THE NEW VALUE FRONTIER

KYOCERA

Kyocera Group

CSR Report

Economic, Social and Environmental Reports

2011

Kyocera Group CSR Report 2011

Contents

Editorial Policy

This report is published to advise our stakeholders of matters relating to the Kyocera Group's economic, social and environmental activities; and to enhance communication with all interested parties.

We hope that this report will help facilitate understanding of the Kyocera Group and further promote communication.Supplementary data, updated information and other matters not included in this report can be accessed via the Kyocera global Web site (http://global.kyocera.com/).

Stakeholders are encouraged to share their thoughts and opinions, and we will strive to incorporate those views on Kyocera Group operations into our future activities.

Reporting period	April 1, 2010 - March 31, 2011 However, certain parts of the report and its data refer to earlier matters and future expectations.
Scope of the report	KYOCERA Corporation and its consolidated subsidiaries: 197 companies In this report, "Kyocera" refers to the KYOCERA Corporation as a separate entity. It is specified where the scope of the report differs from the above. Policies and criteria for compilation and reporting of information are shown below.
Published	July 2011 (Next: June 2012 (planned); Previous: July 2010)
Guideline references	Ministry of the Environment (Japan) "Environmental Report Guidelines (2007 Version)" GRI* "Sustainability Reporting Guidelines, Version 3.1" *GRI: Global Reporting Initiative.GRI is an international organization established in 1997 to draft a sustainability report framework for use by organizations worldwide.

Activity information / Policies and criteria for compilation and reporting

■ **Economic activities**	Description is based on the "Documents Accompanying the Invitation to Attend the Regular General Meeting of Shareholders" and other materials.
■ **Social activities**	Description is based on "Consumer Products Safety Law," "Law for Employment Promotion, etc. of the Disabled," "Industrial Safety and Health Law," "Subcontractor Act" and others.
■ **Environmental activities**	Description is in accordance with environmental laws, and based on internal rules including the "Kyocera Group Environmental Management Standard," "Waste Material Disposal Regulations" and the "PRTR Management Standard."

Corporate Overview (as of March 31, 2011)

Company name	KYOCERA Corporation
Headquarters	6 Takeda Tobadono-cho Fushimi-ku Kyoto 612-8501, Japan TEL: +81-75-604-3500
Established	April 1, 1959
Representative	President Tetsuo Kuba
Capital	115.7 billion yen
Sales (consolidated)	1,266.9 billion yen
Net income (consolidated)	122.4 billion yen
No. of group companies	208 companies (including KYOCERA Corporation)
No. of group employees	66,608 (excluding non-consolidated subsidiaries and affiliates accounted for by the equity method)

Capital, sales and net income figures have been rounded to the nearest unit.

Corporate Motto

"Respect the Divine and Love People"

敬天愛人

Preserve the spirit to work fairly and honorably, respecting people, our work, our company and our global community.

Management Rationale

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

Management Philosophy

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

Kazuo Inamori

Founder and Chairman Emeritus

The human race is facing a turning-point in history. In politics, business and other areas of society, the old order no longer seems to function well. A new framework and way of thinking are being sought.

The new way of thinking is a philosophy that enables all living things on earth to survive and thrive — the spirit of "Living Together."

Most important for a business enterprise fulfilling its public responsibility is building mutually supportive relationships in order for society — including businesses — to continue their existence. It is vital that business management is based on the spirit of Living Together for mutual development to occur.

Kyocera was founded in 1959 as a specialized maker of fine ceramic components. Building on this technology, we committed to multilateral development and grew into a comprehensive manufacturer involved in all stages of production, right up to finished equipment. Kyocera's growth has not simply been a matter of creating new value through technology and goods. It has also been about following the same path as society and people, based on the bonds of human minds. Our approach to Living Together will remain unchanged.

Kyocera seeks to join the hearts and minds of people, and to share the joys of life. Based on the spirit of Living Together, we strive to create a prosperous future for all.

Top Management Message

Makoto Kawamura
Chairman

Tetsuo Kuba
President

Contributing to the advancement and development of humankind and society through practice of the Kyocera Philosophy

Correct application of the concept, "Doing the right thing as a human being"

At the heart of Kyocera Group management is the management philosophy known as the Kyocera Philosophy, which emphasizes the importance of fair business based on ethical, moral and social standards that people should uphold throughout life. Ultimately, it comes down to one criterion for making decisions: "What is the right thing to do as a human being?"

To realize this management philosophy, Kyocera developed a unique management control method known as the Amoeba Management System. With this system in place, Kyocera is promoting a management method in which all employees can participate. At the same time, Kyocera believes in highly transparent corporate activity with timely disclosure of information to customers, employees, shareholders, investors, business associates, and all other stakeholders.

Awareness that a corporation is a member of society

Since the company was established, the Kyocera Group has always strived to develop and provide the market with new technologies and new products. By continuing business in this way, we have endeavored to contribute to the advancement

and development of humankind and society. Over the years, society has given the Kyocera Group immeasurable support, both tangible and intangible. It is because of such support that we are here today. In return, we seek opportunities to actively contribute to society.

Full-scale social contributions started not long after our founding, when Kyocera was still a small enterprise. We began by donating grand pianos and scholarship funds to three elementary and junior high schools in Gamo Town (now Higashi Ohmi City), Shiga Prefecture (Japan), where our headquarters and factory were then located. Since that time, Kyocera has actively worked to fulfill its responsibilities as a member of society, through diverse activities contributing to individual communities and society in general.

The Kyocera Group maintains the stance that a corporation is a member of society. Whatever the era, the Kyocera Group will continue to fulfill its functions and responsibilities as a corporation supporting the development of communities and society. We will continue to operate for the good of people and the world, not just in business activities, but also through various social contribution activities.

Addressing global environmental issues through business

The Kyocera Group is actively taking part in measures dealing with global environmental problems facing humanity today.

Fine ceramics, the starting point of Kyocera, are ideal ecological materials. By utilizing such features as abrasion resistance and heat resistance, we have produced a wide range of environmentally friendly products. The Kyocera Group has also been actively involved in measures to prevent climate change through its promotion and use of solar power generating systems; its early entry into the fuel cell market; and through its other business operations. Additionally, we have set high goals for reducing any negative environmental impacts of our business activities, including measures for conserving energy and reducing resource consumption.

The 6th Environment & Safety Promotion Plan was concluded in March 2011. The 7th Environment & Safety Promotion Plan was launched in April. The latest Plan sets out the vision, goals and plans from a mid-to-long-term perspective up to 2020. The Kyocera Group is pushing forward with the accelerated development of green products and mitigation of negative environmental impacts. At the same time, we are actively expanding green communication activities, such as "Eco-Lessons," for school children — the leaders of the next generation.

Kyocera Group CSR is nothing other than the practice of the Kyocera Philosophy

For the Kyocera Group, CSR is tantamount to the practice of the Kyocera Philosophy — the heart of Kyocera Group management. We believe the practice of the Kyocera Philosophy builds mutual trust with stakeholders, and contributes to sustainable growth for the Kyocera Group, as well as the overall development of society.

By practicing the Kyocera Philosophy, we will continue to engage in balanced corporate management from three perspectives: economical, social and environmental.

Firm belief in a wonderful future

All members of the Kyocera Group offer our heartfelt sympathy to the people affected by the Great East Japan Earthquake, and our sincere wishes for the swift recovery of the stricken areas.

Certain Kyocera Group production and sales facilities in the Tohoku region were damaged in the earthquake. However, thanks to the combined efforts of many people, we were able to resume production at all affected sites by March 22, 2011.

A corporation can only begin to generate consistent revenues and profits when it meets its responsibilities toward society. Through the ongoing practice of the Kyocera Philosophy, we will continue striving toward the Kyocera Group's mission and contribute toward the recovery.

Power supply and other conditions still remain problematic. Nevertheless, we intend to overcome these difficulties and move toward the wonderful future we believe in.

We will be very pleased if this CSR report gives you a better understanding of Kyocera Group's CSR activities. Your ongoing support of our operations is greatly appreciated, and we welcome your opinions.

Kyocera Group Management Roots

The origin of Kyocera Group management is the Kyocera Philosophy, a philosophy of life based on the real-life experiences and empirical rules of Kazuo Inamori, founder and chairman emeritus of Kyocera Corporation. With "What is the right thing to do as a human being?" as its most essential criterion, the Kyocera Philosophy expounds the significance of commitment to fair management and operation in compliance with the most fundamental human ethical and moral values and social norms.

What is the Kyocera Philosophy?

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 "material and intellectual growth" that we aim for includes the pursuit of economic stability, and entails the pursuit of mental riches as a human being, in the shape of life with purpose and job satisfaction through self-fulfillment in the workplace. Additionally, the steady refinement of technology allows us to provide the world with wonderful products one after another, and thereby contribute to the advancement of science and technology. At the same time, by steadily raising profits as a company we aim to contribute to the improvement of common welfare, through increased tax payments and other means. The guidelines for action in pursuing the Management Rationale are set out in the Kyocera Philosophy. As a state of mind for leading wonderful lives, we are striving day by day to practice the Kyocera Philosophy.

Company members around the time of foundation

Origin of Kyocera Philosophy

In 1959, with the generous support of the people around them, company founder Kazuo Inamori and seven other colleagues established Kyoto Ceramic Co., Ltd. Starting with a meager amount of capital, the company had no imposing office building or elaborate machinery in the beginning. All it had were fellow companions who shared the joys and sorrows and formed a close bond as members of one big family. Inamori then decided to base the management of the company on this bond of human minds. This is because he believed that while human minds are extremely changeable, they are also most dependable once the minds are bonded by strong trust.

Later, Inamori encountered many difficulties in managing Kyocera, but he overcame them each time believing in the strong bond of human minds. Kyocera Philosophy was thus born as he debated his life and work.

Basic Ideas of the Kyocera Philosophy

The Kyocera Group believes that decisions should always be made through reason and based on the idea of "What is the right thing to do as a human being?" as the basic criteria to achieve compliance with public morals.

The criterion of "What is the right thing to do as a human being?" is based on the fundamental ethical and moral values of the natural goodness of human beings: "Don't be greedy," "Do not cheat people," "Do not lie," and "Be honest" are teachings we all received from our parents as a child and represent the most basic principles of a human being.

We believe that when making decisions and taking action in daily life, we should resort to the criterion of "What is universally right as a human being" and not the criterion of "What best suits our own convenience."

Four Elements of the Kyocera Philosophy

The Kyocera Philosophy includes four important elements that are essential for realizing the material and intellectual growth of all employees. They are also vital for achieving growth and development of the Kyocera Group as a global enterprise.

① Precepts and commitments become company standards

- These include the rules and morals needed in-house for Kyocera to operate according to specific standards.

② State of mind needed to achieve the goals and objectives for which the company should aim

- Kyocera strives to become a company that stands out among other companies — that is, "The Company." Here is a clear picture of the state of mind and the kind of action needed to achieve such a high goal.

③ Give the company an outstanding corporate character

- People have character and, in the same sense, a corporation should also have character. This element specifies the state of mind needed for Kyocera to acquire an outstanding corporate character. It sets out the attitude we need to earn trust and esteem worldwide, and recognition of Kyocera as a company with an outstanding corporate character.

④ Show the right way to live and the ideal state of being

- This sets out the universal human truths needed for each person to live a better life.

Kyocera Philosophy Pocketbook

A copy of the Kyocera Philosophy Pocketbook is distributed to all employees in the Kyocera Group. Employees use various opportunities to apply the principles in the Pocketbook, and to independently learn and practice the Kyocera Philosophy. The Kyocera Philosophy Pocketbook II, with newly added content, was published in April 2011. Employees keep the Kyocera Philosophy Pocketbooks close by as learning materials and to aid in application of the Kyocera Philosophy.

Excerpts from the Kyocera Philosophy Pocketbook

■ Management Based on the Bonds of Human Minds

Kyocera started as a small suburban workshop — with no money, credentials or history. Meager technology and 28 trusty comrades were all that we could rely on.
Kyocera's management is based on all employees exerting their full efforts and managers dedicating their lives to merit their trust; all believing in each other, none working for selfish motives. All united to make Kyocera a company that they can be proud to work for.
Human minds are said to be easily changeable. Yet, there is nothing stronger than the human mind. Kyocera developed into what it is today because it is based on the bond of human minds.

■ Make Decisions With an Altruistic Mind

Our mind seems to have two sides. One side appears to be concerned only with our own interests, while the other side is altruistic and will sacrifice to help others. When decisions are made with the selfish mind, nobody wants to help us, because these decisions have a self-centered, narrow perspective and are prone to mistakes.
By contrast, when our altruistic mind makes a decision, everyone around us wants to help because the decision is benevolent, comprehensive and correct.
In order to do good work, we need to make decisions based on the part of our heart that cares for others, not based on our own selfish interests.

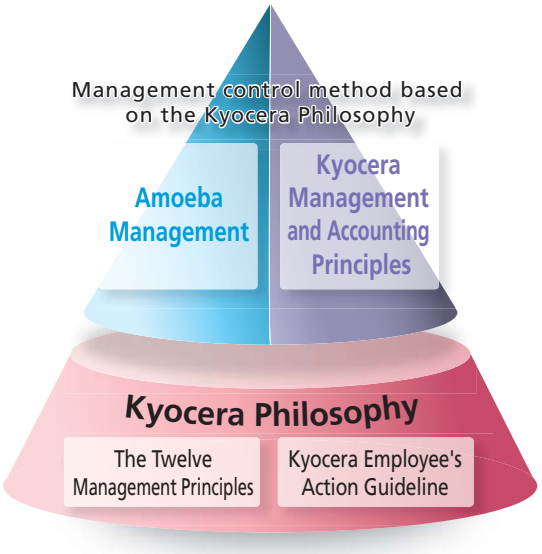
■ The Result of Your Life or Work = Attitude x Effort x Ability

The outcome of our life or work is the product of three factors: attitude, effort and ability.
Effort and ability range from 0 to +100 points. As these two numbers are multiplied rather than simply added, it means that persons who exert unbeatable efforts to compensate for their only "average" ability can accomplish more than geniuses who rely just on their ability while making only a minimal efforts. This product is further multiplied by attitude, which can range from −100 to +100. Depending on our attitude, the outcome of our work and our life can change by 180 degrees.
Thus, while ability and effort are important, it is our attitude that counts the most.

Kyocera Group Management Roots

Management Based on the Kyocera Philosophy

For the Kyocera Group to realize the management rationale, correct understanding and application of the Kyocera Philosophy are essential. This applies also to "The Twelve Management Principles," "Amoeba Management," "Kyocera Management and Accounting Principles" and "Kyocera Employee's Action Guideline." All of these are based on the Kyocera Philosophy. Correct understanding and application are essential for future growth and development, to sustain the dreams of employees, and for the Kyocera Group to become a corporate group able to contribute to development of society. The Kyocera Group provides these booklets to employees, and endeavors to raise understanding and permeation of the principles contained therein.



The Twelve Management Principles

The Twelve Management Principles are "fundamental management rules." In other words, they do not change, regardless of any changes occurring in the business environment or conditions. They are the starting point of universal management, and represent the foundation of management.

1. Clearly state the purpose and mission of your business.
2. Set specific goals.
3. Keep a passionate desire in your hearts.
4. Strive harder than anyone else.
5. Maximize revenues and minimize expenses
6. Pricing is management.
7. Success is determined by willpower.
8. Possess a fighting spirit.
9. Face every challenge with courage
10. Always be creative.
11. Be kind and sincere.
12. Always be cheerful and positive.

Amoeba Management

The Kyocera Group uses its own business administration method called Amoeba Management, which is specifically developed to realize the corporate philosophy of the Kyocera Group. Under this system, the company organization is divided into small groups called amoebas, which operate on a self-supporting basis. We believe that employees' enhanced sense of participation in management and motivation engendered by Amoeba Management constitutes the source of the Kyocera Group's strength. The small group system also serves to clarify the responsibilities of each member of the group, secure transparency in every detail, and enable a thorough check of efficiency.

The Objectives of Amoeba Management

1. Establish a market-oriented divisional accounting system
2. Foster personnel with a sense of management
3. Realize management by all

Kyocera Management and Accounting Principles

Accounting is integral to the management of a company as it plays the key role as the compass that leads a company to the destination. When handling accounting matters, it is important to trace them back to their essence and take appropriate measures according to our primary criterion of "What is the right thing to do as a human being?" Kyocera considers the ideal state of accounting to be one in which the facts are shown as they are, and recognizes the importance of fair and transparent management. Kyocera Management and Accounting Principles is a set of practical accounting principles designed to give a correct understanding of the realities of the company and the directions to be taken.
In the Kyocera Group, each employee is encouraged to understand and become familiar with the Kyocera Management and Accounting Principles, and to act in accordance with these principles. We believe this becomes a sound foundation not only for fair accounting activities, but also for the long-term development of the company.

Kyocera Management and Accounting Principles Pocketbook

Introduction: Adhere to Fundamental Rules and Principles
I. The Principle of One-to-One Correspondence
II. The Principle of Double-Checking
III. The Principle of Perfectionism
IV. The Principle of Muscular Management
V. The Principle of Profitability Improvement
VI. The Principle of Cash-Basis Management
VII. The Principle of Transparent Management

Excerpts from the Kyocera Management and Accounting Pocketbook

■ Accounting is Management's Compass

Accounting figures are like those on the instrument dials in an aircraft's cockpit. Just as a pilot flies a plane by looking at the instruments to judge altitude, speed and bearing, so do the managers of a company look at accounting figures to judge its state and navigate the way forward.
If the dials on the aircraft's instrument panels are wrong, the pilot will not be able to fly the plane correctly. In the same way, if the accounting figures are off the mark, the company is likely — at the very least — to fly in the wrong direction.
In other words, accounting plays the role of a compass for the company's managers. This role is pivotal to its progress, and is why accounting is so important.
Kyocera Management and Accounting Principles can be most easily understood as a set of practical accounting measures. They are designed to enable managers to grasp the true state of the company and determine the direction in which it needs to go.
A solid understanding of these accounting principles by all Kyocera employees, gained through appropriate study and its subsequent application as the basis for action, will become the sound foundation for long-term growth of the company.

■ Practice Transparent Management

For a company to prosper in a fiercely competitive market, it is important to practice transparent management. Managers must ensure that information such as the operational status of the company and management directions are made openly available to everyone within the company through a variety of channels. Only by sharing information can you build solid bonds of trust and strong unity among all employees.
If senior managers are the only people with access to business information, it will not be possible to align everybody's mental vectors.
If employees have no idea where the company is heading, they will distrust the company. The results will be dubious ethics and weak morale.
For this reason, at Kyocera we announce the results of the total company as well as of each division to the entire workforce every month. Details of the company's management direction are also explained to all employees by communication satellite and video.
In this way, Kyocera maintains an open management approach to ensure that everybody is informed about the position and direction of the company. Increasing management transparency becomes the basis on which to advance the company by uniting the power of all employees.

Kyocera Employee's Action Guideline

To ensure that the Kyocera Philosophy is reflected in diverse aspects of corporate activity, we have established the Kyocera Employee's Action Guideline, which is a fundamental code of conduct for the day-to-day business activities of Kyocera Group employees.
In the midst of rapid globalization, sensible action and attitudes firmly based on a universal philosophy and transparent rules are keenly required of enterprises and businesspeople. We believe that an enterprise will not be able to continue its development and growth unless it, giving due consideration to the aforementioned requirements, strives to coexist and earn the solid trust of society.

Kyocera Employee's Action Guideline Pocketbook

[1] Basic Attitude
[2] Working Attitude
[3] Spirited and Motivating Workplace
[4] Community Activities
[5] Relationships with Clients and External Organizations
[6] Legal Compliance
[7] Handling of Information
[8] Behavior in Foreign Countries
[9] Global Environmental Protection Activities

Excerpts from the Kyocera Employee's Action Guideline Pocketbook

■ Compliance with Laws

Kyocera abides by legal requirements, and engages in corporate activities with a firm ethical perspective based on the Kyocera Philosophy.
"What is the right thing to do as a human being?" is the criterion for making decisions. This wholesome ethical viewpoint is based on the law and other social norms. Employees must never deliberately engage in or contribute to wrongful deeds for any reason, in business matters or otherwise.
Furthermore, to avoid accidental or unknowing violation of the law, please endeavor day by day to acquire knowledge of the laws relating to business affairs and to daily life. Please strive to act with healthy social common sense and a sense of justice.

■ Corporate Social Responsibility

Through its business activities, Kyocera strives not only to provide a stable life to employees, but also to fulfill its social responsibilities by pursuing adequate profits and returning them to society via tax payments and dividends to shareholders.
At the same time, the company contributes to society through a variety of activities, including the promotion of environmental protection activities and the provision of support to social and cultural activities.
We ask all employees to engage diligently in the company's business with a full awareness that you are part of Kyocera, a company committed to fulfilling its social responsibilities, and to combine their active efforts to achieve the lofty goal of contributing to society by increasing profits and developing the company.

Kyocera Group Corporate Social Responsibility (CSR)

The Kyocera Philosophy is the heart of management in the Kyocera Group. We are advancing organizational CSR activities based on practice of the Kyocera Philosophy, and building mutual trust with people who have interests in the company.

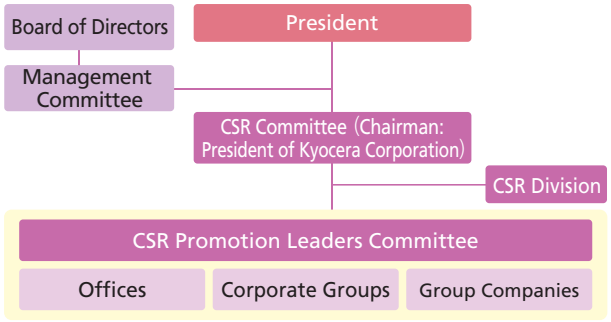
CSR Activities Based on the Kyocera Philosophy

Since the company was established, Kyocera has followed its Management Rationale, "To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind." Management has been based on the Kyocera Philosophy, with "What is the right thing to do as a human being" as the decision-making criterion. Fairness, impartiality, justice, effort, courage, philanthropy, modesty and good faith are among the basic human attitudes we encourage. Applying these as our code of conduct in a spirit of caring for others, Kyocera has continually endeavored to make products that benefit the world.

In other words, for the Kyocera Group, CSR is none other than the application of the basis of our management — the Kyocera Philosophy. Application of the Kyocera Philosophy builds mutual trust with people who have interests in the company, and ultimately, it contributes to sustainable development of the Kyocera Group and the healthy development of society.

Moreover, the Kyocera Group is strengthening its management foundation in such areas as corporate governance. The Group is aiming for well-balanced CSR activities from three perspectives: economy, society and environment.

The CSR Promotion System



CSR Committee

The CSR Committee is an organization chaired by the company president, with general managers who are concerned with CSR matters as committee members. The committee considers and plans important matters relating to CSR, and advances CSR activities for the Kyocera Group.

CSR Promotion Leaders Committee

The CSR Promotion Leaders Committee is made up of Promotion Leaders appointed by divisions concerned with CSR matters. The committee advances CSR activities in individual work areas.

The CSR Activities Framework

Priority Matters in CSR Activities

- Practice the Amoeba Management System
- Strengthen Corporate Governance
- Enrich Social Contribution Activities
- Enhance Communication with all Stakeholders

Enhance Communication with all Stakeholders

Each year, the Kyocera Group (Japan) holds CSR Economic, Social and Environmental Report Meetings and CSR Report Reading Assemblies to raise the level of mutual communication with all stakeholders.

■ CSR Economic, Social and Environmental Report Meetings

CSR Economic, Social and Environmental Report Meetings have been held by the Kyocera Group (Japan) each year since FY2005. Their purpose is to raise the level of mutual communication with local communities — important stakeholders for the Kyocera Group.
Factories and offices invite local residents, government representatives, business associates, nearby companies and other people from the communities in which they are located to attend these meetings. Participants hear reports on economic, social and environmental approaches by the Kyocera Group as a whole and by the local establishments. After the meetings, visitors inspect production processes, discharged water treatment facilities and other environment-related facilities. The visitors also take part in Q&A sessions on Kyocera Group CSR, exchanges of views, and other activities for building mutual communication.


Shiga Gamo /
Shiga Yohkaichi Plant Joint Meeting


Hokkaido Kitami Plant

Main Questions from Participants

FY2011: 18 meetings / 504 participants

Fukushima Tanagura Plant

Q. Solar power makes up about 5% of the plant's energy supply. Roughly how many years will it take to recover the investment?

A. All of the solar power generated is used within the plant. It is especially useful for reducing the need for external power during the summer peak hours. Recovery of the investment is expected to take about 20 years.

Shiga Yasu Plant

Q. The Eco-Lessons are very popular with both pupils and teachers. Is there any chance of expanding the program to include all elementary schools in the city during the next fiscal year?

A. This year, we increased the number of instructors for the Eco-Lessons from four to 12. Next year too, we will do what we can to expand the program.

Kagoshima Sendai Plant

Q. There is a systematic technical training system for employees. Is there any specialized training?

A. In specialized skills education, tiered training adapted for employees' capabilities is being conducted on specialized circuits, programming, and so on. Skills are also being cultivated through correspondence courses.

■ CSR Report Reading Assemblies

CSR Report Reading Assemblies have been held by the Kyocera Group (Japan) each year since FY2006. They are designed for employees — stakeholders working together to promote CSR activities — to deepen understanding of CSR measures and its specific activities.
For employees, Reading Assemblies are opportunities for understanding measures undertaken by the Kyocera Group as a whole. They stimulate awareness of participation in CSR activities, while helping to confirm a sense of value and sense of purpose regarding one's work.


Fukushima Tanagura Plant

Main Opinions from Participating Employees

FY2011: 31 meetings / 3,523 participants

- "Kyocera is contributing to society in various ways, such as environmental conservation activities and support for local communities. I feel proud to be a Kyocera employee."
- "I was very impressed by the Eco-Lesson program and other activities aimed at children, who will take responsibility for the future."
- "The Reading Assembly opened my eyes to the need to think about waste reduction when purchasing."

Corporate Governance

With the Kyocera Philosophy as its foundation, the Kyocera Group upholds equity and fairness, faces all situations with courage and conscience, and sustains highly transparent systems of corporate governance and internal control.

Kyocera Group Basic Policy for Corporate Governance and Internal Control

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" its management rationale.
The Kyocera Group always strives to maintain equity and fairness, and faces all situations with courage and conscience, and it intends to realize transparent systems for corporate governance and internal control.
Under such a corporate motto and management rationale, the Board of Directors is implementing a basic policy for corporate governance and internal control as described below.
This statement of basic policy sets forth the basic policy in accordance with Paragraph 5 and item 6 of Paragraph 4 of Article 362 of the Corporation Act, and Paragraphs 1 and 3 of Article 100 of the Execution Rules of the Corporation Act, which require establishment of a system to ensure that conduct of business by the Directors will be in compliance with all applicable laws and regulations and the Articles of Incorporation and to ensure proper conduct of business by Kyocera Corporation (The "Company") and the Kyocera Group as a whole.

Corporate Governance

1. Basic Policy for Corporate Governance

The Board of Directors of Kyocera Corporation defines the corporate governance of the Kyocera Group to mean "structures to ensure that Directors conducting business manage the corporation in a fair and correct manner."
The purpose of corporate governance is to maintain soundness and transparency of management and to achieve fair and efficient corporate management, through which the management rationale of the Kyocera Group can be realized.
The Board of Directors shall inculcate the Kyocera Philosophy, which is the basis of the management policy of the Kyocera Group, into all Directors and employees working in the Kyocera Group, and establish a sound corporate culture. The Board of Directors shall establish proper corporate governance through exercise of the Kyocera Philosophy*.

* The Kyocera Philosophy is a corporate philosophy and life philosophy created through integration of the thoughts of the founder of Kyocera Corporation 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. System for Corporate Governance

The Board of Directors of Kyocera Corporation determines, pursuant to the basic policy described in 1 above, the below-outlined system for corporate governance of Kyocera Corporation, which is the core company within the Kyocera Group, to ensure that the conduct of business by the Directors is in compliance with all applicable laws and regulations and the Articles of Incorporation. The Board of Directors will constantly seek the ideal system for corporate governance and always evolve and develop its existing corporate governance system.

(1) Organs of Corporate Governance

The Board of Directors shall establish a corporate structure in which the Corporate Auditors and the Board of Corporate Auditors will serve as organs of corporate governance pursuant to the provisions of the Articles of Incorporation, as approved by the General Meeting of Shareholders of Kyocera Corporation. Directors of Kyocera Corporation shall strictly observe the following, to ensure effective audit by the Corporate Auditors and the Board of Corporate Auditors:

[i] Matters relating to employees to facilitate the tasks of Corporate Auditors (including matters relating to the independence of such employees from the Directors)
Representative Directors shall establish offices for the Corporate Auditors upon their request, and shall cause certain employees, nominated through prior discussion with the Corporate Auditors, to work in such offices to assist in the tasks of the Corporate Auditors and the Board of Corporate Auditors. Such employees, while still subject to the work rules of Kyocera Corporation, shall be under the instruction and supervision of each of the Corporate Auditors, and transfer, treatment (including evaluation) and disciplinary action relating to them shall be made only following discussion with the Corporate Auditors.

[ii] System for reporting to the Corporate Auditors by Directors and employees and other systems relating to reporting to the Corporate Auditors
In the event that any Director becomes aware of any matter that breaches or may breach any law or regulation or the Articles of Incorporation, or in the event that any Director becomes aware of any matter that may cause substantial damage to the Kyocera Group, he or she shall immediately report thereon to the Board of Corporate Auditors. In addition, in the event that any Corporate Auditor or the Board of Corporate Auditors requests a report from any Director pursuant to the Regulations of the Board of Corporate Auditors, such Director shall comply with such request.
Representative Directors shall cause the internal audit department to report regularly the status of the internal audit to the Corporate Auditors. In addition, upon request from the Corporate Auditors, Representative Directors shall cause any specified department(s) to report the status of their conduct of business directly to the Corporate Auditors. Representative Directors shall also maintain a system for reporting of internal complaints to the Board of Corporate Auditors, established by the Board of Corporate Auditors, under which employees, suppliers and customers of Kyocera Corporation may submit complaints directly to the Board of Corporate Auditors.

[iii] Other systems to ensure effective audit by the Corporate Auditors
In the event that Representative Directors are requested by any Corporate Auditor to effectuate any of the following matters, as necessary to establish a system to ensure effective audit by the Corporate Auditors, Representative Directors shall comply with such request:
a. Attendance at important meetings; b. Inspection of minutes of important meetings, important approval documents and important agreements, etc.; and c. Meetings with Representative Directors to exchange opinions regarding management of Kyocera Corporation in general.

(2) Kyocera Philosophy Education

Representative Directors of Kyocera Corporation shall periodically undertake Kyocera Philosophy Education in order to inculcate the Kyocera Philosophy into the Directors (including themselves) and employees of the Kyocera Group.

Internal Controls

1. Basic Policy for Internal Controls

The Board of Directors of Kyocera Corporation defines the internal controls of the Kyocera Group to mean systems to be established within the corporate organization to achieve management policy and master plans in a fair manner, in order for the Directors undertaking management of Kyocera Corporation to effect management policy. The Board of Directors of Kyocera Corporation will establish internal controls through implementation of the Kyocera Philosophy.

2. System for Internal Controls

Under the policy as described in 1 above, the Board of Directors shall cause Representative Directors to establish the systems described below. In addition, the Board of Directors shall constantly evolve and develop such systems, seeking an ideal system of internal controls.

(1) Management and maintenance of information relating to conduct of business by Directors

Representative Directors shall establish the Kyocera Disclosure Committee as a system for making timely and appropriate disclosure of information and for properly maintaining information relating to the conduct of business by the Directors in accordance with applicable laws and regulations and the internal rules of Kyocera Corporation.

(2) Internal Rules and systems relating to management of risk of loss, and systems to ensure that conduct of business by employees is in compliance with applicable laws and regulations and the Articles of Incorporation.

Representative Directors shall create a risk management department in order to establish a risk management system for the Kyocera Group. Representative Directors shall also establish systems to undertake necessary actions from time to time.
Representative Directors shall establish employee consultation corners as an internal complaint reporting system within the Kyocera Group, so that employees who become aware of any matter that breaches or may breach laws or regulations or the Articles of Incorporation or other internal rules can report thereon. The employee consultation corners will take appropriate action in respect of reports received thereby, which shall be treated in accordance with the Law for Protection of Reporters in the Public Interest.

(3) Systems to ensure efficient conduct of business by Directors

Representative Directors shall clearly delegate authority and related responsibility by establishing an Executive Officer system to achieve efficient and effective conduct of business. Representative Directors shall cause the Executive Officers to report the status of their conduct of business, and, accordingly, a system shall be maintained under which Representative Directors can verify whether business is conducted efficiently.

(4) System to ensure appropriate conduct of business at the Kyocera Group

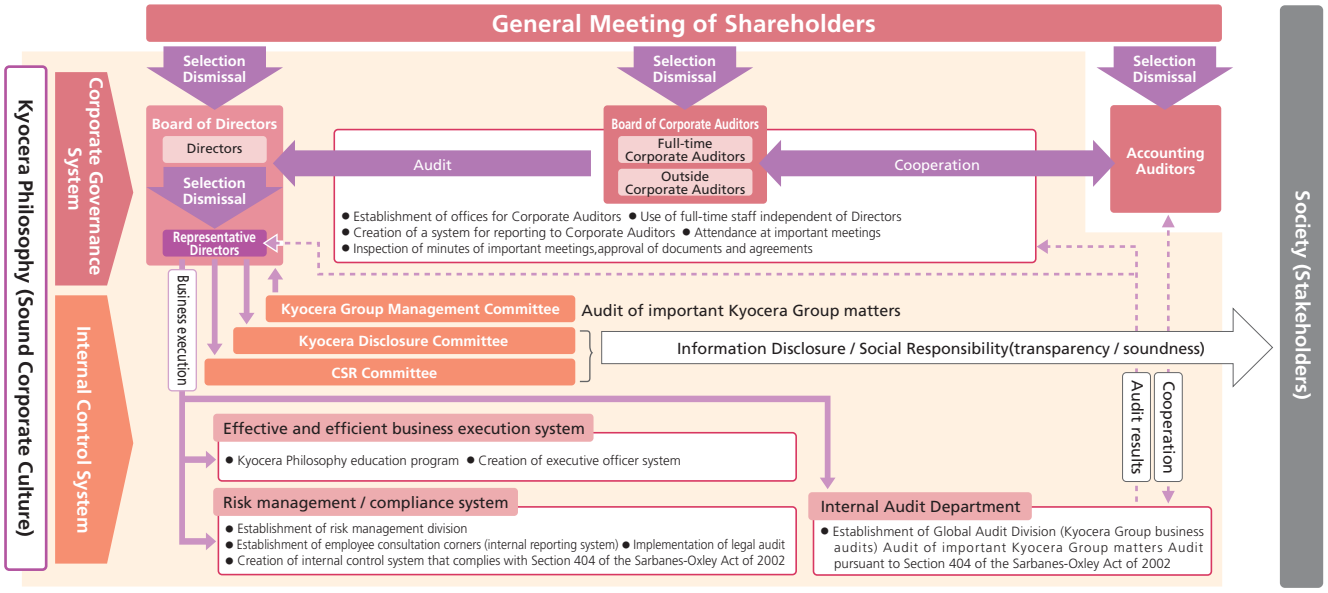
In addition to the matters described in (1) through (3) above, as a system to ensure the appropriate conduct of business at the Kyocera Group, Representative Directors shall establish the Kyocera Group Management Committee. This Committee shall discuss important matters relating to the Kyocera Group and receive reports relating thereto. Representative Directors shall also establish an internal audit department in order to conduct audits regularly to evaluate the appropriateness of conduct of business at the Kyocera Group.

Appointment of Independent Directors / Auditors

To ensure effective oversight from an independent standpoint, Kyocera appoints two independent outside corporate auditors, generating no conflict of interest with Kyocera's general shareholders. The two corporate auditors are appointed as Independent Directors / Auditors, as prescribed by the Tokyo Stock Exchange and Osaka Securities Exchange.

Internal Control Audits of the Kyocera Group

As the company is listed on the New York Stock Exchange, Kyocera is subject to Section 404 of the Sarbanes-Oxley Act. The Kyocera Group is thus strengthening internal control systems with business operations audits of all Group companies, internal control audits and other matters relating to financial reports based on Section 404.



Risk Management and Compliance

The Kyocera Philosophy places "What is the right thing to do as a human being?" as the decision-making criterion for all things. This most fundamental guide for action is shared by all employees. The Kyocera Employee's Action Guideline has been prepared based on the Kyocera Philosophy, and forms the foundation of compliance.

Risk Management Policy

Aiming to become "An innovative enterprise that continues to grow," The Kyocera Group is advancing global business development. This exposes us to increasingly diverse domestic and overseas risks stemming from political, economic and social changes. Appropriate safeguards are needed, and Kyocera has therefore established a risk management policy.

1. Thorough legal compliance
2. Superior workplace ethics
3. Compliance Management aiming for risk avoidance; Application of Crisis Management Manual and Business Continuity Plans to minimize damage in an emergency situation

Compliance System

Kyocera is steadily strengthening the compliance system. Headquarters Risk Management Officers, Risk Management Officers at each office, Risk Management Officers appointed at each business division, and Kyocera Group Risk Management Officers (within Japan) all work to ensure thorough knowledge of legal matters, as well as anticipation and prevention of risk.

Legislation Amendment Notification & Response

At Kyocera, a general outline of laws applying to Kyocera, the full text of the laws, information on legislation amendments and guidelines are provided on the company intranet. Registered employees can freely reference this information, thus the intranet site thus helps to strengthen compliance.
Furthermore, thorough steps are in place to ensure observance of legislation. To ensure necessary action is taken upon enactment of new legislation and legislation amendment, relevant divisions are promptly notified of changes. Action taken in response is then verified.

Compliance Training

Kyocera conducts compliance training at each level of the company as one measure for strengthening compliance. In FY2011, Compliance Seminars were held for employees at leader and supervisory levels, and for new employees. Additionally, companywide training on individual laws was held in Seminars on the Personal Information Protection Act.

[No. of People Attending Compliance Training Seminars (FY2011)]

	No. of Participants
Compliance Seminars	290
Seminars on the Personal Information Protection Act	791

Legal Audit System

The Kyocera Group (Japan) uses the same legislation check-sheet for all business divisions. Independent auditors in each division conduct self-auditing of compliance with legislation in their divisions. Additionally, the Legal Audit Department conducts audits at individual offices. From FY2011, we have been implementing an Independent Auditor Certification System to raise the auditing skills of independent auditors in each division. This year, 319 people, or half of all auditors in Kyocera, are taking the examination. The remaining half will take the examination in FY2012. The system will also be implemented in affiliate companies. In FY2011, legal audits were conducted at 38 offices in Japan.

Legal audit at an affiliate company

Employee Consultation Hot-Line Center

Employees can consult the Employee Consultation Hot-Line Center on various issues, seek advice, and draw attention to actions that may be in violation of compliance. Individual privacy is explicitly protected, and consultations are undertaken face to face. The Employee Consultation Hot-Line Center investigates and ascertains the facts, and follows up with corrective action and preventive measures against recurrence. In FY2011, consultations were undertaken on 18 matters.

Security Export Control System

To ensure observance of laws relating to export transactions, Kyocera established and is operating a response system concerning the Foreign Exchange and Foreign Trade Act, customs laws, and other legislation. Each business division has a Security Export Control Committee to deal with matters relating to the Foreign Exchange and Foreign Trade Act and other laws governing security export control. The committees operate in accordance with the Kyocera Corporation Security Export Control Regulation. Additionally, to ensure legal compliance as an authorized exporter under the Authorized Exporters' Program, export trade is implemented in accordance with Kyocera Regulations on Legal Compliance by Authorized Export Businesses.

Measures for Exclusion of Antisocial Elements

Kyocera Group policies on corporate governance and internal control include prevention of criminal involvement in management activities and prevention of damage by such elements. The basis of measures for exclusion of illegal activities is that "All companies are united in confronting illegal activities with determination." Meanwhile, the Kyocera Employee's Action Guideline clearly specifies "a decisive attitude based on the law" in dealing with illegal activities. The Kyocera Group is taking thorough steps to prevent any such activity.

Business Continuity Planning (BCP)

In light of the Great East Japan Earthquake that struck in March 2011, The Kyocera Group is implementing further risk avoidance measures to ensure continuity of business activities in the case of an emergency.
The Kyocera Group had already been developing production activities at multiple bases in Japan and abroad with the goal to avoid the risks stemming from excessive concentration of production. While enhancing production at existing bases, we will continue to build new production bases from the perspectives of further business expansion and risk avoidance. Business Continuity Planning is being implemented also in procurement of raw materials and components. The Kyocera Group is strengthening the supply system through expansion of sources, and other means, to prevent stoppages in production activity if an emergency occurs.

Information Security Measures

The Kyocera Group is implementing effective and efficient use of information assets. Basic criteria that need to be observed have been clarified for handling of information assets by employees and other parties. Information security measures are being applied with the objective of attaining thorough protection of information assets.

Information Security Systems

An Electronic Information Security Executive Committee, with Kyocera's president as committee chair, has been set up as one part of security measures. The Committee has established the Electronic Information Security Management Policy as the core of security measures maintenance, and 22 management regulations. Employee training relating to information security, and other measures, are being implemented to raise familiarity with security policies.

Protection of Personal Information

Kyocera recognizes the importance of privacy concerning personal information and, as a responsible social citizen, does everything possible to safeguard such information. Kyocera has set a basic policy on the protection of personal information, and established a control system. Personal information is handled in keeping with strict requirements, and training is conducted accordingly. We are taking all possible steps to ensure the security of personal information. In FY2011, Kyocera amended its Personal Information Protection Regulations to reinforce the effectiveness of controls relating to handling of personal information.

Strengthened Physical Security Management

Kyocera seeks to prevent potential damage from possible physical threats, and is therefore strengthening physical security management. In 2008, security gates, biometric facilities and other safeguards were installed at the Kyocera headquarters and Kagoshima Kokubu Plant. Using these measures as a model, specifications were revised and a new security system was introduced at the Kagoshima Sendai Plant in May 2011. Similar systems will be deployed at other plants and offices.

Kagoshima Sendai Plant

Protection of Intellectual Property Rights

The basic policy of the Kyocera Group is to safeguard the yields of research and development by the Group as intellectual property rights, and to respect the intellectual property rights of others. Based on this policy, the Kyocera Employee's Action Guidelines states: "The intellectual property rights held by Kyocera are extremely valuable company assets. Please strive to safeguard intellectual property rights. Kyocera must also respect the intellectual property rights of others."

Intellectual Property Protection System

The Kyocera Group applies across-the-board measures relating to intellectual property. These include planning of intellectual property strategies, obtaining intellectual property rights for the company as well as their maintenance and management, and license negotiations on intellectual property rights. Intellectual Property Departments operate in main offices and factories. Additionally, a Liaison Officer responsible for intellectual properties is assigned to each business division. Intellectual property activities are thus undertaken in close cooperation with the relevant businesses. Furthermore, a representative office specializing in intellectual property is located in the United States. The office functions to acquire effective USA patents at lower cost.

Feature Article No.1

Contributing to the Advancement and Development of Humankind through Fine Ceramic Technology

Fine ceramics have unlimited potential as materials for a new age. Kyocera is contributing to global environmental protection and the advancement of society by expanding use of fine ceramic materials in diverse industries.

Continuously creating the new value which is demanded around the world in every field, from daily-use to advanced industrial applications

Raw natural materials refined to a high level of purity and artificial materials synthesized through chemical processes are sintered at high temperatures. These "fine ceramics" which are created by such processes are materials with outstanding heat resistance and abrasion resistance.

At Kyocera, fine ceramics have been the core of our business since our foundation in 1959 — during the early days of the industry. We have developed new technologies and new applications for fine ceramics, and by deploying these in a diverse range of applied products, we have achieved growth and made many advances.

Kazuo Inamori, founder of Kyocera, was the first person in Japan to successfully synthesize forsterite (a type of fine ceramics). That was the start of the history of Kyocera and fine ceramics.

