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**Kyocera Corporation**

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The corporate governance of Kyocera Corporation (the "Company") is described below.

### **I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information**

#### **1. Basic Views**

[Basic Policy for Corporate Governance]

##### (1) Basic stance

The Kyocera Group has made “Respect the Divine and Love People” its corporate motto and “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.” as its management rationale. The Kyocera Group always strives to maintain equity and fairness and faces all situations with courage and conscience and will realize its management rationale by achieving sustainable growth and raising medium- to long-term corporate value. In doing so, the Kyocera Group shall build systems to undertake fair and efficient corporate management while maintaining the soundness and transparency of management upon taking into consideration the standpoints of all stakeholders.

Additionally, the Kyocera Group shall permeate the “Kyocera Philosophy <sup>(Note)</sup>,” a corporate philosophy that is the basis of the management policy of the Kyocera Group, in all Executives and employees in the Kyocera Group, and foster a sound corporate culture. The Kyocera Group shall establish proper corporate governance by building the above-mentioned systems and implementing the “Kyocera Philosophy.” Furthermore, the Kyocera Group will constantly seek the ideal system for corporate governance and will always evolve and develop its existing corporate governance system.

Note: The “Kyocera Philosophy” is a corporate philosophy and life philosophy created through integration of the thoughts of the founder of the Company regarding management and life. The “Kyocera Philosophy” incorporates a wide range of matters relating to basic thoughts on management and methods of undertaking day-to-day work, based on the core criterion of “what is the right thing to do as a human being.”

## (2) Systems

The Company has selected a company with an Audit & Supervisory Board as its organizational design. The Board of Directors shall be composed giving consideration to the balance of experience and insight as well as diversity and appropriate size to make important decisions and supervise the execution of business for the Kyocera Group as a whole.

The Company shall establish a Nomination and Remuneration Committee as an advisory body to the Board of Directors in order to ensure the objectivity and transparency of decision-making procedures regarding the nomination and remuneration of Directors. The majority of the Nomination and Remuneration Committee shall consist of independent Outside Directors.

Additionally, the Company shall set up the necessary committees in a timely manner to establish appropriate corporate governance.

## (3) Promotion of the Kyocera Philosophy

Promotion activities for the “Kyocera Philosophy” shall be undertaken to permeate the “Kyocera Philosophy” among the Executives and employees of the Kyocera Group.

### **[Reasons for Non-compliance with the Principles of the Corporate Governance Code]**

The Company has complied with all principles of the Corporate Governance Code.

### **[Disclosure Based on the Principles of the Corporate Governance Code] (Updated)**

#### **1.3 Basic Strategy for Capital Policy**

It is our management policy to become a “highly growing, highly profitable company,” and we consider that it is important to work to increase shareholder returns through expansion of our business. At the same time, in order to ensure business continuation in any business environment, we believe that it is to the benefit of shareholders from a long-term perspective that we maintain a high equity ratio and a strong financial basis.

Based on the above beliefs, we are making aggressive investments directed toward growth, including enhancement of production capacity, investment in research and development, conduct of mergers and acquisitions, etc. We are also actively utilizing capital and improving our capital efficiency in order to realize sustainable business development by conducting a structural reorganization aimed at improving profitability.

In addition, we continue to consider various types of returns to shareholders, such as increases in dividends, and conduct of repurchase of own shares when appropriate.

#### **1.4 Cross-Shareholdings**

**Policy regarding cross-holding, including unilateral holding, of shares (seisaku hoyuu kabushiki):**

We engage in cross-holding or unilateral holding of shares with the objective of improving our corporate value in the medium to long-term, focusing on corporate growth through maintenance of business relationships, realization of profits through shareholdings, and the social significance of the issuing companies.

If the Company judges, as a result of annual examination of its shareholdings, that a particular shareholding does not provide value to the Company, the Company will reduce such shareholding. Also, in order to clarify the immediate policy to further reduce such shareholdings, in April 2023 the Company resolved at a meeting of its Board of Directors to adopt a target of reducing its shareholdings by at least 5% on a book value basis by the fiscal year ending March 31, 2026.

The Company founded Daini Denden Inc. (current KDDI Corporation) based on its management philosophy, “contributing to the advancement of society and humankind,” and since then the Company has been holding its shares. As the value of the shares of KDDI Corporation increased in reflection of its business development, the value of such shares within the Company’s net assets has also increased.

The Company plans to maintain its shareholding in KDDI Corporation to further its strategic alliance with KDDI Corporation with the aim of increasing the Company’s corporate value over the medium to long terms, and also to use such shares for procurement of investment funds necessary for the Company’s sustainable growth.

**Review of cross-holdings and unilateral holdings of shares:**

To achieve the target of reducing its shareholdings, the Company will conduct an annual review of all individual shareholdings to decide whether or not the Company’s holding of the relevant shares is appropriate, taking into account the need to maintain the business relationship and/or efficiency in use of assets (taking into considering its cost of capital), etc. For any shares as to which a justifiable reason for holding them cannot be identified, the Company will decrease its holdings of such shares through discussions with the issuing company of such shares.

**Exercise of voting rights:**

The Company exercises its voting rights represented by its holdings based on a comprehensive judgment, verifying whether each proposal continues to conform to the Company’s shareholding policy and whether the issuing company’s management policy and strategy remain consistent with the Company’s business philosophy. The Company also examines whether each proposal submitted will contribute to a medium- to long-term increase in corporate value and the common interests of shareholders, or whether it will cause a decrease in management efficiency or damage to the Company’s financial health.

## **1.7 Related Party Transactions**

We have a system as mentioned below in order to ensure that when we engage in transactions with our Directors and Audit & Supervisory Board Members or major shareholders (i.e., related party transactions), such transactions do not harm the interests of the Company or the common interests of our shareholders:

- a) All competitive transactions or transactions involving conflict of interest are made subject to resolution of the Board of Directors, requiring such transaction to be approved by the Board of Directors in advance and to make its performance report to the Board of Directors.
- b) Regarding the transactions with a Director and an Audit & Supervisory Board Member or any of their close relatives (those within the second degree), confirmation is regularly secured from all Directors and Audit & Supervisory Board Members every year using a questionnaire prepared to investigate into whether any such transactions are conducted.
- c) Regarding the related party transactions, disclosure is made pursuant to the applicable laws and regulations, including the Companies Act and the Financial Instruments and Exchange Act.

### **2.4.1 Ensuring Diversity in the Promotion to Core Human Resources**

For the Company to become energetic and attractive and continue to grow and take on challenges into the future, it is important to respect the individuality and values of each employee and allow diverse human resources to work with job satisfaction. Based on this idea, the Company plans to actively develop human resources and improve its internal environment. It is taking steps to support the active participations of diverse human resources, for instance with a range of educational programs to support employee career development, improvement of work-life balance support systems, an increase in career path options, and global human resource development programs.

The status and goals for ensuring diversity in the promotion to core human resources are described below.

#### **< Female employees >**

Since 2006, the Company has been pursuing a number of initiatives to encourage the involvement of women, and the number of women in managerial positions has been steadily rising. As of April 2023, the ratio of women in the position of section manager or higher was approximately 5% and the ratio of women in the position of Executive Officer or higher was approximately 7%. The Company will aim for a double-digit female manager ratio (section manager and higher) at the earliest stage possible.

#### **< Non-Japanese employees >**

The Company actively recruits non-Japanese human resources to implement global business management. Multiple non-Japanese managers (section manager and higher) and multiple non-Japanese Executive Officers in the management of overseas subsidiaries have been appointed. As of April 2023, the ratio of non-Japanese employees in the position of Executive Officer or higher was approximately 5%. The

Company plans to continue recruiting skilled non-Japanese human resources who will contribute to the globalization of the Company's business.

**< Mid-career employees >**

The ratio of mid-career employees (including those who had become the Company's employees through M&A; the same applies to the following) to all employees as of April 2023 was approximately 45%. The ratio of mid-career employees to all employees in the position of section manager or higher was also approximately 45%. As such, the Company believes that it is recruiting and promoting diverse human resources. The Company plans to step up the active promotion of mid-career employees.

## **2.6 Roles of Corporate Pension Funds as Asset Owners**

We have adopted a contract-type defined-benefit company pension plan. In connection with the management of our pension arrangements, we have put in place systems to ensure stable asset building and an appropriate company pension scheme, by establishing a department specializing in pension management and assigning specialists to work there. We also retain an external consulting firm. A periodic report on the pension plan's investment status is made by the relevant specialized department to the Pension Investment Management Committee and Kyocera Group Management Committee for review. We also entrust invested assets to multiple domestic and international investment institutions and leave portfolio selection and exercise of voting rights to the discretion of such investment institutions, so that no conflicts of interest will arise between beneficiaries of the company pension plan and the Company.

## **3.1 Full Disclosure**

### **i) Management Rationale and so on**

It is 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." For realization of this management rationale, we are working to put into practice the "Kyocera Philosophy," which is our corporate philosophy setting forth importance of conducting business management in a fair and honest way, basing its fundamental judgments on a precept that "what is the right thing to do as a human being." By putting into practice the "Kyocera Philosophy," we aim at contributing to the construction of mutual trust with all our stakeholders and sustainable development of Kyocera Group and sound development of the society.

Please refer to the websites below for the "Kyocera Philosophy" and the message from the management:

<https://global.kyocera.com/philosophy/index.html>

<https://global.kyocera.com/company/summary/message.html>

The target management indexes and mid- to long-term managerial strategies and issues to be addressed are disclosed, together with the management rationale and basic policies, in the statutory

materials and Integrated Reports and other similar documents.

