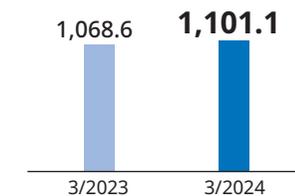
Sales increased by 32.5 billion yen¹ (3.0%) over the previous consolidated fiscal year to 1,101.1 billion yen. Business profit increased by 29.4 billion yen (69.4%)² to 71.6 billion yen, and the profit ratio improved to 6.5%. Increased sales were supported by the increased sales of major products in the Document Solutions Unit and Communications Unit, the increase in service demand, and the depreciation of the yen. Business profit increased due to increased sales in the Document Solutions Unit and other units. The absence of a one-time cost in fiscal 2023 as a result of structural reforms, such as costs for the write-down of inventory, also contributed to the increase in business profit.

Segment Sales Ratio, Sales Revenue, Business Profit for the Year Ended March 31, 2024

Segment Sales Ratio

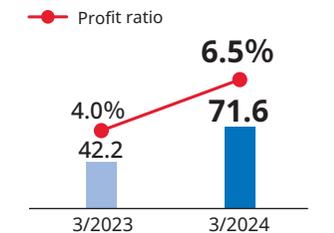


Sales Revenue (Unit: billion yen)



Note 1: March 2024/March 2023 +3.0%

Business Profit (Unit: billion yen)



Note 2: March 2024/March 2023 +69.4%

Trend of Market and Demand

As awareness for achieving a sustainable society, especially awareness of environmental considerations, has increased globally, the products and services offered by the Solutions segment of Kyocera must be energy-efficient and recyclable. It is also important to respond to the growing demand for solutions from customers and society. The Solutions segment will accurately identify these market environments and demand trends in order to contribute solutions and provide environmentally friendly products and services by shifting the focus from product sales alone to products and services.

Main Products



Director, Managing Executive Officer
Executive General Manager of
Solutions Business

Norihiko Ina

Kyocera strives to expand its business further as it pursues growth strategies, structural reform, and the creation of new businesses, aiming to provide solutions that meet customer needs and societal challenges.

The Solutions segment consists of seven product lines: document solutions, industrial tools, telecommunications equipment and services, smart energy, and printing devices and displays. This product diversity helps the company maximize business opportunities by leveraging interdivisional synergies to address new market needs. Ultimately, these synergies give birth to new businesses that serve people and society.

Vision

Make as many people as possible happier and society better

The Kyocera Group looks beyond conventional frameworks to create new value. It is no longer enough to offer high-quality, high-added-value products, and services; we must provide new innovations that contribute to sustainable growth worldwide.

Priority Measures

1 Growth Strategies and Structural Reform for Existing Businesses

The company plans to expand existing businesses to promote the implementation of new growth strategies and improve low-profit, low-growth businesses through structural reform.

2 Expanding Businesses Through Maximization of Product Line Synergies

Kyocera strives to maximize synergistic effects by sharing its expertise and resources possessed by other product lines and combining unique capabilities from diverse product lines for results that cannot be accomplished through conventional methods in order to achieve business growth and improve profits.

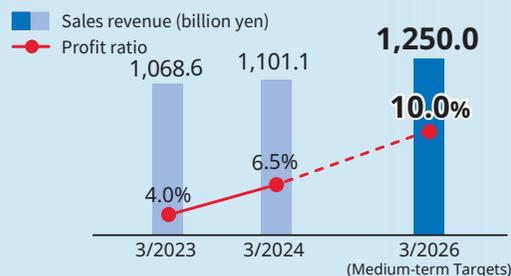
3 Early Realization of the New Business Commercialization Vision

Kyocera will realize the New Business Commercialization Vision, including for textile inkjet printers and AI-based collaborative robot systems.

4 Creating New Businesses

The Kyocera Group incubates promising concepts using a variety of proven frameworks for innovation streams to create foundations for high-growth businesses.