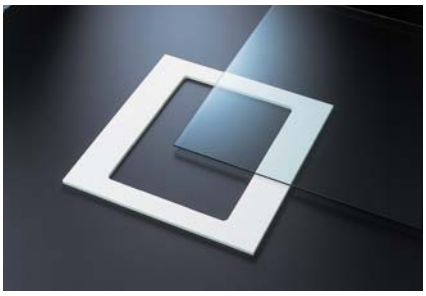
At the time of our foundation in 1959, demand for televisions was undergoing tremendous growth. Kyocera began supplying fine ceramic components which were essential for television cathode ray tubes. Thereafter, in an era of growing use of electrical appliances, Kyocera successfully developed multilayer ceramic packages and many other related products.

During the recession triggered by the 1st oil crisis in the 1970s, Kyocera began developing diversified operations. The aim was to build a corporate structure capable of continuous growing, which would be unaffected by the ups and downs of any one particular industry. We therefore focused on expansion of operations into new products centered on fine ceramic technology. Starting with the development of cutting tools that contribute to industrial advancement, we then succeeded in developing recrystallized jewels with chemical compositions and structures identical to those of naturally occurring jem stones. Additionally, by realizing that ceramics have higher biocompatibility than metallic materials, Kyocera was able to advance into the field of medical products with the development of ceramic dental implants, artificial bones and artificial joints. In this way, Kyocera has contributed greatly to improving the quality of life for people suffering from injury and illness.

With these and other successes, fine ceramics attracted great expectation as an important technology for the 21st century. By steadily providing the world with innovative and essential products, Kyocera will continue to create new value.

Television tube containing the U-shaped Kelcima — the first product made by Kyocera — which was the beginning of the history of Kyocera and fine ceramics.

Outstanding in strength, heat resistance and corrosion resistance, these products are ideal as high-precision and stable structural components — making them ideal for use in semiconductor manufacturing equipment.



High precision and increased size are required for LCD manufacturing equipment. Our alumina ceramic components are among the largest in the world, and support the growing LCD industry.

Kyocera receives an award for its contribution to the asteroid exploration spacecraft, Hayabusa

Kyocera fine ceramics are active in fields not limited to this planet. Applications have expanded to include aerospace industries. For example, they have been used as components of batteries installed in an asteroid exploration spacecraft.

The Hayabusa spacecraft was a major topic of interest last year. Although there were doubts for a while about the Hayabusa's ability to return to Earth, the spacecraft returned safely with a particulate sample of an asteroid named Itokawa. This extraordinary achievement marked the first time matter had been brought to Earth from a body other than the Moon. Kyocera's highly reliable components and bonding technology were used in the Hayabusa.

Lithium-ion batteries were installed in the Hayabusa, and Kyocera's high-purity fine ceramic components (alumina ceramic) were used for the battery terminal components. Their high strength, outstanding hermeticity, and corrosion resistance were acknowledged. Kyocera's metallizing technology (brazing technology) for creating strong bonds between dissimilar materials also received high acclaim.

In December 2010, a Ministry of Education, Culture, Sports, Science and Technology (MEXT) of Japan awards ceremony was held for corporations and institutions contributing to the Hayabusa project. Kyocera and all other parties involved received official letters of appreciation. During the awards ceremony, MEXT Minister Yoshiaki Takaki had high praise for the contributing parties. The Hayabusa had given dreams and hopes to the people of Japan, and demonstrated Japan's high technological capability to the world. With its unlimited potential, the importance of space development is expected to rise even higher in Japan. Kyocera is working to further improve the performance of fine ceramic components. In meeting diverse user needs, we aim to contribute further to space development.

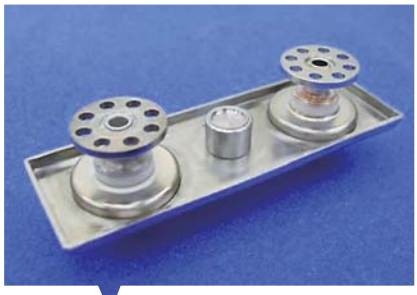
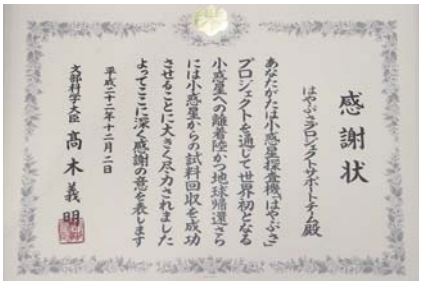


Photo by The Furukawa Battery Co., Ltd.

Kyocera fine ceramic components and metallizing technology were used for the terminals on the lithium-ion batteries in the Hayabusa. Kyocera components and technology were chosen for their high strength, outstanding hermeticity, and corrosion resistance.

感謝状

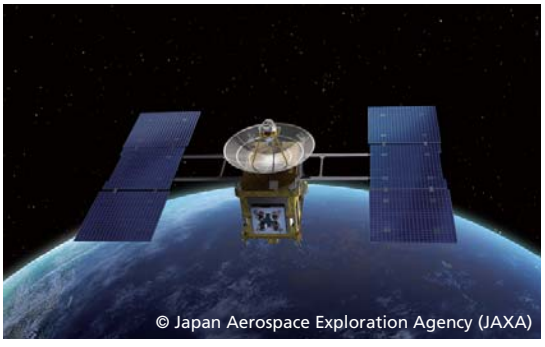
はやぶさプロジェクトサポートチーム殿



感謝状

はやぶさプロジェクトサポートチーム殿

Kyocera received letters of appreciation from MEXT Minister Takaki and from Banri Kaieda, then Minister of State for Space Development.



In May 2003, the Hayabusa was launched on a mission to the asteroid Itokawa. The spacecraft landed on Itokawa in November 2005 and collected a sample. For a time, equipment problems stirred doubts about Hayabusa's ability to return to Earth. However, Hayabusa reentered Earth's atmosphere in June 2010 and was safely recovered.

Pressure-resistant vessel supports ocean-bottom seismographs at a depth of 11,000 meters

Fine ceramics are also used in pressure-resistant vessels for ocean-bottom seismographs. The vessel utilizes the outstanding features of fine ceramics, such as high compressive strength, corrosion resistance and low specific gravity.

Kyocera, the Japan Agency for Marine-Earth Science and Technology, and Nippon Marine Enterprises, Ltd. jointly developed the fine ceramic Ocean-Bottom Seismograph. The vessel can withstand deep-ocean water pressure at 11,000 meters. As conventional glass vessels can only tolerate water pressure up to about 6,000 meters, the use of the fine ceramic material silicon nitride has made it possible to place seismographs at the bottom of what is said to be the deepest part of the world's oceans — the Mariana Trench.

This will allow for the formation of a detailed observation network and improved observational accuracy; as well as there are expectations for benefits to other research areas such as studying the mechanism of earthquake generation and structural analysis of the ocean floor. Kyocera will continue to improve the performance of the fine ceramic vessels, to enable more advanced measurement at deep ocean.

Photo by
Nippon Marine Enterprises, Ltd.

The Self-Surfacing Ocean-Bottom Seismograph is an instrument designed to measure and record earthquakes on the ocean floor. After measurement, the main body floats to the surface and is recovered by a ship. Earthquake data is then analyzed.
Photo by Japan Agency for Marine-Earth Science and Technology (JAMSTEC)

Kyocera's technological strength and ability to meet difficulties contributed to problem solving in this application

Kenichi Asakawa, Dr. of Engineering Assistant Director
Japan Agency for Marine-Earth Science and Technology (JAMSTEC)

"We were faced with the difficult problem of achieving high pressure resistance while at the same time maintaining light weight. Kyocera's prompt response has allowed us to proceed with development as planned. Kyocera's technological strength in ceramics combined well with JAMSTEC's oceanic equipment technological capability in pressure-resistant vessels, and efficiency in advanced technological development led to success. The resulting pressure-resistant vessel has enabled earthquake observation at ocean floor depths greater than 6,000 meters. We have high expectations for its usefulness in measurement of future earthquakes."

Large-scale ceramic structure to achieve 10-fold performance increase in Subaru Telescope

Located at the summit of Mauna Kea in Hawaii, the Subaru Telescope is a large-scale optical-infrared telescope run by the National Astronomical Observatory of Japan. Kyocera participated in a project to achieve a 10-fold increase in performance of the telescope.

The Subaru Telescope has a reflector with a diameter of 8.5 meters and an optical lens. The optical system is calibrated for high accuracy, and to maintain stability of the system, Kyocera developed a cordierite with superior performance. In its original state, cordierite is porous and has low strength — use as a structural material was therefore limited. Kyocera developed a cordierite featuring density and high strength, as well as a coefficient of thermal expansion approaching zero. We completed a sintered unit with a diameter of 970mm. The lens barrel containing this large-scale ceramic structural unit has a maximum diameter of about one meter and total length of 1.7 meters. It is to be installed in the Subaru Telescope later this year as part of an ultra-wide-angle camera.

Optical lens

Photo by Todai Institute for Advanced Studies, The University of Tokyo
Institute for the Physics and Mathematics of the Universe

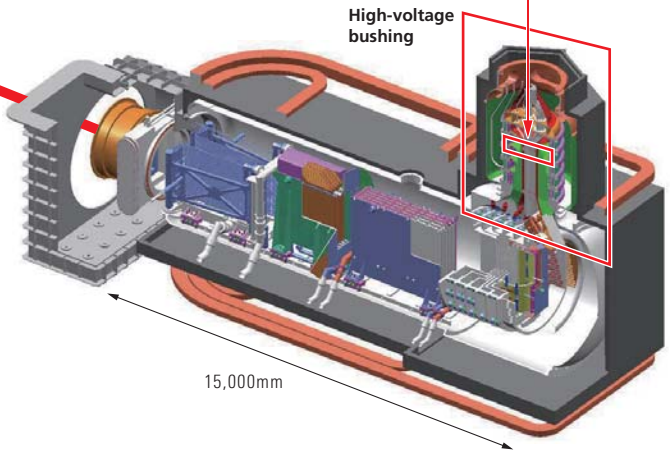
Cordierite components of the lens barrel

Large-diameter, high-purity ceramic ring, needed in the development of a next-generation energy source

The world has high hopes for nuclear fusion reactors. Differing entirely from nuclear fission reactors, fusion reactors promise safe and clean power supplies. Kyocera ceramic components are actively used in research of this future energy source.

Working with the Japan Atomic Energy Agency (an independent administrative agency), Kyocera has made a trial version of a large-scale insulator using the world's largest-diameter, high-purity ceramic ring. This component is needed in a neutral beam injector (NBI). The NBI is used to heat plasma and cause a fusion reaction in the International Thermonuclear Experiment Reactor (ITER). In high-voltage testing, insulation performance required by the ITER was demonstrated for the first time.

With earlier technology, manufacturing a ceramic ring to the size needed for megavolt insulation was not possible. Establishing manufacturing technology of large-bore ceramic rings for the ITER was thus a longstanding problem. Kyocera and the Japan Atomic Energy Agency undertook joint development of a large-scale ceramic ring shaping method, and succeeded in its completion. This has contributed greatly to the advancement of ITER/NBI development. There are also high expectations for ripple effects of the technology in the semiconductor industry, and theoretical fields such as particle physics and other areas.



The neutral beam injector in the nuclear fusion reactor required a large ceramic ring with a diameter of 1.56 meters.

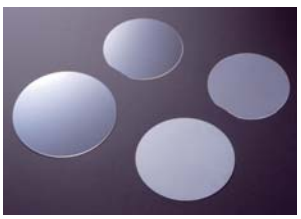
Illustration by
Japan Atomic Energy Agency

Ceramic mounting wafer is the key to raising LED performance and lowering cost

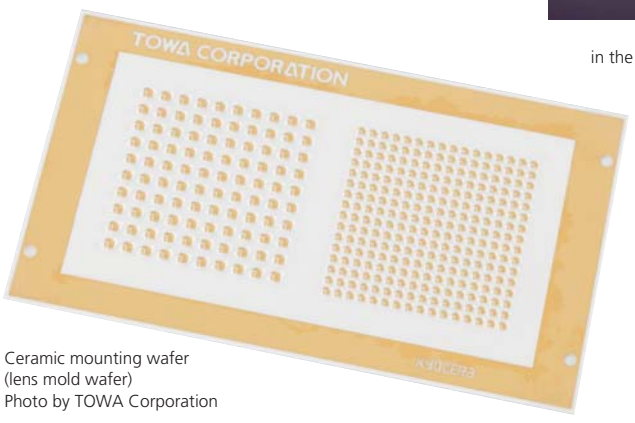
The use of light-emitting diodes (LEDs) has continued to grow in recent years due to their low power consumption compared to incandescent bulbs and fluorescent lights. Kyocera has succeeded in developing a ceramic mounting wafer for LEDs, which has contributed greatly to increasing LED performance and lowering costs.

First, fine ceramic material is used for the wafer. Compared with conventional materials, ceramics have good insulation, heat dissipation and reflectance. Second, costs are reduced by producing high-precision large-scale wafers. Many individual wafers can then be cut from the large wafer. Next, compared with previous processes, Kyocera uses new laser-processing and machine-processing technology capable of cutting with fine precision. These processes also raise LED performance.

At present, Kyocera's ceramic mounting wafers are used mainly for LED lighting. We will continue to explore other applications, pushing fine ceramic technology to broaden the possibilities of LEDs.



Sapphire wafer used
in the manufacturing of LED chips



Ceramic mounting wafer
(lens mold wafer)
Photo by TOWA Corporation

Feature Article No.2

Kyocera Solar Power Generating Systems Contributing to the Planet

Solar power generating systems are drawing growing attention as the flag-bearer of clean energy solutions. Thirty-six years ago, Kyocera began research and development of solar power generating systems with a strong awareness of the future of humanity. Today, Kyocera solar power generating systems are being used in many parts of the world.

Contributing to the improvement of people's lives everywhere through the spread of solar power

Kyocera began research and development of solar cells in 1975, while the world was facing an energy crisis stemming from the 1st oil crisis. Since then, Kyocera has steadily been installing solar power generating systems in areas all over the world. At Kyocera we are proud to have been able to contribute significantly to growth of the solar energy industry and to the expansion of various applications. Kyocera has always placed immense importance on quality. Additionally, to give customers many years of use of our products, we have continued to provide comprehensive after-sales service. We believe such efforts are directly connected to Kyocera's accomplishments.

Since the beginning of the 1980s, Kyocera has been providing solar power generating systems to improve people's lives in areas not served by power grids. Today, Kyocera solar power generating systems are bringing light into the lives of people on a global scale.

Kyocera is contributing "To people and to the world" through the spread of solar power. We will maintain this ideal and continue with unrelenting effort in our solar energy business, to improve the lives of people everywhere.

Steadily expanding our sales network to "contribute to improving lives" in developing countries (Pakistan).

Bangladesh

Fostering a "worthy cause" — R&D has continued for 36 years

When the 1st oil crisis occurred in 1973, many companies entered the solar energy business in search of energy alternatives to oil. Into the 1980s, the market had still not grown, although oil prices had stabilized. Solar technology incurred higher costs than oil and the outlook for profitability was believed to be poor. One after another, many companies thus withdrew from the solar energy business, and globally interest in solar energy also faded quite rapidly.

Kyocera, too, was feeling the strain of trying to sustain its solar energy business. However, Kyocera founder Kazuo Inamori, maintained his strong desire to "contribute to the happiness of people through the use of solar energy." Kyocera thus placed great value in this "worthy cause" over immediate profitability. Although the going was rough, we refused to let the flames of the business be estinquished, and persisted with research and development of solar power.

From that time, Kyocera began selling solar power generating systems for use in non-electrified regions of developing countries. We believed that rural electrification was the most direct means of using solar power to contribute to the happiness of people. In 1984, we established the Sakura Solar Center to develop systems mainly for use in developing countries. Kyocera received praise from many quarters, as a non-government related business that set up a facility for the promotion and spread of solar power. Then, in 1985, we donated a 10kW solar power generating system to a village in Gansu Province, China. The system provided light to the 131 households and 700 people in the village. In addition, Kyocera employees also began trekking to communities lacking infrastructure in deserts and mountain regions far from urban centers to set up solar power generating systems. Kyocera's solar power generating systems have brought the convenience of electricity into the lives of many people, as a power source for off-grid communities, hospitals and schools.

It is believed that more than 1.6 billion* people around the world are still living without electricity. Between a quarter and a third of the world's population do not enjoy the benefits of electric power. Recently, there have been calls for cooperation in bringing solar power and its benefits to non-electrified regions. Kyocera is proud to have been committed to this cause for the last 36 years.

* IEA World Energy Outlook 2004

Nepal

Mongolia

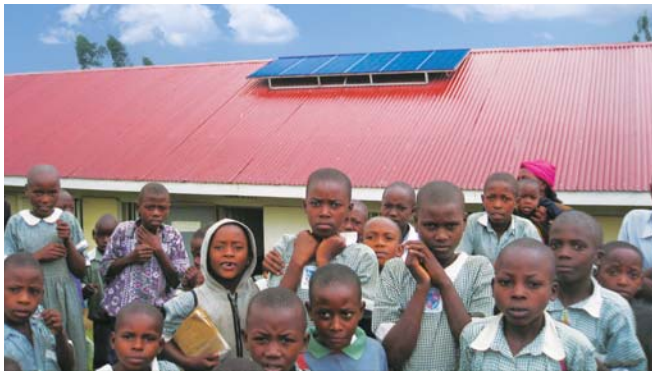
Marshall Islands

Solar power generating systems donated to 50 schools in developing countries

In developing countries, the electrification rate is low even today. In many places people have to rely on small, private-use power generators, small hydroelectric power sources and other unstable means of electrical power generation. Electrical facilities in developing countries will need to be established or expanded from the perspective of infrastructure for both society and daily life. Only then will it be possible to enhance economic activity, as well as administrative and public services such as hospitals and schools. The use of solar power holds the possibility to be a means of solving such problems. In response, Kyocera is donating 15 solar power generating systems to schools in Uganda. From 2009 to 2013, three schools a year will receive a system. Additionally, 35 systems will be donated to schools in Tanzania and Nepal. Using solar power generating systems to bring light into classrooms will encourage local children to study. Improvement of the learning environment can help to bring about greater development of these countries.

Presentation of the donation certificate to the President of Tanzania

Presentation of the donation certificate to the Nepalese Ambassador Extraordinary and Plenipotentiary to Japan



Donation to Kababaizi Primary School (Uganda)

Kyocera holds No. 1* share of solar power generating systems installed in elementary & junior high schools in Japan

The Japanese government has set the goal of reducing greenhouse gas emissions by 60-80% from the current level, by 2050. This goal is part of its Low-Carbon Society Action Plan, adopted in 2008. Under this plan, the government is promoting the "School New Deal" initiative for installing solar power generating systems at schools nationwide. Kyocera solar power generating systems have been installed in many schools, with more than 1,200 systems installed as of March 2011. At more than 40% of the total, Kyocera holds the top share in the industry.

In addition to installation of solar power systems, Kyocera is presenting "Eco-Lessons" for school children. Actual solar cells and other materials are used in these hands-on classes to raise awareness of energy and environmental problems. Kyocera will continue to provide highly reliable products, and at the same time contribute to enhancement of environmental education.

* Schools with systems installed under the School New Deal initiative of the Ministry of Education, Culture, Sports, Science and Technology of Japan (Survey by Kyocera, as of March 2011).

Eco-Lessons

Minamikazumi Elementary School, Toyama Prefecture

Kyoto Women's University Attached Elementary School, Kyoto Prefecture

Haizuka Elementary School, Osaka Prefecture

Nijo Junior High School, Fukuoka Prefecture

Supplying solar modules for large-scale solar power plants in Thailand, Spain, Italy

In various parts of the world, large-scale solar power projects are drawing attention as business models selling electric power generated by solar modules. The trend is expected to continue growing, and Kyocera has been supplying large quantities of high-quality solar modules for such projects.

Thailand aims to expand solar energy use to reduce dependence on energy imports. Last year, Kyocera signed a contract with a Thai company, Solar Power Co., Ltd., to supply 204MW of solar modules. Kyocera has already delivered 6MW for a solar power plant in the Korat region of Thailand. The plant is currently the largest in Southeast Asia and is now operating. This major contract stemmed from the high evaluation of the performance of Kyocera's solar modules. Over the next three to four years, solar modules will be supplied for similar solar power plants to be built at 34 locations in Thailand.

The European Union (EU) is also promoting introduction of solar power. The EU has set a target for renewable energy to comprise 20% of total energy consumption by 2020.

In Italy, solar power plants with total output of 3.4GW were operating by the end of 2010. Contributing to this total, Kyocera supplied 6MW of solar modules to a plant built in Cigliano in the Piedmont region of Italy constructed by an Italian company, Enermill, making it the largest single delivery of Kyocera modules in Italy.

In Spain, Kyocera has supplied a total of 53.1MW of solar modules to three solar power plants: Salamanca, Dulcinea and Don Quijote.

Meanwhile, large-scale solar power plants are also being planned for various regions in Japan. Kyocera modules are already being used in plants run by seven regional power companies. Kyocera is a supplier of solar modules for large-scale projects over a wide area.

Ever since we began research and development of solar power, Kyocera has undertaken a thorough pursuit of reliability. The results outlined above stem from recognition of the reliability of our solar modules. In Japan and abroad, Kyocera is working to contribute to the prevention of climate change by supplying products with high reliability.

An expression of appreciation for Kyocera's complete support

Ms. Wandee Khunchornyakong, President of Solar Power Co., Ltd.

"This project was an entirely new challenge for Thailand's solar power market, and great difficulties were encountered on the way to its realization. However, Kyocera has continued to give complete support to Solar Power Co., Ltd. as a partner, right from the start of the project. That support is the reason for today's success."

Solar power plant in Korat, Thailand

Solar power plant in Piedmont, Italy

Don Quijote Solar Power Plant in Spain

Feature Article No.3

Kyocera Group Environmental Management Founded on Three Pillars of Coexistence

Coexistence of society, the world and nature is the basis of the Kyocera Group's corporate activity. Kyocera engages in environmental management to achieve sustainable corporate development, while pursuing the coexistence of ecological and economic goals.

Kyocera Group Environmental Management

It is estimated the global population will swell to more than 10 billion people by the middle of this century. If humankind alone seeks to live extravagantly and plunder nature at the expense of all else, food supplies, energy and many other resources will become scarce and exhausted. How can humans expect to survive such a crisis? Assuming humankind has been given wisdom and good sense, then the only option left to us is to find and proceed down the right path — that is, all living things must coexist in this global environment with its limited resources. Humankind alone cannot hope to prosper at the expense of all else. We need to consider all other living things on this planet, and discover the road by which we can all coexist.

Since foundation of the company, based on the corporate motto "Respect the Divine and Love People," The Kyocera Group has focused all corporate activity on three pillars of coexistence (Living Together): Coexisting with Our Community, Coexisting with Global Society, and Coexisting with Nature.

The Kyocera Philosophy is the basis of Kyocera Group management. This philosophy complies with the most fundamental ethical and moral values and social norms, expressed simply as "What is the right thing to do as a human being?" In environmental matters, the Kyocera Group has undertaken thorough practice of the Kyocera Philosophy since the company was established.

The Kyocera Group handles many chemical substances during production processes, such as raw materials and chemical agents for fine ceramics. Regarding treatment of waste water from factories, our policy is to purify discharged water to a state cleaner than the water system into which it is to be released. Kyocera's founder, Kazuo Inamori, determined all waste water would be first rendered as harmless as possible, using the latest available technology.

Based on this thinking, all Kyocera Group companies are engaging in environmental management to achieve sustainable corporate development, while pursuing the coexistence of ecological and economic goals.

Natural forest at the Shiga Gamo Plant

Establishment of Environment Vision 2020

Based on the concept of coexistence (Living Together), in 1990, the Kyocera Group drafted the Kyocera Environmental Charter. The Charter reflects Kyocera's basic philosophy on the environment.
On the road to realization of the Kyocera Environmental Charter, we have prepared our Environment Vision 2020. This plan sets out the state of environmental management to be achieved by the Kyocera Group by the year 2020.

【Environment Vision 2020】

For the Kyocera Group, harmonious coexistence (Living Together) is the underlying foundation of all our business activities as we strive for sustainable development through environmental management. Based on a global environmental management system (Green Management), we strive for ecological and economic compatibility in three areas: Green Products, Green Factories and Green Communication.

1. Contribute to realization of a low-carbon society

Targeting our Low-Carbon Society Contribution Factor of 3 (Contribution Volume ÷ Emission Volume) by maximizing the reduction of greenhouse gas emissions through energy creation, and suppressing greenhouse gas emissions in business activities.

2. Contribute to realization of a recycling-based society

Contribute to realization of a society with sustainable recycling of resources by reducing the volume of new resource input and minimizing waste emissions.

3. Contribute to realization of a society coexisting with nature

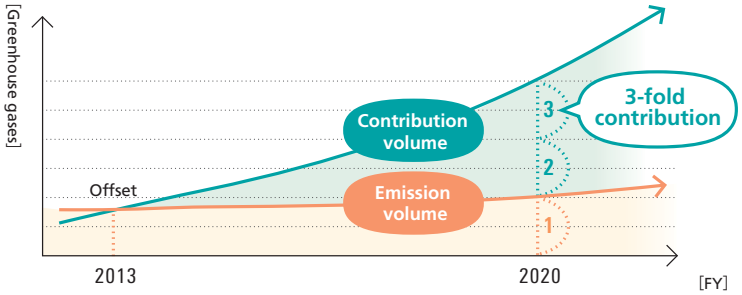
(1) Advance conservation of biodiversity by minimizing negative impact on the natural environment, as well as protecting and nurturing the natural environment.
(2) Contribute to cultivation of an environmentally conscious society, through environmental communication with various stakeholders and environmental awareness activities.

Reduce Greenhouse Gas Emissions and Target our Low-Carbon Society Contribution Factor of 3

In addition to targets for reducing greenhouse gas emissions from business activities, the Environment Vision 2020 establishes a new benchmark in aiming for realization of a low-carbon society. Named the "Low-Carbon Society Contribution Factor," this benchmark gives an overall assessment of the volume of contribution to greenhouse gas reduction through use of Kyocera green products.

$$\text{Low-Carbon Society Contribution Factor} = \frac{\text{Volume of contribution to greenhouse gas reduction}}{\text{Volume of greenhouse gas emissions}}$$

Volume of greenhouse gas emissions is the total of greenhouse gas emissions converted to greenhouse gas volume. Volume of contribution to greenhouse gas reduction is the estimated equivalent volume of energy created, converted to greenhouse gas volume, of solar power generation systems manufactured, sold and used continuously for generating electricity over 20 years.



* Coefficient used in conversion = 0.360kg of CO_2 per kWh
(Based on the Japan Photovoltaic Energy Association's Independent Industry Rules on Labeling)
Volume of greenhouse gas emissions will be offset against volume of contribution to greenhouse gas reduction from energy creation in FY2014. The long-term objective is a Low-Carbon Society Contribution Factor of 3, whereby volume of contribution to greenhouse gas reduction from energy creation in 2020 will be at least three times greater than the volume of greenhouse gas emissions.

Advancing the 7th Environment & Safety Promotion Plan

The 7th Environment and Safety Promotion Plan was established as a milestone on the way to achieving the Environment Vision 2020. The Plan sets out concrete targets and action plans for research, development, propagation and expansion of green products, in addition to reduction of negative environmental impact of plants and offices, over three years to FY2014.

Please see pages 83-84 for a summary of objectives and targets.

2010-2011 Topics of Interest

The following pages introduce Kyocera Group topics of interest in FY2011

2010

Apr. Establishment of Shiga Yasu Plant

Kyocera completed construction of a new manufacturing plant within the Shiga Yasu Office, as a base for increased production of solar cells. The plant began production in April as the Shiga Yasu Plant. Furthermore, Kyocera took over the operations of the Yasu factory of Sony Mobile Display Corp. and began liquid crystal display manufacturing operations there in June. Kyocera will continue to provide the market with high-quality and reliable products, while offering wide-ranging solutions to meet customer needs.

May Industry's first successful application of atomic diffusion bonding in a quartz device

KYOCERA KINSEKI Corp. and Tohoku University succeeded in developing the industry's first application of atomic diffusion bonding, or wafer direct-bonding technology, in a quartz device. The organic solvents normally used to bond two surfaces reduce light transmittance. Until now, quartz devices have not been able to make good use of the inherent outstanding optical characteristics and durability of quartz crystals. Diffusion bonding does not use solvents, allowing transmittance over a wide range while raising durability. This breakthrough has opened the way for development and manufacture of high-precision quartz devices.

Quartz wafers joined using the atomic diffusion-bonding method

Jul. Inoue Harushige Award received

Japan Medical Materials Corp. won The 35th Inoue Harushige Award for development of artificial hip joints with high bioactive functions. This award commends particularly outstanding technology that contributes to the advancement of science & technology, economic development or improvement of welfare. When Alkaline Heating (AHFIX®) technology is applied to artificial hip joints, the core metal of the hip joint acquires bioactive properties (it reacts in ways similar to a living organism), enabling direct matching of bone and metal. Artificial hip joints using this technology are highly acclaimed in clinical studies.

Aug. Kyoto Opal is used in Casio's G-Shock watch

"Kyoto Opal," developed by Kyocera, is widely used as a decorative material. Casio Computer Co., Ltd. decided to use Kyoto Opal in its new G-Shock wristwatch — the GLS-5600KL. The color shifts and radiance stemming from the unique color play of the opal material blended well with Casio's product concept of individual and innovative expression. Casio's new G-Shock is being sold in Japan, North America, Europe and other regions of the world.

Sep. KYOCERA MITA launches A4 color printer MFPs with fastest first copy times in their class

KYOCERA MITA Corp. launched two A4 color MFPs (ECOSYS FS-C2126MFP and FS-C2026MFP) with printer output speeds of 26 A4 pages per minute. First copy times are the fastest in their class, at less than 12 seconds for a color copy (and less than 10 seconds for monochrome). Furthermore, with application of our proprietary technology, the Ecosys concept, we are cutting document output cost and minimizing waste, thereby reducing negative environmental impact.

ECOSYS FS-C2126MFP

Oct. Launch of stylish Simple Mobile Phone K008 with waterproof*1 and dirt-resistant*2 features

Kyocera launched the stylishly designed Simple Mobile Phone K008. This latest model has waterproof and dirt-resistant features. E-mail and camera functions are now even easier to use. For example, pictogram e-mail is easily created using the "One-touch Pictogram" function. When taking photos, the "Simple Camera Setting" allows the user to easily change camera settings to suit the subject. Usability of these and other frequently used functions has been greatly enhanced.

*1 Waterproofing to IPX5/IPX7 standard
*2 Dirt resistance to IP5X standard

Oct. KYOCERA MITA Corp. establishes Asia sales company in Hong Kong

KYOCERA MITA Corp. established a sales company for the Asia region in Hong Kong. KYOCERA MITA Asia Limited began business in October 2010. The new company strengthens sales support, new product training, software support and other assistance for regional sales companies and local dealerships. There are high expectations that demand for MDS* will rise to match that of Europe and America. KYOCERA MITA Asia is building a system to meet future MDS needs, and thereby provide the ideal document environment for customers' offices.

* Managed Document Services: Providing optimal arrangements and comprehensive management of MFPs and printers to suit customer needs

Nov. Shouldering cutter MSRS 90 launched

Kyocera has released the shouldering cutter MSRS 90. This industrial cutting tool features newly designed low-resistance notches, and newly developed inserts to which Kyocera-original Megacoat® coating technology has been applied. Chips milled off the material being processed are broken into small pieces by the notches on the sides of the inserts. This lowers cutting resistance and has enabled more stable processing.

2011

Feb. KCCS IT management center established

KYOCERA Communication Systems Co., Ltd. established an IT management center. This is the base for provision of GreenOffice LCM, or IT Lifecycle Management Support Services. GreenOffice LCM provides complete support for customers' IT environments, from drafting and designing strategies for improving the IT environment, to changeover, operation and ongoing improvements alongside system integration. Ultimately, GreenOffice LCM supports heightened visibility and improved quality of IT operations, reduction of the burden of systems operations on the customer, and reduction of costs.

Monitoring room

Feb. Innovative dual-screen smartphone KYOCERA Echo released

KYOCERA Communications, Inc. released the first smartphone with dual touchscreens, for the Android™ platform. The KYOCERA Echo smartphone makes use of two high resolution 3.5-inch WVGA touchscreens, joined by an original hinge. Two functions can be operated at the same time, enabling multitasking. Moreover, the two screens can also be used as one large display (4.7 inches).

Mar. New SAMURAI® module for residential solar power generating systems launched

SAMURAI® is Kyocera's core product for residential solar power systems in Japan. Kyocera has developed a new, long module (77.5W) containing 20 solar cells. Furthermore, a new rack for individually mounting the smallest module (46W) on rooftops has been added to the system. These additions reduce the number of modules needed as well as work hours and time required for installation. While enabling more effective use of roof space, rooftop layout can be made even more stylish.

New solar module (77.5W)

Mar. Release of a new ECONONAVIT® monitor with new functions, for residential solar power generation

Kyocera began selling a new ECONONAVIT® model for monitoring residential solar power generation. The new ECONONAVIT® provides easy-to-understand graphical displays of the state of power generation and other current conditions. By connecting the ECONONAVIT® to a home computer, the user can now run comparisons of power generation conditions and calculate monetary values.* The new model is priced lower than the previous model.

* Monetary values cannot be displayed on the ECONONAVIT® screen. Monetary conversions are only estimates and may differ from actual values.

Strengthening Production Bases Globally

2010

Jul. New KYOCERA Chemical (Wuxi) Co., Ltd. manufacturing plant completed

A new manufacturing plant for KYOCERA Chemical (Wuxi) Co., Ltd., a KYOCERA Chemical Corp. production base located in Wuxi City, China, was completed in July. Production lines and plant layout were revamped to raise production efficiency. Production systems were enhanced for the plant's main products, including injection molding resins, insulation varnish and molding materials for semiconductor encapsulation.

Aug. KYOCERA ELCO Corp. begins construction of new headquarters

In preparing for future business growth, KYOCERA ELCO Corp. began construction of a new headquarters building in Yokohama City. Construction was completed in April 2011. The functions of the headquarters include an expanded Technology R&D Department and Production Technology Center. The Technology R&D Dept. is involved in development and trial manufacture relating to design of new kinds of connectors, as well as testing, environmental experiments, and other areas. KYOCERA ELCO will continue to give customers total satisfaction with quality products that meet their expectations and needs.

Nov. Construction begins on KYOCERA Solar Europe s.r.o. 2nd Manufacturing Plant

Kyocera has begun building a second manufacturing plant on the premises of KYOCERA Solar Europe s.r.o., the company's European production base, in the Czech Republic. The purpose is to expand solar module production capacity in Europe. The new factory is due to be completed in late 2011. Together, the No. 1 and No. 2 plants are expected to have an annual production capacity of 560MW. Demand for solar modules will continue to grow on a global scale, and Kyocera is supplying high quality products to meet that demand.

Image of the new factory

2011

Jan. Completion of new factory for KYOCERA (Tianjin) Solar Energy Co., Ltd.

KYOCERA (Tianjin) Solar Energy Co., Ltd. assembles solar modules, mainly for the Asian market. A new manufacturing plant being built to enhance the production system was completed in January. Production functions are being steadily transferred from the older plant to the new one, and the facilities are being expanded, with the goal of creating an annual production capacity of 360MW, or 3.5 times the current level.

Kyocera Group Business Development

Economic Report

Management Policy

The Kyocera Group aims to be respected by society as "The Company" from the perspective of corporate ethics, while maintaining continuous sales growth and high profitability. It pursues this objective through implementation of the Kyocera Philosophy, a corporate philosophy placing people's hearts at its core, and of the Amoeba Management System, a management system unique to Kyocera which has been a driving force for growth since the company's earliest days.

The Kyocera Group's management policy is to be a high-growth, highly profitable company. To realize this policy, the Kyocera Group aims to increase corporate value by further enhancing performance through strengthening existing businesses, pursuing synergies among businesses and creating new businesses.

Management Strategies

The Kyocera Group aims to realize continuous growth in any business environment. To achieve this goal, Kyocera believes in the importance of expanding business globally in growing markets. The Kyocera Group is united in working on expansion of businesses which are able to deal with a business environment that changes moment by moment, to overcome global competition, and to become a high-growth, high-profit enterprise.

Expand Business in Growing Markets

The Kyocera Group will work to expand business in areas with future growth potential, namely, the information and communications market, the environment and energy market, and emerging markets. In the information and communications market, the Kyocera Group anticipates higher speed networks and the proliferation of smaller, more advanced products such as smartphones. In the environment and energy market, the Kyocera Group recognizes enhanced efforts around the world to prevent climate change, conserve energy and preserve the environment. In emerging markets, the Kyocera Group forecasts an increase in infrastructure investment and in demand for various types of consumer equipment. The Kyocera Group will work to develop products and technologies that meet these needs and grasp opportunities for business growth in these markets as a means to expand sales and profit.

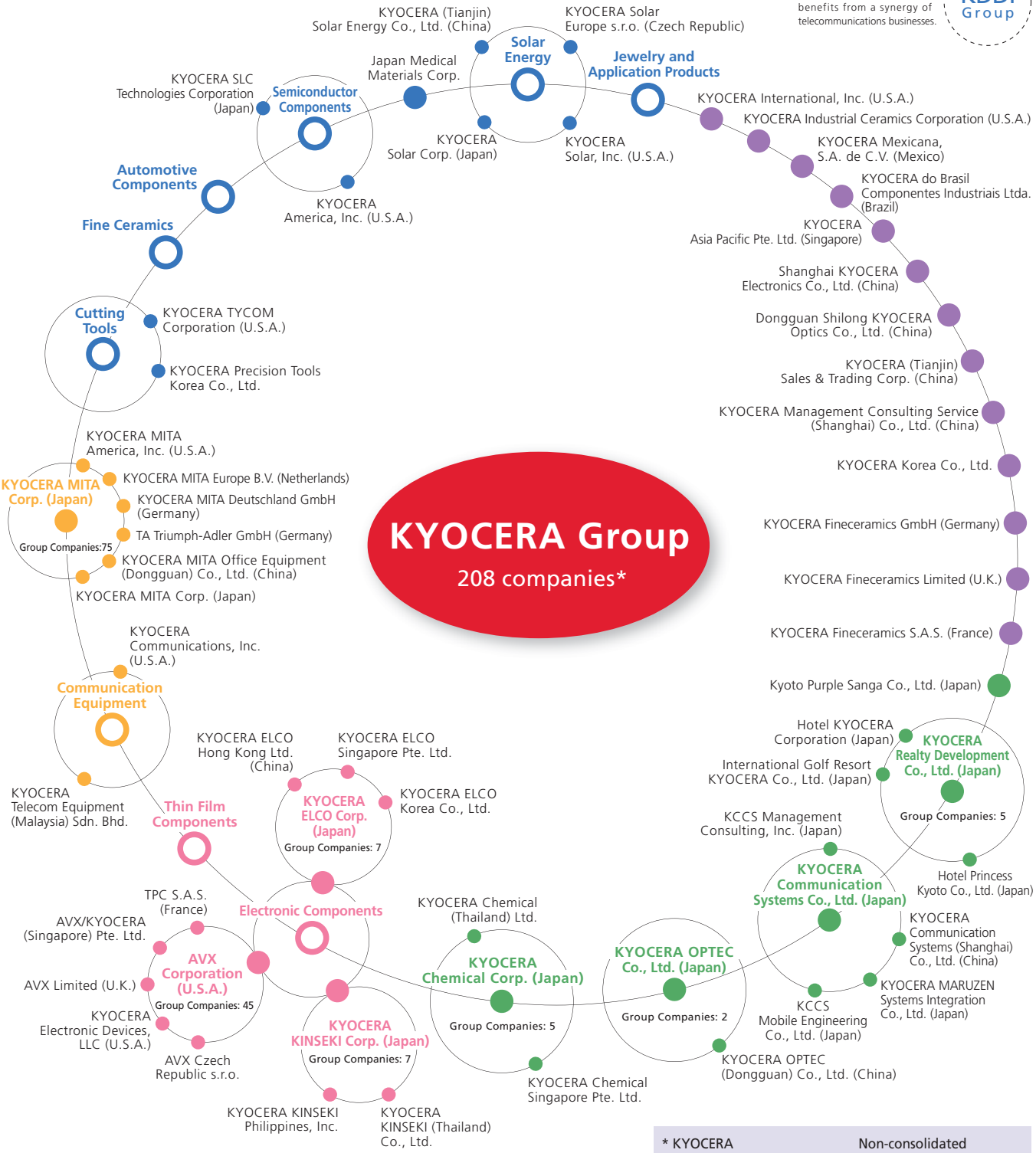
In addition, the Kyocera Group will pursue further synergies among businesses to expand in these growing markets. The Kyocera Group aims to quickly grasp future technology trends and customer needs by taking advantage of possessing both components and equipment businesses, and to promote joint development and integration of technologies by sharing information between them in order to strengthen new product development.

Main Group Companies — Overview of Operations

- **KYOCERA MITA Corp.**
  Manufacture and sale of digital MFPs, printers, and other information equipment
- **KYOCERA Communication Systems Co., Ltd.**
  System integration, development and sale of software, construction & maintenance of base stations for mobile wireless telecommunications, and management consulting
- **KYOCERA KINSEKI Corp.**
  Development and manufacture of crystal resonators, crystal oscillators, and SAW devices, etc.
- **KYOCERA ELCO Corp.**
  Development, manufacture and sale of electronic connectors
- **KYOCERA Chemical Corp.**
  Manufacture and sale of electronic component materials, electrical insulating materials, synthetic resin molded parts, molding dies, etc.
- **KYOCERA SLC Technologies Corp.**
  Development, manufacture and sale of organic packages and substrates
- **KYOCERA Solar Corp.**
  Sale and installation of solar power generation systems and associated equipment / related services
- **KYOCERA OPTEC Co., Ltd.**
  Manufacture and sale of lenses and precision optical products
- **Japan Medical Materials Corp.**
  Development, manufacture and sale of medical materials and equipment
- **KYOCERA Realty Development Co., Ltd.**
  Holding, management and rental of real estate; management of Hotel KYOCERA, International Golf Resort KYOCERA, and Hotel Nikko Princess Kyoto
- **Shanghai KYOCERA Electronics Co., Ltd.**
  Manufacture and sale of products relating to fine ceramics, electronic devices, etc.
- **KYOCERA (Tianjin) Sales & Trading Corp.**
  Management and distribution of Kyocera products made both in China and elsewhere
- **Dongguan Shilong KYOCERA Optics Co., Ltd.**
  Manufacture and sale of cutting tools, thin film components, display components, applied consumer products, optics-related components
- **KYOCERA (Tianjin) Solar Energy Co., Ltd.**
  Development, manufacture and sale of solar modules and systems
- **KYOCERA Asia Pacific Pte. Ltd.**
  Sale of fine ceramic products and electronic devices
- **KYOCERA Telecom Equipment (Malaysia) Sdn. Bhd.**
  Manufacture of mobile phone handsets
- **KYOCERA Fine ceramics GmbH**
  Sale of fine ceramic products and electronic devices
- **KYOCERA Solar Europe s.r.o.**
  Production of solar modules
- **KYOCERA International, Inc.**
  Regional headquarters for North & Central America
- **KYOCERA Communications, Inc.**
  Sale of mobile phone handsets / related services
- **KYOCERA America, Inc.**
  Manufacture and sale of fine ceramic products
- **KYOCERA Industrial Ceramics Corporation**
  Manufacture and sale of fine ceramic products; sale of electronic devices
- **KYOCERA Solar, Inc.**
  Development, manufacture, sale and service of solar power generating systems that can operate on or off commercial power grids
- **AVX Corporation**
  Manufacture and sale of a wide range of electronic components, including multilayer ceramic capacitors, tantalum capacitors, interconnect products
- **Kyoto Purple Sanga Co., Ltd.**
  Management of Kyoto Sanga F.C., a professional soccer team, and sale of original team goods

As the largest shareholder of KDDI, the Kyocera Group benefits from a synergy of telecommunications businesses.