**ii) Basic views and guidelines on corporate governance based on each of the principles of the Code**

The Board of Directors of the Company has established basic views and guidelines on corporate governance based upon the above-mentioned management rationale, and these are described in “1. Basic Views” of “I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information” in this report.

**iii) Board policies and procedures in determining the remuneration of the senior management and Directors**

Our policies and procedures in determining the remuneration are disclosed in the Corporate Governance Report and the Financial Report. According to such policies and procedures, proposed remuneration is subject to prior review by the Nomination and Remuneration Committee, the majority of which consists of Outside Directors, and is then subject to approval by resolution of the meeting of the Board of Directors.

**iv) Board policies and procedures in the appointment/dismissals of the senior management and the nomination of Directors and Audit & Supervisory Board Members candidates**

Our policies and procedures related to the nomination of Executive Officers are disclosed in the Corporate Governance Report and the Financial Report. According to such policies and procedures, proposed candidates are subject to prior review by the Nomination and Remuneration Committee, the majority of which consists of Outside Directors, and are then subject to approval by resolution of the Board of Directors, followed by approval by resolution of the Shareholders' Meeting.

Any appointment/removal of a member of the senior management is also subject to prior consideration by the Nomination and Remuneration Committee, following which the Board of Directors shall appoint/remove the relevant senior management member.

**v) Explanations with respect to the individual appointments/dismissals and nominations based on iv)**

The reasons for selection of individual candidates for the Directors and Audit & Supervisory Board Members are disclosed in the proxy statement.

Any removal of a member of the senior management is disclosed in our website.

(Proxy Statement/Report of General Shareholders Meeting :

[https://global.kyocera.com/ir/s\\_info/meeting.html](https://global.kyocera.com/ir/s_info/meeting.html))

### **3.1.3 Initiatives on Sustainability**

In a global situation where we are facing numerous social issues, the Company believes that connecting the solution of social issues to business and contributing to society is important for a company seeking sustained growth. To achieve the sustainable development of both the Kyocera Group and society, the Kyocera Group incorporates engaging in sustainable management and providing value that leads to the solution of social issues into its business strategies based on its management rationale.

The Company's initiatives on sustainability and the progress of investments in human capital and intellectual properties are disclosed on its statutory disclosure documents, integrated reports, sustainability website, and intellectual property website. In addition, the Company positions the problem of climate change as an important management issue and discloses risks and opportunities associated with climate change based on the TCFD framework in its statutory disclosure documents, integrated reports and sustainability website.

(Integrated Report : <https://global.kyocera.com/sustainability/catalog/index.html>)

(Sustainability Website : <https://global.kyocera.com/sustainability/index.html>)

(Intellectual Property Website : <https://global.kyocera.com/intellectual-property/>)

### **4.1.1 Specification of delegation to the management**

As regards the matters prescribed in the Companies Act or other laws and ordinances, matters set forth in the Articles of Incorporation of the Company, matters resolved by the General Shareholders Meeting to be delegated to the Board of Directors and other matters that are material to the management of the Company, we require them to be resolved upon by the Board of Directors. With respect to the matters that relate to the business, assets and funds, among those matters, we have established, and put into practice, certain criteria regarding evaluation of importance for submission to the resolution by the Board of Directors.

Further, in order to further expedite swift decision-making and managerial efficiency, we have introduced an Executive Officer System, in which other specific matters of execution of business are taken charge of by the Executive Officers under the direction of the President and Representative Director appointed by the Board of Directors.

### **4.9 Independence Standards and Qualification for Independent Directors**

The company has formulated the "Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members" based on the independence standards prescribed by the financial instruments exchanges as follows.

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

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

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

Notes

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



4 An “important position” means a Director, Audit & Supervisory Board Member, Executive Officer, Operating Officer, or an employee who executes important operations, such as a general manager.

#### **4.10.1 The Policy, Mandates, Roles, and Other Elements of the Independence of the Composition of the Committee**

The Company has established a Nomination and Remuneration Committee to ensure the objectivity and transparency of the procedures to determine nomination and remuneration. The Nomination and Remuneration Committee adequately deliberates on the nomination of the senior management and Directors (including succession plans), their remuneration, and other important matters, taking into account perspectives such as gender and other types of diversity and personal skills.

The policy, mandates, roles, and other elements of the independence of the composition of the Company’s Nomination and Remuneration Committee are as follows:

< Policy of independence of the composition >

Independent Outside Directors comprising a majority of the Committee members ensure its independence.

< Mandates and roles >

In response to inquiries of the Board of Directors, the Committee deliberates on 1, matters concerning the appointment and dismissal of Directors, 2, matters concerning remuneration of Directors, and 3, matters concerning the appointment and dismissal of Executive Officers and reports the results to the Board of Directors. Beyond such inquiries, the Committee also provides the Board of Directors with advice as appropriate.

#### **4.11.1 Views on the balance, diversity and size of the Board of Directors and the key skills possessed by the Directors**

The Company considers that the Board of Directors must be equipped with the following skills from 1 to 5 to be able to suggest general directions of the Kyocera Group’s growth strategies, discuss the appropriateness, risks, and other factors of such directions from objective and diverse perspectives, and appropriately oversee the status of business operations.

1. Global management
2. Sales / Marketing
3. Technology
4. Financial affairs / Accounting
5. Legal affairs / Risk management

The key skills possessed by the current Directors are presented in Attachment 1.

The Company’s nomination policy for the appointment of Directors is to balance the skills required of the Board of Directors and ensure diversity, including race, ethnicity, gender, nationality, work experience, and age groups on the assumption of electing individuals having an adequate

understanding of the Kyocera Group, who in terms of managing the Kyocera Group excel in their “personal qualities,” “capability” and “insight.” Based on such policy, the Board of Directors is well balanced in skills and it is constituted in a manner to achieve both diversity and appropriate size. The Company elects two (2) independent Outside Directors with management experience in other companies. The procedure for appointing Directors is disclosed in Principle 3.1.

#### **4.11.2 Additional post at other companies by Director and Audit & Supervisory Board**

##### **Members**

In principle, where Directors and Audit & Supervisory Board Members concurrently serve as directors, audit & supervisory board members or the management at other companies, such positions shall be limited to a reasonable number. The situation of such service is disclosed annually in the notice of the General Shareholders Meeting, the Business Report, Financial Report and Corporate Governance Report and other similar documents.

#### **4.11.3 Analysis and evaluation of effectiveness of the Board of Directors as a whole and summary of the results.**

The Company analyzes and evaluates the effectiveness of the Board of Directors as a whole, and discloses a summary of the results once per year, in order to obtain an appropriate understanding of the current condition of the Board of Directors and to achieve more effective operation.

##### 1. Evaluation method

The Company conducted a questionnaire survey of all Directors and all Audit & Supervisory Board Members and held a discussion at an off-site meeting.

##### 2. Questionnaire Items

The Company conducted quantitative and qualitative evaluations based on a four-point scale and free descriptions regarding (1) through (4) below.

- (1) Administration and deliberation of the Board of Directors (Provision of information, agenda items, frequency of meetings, time for deliberations, free and open discussions and exchanges of views, etc.)
- (2) Composition of the Board of Directors (Size, member balance, diversity, etc.)
- (3) Roles and Responsibilities of the Board of Directors (Discussion of the broad direction of corporate strategy, management of subsidiaries, oversight of internal control and a risk management system, etc.)
- (4) Optional Nomination and Remuneration Committee (Agenda items, frequency of meetings and time for deliberations)

### 3. Summary of Evaluation Results and Future Initiatives

The Board of Directors has been working to improve the issues identified in the previous evaluations by further enhancing reports on the operational status of the internal control system and providing timely and appropriate information to Outside Directors and Outside Audit & Supervisory Board Members.

As a result of the evaluations of this time, we confirmed that the effectiveness of the Board of Directors has been generally ensured, and that the following points have been evaluated in particular:

- By having business reports and touring factories, etc., separately from the Board of Directors meetings, Outside Directors' and Outside Audit & Supervisory Board Members' understanding has deepened at those businesses. This enabled the Board of Directors to discuss actively.

The Board of Directors will promote the following initiatives to further improve its effectiveness:

- Enhance group governance by the Board of Directors through enhanced reports on the governance and business of subsidiaries.
- In addition to reporting the current status of each segment at the Board of Directors meetings, utilize off-site meetings to enhance opportunities to explain R&D strategies, etc.

#### **4.14.2 Training policy**

The Directors and Audit & Supervisory Board Members are given, at the time of their assumption of office, explanations concerning the details of the business of the Company and their respective roles and responsibilities that are considered necessary in order for them to perform their roles and fulfil their responsibilities.

Further, even after assumption of office, if a Director or Audit & Supervisory Board Member requests, a training tailored to meet the individual requests are given and opportunities for advancement of necessary knowledge are offered or introduced, or financial support for the necessary expenses for such purposes are provided, according to their individual situations.

#### **5.1 Policy for Constructive Dialogue with Shareholders**

The Company provides explanatory meetings and opportunities for separate dialogues in a proactive and continuous basis in an effort to have constructive dialogue with the shareholders and the investors. Aided by appointing of an Executive Officer who is in charge of supervision of IR activities of the Company, we have an organizational structure aimed at ensuring cooperation among related organizational units and promoting constructive dialogue with shareholders to construct a long-term relationship of mutual trust with the shareholders and investors.

When having dialogue with the shareholders and investors, the Company makes it a basic rule to endeavor to disclose information in a timely and fair manner. Based upon this rule, the contents and scope of disclosure are determined through joint efforts of the management and related organizational units so as to ensure that the insider information is appropriately controlled. Further, the materials of

the financial settlement briefings or other various disclosure information is made widely available through “Investor Relations” on the Company’s website.