Business Targets



Examples of Priority Measures

Business Growth Focused on Growth Strategies and Structural Reforms by Product Line

Growth Strategies for Document Solutions

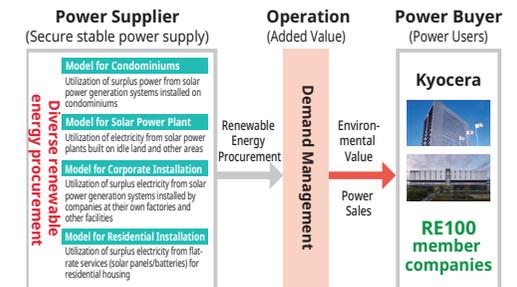
Kyocera is actively pursuing greater market share in the document solutions segment by introducing new environmentally friendly products that leverage its long-life design expertise in the office-use MFP and printer business. Further, by offering an Enterprise Content Management (ECM) system, which efficiently centralizes documents, images, and other data scattered across a network, the company is helping more customers optimize their workflows and information management for more sustainable operations. In the commercial inkjet printer market, the company is aggressively introducing new inkjet printers that respond to the need for multi-type small lot products, a segment that has high growth potential, to promote expansion.



New Commercial Inkjet Printer

Structural Reform: Corporate Smart Energy Group

Kyocera's Smart Energy Division is advancing the development of high-value-added solutions combined with conventional solar cells through the placement of a new high-safety, semi-solid, clay-type lithium-ion storage battery while increasing production capacity. Furthermore, Kyocera also actively promotes renewable energy sales utilizing PPA¹ and surplus electricity generated at condominiums. These reforms contribute to higher profitability for the company and a more sustainable world for consumers.



Early Achievement in Commercializing New Businesses

Commercialization of Textile Inkjet Printers

Kyocera's FOREARTH² textile inkjet printer eliminates the massive amount of industrial wastewater caused by textile printing and provides a solution to one of the textile printing industry's greatest sustainability challenges. To make FOREARTH available to the market as soon as possible, Kyocera is taking full advantage of Document Solution's existing factories, production equipment, and global sales network. In addition, the company opened a demonstration center in Milano, Italy, an important location for the global textile printing business, to serve as a major base for global strategy and to showcase the benefits of FOREARTH.



Textile Inkjet Printer

FOREARTH's "Triple-Free" Concept



Note 1: Power Purchase Agreement

Note 2: FOREARTH is a trademark of the Kyocera Corporation.

Special Issue

Wear to Save Water —True Blue Textile—Developed with the Environmentally Friendly FOREARTH¹ Textile Inkjet Printer

The Kyocera Group developed the FOREARTH textile inkjet printer, a revolutionary advancement that reduces water use to near zero.

Background in the development

The textile and apparel industries deal with significant challenges in their attempts to reduce the tremendous volumes of wastewater, CO₂ emissions, and product waste they are responsible for generating. As a solution to these longstanding problems, Kyocera developed the innovative FOREARTH textile inkjet printer through the integration of unique core technologies provided by several diverse Amoebas.

By taking full advantage of FOREARTH's outstanding features, Kyocera is working in close collaboration with apparel brands, fashion design schools, and local governments to create environmentally friendly fabrics under the True Blue Textile clothing concept that promotes wear to save water as an approach to the reduction of environmental load.

Water Free Concept

Based on the Water Free Concept, the FOREARTH textile inkjet printer was designed to reduce the consumption of water in textile printing to near zero. With True Blue Textile, the company succeeded in producing beautiful fabrics with FOREARTH using almost no water.

True Blue Color

True Blue Textile was inspired by the blue waters of Kochi Prefecture's Niyodo River. The beautiful color known as Niyodo Blue² has become quite popular.

Note 1: FOREARTH is a trademark of the Kyocera Corporation.

Note 2: Niyodo Blue is a trademark of the Inomachi Chamber of Commerce and Industry.



True Blue Textile Color Concept

Features of the FOREARTH Textile Inkjet Printer

FOREARTH reduces water use in textile printing to near zero, which alleviates the need for large pre- and post-print processing equipment and steamers. This also significantly reduces the amount of energy consumed and CO₂ emissions produced. Furthermore, FOREARTH produces a soft texture, an essential need in the textile and apparel industries, and enables high-precision printing on a wide variety of fabrics, including cotton, silk, polyester, nylon, and mixed fabrics.