KDDI Group



KYOCERA Corporation business segments
Multiple business segments
Equipment-related businesses
Electronic devices and related businesses
Fine ceramics and related businesses
Other businesses

* KYOCERA Corporation: 1 company	Non-consolidated subsidiaries: 2 companies
Consolidated subsidiaries: 197 companies	Non-consolidated affiliates: 8 companies
	Group companies: 208

(as of March 31, 2011)

Overview of Business Operations

Economic Report

Overview of Business Performance for the Fiscal Year Ended March 2011

Economic and Business Environment

In fiscal 2011, the Japanese economy showed signs of recovery compared with fiscal 2010 due to increases in exports, mainly to Asia, and capital investment. With respect to the overseas economy, personal consumption and capital investment continued to rebound in the U.S., while the European economy recovered solidly owing to an increase in exports supported by depreciation of the Euro, despite fears of an economic slowdown due to heightened financial insecurity triggered by financial crises in Greece and Ireland. The Asian economy led by China continued to expand strongly, driven by growth in exports and personal consumption.

In the information and communications market, which is the principal market for Kyocera Corporation and its consolidated subsidiaries ("Kyocera Group" or "Kyocera"), production activities for various digital consumer equipment, such as mobile phone handsets including smartphones, expanded as a whole compared with fiscal 2010.

Consolidated Financial Results

The yen's average exchange rates for fiscal 2011 were ¥86 to the U.S. dollar and ¥113 to the Euro, representing an appreciation of ¥7 (approximately 8%) and ¥18 (approximately 14%), respectively, compared with fiscal 2010. As a result, net sales and income before income taxes for fiscal 2011 were down approximately ¥68 billion and ¥28 billion, respectively, compared with fiscal 2010.

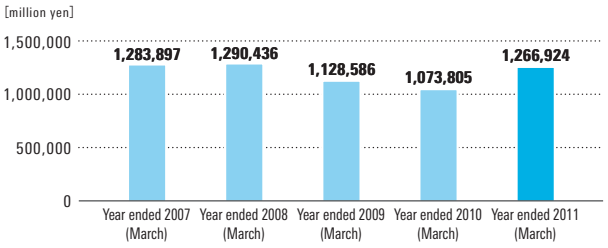
In spite of the impact on sales and profit from the yen's appreciation, sales and profit in all reporting segments exceeded levels recorded in fiscal 2010 due to an expansion of the information and communications market and efforts to improve profitability by reducing costs and enhancing productivity in each business.

Net sales for fiscal 2011 increased by ¥193,119 million, or 18.0%, to ¥1,266,924 million, compared with ¥1,073,805 million for fiscal 2010. Profit from operations for fiscal 2011 increased by ¥92,064 million, or 144.2%, to ¥155,924 million, compared with ¥63,860 million in fiscal 2010. Income before income taxes increased by ¥111,534 million, or 183.5%, to ¥172,332 million, compared with ¥60,798 million in fiscal 2010. Net income attributable to shareholders of Kyocera Corporation for fiscal 2011 increased by ¥82,353 million, or 205.4%, to ¥122,448 million, compared with ¥40,095 million for fiscal 2010. Profit from operations and income before income taxes for fiscal 2010 were reduced by ¥8,961 million and ¥28,948 million, respectively, due to recognition of a loss related to an investment in WILLCOM, Inc.

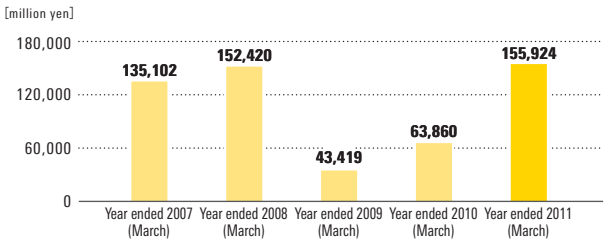
Although production activities were temporarily stopped at Kyocera's production sites in the Tohoku and Kanto regions due to electric power outages and transportation disturbances caused by the Great East Japan Earthquake, this did not have a significant impact on business results for fiscal 2011.

Net Sales, Profit from Operations, Income before Income Taxes, Net Income Attributable to Shareholders of Kyocera Corporation (Consolidated)

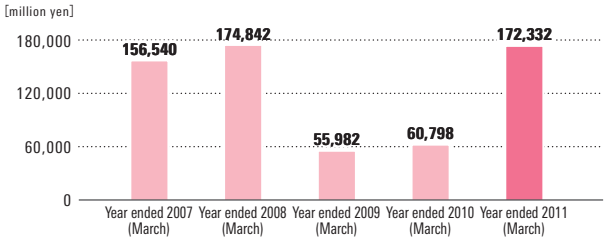
[Net Sales]



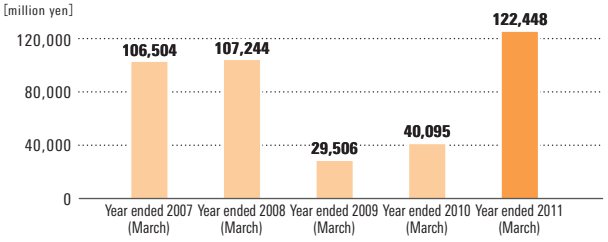
[Profit from Operations]



[Income before Income Taxes]



[Net Income Attributable to Shareholders of Kyocera Corporation]

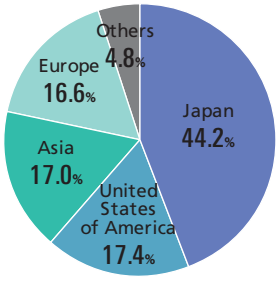


*Consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. Figures shown in this report have been rounded to the nearest number.
*In the year ended March 2007, KYOCERA Corporation sold its shares of KYOCERA Leasing Co., Ltd., a subsidiary engaged in financing services. As a result, business results and profit on sale of its shares of KYOCERA Leasing Co., Ltd. for fiscal 2007 were recorded as income (or loss) from discontinued operations in accordance with accounting principles generally accepted in the United States.
*In the year ended March 2007, income from continuing operations before income taxes and minority interests are presented in the income before income taxes section.

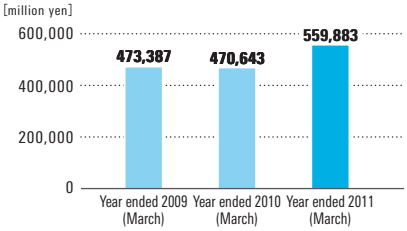
Sales by Region

The Kyocera Group is a diverse corporate group of 208 companies* (as of March 31, 2011) with KYOCERA Corporation as the core company. Cooperation and ties among the individual Group companies promote business development in countries all over the world.
In addition to regional contributions which it makes with products and services, the Kyocera Group aims to contribute to employment and development in local communities.

[Breakdown of Sales by Region (Year ended March 31, 2011)]

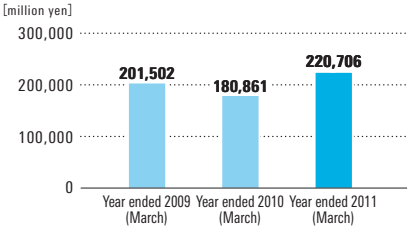


[Japan]



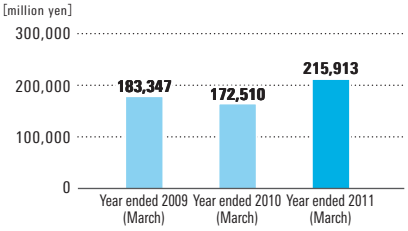
Sales in the solar energy business which is included in the Applied Ceramic Products Group increased. Sales in the Telecommunications Equipment Group also increased due to an increase in sales volume of mobile phone handsets and PHS handsets. Furthermore, sales in the Electronic Device Group grew mainly for digital consumer equipment. As a result, sales for Japan for fiscal 2011 increased compared with fiscal 2010.

[United States of America]



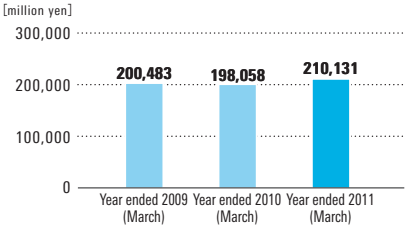
Sales in the Telecommunications Equipment Group increased, due to an increase in sales volume of mobile phone handsets through launches of new products. Sales in the Semiconductor Components Group and the Electronic Device Group also increased. As a result, sales for United Sates of America for fiscal 2011 increased compared with fiscal 2010.

[Asia]



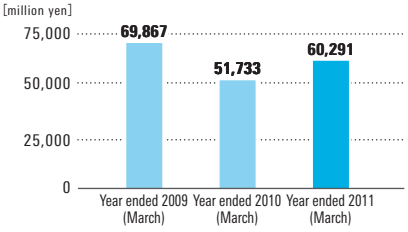
Sales in the Electronic Device Group and the Semiconductor Components Group increased due to an increase in component demand, reflecting expanded production of digital consumer equipment. As a result, sales for Asia for fiscal 2011 increased compared with fiscal 2010.

[Europe]



Sales in the Electronic Device Group and the Fine Ceramic Components Group grew due to an increase in component demand for digital consumer equipment and for automotive related markets, etc. As a result, sales for Europe for fiscal 2011 increased compared with fiscal 2010.

[Others]



Sales in the Information Equipment Group increased. Sales in the Electronic Device Group and the Semiconductor Components Group also increased. As a result, sales for Others for fiscal 2011 increased compared with fiscal 2010.

* KYOCERA Corporation: 1 company Non-consolidated subsidiaries: 2 companies
Consolidated subsidiaries: 197 companies Non-consolidated affiliates: 8 companies
Group companies: 208

(as of March 31, 2011)

Overview of Business Operations

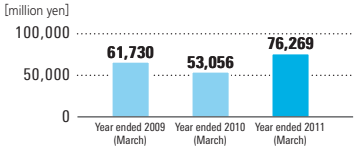
Economic Report

Consolidated Financial Results by Reporting Segment

Fine Ceramic Components Group

Demand for industrial machinery parts, such as semiconductor fabrication equipment parts, and for automotive parts increased significantly due to expanded production in various industrial machinery and automotive markets. Demand for components for digital consumer equipment also grew. As a result, overall sales in this reporting segment for fiscal 2011 increased significantly compared with fiscal 2010. Operating profit improved substantially from an operating loss for fiscal 2010 due to an increase in production volume and an improvement in productivity.

[Net sales]




Components for Semiconductor Processing Equipment

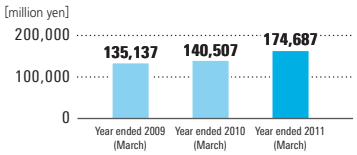
Net sales	¥76,269 million	up 43.8% year on year
Operating profit	¥11,969 million	up ¥12,757 million year on year

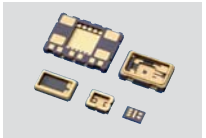
- Components for Semiconductor Processing Equipment and LCD Manufacturing Equipment
- Information & Telecommunication Components
- Sapphire Substrates
- General Industrial Ceramic Components
- Automotive Components

Semiconductor Components Group

In addition to increased demand for mobile phone handsets and digital cameras, etc., popularity grew for advanced products, such as smartphones, that are fitted with an even higher number of components. Supported by this favorable background, Kyocera increased production capacity for ceramic packages for crystal and SAW devices and CMOS/CCD image sensors to increase sales. Furthermore, demand for organic packages, primarily for servers, also grew steadily. As a result, overall sales in this reporting segment for fiscal 2011 increased compared with fiscal 2010. Operating profit increased substantially compared with fiscal 2010 due to sales growth and enhanced productivity.

[Net sales]




Ceramic Packages for Crystal and SAW Devices

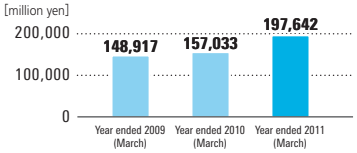
Net sales	¥174,687 million	up 24.3% year on year
Operating profit	¥37,331 million	up 116.6% year on year

- Ceramic Packages for Crystal and SAW Devices
- CMOS/CCD Image Sensor Ceramic Packages
- LSI Ceramic Packages
- Wireless Communication Device Packages
- Optical Communication Device Packages and Components
- Organic Multilayer Packages and Substrates

Applied Ceramic Products Group

In the solar energy business, sales increased compared with fiscal 2010 due to efforts to expand production capacity and to enhance Kyocera's sales networks in Japan and overseas to meet rising global demand for solar modules. In addition, sales in the cutting tool business increased substantially compared with fiscal 2010 mainly due to rising demand in Japan and Asia, reflecting expanded production in automotive related markets. As a result, both sales and operating profit in this reporting segment for fiscal 2011 increased compared with fiscal 2010.

[Net sales]




Residential Solar Power Generating System ECONOROOTS® Type U

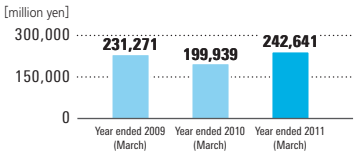
Net sales	¥197,642 million	up 25.9% year on year
Operating profit	¥29,049 million	up 46.3% year on year

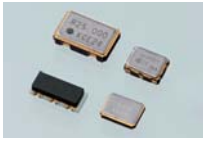
- Residential and Industrial Solar Power Generating Systems
- Solar Cells and Modules
- Cutting Tools
- Micro Drills
- Medical and Dental Implants
- Jewelry
- Fine Ceramic Application Products

Electronic Devices Group

As a result of expanding production of digital consumer equipment such as mobile phone handsets, as well as expansion of various industrial markets, demand for electronic components such as capacitors and timing devices also expanded. In addition, sales of thin film components increased significantly compared with fiscal 2010 due in part to Kyocera's acquisition from Sony Mobile Display Corporation of the thin film transistor (TFT) liquid crystal display (LCD) business located at its Yasu facility in June 2010. As a result, overall sales in this reporting segment for fiscal 2011 increased compared with fiscal 2010. Operating profit increased substantially compared with fiscal 2010 due to sales growth and enhanced productivity.

[Net sales]




Timing Devices

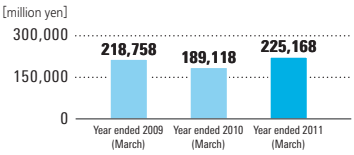
Net sales	¥242,641 million	up 21.4% year on year
Operating profit	¥41,646 million	up 214.8% year on year

- Ceramic Capacitors
- Tantalum Capacitors
- SAW Devices
- RF Modules
- EMI Filters
- Timing Devices [TCXOs, Crystal Units, Clock Oscillators and Ceramic Resonators]
- Connectors
- Thermal Printheads
- Inkjet Printheads
- Amorphous Silicon Photoreceptor Drums
- Liquid Crystal Displays
- Touch Panels

Telecommunications Equipment Group

Sales in this reporting segment for fiscal 2011 increased compared with fiscal 2010 as a result of aggressive measures to expand sales, which included launches of new products in overseas markets, coupled with growth in sales of mobile phone handsets and personal handy phone system (PHS) handsets in Japan. Due to an increase in sales and positive effects from structural reforms executed in fiscal 2010, operating profit improved substantially from an operating loss in fiscal 2010. A bad debt loss on accounts receivable of ¥8,961 million related to WILLCOM Inc. was recorded in fiscal 2010.

[Net sales]




Mobile Phone Handset K008

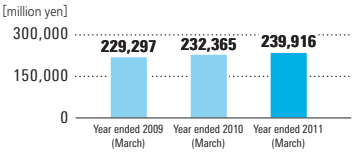
Net sales	¥225,168 million	up 19.1% year on year
Operating profit	¥2,121 million	up ¥16,847 million year on year

- Mobile Phone Handsets
- Personal Handy Phone System (PHS) related Products
  [PHS Mobile Phone Handsets and PHS Base Stations]

Information Equipment Group

Kyocera worked to increase sales by aggressively launching new products amid a moderate recovery in information technology investment by customers both in Japan and overseas, which led to an increase in sales volume, particularly for multifunction peripherals (MFPs). As a result, sales in this reporting segment for fiscal 2011 increased compared with fiscal 2010. Operating profit increased compared with fiscal 2010 due to an improvement in productivity and sales growth for high-value-added products such as color MFPs.

[Net sales]




Color Multifunctional System
[TASKalfa 552ci]

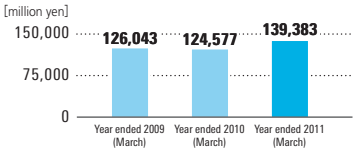
Net sales	¥239,916 million	up 3.2% year on year
Operating profit	¥25,845 million	up 17.0% year on year

- Color and Black & White Office Equipment such as ECOSYS Printers, Multifunction Peripherals
- Wide Format Multifunctional Systems
- Printer and Multifunction Peripherals Supplies
- Business Solution Services such as Managed Print Service

Others

Sales at Kyocera Communication Systems Co., Ltd. increased compared with fiscal 2010 due to a moderate recovery in information technology investment in the corporate sector. In addition, sales at Kyocera Chemical Corporation also increased compared with fiscal 2010 due to an increase in demand for semiconductor encapsulation, etc. As a result, both sales and operating profit in this reporting segment for fiscal 2011 increased compared with fiscal 2010.

[Net sales]




Electrical Insulators
(Semiconductor Encapsulation Materials)

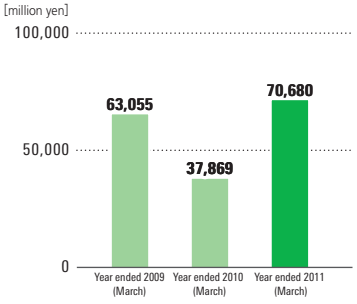
Net sales	¥139,383 million	up 11.9% year on year
Operating profit	¥9,651 million	up 42.6% year on year

- Information Systems & Telecommunication Services
- Electrical Insulation and Sheet Materials
- Synthetic Resin Molded Parts
- Hotel Business

Capital Expenditures

During fiscal 2011, due to the recovery of the general business environment, Kyocera made aggressive capital expenditures to expand production capacity, mainly in the Semiconductor Components Group and solar energy business. As a result, capital expenditures for fiscal 2011 totaled ¥70,680 million, an increase of ¥32,811 million, or 86.6% compared with fiscal 2010.

[Capital Expenditures]



Together with Customers

Social Report

Thorough application of the "Customer-First" Principle as a top priority of the Kyocera Group, we are constantly working to further enhance product quality, and provide customers with products and services that bring complete satisfaction and enjoyment. By these means, the Kyocera Group is striving to earn society's trust and contribute to society.

Approaches to Quality Improvement

Kyocera Quality Policy

1. Kyocera places top priority on our environmental management and product safety systems.
2. Kyocera provides products and services that exceed expectations by putting customers first.
3. Kyocera aims to be a world leader in quality by doing every job right the first time.

The Kyocera Group has established the Kyocera Quality Policy to achieve production of quality goods that fully satisfy our customers' needs. We develop our businesses on the basis of this Quality Policy, and aim to always be an enterprise that is worthy of trust throughout the world. To achieve product quality from the perspective of customer expectations, we have set up the Kyocera CS* Improvement Committee. Moreover, to provide a high level of satisfaction to our customers, Kyocera is doing everything possible to ensure observance and correct application of the rules, starting at the planning stages.

* CS: Customer Satisfaction

Quality Management System

To realize the Kyocera Quality Policy, we are taking three approaches to strengthen and improve the Quality Management System:
1.) Ongoing improvement of the Quality Management System in accordance with ISO9001 and other standards; 2.) Setting quality targets in each business division based on the Management Direction and Quality Policy, then preparing plans and implementing improvement activities to reach the targets, and; 3.) Using the Kyocera CS Improvement Committee (chaired by the president) to advance measures for prevention of quality problems and prevention of recurrence.

Kyocera CS Improvement Committee

Chaired by Kyocera's president, the Kyocera CS Improvement Committee has representatives of each business division in the Kyocera Group (Japan) serving as committee members. The Committee meets each month to advance activities for raising the level of customer satisfaction and improving quality. With "Practice the 'Customer-First' Principle" as its objective, the Committee focuses on improvement of CS activities in each business division. Specific action includes the sharing of information on quality among divisions, prevention of quality problems before they occur, and prevention of recurrence.

Kyocera Product Safety Policy

1. Kyocera is fully acquainted with the latest information related to Product Liability and Product Safety.
2. Kyocera maintains an industry-leading standard of Product Safety.
3. Kyocera systematically practices Product Safety in accordance with manuals.

Safety is the utmost priority for all products made or sold by Kyocera. Regardless of form or function, they must not endanger a person's life or well-being, nor inflict damage on property. From that perspective, Kyocera has set a Product Safety Policy, in addition to the Quality Policy.
Kyocera established Product Safety System Guidelines as a concrete code of action at all levels of corporate activity. Additionally, the Guidelines for Product Safety Labeling serve as supplementary guidelines for understanding international standards relating to safety labels.

Product Safety Action

The CS Promotion Department supports product safety action in coordination with individual business divisions and related departments.
Specifically, every process is scrutinized for product safety starting at the design and development stage, based on the Product Safety Policy as well as regulations and criteria applying to each business division. Furthermore, to ensure observance of legal requirements and public standards, relevant departments apply Kyocera's official label checking system to review user safety information such as product labels and operating instructions.

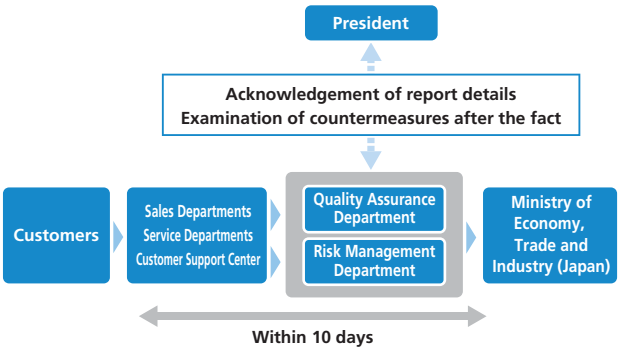
Official Label Checking System

Divisions	Relevant fields	Relevant documents
• CS promotion • Risk management • Legal affairs • Intellectual property • Public announcements	• Safety labels • Trademarks and patents • Contracts, etc.	• Labels & packaging • Written warranty • Instruction manuals • Sales promotion documents • Catalogs & advertisements

Response to Accidents Involving Products

In the case of a serious accident involving our company's products, Kyocera has clarified emergency contact numbers for immediate response. The system enables immediate notification of reports from customers. At the same time, the Ministry of Economy, Trade and Industry (Japan) is promptly advised of any matters, and information is disclosed on the relevant Web sites and in other media.

[Emergency Contact System]



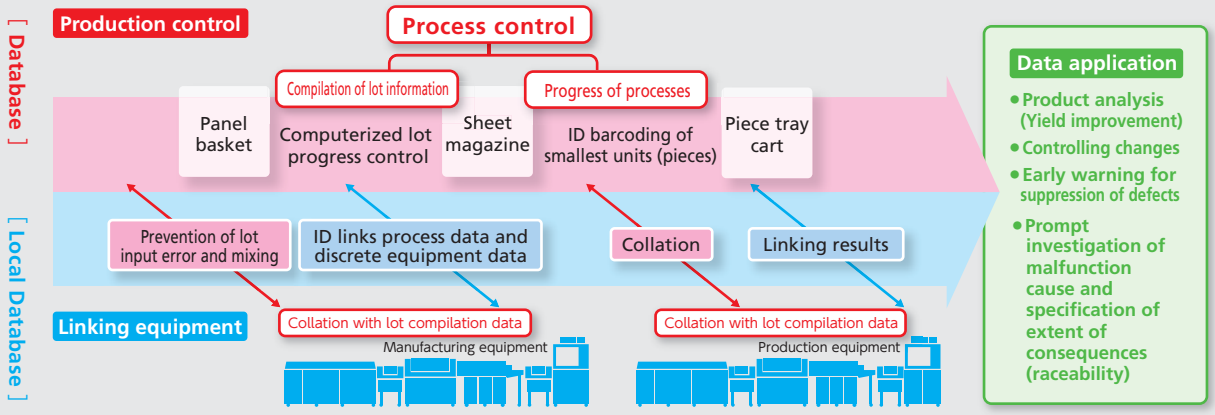
One Approach

■ Kyocera solar modules receive world's first certification for "Long-Term Sequential Test"

TÜV Rheinland is one of the world's leading institutions in third-party testing and certification of products for safety and quality. One such test for the performance and quality of solar modules is the Long-Term Sequential Test. Kyocera's multicrystalline silicon solar cell modules were the first in the industry to receive this certification. Conditions for the TÜV test are more rigorous than those of the general international standard, IEC (International Electrochemical Commission). Comprehensive performance and quality testing was conducted continuously over about one year. To test the product under conditions similar to the natural environment, a module was examined in four categories: Damp Heat, Thermal Cycling, Humidity Freeze, and Bypass Diode. Our module cleared the TÜV benchmarks in all four categories. Kyocera will continue to provide highly reliable products that can be used with peace of mind for many years.

■ Product control with the KIMSS System

Kyocera SLC Technologies Corp., Ayabe Plant, devised the KST Integrated Manufacturing Support System (KIMSS), by which all products made at the plant (several million units per month) are ID-controlled using a 2D barcode. The system allows verification of the process history of every product. If, for instance, a defect or other problem emerges, the cause can be brought to light quickly by checking back through the successive manufacturing processes. Through this system traceability* of every product has been achieved.



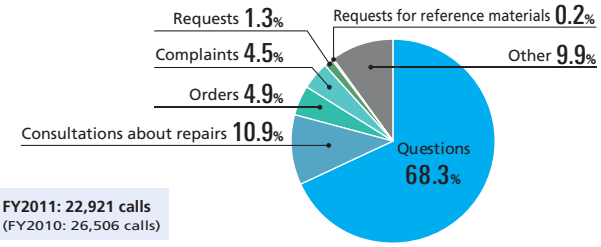
* Products can be identified as individual units or as entire lots. The history of an item or lot can be traced and examined at every stage, from procurement of raw materials, through processing, to production, distribution, sale and final disposal. Refers also to the system or processes used to achieve the above.

Approaches to Raising Customer Satisfaction Levels

Customer Support Center

Kyocera operates a Customer Support Center (call center) to handle matters concerning consumer products. By always responding earnestly, correctly and promptly to customer inquiries, consultations, complaints, and other matters, Kyocera aims to raise the level of customer satisfaction.
Valuable information and inquiries received from our customers are promptly reported to top management and shared among the relevant business divisions. The information received is used to improve the quality of our products and services.
Private information on customers is completely protected and controlled by corporate regulations on information security.

[Breakdown of Inquiries (FY2011)]

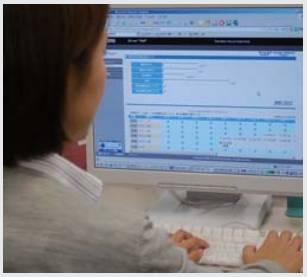


FY2011: 22,921 calls
(FY2010: 26,506 calls)

One Approach

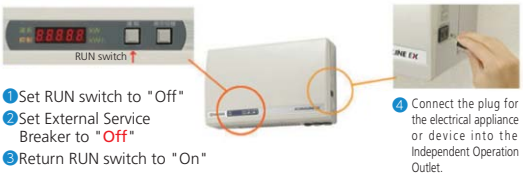
■ Introduction of Customer Satisfaction Program (CSP)

Kyocera Solar Corp. sells solar power generating systems within Japan. For the first time in the solar power industry, Kyocera Solar has introduced an independent Customer Satisfaction Program applying to all Kyocera Solar dealerships in Japan. CSP began operating in full in July 2010.
This program is a systematic control system covering processes and progress of 21 matters concerning customers, including contracts, installation and after-sale service. With CSP, dealers can now easily control progress of work, and respond to customers promptly and precisely. Furthermore, introducing the program at all dealerships has enabled provision of the same high-quality service nationwide.
Kyocera will continue to concentrate on further quality improvement in products, sales, installation and after-sale service. With the combined strength of these four areas, we are aiming to further raise customer satisfaction levels.


Management using CSP

When the power failed following the Great East Japan Earthquake of March 11, 2011, we received many inquiries from customers about how to use the independent operation function of their solar power generating system. In response, on March 14, we placed details on using this function on the Web site shown below.
When the external power to households using Kyocera solar power generation systems is interrupted, the solar power generation system automatically stops running. However, by operating the power conditioner manually, customers can use the "Independent Operation" function. While the sun is in the sky, power can be generated according to the amount of sunlight hitting the solar modules. The system can be used to monitor television reports, access the internet, charge mobile phones and other communication devices, and for other purposes (AC100V, maximum output 1,500W).
Kyocera Solar Corp. is striving to raise customer satisfaction levels with speedy responses to customer inquiries.

How to use Independent Operation after power failure.
[In the case of Power Conditioner PVN-403(F)]



*** Please refer to the below Web site for instructions on operation when external power is restored, and for cautionary information.**

http://www.kyocera.co.jp/solar/news/jiritu.html (Japanese only)

Letters from Customers

- "After the disaster, I was able to cook rice using our solar power generating system and share a warm meal with neighbors. I was deeply grateful."
- "When the power, gas and water stopped, life was initially cold and difficult. However, a house in the neighborhood had solar modules installed. I was able to charge my mobile phone there, boil water remaining in the water tank and give warm food to my children."

Together with Employees

Social Report

In the quest to realize our Management Rationale, the Kyocera Group is constantly striving to optimize the organization. We are refining the personnel and education systems needed to develop and train employees, while actively undertaking measures for improving safety and preventing accidents and disasters. Optimizing our organization in this manner helps to give all employees a sense of pride in the company and the awareness that their work is worthwhile.

Personnel Matters

The "material and intellectual growth" targeted in the Management Rationale encompasses more than simply economic stability and prosperity. It embraces an enrichment of the spirit — something to live for and a sense of doing worthwhile work — through self-fulfillment. To achieve the Management Rationale, our personnel systems are adaptable to the characteristics and societal norms of individual countries. Such systems must be able to adapt to diverse values or the changing environment of an aging society, in addition to the changing labor environment that stems from mobility of employment and globalization of corporate activity.

Personnel Vision

To work continually on appropriate operation and improvement of various personnel measures. To create a workplace environment in which all employees can take pride in the company and feel that their work is worthwhile, while sharing both hardships and joys. To thereby contribute to achieving the Management Rationale.

Respect for Human Rights

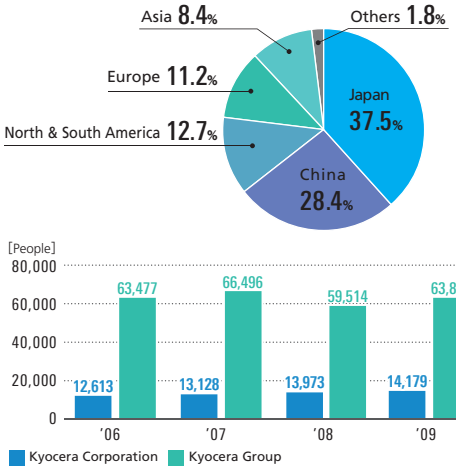
Aside from compliance with the laws of individual countries, the Kyocera Group explicitly prohibits the use of forced labor, child labor and other practices highlighted by the United Nation's Universal Declaration of Human Rights, Fundamental Human Rights Convention by the International Labor Organization (ILO), the United Nations Global Compact, and other international conventions. The Kyocera Group also prohibits discriminatory treatment on the basis of gender, age, beliefs, nationality, physical features, etc. Furthermore, the Kyocera Group endeavors to exchange views and share information with employees through organizations such as labor unions and workplace associations. The Kyocera Group promotes development of an appealing work environment that fosters motivation to work. Meanwhile, great importance is placed on individual character and ability when hiring and appointing diverse, talented people.

Respect for Diversity

Adapting to Globalization

Since the first overseas office was established in 1968 (U.S.A.), localization has been the basic principle of recruitment. The Kyocera Group has always tried to appoint local employees to management positions.
Kyocera is focusing on hiring and training people who can take responsibility for global deployment in the future. From that perspective, in 2011 we began hiring graduates directly from universities and graduate schools in China. Furthermore, Kyocera will actively continue to hire students who come from abroad to study in Japan.

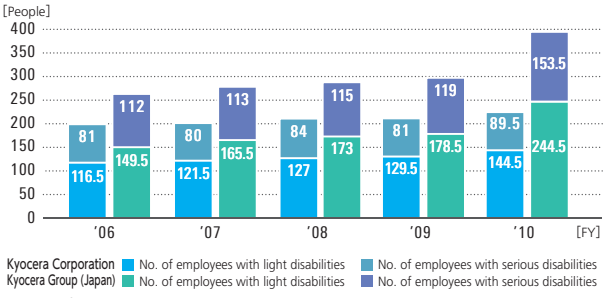
[Ratio & No. of Employees by Region (as of March 31, 2011)]



Employing People with Disabilities

Kyocera actively promotes an environment that supports the employment of people with disabilities and also makes it easier for them to work. Each employee is assigned to a workplace upon consideration of aptitude, the nature of the work, and other matters. As of March 2011, the ratio of Kyocera employees with disabilities was 1.83%. Kyocera will continue to actively provide employment opportunities for people with disabilities.

[No. of Employees with Disabilities]



*Less than full-time employees are counted above as 0.5 people.

Together with Employees

Social Report

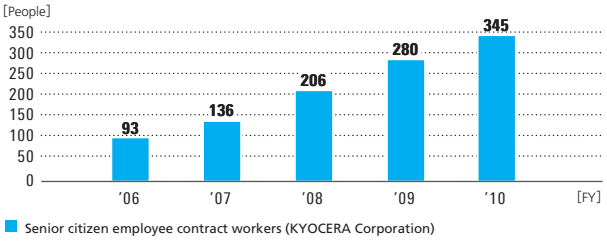
Promoting the Careers of Women in the Workplace

Kyocera set up the Women's Activity Promotion Committee as one step in building a workplace where female employees increasingly put their abilities to good use. Kyocera implements skills training to raise the awareness of female employees, and is conducting exchange meetings with women outside the company. Various other measures are being implemented, including training for workplace leaders on supporting the cultivation of female employees.
Additionally, Kyocera participates in running the Women's Networking Forum, an organization jointly sponsored by corporations in the Kansai region of Japan to promote active involvement by women. Kyocera actively promotes involvement of women within the company and in society.

Senior Citizen Employee Contract Workers

Kyocera has a system for offering reemployment to employees who have retired at the age of 60 years. For employees who have reached the regular retirement age, this system offers the chance to continue on with meaningful work. At the same time, retired employees can continue making good use of their acquired abilities and skills for perpetuation of our corporate climate and culture. The system thus satisfies the needs of both parties. The basic policy is to re-employ all applicants, and the number of senior employees is rising annually.

[Senior Employee Contract Workers]

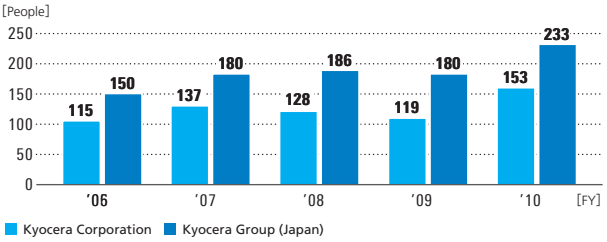


Balance of Work and Life

Measures for Child Care and Nursing

To support the balance of work and home life, Kyocera is operating a child-care leave system. Additionally, a family nursing care leave system that surpasses legal requirements enables employees to take a maximum of one year off work to nurse family members. Meanwhile, a shortened workday system is available for pregnant employees and employees raising children, through the third year of elementary school. So far, 437 employees have used the shortened workday system.
Furthermore, from FY2011, Kyocera is providing a baby-sitter subsidy system with an annual subsidy of up to ¥200,000 yen per child. The system is available for use when the employee would normally have needed to take time off work to take a child to or from nursery school, or on school holidays, etc.

[No. of Employees Taking Child-Care Leave]

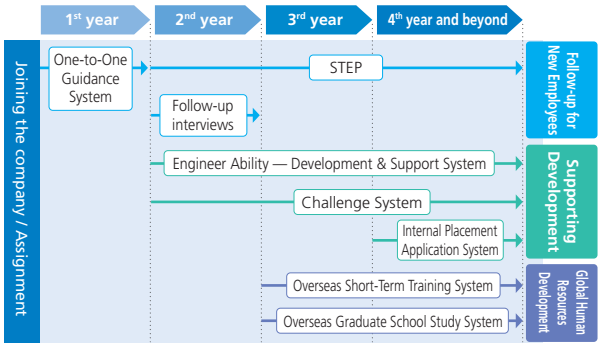


Return-to-Work System

Kyocera has a system whereby people who left the company due to marriage, childbirth, childrearing, nursing care or other unavoidable reasons can return to work as regular employees. This system expands the options for working when thinking about life plans, and supports realization of a balance of work and life for individual employees.

Development of Human "Assets"

Kyocera regards human resources as human "assets" and supports activities enabling employees to raise awareness of personal development and their contribution in the workplace.
In particular, as personal development can be achieved to a great extent through work, Kyocera is striving to create a workplace environment that enables each employee to work cheerfully and energetically, and draws out natural talents to the maximum extent. Kyocera aims to match the ideas and ambitions of employees with the business requirements of the company, thereby simultaneously realizing employee personal growth and corporate development.



One-to-One Guidance System (Supporting Growth of New Employees)

A coach is assigned to each new employee. Based on personalized development plans, the coach gives fine-tuned guidance through communication with each person. The Human Resources Department conducts follow-up interviews in the second year of employment.

STEP (Support Training and Education at Workplace)

STEP is a program for supporting the step-by-step development of young employees. All employees within one to five years of experience at Kyocera take part in STEP. The program provides periodic opportunities for communication between supervisor and subordinate. This allows subordinates to express their views and thoughts to their supervisors, while supervisors listen to their opinions carefully. Sharing thoughts in this manner builds workplace unity and supports the growth of young employees.

Skill Development Support System for Engineers

This system supports engineers as they independently strive to enhance their skills as engineers. Specifically, the system clarifies the ideal state of an engineer for each job category and grade, while giving a quantitative grasp of the skills needed to get there (specific job requirements and levels). This system leads to improved engineering capability for the organization as a whole.

Challenge System (Supervisor–Subordinate Interview System)

Once a year, each employee shares work targets with a supervisor in an interview aimed at setting direction for skills development. With a clear understanding of his or her functions, each employee can concentrate independently on their work and skill development. Supervisors, by heeding subordinate feedback, endeavor to improve the ability of the organization to reach goals and succeed in business.

Internal Placement Application System

When divisions anticipate the need for an addition of personnel for new operations, expansion of operations, or other purposes, the company can reassign employees as necessary at an early stage. This system enables employees throughout the company to apply for placement in different divsions. Employees can accept the challenges of the diverse business fields of the Kyocera Group in accordance with their aspirations. The aim is to offer positions with heightened activity to talented people who have drive and ambition.

Overseas Training Systems

Kyocera has an Overseas Short-Term Training System and an Overseas Graduate School Study System. The objective of these systems is to cultivate human resources who can function on the global stage. The systems were established in 1984, and 213 people have been sent abroad for study since then. Kyocera is promoting cultivation of employees with improved language skills, the ability to obtain up-to-date knowledge and technology that can only be acquired abroad, and a sense of international awareness.

Approaches to Stimulating Communication

Approach to Labor-Management Relations

At Kyocera, great emphasis is put on building relationships based on trust and heart-to-heart bonds among employees. Labor-management relations at Kyocera go beyond the generally accepted idea of harmony between management and labor. At Kyocera, the basis of the relations is "coaxial labor and management," where perspectives are shared on the same level. Sporting events, summer festivals and many other kinds of events stimulate and sustain such relations through unity in participation.

One Approach

■ Regulations Review Project

The Regulations Review Project, undertaken jointly by labor and management, was launched in 2005. Employees' needs and lifestyles are diversifying alongside changes in the environment of the times. Labor and management are therefore working together on checking systems and standards, to ensure they are always appropriate, fair and impartial.

■ Labor & management exchange conference

Meetings of labor and management representatives are held each month in Kyocera plants and offices. The purpose of the meetings is to verify working conditions for employees and workplace environment, and to actively exchange views on matters needing improvement, among other issues.

■ Kyocera Group Sports Festival (also called "All-Sports")

All-Sports is a notable event jointly organized by labor and management. It is held to heighten mutual trust and solidarity in the Kyocera Group through competition and victory celebrations. Teams that won regional preliminaries engaged in heated competition during The 32nd All-Sports, held in Kitami City, Hokkaido, in FY2011.

Measures for Raising Workplace Vitality

Kyocera regularly conducts an awareness survey of all employees. The survey focuses on the level of satisfaction with work and the workplace environment, the management situation, the sense of trust in the company, and suggestions for improvements, etc. Responses from each organizational unit are analyzed, enabling diagnosis of "vitality level" in each workplace. Using results as one reference indicator, workplace leaders take the lead in improvement activities for heightening workplace vitality.

Together with Employees

Social Report

Employee Education

Since foundation of the company, Kyocera has practiced management based on the Kyocera Philosophy. The Kyocera Philosophy is the driving force behind Kyocera's development and thus it is essential that the Philosophy continues to be passed on correctly to employees. Therefore, study of the Philosophy is the cornerstone of training in the Kyocera Group. Employees systematically study the fundamental ideas contained in the Philosophy and the management methods embodying those ideas. Spreading the practice and yields of Philosophy study throughout Japan and abroad, the Kyocera Group cultivates human resources who can contribute to the advancement and development of humankind and society.

Education Rationale

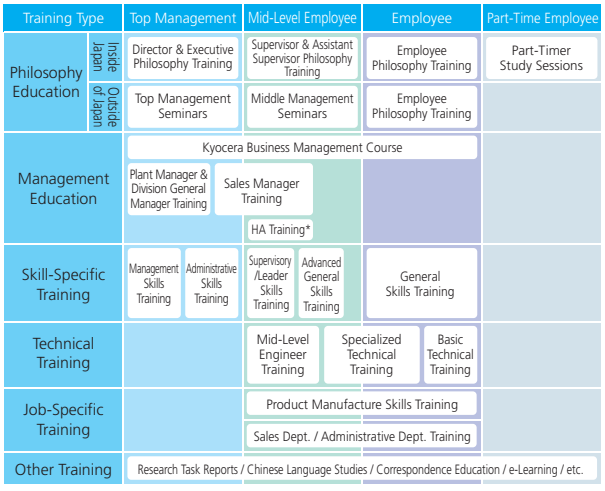
The Education Rationale is based on Kyocera's Management Rationale. Kazuo Inamori, the founder of Kyocera, devised the Management Rationale as the basis of Kyocera management after thinking long and carefully about "why a company exists." The goal of the Education Rationale is to cultivate human resources who can contribute to achieving the Management Rationale.

The Kyocera Group cultivates highly capable human resources who acquire the Kyocera Philosophy and contribute to the advancement and development of humankind and society, while pursuing the global development of Kyocera and the happiness of all employees through earnest efforts and a focus on creativity.

Education Objectives and System

To realize the Education Rationale, the Kyocera Group has set five Education Objectives. An education system corresponding to each of the five is being constructed to achieve these objectives.

	Training Type	Education Objective
1	Philosophy Education	Spreading the Kyocera Philosophy among all employees
2	Management Education	Cultivating executives with high-level management skills
3	Skill-Specific Training	Cultivating human resources with job skills that meet specific qualifications
4	Technical Training	Cultivating human resources with high-level specializedknowledge and high technological skills
5	Job-Specific Training	Cultivating professional human resources for specialized job types



*HA: Human Assessment

FY2011 Education Results

In FY2011, employee courses on the Kyocera Philosophy (the cornerstone of employee education) and other topics had as many as 69,365 students in Japan and abroad. Courses in Philosophy education have been held continually since FY2003. Regular and systematic training is implemented for all employees at all levels of employment, from top management to part-timers, with the aim of sharing and spreading the Kyocera way of thinking.