(Investor Relations : <https://global.kyocera.com/ir/index.html>)

In this connection, the opinions, etc. of the shareholders and investors that are obtained through dialogue with them are reported to the management.

### **[Dialogues with Shareholders]**

The Company engaged in constructive dialogues with shareholders during the year ended March 31, 2023, as follows:

#### **1. Major Participants**

Dialogues with shareholders were conducted mainly by the Representative Directors, a Director in charge of finance and an Executive Officer of the Company.

#### **2. Major Shareholders with whom the Company Engaged in Dialogues**

The dialogues were conducted with various types of shareholders and investors, including mainly investors who make considerable size of investments with active and/or passive investment strategies, both in Japan and abroad.

The Company had dialogues with various responsible personnel within these investors, depending on the subject matter of the dialogue, including fund managers and analysts within the equity research teams of the investors, as well as their ESG research or proxy voting teams.

#### **3. Major Topics in Dialogues and Major Interests of Shareholders**

Major topics that were addressed during the dialogues and interests of investors that were raised with the Company through the dialogues were as follows:

##### **(1) Improvement of Business Profitability**

Concentration of investment in highly profitable businesses based on assessment pursuant to indicators such as ROE and ROIC, and steady implementation of structural reforms in low-profit businesses.

##### **(2) Improvement of Capital Efficiency (Enhancement of Balance Sheet Efficiency)**

Improvement of capital efficiency through further reduction of cross-shareholdings and repurchase of the Company’s own shares, etc.

##### **(3) Strengthening of Corporate Governance, etc.**

Strengthening of corporate governance through introduction of a performance-linked compensation system for Directors to further align their interests with those of shareholders,

shortening of the terms of office of Directors, enhancement of the diversity of characteristics of Directors, and increase of the ratio of Independent Directors in the Board of Directors, etc.

#### 4. Initiatives Taken by the Company Based on Dialogues

Based on the dialogues mentioned above, the Company took the following initiatives.

##### (1) Improvement of Business Profitability

At an investor briefing held on May 16, 2023, the Company made a presentation addressing its medium-term management plan for the three years starting from the year ending March 31, 2024, aiming for sales revenue of 2.5 trillion yen, a profit ratio before income taxes of 14.0% and an ROE of 7.0% or more. In this presentation, the Company explained its strategies to transform its business to a highly profitable portfolio, such as focusing on semiconductor-related markets, which are expected to grow significantly. The Company also announced its plan to discontinue its consumer smartphone business.

##### (2) Improvement of Capital Efficiency (Enhance Balance Sheet Efficiency)

At the above-mentioned investor briefing, the Company clarified its capital strategy, with detailed capital allocation for the three years starting from the year ending March 31, 2024, to support business growth by utilizing its financial assets.

In addition, the Company resolved at a meeting of its Board of Directors held in April 2023, to adopt a numerical target to reduce its cross-shareholdings by at least 5% on a book value basis by the end of the year ending March 31, 2026. The Company also resolved to repurchase its own shares up to an amount of 50 billion yen during the period from May 16, 2023 to March 22, 2024, to increase shareholder returns.

##### (3) Strengthen Corporate Governance, etc.

In order to enhance the sharing of interests between its Directors and shareholders, the Company resolved at the 69th Ordinary General Meeting of Shareholders held on June 27, 2023, to review the compensation system for directors and to introduce a performance-linked restricted stock compensation system.

#### **[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]**

In order to clarify the initiatives to achieve business growth, the Company has announced the medium-term management plan in May 2023. The Company aims to achieve the medium-term targets of sales revenue of 2.5 trillion yen, profit before income taxes of 350 billion yen, and ROE of 7% or higher, by implementing the measures indicated in the medium-term management plan, which will lead to continuous increase in ROE and improvement of PBR.

Overview of the medium-term management plan is as follows:

<Implement Business Strategy>

- Strategically invest in areas of competitive advantage, such as components for semiconductor-related markets, capacitors and timing devices.
- Promote expansion of existing businesses as well as restructuring in the Solutions Business.
- Create new businesses that address social issues.
- Strengthen management-led business reviews.

<Strengthen Management Foundation>

- Implement capital strategies, such as clarifying the capital allocation, repurchase of its own shares and reduction of cross-shareholdings.
- Implement corporate governance initiatives, such as the introduction of performance-linked stock compensation.
- Promote sustainable management.

For details, please refer to the documents on our website from the link below:

[https://global.kyocera.com/ir/library/pdf/governance/action\\_e.pdf](https://global.kyocera.com/ir/library/pdf/governance/action_e.pdf)

## 2. Capital Structure

Foreign Shareholding Ratio	More than 30%
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[Status of Major Shareholders (as of September 30, 2023)]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	79,276,500	22.48
Custody Bank of Japan, Ltd.(Trust Account)	31,829,200	9.03
The Bank of Kyoto, Ltd.	14,436,248	4.09
SSBTC Client Omnibus Account	10,455,128	2.97
Inamori Foundation	9,360,000	2.65
Stock Purchase Plan for Kyocera Group Employees	6,791,960	1.93
State Street Bank West Client - Treaty 505234	6,157,300	1.75
MUFG Bank, Ltd.	5,076,678	1.44
JP Morgan Chase Bank 385632	5,056,678	1.43
State Street Bank and Trust Company 505223	4,371,718	1.24

Controlling Shareholder (except for Parent Company)	N/A
Parent Company	N/A

## Supplementary Explanation

- In addition, there are 25,037,505 of treasury shares other than mentioned above.

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

- According to the report filed with EDINET system on June 19, 2023, Mitsubishi UFJ Financial Group, Inc. and its related partners held shares as of June 12, 2023, as shown in the following table. Despite this report, they are not included except MUFG Bank, Ltd. in the above list of major shareholders because Kyocera is not able to confirm the number of shares beneficially owned by them from Kyocera's shareholders records as of September 30, 2023.

### **Name / Shares owner (in thousands) / Ownership (%)**

MUFG Bank, Ltd. 5,077 (1.34)

Mitsubishi UFJ Trust and Banking Corporation 6,269 (1.66)

Mitsubishi UFJ Kokusai Asset Management Co., Ltd.\* 7,482 (1.98)

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. 508 (0.13)

Total 19,335 (5.12)

\* On October 1, 2023, Mitsubishi UFJ Kokusai Asset Management Co., Ltd. changed its name to Mitsubishi UFJ Asset Management Co., Ltd.

### 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange (Prime Market)
Fiscal Year-End	March
Type of Business	Electric Appliances
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

N/A

## 5. Other Special Circumstances which may have Material Impact on Corporate Governance

We consider that the implementation of the “Kyocera Philosophy” by Executives and employees is an important element in establishing corporate governance.

Therefore, the Company holds not only the seminars for the new employees and gives daily guidance at workplace to them, but also holds seminars for executive management people and other employees in Japan. Besides, the Company holds seminars for the executive management people of the Group companies overseas. The Company intends to continue to hold such seminars by adding new programs. The Company also distributes the “Kyocera Philosophy Pocketbook” to the employees including those of the materials subsidiaries.

## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board
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#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	20 persons
Term of Office Stipulated in Articles of Incorporation	2 years
Chairperson of the Board	Company Chairperson
Number of Directors	9 persons
Number of Outside Directors	3 persons
Number of Independent Directors	3 persons

#### Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Akiko Koyano	Lawyer												
Eiji Kakiuchi	From another company									○			
Shigenobu Maekawa	From another company												

\* Categories for “Relationship with the Company”

\* ”○” when the director presently falls or has recently fallen under the category;

“△” when the director fell under the category in the past

\* “●” when a close relative of the director presently falls or has recently fallen under the category;



“▲”when a close relative of the director fell under the category in the past

- a. Executive of the Company or its subsidiaries
- b. Non-executive director or executive of a parent company of the Company
- c. Executive of a fellow subsidiary company of the Company
- d. A party whose major business partner is the Company or an executive thereof
- e. Major business partner of the listed company or an executive thereof
- f. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/Audit & Supervisory Board Member
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- h. Executive of a business partner of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executive of a company, between which and the Company outside directors/Audit & Supervisory Board Members are mutually appointed (the director himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Akiko Koyano	○	Attorney-at-law Partner Attorney-at-law of Koyano LPC	She has abundant experience and exceptional insight in various areas as an attorney, such as corporate law, and has wide-ranging knowledge into social needs, such as gender equality. After taking office as an Outside Director, she has played a role in giving precise advice and supervision of overall corporate activities of the Company, proactively making statements notably from legal and diversity perspectives. The Company nominated her as an Outside Director because the Company has judged that