Water Inspired Patterns



Expanding R&D

We will continue to be a pioneer in creating new value at the forefront of technology by mastering unique methods of manufacturing. We hope to extend the vision of our founder, Dr. Kazuo Inamori, who once said, “What we aim to do next is what other people tell us we could never do.”

Collaborative Value Creation

Ranging from materials to services, the Kyocera Group’s diverse businesses serve four priority business areas: information and communications, automotive, environment and energy, and medical/healthcare. Sustainable growth requires internal and external collaboration across segments, including open innovation with engineers in other companies and at universities. By building collaborative relationships, the company hopes to provide greater value to society by fulfilling the Management Rationale and creating a more sustainable future.

● In-house Collaboration

» R&D in Japan

We are building a network of engineers at four major Kyocera Group R&D centers in Japan to foster horizontal collaboration. We will remove interdivisional barriers by integrating members from operations and R&D, and maximize our collaborative power to create new businesses.

» R&D Outside Japan

To address global needs, our plans for expanding collaboration with research centers outside Japan include an international research base with KYOCERA AVX. We will establish a Kyocera Group-wide R&D structure to develop game-changing technologies with new approaches and collaborative themes.

● External Collaborations

» With Other Companies

Through collaboration with other companies, we will integrate technologies to advance more quickly from proof-of-concept to commercialization, and will develop a pipeline of talented leaders who can launch new businesses. We will also promote open innovation and information exchange with inventors outside of Kyocera.

» With Universities

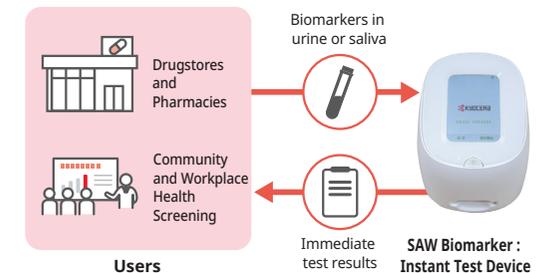
Kyocera entered into comprehensive partnership agreements with the University of Tokyo and Kyushu University with the express objective of creating ripple effects in markets and throughout society through alliances with universities to combine innovative research perspectives in science, technology, and economics. Kyocera has begun joint research with the University of Tokyo as part of a social partnership program and is funding research with Kyushu University.

Creating New Value

It has become difficult to address diverse societal challenges using one material or technology alone. Kyocera Group R&D teams will contribute to our goal of achieving 3 trillion yen in annual revenue in the fiscal year ending March 2029 by creating new businesses that integrate a wide range of technologies developed through a global research network.

● Instant Biomarker Test Device Contributing to the Promotion of Health and the Prevention of Disease¹

Kyocera’s Instant Biomarker Test Device enables the measurement of urine and saliva samples, which are traditionally handled by specialized laboratories. Kyocera’s biosensor realized miniaturization of the device to enable healthcare providers to quickly and easily ascertain health status anytime and anywhere. The company successfully installed an Equol test system into this biomarker test device and is now proceeding with verification to support community health by making it possible for testing to be provided by local governments, at drug stores, and other convenient locations.



● Onboard Optics Module for Next-generation Computing

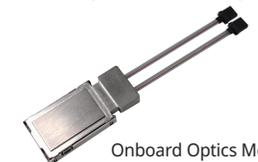
Demand from data centers, which contain large amounts of computer equipment, is expected to increase, and the accelerated introduction of AI will significantly increase power consumption. Kyocera developed an onboard optics module that converts signals between equipment from electrical to optical signals to achieve both high-speed transmission and low power consumption. The company also continues to participate in technological development for the Green Innovation Fund’s² next-generation green datacenter and promote social implementation from R&D.

Note 1: Jointly developed with Healthcare Systems Co., Ltd.