[No. of Employee Training Course Participants (FY2011)]

Name of Course	Philosophy Education		Management Training*2	Skills specific Training*2	Technical Training*2	Total
	Domestic	Outside of Japan				
No. of Course Participants*1	35,856	14,131	14,621	2,834	1,923	69,365

*1 Figures above refer to training conducted by training departments within Kyocera.
*2 Figures refer to Kyocera Group (in Japan)

Director & Executive Seminars: "Building Management Capability"

Training seminars titled Building Management Capability were conducted for directors and executives. The seminars focused on the nature of the management capability required by all executive employees of the Kyocera Group. Seminar participants reexamined the essence of the Kyocera Philosophy and the role of a leader from the perspectives of using one's own strengths and making use of the strengths of others. They reaffirmed the importance of a fighting spirit for accomplishing new things, for meeting difficulties head-on and achieving goals at any cost.

Study Sessions on "The Six Endeavors"

The Six Endeavors are a concise and comprehensible summary of the minimum conditions for managing an enterprise. At the same time, they are a summary of the minimum conditions that should be maintained for people to live wonderful lives as human beings.
In FY2011, to deepen understanding of The Six Endeavors, Kyocera produced videos analyzing and explaining each Endeavor. The videos were screened during study sessions held for Kyocera employees. Although everything contained in The Six Endeavors is extremely basic, as a way of thinking, it is highly relevant to practicing good management and living a happy life. Kyocera will continue to spread understanding of The Six Endeavors through ongoing education and training.

The Six Endeavors

1. Work harder than anyone else.
2. Be humble and avoid arrogance.
3. Reflect daily on yourself.
4. Appreciate your existence.
5. Perform good deeds and serve others.
6. Don't be lost to emotion.

Special Training at Shiga Yasu Plant

In June 2010, special training was conducted for employees who had newly joined Kyocera after Kyocera took over the operations of Sony Mobile Display Corp. The objective of the training was to instill correct understanding of: a) the Kyocera Philosophy as the foundation of management; and b) the Kyocera Employee's Action Guideline as the basis of day-to-day business activities. In this way, we are aiming for shared awareness and realization of the Management Rationale.

English- and Chinese-Language Studies

Elevation of employees' language skills is essential for global business development. In cultivating human resources who are able to function globally, Kyocera is conducting classes on business writing, presentation methods and other topics in English and Chinese within the Specialized Technical Training curriculum. Kyocera continues to enrich the content of the classes and advance development of globally effective human resources.

Globalization of Education

For purposes of raising understanding and spreading practice of the Kyocera Philosophy, the Kyocera Group outside Japan has been divided into six training regions: two in North America, two in China, Europe and the Asia-Pacific region. As in Japan, regular Philosophy education is held in each region.

Philosophy Seminars

To raise understanding and spread practice of the Kyocera Philosophy, Top Management Philosophy Seminars are held regularly for directors and senior managers. Similarly, Middle Management Philosophy Seminars are organized for mid-level employees. Sharing and practicing the Kyocera Philosophy generates true motivation and desire to work. We believe that practice of the Philosophy can help each person to lead a wonderful life, while also raising business performance. The outcome is realization of management that meets the expectations of stakeholders, and further strengthens the management foundation.

In FY2011, leader training was conducted in Top Management Philosophy Seminars for senior management in all regions of the world. Training included earlier videos of Kazuo Inamori, Kyocera's founder, relating his thoughts on leadership. Participants also examined the importance of cultivating the spirit of "selflessness," "righteousness" and "self-discipline," as explained in Dr. Inamori's Defining Lecture [Saigo Nanshu-o Ikun (The Final Teachings of Saigo Takamori)]. The training courses deepened understanding of the ideal state of a leader, the nature of a leader, and the functions and the necessary state of mind. Kyocera continues to enhance Philosophy education at all overseas bases.

Leader Training (U.S.A.)

Amoeba Management Seminars

The KYOCERA International Inc. Group in the U.S.A. held Amoeba Management Seminars III in June 2010. The objective was to deepen understanding of Amoeba Management — a system in which an organization is divided into small groups called Amoebas, with each operating on a self-supporting basis. Through group discussions and other means, participants learned about the essence of Amoeba Management. The aim of the seminars is to cultivate leaders with managerial awareness and promote participation of all employees in corporate management, and thereby realize a high-profit corporation with a high-profit structure.

Issue of Chinese-language "Morals and Manners Handbook"

A Chinese-language edition of the Kyocera Employee's Action Guideline subtext, Morals and Manners Handbook, was published in 2010. With illustrations in abundance, the handbook gives clear and specific advice on appropriate behavior by employees.

First published in Japanese in 2007, the content was revised for the Chinese edition in view of lifestyles, local circumstances and other customs within China. The handbook gives opportunity to reaffirm the meanings and importance of fundamental morals and manners in daily life, and learn how to act as an employee of the Kyocera Group.

Together with Employees

Social Report

Building a Safe & Secure Work Environment

Provision of a safe and healthy work environment is a major requirement for achieving the material and intellectual growth of employees, as set out in the Management Rationale. Therefore, the Kyocera Group actively promotes safety and health alongside disaster prevention activities, while concentrating on building a corporate climate embodying the concept of "Safety First."

Approaches to Occupational Safety & Health / Fire & Disaster Prevention

To advance measures for occupational health and safety plus fire and disaster prevention, the Kyocera Group implements three-year promotion plans. Targets are clarified for each year, and diverse measures are being continuously deployed.
Completed in March 2011, the 6th Environment & Safety Promotion Plan (FY2009 to FY2011) produced definite progress in realizing a safe work environment in which employees can enjoy peace of mind. Advances included increasing numbers of personnel qualified in matters relating to safety and disaster, mental health promotion leading to reduction of work-leave, and strengthened standards and measures relating to storage and handling of dangerous materials. Furthermore, thorough analysis of work-related injuries and fire or explosive accidents over the past three years revealed various causes and contributing factors.
The 7th Environment & Safety Promotion Plan, commencing in April 2011, targets further revision of risk assessment. The Plan aims for reduction of work-related injury and eradication of fire and explosive accidents. This is to be achieved via training to improve leadership ability of people in charge, enhanced basic safety training for employees with less than five years in the company, implementation of concrete countermeasures appropriate for causes and contributing factors of accidents, and other steps.

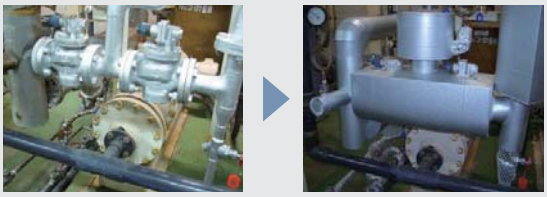
OHSAS18001 Measures

In October 2005, the Shiga Gamo / Shiga Yohkaichi plants became the first facilities in Kyocera to receive OHSAS18001 certification. (Implementation of the OHSAS18001 standards began in April 2005.)
Thereafter, OHSAS18001 standards were progressively introduced in other companies. Today, almost all 127 Kyocera Group bases (Japan) have obtained certification.
Over the six years from April 2005 to March 2011, more than 50,000 hazard sources (pertaining to work practices, machinery or equipment) were registered, with improvements subsequently implemented.
From FY2012, our Occupational Health and Safety Management Systems are being revised and enhanced. Policy and goals are being detailed further. Among other measures, regulations relating to risk assessment are being revised to enable more effective identification of hazards that could lead to work-related injury.

Example of Improvement

■ Burn-related countermeasures for water purification equipment (Kagoshima Sendai Plant)

Previously, there was a risk of burns resulting from contact with high-temperature sections of the equipment during maintenance. Protective covers have since been installed around such sections, significantly reducing the risk of burn injury.

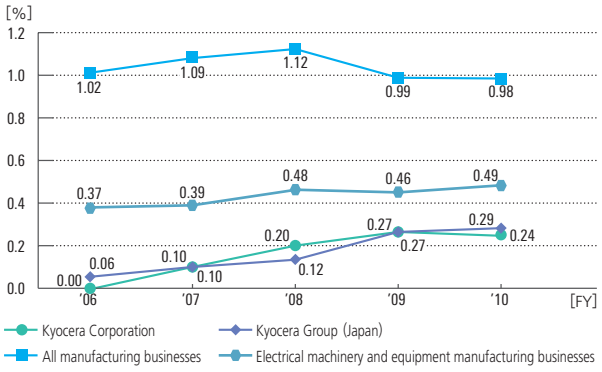


Before improvement　　After improvement

Kyocera Group (Japan) Safety Record

In FY2011, the rate of absence from work due to work-related injury in the Kyocera Group (Japan) was 0.29% (Kyocera Corporation: 0.24%). The safety record was better than the overall safety records for the entire manufacturing industry and the electrical machinery and equipment manufacturing industry. Kyocera will continue to analyze factors with potential for causing or increasing potential work-related injury and fire or explosive accidents, and consider concrete countermeasures.

[Rate of Absence Due to Work-Related Injury]



* Work-related injury absence rate: No. of injured / 1,000,000 hours
* Calculation of no. of days' absence is based on standards used by the Ministry of Health, Labor and Welfare (Japan).
* Work-related injury absence rates produced by the Ministry of Health, Labor and Welfare use calendar year data (absent from work for 4 or more days) .
* Work-related injury absence rates for Kyocera and the Kyocera Group (Japan) are based on fiscal year data. (Absent from work for 4 or more days)

Applying an Earthquake Early Warning System

In an attempt to mitigate damage from a major earthquake, the Kyocera Group (Japan) has installed disaster warning systems in 50 plants, offices and sales offices. The systems use the Earthquake Early Warning system established by the Japan Meteorological Agency.

Each facility receives a terminal with an internal seismograph corresponding to the Meteorological Agency's Earthquake Early Warning system. When an earthquake is about to strike, the terminals broadcast advance warning of the expected arrival time and magnitude throughout the facility. The system was put to use when the Great East Japan Earthquake struck on March 11, 2011. Employees received early warning and had time to take shelter.

Kyocera endeavors to minimize earthquake damage in other ways, through regular drills using the Earthquake Early Warning system, disaster prevention training for employees, disaster drills held with local fire stations, and other means.

Disaster drill (Kyocera Headquarters)

KYOCERA Chemical Corp. Receives Labor Bureau Director's Award for Excellence

In July 2010, the KYOCERA Chemical Corp. Kawasaki Plant received the Director's Award for Excellence from the Kanagawa Labor Bureau. The award was received during a gathering of the Kawasaki City Work-Related Injury Prevention Association. On receiving the award, we gave a presentation on examples of eliminating work-related injury through introduction of Occupational Health and Safety Management Systems in the Kyocera Group.

The 6th Environment & Safety Promotion Plan and Results

Name of Plan	Goal Content	Scope*	Reference or Index	FY2011 Goals	FY2011 Results
Safety & Health Promotion Plans	1. Work-Related Injury Reduction Plan				
	Reduction of work-related injuries	KYOCERA Corporation	Frequency of work-related injuries in 2007	Zero cases	Not achieved
		Domestic / Overseas		87.5% reduction	Not achieved
	Reinforcing workplace supervision system by increasing personnel qualified in safety and disaster prevention issues	KYOCERA Corporation / Domestic	No. of personnel required by law	50% increase	Achieved
	Accident-free commendation system	KYOCERA Corporation / Domestic	5 commendation levels (500 days to 2,500 days)	Ongoing operation	Ongoing operation
	Introduction of risk assessment in Group companies (overseas)	Overseas	—	Ongoing operation	Policy change
	2. Promotion Plan for Creating a Comfortable Workplace Environment				
	Setting independent standards for workplace environment management	KYOCERA Corporation / Domestic	Chemical substances (less than 1/10th of legal standard)	Ongoing operation	Ongoing operation
	Strengthening management and introducing improvements at workplaces handling chemical substances	KYOCERA Corporation / Domestic	—	Ongoing implementation	Ongoing implementation
	Strengthening management and introducing improvements at noisy workplaces	KYOCERA Corporation / Domestic	—	Ongoing implementation of improvement plans & strengthening supervision	Ongoing implementation
				Time restrictions for hazardous work at No. 3 Management Category workplaces	Ongoing implementation
	3. Mental Health Promotion Plan				
	Reducing unscheduled work-leave	KYOCERA Corporation / Domestic	No. of people commencing leave in FY2008 due to mental health problems	15% reduction	Achieved
	Enhancing mental healthcare	KYOCERA Corporation / Domestic	—	Ongoing implementation	Ongoing implementation
Fire & Disaster Prevention Promotion Plan	1. Reducing fire & explosive accidents	KYOCERA Corporation / Domestic	No. of fires and explosions	Zero cases	Not achieved
	Strengthening standards for storage of dangerousmaterials (strengthening internal standards)	KYOCERA Corporation	Workplaces storing dangerous materials at less than the small-stock quantity specified by Kyocera Corporation in-house standards (0.02-0.2 times the specified quantity) hold no more than is required for use in a single week	100% conformity	Achieved
		Domestic		60%+ conformity	Achieved
	Strengthening requirements for installation of automatic fire alarms	KYOCERA Corporation / Domestic	Buildings or no. of rooms legally exempt from need to install automatic fire alarms	Countermeasures completed: 100%	Not achieved
	2. Implementation of earthquake measures				
	Setting fixation standards for machinery and equipment	KYOCERA Corporation	—	Countermeasures completed: 40%	Criteria are being examined
		Domestic		Countermeasures completed: 20%	
	Installation of emergency equipment	KYOCERA Corporation	—	Emergency equipment installation	Installation in production bases
		Domestic			Criteria are being examined

* Scope: Kyocera Corporation / Domestic = Kyocera Group companies in Japan / Overseas = Kyocera Group companies outside Japan.

Together with Employees

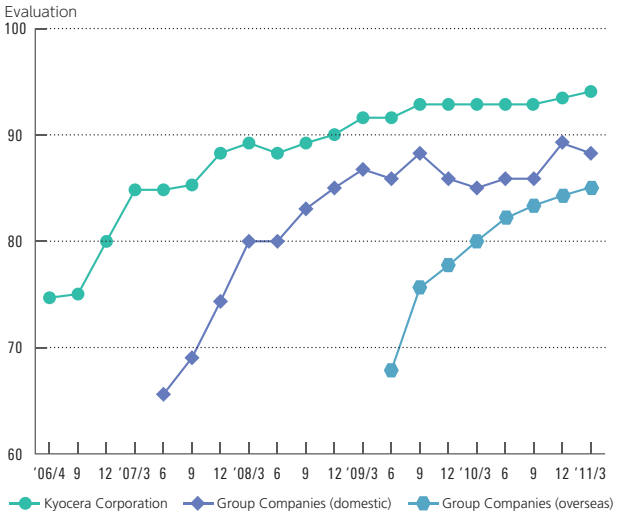
Social Report

Deployment of Kyocera Perfect 5S Promotion Activities

The 5Ss (*Seiri*: Sort / *Seiton*: Set in Order / *Seiso*: Shine / *Seiketsu*: Sanitize / *Shitsuke*: Sustain) are at the heart of work. Kyocera Group efforts to implement the 5S system perfectly are called Perfect 5S Promotion Activities, and are being introduced globally.

5S Evaluation Trends

To achieve objective evaluations, a standard 5S checklist is used throughout the Group. Evaluations are currently holding at consistant levels. Ongoing 5S activities stimulate employee awareness. Employees are acquiring the habit of making improvements as soon as a issue is noticed. Related activities are also being established independently at various bases.



Promoting "Visibility" Activities

The emergence of product defects, work-related injury and other issues can be traced back to many latent problems in the workplace. To help prevent product defects and work-related injuries, the Kyocera Group is applying measures to raise the visibility of such problems, and share the information promptly with all concerned.
By promoting activities that raise the visibility of problems, Kyocera aims to heighten problem awareness. The goal is to establish a climate of awareness, as employees take increasing notice of issues in their workplace and take independent steps to effect improvements. This has the benefit of strengthening capability on the workfloor, improving problem-solving ability as an organization, and attaining overall qualitative improvement of business.
The "Visibility" handbook was prepared in August 2010. This booklet contains a summary of concrete measures and examples from the production workfloor, where the benefits of such activities are significant. The handbook is distributed to leaders in the workplace, where it is used to promote further "visibility" activity on the workfloor.

One Example

■ "Visibility" of staircase traffic risks (Shanghai KYOCERA Electronics Co., Ltd.)

To reduce the potential for falling after stumbling over a step, or missing a step on the stairs, signs (Watch Your Step!) shown below have been placed on the floor at the bottom and the top of each staircase. Additionally, "up" and "down" directions have been clearly marked to prevent collision of people or materials on the staircase. Making these pitfalls visible means people using the stairs are always being reminded to be careful.

Going up

Going down

■ Making machinery and equipment "visible" (Kagoshima Sendai Plant)

Protective covers over machinery and equipment have been replaced with transparent covers. This enables visual recognition of defective internal operation, oil leaks, fuel deficiency, loosening of bolts and nuts, malfunctions in meters and other areas. Remedial action can be taken early on, enabling stable operation of the machinery.


Protective covers over machinery are now transparent

The 6th Environment & Safety Promotion Plan and Results

Name of Plan	Goal Content	Scope*	Reference or Index		FY2011 Goals	FY2011 Results
Perfect 5S Promotion Plan	1. Increase in audit assessment scores	KYOCERA Corporation	5S audit assessment scores (reference value set for each group)	Lowest score	+15 points	+ 5.0 points (not achieved)
				Average score	+ 7 points	+ 8.9 points (achieved)
		Domestic		Lowest score	+15 points	+15.1 points (achieved)
				Average score	+20 points	+17.9 points (not achieved)
		Overseas		Lowest score	+20 points	+21.0 points (achieved)
				Average score	+20 points	+25.1 points (achieved)
	2. Expansion to Group companies (overseas)	Overseas	—		Expansion to all offices	Implementation completed only at production bases
	3. Application of the "Perfect 5S Certified Workshops"	KYOCERA Corporation / Domestic	—		Issue of certificate	Certificate issue terminated on shift to independent inspections

* Scope: Kyocera Corporation / Domestic = Kyocera Group companies in Japan / Overseas = Kyocera Group companies outside Japan.

Together with Shareholders and Investors

Social Report

The Kyocera Group is striving to improve the transparency of business activities. At the same time, we are working to ensure the prompt, appropriate and fair disclosure of information to shareholders, investors and all others who have interests in the corporation.

General Meeting of Shareholders

Kyocera regards the General Meeting of Shareholders, the highest decision-making organ of the corporation, as an important opportunity to communicate with shareholders, and thus we always strive for openness.
The report we send to our shareholders is designed for clear understanding. It has considerable reference information, including photographs, graphs and explanations of end-of-year figures. We strive to ensure that the opinions of shareholders are reflected in management by sending out meeting notices to shareholders earlier than legally required and by making voting rights exercisable via the internet.

Reports to Shareholders

Proactive Disclosure

The Kyocera Group actively discloses information to shareholders and investors to deepen understanding of the Group. In addition to legally required material such as financial statements, disclosure of business performance, etc., the Kyocera Group places details of briefings for private investors, news releases and other updated information on the company Web site. We are endeavoring to keep shareholders and investors fully informed of pertinent matters. Kyocera also operates an e-mail notification service to let shareholders and investors know promptly of information updates on the Web site and of the latest news releases.

Users can register for e-mail notification at the Kyocera Web site shown below.

http://global.kyocera.com/ir/index.html

Profit Distribution

Kyocera's dividend policy is in principle based on the "Net income attributable to shareholders" listed in the consolidated financial results. The benchmark for the consolidated dividend payout ratio is being maintained at 20% to 25%. Furthermore, dividend payouts are determined from an overall perspective, taking into consideration funding needed for medium– to long-term corporate growth and other matters. Based on this dividend policy, the annual dividend for the fiscal year ended March 2011 was set at 130 yen per share, reflecting a 10-yen increase from the year ended March 2010.

Assessment of Socially Responsible Investment (SRI)

Socially Responsible Investment (SRI) has been expanding in recent years. Under SRI, in addition to financial analysis, investment-options selection is based on a corporation's social fairness and ethics, consideration for the environment and human rights, and other assessments of social responsibility.
The Kyocera Group is proceeding with diverse measures to fulfill the social responsibilities of the corporation. This stance is highly acclaimed and has earned Group selection distinction as an investment benchmark stock.

Main SRI Indices and Funds (also Eco-Funds) in which Kyocera is Included

SRI Indices

- Ethibel Sustainability Index (as of April 11, 2011)
- Morningstar Socially Responsible Investment Index (as of April 8, 2011)

SRI (Eco–funds) in Japan

- Sumitomo Shintaku SRI Japan Open "Good Company" Fund (as of December 24, 2010)
- Nikko Eco-fund (as of August 19, 2010)
- Daiwa Eco-fund (as of February 21, 2011)
- Global Warming Prevention – Related-Shares Fund "Chikyuryoku" (as of June 21, 2010)
- Sumitomo Shintaku Japan Share SRI Fund (as of June 9, 2010)
- Resona Japan CSR Fund "Seijitsu-no-mori" (as of March 15, 2011)
- Natural Environment Conservation Fund "Oze Kiko" (as of November 5, 2010)
- Daiwa SRI Fund (as of May 19, 2011)
- Mitsubishi UFJ SRI Fund [Family-Friendly] (as of November 22, 2010)
- Eco-Partners "Midori no Tsubasa" (as of January 27, 2011)
- SAIKYO Japan Share CSR Fund [Suiren] (as of December 22, 2010)
- DIAM High-Rating Income Open SRI (Monthly Settlement Course) "Happy Clover SRI" (as of December 6, 2010)
- Chuo Mitsui Social Responsibility Fund [SRI Keikaku] (as of February 28, 2011)
- Pinebridge / Hirogin Japan Share CSR Fund (as of March 10, 2011)

Together with Business Associates

Social Report

To our business associates, procurement departments are windows into the company. We must constantly be wary of buyer's logic, or the logic of a party in a stronger position. To consistently engage in fair purchasing activities, we have adopted the following rationale: "Purchasing is the face of the company. Always be fair. Aim to become a reliable and valuable Purchasing Group with gratitude toward others, humbly reflecting on our behavior and giving our best efforts at all times."

Relations with Business Associates

Kyocera regards business associates as "valued partners" and places great importance on joint growth and mutual improvement achieved by learning from each other. For instance, for business associates actively suggesting improvements, both parties can apply knowledge and insight toward bettering the quality, environment, delivery time and cost of a product or service.
Furthermore, to deepen understanding of Kyocera's basic approach to business transactions, we actively visit suppliers and use various opportunities for communication. In this way, we are building partnerships based on mutual trust.

Supplier Selection Policy

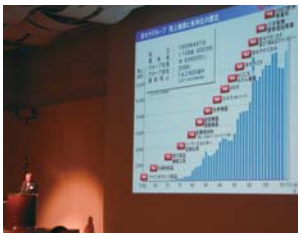
Kyocera adheres to the Supplier Selection Policy outlined below. If a new supplier seeks to conduct business with Kyocera, that prospective supplier is asked to provide a report giving a general overview of the company, and to complete a questionnaire about Environment-Related Activities. The supplier is assessed and then selected or denied based on these materials and various findings as established in the Supplier Selection Policy.
Similarly, established suppliers are periodically surveyed, assessed and reviewed.

- Whether the fundamental thinking of the Kyocera Group is understood.
- Whether the thinking of the business operator and the management rationale of the prospective supplier are acceptable to Kyocera.
- Whether the company aims to improve management ability, technological strength and manufacturing ability; and whether business management is appropriate and stable in terms of scale and finances (e.g.: VA*1 / VE*2 proposal strength) .
- Whether the company excels in such areas as quality, price, delivery time, service response, etc. (e.g.: ISO 9000 series or equivalent quality management systems; lead-time reduction activity).
- Whether the company is seriously involved in global environmental conservation activity (e.g.: ISO 14001 certification).

*1 Value Analysis
*2 Value Engineering

Supplier Seminars

Each year, business associates are invited to supplier seminars at Kyocera. The purpose is to give suppliers a better understanding of the Management Direction, business policies and other facets of the Kyocera Group, and to appeal for even greater cooperation in the future.
In March 2011, a seminar was held in Yokohama and attended by 269 people from 175 companies. Face-to-face exchange of opinion and discussion with business associates took place during a social gathering held after the seminar. Additionally, awards were presented to four companies for particular cooperation in such areas as quality, price and delivery over a year of business transactions.
Supplier seminars planned for Kyoto and Kagoshima in late-March and after were cancelled due to the effects of the Great East Japan Earthquake. The Kyocera Group intends to continue holding supplier seminars as a venue for providing information and building trust relationships with business associates.



Supply Chain CSR Questionnaire

Kyocera is systematizing CSR-related measures such as observance of laws and environmental conservation, while implementing diverse sustainability measures. To further promote these activities the cooperation of business associates has become essential.
We therefore prepared a "Supply Chain CSR Promotion Guidebook" and sent copies to our business associates. The aim is to gain the understanding of business associates regarding Kyocera's attitude on CSR. Moreover, business associates who first had dealings with Kyocera in FY2010 are later asked to complete a Supply Chain CSR Questionnaire. The purpose of the questionnaire is to give Kyocera an understanding of the current state of CSR measures being taken by each business associate.
In the future, Kyocera will be promoting various activities to encourage business associates to actively enhance measures relating to matters listed in the Supply Chain CSR Promotion Guidebook.

Together with Society

Social Report

The Kyocera Group continues to develop new technologies and provide high-quality, high-performance products. Our corporate activities are guided by the rational of "Contributing to the advancement of humankind and society." Recognizing that a corporation is a public institution, the Kyocera Group will continue to work actively not just in business, but also in contributing to society in diverse ways.

Assistance with Academic Advancement and Research

Support for the Inamori Foundation's Kyoto Prize

Kyoto Prize Presentation Ceremony

Based upon the belief of Kyocera's founder, Kazuo Inamori, that "a human being has no highter calling than to strive for the greater good of humanity and the world," the non-profit Inamori Foundation (now Public Interest Incoporated Foundation) was established in 1984. The Kyoto Prize, organized by the Foundation, is an international award to honor individuals and groups that have made distinguished achievements in the three categories of Advanced Technology; Basic Sciences; and Arts and Philosophy. The laureates are awarded diplomas, Kyoto Prize medals and a cash gift of 50 million yen per category.
In addition to the Kyoto Prize awards ceremony, various programs are held involving the laureates, including commemorative lectures and interactive workshops to allow participants to engage in lively exchange. There is also a diversified youth development program that includes special classes by laureates at high schools, and "Kids' Events" for interaction with elementary school children.
The Kyocera Group concurs with the objectives of the Kyoto Prize, and in the 27th year of the Kyoto Prize, the Kyocera Group continues to provide active support.

The 2010 Kyoto Prize laureates

Kyoto Prize Forum for high school students by 2010 laureate, Dr. Shinya Yamanaka

Assistance with the Inamori Frontier Research Center at Kyushu University

The Inamori Frontier Research Center was established at Kyushu University (Fukuoka Prefecture, Japan) to undertake research activities contributing to the harmony of minds and technology and to support the exchange and education of young researchers. Kyocera agrees with the goals of the Center, and has supported its operations since 2008 by donating scholarship funds.

Inamori Foundation Memorial Hall housing the Inamori Frontier Research Center

The Kyocera Chair of Management Philosophy at Kyoto University

In 2007, Kyocera established the Kyocera Chair of Management Philosophy in the Kyoto University Graduate School of Management (Kyoto Prefecture, Japan), an endowed chair for the purpose of systematizing management philosophy and cultivating researchers. By doing so, Kyocera fosters a steady stream of business people who possess a universal philosophy of management and corporate ethics.

Kyocera Chair of Management Philosophy Symposium

Contributions to Alfred University

In 2005, Kyocera made a donation to Alfred University (New York state, U.S.A.), an institute renowned worldwide for its education and research in ceramics and glass, which led to the official renaming of its engineering school as the Kazuo Inamori School of Engineering. In May 2011, the Inamori Kyocera Fine Ceramics Museum was opened to exhibit the products and technology that Kyocera has cultivated over the years.

The Inamori Kyocera Fine Ceramics Museum

Together with Society

Social Report

Support for Culture and the Arts

The Kyocera Museum of Art

The Kyocera Museum of Art, which is open to the public free of charge, was established in 1998 in the headquarters building (Kyoto City, Japan) as part of Kyocera's social contribution activities. Many works of art are on permanent display, including Picasso's copper plate print series 347, contemporary Japanese paintings, Western-style paintings, and sculptures. We hope visitors will take advantage of this cultural space to relax and appreciate art.

The eighth special exhibition, entitled "Poems of the Hometown: Shinya nakamura Sculpting the Japanese Spirit" was held from September to October 2010. Shinya Nakamura, who received Japan's Order of Culture in 2007, is a pioneer of contemporary representational sculpture in Japan, and a leading figure in the world of Japanese sculpture. The theme of the special exhibition depicted human beings' warm gaze and poetic sentiment, and the many visitors enjoyed the wide variety of the 44 pieces on display.

Eighth Special Exhibition "Poems of the Hometown: Shinya Nakamura Sculpting the Japanese Spirit"

The Kirishima International Music Festival

Since 2001, Kyocera has supported the Kirishima International Music Festival (Kirishima City, Kagoshima Prefecture, Japan), which has been held since 1980 with the aim of providing students with the opportunity to be educated by outstanding musicians and experience their musical performances. Concerts are given by musicians active on the world stage and workshops are held, which are very popular among participating students.

© Kirishima International Music Festival

Support for the Kyoto Hanatouro Project

Kyocera supports the Kyoto Hanatouro project, in which lights and flowers evoking a rich Japanese atmosphere are used to decorate Kyoto's prominent temples, shrines and other historical cultural assets and street scenes. In FY2011 it was held in the Arashiyama and Higashiyama areas. During the event more than 1.65 million people enjoyed the fantastic night scenery

Hokan-ji temple brilliantly illuminated
© Kyoto Hanatouro Promotion Council

Illuminated bamboo forest

International Exchange and Collaboration

The Inamori-Kyocera Western Development Scholarship Fund

In 2001, Kyocera and its founder, Kazuo Inamori, set up the Inamori-Kyocera Western Development Scholarship Fund. The fund's purpose is to financially assist economically disadvantaged university students in China's western provinces who show both outstanding academic achievement and high moral character. The fund aims to foster individuals who will aid regional development through science and technology. Scholarship funds are granted at 12 universities each year, with a total of 2,721 students having benefited as of FY2011.

Scholarship presentation ceremony

Cultural Exchange Tours for Chinese Children to Visit Japan

Kyocera has invited children from China to visit Japan since 1997, with the hope that giving firsthand experience of different cultures to these impressionable children will facilitate future bonds of friendship between China and Japan. A total of 290 children have taken part in the program thus far.

Children from China visiting Kyocera's headquarters

Training Administrative Officials and Engineers from Developing Countries

Kyocera supports international training for administrative officials and engineers who will be the driving force in the growth of developing countries. We have hosted more than 750 people from 54 countries at Kyocera's headquarters to introduce them to fine ceramic technologies and products.

Vaccines for Children in Developing Countries

Kyocera supports the Ecocap Movement, where a vaccine for a child in a developing country is donated for every 800 plastic bottle caps collected. To date, the Kyocera Group has provided 490 polio vaccines through this non-profit organization — saving children's lives while promoting recycling.

Cap collection box placed in a central location at Kyocera

Environmental Protection Activities

Support for the *Tadasu no Mori* Environmental Improvement and Landscape Preservation Project

The *Tadasu no Mori* is a nationally designated historical site, and is part of the Historic Monuments of Ancient Kyoto, a world heritage site. It is an invaluable forest, with areas of vegetation identical to primeval forests dated around the third century BC. Today it contains many important buildings such as the Shimogamo Shrine. Environmental changes arising from rapid urbanization in recent times have caused significant damage to the collection of buildings, and an environmental protection and landscape preservation project is underway, which Kyocera supports.

Participation in World Environment Day Walk

Kyocera Group employees in China took part in a World Environment Day 2010 Walk (June 5) organized by the Shilong Town Government in Dongguan City, Guangdong Province. Starting in front of the Shilong government buildings, participants walked for about two hours to promote environmental protection.

Employees participating in the walk

Local Community Beautification

The Kyocera Group aims to be an integral part of its local communities, taking part in regular beautification activities for parks, forests, rivers and areas around our offices. Since 2001, the Kyocera Group in Australia has participated in Business Clean Up Day, which promotes environmental beautification by companies. Kyocera will continue to play an active role in these activities.

Employees engage in a local beautification activity

Local Community Activities

Support for the Kyoto Sanga F.C. Professional Soccer Team

In response to the high expectations of Kyoto residents calling for a Kyoto-based professional soccer team, Kyocera helped establish Kyoto Purple Sanga (now Kyoto Sanga F.C.) in 1994. In agreement with the J-League's "100-Year Vision" and with an understanding that corporations with a local presence have a responsibility to invigorate the communities they serve, Kyocera continues to support the team. Kyocera also supports the Sanga Cup Youth Soccer Championships and the Scholar-Athlete Project, which help develop soccer skills in players ages 18 and younger.

©KYOTO.P.S.

Housing Support for Low-Income Families

The Kyocera Group in the U.S.A. supports the activities of the international non-governmental organization (NGO) Habitat for Humanity, which constructs houses for low-income families. At a solar power industry exhibition in Los Angeles in October 2010, Kyocera offered visitors to its booth a chance to play a video bowling game, and donated ten dollars to the NGO for every strike thrown.

Headquarters Building Illumination

Kyocera's headquarters building (Kyoto) is illuminated at the end of each year with approximately 200,000 LED lights (2010 total), an event enjoyed by residents and visitors alike. As part of the illumination events, a handbell group and choir from a local school perform a holiday concert in the lobby of the headquarters building.

Holiday concert in the lobby of the headquarters building

Kyoto Manufacturing Hall of Fame

In 2009, the Kyoto Manufacturing Hall of Fame opened in a municipal facility that provides career education for elementary and junior high school students. Kyocera contributed to exhibits about products and manufacturing. Students who visit the facility as part of their curriculum get an introduction to high-technology products and processes, learning the importance of manufacturing in today's world.

Together with Society

Social Report

Pink Ribbon Activities

The Kyocera Group supports the Pink Ribbon Movement to promote early detection and diagnosis of breast cancer, and donates part of the profits from its pink ceramic kitchen products to the movement. In the U.S.A., Kyocera has donated part of the profits from its pink-handled ceramic knives to the Susan G. Komen for the Cure® organization since 2004. Kyocera supports similar activities in Australia, France, Italy, Korea and Japan.

Ceramic knife series supports the Pink Ribbon Movement

Donation of Football Uniforms for Children in South Africa

Football is a very popular and much-loved sport among children in South Africa. Through the charity Kits for Kids, and in conjunction with the professional English football team Reading FC, the Kyocera Group in the United Kingdom sent 200 football uniforms to underprivileged children in South Africa.

Donation of Toys for Tots

Since 2006, the Kyocera Group in the U.S.A. has participated in the annual Toys for Tots campaign run by the U.S. Marine Corps, which collects toys for children in needy circumstances. In 2010, employees donated more than 350 toys, which were then distributed as holiday gifts.

U.S. Marines and Kyocera employees with the donated toys

Local Donation and Volunteer Activities

Each December since 1999, the Kyocera Group in Korea has donated food and daily necessities, and conducted fundraising for organizations that support disabled children and foreign laborers. In 2010, more than 200 employees volunteered their time and efforts.

Donation of winter blankets

Toothbrush Donations to Elementary School Students

Since 2000, the Kyocera Group in the Philippines has donated toothbrushes to nearly 15,200 students who attend local elementary schools, helping children to develop good oral hygiene habits.

Children receiving toothbrushes

Fundraising Efforts

Since 1963, the Kyocera Group in Japan has held an annual, nationwide year-end fundraising campaign. Contributions from employees and Kyocera companies are entrusted to their local communities. In addition, many Kyocera Group companies in and outside of Japan have made donations with the direct involvement of employees to support communities around the world stricken by disaster.

Bus for people with disabilities which was donated through fundraising activities

The Kyocera Group donated 100 million yen (US$1.22 million*) to support victims of the Great East Japan Earthquake, which struck on March 11, 2011, and to aid in the recovery of the affected regions. In addition, Group employees around the world participated in fundraising activities, and the labor union in Japan also donated funds. At the Kyocera Fukushima Tanagura Plant, which suffered damage in the earthquake, some of the food and daily necessities that had been collected from Kyocera Group companies around Japan were distributed to local residents. This collaboration continues as Kyocera and the local community work together toward recovery.

Donation of relief supplies to the Tanagura Town Office in Fukushima Prefecture

*At March 2011 exchange rate

Examples through the Years

Ever since it was founded in 1959, Kyocera has chosen business activities with the goal of contributing to the advancement of society and humankind. We do this by constantly striving to develop new technologies and offering high-quality, sophisticated products to the market. We also take advantage of diverse opportunities to contribute actively to society out of gratitude for both the tangible and intangible support we receive, which we believe has made the Kyocera Group what it is today.

1963
- Began contributing to annual year-end fundraising campaigns to help support local people in need.

1969
- Donated scholarship funds to Gamo Town (now Higashiomi City) in Shiga Prefecture, Japan and three grand pianos to elementary and junior high schools.
- Established the Inamori Scholarship Fund in the Kagoshima University Faculty of Engineering in Kagoshima Prefecture, Japan.

1976
- Established the Kyocera Children's Overseas Study Tour to promote international understanding. By 2000, 860 people had visited the U.S.A. in 25 tours.

1978
- Established the Japan Study Tour for children of U.S. employees, to promote international exchange. By 2002, 514 people had visited Japan in 25 tours.

1981
- Collaborated in establishing the Reizeike Shiguretei Library (Foundation), for preservation of "Meigetsuki," the diary of Fujiwarano-Teika.

1983
- Donated a solar power generating system to Kankoi Village in Pakistan, contributing to an improved quality of life in the nonelectrified village.

1984
- Supported the creation of the Inamori Foundation (Public Interest Incorporated Foundation), which exists to recognize outstanding achievements that contribute to human peace and prosperity through a balance of science, technology and the human spirit.
- Donated the multipurpose Inamori Hall to the Kyoto Prefecture (Japan) trade fair center, Pulse Plaza.

1985
- Supported events surrounding the Kyoto Prize Presentation Ceremony, an international awards event established by the non-profit Inamori Foundation in the same year.
- Co-sponsored "Nihonga," a contemporary Japanese painting exhibition, with Wacoal Corporation (now Wacoal Holdings Corporation). Over two years, the exhibition travelled to seven cities in five countries, both in Europe and the U.S.A.

1986
- Donated a private collection of about 1,000 photographic works of art to The National Museum of Modern Art, Kyoto (Japan). Known as the Gilbert Collection, it was compiled by Arnold Gilbert and his wife, renowned American collectors of photographic art.

1988
- Supported construction of the Pavilion for Japanese Art at the Los Angeles County Museum of Art (U.S.A.).

1991
- Supported construction of the Japan Studies Institute at San Diego State University (U.S.A.).
- Supported landscaping of the Kyoto Garden in London, contributing to Japan-UK cultural exchange.

1994
- In the spirit of the J-League's "100-Year Vision," and in response to many local residents' wishes, Kyocera helped to establish the Kyoto Purple Sanga (now Kyoto Sanga F.C.), a professional soccer team that is helping to invigorate the region with management support from Kyocera.

1995
- Supported research into the oldest civilization in China through commencement of the Japan-China Yangtze River Civilization Survey (until 2001).

1996
- Collaborated in establishing the U.S.-Japan 21st-Century Committee as a forum for specialists representing Japan and the U.S.A. to discuss mutual relations.
- Supported installation of a telescope at the Las Campanas Observatory in Chile through a donation to the Carnegie Foundation of the U.S.A.

1998
- To promote cultural awareness, Kyocera opened both The Kyocera Museum of Art, a place where visitors can admire diverse artistic works, and The Kyocera Museum of Fine Ceramics, to aid researchers and students who are responsible for developing fine ceramic technology. Both facilities are located in the Kyoto headquarters building (Japan).

- Donated British Parliamentary documents, covering the period of 1801 to 1986 (about 8 million pages in more than 12,700 volumes), to the National Museum of Ethnology in Japan. In 2006, they were transferred to the Center for Integrated Area Studies (CIAS) at Kyoto University (Japan).

2000
- Contributed to 50th anniversary events for the San Francisco Peace Treaty with Japan, to further Japan-U.S. friendship.

2001
- Established the Inamori-Kyocera Western Development Scholarship Fund to aid regional development in China's western provinces by supporting students of science and technology.
- Held the U.S.-Japan Leadership Forum jointly with CSIS (Center for Strategic and International Studies), U.S.A., for world experts to discuss leadership.

2005
- Supported the founding of the Inamori Academy of Management & Technology (now the Inamori Academy) at Kagoshima University (Kagoshima Prefecture, Japan). The Academy was developed from the Kyocera Chair of Management Studies in the Faculty of Engineering, but is now accessible to all departments.

- Kyocera made a donation to Alfred University (New York state, U.S.A.), an institute renowned worldwide for its education and research in ceramics and glass, which led to the official renaming of its engineering school as the Kazuo Inamori School of Engineering.

2006
- Donated a solar power generating system to Doujiaxian, Lanzhou City,in Gansu Province, China.

2007
- Aided in establishing the Nanostructures Research Laboratory at the Japan Fine Ceramics Center.

2008
- Donated funds to Mie Prefecture (Japan) after discovery of the ancient manuscript "Suketsunebon Saiku Nyougo-shu." The funds helped enable the prefecture to purchase the manuscript and make a replica so it could be added to the prefecture's Saiku Historical Museum collection.

2009
- Jointly sponsored the "Nihonga" contemporary Japanese painting exhibition with Wacoal Holdings Corp., for the first time since 1985. Exhibited works from 45 artists representative of the Japanese art world.

- Will donate solar power generating systems over five years beginning in FY2010 to school facilities in Uganda, Nepal and Tanzania, in order to help improve the educational environment in regions without electricity.

2011
- The Inamori Kyocera Fine Ceramics Museum opened at Alfred University (U.S.A.).

Green Management

Basis of Environmental Management Promotion

Environmental Report

The Kyocera Group started implementing environmental protection activities by unifying all Group companies based on the Kyocera Environmental Charter, the basic outline for tackling environmental issues, in 1991 under the idea of "Living Together." All Group companies are committed to environmental management and aim for sustainable corporate development while striving to combine ecology and economy under the Environmental Vision 2020 and the 7th Environment and Safety Promotion Plan, both of which incorporate the Charter.

Kyocera Environmental Charter

Established: October 1, 1991
Revised: January 1, 2011 (latest revision)

Ⅰ Preface

Technological progress and economic development in industrialized countries have given rise to affluent societies with high standards of living. At the same time, they have led to the mass consumption of natural resources and mass discharge of chemical substances — which, in turn now threaten to escalate environmental pollution and destroy the Earth's ecosystem. In addition, explosive population growth and widespread poverty in developing countries have aggravated these environmental problems with large-scale deforestation. The social and economic activities of both advanced and developing countries are intertwined, and with all parties intent on greater material consumption, nature's recuperative powers have been exceeded. As a result, the Earth's natural regenerative mechanism has been damaged on a global scale.

One of our major premises up to this time — that the Earth's ecosystem is infinitely large — is now being rejected in favor of the idea that the Earth is a closed ecosystem. Such a change in view affects the very foundation of humankind's existence and demands a re-evaluation of the quality and quantity of the products used by humankind. This, in turn, will lead to a fundamental change in the industrial / technological system within which such products are manufactured.

In the course of history, humankind has witnessed three eras of rapid development: the Agricultural Revolution, the Industrial Revolution and the Information Revolution. It is generally felt that the current environmental movement will someday be regarded as humankind's fourth era of rapid development: the Environmental Revolution.

Our future thus requires new policy goals. These should state that development and economic growth may be pursued only when proper consideration is given to the balance between nature and society and environmental conservation. While an individual's impact may be small, the cumulative result from a rapidly expanding population could cause complete environmental destruction. Therefore it is essential to establish a basic philosophy of coexistence and co-prosperity between the developed and developing countries, between business and government, and between individuals and societies. All must be viewed as participants in the stewardship of "Mother Earth," not as opposing forces with conflicting interests.

The greatest responsibility for promoting the Environmental Revolution lies with the advanced countries. In particular, businesses in such countries play a vital role, as they possess production technologies and are directly engaged in industrial activities.