		<p>she can adequately accomplish her duties as an Outside Director of the Company, based on the above-mentioned reasons.</p> <p>(Reason for nomination as independent Director)</p> <p>Because she meets the “Independence Standards for Outside Directors and Outside Audit &amp; Supervisory Board Members” which was formulated by the Company based on the independence standards prescribed by the financial instruments exchanges, the Company judged that she is not have any conflict of interest with the shareholders in general of the Company. Therefore, the Company nominated her as an independent Director.</p> <p>[Thoughts of the Company with respect to the independence of Outside Director of the Company.]</p> <p>The Company thinks that it is important to retain a person, who has outstanding “personality”, “capability” and “insight” as an Outside Director of the Company and to have such person supervise the Company’s management from an objective point of view.</p> <p>Upon satisfaction of the above mentioned criteria, in order to establish a system for appropriately supervising the company's management from an independent standpoint, the Company nominated three (3) independent Outside Directors who are not have any</p>
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			conflict of interest with the shareholders in general of the Company.
Eiji Kakiuchi	○	<p>Chairman, Member of the Board of SCREEN Holdings Co., Ltd.</p> <p>He is the Chairman, Member of the Board of SCREEN Holdings Co., Ltd.</p> <p>Although the Company engages in transactions relating to the sale and purchase of products with SCREEN Holdings Co., Ltd., and transactions relating to the sale and purchase of products with various subsidiaries of the said company, the amounts of the applicable business transactions represent less than 1% of the consolidated net sales of either the said company or the Company.</p>	<p>He has abundant experience and exceptional insight in corporate management as he serves as top management of a manufacturer that produces and sells electronics products, such as semiconductor manufacturing equipment. After taking office as an Outside Director, he has played a role in giving precise advice and supervision of overall corporate activities of the Company, proactively making statements notably from business strategy and management strategy perspectives. The Company nominated him as an Outside Director because the Company has judged that he can adequately accomplish his duties as an Outside Director of the Company, based on the above-mentioned reasons.</p> <p>(Reason for nomination as independent Director)</p> <p>The relationship between the Company and SCREEN Holdings Co., Ltd. and its subsidiaries shown in the left Column does not affect his independence.</p> <p>And because he meets the “Independence Standards for Outside Directors and Outside Audit &amp; Supervisory Board Members” which was formulated by the Company based on the independence standards prescribed by the financial instruments</p>

			<p>exchanges, the Company judged that he is not have any conflict of interest with the shareholders in general of the Company. Therefore, the Company nominated him as an independent Director.</p> <p>[Thoughts of the Company with respect to the independence of Outside Director of the Company.]</p> <p>The same as the reason set out in the column for the reason for nomination of Ms. Akiko Koyano as Outside Director.</p>
Shigenobu Maekawa	○	Representative Director, Chairman of Nippon Shinyaku Co., Ltd.	<p>He has abundant experience and exceptional insight in corporate management as he serves as top management of a pharmaceutical manufacturer that produces and sells medical products and functional foods. The Company nominated him as an Outside Director because the Company has judged that he can adequately accomplish his duties as an Outside Director, utilizing such experience and insight to provide appropriate advice and supervision of the overall corporate activities of the Company, mainly from a management perspective.</p> <p>(Reason for nomination as independent Director)</p> <p>Because he meets the “Independence Standards for Outside Directors and Outside Audit &amp; Supervisory Board Members” which was formulated by the Company based on the</p>

		<p>independence standards prescribed by the financial instruments exchanges, the Company judged that he is not have any conflict of interest with the shareholders in general of the Company. Therefore, the Company nominated him as an independent Director.</p> <p>[Thoughts of the Company with respect to the independence of Outside Director of the Company.]</p> <p>The same as the reason set out in the column for the reason for nomination of Ms. Akiko Koyano as Outside Director.</p>
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Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's name	Nomination and Remuneration Committee	Nomination and Remuneration Committee
All Committee Members	4 persons	4 persons
Full-time Members	0	0
Inside Directors	1 person	1 person
Outside Directors	3 persons	3 persons
Outside Experts	0	0
Other	0	0
Chairperson	None	None

Supplementary Explanation

We endeavor to improve transparency by establishing and operating our Nomination and Remuneration Committee, which consists of all Outside Directors and Chairman of the Board, and by subjecting any matters regarding the appointment and/or remuneration of the senior management and/or Directors to comprehensive discussion and approval by this Committee.

At the time of the last update of this report, there are four members: Koyano Outside Director, Kakiuchi Outside Director, Maekawa Outside Director and Yamaguchi Chairman of the Board. The Committee met twice in the fiscal year ended March 31, 2023, to deliberate proposals for the appointment of senior management and Directors and proposals for the remuneration of Directors, and to report the results of its deliberations to the Board of Directors.

**[Audit & Supervisory Board Member]**

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Member Stipulated in Articles of Incorporation	6 persons
Number of Audit & Supervisory Board Member	4 persons

Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Internal Audit Departments

[Cooperation between Audit & Supervisory Board Members and Accounting Auditor.]

They hold regular meetings every quarter to discuss the audit plan, the result of the audit, and so on. Besides, they meet from time to time to discuss the substance of audit and exchange information.

[Cooperation between Audit & Supervisory Board Members and the internal audit division.]

They report with each other and discuss the status and result of the audit in a timely manner. Besides, they meet from time to time to discuss the substance of audit and exchange information.

Appointment of Outside Audit & Supervisory Board Member	Appointed
Number of Outside Audit & Supervisory Board Member	2 persons
Number of Independent Audit & Supervisory Board Member	2 persons

Outside Audit & Supervisory Board Member's Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Hitoshi Sakata	Lawyer													
Masaaki Akiyama	CPA													

\* Categories for “Relationship with the Company”

\* ”○” when the director presently falls or has recently fallen under the category;

“△” when the director fell under the category in the past

\* “●” when a close relative of the director presently falls or has recently fallen under the category;

“▲” when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiary

b. Non-executive director or accounting advisor of the Company or its subsidiaries

c. Non-executive director or executive of a parent company of the Company

d. Audit & Supervisory Board Member of a parent company of the Company

e. Executive of a fellow subsidiary company of the Company

f. A party whose major business partner is the Company or an executive thereof

g. Major business partner of the Company or an executive thereof

h. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a Audit & Supervisory Board Member

i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

j. Executive of a business partner of the Company (which does not correspond to any of f, g, or h) (the Audit & Supervisory Board Member himself/herself only)

k. Executive of a company, between which and the Company outside directors/Audit & Supervisory Board Members are mutually appointed (the Audit & Supervisory Board Member himself/herself only)

l. Executive of a company or organization that receives a donation from the Company (the Audit & Supervisory Board Member himself/herself only)

m. Others

#### Outside Audit & Supervisory Board Member’s Relationship with the Company (2)

Name	Designation as Independent Audit & Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons of Appointment
Hitoshi Sakata	○	Attorney-at-law	He has extensive experience and deep insight as an attorney, as well as great

		<p>Partner Attorney-at-law of Oike Law Office</p>	<p>familiarity with corporate legal practice and overseas intellectual property rights. Since assuming office as an Outside Audit &amp; Supervisory Board Member of the Company, he has undertaken effective audit activities, applying an objective and independent perspective. The Company accordingly has judged that he will continue to conduct overall audits of the corporate activities of the Company in an appropriate manner.</p> <p>(Reason for nomination as independent Audit &amp; Supervisory Board Member.)</p> <p>Because he meets the “Independence Standards for Outside Directors and Outside Audit &amp; Supervisory Board Members” which was formulated by the Company based on the independence standards prescribed by the financial instruments exchanges, the Company judged that he is not have any conflict of interest with the shareholders in general of the Company. Therefore, the Company nominated him as an independent Audit &amp; Supervisory Board Member.</p> <p>[Thoughts of the Company with respect to the independence of Outside Audit &amp; Supervisory Board Member of the Company.]</p> <p>The Company thinks that it is important to retain a person, who has outstanding “personality”, “capability” and “insight” as an Outside Audit &amp;</p>
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			<p>Supervisory Board Member of the Company and to have such person supervise the Company's management from an objective point of view.</p> <p>Upon satisfaction of the above mentioned criteria, in order to establish a system for appropriately auditing the company's management from an independent standpoint, the Company nominated two (2) independent Outside Audit &amp; Supervisory Board Members who are not have any conflict of interest with the shareholders in general of the Company.</p>
Masaaki Akiyama	○	<p>CPA Representative of Masaaki Akiyama Certified Public Accountant Office</p>	<p>He has extensive experience and deep insight as a certified public accountant and has substantial knowledge of finance and accounting. Since assuming office as an Outside Audit &amp; Supervisory Board Member of the Company, he has undertaken effective audit activities, applying an objective and independent perspective. The Company accordingly has judged that he will continue to conduct overall audits of the corporate activities of the Company in an appropriate manner.</p> <p>(Reason for nomination as independent Audit &amp; Supervisory Board Member.) Because he meets the "Independence Standards for Outside Directors and Outside Audit &amp; Supervisory Board Members" which was formulated by the Company based on the independence standards prescribed by the financial instruments exchanges,</p>

			<p>the Company judged that he is not have any conflict of interest with the shareholders in general of the Company. Therefore, the Company nominated him as an independent Audit &amp; Supervisory Board Member.</p> <p>[Thoughts of the Company with respect to the independence of Outside Audit &amp; Supervisory Board Member of the Company.]</p> <p>The same as the reason set out in the column for the reason for nomination of Mr. Hitoshi Sakata as Outside Audit &amp; Supervisory Board Member.</p>
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**[Independent Directors/Audit & Supervisory Board Members]**

Number of Independent Directors/Audit & Supervisory Board Members	5 persons
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Matters relating to Independent Directors/ Audit & Supervisory Board Members

All five (5) Outside Directors/Audit & Supervisory Board Members are designated as Independent Directors/ Audit & Supervisory Board Members pursuant to the “Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members” which was formulated based on the independence standards prescribed by the financial instruments exchanges. Please refer to [4.9 Independence Standards and Qualification for Independent Directors] of [Disclosure Based on the Principles of the Corporate Governance Code] in “1. Basic Views” in “1. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information” about the “Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members”.

**[Incentives]**

Incentive Policies for Directors	Performance-linked Remuneration, Other
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Supplementary Explanation

For the Company's performance-linked remuneration system and other measures for granting incentives, please refer to “Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

" in [Director Remuneration] in "1. Organizational Composition and Operation" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management" in this report.

In the fiscal year ended March 31, 2023, the ratio of Bonuses to Directors to the total amount of directors' remuneration (excluding outside directors) was 42%, and the ratio of Restricted Stock Compensation to Directors of directors' remuneration (excluding outside directors) was 19%, both of which are generally considered to be in the appropriate range at present.