Note 2: A fund project hosted by the New Energy and Industrial Technology Development Organization (NEDO)



Optical Circuit Wiring



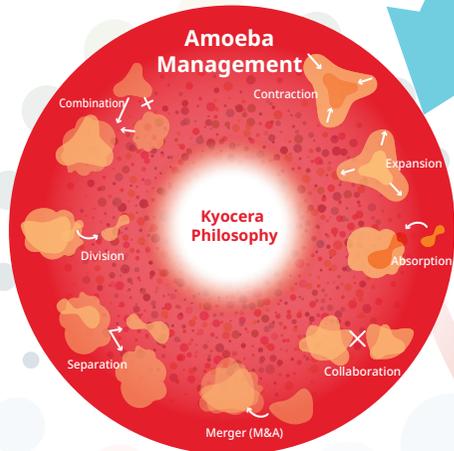
Onboard Optics Module

New Business Creation

As a key strategy for sustainable growth, Kyocera invests aggressively in research and development to create new businesses that maximize social and economic value.

New businesses begin through a three-phase process: opportunity identification, business development, and commercialization.

The organizational structure supporting each phase focuses on creating new products and services that respond to societal needs.



Business Development

Opportunity Identification

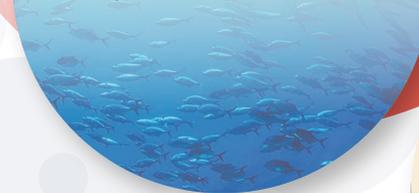
Rice Cultivation at a Factory

Kyocera is developing methods for the hydroponic cultivation of lettuce and rice using LED lighting to address the global issues of population-related food supplies and environmental preservation.



Enhancing Offshore Aquaculture

Kyocera is participating in a project to build an offshore aquaculture system combining LED lighting and IoT technologies for sustainable fisheries that minimize impact on our natural marine environment.



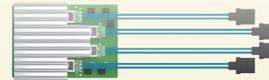
Underwater Wireless Optical Communication (UWOC)

In the oceans, which account for 70% of the earth's surface, there is no communication network. Electrical waves cannot be used for communication because of the significant attenuation in water. Using visual lasers, which experience less attenuation in water, Kyocera realized high-speed, large capacity underwater wireless optical communication to contribute to the effective use of seabed resources in Japan and digital transformation of the oceans.



Onboard Optics Module

The onboard optics module is a small module that converts signals between computers and other devices from electrical to optical signals. This achieves high-speed signal transmission with low energy consumption, which contributes to the greening of data centers.



Millimeter Wave Technology

We will continue to advance information technologies by developing millimeter-wave solutions, expanding the speed, coverage and capacity of 5G communications networks.



Road-Vehicle Communications System

To improve safety in traffic intersections and conditions beyond current autonomous driving capabilities, we are supporting smart transportation infrastructure using wireless ITS roadside equipment and advanced FIR camera systems.



Commercialization

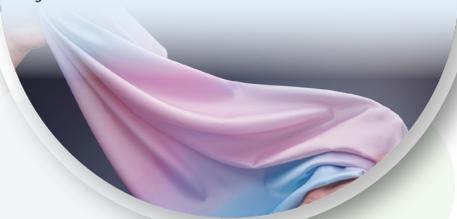
Kyocera Robotic Services ▶ P.17

Kyocera provides intelligence to collaborative robots to realize expanded use. Responding to high-precision pick-and-place operations involving irregular components and high-mix, low-volume processes that were traditionally handled manually, the company provides solutions to labor shortages.



FOREARTH¹ Textile Inkjet Printer ▶ P.24

Kyocera's textile inkjet printing system has developed by integrating unique pigment ink and inkjet printhead technologies. Its water-free design offers great potential to eliminate wastewater from textile printing.



Note1: FOREARTH is a registered trademark of Kyocera Corporation.

Intellectual Property Strategy

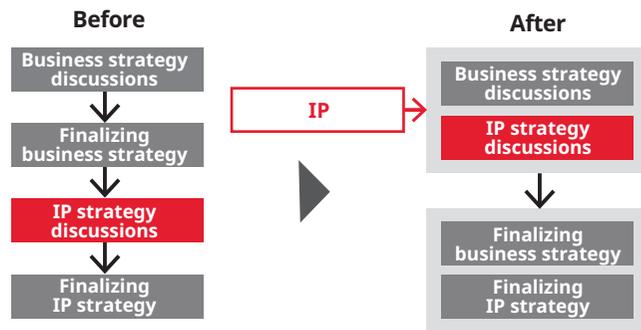
“Committing to the highest legal and intellectual property standards to strengthen and protect our business.”