Ⅱ Basic Philosophy

In accordance with our corporate motto — "Respect the Divine and Love People" — since its foundation, Kyocera has adhered closely to its 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." We strive to conduct business in harmony with the life-giving force of our universe. Kyocera had early insight into the mindset that today's global environmental problems make demands of every business enterprise. This mindset implies that business should uphold the dignity of humankind and contribute to the sustainable development of society. Based on the management rationale stated above, the Kyocera Group adopts comprehensive measures for the creation of a low-carbon producing, sustainable society — a society which exists in harmony with nature — and will further heighten our goals towards environmental protection, development of environmentally friendly products, energy conservation & climate change prevention, resource conservation, waste reduction, proper management of chemical substances, and biodiversity protection in order to make proactive and continuous contributions to environmental preservation.

Ⅲ Basic Policies

In the course of business activities, the Kyocera Group will take a serious view of global environmental protection adhering closely to the Company's basic philosophy, stated above, and will emphasize the following points:

1. Adhering to internal environmental standards that make global environmental protection our first priority;
   (1) In order to minimize impact on the natural environment and any harmful effects on the ecosystem, Kyocera will establish and comply with internal standards which are more stringent than those specified by applicable international agreements and, national laws local regulations where the Company's facilities are located.
   (2)At all levels, Kyocera will scientifically study and evaluate the effects of business activities on the environment, and then take the necessary protective measures.
2. Kyocera will strive for the development of environmentally friendly products in two categories;
   (1) Kyocera will increase its research and development of Products for Environmental Improvement that make a positive contribution to the enhancement of the global environment,and strive to spread the use of such products.
   (2) Kyocera will increase its research and development of Environmentally Gentle Products that have a lighter burden on the environment at each stage of production, sales, distribution, consumption and disposal and strive to spread the use of such products.
3. Most efficient utilization of resources and innovation of processing technologies;
   (1) Kyocera will develop processing technologies and production facilities that have maximum resource and energy efficiency. At the same time, the Company will aim to reduce raw material and chemical consumption in all processes.
   (2) Kyocera will promote internal energy conservation activities, such as more efficient use of electricity and fossil fuels, the introduction of high efficiency equipment, and the reutilization of waste heat. At the same time, the Company will promote measures for climate change prevention.
   (3) Kyocera intends to purchase recyclable materials which contribute to resource conservation while maximizing resource efficiency by establishing recycling systems for wastewater and waste materials. The Company will take aggressive steps to reduce the volume of and decontaminate all waste.
4. Enhancement of environmental communication, participation in, and support for, social contribution activities.
   (1) Kyocera will pursue education to improve employees' environmental awareness and thus promote participation in environmental preservation.
   (2) Kyocera will broadly establish cooperative relationships with local communities, municipalities and business partners to promote positive environmental communication.
   (3) Kyocera will promote the "greenification" (tree-planting) of its facilities in an organized effort to create grounds which are lush and inviting. At the same time, the Company will participate in and support social contribution activities.

Ⅳ Promotion Organization

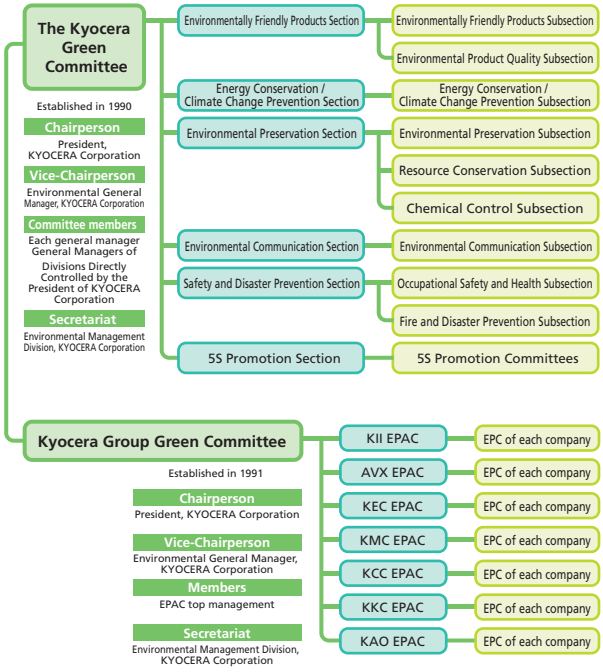
1. In order to comply with the Basic Philosophy and Basic Policy on environmental management which makes environmental protection a top priority, and to review internal environmental policy measures, Kyocera will establish the Kyocera Green Committee consisting of the president and corporate division managers.
2. Kyocera will establish a framework of environmental specialists at each of its locations to implement the target and action plan established by the Kyocera Green Committee.
3. Kyocera will establish and operate an environmental management system based on ISO14001 standards,and continuously expand environmental preservation activities.
4. To ensure compliance with legal and governmental environmental regulations, and internal environmental standards, an internal review group will conduct audits on both a regular and an as-needed basis.
5. The Environmental Management Division, facility manager and environmental specialists will implement an independent auditing system regarding environmental protection at each of its business locations.

Ⅴ Application

The Kyocera Environmental Charter will be applied to companies within the global Kyocera Group.

Environmental Management Promotion System

Kyocera established the Kyocera Green Committee and Kyocera Group Green Committee (KGGC), to allow the entire Kyocera Group to promote company-wide environmental protection activities based on the Kyocera Environmental Charter.
The Kyocera Green Committee — consisting of the president as chairperson and departmental managers as members — is the supreme decision-making body for Kyocera Group companies in the environmental field. The Kyocera Green Committee's charter is to promote an environmentally-safe vision, as well as the ensuing targets, measures, and action plans for the Kyocera Group.
The KGGC was established to spread the vision and targets determined by the Kyocera Green Committee among Kyocera Group companies. The KGGC periodically reviews the challenges of each Group company and exchanges opinions. The KGGC also supports deployment of voluntary activities adopted by each area.



[Environmental Protection Assurance Committee]

EPAC guides and supports each Group company's Environmental Protection Committee (EPC) in promoting conservation activities based on the Kyocera Environmental Charter. In order to promote protection activities for the entire Group, the EPAC also conducts audits in cooperation with each EPC. There are seven EPACs.

- ●KII(KYOCERA International, Inc.) Group
- ●AVX(AVX Corporation) Group
- ●KEC (KYOCERA ELCO Corporation) Group
- ●KMC (KYOCERA MITA Corporation) Group
- ●KCC (KYOCERA Chemical Corporation) Group
- ●KKC (KYOCERA KINSEKI Corporation) Group
- ●KAO (KYOCERA Asia & Others) Group

[Environmental Protection Committee]

An Environmental Protection Committee is set up at each Group company. Each EPC independently makes, conducts and evaluates activity plans and periodically releases a report to the EPAC.

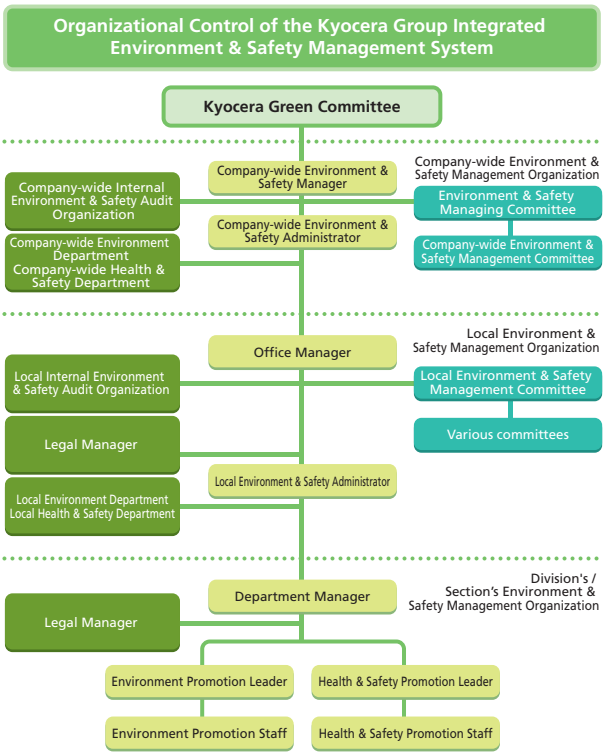
Targets and action plans determined by the Kyocera Green Committee are broken down in the Environmental Management System based on the ISO 14001 Standard. The Plan, Do, Check, Act (PDCA) cycle is applied monthly in order to spread continuous environmental conservation activities.
We adopted and applied an Environmental Management System in 1996 when the ISO Standard was established. We build systems globally in the following four categories and now deploy and apply them at all 375 locations at home and abroad.

[Number of Locations Applying the Environmental Management System (as of March 2011)]

Kyocera Group Integrated Environment & Safety Management System	195
Environmental Management System (individual certification)	75
Self-Certification Environmental Management System (AVX Group)	4
KGEMS*	101
Total	375

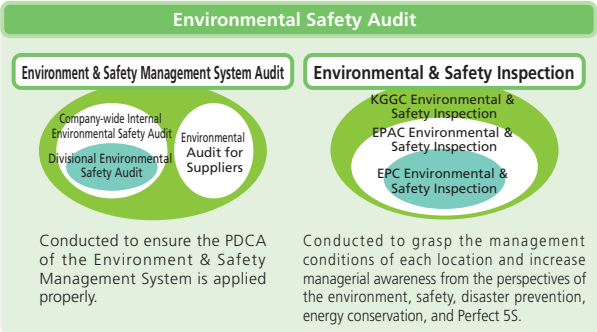
* KGEMS: Kyocera Group Environmental Management System, is the Kyocera Group's own self-certification system, closely based on the ISO 14001 Standard.
* See page 88 for ISO14001 certification status.

The Kyocera Group (Japan) applies and spreads the targets and measures determined at the Kyocera Green Committee through the Kyocera Group Integrated Environment & Safety Management System.



Environmental Safety Audit

The Kyocera Group periodically conducts environmental safety audits.



In the Kyocera Group Integrated Environment & Safety Management System, a company-wide Internal Environmental Safety Audit and a Divisional Internal Environmental Safety Audit are performed at each division and office. The purpose of the audit is to examine the effectiveness of the internal audit and work performance relating to the Environment & Safety Management System. An auditor from another office/division conducts the audit.

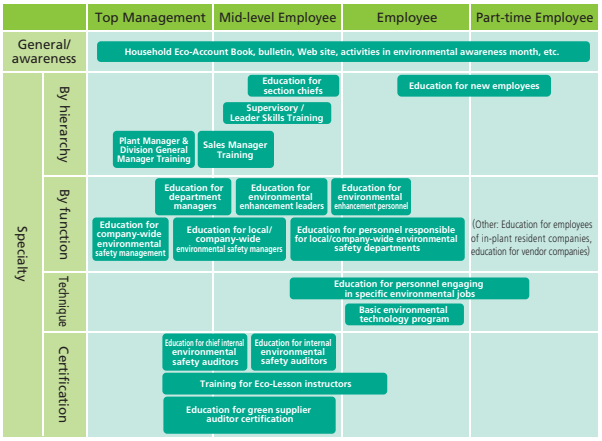
These audit results are reported to the office managers and the company-wide environmental safety manager. Corrective actions are taken immediately. The results and corrective actions are reflected in the review and in the improvement of the Environment & Safety Management System.

The Kyocera Group performs annual self-inspections of its environmental safety management system to grasp the state of environmental safety management at each office home and abroad throughout the Kyocera Group and to improve the level of management.

Environmental & Safety Inspection (Hokkaido Kitami Plant)

Environmental Education

The Kyocera Group systematically performs environmental education by classifying it into general/awareness education and professional education and helping our employees to understand the significance of working on environmental conservation activities and the role each person plays to raise overall environmental awareness.



Training for "Eco-Lesson" Instructors

The Kyocera Group offers Eco-Lessons, which provide children — the leaders of the next generation — with opportunities to deepen their understanding of environmental issues and energy concerns, as well as nurture their appreciation for the earth in the course of school education through hands-on programs which use solar-powered toys and other educational materials. Employees who have completed training are appointed as instructors for the Eco-Lessons. The training includes mock classes and role-playing, and demonstrates how to use classroom materials as communication with children is essential. A certification exam is given at the end of the training, and only employees who pass can become instructors. The training for Eco-Lesson instructors also helps employees to improve their environmental awareness and foster their awareness of community service.

Training for Eco-Lesson instructors

Promotion of Kyocera Group Environmental Awareness Month

Designating each June as Kyocera Group Environmental Awareness Month, the Kyocera Group (Japan) undertakes various efforts to raise environmental awareness and enhance environmental management and conservation activities in each plant and division. In FY2011, Kyocera implemented an effort to improve employee's awareness of the environment by distributing My Environmental Declaration cards to all employees, on which each employee writes their specific goal to contribute to environmental protection and presents it at a divisional morning gathering.

My Environmental Declaration, which is determined by each employee

Presentation at morning gatherings

Other activities during Environmental Awareness Month

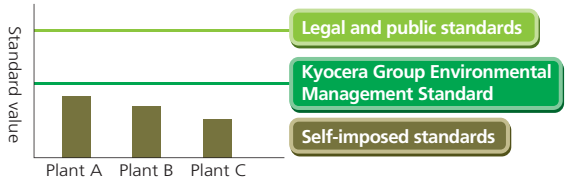
- Environmental & Safety Inspection
- Presentation of Environmental Tips at morning gatherings
- Display of environmental posters
- Turning off unnecessary lights at each plant and office*
- Environmental social events with local companies
- Eco-driving workshops
- Green Curtains

*The "billboard lights off" campaign was conducted at 39 facilities, 22 sites in Japan, resulting in a total of 1915 kg in reduced CO_2 emissions.

Environmental Risk Management

Establishment of the Environmental Management Standard

The Kyocera Group not only complies with all legal and public regulations but also established the Environmental Management Standard in 1992 in which each office specifies stricter self-imposed standards than legal and public standards in order to assure thorough management. In FY2009, the scope of the standard was extended to the whole Kyocera Group in Japan.
In FY2011, Kyocera improved facilities and the management system at the Shiga Yohkaichi Plant, Kyocera Kinseki Yamagata Co., Ltd. and the Kyocera Mita Japan Corp.'s Hirakata Plant.



[Example of Kyocera Group Environmental Management Standard (extracted from a total of 44 water-related substances)]

Item	Unit	Water Pollution Control Law	Kyocera Group Environmental Management Standard	Self-Management Standard (e.g. Nagano Okaya Plant)
Biochemical oxygen demand (BOD)	mg/L	160 and under	10 and under	8 and under
Chemical oxygen demand (COD)	mg/L	160 and under	10 and under	8 and under
Suspended solid (SS)	mg/L	200 and under	5 and under	4 and under
Soluble iron content	mg/L	10 and under	5 and under	3 and under
Chromium content	mg/L	2 and under	0.1 and under	0.05 and under
Soluble manganese content	mg/L	10 and under	5 and under	0.5 and under
Lead and its compounds	mg/L	0.1 and under	Not detected	Not detected

Examples of Efforts

■ Reinforcement of discharged water treatment facility (Shiga Yohkaichi Plant)

The discharged water treatment facility was reinforced in conjunction with an increased production of solar power generation systems. We conduct proper management through the establishment of an up-to-date treatment facility while making effective use of the existing facility.

Environmental Regulations Compliance Status

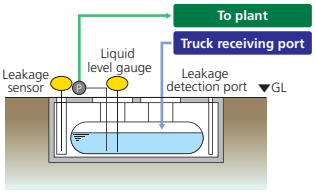
In FY2011,the Kyocera Group received an administrative directive on air pollution with respect to the usage amount of an alcohol reagent in the San Diego Plant of Kyocera Solar, Inc., a Group company in the United States, but we have finished implementing the remedial measure.
There was also a complaint about noise at the Nagano Okaya Plant, but we immediately resolved the issue.

Monitoring Soil and Groundwater Contamination

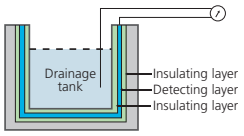
Kyocera established the internal Environmental Management Standard for soil in 1992 and performs yearly soil evaluations and measurements. Furthermore, we established an Underground Installation Handling Standard in 1996. We specify that the piping structures and storage tanks for discharged water containing soil contaminants must be easy to visually inspect, enabling the early detection of leaks to contain the spread of contamination.
In FY2011, we established control criteria for the prevention of soil and underground water contamination with respect to the use of hazardous materials in an attempt to reinforce control.

Leakage Detection System

An insulating layer and conductive-detecting layer are applied to the inner surface of the pipe or drainage tank. If the insulating layer is damaged, this system detects leakage according to a change in electrical resistance between the wastewater and the detecting layers.



Double-layered underground tank storage



Leakage Detection System

Dealing with Emergencies

Assuming the inevitability of accidents and emergencies which may affect the environment, we have taken preventative countermeasures, such as the installation of dikes. We have also prepared procedures for dealing with emergencies. To ensure that employees are familiar with these procedures, we hold emergency training drills more than once each year.

Emergency training (Kagoshima Kokubu Plant)

Kyocera Group Environmental Management Contribution Award

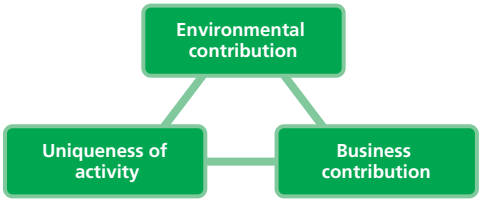
In 1996, the Kyocra Group introduced the Kyocera Global Environment Contribution Award for stimulating environmental conservation activities. Since 2009, this award was expanded to cover the whole Kyocera Group (Japan) and its name was changed to the Kyocera Group Environmental Management Contribution Award.
With this system, the Green Committee evaluates unique and groundbreaking environmental protection activities that have been conducted for one year and have contributed significantly to the global environment, for which the Chairman (President) gives awards; a total of 83 awards have been given out so far.

Categories for Selection

"Environmentally Friendly Products" Category	"Energy Conservation / Climate Change Prevention" Category	"Environmental Conservation" Category	"Resource Conservation" Category	"Environmental Communication" Category

Evaluation Point

Activities are quantitatively evaluated with respect to the following three aspects for which awards are selected.



15th Kyocera Group Environmental Management Contribution Award

Grand Award (1 case)

"Environmentally Friendly Products" Category TASKalfa 255 / TASKalfa 305

- Power consumption during sleep mode is lower compared to existing models in order to reduce power consumption in operation. An industry-leading 1-watt of power consumption during sleep mode was achieved.
- Product weight is reduced by lowering the product height compared to existing models.
- Packaging weight is reduced by pulp molding biodegradable cushioning materials.

Excellence Award (8 cases)

"Environmentally Friendly Products" Category
Drum heating gas dust collector filter

A two-layer ceramic filter where the base and the duct collecting layer are integrated. It is capable of collecting dust at high temperature because of its high heat resistance, contributing to a reduction in production of dioxin.

"Environmentally Friendly Products" Category
High Efficiency Facemill Cutter MFPN Type

A cutting tool that adopts a helical cutting edge structure which reduces cuting resistance and a double edge structure which reduces impact load at the time of cutting. It contributed to the reduction of power consumption for users by improving processing efficiency.

"Environmentally Friendly Products" Category
KRH Series Thermal Printheads

The design of a flexible printed circuit board with smaller size was enabled by integrating signal terminal distribution to the IC driver mounted on a ceramic circuit board, contributing to resource savings.

"Energy Conservation / Climate Change Prevention" Category
Energy saving by introducing the in-house compressor quantity control system

Contributed to a reduction in CO_2 emissions and a significant reduction in energy costs by optimizing the number of operating machines according to the changes in load by developing and introducing in-house compressor quantity control system at the Kagoshima Kokubu Plant.

"Energy Conservation / Climate Change Prevention" Category
Energy saving in toner production equipment by replacing with high-efficiency blowers.

Reduced power consumption significantly by replacing with high-efficiency blowers and introducing inverters in the toner production process at the Tamaki Plant of Kyocera Mita Corp. Contributed to a reduction in introduction costs by performing the adjustment and test operations of each device in-house.

"Environmental Conservation" Category
Improvement by the Industrial Waste Reduction Project at the Shiga Yohkaichi Plant.

Contributed to a significant reduction in chemical substance usage and industrial waste in production processes and the waste water treatment process by launching a project where the product division and the environmental division worked together.

"Resource Conservation" Category
Reduction in resource input by recycling zirconia material.

While previously the zirconia collected using the cyclone dust separator in the raw material production process was discarded for the stabilization of products, it became recyclable by establishing a new recycling technology, contributing to a total reduction of waste.

"Environmental Communication" Category
Contribution to the realization of a low-carbon society through the use of the Solar Cycle Station

Introduced the Solar Cycle Station, a recharging system for electric assisted bicycles, in response to the "Next Generation Energy Park Initiative" of Higashi-Ohmi City in Shiga Prefecture approved by the Ministry of Economy, Trade and Industry of Japan. Contributed to the realization of a low-carbon society in the area through discussion and provision of technological support beginning with the planning phase of the initiative.

Environmental Report

Environmental Accounting

The Kyocera Group established an Environmental Accounting System in FY2003. By introducing quarterly data collection in FY2005, we have now improved the accuracy and timely review of our data. We will continue to use the system as a global environmental management indicator.

[Range of data collection: 220 sites]

①Sites collectively certified under the Kyocera Group Integrated Environment & Safety Management System: 195 sites
②Dongguan Shilong KYOCERA Optics Co., Ltd. (China); Shanghai KYOCERA Electronics Co., Ltd. (China); AVX Group (18 sites); KII Group (5 sites)
Period covered: April 2010 through March 2011
Guideline for reference: Ministry of the Environment's "Environmental Accounting Guidelines 2005"

Concept of Environmental Accounting

Double reporting of internal transactions is prevented in companies subject to data collection. For Group companies with an equity ratio not equal to 100%, data collection is performed by regarding the investment amount, expense amount, and environmental conservation effects as 100%.

Concept of Environmental Conservation Costs

For environmental conservation facilities, the investment amount and running costs are totaled. For environmental conservation activities, the expenses spent for such activities are totaled. Research and development costs included in costs for environmental conservation are included in fundamental research and development.

Definition of Environmental Conservation Effects and Economic Benefits

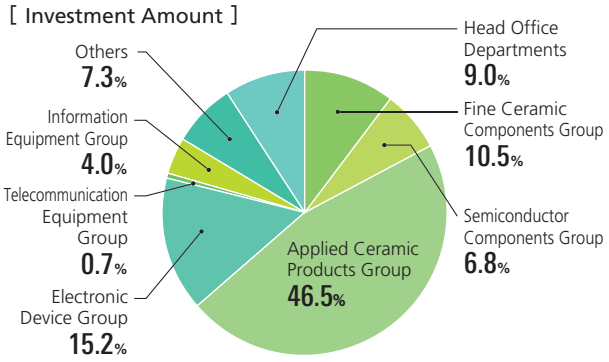
The economic benefits of environmental conservation efforts are computed only for cases in which there is clear, quantifiable evidence of an improvement in environmental conservation. The economic effects as a result of environmental conservation measures for research and development costs are not computed.

Environmental Accounting Analysis Results

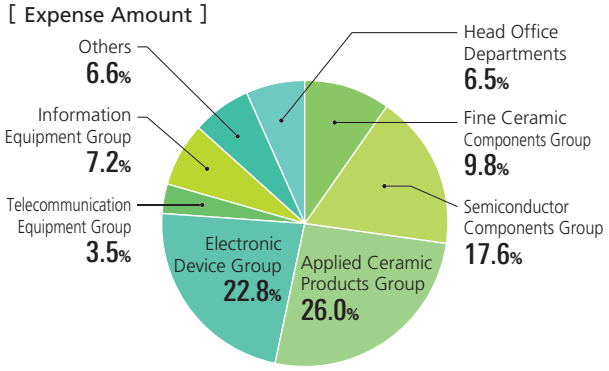
The Kyocera Group has introduced consolidated environmental accounting based on the Kyocera Group Environmental Accounting System.
In FY2011, environmental preservation costs were 1.78 billion yen for investments and 11.81 billion yen for expenses.
The investments in FY2011 increased from FY2010 by 234 million yen because of an increase in investments in research and development related to energy creation such as next-generation solar cells and fuel cells in addition to the reinforcement of a waste water treatment facility associated with an increased production of solar cells at the Shiga Yohkaichi Plant, an introduction of solar power generating systems at manufacturing plants and energy saving measures for air-conditioning facilities.
The costs increased from FY2010 by 50 million yen due to the costs related to the new waste water treatment facilities at the Shiga Yasu Plant and an increase in costs for climate change prevention measures such as solar cells.
On the other hand, the enhanced economic effects from environmental conservation measures increased from FY2010 by 1.169 billion yen due to further reductions in use of fuels, raw materials, indirect materials and chemical substances as well as an increase in proceeds from the promotion of producing valuables and a production recovery in spite of a decrease in economic effect from energy saving. The economic effects in FY2011 resulting from environmental preservation measures exceeded expenses by 2.887 billion yen (excluding research and development costs).
Environmental conservation benefits exceeded those of FY2010 in almost all items despite a decrease in effect due to a suspension of facilities in an effort to reduce power usage.
Emissions per unit of sales improved in 11 out of 13 items, and Kyocera will continue to promote proactive environmental conservation measures.

Analysis by Business Segment

[Investment Amount]



[Expense Amount]



Environmental Conservation Costs

(Unit: Million yen)

Cost Classification	Investment		Cost		Main Measures
	FY2010	FY2011	FY2010	FY2011	
Business area costs	1,260	806	5,835	6,178	
1. Pollution prevention costs	1,141	409	3,035	3,303	Introduction and maintenance / Management of pollution prevention equipment / Measurement and analysis of environmental load
2. Global environmental conservation costs	85	358	832	956	Introduction of energy-saving devices / Greenhouse gas reduction activities
3. Resource recycling costs	34	39	1,968	1,919	Resource-saving activities / Introduction and maintenance / Management of waste-recycling equipment
Upstream / downstream costs	–	–	391	354	Responding to green procurement / Collection and recycling of used products
Management costs	3	10	1,485	1,477	Improvement and application of the environmental management system / Coping with PRTR
R&D costs	283	964	4,019	3,756	Product development contributing to environmental conservation
Social activity costs	–	–	23	36	Co-sponsored donations for environmental associations, Eco-Lessons
Environmental remediation costs	–	–	7	9	Clean-up and monitoring of groundwater
Total	1,546	1,780	11,760	11,810	

Economic Effects of Environmental Preservation Measures (Unit: Million yen)

Item	Amount		Main Matters
	FY2010	FY2011	
Income	2,014	2,208	Sale of property
Cost-cutting measures	7,758	8,733	Reductions in electric expenses, fuel expenses, waste disposal costs
Total	9,772	10,941	

Cost-Effectiveness

(Unit: Million yen)

	FY2010	FY2011
Expense amount excluding research and development costs (1.)	7,741	8,054
Economic effects resulting from environmental preservation measures (2.)	9,772	10,941
Cost-effectiveness (2.–1.)	2,031	2,887

Environmental Conservation Effects

Effect Content	Annual Effect		
	FY2010	FY2011	Unit
Reduction of electricity	169,483	139,767	MWh
Reduction Tons-CO_2 of fuel	11,604	13,104	Kℓ(crude oil equivalent)
Reduction of greenhouse gases such as PFC	28,422	28,082	Ton-CO_2
Reduction of water usage	36,709	37,890	1,000m³
Reduction of chemical substances	15,999	21,798	Tons
Reduction of waste	43,035	45,900	Tons

CO_2 equivalent

	CO_2 Reduction Effect	
	FY2009	FY2010
Amount of reduction	146,185 ton-CO_2	127,175 ton-CO_2
Monetary equivalent	262 million yen	228 million yen

1,790 yen/ton-CO_2, which is the EU emissions trading average price for the whole financial year of 2011, is used as the monetary equivalent of the CO_2 reduction effect.

Environmental Conservation Effects (total gross)

			Unit	FY2010	FY2011	Total Environmental Conservation Effects	Benefit of Environmental Conservation Effects per Net Sales*1
Environmental conservation effects concerning resources used for business activities	Total input of energy		GJ	15,480,679	18,585,386	△3,104,707	3.0%
	Introduction of energy by type	Electricity	MWh	1,376,701	1,652,134	△275,433	3.1%
		Fuel	KℓCrude oil equivalent)	50,251	60,499	△10,248	2.8%
	Handled volume of materials subject to PRTR		Tons	4,665	4,418	247	23.5%
	Input water resource		1,000m³	10,906	13,284	△2,378	1.6%
Environmental conservation effects concerning environmental impact and waste discharged by business activities	Greenhouse gas emissions		Ton-CO_2	722,558	816,317	△93,759	8.8%
	Greenhouse gas emission by type	CO_2	Ton-CO_2	717,790	811,174	△93,384	8.7%
		PFC	Ton-CO_2	4,768	5,143	△375	12.9%
	Release / transfer of materials subject to PRTR		Tons	272	403	△131	△19.9%
	Total discharge of industrial waste		Tons	19,992	24,510	△4,518	1.0%
	Total drainage volume		1,000m³	6,444	7,797	△1,354	2.3%
	NOx emission		Tons	43.5	49.9	△6.4	7.3%
	SOx emission		Tons	2.2	3.3	△1.1	△22.6%

Note: Since the range of data collected for environmental conservation effects (gross amount) is adjusted to the range of data collected for environmental conservation costs, they are different from the total values on other pages.
*1 Indicates environmental conservation effect values by difference between FY2010 and FY2011 (gross amount) and percentage change per sales amount of 100 million yen in FY2010 and FY2011.

Major Greenhouse Gas Reduction Measures

Plant Name	Subject	Summary	Effects Expected (annually)	
			Reduction	Economic Effects
Hokkaido Kitami Plant	Introduction of solar power generating system	We installed a solar power generating system on the plant building to reduce power consumption.	120,000	7.3 million yen
Fukushima Tanagura Plant			30,000	
Nagano Okaya Plant			65,000	
Shiga Gamo Plant			131,000	
Shiga Yasu Plant			83,000	
Kagoshima Sendai Plant			162,000	
Tamaki Plant, Kyocera Mita Japan Corp.			47,500	
KYOCERA Mexicana, S.A.de C.V.			115,000	

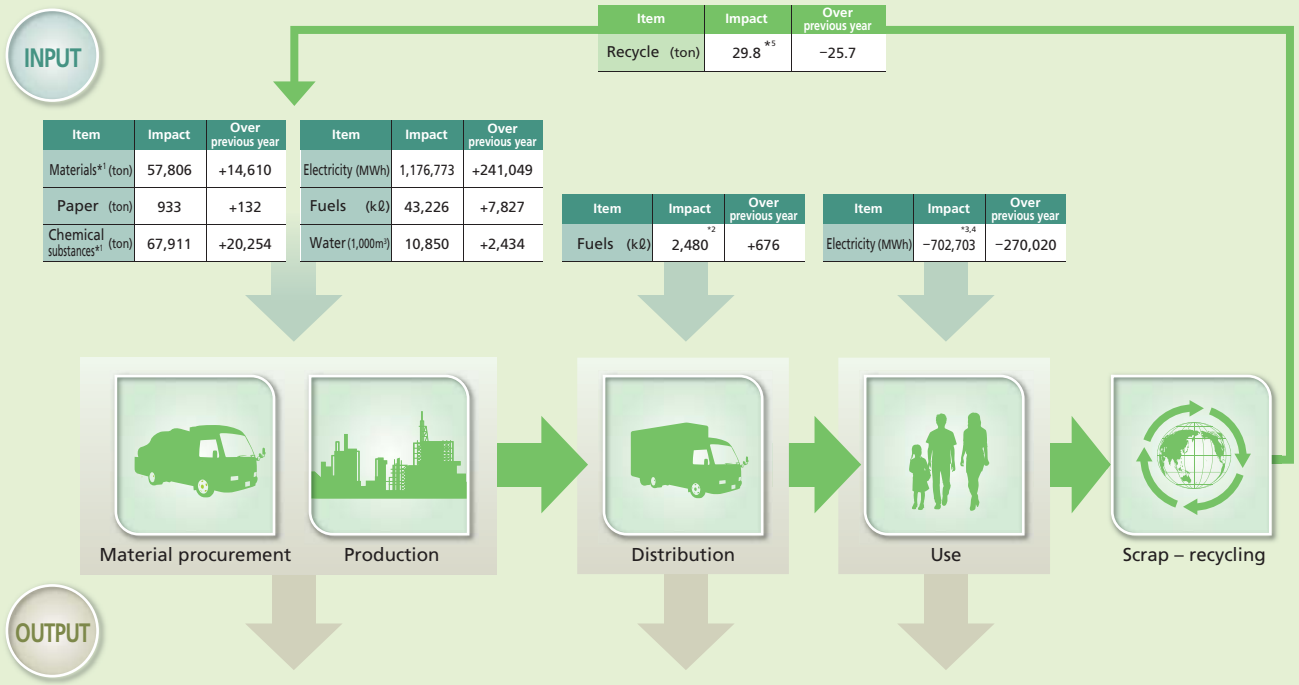
Major Environmental Conservation Measures

Plant Name	Subject	Summary	Investment Amount	Effects Expected (annually)	
				Reduction	Economic Effects
Shiga Yohkaichi Plant	Reinforcement of discharge water treatment facility	We reinforced the discharge water treatment facility in conjunction with an increase in solar cell production.	232 million yen	–	–
Kagoshima Hayato Plant	Introduction of cyanogen-contaminated water recycling system	We recycled discharged water by collecting precious metals and removing cyanogen in cyanogen contaminated water.	1.8 million yen	Cyanogen discharge amount: none Reduced water consumption: 904m³ Precious metals collected	3 million yen
Shiga Yohkaichi Plant	Reduction of wastewater sludge	We have reduced waste by injection control of wastewater treatment agent.	1.3 million yen	Waste reduction: 227 tons	5.9 million yen

Overall Environmental Impact

This diagram shows the environmental impact of the entire Kyocera Group, clarifying the relationship between our business activities and the environment.

■ **Scope of data collection:** Sites certified under Kyocera Group Integrated Environment & Safety Management System (refer to page 89)



Item	Impact	Over previous year
Recycle (ton)	29.8 *5	−25.7

Item	Impact	Over previous year
Materials*1 (ton)	57,806	+14,610
Paper (ton)	933	+132
Chemical substances*1 (ton)	67,911	+20,254

Item	Impact	Over previous year
Electricity (MWh)	1,176,773	+241,049
Fuels (kℓ)	43,226	+7,827
Water (1,000m³)	10,850	+2,434

Item	Impact	Over previous year
Fuels (kℓ)	2,480 *2	+676

Item	Impact	Over previous year
Electricity (MWh)	−702,703 *3,4	−270,020

Item	Impact	Over previous year
Greenhouse effect gas (ton-CO_2)	510,295	−76,307
NOx (ton)	50	+7
SOx (ton)	3.3	+1.1
Industrial waste (ton)	17,547	+5,051
General waste (ton)	1,438	+85

Item	Impact	Over previous year
Final disposal amount (ton)	6.4	+0.7
Water discharge (1,000m³)	7,797	+1,353
BOD (ton)	17.3	+1.6
COD (ton)	29.8	+5.7
Chemical substances (ton)	388	+116

Item	Impact	Over previous year
Greenhouse effect gas (ton-CO_2)	6,537 *2	+1,777

Item	Impact	Over previous year
Greenhouse effect gas (ton-CO_2)	-275,119 *3,4	−105,708

*1 Materials and chemical substances were converted to an annual value based on the records from July through September. We corrected some calculation errors in the previous year's data of materials.
*2 Loads related to distribution were calculated in accordance with the Energy Savings Act and based on the report data, such as the energy usage related to transport of the specified shipper (Kyocera).
*3 Annual value was calculated based on LCA data of solar modules and mobile phones/PHS (26 major items) delivered in FY2011. (Kyocera).
*4 Electricity and greenhouse gases at use-level were calculated based on the balance between energy effect by solar power generation and load at time of use. (Kyocera).
*5 Weight of toner containers (23 items) reused in FY2011 was calculated (Kyocera Mita Japan Corp.).

Input Items

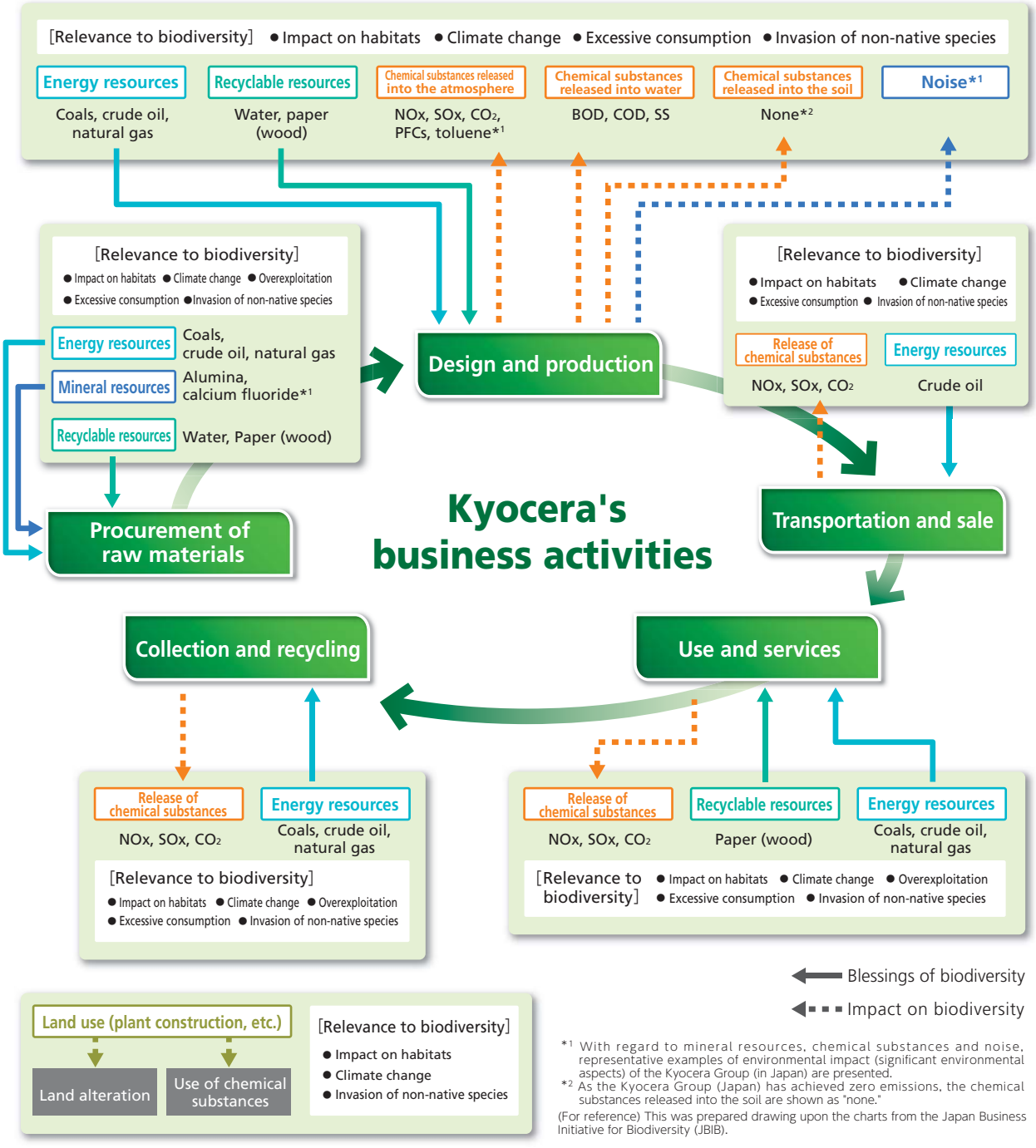
Materials	Consumption amount of main raw materials and sub-materials
Paper	Amount of copy paper and forms used in manufacturing process
Chemical substances	Amount of toxic/hazardous chemicals monitored by the related ordinances and used in our production, which are specified by 12 ordinances including the Hygiene Health Poisonous and Deleterious Substances Control Law; Fire Service Act (hazardous materials); Industrial Safety Law; PRTR Law; and the Law Concerning the Examination and Regulation of Manufacture of Chemical Substances
Electricity	Electricity purchased from electric power companies
Fuels	Amount of fuels used as energy, such as LPG, light oil, and heavy oil (crude oil equivalent)
Water	Amount of city water, industrial water and groundwater consumption

Output Items

Greenhouse gases	Amount of 6 major gases discharged, including CO_2 and PFC, as a result of electricity, gas and fuel consumption
NOx	Amount of nitrogen oxides discharged from gas and fuel consumption
SOx	Amount of sulfur oxides discharged from gas and fuel consumption
Industrial waste	Amount of discharged industrial waste generated by business Activities
General waste	Amount of discharged general waste generated by business activities
Final disposal amount	Amount sent to landfill for both industrial and general waste, including residues after intermediate treatment
Water discharge	Amount of discharged water into rivers (except water discharged to sewage system)
BOD	Load of discharged biochemical oxygen demand
COD	Load of discharged chemical oxygen demand
Chemical substances	Release and transfer amount of chemical substances specified by PRTR (Class 1 chemical substances)

Relevance of Corporation and Biodiversity (Kyocera Group (Japan))

In regards to the Kyocera Group's business activities, while we are benefitting from ecological systems such as raw material procurement, output has a large effect on biodiversity. We have summarized the relevance between business activities and biodiversity in this chart.



*1 With regard to mineral resources, chemical substances and noise, representative examples of environmental impact (significant environmental aspects) of the Kyocera Group (in Japan) are presented.

*2 As the Kyocera Group (Japan) has achieved zero emissions, the chemical substances released into the soil are shown as "none."

(For reference) This was prepared drawing upon the charts from the Japan Business Initiative for Biodiversity (JBIB).