By the resolution of the 69th Ordinary General Meeting of Shareholders held on June 27, 2023, the Company introduced the performance-linked restricted stock compensation system. This compensation system grants Directors shares of common stock of the Company (restricted stock) according to the degree of contribution of each Director to business results in the relevant fiscal year. The system is intended to offer incentives for Directors to improve short-term performance as well as continuously increasing mid- to long-term corporate and shareholder value of the Company.

Recipients of Stock Options	
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Supplementary Explanation
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#### [Director Remuneration]

Disclosure of Individual Directors' Remuneration	Selected Directors
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Supplementary Explanation
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The amount of remuneration for 9 Directors of the Company for the fiscal year ended March 31, 2023 was as set out below.

Amount of Remuneration 429 million yen (Include Outside Director 41 million yen)

1. Basic Remuneration 192 million yen (Include Outside Director 41 million yen)

2. Performance-linked remuneration (Bonuses to Directors) 165 million yen

3. Non-monetary remuneration (Restricted Stock Compensation) 72 million yen

Note:

Aside from the remuneration in the above, the aggregate amount of remuneration to Directors (excluding Outside Directors) was 249 million yen in remuneration for services as employees or Executive Officers for those Directors who serve as such.

With respect to any Director who receives remuneration in the amount of 100 million yen or more on consolidated basis, the amount of remuneration for each such Director is individually disclosed as set out below.

Goro Yamaguchi 145 million yen

(Kyocera Corporation Basic remuneration 60 million yen  
Performance-linked remuneration 62 million yen  
Non-monetary remuneration 23 million yen)

Hideo Tanimoto 161 million yen

(Kyocera Corporation Basic remuneration 67 million yen  
Performance-linked remuneration 69 million yen  
Non-monetary remuneration 25 million yen)

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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#### Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

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

By the resolution of the 69th Ordinary General Meeting of Shareholders held on June 27, 2023, the Company introduced the performance-linked restricted stock compensation system and partially revised the restricted stock compensation system. Accordingly, the Board of Directors resolved to revise the “Decision Policy Regarding the Details of Individual Remuneration for Directors”. The remuneration of Directors for the fiscal year ending March 31, 2024 and beyond will be determined based on the revised policy.

Outline of the Details of the “Decision Policy Regarding the Details of Individual Remuneration for Directors”

##### 1. Basic policy

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

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

## 2. Remuneration Composition and Proportion

### (1) Representative Directors/Executive Directors

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

### (2) Outside Directors

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

## 3. Details of Each Type Remuneration

### (1) Basic Remuneration

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

### (2) Bonuses to Directors

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

prescribed coefficient according to the position of the Director and a coefficient for individual assessment according to the degree of contribution to performance.

- Provided once per year following the end of the business year.

### (3) Restricted Stock Compensation

- This is remuneration that provides the Company's common stock (restricted stock) for the purpose of further sharing value with shareholders while granting incentives to continuously improve medium-to-long-term corporate value of the Company and shareholder value. Specifically, monetary compensation claims are paid to Directors, and Directors receiving this payment are paid entirely with assets contributed in-kind for the issue or disposal of the Company's common stock (restricted stock). The amount to be paid to each Director shall be determined by position.
- Granted once a year in each business year.

### 4. Process for Determining Remuneration

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

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

- To ensure that such authority is properly exercised by the Chairman of the Board and Representative Director and the President and Representative Director, the Board of Directors shall consult with and obtain a report from the Nomination and Remuneration Committee on the payment standards, calculation method and grant standards for each type of remuneration by position and the Chairman of the Board and Representative Director and the President and Representative Director who have been delegated authority as mentioned above shall make their determinations in accordance with the

contents of the relevant report, and shall report the results of the determined payment amount and the number of shares to be allotted to the Nomination and Remuneration Committee.

### **[Supporting System for Outside Directors and/or Audit & Supervisory Board Members]**

The system adopted by the Company to support Outside Directors is that Corporate General Affairs Group provide assistance to Outside Directors. The system adopted by the Company to support Audit & Supervisory Board Members is that the Company allocates certain employees who are selected from Corporate Global Audit Division upon the request of Audit & Supervisory Board Members, through prior discussion with Audit & Supervisory Board Members, to assist in their tasks and the Audit & Supervisory Board. The support for Outside Audit & Supervisory Board Members is provided by those employees too. Besides, the office for the Board of Directors distributes the materials for the meeting of the Board to Outside Directors and Outside Audit & Supervisory Board Members in advance, and gives them opportunities for advance explanation about matters to be discussed as necessary so that they can understand the substance well.

As a part of the supporting system, when requested by Outside Directors and Outside Audit & Supervisory Board Members, the Company offer, arrange or provide opportunities as well as the costs therefor to improve their knowledge as necessary, which includes individual lecture in accordance with such request.

## **2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)**

[Outline of the current System]

The Board of Directors of the Company is an organization to decide the important matters and to supervise the execution of businesses of Kyocera Group as a whole. It consists of nine (9) Directors including three (3) Outside Directors, and is held monthly. The Directors are nominated by the General Shareholders Meeting based on the proposal of candidates who have enough understanding of Kyocera Group and with outstanding “personality”, “capability” and “insight” to engage in the management of the Company.

Besides, the Company adopts the Executive Officer System to facilitate the efficiency of the management of the Company. The execution of the businesses of the Company is undertaken by the Executive Officers under the instruction of the President and Representative Director of the Company. President and Representative Director is nominated by the Board of Directors, which undertakes the management decision and supervision of the execution of businesses. Representative Director directs the Executive Officers report the status of the execution of the businesses to the Board of Directors, and the Board of Directors makes sure that the businesses is efficiently executed. As such, the Company clarifies the

responsibility and authority to achieve efficient management of the Company, and to realize the efficient functionality of appropriate corporate governance and internal control of the Company.

Further, the Company establishes “Kyocera Group Management Committee” consisting of the Directors (excluding Outside Directors) and Managing Executive Officers who live in Japan. Such Committee examines not only the agenda of the meetings of the Board of Directors but also other important matters relating to the execution of the businesses of the Kyocera Group as a whole, and holds meetings every month regularly to secure the sound management of the Kyocera Group as a whole.

Nomination of Directors and Managing Executive Officers and remuneration of Directors shall be deliberated by the Kyocera Group Management Committee and the Board of Directors after consultation with the Nomination and Remuneration Committee, a majority of which consists of Outside Directors, to make fair and appropriate decisions. As for the remuneration of the Directors, the 55th Ordinary General Meeting of Shareholders held on June 25, 2009 decided that the Company should abandon the retirement allowance system for the Directors, and restructured the remuneration system so that the remuneration shall consist of basic remuneration and bonus to the Directors. In addition, the Company introduced the restricted stock compensation system by the resolution of the 65th Ordinary General Meeting of Shareholders held on June 25, 2019. The Company introduced the performance-linked restricted stock compensation system and partially revise the restricted stock compensation system by the resolution of the 69th Ordinary General Meeting of Shareholders held on June 27, 2023. As a result, the amount of basic remuneration for Directors shall be no more than 400 million yen per year (excluding remuneration for services as employees or Executive Officers for those Directors who serve as such). It shall be paid according to the responsibilities of the Directors. The amount of bonuses payable to Directors shall not exceed 0.2% of the profit attributable to owners of the parent for the relevant fiscal year, provided that such amount of bonuses shall in no case exceed 300 million yen annually. The amount of the performance-linked restricted stock compensation shall not exceed 0.2% of the profit attributable to owners of the parent, less the total amount of bonuses to Directors actually paid in cash (the total number of the stock shall not exceed 70,000 shares per year). The bonuses to Directors and the performance-linked restricted stock compensation shall be paid/granted in accordance with the degree of contribution to business performance of each Director. The amount of the restricted Stock Compensation shall be no more than 100 million yen per year and not exceed 0.1% of the profit attributable to owners of the parent (the total number of the stock shall not exceed 25,000 shares per year). It shall be paid according to the position of each Director.

In addition, to ensure that the business of the Company is effectively executed, regular meetings are held among the President and Representative Director and executives of each business group and Japanese subsidiaries within the Group under the initiative of the Representative Director.



Besides, to ensure the sound management of the Company, the Representative Director announces management policy. Further, international management meetings shall be held twice a year to acknowledge the status of the management and business strategy.

The Company has Audit & Supervisory Board Members and Audit & Supervisory Board based on the corporate governance policy and the provision of its Articles of Incorporation which was approved by the General Shareholders Meeting. Audit & Supervisory Board Members include two full-time Audit & Supervisory Board Members originally employees of Kyocera, as well as two Outside Audit & Supervisory Board Members, who have plenty of knowledge and experience as an attorney-at-law or CPA. The Audit & Supervisory Board Members are conducting audit of the Company as a whole based on the accurate information about the Company gathered from inside and utilizing variety of view-points as outsider of the Company.

Audit & Supervisory Board Members are conducting audit pursuant to the audit policy and audit plan established every fiscal year. Besides, they attend the meetings of the Board of Directors and other important meetings, so that they have access to necessary information to conduct their task and, they check the soundness of the management of the Company from various points of view.

With respect to the accounting audit, the Company has been entering into an audit agreement with PricewaterhouseCoopers Japan LLC and it conducts audit under the Companies Act as well as the audit under the Financial Instrument and Exchange Act. PricewaterhouseCoopers Japan LLC also conducts audit of the financial statements of the Company as independent third party, and the Company receives result of the audit from it. The Company exchanges opinions with PricewaterhouseCoopers Japan LLC and receive its proposal for improvement of the Company.