This statement represents Kyocera's basic principle concerning legal and intellectual property (IP) activities.

Amid rapidly changing markets and evolving societal demands, the Kyocera Group holds an unyielding standard for intellectual property (IP) principles and practices.

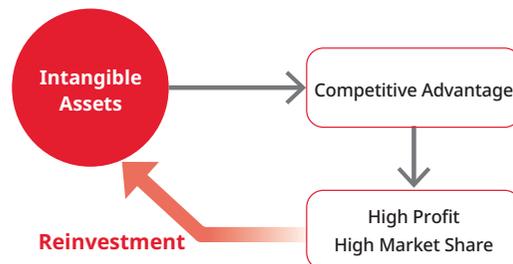
Promoting Our Intellectual Property Strategy

Kyocera focuses on “integrating IP strategy into business strategy” as part of our basic operations. And we make sure to engage in discussions at an early stage of business strategy development.



IP Activities Sustain Competitive Advantage

In a growing range of fields, the competitive advantages of superior IP and intangible assets hold the key to higher profits and market share. Having profit to reinvest allows us to continuously improve our technologies, further increasing our intangible assets including IP. This cycle represents the IP strategy which supports our business.

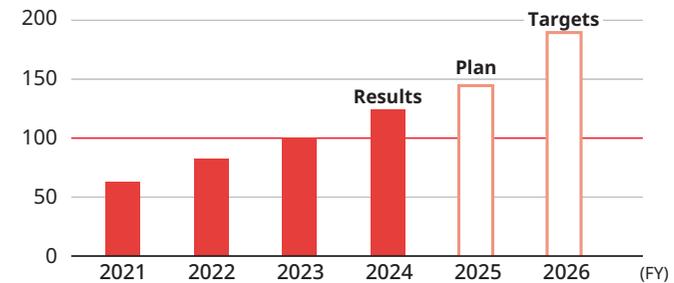


Note 1 : Analysis combining IP factors with other business, scientific and technological trends

Visualizing IP Contributions to Business

To visualize how IP contributes to business, Kyocera calculates the value that its IP activities contributes to business. This value is calculated based on 1) increase sales attributable to owning patents covering our products, 2) income from patent licensing, and 3) reduction of licensing expenditures due to cross-licensing and negotiations. We examine this value each year as a key performance indicator (KPI), which provides a clear picture of the growth and economic value of our IP activities. The results of our IP activities can be seen in the increase in value of their contribution to our business.

Value of IP contributions to business²



Note 2: Changes and target values by setting the value of contributions to business in FY2023 as the standard value (=100)

External Evaluation for IP Activities

Kyocera Group's IP has once again been recognized by Clarivate, a global information services company. The Group was selected as a Clarivate Top 100 Global Innovator 2024. This was the eighth time and the third consecutive year being honored with this award. We are committed to continuing our innovative IP activities.



Topics > 1

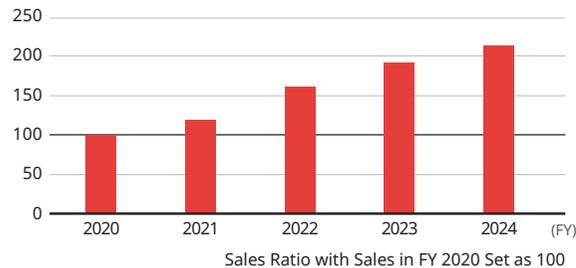
Core Technology

Cordierite

- From semiconductors to space -
New frontier opened by nanometer-level precision

Kyocera has made significant contribution in the field of semiconductor manufacturing equipment. FY2024 sales of ceramics components for semiconductor manufacturing equipment were more than double those of FY2020.