Green Management

Basis of Environmental Management Promotion

Environmental Report

6th Environment & Safety Promotion Plan and Results

Name of Plan	Goal Content	Scope*1	Reference or Index	FY2011 Goal		FY2011 Results	Appropriate page
				First Half	Second Half		
Environmentally Friendly Product Promotion Plan	1. Development and sales expansion of environmentally friendly products						P63-68
	Increase the certification percentage of Kyocera's environmentally friendly products	KYOCERA Corporation	Certification percentage of Kyocera's environmentally friendly products	100%		89%	
	Expand production and increase sales of Kyocera's environmentally friendly products						
	Sales increase of certified products in Kyocera's finished products category	KYOCERA Corporation	Sales proceeds of Kyocera's environmentally friendly products in FY2008	150% improvement		170% improvement	
	Production expansion of certified products in Kyocera's components category	KYOCERA Corporation	Production of Kyocera's environmentally friendly products in FY2008	71% improvement		55% improvement	
	Production expansion and sales increase of certified products at group companies	Global	Production or sales of Kyocera's environmentally friendly products in FY2010	Implementation		Continuation of review	
	Expansion and development of environmentally related businesses						
	Increase output of solar cells	KYOCERA Corporation	—	Annual output 600MW		650MW	
	Market introduction of solid-oxide fuel cell (SOFC)	KYOCERA Corporation	—	Early market introduction		Continuation of development	
	2. Establishing and expanding the application of the Environmental Consciousness Evaluation System	Domestic	—	Continuation of application		Continuation of application	
		Overseas		Ongoing operation		Review of application method	
	3. Creation of new environmentally friendly products and services	Global	—	Implementation		Implementation	
	4. Promotion of green procurement	KYOCERA Corporation / Domestic	Green procurement percentage	100%		98.1%	
Products Environmental Quality Promotion Plan	1. Application of the Kyocera green supplier certification system	KYOCERA Corporation	—	100% certification maintenance		Auditing	
		Domestic		Ongoing operation		Preparation of application	
		Overseas		Continuation of application		Preparation of application	
	2. Enhancement of monitoring system for environmental product regulations and customer requirements						
	Creation and application of management system for chemical substances in products	KYOCERA Corporation	—	Continuation of application		Review of building	
		Domestic		Continuation of application		Review of building	
		Overseas		Start of application	Continuation of application	Review of building	
	Obtaining the latest information on and observation of environmental product regulations	Global	—	Sharing information on environmental regulations and determining how best to respond to environmental product regulations		Response taken	
	3. Compliance with European chemical substance control guidelines, REACH	Global	—	Creation, review and implementation of the response method		Response taken	
	4. Substitution and abolition of specified hazardous substances (lead, hexavalent chromium, etc.)	Global	—	Implementation		Response taken	
Energy Conservation Promotion Plan	1. Reduction of electricity consumption	Global	FY2008 electricity consumption per net sales	9% reduction		9.4% increase	P69-72
	2. Reduction of fuel consumption	Global	FY2008 fuel consumption per net sales	9% reduction		4.2% increase	
Climate Change Prevention Promotion Plan	1. Reduction of greenhouse gas emissions						
	Aggregate reduction	KYOCERA Corporation	FY1991 total amount of greenhouse gas emissions	6% reduction		39.2% increase	
		Domestic				59.8% increase	
		Overseas		—	Below the first commitment period target for the Kyoto Protocol	Promotion of energy saving and measures to prevent climate change	
	Reduction per net sales	KYOCERA Corporation	FY1991 greenhouse gas emissions per net sales	44% reduction		30.2% reduction	
		Domestic				23.6% reduction	
		Overseas	FY2008 greenhouse gas emissions per net sales	9% reduction		3.9% reduction	
	2. Reduction of CO_2 emissions from cargo shipping	KYOCERA Corporation	FY2008 CO_2 emissions per net sales	6% reduction		8.9% reduction	
Resource Conservation Promotion Plan	1. Reduction of vehicle fuel Consumption	Global	FY2008 vehicle fuel consumption per net sales	9% reduction		4.3% reduction	P73-74
		FY2009(2nd half) start base	FY2009 (1st half) vehicle fuel consumption per net sales	7.5% reduction		19.1% increase	
	2. Reducing water consumption	Global	FY2008 water consumption per net sales — Plants	12% reduction		13.4% increase	
			FY2008 water consumption per net sales — Offices	6% reduction		0.1% increase	
		FY2009 (2nd half) start base	FY2009 (1st half) water consumption per net sales — Plants	10% reduction		4.7% reduction	
			FY2009 (1st half) water consumption per net sales — Offices	5% reduction		54.2% reduction	
	3. Reduction of gas purchased	Global	FY2008 amount of gas purchased per net sales	6% reduction		3.1% increase	
		FY2009 (2nd half) start base	FY2009 (1st half) amount of gas purchased per net sales	5% reduction		28.7% reduction	
	4. Reducing Travel expense	Global	FY2008 traveling expenses per net sales	6% reduction		22.3% reduction	
		FY2009 (2nd half) start base	FY2009 (1st half) traveling expenses per net sales	5% reduction		8.2% increase	
	5. Reducing packing and shipping charges	KYOCERA Corporation	FY2008 packing and shipping charges per net sales	6% reduction		4.6% reduction	
	6. Reduction the use of exhaustible resource	KYOCERA Corporation	FY2008 amount of gold purchased per net sales	6% reduction		63.3% increase	

Name of Plan	Goal Content	Scope*1	Reference or Index	FY2011 Goal		FY2011 Results	Appropriate page
				First Half	Second Half		
Paper Resource Conservation Promotion Plan	1. Reducing office paper purchases	Global	FY2008 office paper purchases per net sales	9% reduction		26.6% reduction	P73-74
		FY2009 (2nd half) start base	FY2009 (1st half) office paper purchases per net sales	7.5% reduction		101.1% increase	
	2. Reducing the purchase of paper used in production processes	Global	FY2008 purchase of paper used in production processes per net sales	15% reduction		5.6% reduction	
		FY2009 (2nd half) start base	FY2009 (1sthalf) purchase of paper used in production processes per net sales	12.5% reduction		27.8% reduction	
	3. Reducing paper discharged	Global	FY2008 paper discharged per net sales	9% reduction		15.4% reduction	
		FY2009 (2nd half) start base	FY2009 (1st half) paper discharged per net sales	7.5% reduction		1.6% reduction	
Packing Materials Improvement Promotion Plan	1. Complete elimination of vinyl chloride outer packing materials	Domestic / Overseas	–	Achievement of complete elimination		Domestic: complete elimination achieved*2; Overseas: 87% reduction (compared to FY2008)	
	2. Reduction of vinyl chloride inner packing materials purchased per net sales	Global	FY2008 vinyl chloride inner packing materials purchased per net sales	30% reduction		58.7% reduction	
		FY2009 (2nd half) start base	FY2009 (1st half) vinyl chloride inner packing materials purchased per net sales	25% reduction		66.4% reduction	
	3. Reduction of packing materials purchased per net sales	Global	FY2008 packing materials purchased per net sales	9% reduction		2.5% increase	
		FY2009 (2nd half) start base	FY2009 (1st half) packing materials purchased per net sales	7.5% reduction		50.8% increase	
Kyocera Environmental Management Standard	1. Reduction of hazardous substances in discharged water						P55、P77
	Recycling system for discharged water in the cyanogens process	KYOCERA Corporation/ Domestic	–	Countermeasures for equipment (each location)		Measures taken (Kagoshima Hayato Plant, Kagoshima Sendai Plant of Kyocera SLC Technologies Corp.)	
	Recycling system for discharged water in the arsenic process	KYOCERA Corporation/ Domestic	–	–		Measures completed in FY2009	
	2. Application of Kyocera's Domestic Group Environmental Management Standard	Domestic	–	Countermeasures for equipment		Countermeasures for equipment completed	
	3. Establishment of Kyocera's Overseas Group Environmental Management Standard	Overseas	Values of government regulations and local regulations	Change to values 20% stricter than regulation values		Application	
Waste Reduction Promotion Plan	1. Reduction of discharged waste weight per net sales						P75-76
	Industrial waste	Global	FY2008 discharged waste weight per net sales	15% reduction		30.5% reduction	
	General waste	KYOCERA Corporation / Domestic		9% reduction		15.9% reduction	
	2. Zero emissions	KYOCERA Corporation / Domestic	Recycling rate	99.5%+		Achieved	
			Percentage of achieved sites	100%		Achieved	
		Overseas (production sites)	Recycling rate	99.0%+		61.2%	
	3. Reduction of generated waste weight per net sales						
	Industrial waste and variables	KYOCERA Corporation / Domestic	FY2008 generated waste weight per net sales	15% reduction		3.5% increase	
	General waste			9% reduction		22.0% reduction	
Chemical Substances Measurement Promotion Plan	1. Reduction of consumption, discharge and transfer of materials subject to the PRTR Law						P78
	Consumption	KYOCERA Corporation / Domestic	FY2008 transfer per net sales (21 subject materials)	15% reduction		11.8% increase	
	Discharge		FY2008 discharge per net sales (21 subject materials)	30% reduction		16.1% reduction	
	Transfer		FY2008 transfer per net sales (21 subject materials)	20% reduction		40.5% reduction	
	Consumption	Overseas*3	FY2009 (1st half) consumption per net sales	6% reduction		62.7% reduction	
	Discharge		FY2009 (1st half) discharge per net sales	15% reduction		27.3% reduction	
	Transfer		FY2009 (1st half) transfer per net sales	9% reduction		84.4% reduction	
	2. Reducing volatile organic compound (VOC) emissions	KYOCERA Corporation / Domestic	FY2008 emissions (absolute value) (subjects: IPA, toluene, acetone andmethanol)	15% reduction		6.7% reduction	
		Overseas*4	FY2009 (1st half) emission (absolute value)	Values 20% stricter than regulation values for reduction		Values 20% stricter than regulation values for reduction	

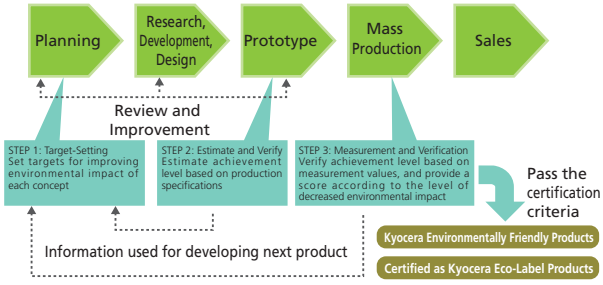
*1 Scope: Global = Entire Kyocera Group / Kyocera Corporation / Domestic = Kyocera Group Companies in Japan / Overseas = Kyocera Group Companies outside Japan.
*2 Excludes packing materials subject to material recycling and specially permitted packing materials.
*3 Covers materials notified according to the PRTR system of each country. However, for a company having set its own goals, the stricter standard will be applied.
*4 Subject to companies for which regulations apply. For a company where regulations are provided but do not apply, desired standards should be established for reduction.
In regards to other plans, Safety & Health Promotion Plans / Fire & Disaster Prevention Promotion Plan (refer to Page 42), and Perfect 5S Promotion Plan (refer to Page 43) have been drawn up.

Environmental Assessment in Product Development

The Kyocera Group strives for all of its products to be "Kyocera Environmentally Friendly Products." Starting in FY2007, Kyocera launched and applied the "Environmental Consciousness Evaluation System" by which environmental consiousness of developing products and technologies is evaluated at all divisions and research groups in order to facilitate the manufacture of Environmentally Friendly Products.

Application of the Environmental Consciousness Evaluation System

Kyocera considers the three themes of "Climate Change Prevention and Energy Conservation," "Resource Recycling" and "Environmental Preservation and Safety" as high-priority issues. For each of these, we have established clear guidelines for environmental protection at the product development stage.
For research and development of new products and technologies, environmental consciousness is evaluated in the following three steps: planning, prototype creation, and mass production. As a result of the evaluation at the final stage, products which meet internal criteria are certified as Kyocera Environmentally Friendly Products.
Therefore, we have established and operate an internal system and certification program for supplying top-class, environmentally friendly products with a focus on environmental consciousness that begins at the R&D stage.



Environmental Efficiency and Factor

Calculating environmental efficiency and factors enables us to evaluate how much value was created while curbing the burden on the environment.
Kyocera calculates environmental efficiency and factors for each of the themes: "Climate Change Prevention and Energy Conservation," "Resource Recycling" and "Environmental Preservation and Safety" and uses them as indexes in product development.

$$\text{Environmental efficiency} = \frac{\text{Product performance}}{\text{Environmental impact in entire life cycle}}$$

$$\text{Factor} = \frac{\text{Environmental efficiency of assessed product}}{\text{Environmental efficiency of product for comparison}}$$

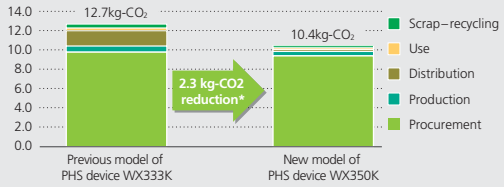
Examples of Certified Kyocera Environmentally Friendly Products

■ PHS mobile phone device WX350K [HONEY BEE 4]

This straight-type, compact PHS handset, was awarded the FY2011 Good Design Award for its translucent design, easy-to-press buttons and a body with round corners that fits comfortably in the hand.
The device has contributed to the prevention of climate change by reducing CO_2 emissions at production, distribution and use by improving processes, reducing packaging materials and reducing power consumption.

Comparison of new and old models

[CO_2 emissions (kg-CO_2 / unit)]



* CO_2 reduction throughout the entire life cycle (compared with previous model)

[Environmental Efficiency and Factors]

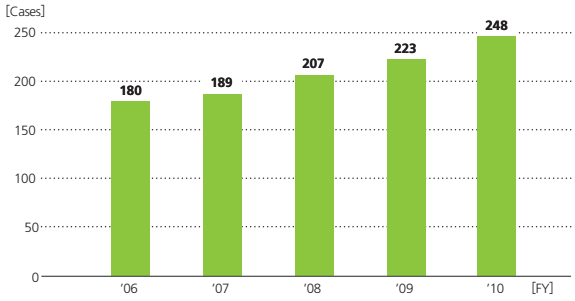
Climate change prevention factor : 2.17

Resource recycling factor : 2.06

Designated substances reduction factor : 4.80

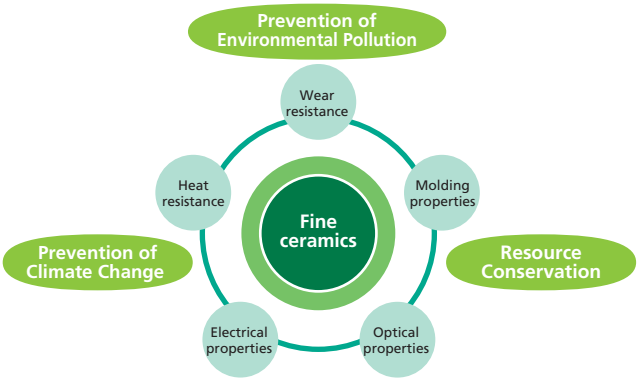
A factor with a value greater than "1" indicates that the environmental efficiency of the assessed product is better than that of the comparable product.

[Kyocera Global Environmentally Friendly Products–Total Number of Certified Products]



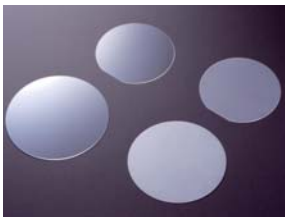
Fine Ceramic Products

Fine ceramics, which are the core products of Kyocera, are used in various fields such as electronic devices, automotive components and industrial machinery due to their outstanding characteristics such as wear resistance, heat resistance, electrical and optical properties, as well as their ability to contribute to the prevention of climate change, resource saving and the prevention of environmental pollution.



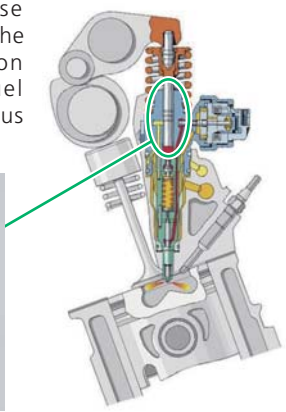
Single crystal sapphire

Single crystal sapphire is a single crystal of alumina and is used by many LED manufacturers as a base substrate for LED crystal growth (epitaxial). LEDs are semiconductor devices which emit light when charged with electricity and are used in a number of electrical devices including the backlight for mobile phone devices because of their low power consumption, long life and small size.



Piezo electric devices

Piezoelectric devices use piezoelectric ceramic which becomes elastic when an electric field is applied, and is used for high-pressure jetting of fuel in diesel engines and a precise control of injection quantity. The optimization of fuel injection contributes to improved fuel efficiency and curbs hazardous material emissions.

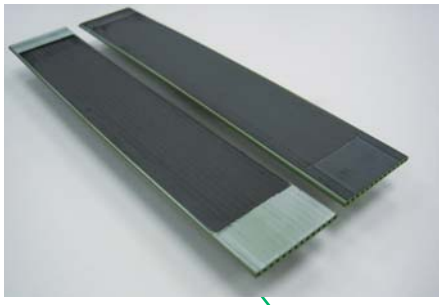


Ceramic filters

Gas filter elements with superior heat resistance and low pressure drop are used in exhaust systems of large garbage incinerating plants and other facilities. As the heat resistance of ceramics enables dust collection under high temperatures, it helps reduce the generation of dioxin.

Fuel cells

The fuel cell, with its high energy efficiency, is expected to be a new source of energy. It should lead to the reduction of carbon dioxide (CO_2) emissions, which is a suspected cause of climate change. It also releases extremely low amounts of nitrogen oxide (NOx) and sulfur oxide (SOx) into the atmosphere.
Kyocera is developing the SOFC cell*1 and stack*2 for the practical use of solid oxide fuel cells (SOFCs) and has significantly increased durability by improving the cell electrode structure.
Currently, we are conducting demonstration experiments in an actual load environment for early practical implementation.



Cells of the SOFC cogenerating unit developed by Kyocera

Small SOFC Generating Unit (left) and Slim Hot-Water Supply/Heating Unit (right)

*1 Cell:a single electric cell (power generation device) consisting of a fuel electrode, electrolyte and air electrode.

*2 Stack:an assembly of cells. The electromotive force of a single cell is 1V or under and the output is also a few watts. Therefore, cells are connected in series to form a stack for increased voltage and output.

Solar Power Generating Systems

Kyocera has been engaged in the solar energy business since 1975, providing products in domestic and overseas markets. The total quantity of solar cells which Kyocera has shipped by the end of FY2011 exceeds 2.3GW, or about the equivalent of 17.13 million tons of CO_2 emissions reduction (estimated by Kyocera).
In the domestic public and industrial areas, the use of our solar products is expanding in many areas such as large-scale solar power plants at various power companies and installations in schools through the School New Deal initiative.
We will continue to be committed to solutions for environmental issues while contributing to the prevention of climate change by actively expanding our solar energy business.

Awarded the Minister of the Environment Award for the Promotion of Measures to Cope with Global Warming in FY2011

The newly developed KS2381P-3CFCA high-power solar module for domestic public and industrial use, won the Minister of the Environment Award for the Promotion of Measures to Cope with Global Warming in FY2011 (*Technological Development / Product Category) sponsored by the Ministry of the Environment of Japan.

* The Minister of the Environment Award for the Promotion of Measures to Cope with Global Warming has been held by the Ministry of the Environment every December during Global Warming Prevention Month,since 1998 as part of a campaign to promote global warming prevention that recognizes individuals and institutions who have made an outstanding contribution to the prevention of global warming.

Summary of the award-winning KS2381P-3CFCA

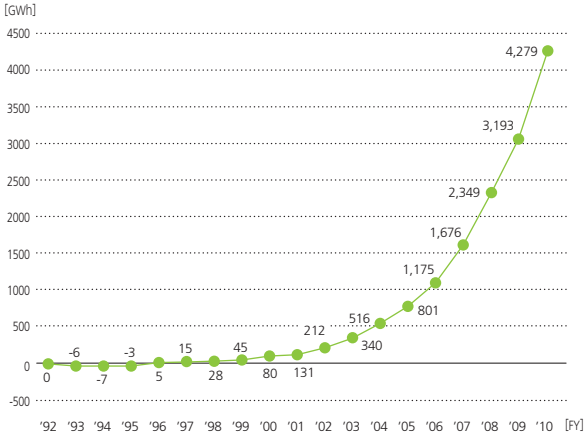
The KS2381P-3CFCA is a solar module for domestic public and industrial use which Kyocera manufactures and for which output has been improved to 238.1W by increasing the number of solar cells used from 54 to 60. It is Kyocera's solar module with the highest power output, with about 10% more output per module compared to existing models.

This is a new product with the highest level of output among multicrystalline silicon solar cell modules widely sold in Japan, thus enabling a reduction in construction time and the number of installation mounts for the same size system.

Energy Creation Effect of Solar Cells

"Energy creation effect" of the solar power generating system
= accumulated electricity after installation*1
-used electric energy during production*2*3

The total amount of solar cells Kyocera has produced and sold equals 2,303MW, and the energy produces by these cells reached a total of 4,279 GWh. The CO_2 emission reduction effect after continuing power generation for the next 20 years following installation will be 17,127,000 tons*4. This corresponds to about 19.1% of the amount of carbon dioxide absorbed by all forests in Japan per year*5*6.



*1 Calculated from the average of expected power at 16 sites of Kyocera Corporation around the country.
*2 The estimated used electric energy during production is calculated (system scale 30 MW/year roof mount) with an energy payback period of 2.2 years for a single-year output of less than 100 MW, and the energy payback period of 1.5 years for 100 MW or more and the expected lifetime is 20 years (source: "Survey Research of Solar Power Generation Assessment" FY1997 NEDO Commissioned business working paper (Photovoltaic Power Generation Technology Research Association), March 1997).
*3 The estimated electric energy used during production of solar power generation systems that were shipped from 1992 to 2008 was recorded in the year when the products began to generate electricity (Example: The produced electric energy in 1992 was recorded in 1993).
*4 360g-CO_2 per kWh
*5 The CO_2 sink by 1 ha (10,000 m^2) of forest is 3.57 tons-CO_2 (source: Solar Power Generation Introduction Guidebook < Main > 2000 Revised Edition NEDO).
*6 Calculated assuming that the forest area in Japan is 251,000 km^2 (Source: Forestry Agency "Present State of Forest Resources (as of March 31, 2007)").

Group Company Environmental Products

Color multifunctional system with a newly developed drum improves print durability to 600,000 pages — twice as many as existing models. [Kyocera Mita Japan Corp.]

Kyocera Mita Japan Corp.'s color multifunctional system, TASKalfa 5550ci, has improved print longevity to 600,000 sheets, or twice as many as existing products*1, by adopting Kyocera's newly developed extra-hard amorphous silicon (a-Si) drum as the core photoreceptor drum, and increasing the print capability between maintenance of peripheral devices to 600,000 sheets, the same as the photoreceptor drum, thus realizing high reliability and stability.

Power consumption has been reduced to 20% of the existing model*2 by using white LED lamps as the document scanning light source, and the start-up time has been reduced to 45 seconds, or more than 10 seconds shorter than the previous model*2.

In addition, as a new function, customizable power saving operation is made possible by adding a "weekly timer" to automatically switch the modes of the device by setting power on/off and operation modes for different days of week or different times of the day.

*1 Existing model is the color multifunctional system, TASKalfa 552ci series.
*2 Comparison between the new model TASKalfa 5550ci and the existing model TASKalfa 552ci.

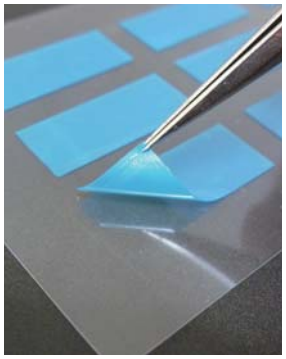
Color Multifunctional System
TASKalfa 5550ci

Thermosetting resin adhesive sheet which enables low-temperature adhesion without applying pressure [Kyocera Chemical Corp.]

KYOCERA Chemical Corp. is actively working on technical themes relating to protection of the global environment while researching, developing and producing various organic chemical materials.

"Torokeru Setchaku Sheet," a sheet-type thermoset resin, enables a shorter production process as it does not require special equipment or any preparatory processes, making work simple with its sheet form, and creating bonds just by heating. Because it can be used for parts in any shape and material, and can be set under low temperature, it can be used even on low heat-resistant parts.

In addition, it uses a special type of thermosetting epoxy resin which is halogen-free and has superior durability and heat resistance, therefore it can endure reflow soldering after moisture absorption. Because it contains no solvents, there is no concern about solvent emission at setting.



Sheet-type thermoset resin
"Torokeru Setchaku Sheet"

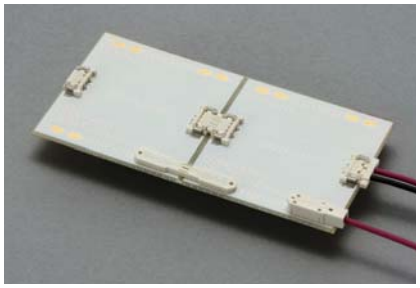
Connector for LED lighting and LED backlights with the lowest height in the industry* [Kyocera Elco Corp.]

As compared with conventional incandescent lamps, LEDs have a high luminance efficiency and provide more light with low power consumption. Therefore it has drawn attention for effectively reducing CO_2 emissions.

Kyocera Elco Corp.'s 9608 and 9609 series are connectors for LED lighting and LED backlights which have realized the lowest height in the industry* of 1.4mm, designed so that it does not obstruct the distribution of light.

It also contributes to reduced environmental burden as it complies with the RoHS Directive and is halogen free.

* As of January 25, 2011 (based on research by Kyocera Elco Corp.)



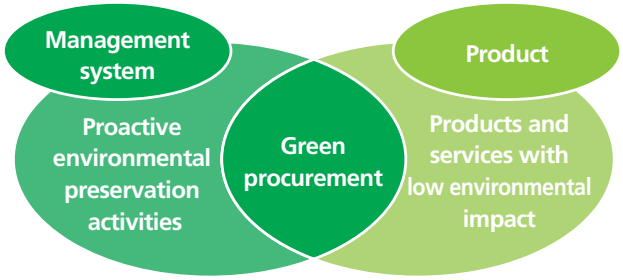
Green Products

Environmentally Friendly Products

Environmental Report

Green Procurement

To deal with increasing environmental problems, it is important that not only our Group companies but also the entire supply chain including suppliers take appropriate actions.
Kyocera established its Green Procurement Standard to purchase products and services with low environmental impact from suppliers proactively promoting environmental preservation activities. In this way, we are actively promoting green procurement activities.



Promotion of Green Procurement

Kyocera established its Guidelines for Green Procurement starting with requests to suppliers for green procurement and is promoting green procurement activities with the support of such suppliers. The Guidelines for Green Procurement specifies that we will check suppliers' activities toward protection of the environment and environmental burdens (the chemical substances that are contained, etc.) on products to be purchased from them.
In June 2010, we revised the Green Procurement Guideline based on the trends of environmental laws and regulations such as the REACH regulations.

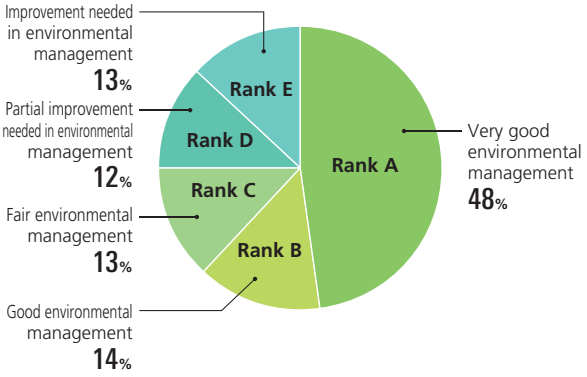
[Major revisions in June 2010]

- Addition of Class I Specified Chemical Substances under the Law Concerning the Examination and Regulation of Manufacture of Chemical Substances, etc. to the list of banned chemical substances.
- Addition of substances of very high concern under the REACH regulations to the list of controlled chemical substances
- Review of subjected uses of controlled chemical substances based on the revision of the RoHS Directive

Evaluation of Environmental Activities of Suppliers

In FY2011, we conducted a survey of 1,188 suppliers. Based on the survey results, we distributed our requests to some of the suppliers to inform them of Kyocera's concepts regarding the environment and asked them for cooperation in our environmental protection activities.

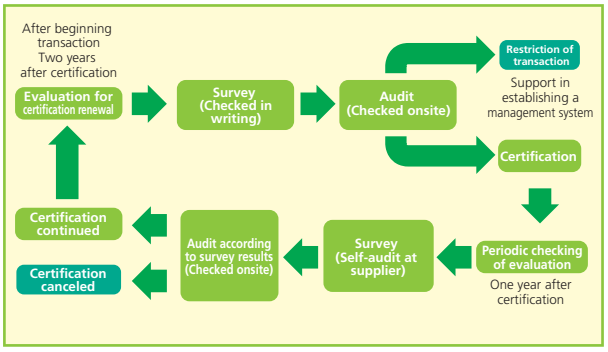
[FY2011 Supplier Environmental Status Survey Results]



Application of Kyocera's Green Supplier System

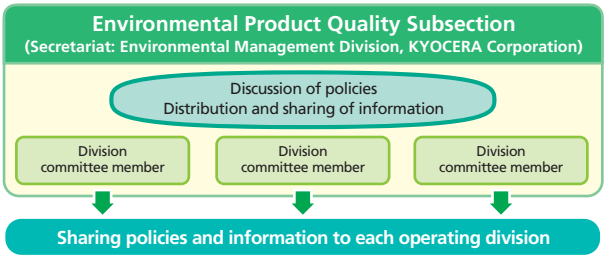
Regulations on chemical substances in products are increasing in countries and regions in the world including Europe in recent years. In such circumstances, requests for control of chemical substances in products from Kyocera's suppliers are also increasing. We began applying Kyocera's green supplier system in 2008.
Under this system, based on detailed research of our suppliers' environmental activities and control of chemical substances in products through survey and audit, we certify the suppliers which are able to cooperate with us in producing environmentally friendly products as Kyocera Green Suppliers.
In FY2011, we conducted an audit based on the results of a survey of our suppliers in writing. In FY2012, we will continue to conduct the audit with the cooperation of our suppliers as we strengthen our management system for chemical substances in products.

Kyocera's Green Supplier Certificate



Conforming to Environmental Product Regulations

In recent years, in many countries, laws and regulations have been established to control and restrict the use of chemical substances in order to prevent human impact and environmental contamination.
Kyocera reports information on related laws and regulations to each operating division at the Environmental Product Quality Subsection led by the Kyocera Green Committee to share information and review company-wide policies.
Each operating division collects and investigates information on chemical substances contained in purchased materials and controls chemical substances in processes in order to comply with related laws and regulations.



Complying with REACH

To strictly observe the European chemical substance control standard known as REACH, which was enforced in June 2007, Kyocera is developing measures in cooperation with its group companies in Europe.
With regard to the registration of chemical substances with the European authorities, we have completed the procedure for chemical substances before its due date of November 30, 2010.
We conducted research on 46 substances of very high concern (as of the end of March 2011) contained in our products to comply with the communication within Europe.

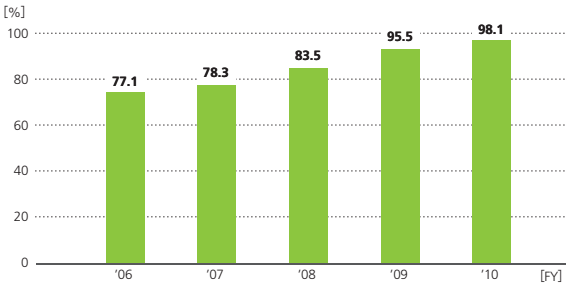
Complying with European RoHS Directive

We established the Kyocera Global Policies for RoHS Directive in February 2006. We are also working to comply with the RoHS Directive for products to be shipped to North America, Japan and China in addition to Europe.
With the revision of the RoHS Directive in September 2010, "lead contained in derivative ceramics of capacitors whose rated voltage is less than AC125V or DC250V" will be banned on January 1, 2013.We have completed the replacement of the lead used for the relevant purpose with respect to the laminated ceramic capacitors sold by Kyocera.

Green Purchasing

Kyocera seeks to purchase eco-friendly products and services. For office equipment and company cars, we promote preferential purchases of eco-friendly products meeting the Act on Promoting Green Purchasing, etc.

[**Green procurement percentage** [Office paper, stationery, office appliances]]

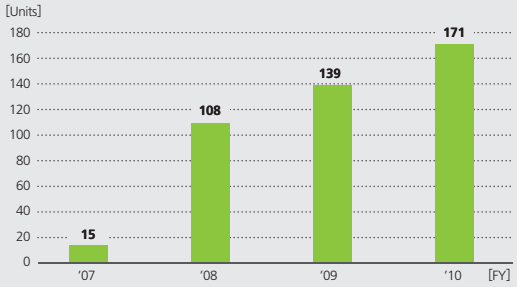


Green Purchasing Examples

■ Introduction of hybrid vehicles

In January 2008, Kyocera began full-scale introduction of hybrid vehicles for general company use for operating activities and transportation between plants. We own 171 hybrid vehicles as of March 2011. We will change general company cars to hybrid vehicles sequentially, promoting the prevention of climate change.

[No. of hybrid vehicles owned]



Energy Conservation

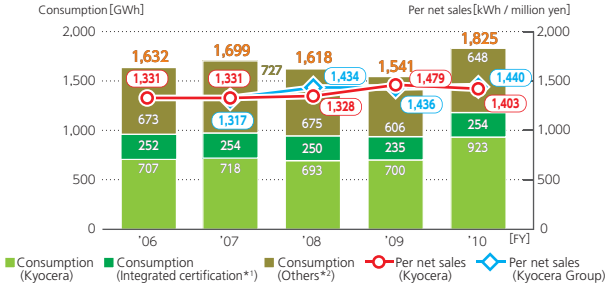
Increased energy consumption has an impact on environmental issues such as climate change. It is now a common practice for corporations to implement limited energy levels more effectively to complete their industrial activities. Kyocera began its energy conservation measures in FY1993 with the goal of reducing energy consumption.
In FY2011, as the Act on the Rational Use of Energy (Energy Conservation Act) was revised and went into effect, we promoted the review of energy managerial standards and the strengthening of energy conservation measures at facilities which consume large amounts of energy in Japan.

FY2011 Results

Reduced electricity consumption

The Kyocera Group enacted energy saving measures such as installing high-efficiency equipment and using inverters in pumps and fans. However, as a result of acquiring a new business unit, the Kyocera Group's electricity consumption increased by 18.4% as compared with FY2010. Meanwhile, electricity consumption per net sales increased by only 0.3% from FY2010.

[Electricity Consumption]

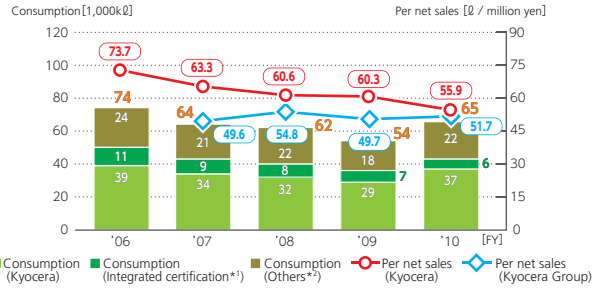


* In-house power generation is not included because it is included in Fuel Consumption.
Note: Values per net sales show the environmental impact amount per million yen of sales.

Reduced fuel consumption

The Kyocera Group implemented energy saving measures such as installing high-efficiency heat pumps, enhancing waste heat recovery and improving the insulation of calciners and buildings. However, the Kyocera Group's fuel consumption increased by 20.4% from FY2010 due to the acquisition of new business units. Meanwhile, the electricity consumption per net sales increased by 4.0% from FY2010.

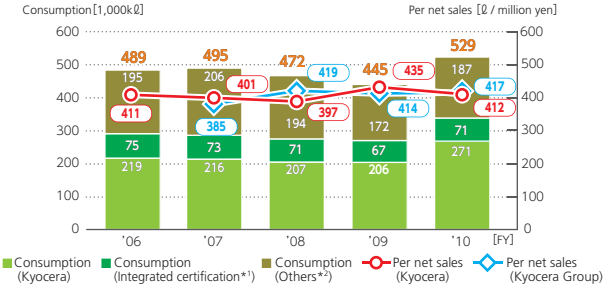
[Fuel Consumption]



Reduction in total amount of energy

The Kyocera Group's total amount of energy (electricity and fuel consumption) decreased by 18.9% from FY2010. Meanwhile, the total energy consumption per net sales increased by 0.7% from FY2010.

[Total Amount of Energy]



Examples of Energy Saving Measures

■ Introduction of compressor quantity control system (Kagoshima Kokubu Plant)

We developed a compressor quantity control system in-house and introduced it at the Kagoshima Kokubu Plant. In addition to reducing wasted power at the time of unloading, this system also contributes to reduced set pressure and early detection of malfunction by making it easy to see wattage and pressure.

【Annual power saving】 1,457,000kWh
【Annual CO_2 reduction】 538 ton-CO_2


Monitoring screen of quantity control

■ Power saving in powder conveying blower (Tamaki Plant, Kyocera Mita Japan Corp.)

The Kyocera Mita Japan Corp. Tamaki Plant replaced the powder conveying turbo blowers in the toner manufacturing line with energy efficient roots blowers. We are also striving to reduce power consumption further by switching the air volume control from control by damper to controlling the number of revolutions by inverter.

【Annual power saving】 988,000kWh
【Annual CO_2 reduction】 468 ton-CO_2


Roots blower

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Climate Change Prevention

The Kyocera Group set a greenhouse gas reduction target and is implementing various measures, including energy savings, to prevent climate change.

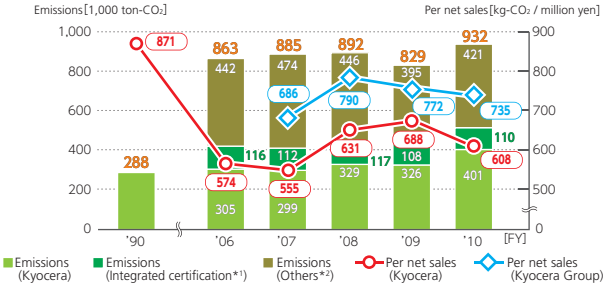
FY2011 Results

The Kyocera Group took energy saving measures and implemented ways to prevent climate change, including the introduction of a solar power generating system and fuel conversion. However, as a result of acquiring a new business unit, the Kyocera Group's greenhouse gas emissions increased by 12.4% as compared with FY2010. Meanwhile, the greenhouse gas emissions per net sales decreased by 4.8% from FY2010.

Kyocera's greenhouse gas emissions were reduced by 30.2% as compared with per net sales in FY1991. Meanwhile, the greenhouse gas emissions increased from FY1991 by 39.2% due to new production sites and other factors.

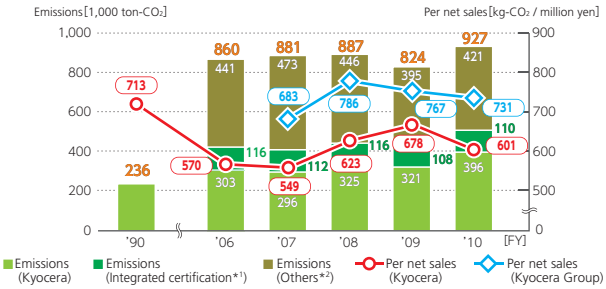
Kyocera's emission of gases, such as PFCs, were significantly reduced by 90.6% in total, due to continuous minimization efforts such as switching to substances with low climate change potential and installing scrubbers, as compared with FY1996. We will continue to actively promote energy saving activities and strive to enable the coexistence of economic and environmental interests while contributing to the prevention of climate change.

[Greenhouse Gas Emissions]

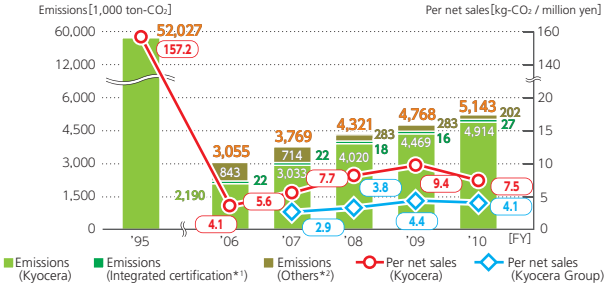


* From FY2009, emission coefficients are calculated based on the Act on Promotion of Global Warming Countermeasures.
* Greenhouse gas emissions are calculated by adding CO_2 emissions and PFC gas emissions that arise from fuel consumption. However, greenhouse gas emissions in FY1991 were calculated by adding CO_2 emissions of FY1991 and PFC gas emissions of FY1996.
* Figures for overseas facilities are calculated using the emission coefficients of electricity for each country in IEA CO_2 EMISSIONS FROM FUEL COMBUSTION Highlights (2010 Edition).

[Energetic Origin CO_2 Emissions]



[PFC and Others Emissions]



* PFCs and others: CO_2, CH_4, N_2O, PFC, HFC, and SF_6 emissions from the manufacturing process.
* Since FY2011, the reactive consumption rate of gas as specified in the Act on Promotion of Global Warming Countermeasures has been applied.

Examples of Efforts to Prevent Climate Change

■ Introduction of high-efficiency heat pumps (Shiga Gamo Plant / Shiga Yohkaichi Plant)

The Shiga Gamo Plant and Shiga Yohkaichi Plant replaced absorption chillers, which run on utility gas, and water heaters, which run on heavy oil, with heat pump systems which run on energy efficient electricity. The effects of carbon dioxide emission reduction due to this measure will be about 581 ton-CO_2 annually.


High-efficiency heat pump chiller


Natural refrigerant heat pump water heater

■ Fuel conversion (Dongguan Shilong KYOCERA Optics Co., Ltd. / KYOCERA MITA Office Equipment (Dongguan) Co., Ltd.)

Dongguan Shilong KYOCERA Optics Co., Ltd. and KYOCERA MITA Office Equipment (Dongguan) Co., Ltd., our production sites in China, switched the fuel used for cooking in the cafeteria and water heaters from diesel fuel to natural gas. The effects of carbon dioxide emission reduction from this conversion will be about 403 ton-CO_2 annually.


Cooking appliance


Gas piping

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■ Measures at Kagoshima Sendai Plant

The Kagoshima Sendai Plant has implemented measures such as "Green Curtains" and an internal "Eco-Drive" contest, in addition to energy saving measures such as switching from steam humidifiers in the clean room to energy efficient water spray humidifiers.

[Main Measures]

【 Heat source 】 Improved the operation efficiency of turbo-refrigerators.

【 Air conditioner 】 Improved the humidifying method in the clean room

【 Pump 】 Reduction of conveyance power by inverter control

【 Power receiving / transforming facilities 】 Consolidated transformers

【 Building 】 Reduction of air conditioning load using thermal barrier paint on the roof

【 Other 】 Introduction of solar power generating system
Growing "Green Curtains"
Promotion of "Eco-Drive"

Solar Power Generating System

Improved the humidifying method in the clean room

■ Solar cell production process (Shiga Yohkaichi Plant)

The Shiga Yohkaichi Plant implemented energy saving measures in its solar cell production process, such as a cold and hot water supply with a high efficiency heat source by integrating heat sources between plants, introduction of free cooling and use of waste heat from compressors to preheat water for purification.

[Main Measures]

【 Heat source 】 Integration of heat source system
Introduction of free cooling

【 Air compressor 】 Power saving by quantity control

【 Fan 】 Improved operational control of ventilating fans

【 Exhaust heat recovery 】 Heating water for purification using exhaust heat

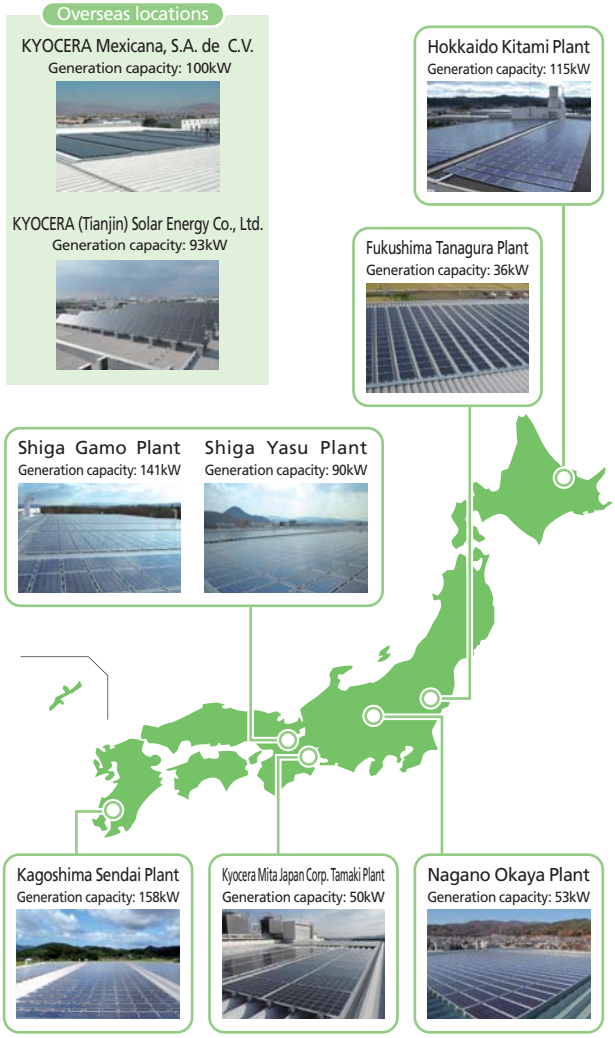
High-efficiency heat source system

Heat exchanger for exhaust heat recovery

■ Introduction of Solar Power Generating Systems

The Kyocera Group introduced solar power generating systems in various locations in and outside Japan, such as at the global Kyocera Headquarters building in Kyoto and at Kyocera International Inc. — Kyocera's North American holding company.
In FY2011, we introduced solar power generating systems with a total of 836kW at 9 locations in and outside Japan, thus exceeding 2MW in total for all solar power generating systems introduced within Kyocera Group companies in and outside Japan. Carbon dioxide emission reduction due to these installations will be about 968 ton-CO_2 annually. Furthermore, Kyocera has installed solar power generating systems at all of its 10 manufacturing plants in Japan. Kyocera will continue to promote CO_2 emissions reduction in its business activities by actively introducing solar power at its Group company facilities.