Kyocera Group is also evaluating the effectiveness of the internal control over the financial report pursuant to the Financial Instruments and Exchange Act of Japan, and receives audit from the accounting auditors.

[Current initiatives for the enhancement of the functions of the Audit & Supervisory Board Members.]

Current initiatives for the enhancement of the functions of the Audit & Supervisory Board Members are as follows:

1. Allocating certain employees who are selected from Corporate Global Audit Division upon the request of the Audit & Supervisory Board Members, through prior discussion with the Audit & Supervisory Board Members, to assist in their tasks and the Audit & Supervisory Board.
2. Holding regular meetings with Representative Directors to exchange opinions relating to the management of the Company as a whole;

3. Holding regularly the “Kyocera Group Audit & Supervisory Board Members Meeting” where all audit & supervisory board members of companies within Kyocera Group gather to report and discuss the condition of auditing the legality of the business execution and the status of the internal control of the directors of the companies within Kyocera Group;
4. Establishing the system called “Whistleblower System to Kyocera Audit & Supervisory Board” so that the related parties with Kyocera can directly submit complaints to the Audit & Supervisory Board;
5. Holding regular meetings with accounting auditors to discuss about the audit plan and substance of quarterly audit and result of the audit, and exchanging information and opinions as necessary from time to time;
6. Holding meetings in a timely fashion with internal audit division of the Company in order to evaluate and monitor whether the business of the Kyocera Group is duly and efficiently executed in accordance with the laws and regulations and internal rules of the Company; and
7. Nominating two Outside Audit & Supervisory Board Members who are independent and not to have any conflict of interest with the shareholders in general of the Company.

### 3. Reasons for Adoption of Current Corporate Governance System

The Company nominates three (3) Outside Directors, who have plenty of knowledge and experience as an attorney-at-law and persons with management experience, and two (2) Outside Audit & Supervisory Board Members, who have plenty of knowledge and experience as an attorney-at-law or CPA. The Company enhances the supervision by the Board of Directors and audit over the Directors by Audit & Supervisory Board Members by enough explanation by Directors to the Outside Directors and the Outside Audit & Supervisory Board Members at the meetings of the Board of Directors. The Directors also exchange opinions with the Outside Directors and Outside Audit & Supervisory Board Members on the management in general, etc. so that the Directors can make judgment taking into consideration the viewpoints from outside of the Company. The Company establishes sound corporate culture pursuant to the “Kyocera Philosophy”, which is the corporate philosophy based on the general criteria in making judgment, namely “what is the right thing to do as human being?” The Company establishes its corporate governance system through practicing the Kyocera Philosophy. Such system is supplemented by the function to check the management by the Outside Directors and Outside Audit & Supervisory Board Members.

## III. Implementation of Measures for Shareholders and Other Stakeholders

### 1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	Dispatched approximately three weeks prior to the date of the General Shareholders Meeting.

Scheduling AGMs Avoiding the Peak Day	Holding meeting prior to the so-called “concentration day” (the day on which many companies in Japan hold their general shareholders meeting).
Allowing Electronic Exercise of Voting Rights	Permitting exercising of voting rights through personal computers, smartphones and mobile phones.
Participation in Electronic Voting Platform	Having participated in the platform for electrical exercising of voting rights.
Providing Convocation Notice in English	Preparing English translation of the notice for the General Shareholders Meeting to facilitate the exercise of voting rights by foreign shareholders, and upload it on the Company’s website together with the Japanese text prior to the date to dispatch the notice to the shareholders.
Other	From the General Meeting of Shareholders in 2021, we provide shareholders with access to live broadcasts of the Meeting via the Internet so that they can be viewed outside the venue. In addition, we set up a form on the Company’s website for receiving questions from shareholders regarding the matters to be reported and proposals for the Meeting. Furthermore, we post on its website for a certain period of time a video presentation on the future business development of the Group, which was presented by the President and Representative Director at the General Meeting of Shareholders. Through these efforts, we aim to enhance the provision of information to our shareholders and invigorate communications with them.

## 2. IR Activities

	Supplementary Explanations
Preparation and Publication of Disclosure Policy	Disclosure Policy is explained in this report (refer to V. Other 2. Other Matters Concerning to Corporate Governance System).
Regular Investor Briefings for Individual Investors	The Company holds explanatory conference for the individual (retail) investors through the arrangement by securities companies, attended mainly by an Executive Officer and Senior General Manager of Corporate Management Control Group.
Regular Investor Briefings for Analysts and Institutional Investors	In Japan, financial results briefings are held for analysts and institutional investors every quarter, presented by President and Representative Director. In addition, an investor briefing aiming to explain medium- to long-term management plan is held by President and Representative Director and Directors in charge of business segments.
Regular Investor Briefings for Overseas Investors	The Company holds meetings with shareholders mainly in Europe and the United States individually, including face-to-face and web-meetings, attended by Representative Directors and Director in charge of finance etc. In addition, the Company's delegation holds meetings mainly with overseas institutional investors individually in occasions such as conferences, hosted by securities companies.
Posting of IR Materials on Website	The Company established its website for shareholders and investors. (Japanese) <a href="https://www.kyocera.co.jp/ir/index.html">https://www.kyocera.co.jp/ir/index.html</a> (English) <a href="https://global.kyocera.com/ir/index.html">https://global.kyocera.com/ir/index.html</a> In addition to the disclosure materials legally required and the timely disclosure materials, materials for the business explanatory conferences, Integrated Reports, materials for the General Shareholders Meetings and information for shareholders relating to procedures for share handling are uploaded thereat.
Establishment of Department and/or Manager in Charge of IR	IR Division is established under the Corporate Management Control Group.
Other	IR division meets with analysts and institutional investors frequently, and the Company's management personnel also meet with them from time to time. In order to achieve fair disclosure, IR related materials are prepared in both Japanese and English and uploaded on the Company's website.

### 3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Management Rationale of the Kyocera Group is “To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind”. The Kyocera Group recognizes the importance of all stakeholders in realizing its management rationale.
Implementation of Environmental Activities, CSR Activities etc.	The Kyocera Group's sustainability activities are the realization of its management rationale, and we believe that our mission is to conduct business in ways that fulfill societal needs. We actively promote various efforts to address social issues, such as the development and sale of environmentally friendly products, the implementation of climate change measures by setting long-term environmental targets, and efforts to respect human rights.
Development of Policies on Information Provision to Stakeholders	<p>The Company, based on the ethical views appearing in the “Kyocera Philosophy,” believes that it is very important to enjoy a high degree of trust from its shareholders, investors and other stakeholders. For this purpose, the Company recognizes that sincere efforts to provide timely and appropriate disclosure of corporate information are indispensable and has accordingly established the following basic policies toward the disclosure of information.</p> <p>“With respect to the disclosure of information, it shall be our policy to timely disclose both favorable information and unfavorable information in an equal and accurate manner.”</p> <p>“With respect to the disclosure of information, it shall be our policy to timely disclose information without delay and in a fair manner, with no bias towards the domestic or foreign, and without preference towards specific persons.”</p> <p>In addition, the Company actively discloses information on the Group's sustainability activities through its annual integrated report and its sustainability website.</p>

#### IV. Matters Related to the Internal Control System

##### 1. Basic Views on Internal Control System and the Progress of System Development

The Board of Directors of the Company has established a basic policy for internal control as shown below. Based on this policy, the Company appropriately maintains and operates an internal control system.

[Basic Policy for Internal Control]

The Company has established the following internal control system in accordance with the Companies Act and the Regulations for Enforcement of the Companies Act and constantly evolves and develops such a system, seeking an ideal system of internal controls. An internal control system shall also be established through the implementation of the “Kyocera Philosophy.”

**(1) Systems to ensure that the execution of duties by Directors and employees of the Kyocera Group is in compliance with laws and regulations and the Articles of Incorporation**

- (i) A statement shall be formulated that stipulates the basic stance of global legal compliance and specific action guidelines based on this statement, and Directors and employees of the Kyocera Group shall be thoroughly familiarized with the statement and guidelines.
- (ii) A department that manages compliance shall be established in each Kyocera Group company and periodic education on compliance for Directors and employees shall be implemented.
- (iii) A resolute stance shall be maintained against anti-social forces and all unreasonable demands shall be refused.
- (iv) “Employee Consultation Corners” shall be established as an internal complaint reporting system and contact points shall be set up both inside and outside the Company. These corners shall receive reports of acts that breach or may breach laws or regulations or the Articles of Incorporation or other internal regulations from employees and others. The employee consultation corners will take appropriate and necessary action in respect of reports received, which shall be handled in accordance with the Whistleblower Protection Act.
- (v) An Internal Audit Department shall be established to undertake audits regularly to evaluate the appropriateness of the conduct of business at the Kyocera Group.

**(2) Systems regarding retention and management of information in relation to the execution of the duties of Directors**

- (i) Basic policies and various rules regarding the management of information in the Kyocera Group shall be established, information related to the execution of duties of Directors shall be appropriately retained and managed.
- (ii) The “Kyocera Disclosure Committee” shall be established as a system for making timely and appropriate disclosure of information.

**(3) Internal rules and other systems related to management of the risk of loss in the Kyocera Group**

- (i) Basic policies and various rules regarding the Kyocera Group's risk management shall be prescribed and efforts shall be made to prevent and mitigate risks that could affect the Kyocera Group's credibility and business sustainability.
- (ii) The "Risk Management Committee" shall be established as a risk management system for the Kyocera Group to determine various policies regarding risk management of the Kyocera Group and identify corporate risks to be addressed as a group. Additionally, a risk management department shall be established to assist and operate the Risk Management Committee.
- (iii) Systems shall be built to carry out various activities such as a business continuity management system.