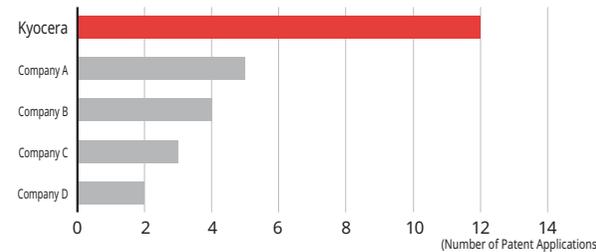
Sales of Ceramics Components for Semiconductor Manufacturing Equipment



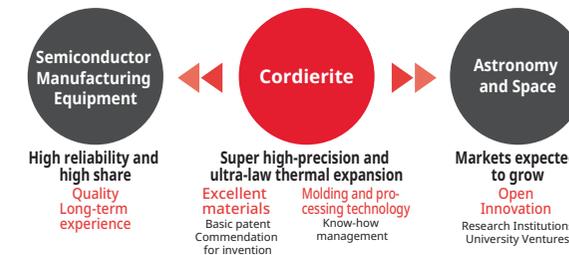
Supporting this growth are a multitude of Kyocera's core technologies. Kyocera's wafer stage materials represent a high market share, no doubt supported in part by the long-standing relationships of trust with our customers. Kyocera material technology using cordierite (2MgO·2Al₂O₃·5SiO₂) has been a significant contributor to these results as well. Cordierite has an extremely low coefficient of thermal expansion and exhibits very small deformation with high temperature. Kyocera has filed a number of patent applications in the field, including a basic patent (Japanese Patent No. 5762522) for semiconductor manufacturing equipment using cordierite, and our technical capabilities are highly regarded². In addition, Kyocera's proprietary molding and processing technologies are key to ensuring high precision, and these are appropriately managed as know-how.



Number of Patent Applications for Cordierite Regarding Semiconductor¹ Manufacturing Equipment¹ (Patent applications in Japan for the past 20 years as of June 2024)



Furthermore, we are proceeding with the development of cordierite for application in the fields of space and astronomy, a market expected to see growth. This includes work on ultra-high precision mirror components³. The field of space and astronomy is a relatively new challenge for us, and in addition to applying our own intellectual property such as patents and know-how we are actively utilizing open innovation through joint research with prominent research institutions and universities, as well as partnerships with venture companies, to accelerate the improvement of our technological capabilities.



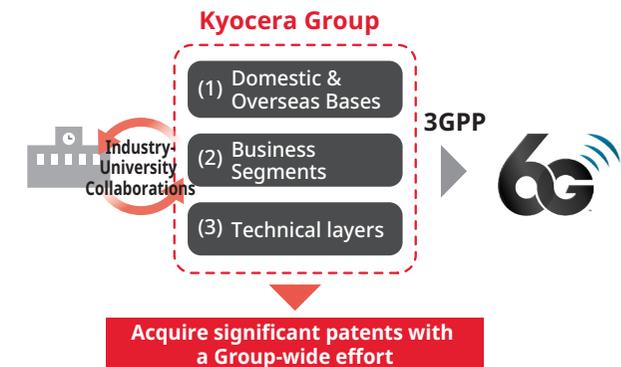
Topics > 2

New Business:

6G

- Group-wide Activities in Preparation for the 6G Era -

The Kyocera Group is actively involved in the realization of 6G, next-generation communication technology, through its unified, group-wide efforts. We have established a system which (1) connects both domestic and overseas bases, (2) links business segments in the Group, and (3) encourages active opinion exchange on a wide range of technical layers from components to software. Kyocera participates in the 3GPP Project and contributes to standardization and development of inventions for 6G-era. Specifically, we obtained two significant patents⁴, both of which are shared publicly. Kyocera also actively invests resources into industry-university collaboration projects to promote open information exchange and joint research in preparation for implementation of this new technology in society. We pursue these approaches with the aim of serving as a leader in the advancement of communication technology for the 6G era and providing outstanding new value to society.



Note 1: Based on research by Kyocera

Note 3: [Kyocera Installs World's First Fine Cordierite Ceramic Mirror for International Space Station's Experimental Optical Communications](#)

Note 2: [FY2021 National Commendation for Invention Winner of the Invention Prize \[Japanese only\]](#)

Note 4: [Creating the future: Kyocera's patents for 6G](#) [Creating the future: Kyocera's patents for 6G Vol.2](#)