Introductions in FY2011

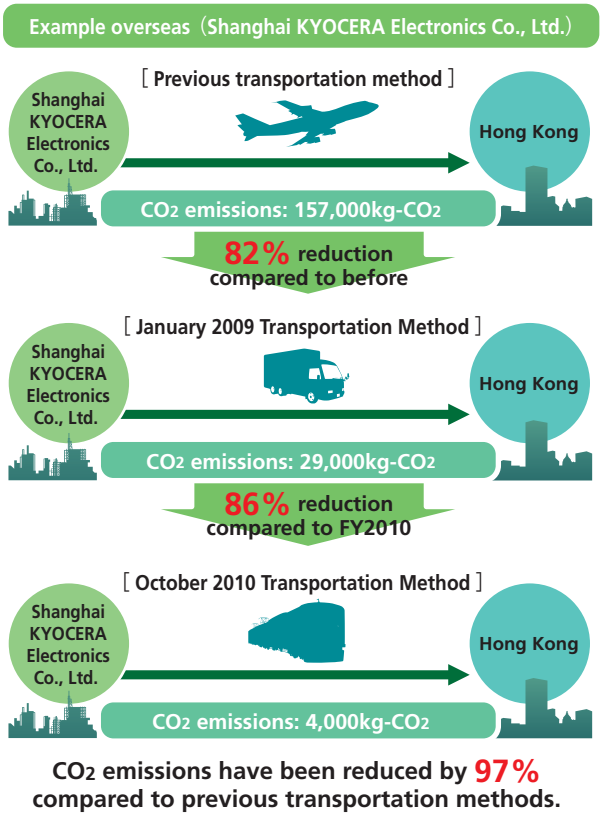


CO_2 Emissions Reduction in Distribution

In FY2011, we implemented measures such as a continuous effort for modal shift and a review to shorten transportation distances. However, as an expansion in orders resulted in increased freight shipping, the CO_2 emissions from freight transportation in FY2011 increased from FY2010 by 40.2%. Meanwhile, the CO_2 emissions per net sales increased by only 0.9% from FY2010.

Promotion of modal shift

The Kyocera Group is promoting eco-friendly distribution in and outside of Japan. Shanghai KYOCERA Electronics Co., Ltd., a manufacturing plant in China, which previously used air cargo to transport products to Hong Kong, switched the transportation of part of its products from air to truck in January 2009. In October 2010, it further switched to railway, reducing CO_2 emissions during transportation.
We will continue to increase the use of transportation methods that cause less of an environmental burden, such as railway, to reduce CO_2 emissions arising from transportation of goods.



CO_2 emissions have been reduced by 97% compared to previous transportation methods.

* Results from October 2010 through March 2011

Note: The CO_2 emissions reduction effect is calculated using the CO_2 emissions per net sales based on the Joint Guideline Ver. 3.0 for Calculating CO_2 Emissions in the Logistics Sector, and CO_2 emissions arising from the previous transportation method and the transportation method in January 2009 have been calculated using the transportation loads during the 6 months from October 2010 to March 2011.

Clean Energy Use

KYOCERA MITA Europe B.V.,KYOCERA MITA Belgium N.V. and KYOCERA MITA Deutschland GmbH, Kyocera Mita Japan Corp's sales companies in Europe, use clean energy generated by hydraulic power or wind power in their offices. Shanghai KYOCERA Electronics Co., Ltd., a manufacturing plant in China, has been using clean energy generated by wind power every year since 2006. This use of green power together is equivalent to a reduction of annual CO_2 emissions of approximately 1,260 tons.

* Reduction of CO_2 emissions is calculated using the emission coefficients of electricity for each country in IEA CO_2 EMISSIONS FROM FUEL COMBUSTION Highlights (2010 Edition) .

Growing "Green Curtains"

The "Green Curtain" activity refers to covering windows by growing climbing plants such as bitter gourd and morning glory. It not only prevents room and outside surface temperatures of buildings from rising by blocking the strong summer sunshine, but also helps to cool down room temperature via foliage transpiration. The Kyocera Group grew Green Curtains at 18 plants and offices in Japan and two locations overseas in FY2011. The total mass of Green Curtains grown by the Kyocera Group in FY2011 accounts for a length of 616 meters and an area of about 2,479m^2, or about the equivalent area of 9.6 tennis courts.

Kagoshima Sendai Plant

KYOCERA KINSEKI (Thailand) Co., Ltd.

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Resource Conservation

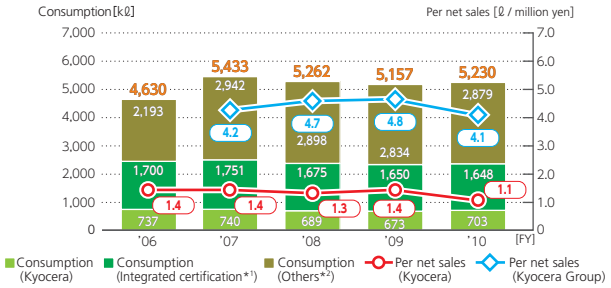
To maximize the utilization of limited resources and contribute to global environmental protection, the Kyocera Group is working on resource conservation for vehicle fuel, water, gas, travel expenses, paper and packing materials. Kyocera is committed to this activity by adding packing and shipping charges and exhaustible resources to these items and setting detailed reduction targets.

FY2011 Results

Reducing vehicle fuel consumption

To effectively utilize the world's remaining fossil fuels and prevent climate change, the Kyocera Group is working on reduced use of vehicle fuel. Because Kyocera introduced 43 new hybrid vehicles in FY2011, overall vehicle fuel increased by 1.4% compared to FY2010, but it decreased by 14.0% on a per net sales basis.

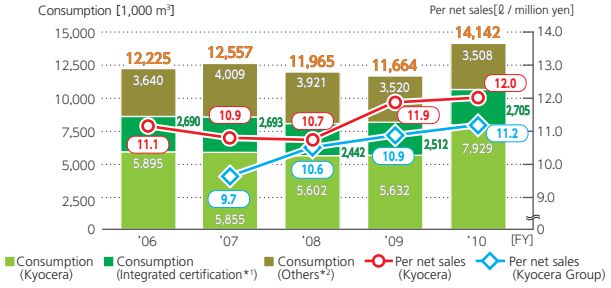
[Vehicle Fuel Consumption]



Reducing water consumption

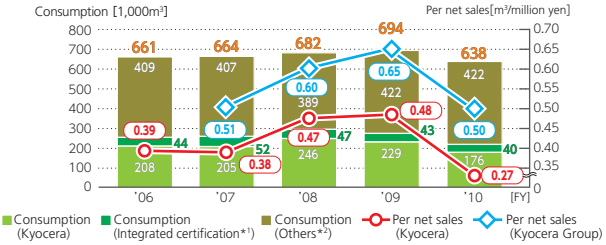
The Kyocera Group has been using recycled water in the plating process and the solar cell manufacturing process, and recycled treated water in the wastewater treatment facilities. We also successively introduced ambient-noise privacy devices in restrooms as well as proper control of the makeup water feed based on operational status of a manufacturing line.
Due to the acquisition of a new business unit, water consumption (at manufacturing plants) increased by 21.2% compared to FY2010 and increased by 2.8% on a per net sales basis as well.

[Water Consumption (at Manufacturing Plants)]



Meanwhile, water consumption (at offices) decreased by 8.1% compared to FY2010 and decreased by 22.1% on a per net sales basis due to the introduction of ambient-noise privacy devices in restrooms.

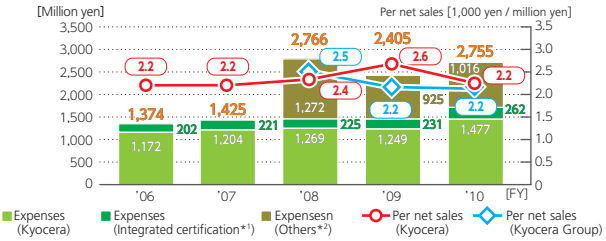
[Water Consumption (at Offices)]



Reduction of gas expenses

The Kyocera Group implemented measures such as the optimization of gas flow in crystal pulling furnaces, improvement in production efficiency, and improvement in calcination efficiency of the alumina calcination furnace. Because of an increase in production, the gas expenses increased by 14.5% compared to FY2010, but decreased by 2.9% on a per net sales basis.

[Gas Expenses]

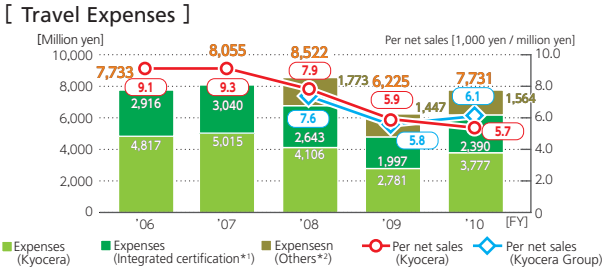


* This data has been tabulated since FY2009 for the entire Kyocera Group.

Reducing travel expenses

Because reducing the number of business trips can reduce fuel consumption in public transportation and consumption of resources used at lodgings, a video-conferencing system has been introduced into all plants and offices at Kyocera in order to reduce travel expenses.
Although we strived to reduce the frequency of business trips by using a system enabling conferencing and document sharing on business PCs, travel expenses increased by 24.2% compared to FY2010 and increased by 5.3% on a per net sales basis due to an increase in business activities associated with an increase in sales.

[Travel Expenses]



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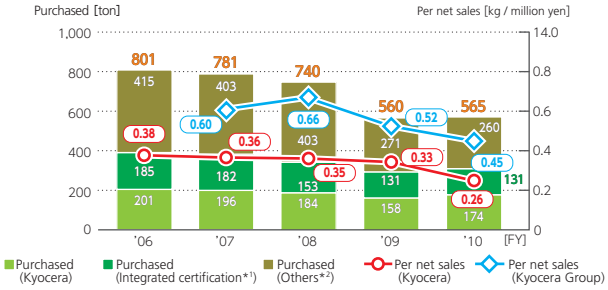
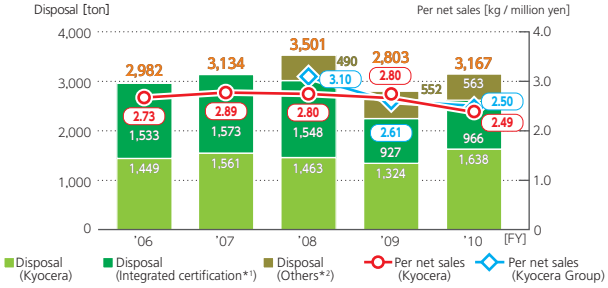
Reducing the purchase and disposal of office paper

The Kyocera Group is conducting activities to reduce the amount of office paper purchased and disposed of, such as by digitizing records and documents, using both sides of the paper when printing, and use of reduced scale copies.
Although the amount of office paper purchased increased by 0.9% compared to FY2010, it decreased by 14.6% on a per net sales basis. Office paper disposal increased by 13.0% compared to FY2010, but it decreased by 4.3% on a per net sales basis.

[Office Paper Purchased]



[Paper Disposal]

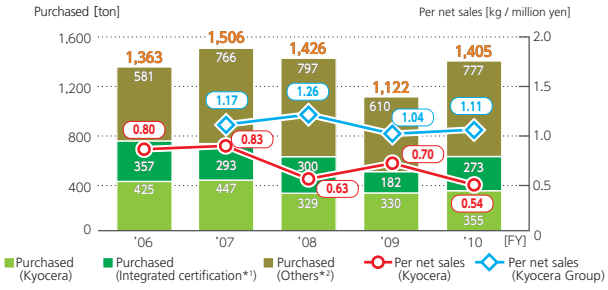


* This data has been tabulated since FY2009 for the entire Kyocera Group.

Reduction in paper purchased for production processes

The Kyocera Group has implemented measures such as a specification change to narrow the width of paper for production processes, increasing the number of products listed on each sheet of paper used for production processes, and reduction in the quantity of evaluation paper used by reviewing the printer evaluation method. However, due to increased production of products using paper for various processes, the amount purchased increased by 25.2% compared to FY2010 and increased by 6.1% on a per net sales basis as well.

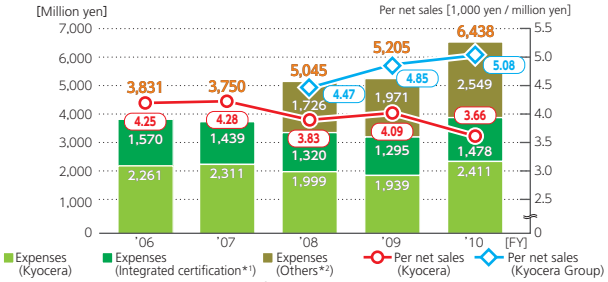
[Purchase of Paper for Production Processes]



Reduction of packing materials purchased

The Kyocera Group reviewed its packing forms and adopted reusable packing containers for shipping products, and changed the specifications of delivery trays such as shape, materials and thickness in an attempt to reduce packing materials purchased. However, the amount of packing materials purchased increased by 23.7% from FY2010 due to an increase in production, and also increased by 4.8% on a per net sales basis.

[Packing Materials Purchased]

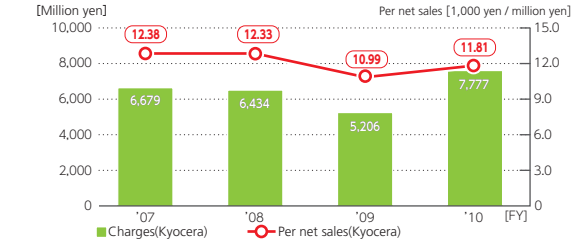


* This data has been tabulated since FY2009 for the entire Kyocera Group.

Reducing packing and shipping charges

Kyocera has improved its packing forms and reviewed its transportation methods for efficient transportation. However, packing and shipping charges increased by 49.4% from FY2010 due to an increase in production, and also increased by 7.5% on a per net sales basis.

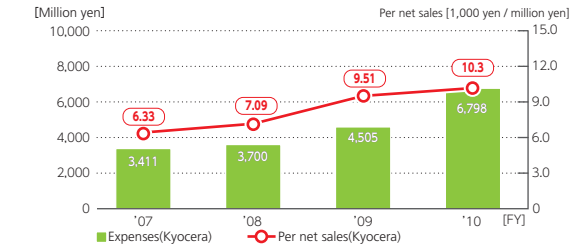
[Packing and Shipping Charges]



Reducing use of non-renewable resources (gold plating solution / gold cyanide)

Kyocera took steps including reviewing plating conditions, such as plating time and electric current, and reviewing plating thickness and improving yields. However, the amount purchased increased by 50.9% due to the rise in gold prices and an increase in production for the subjected products compared to FY2010 and increased by 8.6% on a per net sales basis as well.

[Non-Renewable Resources Purchased]



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Waste Reduction and Recycling Measures

To contribute to a recycling-based society, Kyocera started its activities for industrial waste reduction with a basic policy in FY1992. Since FY2009, Kyocera has been working to reduce waste while updating part of the previous basic policy.

Basic Policy for Waste Reduction

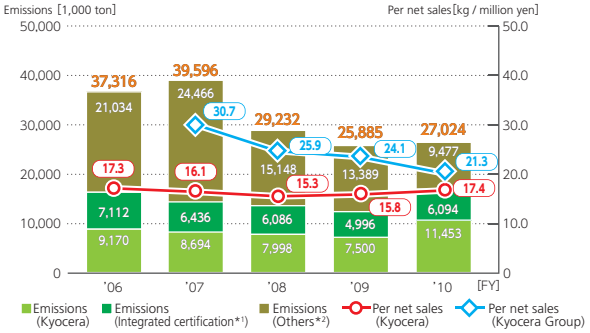
1. Do not bring in non-recyclable materials.
2. Minimize waste generated by business activities
3. Recycle waste once it is generated
4. Change non-recyclable waste into harmless materials

FY2011 Results

Reducing industrial waste discharge

The Kyocera Group's plants worked on the reduction of wastewater produced in the manufacturing process of solar power generating systems in Japan and the reduction of sludge produced by the injection control of wastewater treatment agents. At overseas sites, we promoted turning waste into valuables. At offices, we implemented waste reduction measures such as turning office fixtures and plastic waste into valuables. Although the industrial waste discharge increased by 4.4% compared to FY2010 due to an increase in production, it decreased by 11.5% on a per net sales basis.

[Industrial Waste Discharge]



Examples of Reduction in Industrial Waste Discharge

■ Reduction of industrial waste associated with the production of solar power generating systems (Shiga Yohkaichi Plant)

Waste acid and waste alkali produced in the surface treatment process of solar power generating systems are treated in wastewater treatment facilities. We have reduced the amount of wastewater produced by reviewing the process and extending the life of chemical solutions. We also reduced about 227 tons of sludge annually by reducing wastewater treatment agents through wastewater reduction and controlling the injection of agents by installing flow meters.

Electromagnetic flow meter

■ Reduction via recycling of used waste oil (Shiga Gamo Plant)

We previously treated waste oil produced in the abrasive process of sapphire as industrial waste because of its high water content. However, it can now be turned into a valuable resource as recycled fuel by recycling the oil content at a heavy oil recycler, thus reducing 28.8 tons of waste annually.

■ Turning glass and packing waste into valuables (Dongguan Shilong Optics Co., Ltd.)

Previously, glass and packing were treated as industrial waste before, however, strictly separating the waste allowed us to turn it into valuables. As a result, we have recycled about 11 tons of waste as valuables annually.

■ Turning styrofoam into valuables by compacting it (KYOCERA Mexicana, S.A. de C.V.)

We previously treated stylofoam as industrial waste, however, we have recycled about 4 tons of it annually as valuables by introducing a compactor.

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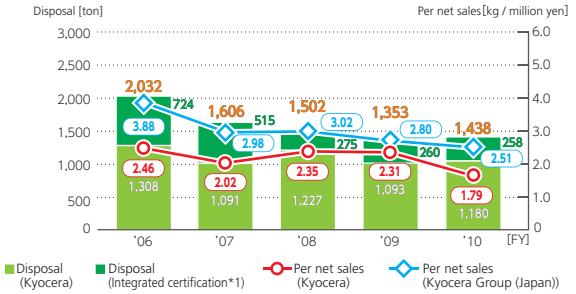
Reduction of general waste discharge

The Kyocera Group (Japan) continues to reduce paper waste and general waste from offices. While the general waste discharge increased by 6.3% compared to FY2010 because of an increase in sludge generated from septic tanks, it decreased by 10.5% on a per net sales basis.

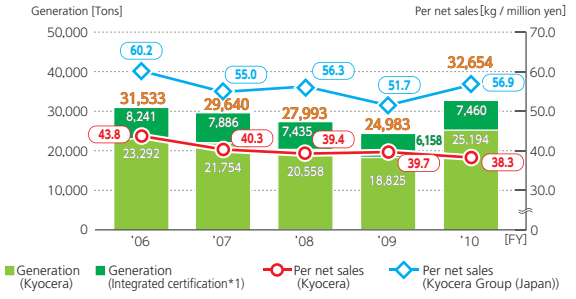
[General Waste Discharge]



Reducing waste generation

The Kyocera Group (Japan) is committed to the reduction of discharge of industrial waste, general waste, and valuables. Although we strived to reduce chemical agents by improving production processes and to reduce wastewater sludge through upstream management, waste generation increased compared to FY2010 by 30.7% and increased by 10.0% on a per net sales basis due to an increase in production.

[Industrial Waste Generation]



Promoting zero emissions

The Kyocera Group (Japan) definition of zero emission is the amount of landfill of waste, etc., at a final disposal site (including the amount of landfill discharged by intermediate waste disposers) is 0.5% or less of the total waste except for part of the waste which is beyond control of the Group such as those items for which disposal is designated by municipalities. All Kyocera Group companies in Japan have achieved zero emissions and will continue their efforts. However, regardless of having set goals and implementing measures to achieve them, the Kyocera Group (overseas) failed to achieve such goals. We will continue to promote measures to improve our recycling rate.

Proper waste disposal

Thorough investigations were conducted of companies providing waste disposal services, including financial stability and on-site surveys according to the "treatment work management standard for waste," in which proper disposal and management of waste are specified. Even after signing a contract with a waste-treatment company, field surveys of these disposal companies are conducted twice a year. In FY2011, we conducted field surveys and exchanged information with 172 companies.

Examples of Waste Generation Reduction

■ Reduction by extending the life of wastewater containing silica
(Hokkaido Kitami Plant)

We reduced about 24 tons annually by reviewing the exchange operation of wastewater in an attempt to extend the life of wastewater containing silica generated in the abrasive process and filter the generated wastewater.

■ Reduction of sludge by improving wastewater treatment facilities
(Nagano Okaya Plant)

We reviewed the treatment method of the wastewater treatment facilities and reduced about 14.8 tons of sludge annually by improving treatment efficiency and reducing chemical injection.

■ Increased treatment capacity of the intermediate waste treatment facility
(Shiga Yohkaichi Plant)

The volume of sludge produced in the wastewater treatment facility, and treated in the internal intermediate treatment facility, has been reduced by approximately 420 tons annually as a result of enhancing treatment facilities and expanding the scope of substances to be subjected to treatment.

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Air Pollution and Water Pollution Prevention Activities

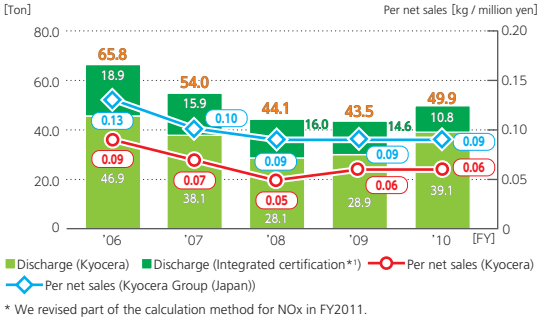
Kyocera has been involved in reducing pollutants as the environment and ecosystem are adversely affected by the discharge of pollutants into the water, atmosphere and soil.

FY2011 Results

Air pollution prevention activities

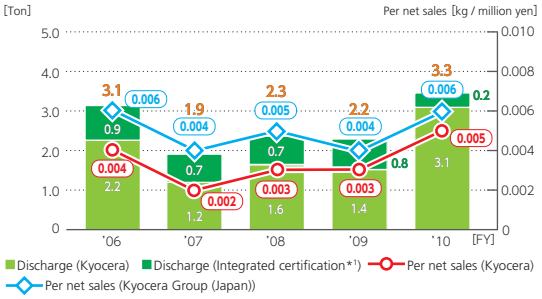
The Kyocera Group (Japan) is committed to the reduction of air pollutant NOx and SOx discharge by integrating production facilities and reviewing utilization rates. However, in FY2011, both NOx and SOx increased compared to FY2010 due to an increase in production.

[Total Amount of NOx Discharged]



* We revised part of the calculation method for NOx in FY2011.

[Total Amount of SOx Discharged]



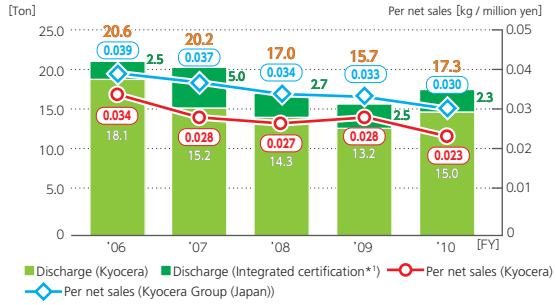
Measures for water pollution prevention

The Kyocera Group (Japan) controls the total amount of substances that impact human health in discharged water, as specified by the Water Pollution Control Law.

With regard to the construction of recycling systems for cyanide wastewater introduced in FY2009 as one of the efforts in the 6th Environmental and Safety Promotion Plan, we completed installations at the Kagoshima Hayato Plant and the Kagoshima Sendai Office of KYOCERA SLC Technologies Corp. in FY2011. We are further examining measures to be used at the Shiga Gamo Plant, Kagoshima Kokubu Plant and Kagoshima Sendai Plant as well.

The Kyocera Group (Japan) also continues to implement measures to reduce our environmental burden on waterways by strengthening the management of wastewater discharged from our offices.

[Total Amount of BOD Discharged]



Examples of Water Quality Improvement Activities

■ Construction of cyanide wastewater recycling system (Kagoshhima Hayato Plant)

At the Kagoshima Hayato Plant, wastewater containing cyanide is generated in the plating process. After removing hazardous cyanide and precious metals from this wastewater using ion exchange resin, about 904m³ of wastewater was recycled by the water purification system at our facilities.

■ Introduction of a nickel recovery facility (Shanghai KYOCERA Electronics Co., Ltd.)

The water used in production processes such as the plating process is treated in the wastewater treatment facility. We have introduced a nickel recovery facility and recovered about 1 ton of nickel annually as valuables.

■ Introduction of wastewater recycling system (ELCO Europe GmbH)

Water containing hazardous substances generated from processes was treated in the wastewater treatemt facility and previously recycled in part. By renewing and improving the facility, we were able to improve the recycling rate, thus reducing the environmental burden on waterways by recycling 27,900m³ of wastewater annually.

Notes | *1 Integrated certification: Sites collectively certified under the Kyocera Group Integrated Environmental Management System except KYOCERA Corporation (refer to page 88)

Site information | Please refer to environmental impact data for individual sites on our Web site: http://global.kyocera.com/ecology/

Chemical Substances Management

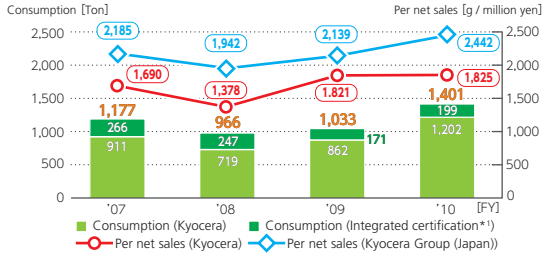
Some chemical substances cause environmental pollution and can affect human health and the ecosystem as a result of long-term accumulation. To manage these substances, we have established a chemical substances control system to minimize the amount of toxic chemical substances released into the air, water and waste.

FY2011 Results

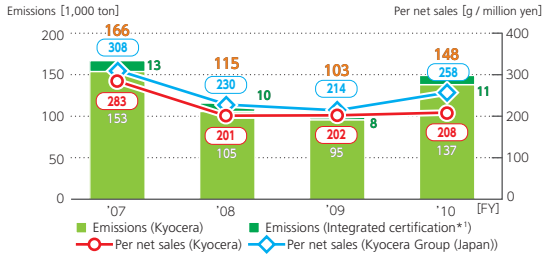
Reduction of Class I Chemical Substances specified by PRTR Law

The Kyocera Group (Japan) classified 21 substances which account for over 95% of the Class I Designated Chemical Substances stipulated in the PRTR Act as substances to be reduced and took steps to reduce them through replacement with substances that are not subject to the PRTR Act, and by improving the efficiency of the toluene recovery equipment. Although the consumption, emissions and transferred amount all increased compared to FY2010 due to an increase in production using the subjected substances, the transferred amount per net sales decreased by 1.4%.

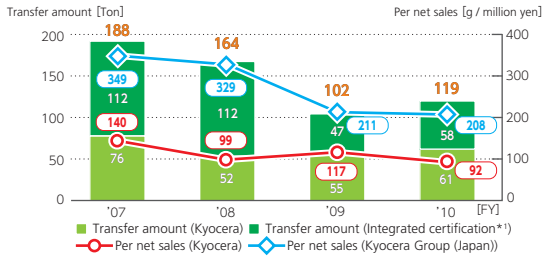
[PRTR Consumption]



[PRTR Emissions]



[PRTR Transfer Amount]



Supporting the PRTR Law

With the revision of the PRTR Act promulgated in November 2008, the number of chemical substances designated as Class I Designated Chemical Substances for which emissions and transported amount are subject to management changed from 354 to 462 in FY2011.
Within the Kyocera Group (Japan), all 51 substances including newly added designated substances have become subject to assessment and reporting with respect to emissions and transferred amount.

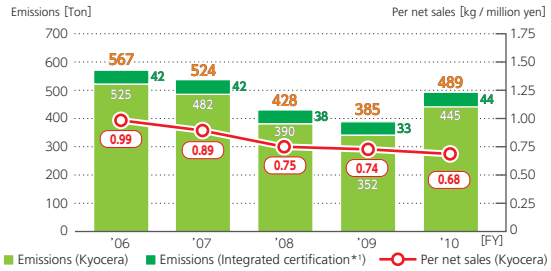
Unit [Ton]

Item	FY2011 Results
Utilized amount	4,395
Released amount	151
Transferred amount	237

Reducing Volatile Organic Compound (VOC) emissions in the air

The Kyocera Group (Japan) took steps to reduce the four substances (toluene, IPA, acetone and methanol) that comprise more than 95% of VOC emissions in the air.
Although we have implemented reduction measures such as improving the efficiency of toluene recovery equipment and improving the cleaning method, VOC emissions increased by 26.9% compared to FY2010 due to an increase in production using the subject substances.

[VOC Emissions]



Examples of Chemical Substances Management

■ Reduction of acid and alkaline chemicals by improving the solar cell production process (Shiga Yohkaichi Plant)

We reduced about 189 tons of acid and alkaline chemicals annually by reviewing the supplies of chemical solutions at the solar cell production process and the injection control of chemicals in the wastewater treatment process.

Management and disposal of PCB waste

The Kyocera Group (Japan) strictly controls and manages PCB (polychlorinated biphenyl) waste at specified locations with control sheets prepared in accordance with relevant laws.
Kyocera has already become an early registrant for disposal of these wastes with the Japan Environmental Safety Corporation and will dispose of them accordingly.

PCB waste storage area (Shiga Yasu Plant)

Notes *1 Integrated certification: Sites collectively certified under the Kyocera Group Integrated Environmental Management System except KYOCERA Corporation (refer to page 88)
Site information Please refer to environmental impact data for individual sites on our Web site: http://global.kyocera.com/ecology/

Green Communication

Transparency with Stakeholders Regarding Environmental Matters

Environmental Report

Kyocera Group "Eco-Lessons"

Since February 2003, the Kyocera Group has offered a community social action program, providing onsite environmental classes called "Eco-Lessons," which allow children — leaders of the next generation — to deepen their understanding of environmental problems and energy concerns, as well as nurture their thinking towards concerns for the earth in the course of school education.
In FY2010, we began to offer the program in China, taking advantage of know-how we have accumulated in Japan. In FY2011, we offered this program to 11,556 children at 203 elementary schools in Japan from areas near the 26 Kyocera Group locations (12 prefectures). We also offered classes in China to 2,410 students in 19 elementary schools in Shenzhen, Tianjin, Beijing, Shanghai, Jinan and Dalian. The total number of students having participated in the program since FY2004 has reached about 34,000.

Eco-Lessons in China

In Kyocera Group Eco-Lessons, employees themselves become lecturers and visit elementary schools. As a unique feature that can only be offered by a manufacturer which produces solar cells, we provide an opportunity for children to see and touch real silicon, which is the raw material for solar cells and solar modules. In order to make it a participatory study through which children can enjoy learning, Kyocera's original experiment kits and solar-powered toys are used as lesson materials. Fun quizzes are also given to encourage learning. Through this method we convey the importance of taking good care of the earth's environment to children.
In addition to the classes, we also distribute an original educational material which includes "My Family's Eco-Declaration" and a summary of environmental activities which can be practiced at home to help review what they learn.
The Kyocera Group feels it is important to continue such educational activities, and we will continue to create opportunities for children to develop a sense of caring for the Earth.

Experimenting with solar-powered toys

Children's impressions after taking Eco-Lessons

- "I want to be careful not to leave lights on and not to leave the refrigerator door open. I want to tell this to my friends and other people."
- "I learned that the Earth is in big trouble because of us. Since we are to blame, I think we have to return it to its original condition. I want to live thinking about the earth from now on."

Applying the Household Eco-Account Book

A significant recent increase in CO_2 emissions from households, which is a suspected cause of climate change, has become a big problem. The Kyocera Group (Japan) has aggressively promoted a program to promote use of the Eco-Account Book at employees' homes since FY2009. This program is intended to help reduce CO_2 emissions from households, raise the environmental awareness of employees and their families, and improve environmental communication.

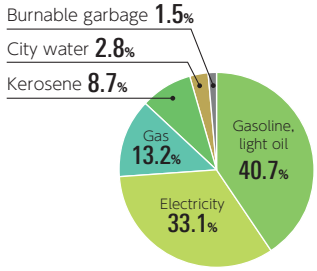
[FY2011 Eco-Account Book Results]

Emissions [kg-CO_2]

	Apr. – Jun.	Jul. – Sep.	Oct. – Dec.	Jan. – Mar.	Total
CO_2 emission per household	1,399	1,491	1,776	1,824	6,490
CO_2 emissions per person	489	539	610	617	2,255

For CO_2 emissions by item, the CO_2 emissions coming from the use of gasoline and light oil account for as high as 40.7%. This is presumed to result from the fact that the percentage of households owning automobiles was as high as about 85%. To reduce CO_2 emissions coming from automobiles, we provided our employees with education on eco-driving and had an eco-driving contest in 2010.

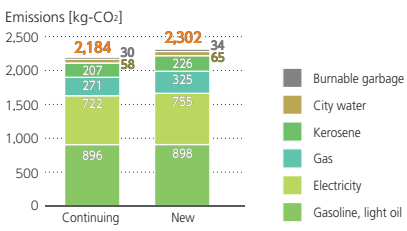
[Detailed CO_2 Emissions from Households in FY2011*]



Effect of Continuing this Activity

The CO_2 emissions per person of households continuing the program since FY2009 is about 5.2% lower than that of households having just started in FY2011, thus demonstrating an ongoing effect.

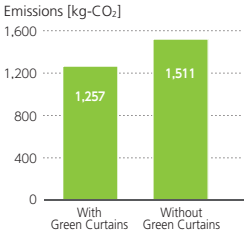
[CO_2 Emission per Person*]



Effect of Households Growing "Green Curtains"

We found that the CO_2 emission per household is about 17% lower for those implementing Green Curtain activities than for other households. In order to increase the number of houlseholds growing Green Curtains, we plan to expand our activities such as sponsoring a Green Curtain photo contest in 2011.

[CO_2 Emissions of Households with Green Curtains and those without*]



The results of Green Curtains are based on the comparison of data over the three months from July to September.

Examples of Efforts

■ Eco-Driving Workshops

In June 2010, we held Eco-Driving Workshops for the purpose of reducing fuel use and CO_2 emissions while driving as part of our efforts for the environmental awareness month, which a total of 4,583 people attended.

Eco-Driving Workshop
(Shiga Yohkaichi Plant)

■ Received an Excellence Award for "Eco-Driving Contest 2010"

The Kagoshima Sendai Plant received an Excellence Award for the Eco-Driving Contest 2010 (sponsored by the Ministry of the Environment and the Environmental Restoration and Conservation Agency (Japan)). The award was based on overall original and ingenious environmental conservation activities such as hosting an internal eco-driving contest and attaching enlightening bumper stickers on all company vehicles.

Notes *Data shows results of voluntary efforts by employees.

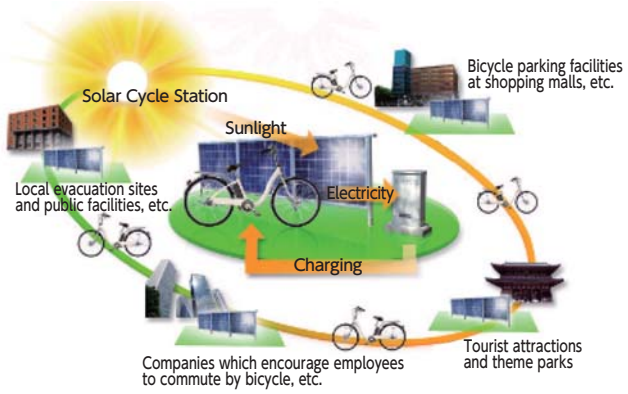
Green Communication

Transparency with Stakeholders Regarding Environmental Matters

Environmental Report

Promotion of the "Solar Cycle Station"

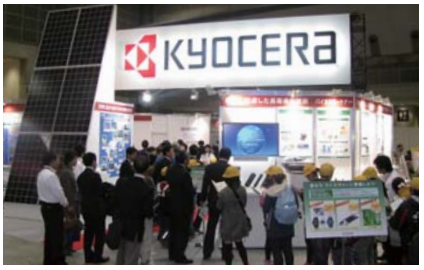
In recent years, the number of domestic shipments of power assisted bicycles is on the rise in Japan because of an upsurge in environmental awareness and a health and fitness boom. It is expected to become more widespread and the development and expansion of charging stations which widen the range of use of power assisted bicycles have become a pressing issue.
In order to help build the infrastructure of charging stations, the Kyocera Group developed the Solar Cycle Station, an eco-friendly charging station which charges power assisted bicycles using solar power.
This system charges the batteries of power-assisted bicycles using electricity generated by solar power. It is capable of automatically drawing electricity from the power grid when sufficient electricity cannot be generated, such as on a cloudy or rainy day or at night, which makes it possible to provide electricity in a stable manner.
The Kyocera Group contributes to the materialization of a low carbon society by endeavoring to develop and expand the infrastructure of eco-friendly charging stations through promotion of the Solar Cycle Station.



Conceptual Diagram of Solar Cycle Station

Information Disclosure at Environmental Exhibitions and on our Web Site

In order for various stakeholders to understand the Kyocera Group's environmental conservation activities, we actively participate in environmental exhibitions and events. In FY2011, the Kyocera Group made a presentation at Eco-Products 2010 — the largest environmental exhibition in Japan — and at the environmental industry fair, Lake Biwa Environmental Business Exhibition 2010, attracting many visitors. The Kyocera Group has also prepared an environmental report (currently the "CSR Report") every year since 2000 and releases information through our Web site in a timely manner.



Eco-Products 2010

Information disclosure on our Web site
("Green Curtains" Web page published in 2010)

Major Evaluation for Sustainable Management

Organization	Award	Award category	Reasons for award
Ministry of the Environment and Global Environmental Forum	The 14th Environmental Communication Awards, Excellence Award in the environmental reports category (Global Environmental Forum President Award)	KYOCERA Corporation	Kyocera was recognized for introducing its grassroots efforts such as a "basis of environmental management" and for a variety of eco-products as "environmental friendliness in products" in the Kyocera CSR Report 2010 and also for reporting detailed information on the environmental impacts of 35 green factory production sites on its Web site.
Ministry of the Environment	The Minister of the Environment Award for the Promotion of Measures to Cope with Global Warming in FY2011, Technological Development/Product Category	KYOCERA Corporation	Kyocera developed an large-sized solar module using 60 solar cells. It was highly evaluated as a product that enables reductions in both the construction time and the volume of installation mountings because the output level per module is higher, thus a fewer number of modules can produce a high output.
Nikkei Inc.	12th place in the manufacturing industry's overall ranking for the 14th corporate Sustainable Management Survey	Kyocera Group	The Kyocera Group was recognized for introducing a system to evaluate eco-friendliness in design and development, which takes into consideration the whole life cycle of a product, as well as its efforts such as an improvement in environmental performance through grassroots environmental improvement activities conducted at each product line.
Ministry of the Environment, Environmental Restoration and Conservation Agency	Excellence Award in Eco-Driving Contest 2010	Kagoshima Sendai Plant, Kyocera Corpoation	The award recognizes original and ingenious environmental conservation activities such as reducing vehicle fuel consumption using the Eco-Account Book, hosting an internal eco-driving contest, and attaching enlightening bumper stickers on all company vehicles.
Japan Greenery Research and Development Center	President of the Japan Greenery Research and Development Center Award	Kagoshima Sendai Plant, Kyocera Corpoation	The award recognizes various efforts such as excellent landscapes in green areas, a high proportion of green areas, periodical cleanup activities in the community, and participation in community events by allowing public access to the company grounds.

Activities Related to the Conservation of Biodiversity

Humankind's society consists of various blessings of nature. On the other hand, forests equivalent to one fifth of Japan's land area are lost from the world every year. It is also said that the effect of human activities over these several hundreds of years causes the extinction rate of species to be accelerated by 1,000 times. In this way, circumstances surrounding biodiversity have become extremely serious.
In regards to the Kyocera Group's business activities, while we are benefitting from the ecological system in the form of raw materials, its output has no small effect on the biodiversity.
The Kyocera Environmental Charter states our working policy relating to the conservation of biodiversity through activities such as the reduction of destructive effects on the natural environment and on the ecological system, active promotion of greenification at offices, and participation in and support of social contribution activities. In this way, we are actively engaged in various activities.

Promoting Project Firefly

The Kagoshima Kokubu Plant launched Project Firefly in November 2009 in order to preserve the distinctive local biosphere around the manufacturing plant. With the cooperation of local firefly researchers, employees improved the environment around a pond in the plant premises to make it habitable. As a result, fireflies flew around the plant in May 2010, glowing brilliantly. We also endeavor to enhance the environmental awareness of employees through this project.

Construction of a Small Dam and Tree-Planting

KYOCERA KINSEKI (Thailand) Co., Ltd. built a small dam and planted trees in Mea Ping National Park with the aim of increasing environmental awareness by participating in a social action program.

Conservation of a Stork Habitat

In Toyooka City, Hyogo Prefecture, the city leads the way in expanding activities to restore a wild habitat of storks and the coexistence of storks and humans as "CRS Toyooka." Kyocera Mita Japan Corp. cut down a bamboo grove to foster a diverse ecosystem by preserving a broad-leaved forest as part of an environmental conservation activity around a stork habitat in November 2010.

Satoyama Conservation Activities

The Shiga Gamo Plant has been engaged in Satoyama conservation activities since 2008 for the purpose of conserving the original local ecosystem by reviving a back hill in the plant's premises as a verdant hill. Employees removed blighted pine trees, thinned the forest and removed undergrowth. Then they carefully planted about 300 seedlings one by one which they breeded over the course of about 3 months. Currently, the sunlight reaches the forest floor and there are sprouts of a variety of plants including oaks. It is changing into a forest where native species flourish.

Before the project

After the project

Employee Education on Biodiversity Conservation

In order to better understand conservation activities carried out by the Kyocera Group, we introduced the meaning of biodiversity and things that each person can do for biodiversity conservation in our company newsletter in December 2010.