**(4) Systems to ensure that the execution of the duties of Kyocera Group Directors is performed efficiently and systems related to reporting of particulars regarding the execution of the duties**

- (i) The Company shall delegate authority and clarify the system for responsibility through the Executive Officer System to conduct business effectively and efficiently. Moreover, Executive Officers shall report the status of business conduct to the Board of Directors.
- (ii) The decision-making authority of Directors, Executive Officers and others shall be prescribed to handle business accurately and raise management efficiency and business shall be undertaken based on this.
- (iii) The "Kyocera Group Management Committee" shall be established to deliberate, decide, or receive reports on important matters related to the Kyocera Group's business conduct.

**(5) Other systems to ensure proper business activities in the Kyocera Group**

- (i) The "Kyocera Group Sustainability Committee" shall be established as a system for the sustainable development of both society and the Kyocera Group.
- (ii) A department shall be established for support that enables each Kyocera Group company to appropriately and efficiently execute business.

**(6) Matters relating to employees to assist with the duties of Audit & Supervisory Board Members (including matters relating to the independence of such employees from the Directors and matters to ensure effectiveness of instructions from the Audit & Supervisory Board Members to such employees)**

- (i) Certain employees shall be allocated upon the request of the Audit & Supervisory Board Members through prior discussion with the Audit & Supervisory Board Members to assist with the duties and assist the Audit & Supervisory Board.

- (ii) Such employees while still subject to the work rules of the Company, shall be under each of the Audit & Supervisory Board Member's instructions and supervision relating to their duties. A limit shall not be set unfairly to such instruction and supervision.
- (iii) The personnel matters such as transfer, treatment (including evaluation) and disciplinary action relating to such employees shall be made through prior discussion with the Audit & Supervisory Board Members.

**(7) System for reporting to the Audit & Supervisory Board Members by Directors and employees and other related parties (including the system for ensuring that persons who make a report are not treated disadvantageously due to making the report)**

- (i) In the event that Kyocera Group Directors, employees, and other related parties become aware of any matter that breaches or may breach any law or regulation or the Articles of Incorporation or become aware of any matter that may cause substantial damage to the Kyocera Group, he or she shall immediately report thereon to the Audit & Supervisory Board. In addition, any Kyocera Group Directors, employees, and other related parties shall comply with a request for a report in the event that any of the Audit & Supervisory Board Members or the Audit & Supervisory Board makes such a request pursuant to the Regulations of the Audit & Supervisory Board.
- (ii) The Internal Audit Department shall report regularly on the status of the internal audit to the Audit & Supervisory Board Members. Moreover, if the Audit & Supervisory Board Members request a report on the status of business execution in relation to a specific department, that department shall report directly to the Audit & Supervisory Board Members.
- (iii) The "Kyocera whistleblower system (to the Audit & Supervisory Board)," established by the Audit & Supervisory Board shall be maintained under which all related parties including Directors, employees, suppliers and customers of the Kyocera Group may report directly to the Audit & Supervisory Board.
- (iv) The party who made the report to the Audit & Supervisory Board shall not be treated adversely, such as transfer, disciplinary action or cessation of business, because of such report.

**(8) Matters related to policies concerning the procedure for expenses or obligations that arise with regard to execution of the duties of the Audit & Supervisory Board Members**

Requests from Audit & Supervisory Board Members for reimbursement of costs shall be accepted in accordance with the Regulations of the Audit & Supervisory Board and payment thereof shall be made accordingly.



**(9) Other systems to ensure that audits by the Audit & Supervisory Board Members are performed effectively**

In the event of a request by any of the Audit & Supervisory Board Members to effectuate any of the following matters, as necessary to establish a system to ensure the effective audit by the Audit & Supervisory Board Members, such requests shall be complied with:

- (i) Attendance at important meetings
- (ii) Inspection of minutes of important meetings, important internally approved documents and important agreements, etc.
- (iii) Meetings with Representative Directors to exchange opinions regarding management of the Kyocera Group in general.

**2. Basic Views on Eliminating Anti-Social Forces**

The Company's "Basic Policy for Internal Control" states our basic stance that "A resolute stance shall be maintained against anti-social forces and all unreasonable demands shall be refused."

In addition, the "Kyocera Activity Policy", which is a result of application of the Kyocera Philosophy to various aspects of the corporate activities, and on which the employees of Kyocera Group rely for day-to-day operation, thoroughly requires the employees to "be sure to solve the problem in a resolute attitude based on laws and regulations" against anti-social force.

**V. Other**

**1. Adoption of Anti-Takeover Measures**

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation

Currently there is no specific plan for adoption of anti-takeover measures.

**2. Other Matters Concerning to Corporate Governance System**

The timely disclosure system is as follows.

- 1. Establishment of Ethical Standards and Corporate Philosophy Forming the Basis of Timely Disclosure

The Company believes that the establishment of a corporate philosophy which will constitute the ethical basis for executive management as well as ordinary employees is indispensable for the Company to

continue to act in a socially sound and honest manner within the industry, including the making of timely and appropriate disclosure of corporate information.

The Company's corporate philosophy, which constitutes ethical standards, has been passed along from its founder's manner of thinking towards both management and lifestyle known as the "Kyocera Philosophy."

The "Kyocera Philosophy" bases its fundamental judgments on precepts such as "what is the right thing to do as a human being" and includes wide, universal contents from basic management principles to the manner of pursuing daily work. The Company's fundamental attitude, which can also be the basis of the timely disclosure of corporate information, is displayed in numerous ways including, among others, the sayings "Pursue Fairly," "Make Unselfish Decision," "Insist on Playing Fair" and so forth.

In order to implement the ethical standards embodied in the "Kyocera Philosophy" throughout the entire Group, the Company, in addition to providing study programs upon entering the Company as well as constant daily guidance in the workplace, periodically implements educational and study programs for all personnel from executive management to ordinary employees. Similar training programs have been developed for Group companies located inside and outside Japan. Through such programs, the "Kyocera Philosophy" achieves wide permeation as a corporate creed throughout the entire Group.

Further, in consideration of the applicability of the "Kyocera Philosophy" to various aspects of business activities, the Company establishes the "Kyocera Code of Conduct" and requires that all Group employees conduct their daily business duties in accordance therewith. Such policies provide detailed explanations of various laws, regulations and rules, as well as internal Company rules, include provisions such as "Compliance with the Law" and "Handling Information" etc., and otherwise collectively indicate mandatory conduct for employees.

In addition, the Company's founder, emphasizing the importance of the role of "accounting" in corporate management, created the "Kyocera Accounting Principles" based on the "Kyocera Philosophy." The "Principle of Double-Check", the "Principle of Transparent Management" and so forth, which apply to all accounting practices, are included therein and constitute guidance for timely disclosure of corporate information in the same manner as the "Kyocera Philosophy."

The "Kyocera Philosophy", the "Kyocera Code of Conduct" and the "Kyocera Accounting Principles" have been published in the form of Pocketbook which are distributed to employees who utilize them as ethical standards and policies governing conduct.

As stated above, the Company has established ethical standards based on the "Kyocera Philosophy" which form the basis for internal Company standards concerning timely disclosure.

## 2. Status of the Company's Internal Standards etc. Concerning Timely Disclosure

### (1) Fundamental Attitudes

The Company, based on the ethical views appearing in the “Kyocera Philosophy,” believes that it is very important to enjoy a high degree of trust from its shareholders, investors and other stakeholders. For this purpose, the Company recognizes that sincere efforts to provide timely and appropriate disclosure of corporate information are indispensable and has accordingly established the following basic policies toward the disclosure of information.

“With respect to the disclosure of information, it shall be our policy to timely disclose both favorable information and unfavorable information in an equal and accurate manner.”

“With respect to the disclosure of information, it shall be our policy to timely disclose information without delay and in a fair manner, with no bias towards the domestic or foreign, and without preference towards specific persons.”

### (2) The Kyocera Disclosure Committee

The Company has established an organ known as the “Kyocera Disclosure Committee” which is primarily entrusted with the role of implementing the abovementioned fundamental policies of the Company for disclosure of corporate information. This Committee investigates all disclosure documents for the purpose of assuring the appropriateness of disclosures of corporate information, reporting the results of its investigations to the President and Representative Director and being the principal internal organization of the Company which educates Group companies concerning rules relating to disclosure and promotes appropriate disclosure of information for the entire Group.

This Committee is constituted of the following Executive Officers and general managers who respectively have responsibility for the following information.

- General affairs and personnel information
- Business strategy information
- Legal and intellectual property information
- System security information
- Business administration information
- Accounting and tax information
- Financial and IR information
- Information on group companies
- Internal control information on financial reporting

This Committee consolidates information reported in respect of the respective areas undertaken by respective committee members and creates an exhaustive collection of all management information for Kyocera Group. Further, this Committee consists mainly of the Company's Executive Officers and, accordingly, this Committee can gather information with respect to important management decisions without delay.

(3) The Information Disclosure Process Focusing on the Kyocera Disclosure Committee

Materials which are required to be timely disclosed by the Company pursuant to various domestic and foreign disclosure laws, regulations and rules as well as materials intended for voluntary disclosure to the markets, etc. are usually handled by the Kyocera Disclosure Committee and its Administrative Office as follows.

(i) Information Gathering and Preparation of Disclosure Materials

Facts, decisions of the board of directors and information concerning corporate accounting generated by the Company and each Group company are collected from each department through the related departments of the Company as raw information for disclosure, and consolidated at the Administrative Office of the Disclosure Committee constituted by the officers of the departments of the Company in charge of its IR and accounting.

This Office prepares, based on such reported information and reference to various domestic and foreign laws, regulations and rules concerning timely disclosure and disclosure materials from a fair standpoint, and submits such materials to the Kyocera Disclosure Committee indicating the points to be examined.

In the process of preparation of disclosure materials by the Administrative Office of the Kyocera Disclosure Committee, all information gathered from each department is approved by the head of each department reporting such information (with respect to information of Group companies, by the president or other executive in charge thereof) and the system (The Principle of Double-Check) does not permit independent judgments by department heads.

(ii) Investigation of Disclosure Materials

Members of the Kyocera Disclosure Committee investigate information submitted through the Administrative Office and undertake a review process to make determinations as to whether or not to disclose and the appropriateness of information to be disclosed by reference to independently obtained information. Each member provides notice of its investigation to the Administrative Office and if corrections are required, so indicates.

Due to the policy in connection with such investigation that judgments by the Kyocera Disclosure Committee as to whether disclosure shall be made are to be based on uniform criteria, the following “Guidelines for the Importance of Matters” have been established as such criteria.

#### Quantitative Criteria

Any event which would have an impact of 5% or more on sales revenue, profit before income taxes or profit attributable to owners of the parent for a quarterly period covered by the most recent corporate plan is an “Important Event.”

#### Qualitative Criteria

Any event which would have a material impact upon the ability of the Company to continue as a going concern based on consideration of the special characteristics of individual businesses, internal rules and ethics, applicable general laws, regulations and rules, and generally accepted social morals etc., is an “Important Event.”

#### Time Criteria

Based on consideration of both quantitative and qualitative criteria, an event which will obviously have such an impact within the next twelve (12) months is an “Important Event.”

Also, this Committee clarifies the purpose of the investigation and facts and materials which will be subject to investigation for the purpose of responding to changes in the management environment in an agile manner, and it is always endeavoring to increase the effectiveness of such investigations by convening the Committee in either of the following major ways.

#### Regular Scheduled Convening of the Committee

To gather information on matters arising mid-term, confirm matters that must be disclosed, perceive “Important Events” (focusing on information concerning risks) expected to occur during subsequent reporting periods, and investigate disclosure materials for the purpose of studying the contents of periodic disclosure materials such as quarterly reports and annual securities reports.

### Extraordinary Convening of the Committee

A meeting of the Committee shall be convened upon the decision of the Chairman and Vice Chairman of the Committee in the event of mid-term amendments of laws, regulations and rules, or accounting standards, etc. or upon the unexpected occurrence of Important Events in order to determine whether or not to timely disclose and if so determined to investigate the contents of the disclosure.

#### (iii) Supplemental System for Representatives of Important Group Companies

The Kyocera Disclosure Committee may implement a supplemental system assuring the appropriateness of information from each Group company by demanding that the representatives of each of the most financially important Group companies, based on net sales and profits of all Group companies, individually certify in writing as to the accuracy of reported information.

#### (iv) Report of Investigation Results

After confirming that all Committee members have verified the appropriateness of the disclosure information, the Chairman of the Kyocera Disclosure Committee reports the results of such investigation to the President and Representative Director. The President and Representative Director confirm the investigation procedures by the Kyocera Disclosure Committee and issue instructions for corrective actions, if necessary, to the Chairman of the Kyocera Disclosure Committee.

#### (v) Approval and Disclosure of Information

The President and Representative Director of the Company, following the completion of the procedures described in (i) through (iv) above, upon receipt of a report from the Chairman of the Kyocera Disclosure Committee assuring the appropriateness of information disclosure, approves such information disclosure. Thereafter, each information disclosure execution department, after being informed of the approval of the President and Representative Director via the Administrative Office of the Kyocera Disclosure Committee, implements the disclosure of such information through the Financial Service Agency and Timely Disclosure Information System of Tokyo Stock Exchange, Inc.

As described above, the Company has established a system centered on the Kyocera Disclosure Committee as an investigation organ assuring the appropriateness of disclosed information. Please refer to the diagram appearing in Attachment 2 concerning the information disclosure process described in (i) through (v) above.

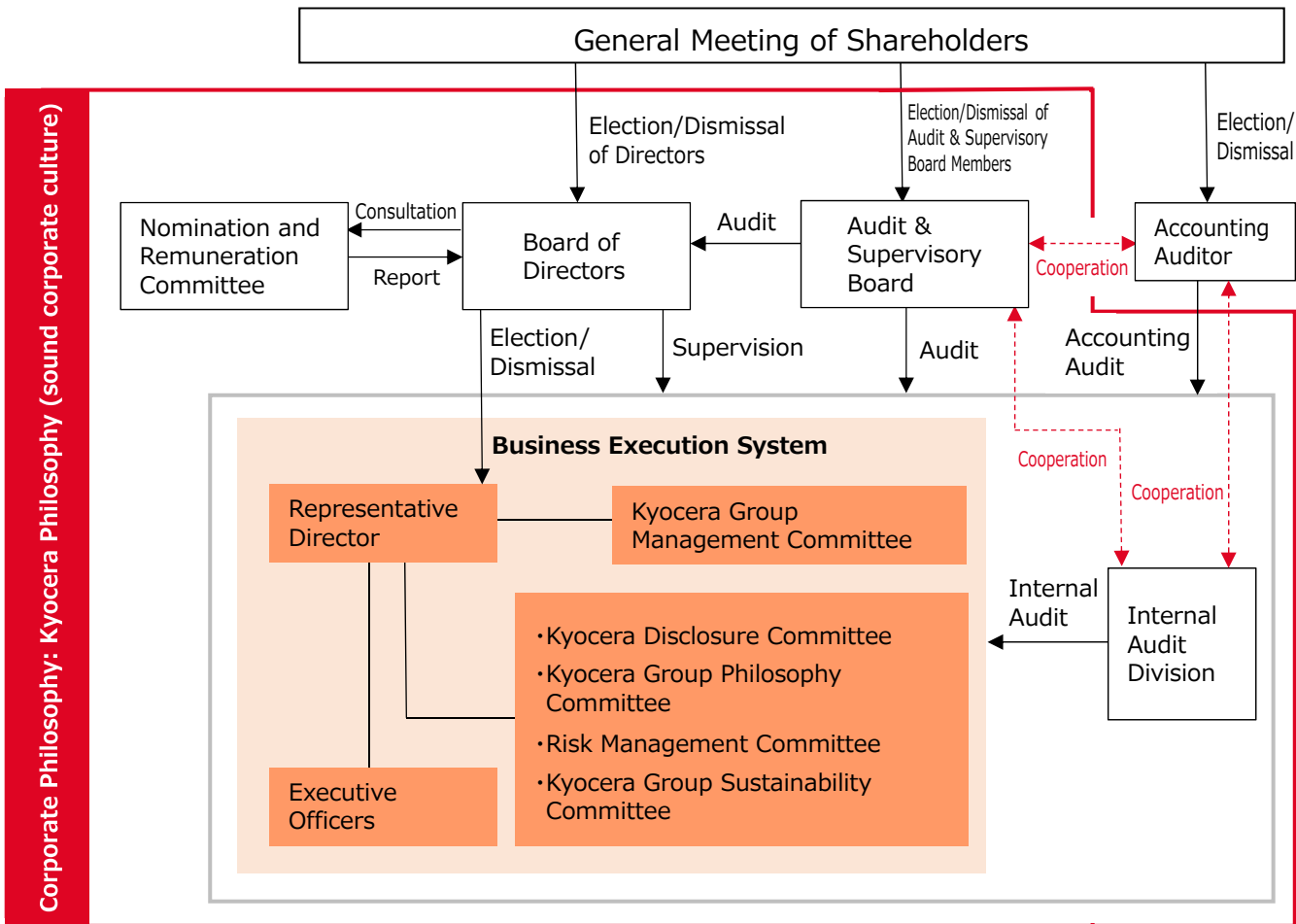
(4) Internal Audit System and Internal Alert System

The Company has established the Corporate Global Audit Division, which conducts audits to ensure that the accounting and operations of each group company are duly undertaken in accordance with applicable Japanese and overseas requirements. The Corporate Global Audit Division will periodically conduct investigations in cooperation with the internal audit division of each group company and report the results thereof to the directors and audit & supervisory board members of the Company and each relevant group company. The Directors and Audit & Supervisory Board Members who receive such reports will then issue instructions for any necessary corrective action. The Corporate Global Audit Division will also undertake the internal audit pursuant to “Internal Controls over Financial Reporting” prescribed under Article 24-4-4, paragraph 1 of the Financial Instruments and Exchange Act of Japan.

The Company also has an internal alert system referred to as the “Employee's Consultation Corner” which assures a system whereby employees are able to report acts which constitute violations, or acts which bear the risk of being violations, of the Kyocera Code of Conduct.

These systems have important functions in addition to heightening the effectiveness of the Company's internal structures related to timely disclosure.

[Corporate Governance Chart of the Company]





< Attachment 1 >

【4.11.1】 The key skills possessed by the current Directors

	Global Management	Sales/ Marketing	Technology	Financial Affairs/ Accounting	Legal Affairs/ Risk Management
Chairman of the Board and Representative Director Goro Yamaguchi	○	○			
President and Representative Director Hideo Tanimoto	○		○		
Director Hiroshi Fure	○		○		
Director Norihiko Ina	○	○			
Director Koichi Kano	○	○		○	
Director Shoichi Aoki	○			○	○
Outside Director Akiko Koyano					○
Outside Director Eiji Kakiuchi	○	○			
Outside Director Shigenobu Maekawa	○			○	○

< Attachment 2 >

The outline of the corporate system for the timely disclosure of the corporate information is as follows.