7th Environment & Safety Promotion Plan

Environmental Report

Name of Plan	Overview	Scope*1	Reference or Index	Goals			
				FY2012		FY2013	FY2014
				First Half	Second Half		
Environmentally Friendly Product Promotion Plan	1. Expansion of environmentally friendly products	KYOCERA Corporation	Sales or production ratio (proportion of sales or production of environmentally friendly products to total sales/production)	Understanding the current situation	Goal setting of 80%+	Goal setting of 80%+	95%
	2. New creation of Kyocera environmentally friendly products	KYOCERA Corporation / Domestic	—	One or more in each operating / R&D division		One or more in each operating / R&D division	One or more in each operating / R&D division
	3. Promotion of improvements in packing materials	Global*2	FY2011 weight of packing materials per net sales	2% reduction		4% reduction	6% reduction
Products Environmental Quality Promotion Plan	1. Development and application of a management system for the environmental quality of products	KYOCERA Corporation	—	Development		Application	Application
		Inside Japan		—	Development	Development	Application
		Outside Japan		—		Development	Development
	2. Application of green supplier system	KYOCERA Corporation	—	Audit and certification		Audit and certification	Audit and certification
				—	Start of application to overseas suppliers	Application	Application
		Inside Japan		—	Start of application	Application	Application
		Outside Japan		—		Start of application	Application
Energy conservation / climate change prevention promotion plan	1. Reduction of greenhouse gas emissions						
	Aggregate reduction [Low-carbon society contribution factor]	Global	Low-carbon society contribution factor = (Greenhouse effect gas reduction (ton-CO_2) / Greenhouse effect gas emissions (ton-CO_2))	—		—	Factor 1 accomplished
	Reduction per net sales	Global	FY2011 greenhouse gas emissions per net sales	2% reduction		5% reduction	8% reduction
	2. Reduction of CO_2 emissions from cargo shipping	KYOCERA Corporation	FY2011 CO_2 emissions from cargo shipping per net sales	2% reduction		4% reduction	6% reduction
		Inside Japan*3	FY2012 CO_2 emissions from cargo shipping per net sales	Understanding the current situation		2% reduction	4% reduction
Environmental Conservation Promotion Plan	1. Promotion of recycling of wastewater containing hazardous substances						
	Recycling of wastewater containing hazardous substances	KYOCERA Corporation	—	Countermeasures for equipment (Kagoshima Kokubu Plant)		Countermeasures for equipment (Shiga Gamo Plant)	Countermeasures for equipment (Kagoshima Sendai Plant)
	2. Promotion of countermeasures for soil and groundwater contamination	KYOCERA Corporation / Domestic	—	Setting up a monitoring well		Setting up a monitoring well	Setting up a monitoring well
Waste Reduction Promotion Plan	1. Reduction of the weight of generated waste per net sales						
	Industrial waste and variables	KYOCERA Corporation / Domestic (production sites and R&D sites)	FY2011 weigh of generated waste per net sales	3% reduction		6% reduction	9% reduction
		Overseas (production sites and R&D sites)					
	2. Reduction of the weight of waste discharge per net sales						
	Industrial waste	KYOCERA Corporation / Domestic (production sites and R&D sites)	FY2011 weight of generated waste per net sales	5% reduction		10% reduction	15% reduction
		Overseas (production sites and R&D sites)					
	General waste	KYOCERA Corporation / Domestic (non-production sites)	FY2011 Weight of general waste discharge per net sales	3% reduction		6% reduction	9% reduction
	3. Promotion of resource recycling						
	Industrial waste and general waste	KYOCERA Corporation / Domestic	Recycling rate	Maintaining 99.5%+		Maintaining 99.5%+	Maintaining 99.5%+
	Waste disposal	Outside Japan	Direct landfill rate	Promotion of Countermeasures		Promotion of Countermeasures	5% or less

Name of Plan	Overview	Scope*1	Reference or Index	Goals			
				FY2012		FY2013	FY2014
				First Half	Second Half		
Resource Conservation Promotion Plan	1. Reduction of vehicle fuel consumption	Global	FY2011 vehicle fuel consumption per net sales	3% reduction		6% reduction	9% reduction
	2. Reduction of water consumption	Global (production sites)	FY2011 water consumption per net sales	3% reduction		6% reduction	9% reduction
	3. Improvement of the water recycling rate	Domestic (production sites)	—	5%		10%	15%
	4. Reducing office paper purchases	Global	FY2011 office paper purchases per net sales	3% reduction		6% reduction	9% reduction
	5. Improvement of the rare metals recycling rate	KYOCERA Corporation / Domestic*4	FY2011 average concentration rate in industrial wastewater	—		—	50% reduction
Chemical Substances Measurement Promotion Plan	1. Improvement of efficiency in the use of wastewater treatment agents	Inside Japan (10 locations)*5	FY2011 amount of water treated per net sales	3% reduction		6% reduction	9% reduction
	2. Reduction of discharge and transfer of materials subject to the PRTR Law						
	Released amount per net sales	Inside Japan*6	FY2011 discharged amount per net sales	3% reduction		6% reduction	9% reduction
	Transferred amount per net sales		FY2011 transferred amount per net sales	3% reduction		6% reduction	9% reduction
	Released amount per net sales	Outside Japan*7	FY2011 discharged amount per net sales	3% reduction		6% reduction	9% reduction
	Transferred amount per net sales		FY2011 transferred amount per net sales	3% reduction		6% reduction	9% reduction
Environmental Communication Promotion Plan	1. Operation of Kyocera Group Eco-Lessons	KYOCERA Corporation / Domestic	—	Increasing the number of participating schools		Increasing the number of participating schools	Increasing the number of participating schools
	2. Promotion of Kyocera's forestation activities	KYOCERA Corporation	—	Active expansion		Active expansion	Active expansion
	3. Promotion of environmental conservation activities among employees' families	KYOCERA Corporation / Domestic	—	Increasing the number of participating households		Increasing the number of participating households	Increasing the number of participating households
Industrial Safety and Health Promotion Plan	1. Reduction of work-related injuries	KYOCERA Corporation / Domestic	FY2011 rate of lost-worktime from injuries	50% reduction		75% reduction	Zero lost worktime from injury
			FY2011 total injury rate				87.5% reduction
		Outside Japan	FY2011 total injury rate per 1,000 employees	50% reduction		75% reduction	87.5% reduction
	2. Enhancement of mental health-related measures	KYOCERA Corporation / Domestic	Number of employees taking leave in FY2011 for mental health reasons	10% reduction		20% reduction	30% reduction
Fire & Disaster Prevention Promotion Plan	1. Establishment and application of fire safety standards	KYOCERA Corporation / Domestic	Number of existing facilities at the end of FY2011	Establishment of safety standards	Countermeasures completed: 20%	Countermeasures completed: 60%	Countermeasures completed: 100%
	2. Establishment and application of fire safety inspection standards	KYOCERA Corporation / Domestic	—	Establishment of fire safety inspection standards, selection of equipment manager for each section and application			
	3. Seismic bracing of machines and equipment						
	Standards for seismic bracing	KYOCERA Corporation / Domestic	—	Establishment		Bracing of new facilities	Bracing of new facilities
	Bracing of existing facilities	KYOCERA Corporation	—	Bracing completed 10%		Bracing completed 30%	Bracing completed 50%
		Inside Japan	—	—		Bracing completed 20%	Bracing completed 40%
	4. Establishment and application of a disaster prevention plan	KYOCERA Corporation / Domestic	—	Establishment of plan guideline	Application	Application	Application
	5. Establishment and application of disaster drill standards	KYOCERA Corporation / Domestic	—	Establishment		Application	Application
	6. Preparation of Fire Safety & Disaster Prevention Handbook and workshops	KYOCERA Corporation / Domestic	—	Preparation		Workshops held	Workshops held
Perfect 5S Promotion Plan	1. Raising the lowest score	KYOCERA Corporation	Reference value set for each group with the lowest 5S audit assessment score	+10 points		+10 points	+10 points
		Inside Japan		+5 points		+10 points	+15 points
		Outside Japan		+5 points		+10 points	+15 points

*1 Coverage: Global – Entire Kyocera Group; Single – Kyocera; Domestic – Domestic Kyocera Group Companies; Overseas – Overseas Kyocera Group Companies.

*2 Overseas Group companies are subjected only in the areas where quantity control is legally mandated. (Those in areas without a legal mandate are encouraged to make reductions, but no numerical goals are set.)

*3 Affiliated companies in businesses which involve shipping

*4 Offices which report (1 ton/year or more) in accordance with the PRTR Act

*5 Kyocera: Shiga Gamo Plant, Shiga Yohkaichi Plant, Shiga Yasu Plant, Kagoshima Kokubu Plant, Kagoshima Sendai Plant, Kagoshima Hayato Plant; Kyocera Group companies in Japan: KYOCERA SLC Technologies Corp. (Shiga Yasu Plant, Kyoto Ayabe Plant, Kagoshima Sendai Plant), KYOCERA KINSEKI Yamagata Corp.

*6 Offices which report FY2011 results

*7 Offices which follow their local country's reporting program on the discharge and transfer of chemical substances

History of Environmental Activities

Environmental Report

1969

1969
- The first discharge water treatment facility was installed at the Shiga Plant (now Shiga Gamo Plant).

1970～

1971
- An environmental management division was set up at the Shiga Plant (now Shiga Gamo Plant).


1

1973
- A plating discharge water treatment facility was installed at the Kagoshima Plant (now Kagoshima Sendai Plant).

1974
- Developed ceramic honeycomb filters to clean gas emissions at facilities.

1975
- Established Japan Solar Energy Corporation (JSEC) and began development of solar cells. **(Photo 1)**

1977
- JSEC succeeded in the continuous pulling of silicon ribbon using the EFG process, and achieved a conversion ratio of 8% for silicon ribbon crystal solar cells.
- Mass production of alumina heaters for auto chokes with superior thermal resistance and durability.

1978
- Received an Important technology R&D subsidy from the Ministry of International Trade and Industry (Japan) for applied research into ceramic diesel engines.
- A discharge water treatment facility was installed at the Kagoshima Kokubu Plant to remove lead used as a raw material.

1979
- JSEC developed a medium-sized, ribbon crystal silicon solar cell module for power generation: the RSA-7540 (12W).
- JSEC established mass production technology for 50mm-wide silicon ribbon crystals.
- Solar modules were installed to power microwave relay equipment set up in the Peruvian Andes Mountains. **(Photo 2)**
- Kyocera set up a Solar System Division.
- Started development of a highly durable amorphous silicon photoreceptor drum.


2

1980～

1980
- Practical application of an all-ceramic-activated-carbon honeycomb.
- The CP-55, a small, lightweight and energy-saving copier was introduced for sale.


3

1981
- The natural circulation solar water heater SON OF SUN was introduced for sale.
- Kyocera began joint research with Isuzu Motors, Ltd. on the practical application of a ceramic diesel engine.
- Developed ceramic glow plug for diesel engines. **(Photo 3)**
- The portable solar cell SB-II was introduced for sale.
- Kyocera installed 34 solar lights — practical lighting using solar cells — along the "Nagaraki-no-michi" path on the Kamo river bank in Kyoto.
- Successful test drive of the world's first vehicle powered by a ceramic engine with high thermal efficiency (televised by NHK on January 4, 1982).

1982
- World's first mass production of ceramic hot plugs.
- Mass production of ceramic heaters for oxygen sensors used in reducing gas emissions.

1983
- Set up a community electricity system using solar power generation in Kankoi Village, Pakistan. **(Photo 4)**
- Installed solar-powered lights at the top of Mt. Fuji.
- Mass production of components with superior thermal stability and corrosion resistance for use in processing molten aluminum.


4

1984
- Installed a 43kW solar power generation system at the Chiba Sakura Plant (now the Chiba Sakura Office).
- Commercialization of the "akuresuai," an autonomic, light-emitting, solar-powered road stud.
- Introduced the Solar Power Station — a forced-circulation solar water heater.
- Successful development and mass production of amorphous silicon photoreceptor drums.

1985
- The Environmental Management Division was established at Kyocera Headquarters.

1986
- Installed a toluene recovery facility at the Kagoshima Sendai Plant to recycle toluene and reduce emissions. **(Photo 5)**
- Began mass production of multicrystalline solar cells.
- Launched a development project for gas turbine components using the superior thermal resistance of ceramics.
- The world's smallest laser printer, the F-1010, was introduced for sale.


5

1987
- Achieved the world's highest conversion ratio: 15.1%, for 10-cm-square multicrystalline silicon solar cells.

1989
- Began implementing measures for reduction of chlorofluorocarbon use.
- Kyocera and the New Energy and Industrial Technology Development Organization (NEDO) jointly installed a hybrid power system (solar power 30kW) at the Kagoshima Prefectural Institute of Industrial Technology (Japan).
- Developed a high-performance prototype solar-powered car, the SEV-1.
- Began mass production of ceramic turbo rotors.

1990～

1990
- Launched the Kyocera Green Committee (KCGC), with Kyocera president as committee chair. **(Photo 6)**


6

1991
- Launched the Kyocera Group Green Committee (KGGC).
- Appointed an Environment Director.
- Began recycling used paper.
- Enacted the Kyocera Environmental Charter.
- The Gas Turbine Engine Development Group received the Japan Fine Ceramics Association's Technology Advancement Prize for the "application of ceramics in small-scale gas turbine rotors."
- Developed a dynamic-drive micro-LED printhead.
- Began mass production trials of ceramic components for fuel cells.

1992
- Launched the three-year 1st Environmental Protection Promotion Plan.
- Established Kyocera Environmental Management Standards.
- Introduced the Kyocera Eco-Label Certification System.
- Appointed June as Kyocera Environment Month and began deployment of diverse environmental protection activities.
- Began environmental inspections at plants to ascertain the state of environmental management and raise the level of management awareness.
- Abolished use of all specified chlorofluorocarbons and other materials.
- Released the world's first non-cartridge LED printer, the ECOSYS FS-1500. **(Photo 7)**


7

- Began mass production of a ceramic cam roller for diesel engines.

1993
- ECOSYS printer becomes first office automation (OA) equipment to receive Eco Mark Certification.
- Began mass production of silicon nitride control valve for automobiles.
- Began selling the industry's first solar power generating system for residential use in Japan.

1994
- Prohibited use of methyl bromide and trichloroethylene.

1995
- Prohibited use of tetrachloroethylene and HCFC-141b.
- Began mass production of the 3rd-generation ceramic glow plug (high-temperature, self-saturation type), which contributes to reduction of vehicle emissions.

1996
- Launched the 2nd Environmental Protection Promotion Plan.
- Established the Kyocera Award for Contribution to the Global Environment.
- Mie Plant (now the Mie Ise Plant / KYOCERA MITA Corp. Tamaki Plant) received ISO14001 certification.
- Achieved the world's highest conversion ratio: 17.1%, for 15-cm-square multicrystalline silicon solar cells.

1997
- 10 plants obtained ISO14001 certification.
- Kyocera's Solar Energy Division received the Director General of the Environment Agency Prize for "contribution to prevention of global warming."
- A compound intermediate processing facility was installed at the Kagoshima Sendai Plant to process dioxins and to dry sludge using waste furnace heat.
- The 3rd-generation ECOSYS FS-1700 and FS-3700 became the first printers in the world to receive the German environmental test mark, the Blue Angel.

1998
- Began green procurement.
- Completion of new Kyocera headquarters — an environmentally friendly building with a 214kW solar power generating system.

1999
- Obtained integrated ISO14001 certification for 6 non-manufacturing locations.
- Launched the 3rd Environmental Protection Promotion Plan.
- Obtained integrated ISO14001 certification for all 42 domestic Kyocera locations.
- Completely eliminated use of chlorofluorocarbon substitutes, 20 years before the deadline stipulated by the Kyoto Protocol.
- Received the New Energy Foundation Chairman's Prize, one of the Grand Prizes sponsored by the New Energy Foundation.
- The ceramic gas turbine jointly developed by Kyocera and Kawasaki Heavy Industries, Ltd. achieves the world's highest thermal efficiency of 42.1% at an inlet temperature of 1,396 degrees C.
- Received the Fuji Sankei Group Award, at the 8th Global Environment Awards sponsored by the Fuji Sankei Group.

2000～

2000
- ISO14001 integrated certification was expanded to cover the Kyocera Group (Japan).
- Began disclosing environmental reports on the Internet. **(Photo 8)**
- In April 1999, Kyocera set goals for the abolition of small incineration furnaces. All such furnaces were phased out by December 2000.
- ECOSYS printers won the 46th Okochi Memorial Foundation Technology Prize for their long-life xerography process and commercialization of environmentally friendly printers.
- Received the Gas Turbine Society of Japan Technology Prize, the Japan Fine Ceramics Association Outstanding Achievement Prize, and the Ceramic Society of Japan Technology Prize for development of ceramic components used in gas turbines.

8

2001
- The Kyocera Environmental Awareness Month was expanded companywide to become the Kyocera Group Environmental Awareness Month.
- Announced support for the "e-mission 55" initiative endorsing implementation of the Kyoto Protocol.
- Completed raising and elevating underground facilities as necessary, based on standards for handling underground facilities (enacted 1996).
- Began switching to natural-gas use (LNG) from LPG to reduce CO_2 emissions.

2002
- Launched the 4th Environmental Protection Promotion Plan.
- Introduced environmental accounting.
- Installed a processing facility at the Kagoshima Sendai Plant to recycle resources by sintering green-sheet scrap (industrial waste).
- Succeeded in developing the industry's first process for eliminating lead from manufacturing of ceramic packages used in semiconductors.


9

- Developed the first ceramic application for LEDs: a surface-mount ceramic package for high-intensity LEDs.

2003
- Began Eco-Lessons. **(Photo 9)**
- Issued the Sustainability Report (now the CSR Report).
- Kagoshima Kokubu Plant received the 1st Japan Sustainable Management Award (Outstanding Prize for Environmental Management).
- Began introducing KGEMS, Kyocera's self-certification system based on the ISO14001 standard.
- Released the SAMURAI, a residential-use solar module with both design and performance features.
- Released the ECONONAVIT, an indoor solar power monitoring unit for residences, which shows the state of solar power generation and contributes to higher awareness of energy conservation. First in the industry to use a wireless format and large, color LCD.
- Developed a ceramic heater core, featuring higher temperature durability and rapid temperature increase, for ceramic glow plugs.
- Developed a solar module that uses lead-free solder.
- Achieved the world's highest level of power generation efficiency: 54% at the low-operating temperature of 780 °C for a 1kW solid oxide fuel cell (SOFC).

2004
- Began publishing Social Responsibility / Environmental Reports (now the CSR Report).
- Began holding Social Responsibility / Environmental Report Meetings (now the CSR Economic, Social and Environmental Report Meetings) to build communication with local communities.
- Increased the environmental accounting period to every quarter.
- KYOCERA MITA Corp. Tamaki Plant received the 2nd Japan Sustainable Management Award (Outstanding Prize for Environmental Management).
- Developed an environmentally friendly, industrial-use LCD complying with the RoHS Directive.

2005
- Launched the 5th Environmental Protection Promotion Plan.
- Began Social Responsibility / Environmental Report Reading Assemblies (now CSR Report Reading Assemblies) to explain the CSR concepts and activities to employees.
- Installed solar power generating systems — about 440kW in total — at the Mie Ise Plant, Shiga Yohkaichi Plant, Kagoshima Kokubu Plant, and Kagoshima Hayato Plant.
- KYOCERA International, Inc. (U.S.A.) installed a 279kW solar power system over the company parking lot, which is named the "Solar Grove" due to the rows of supports holding up the panels, which resemble trees.
- Introduced an energy-saving, low-cost refrigeration system at the Kagoshima Kokubu Plant. The system has three types of equipment that can be operated in combination according to plant requirements: an absorption refrigerator, a cogeneration system and a turbo-refrigerator.
- Introduced an environmentally friendly high-speed digital multifunctional product, the KM-6230RM. This machine has a mass ratio of more than 80% recycled components.
- Kyocera and Osaka Gas Co., Ltd. began joint test operations of solid oxide fuel cells (SOFCs) for residential use.
- Installed a 240kW solar power system at Chubu International Airport. This system is used as an auxiliary cabin power source by aircraft waiting on the tarmac. **(Photo 10)**


10

2006
- Established global policy on the RoHS Directive and strengthened management of chemical substances used in products.
- Introduced a Environmental Friendliness Product Assessment System that mandates a life-cycle assessment be performed when developing products and technology.
- Start of full-scale Environmental Safety Inspections at overseas facilities.
- Installed turbo refrigerators at Shiga Yohkaichi Plant, Kagoshima Sendai Plant, as well as KYOCERA KINSEKI Yamagata Corp., and International Golf Resort KYOCERA.
- Installed a closed processing facility at Shanghai KYOCERA Electronics Co., Ltd. for treating discharge water contaminated with cyanogens from the plating processes.
- Achieved the world's highest energy conversion ratio: 18.5%, for 15-cm-square multicrystalline solar cells.
- Developed a multilayer piezoelectric element for injectors in the diesel engine fuel injection system, based on Kyocera's unique raw material technology and structural design technology.


11

2007
- Increased the number of schools targeted for Eco-Lessons to 12.

2008
- Began full-scale replacement of company vehicles with hybrid models, to aid in the prevention of climate change. **(Photo 11)**
- Prepared the Eco-Life Notebook — a booklet for environmental protection activities in employees' homes; distributed the booklet to all Kyocera Group employees in Japan. **(Photo 12)**
- Installed a recycling system for removing 100% of lead from discharge water at the Kagoshima Kokubu Plant.


12

- Launched the The 6th Environment and Safety Promotion Plan — expanded to cover the entire Kyocera Group.
- Increased the number of schools targeted for Eco-Lessons to 25.
- Established environmental management standards for the domestic Kyocera Group.
- Began using biodiesel fuel derived from waste cooking oil at the Shiga Gamo Plant and Shiga Yohkaichi Plant.
- Grew "Green Curtains" using climbing plants, at five domestic bases.
- Began using the Kyocera Green Supplier Certification System.
- Released a high power output (208.4W) solar module using a new type of 156mm² solar cell, for public facilities and industrial use.
- Participated in trial implementation of emissions trading in the domestic integrated market, as promoted by the Ministry of Economy, Trade and Industry.

2009
- Kagoshima Sendai Plant and Kagoshima Kokubu Plant received the 2008 PRTR Grand Prize (Incentive Prize), sponsored by the Center for Environmental Information Science. **(Photo 13)**
- Shiga Gamo Plant and Shiga Yohkaichi Plant received the 7th Japan Environmental Management Grand Prize (Environmental Management Excellence Prize).
- Kyocera, Osaka Gas Co., Ltd., Toyota Motor Corp. and Aishin Seiki Co., Ltd. agreed to jointly develop a solid oxide fuel cell (SOFC) cogeneration system for residential use.


13

- Began offering "Eco-Lessons" in China.
- Kyocera began supplying Toyota Motor Corp. with solar modules for use with its solar ventilation system — an optional feature for Toyota's Prius hybrid vehicle.
- Succeeded in development of the world's first bio color toner combining environmental friendliness and high quality.

2010～

2010
- Participated in Promotional Partners for Declaration of Biodiversity by the Nippon Keidanren.
- Kagoshima Sendai Plant received the 8th Japan Sustainable Management Award (Outstanding Prize for Environmental Management).
- The total number of students having participated in Kyocera Group "Eco-Lessons" exceeded 20,000.
- The Kagoshima Sendai Plant was awarded an Excellence Award in the Eco-Driving Contest 2010 sponsored by the Ministry of the Environment.
- A high-power solar module for domestic public and industrial use won the Minister of the Environment Award for the Promotion of Measures to Cope with Global Warming in FY2011. **(Photo 14)**
- Developed and started the sale of the Solar Cycle Station, an eco-friendly charging station which charges power assisted bicycles using solar cells.

14

2011
- The CSR Report 2010 received the 14th Environmental Communication Awards (Excellence Award in the environmental reports category).
- Completed installation of solar power generating systems at all of Kyocera's 10 manufacturing plants in Japan.
- 7th Environment and Safety Promotion Plan.

* Descriptions of world records in the chronology above are based on the achievements at that time.

ISO9001 and OHSAS18001 Certification Status

Facts and Figures

ISO9001 Certification Status

Integrated Certification (6 companies)

(as of March 2011)

Region	Company	Date of registration
Japan	KYOCERA Corporation	Jul. 1992 (Registration No.: JMI-0036)
	KYOCERA OPTEC Co., Ltd.	
	KYOCERA MITA Corp.	
	KYOCERA SLC Technologies Corp.	
	KYOCERA Chemical Corp.	
	KYOCERA Solar Corp.	

Individual Certification (39 companies)

(as of March 2011)

Region		Company	Date of
Asia	Japan	KYOCERA ELCO Corp.*1	Jul. 2008
		KYOCERA KINSEKI Corp.	Mar. 1998
		KYOCERA KINSEKI Hokkaido Corp.	Mar. 1998
		KYOCERA KINSEKI Yamagata Corp.*1	May 2003
		Japan Medical Materials Corp.*2	May 2005
		KYOCERA Communication Systems Co., Ltd.	
		Six divisions related to computer systems and package software	Aug. 1997
		Two divisions related to mobile base stations	Sep. 2004
	China	Shanghai KYOCERA Electronics Co., Ltd.	Dec. 1998
		Dongguan Shilong Optics Co., Ltd. 2003	Feb. 2003
		KYOCERA MITA Office Equipment (Dongguan) Co., Ltd.	Feb. 1994
		KYOCERA Chemical (Wuxi) Co.	Apr. 2004
		KYOCERA (Tianjin) Solar Energy Co., Ltd.	Jul. 2004
		KYOCERA ELCO Hong Kong Ltd.	Mar. 2004
		KYOCERA MITA Industrial Co., (H.K.) Ltd.	Feb. 1994
		AVX Electronics (Tianjin) Co., Ltd.*1	Sep. 2007
	Singapore	KYOCERA ELCO Singapore Pte, Ltd.	Oct. 2004
		KYOCERA Chemical Singapore Pte, Ltd.	Mar. 2003
	Korea	KYOCERA ELCO Korea Co., Ltd.	Apr. 1998
		KYOCERA Precision Tools Korea Co., Ltd.	Feb. 2004
	Thailand	KYOCERA Chemical (Thailand) Ltd.	Feb. 2002
		KYOCERA KINSEKI (Thailand) Co., Ltd.*1	Sep. 2003
	Malaysia	TPC (Malaysia) Sdn.Bhd.	Mar. 2004
	Philippines	KYOCERA KINSEKI Philippines, Inc.*1	Mar. 2004
	Israel	AVX Israel Ltd.	Dec. 2003

Region		Company		Date of registration
North America	U.S.A.	KYOCERA America, Inc.		Apr. 1994
		KYOCERA Industrial Ceramics Corporation		Apr. 1995
		KYOCERA TYCOM Corporation		Aug. 1996
		AVX Corporation	Biddeford	Nov. 2004
			Colorado Spring	Jul. 2003
			Conway	Jul. 2004
			Myrtle Beach*1	Jul. 2005
			Olean	Dec. 2003
			Raleigh	Jul. 2004
		AVX Filters Corporation		Dec. 2003
		American Technical Ceramics Corp.	Huntington	Oct. 1997
			Jacksonville	Oct. 1998
South and Central America	Mexico	KYOCERA Mexicana, S.A. de C.V.		Jun. 2005
		Avio Excelente, S. de R.L. de C.V.*1		Jan. 2004
	El Salvador	AVX Industries, Pte. Ltd .*1		Dec. 2003
	Brasil	AVX Components da Amazonia Ltda.		Jan. 2004
Europe	Sweden	American Technical Ceramics Europe Aktiebolag		Jan. 2003
	UK	AVX Limited	Coleraine*1	Nov. 2007
	France	TPC S.A.S*1		Dec. 2007
	Germany	ELCO Europe GmbH*1		May 2007
	Czech	KYOCERA Solar Europe s.r.o.		Jul. 2005
		AVX Czech Republic s.r.o.	Lanskroun	Feb. 2006
			Uherske*1	Oct. 2007*3
				Dec. 2007*4

*1 Certification of the quality management standard (ISO/TS-16949) to which automotive special requirements are added based on ISO 9001.
*2 Certification of the quality management standard (ISO 13485) to which medical-related special requirements are added based on ISO 9001.
*3 Related to connectors.
*4 Related to electronic parts and capacitors.

OHSAS 18001 Certification Status

Integrated Certification (127 sites)

(as of March 2011)

Region	Company	Office / plant							Date of registration
Japan	KYOCERA Corporation	Headquarters	Hokkaido Kitami Plant	Fukushima Tanagura Plant	Chiba Sakura Office	Tokyo Yaesu Office	Tokyo Harajuku Office	Tokyo Yoga Office	Oct. 2005 (Registration No.: C05J0006)
		Yokohama Office	Tsunashima Building	Nagano Okaya Plant	Gifu Office	Mie Ise Plant	Shiga Gamo Plant	Shiga Yohkaichi Plant	
		Shiga Yasu Plant	Kyoto Fushimi Office	R&D Center, Keihanna	Osaka Tamatsukuri Office	Osaka Daito Office	Kagoshima Sendai Plant	Kagoshima Kokubu Plant	
		R&D Center, Kagoshima	Kagoshima Hayato Plant	Sapporo Sales Office	Tohoku Sales Office	Nagaoka Sales Office	Takasaki Sales Office	Utsunomiya Sales Office	
		Omiya Sales Office	Tachikawa Sales Office	Kawaguchi Logistics Center	Komae Sales Office	Atsugi Sales Office	Kanazawa Sales Office	Matsumoto Sales Office	
		Hamamatsu Sales Office	Nagoya Sales Office	Mikawa Sales Office	Kyocera Management Research Institute	Kyocera Keiaikan	Osaka Sales Office	Himeji Sales Office	
		Okayama Sales Office	Hiroshima Sales Office	Kyushu Sales Office	Okinawa Sales Office	CV Ginza Store	CV Kyoto Store	CV Osaka Umeda Store	
		CV Kobe Sannomiya Store	CV Hiroshima Store						
	KYOCERA ELCO Corp.	Headquarters	Ikebe Warehouse	Ikebe No.2 Warehouse	Ikebe No.3 Warehouse	Okaya Plant	Osaka Sales Office	Nagoya Sales Office	
		Omiya Sales Office	Tachikawa Sales Office	Matsumoto Sales Office					
	KYOCERA OPTEC Co., Ltd.	Headquarters	Chigase Plant	Tokyo Sales Office	Kansai Sales Office				
	KYOCERA MITA Corp.	Headquarters	Hirakata Plant	Tamaki Plant	Tokyo R&D Center				
	KYOCERA MITA Japan Co., Ltd.	Headquarters							
	KYOCERA Chemical Corp.	Headquarters	Kansai Branch	Kyushu Branch	Kawaguchi Plant	Kawasaki Plant	Kohriyama Plant	Mooka Plant	
	KYOCERA SLC Technologies Corp.	Headquarters	Shiga Yasu Plant	Kyoto Ayabe Plant	Kagoshima Sendai Plant	Kagoshima Kokubu Plant	Higashi Nihon Sales Office	Kyushu Sales Office	
	KYOCERA KINSEKI Corp.	Headquarters	Nagano Okaya Plant	Shiga Yohkaichi Plant	Kagoshima Kokubu Plant				
	KYOCERA KINSEKI Hokkaido Corp.	Headquarters	Ebetsu Plant						
	KYOCERA KINSEKI Yamagata Corp.	Headquarters							
	KYOCERA KINSEKI HERTZ Corporation	Headquarters							
	Japan Medical Materials Corp.	Headquarters	Tokyo Branch	Kobe Plant	Shiga Gamo Plant	Shiga Yohkaichi Plant	Shiga Yasu Plant	Research Center	
		Kobe Product Control Center	Sapporo Sales Office	Tohoku Sales Office	Omiya Sales Office	Nagoya Sales Office	Kyoto Sales Office	Kobe Sales Office	
		Okayama Sales Office	Hiroshima Sales Office	Kyushu Sales Office					
	KYOCERA Communication Systems Co., Ltd.	Headquarters	Tokyo Branch	Tokyo 1st Data Center (2 sites)		Tokyo 2nd Data Center	Shiga Office	Kyoto Karasuma Office	
		Osaka Office	Fukuoka Office	Sendai Office	Kokubu Office	Sapporo Sales Office	Sendai Sales Office	Nagoya Sales Office	
		Kanazawa Sales Office	Hiroshima Sales Office	Takamatsu Sales Office	Kagoshima Sales Office				

* The above 127 offices and plants are jointly ISO 14001 certified under the Kyocera Group Integrated Environment & Safety Management System.

Individual Certification (5 sites)

(as of March 2011)

Region		Company	Date of registration
Asia	China	Shanghai KYOCERA Electronics Co., Ltd.	Oct. 2006
		Dongguan Shilong Optics Co., Ltd.	Jan. 2009
	Israel	AVX Israel Ltd.	May 2003
Central and South America	El Salvador	AVX Industries Pte. Ltd.	Nov. 2008
Europe	Czech	KYOCERA Solar Europe s.r.o.	Mar. 2009

ISO14001 Certification Status

Facts and Figures

Integrated Certification (195 sites)

(as of March 2011)

Region	Company	Office / plant				Date of registration
Japan	KYOCERA Corporation	Headquarters	Hokkaido Kitami Plant	Fukushima Tanagura Plant	Chiba Sakura Office	Oct. 1996 (Registration No. EC99J2032)
		Tokyo Yaesu Office	Tokyo Harajuku Office	Tokyo Yoga Office	Yokohama Office	
		Tsunashima Building	Nagano Okaya Plant	Gifu Office	Mie Ise Plant	
		Shiga Gamo Plant	Shiga Yohkaichi Plant	Shiga Yasu Plant	Kyoto Fushimi Office	
		R&D Center, Keihanna	Osaka Tamatsukuri Office	Osaka Daito Office	Kagoshima Sendai Plant	
		Kagoshima Kokubu Plant	R&D Center, Kagoshima	Kagoshima Hayato Plant	Sapporo Sales Office	
		Tohoku Sales Office	Nagaoka Sales Office	Takasaki Sales Office	Utsunomiya Sales Office	
		Omiya Sales Office	Tachikawa Sales Office	Kawaguchi Logistics Center	Komae Sales Office	
		Atsugi Sales Office	Kanazawa Sales Office	Matsumoto Sales Office	Hamamatsu Sales Office	
		Nagoya Sales Office	Mikawa Sales Office	Kyocera Management Research Institute	Kyocera Keiaikan	
		Osaka Sales Office	Himeji Sales Office	Okayama Sales Office	Hiroshima Sales Office	
		Kyushu Sales Office	Okinawa Sales Office	CV Ginza Store	CV Kyoto Store	
		CV Osaka Umeda Store	CV Kobe Sannomiya Store	CV Hiroshima Store		
	KYOCERA ELCO Corp.	Headquarters	Ikebe Warehouse	Ikebe No.2 Warehouse	Ikebe No.3 Warehouse	
		Okaya Plant	Osaka Sales Office	Nagoya Sales Office	Omiya Sales Office	
		Tachikawa Sales Office	Matsumoto Sales Office			
	KYOCERA OPTEC Co., Ltd.	Headquarters	Chigase Plant	Tokyo Sales Office	Kansai Sales Office	
	KYOCERA MITA Corp.	Headquarters	Hirakata Plant	Tamaki Plant	Tokyo R&D Center	
	KYOCERA MITA Japan Co., Ltd.	Headquarters	Sapporo Office	Sendai Office	Nagoya Office	
		Osaka Sales Office	Hiroshima Office	Fukuoka Office	Sales Offices: 62 locations (including local offices)	
	KYOCERA Chemical Corp.	Headquarters	Kansai Branch	Kyushu Branch	Kawaguchi Plant	
		Kawasaki Plant	Kohriyama Plant	Mooka Plant		
	KYOCERA SLC Technologies Corp.	Headquarters	Shiga Yasu Plant	Kyoto Ayabe Plant	Kagoshima Sendai Plant	
		Kagoshima Kokubu Plant	Higashi Nihon Sales Office	Kyushu Sales Office		
	KYOCERA KINSEKI Corp.	Headquarters	Nagano Okaya Plant	Shiga Yohkaichi Plant	Kagoshima Kokubu Plant	
	KYOCERA KINSEKI Hokkaido Corp.	Headquarters	Ebetsu Plant			
	KYOCERA KINSEKI Yamagata Corp.	Headquarters				
	KYOCERA KINSEKI HERTZ Corporation	Headquarters				
	Japan Medical Materials Corp.	Headquarters	Tokyo Branch	Kobe Plant	Shiga Gamo Plant	
		Shiga Yohkaichi Plant	Shiga Yasu Plant	Research Center	Kobe Product Control Center	
		Sapporo Sales Office	Tohoku Sales Office	Omiya Sales Office	Nagoya Sales Office	
		Kyoto Sales Office	Kobe Sales Office	Okayama Sales Office	Hiroshima Sales Office	
		Kyushu Sales Office				
	KYOCERA Communication Systems Co., Ltd.	Headquarters	Tokyo Branch	Tokyo 1st Data Center (2 sites)	Tokyo 2nd Data Center	
		Shiga Office	Kyoto Karasuma Office	Osaka Office	Fukuoka Office	
		Sendai Office	Kokubu Office	Sapporo Sales Office	Sendai Sales Office	
		Nagoya Sales Office	Kanazawa Sales Office	Hiroshima Sales Office	Takamatsu Sales Office	
		Kagoshima Sales Office				

* The above 195 offices and plants are jointly ISO 14001 certified under the Kyocera Group Integrated Environment & Safety Management System.

Individual Certification (75 sites)

(as of March 2011)

Region		Company	Office / plant	Date of registration
Asia	China	Shanghai KYOCERA Electronics Co., Ltd.	—	Jul. 2000
		Dongguan Shilong Optics Co., Ltd.	—	Dec. 2000
		KYOCERA MITA Office Equipment (Dongguan) Co., Ltd.	—	Oct. 2001
		KYOCERA Chemical (Wuxi) Co.	—	Apr. 2001
		KYOCERA MITA Industrial Co., (H.K.) Ltd.	—	Nov. 2000
		AVX Electronics (Tianjin)	—	Feb. 2008
		KYOCERA MITA Hong Kong Limited	—	Oct. 2008
		KYOCERA (Tianjin) Solar Energy Co., Ltd.	—	Jul. 2009
		KYOCERA ELCO (Dongguan) Electronics Co., Ltd.	—	Dec. 2003
		KYOCERA MITA Taiwan Corporation	—	Jan. 2008
	Singapore	KYOCERA Chemical Singapore Pte, Ltd.	—	Jun. 1999
		KYOCERA MITA Singapore Pte, Ltd.	—	Feb. 2008
	Korea	KYOCERA ELCO Korea Co., Ltd.	—	Sep. 1999
		KYOCERA Precision Tools Korea Co., Ltd.	—	Feb. 2004
		KYOCERA MITA KOREA Co., Ltd.	—	Feb. 2010
	Thailand	KYOCERA Chemical (Thailand) Ltd.	—	May 2005
		KYOCERA KINSEKI (Thailand) Co., Ltd.	—	Dec. 1999
		KYOCERA MITA (Thailand) Corp., Ltd.	—	Aug. 2006
	Philippines	KYOCERA KINSEKI Philippines, Inc.	—	Jun. 2003
	Israel	AVX Israel Ltd.	—	May 2003
	Malaysia	TPC (Malaysia) Sdn Bhd	—	Feb. 2008
		KYOCERA ELCO (Malaysia) Sdn.Bhd.	—	Oct. 2010
		KYOCERA Telecom equipment (Malaysia) Sdn.Bhd.	—	Nov. 1998
North	Canada	KYOCERA MITA Canada, Ltd.	—	Jul. 2008
	U.S.A.	KYOCERA America, Inc.	—	Aug. 1997
		KYOCERA Industrial Ceramics Corporation	Vancouver	Apr. 1998
			Mountain Home	Dec. 1998
			San Diego	Aug. 1997
		KYOCERA Communications Inc.	—	Nov. 2000
		KYOCERA TYCOM Corporation	—	Nov. 2005
		AVX Corporation	Conway	Feb. 2008
			Myrtle Beach	Feb. 2008
		American Technical Ceramics Corp.	—	Dec. 2004
		AVX Greenville, LLC.	—	Mar. 2010
		KYOCERA MITA America, Inc.	Fairfield	Mar. 2007
			Irvine	Mar. 2007
			Norcross	Mar. 2007
			Wood Dale	Mar. 2007
			New York	Mar. 2007
			Irving	Mar. 2007
			Miami	Mar. 2007

Region		Company	Office / plant	Date of registration
North	U.S.A.	KYOCERA MITA America, Inc.	Arlington	Mar. 2007
			Memphis	Mar. 2007
		AVX Tantalum Corporation	—	Feb. 2008
		KYOCERA Technology Development, Inc.	—	Jul. 2008
		KYOCERA International, Inc.	—	Aug. 1997
		KYOCERA Solar, Inc.	—	Jul. 2010
Central and South America	Mexico	KYOCERA Mexicana, S.A. de C.V.	—	Sep. 1998
		Avio Excelente, S. de R.L. de C.V.	—	Feb. 2008
		KYOCERA MITA Mexico, S.A. de C.V.	—	Nov. 2008
	El Salvador	AVX Industries Pte, Ltd.	—	Jun. 2005
	Brasil	KYOCERA do Brasil Componentes Industriais Ltda.	—	Sep. 2000
		KYOCERA MITA Brazil Distribuidora de Equipamentos de Imagem Ltda.	—	Nov. 2009
Africa	South Africa	KYOCERA MITA South Africa (PTY) Ltd.	—	Apr. 2008
Europe	Austria	KYOCERA MITA Austria GmbH	—	Apr. 2008
	Belgium	KYOCERA MITA Belgium N.V.	—	Apr. 2008
	Czech	AVX Czech Republic s.r.o.	Lanskroun	Sep. 2004
			Uherske	Feb. 2008
		KYOCERA Solar Europe s.r.o.	—	Mar. 2009
	Denmark	KYOCERA MITA Danmark A/S	—	Apr. 2008
	Finland	KYOCERA MITA Finland OY	—	Apr. 2008
	France	TPC S.A.S.	—	Feb. 2008
		KYOCERA MITA France S.A.S	—	Apr. 2008
	Germany	ELCO Europe GmbH	—	Feb. 2008
		KYOCERA MITA Deutschland GmbH	—	Apr. 2008
	Italy	KYOCERA MITA Italia S.p.A	—	Apr. 2008
	Netherlands	KYOCERA MITA Nederland B.V.	—	Apr. 2008
		KYOCERA MITA Europe B.V.	—	Mar. 2007
	Portugal	KYOCERA MITA Portugal LDA.	—	Apr. 2008
	Spain	KYOCERA MITA Espana S.A.	—	Apr. 2008
	Sweden	KYOCERA MITA Svenska AB	—	Apr. 2008
	UK	KYOCERA MITA (U.K.) Ltd.	—	Apr. 2008
		AVX Limited	Coleraine	Aug. 2000
Oceania	New Zealand	KYOCERA MITA New Zealand Ltd.	—	Oct. 2007
	Australia	KYOCERA MITA Australia Pty. Ltd.	—	Jun. 2006

Corporate History

Facts and Figures

1959

Apr. 1959 ● With capital of 3 million yen and 28 staff members, Kyoto Ceramic Co., Ltd. is founded in Kyoto, Japan as a company specializing in fine ceramics. The company's facilities include a headquarters and factory. **(Photo 1)**


1

1960~

Apr. 1960 ● Kyocera's Tokyo office opens in Tokyo, Japan.

May 1963 ● Shiga Plant (now Shiga Gamo Plant) is established in Shiga, Japan. **(Photo 2)**

Mar. 1968 ● Kyocera receives first Medium and Small Business Research Institute Award (now Good Company Award).

Aug. 1968 ● Representative office opens in California, U.S.A.

Jul. 1969 ● Kagoshima Plant (now Kagoshima Sendai Plant) is established in Kagoshima, Japan.

● California representative office becomes Kyocera's American sales company, Kyocera International, Inc.


2

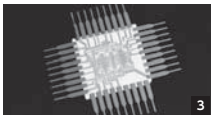
1970~

Jan. 1971 ● Feldmühle Kyocera Europa Elektronische Bauelemente GmbH (now Kyocera Fineceramics GmbH) is established.

Mar. 1971 ● Kyocera International, Inc. begins production of fine ceramic parts in the United States.

Oct. 1971 ● Kyocera stock is listed on the Osaka Stock Exchange's Second Section and on the Kyoto Securities Exchange.

Mar. 1972 ● Kyocera receives 18th Okochi Memorial Grand Production Prize for developing multilayered ceramic packages for large-scale integrated circuits. **(Photo 3)**


3

Jul. 1972 ● Headquarters is relocated to Yamashina, Kyoto, Japan.

Sep. 1972 ● Kyocera stock is listed on the Tokyo Stock Exchange's Second Section.

Oct. 1972 ● Kagoshima Kokubu Plant is established in Kagoshima, Japan.

Feb. 1974 ● Kyocera stock is listed on the First Section of both the Tokyo and Osaka Stock Exchanges.

Apr. 1974 ● Kyocera receives 16th Commendation by Japan's Director-General of the Science and Technology Agency for developing ceramic lamination technology for electronic circuits.

Jul. 1975 ● Kyocera International, Inc. relocates its headquarters and plant in San Diego, California, U.S.A.

Feb. 1976 ● Kyocera issues new shares of common stock in the form of American Depository Receipts (ADRs) in the United States.

Jul. 1976 ● The Children's Travel Program begins (Japan-U.S.A.).

Dec. 1977 ● Kyocera (Hong Kong) Ltd. (now Kyocera Asia Pacific Pte. Ltd.) begins business in Hong Kong.

Jan. 1979 ● Kyocera Feldmuehle, Inc. is established in North Carolina, U.S.A. as a joint venture with Feldmühle AG.

Sep. 1979 ● Kyocera invests capital in Cybernet Electronics Corp.

Oct. 1979 ● Central Research Laboratory opens in Kokubu (now Kirishima City), Kagoshima, Japan.

Dec. 1979 ● Kagoshima Electronics Co., Ltd. is established in Kagoshima, Japan.

1980~

May 1980 ● Kyocera stock is listed on the New York Stock Exchange. New shares of common stock in the form of ADRs are issued in the United States for the second time.

Aug. 1980 ● Shiga Yohkaichi Plant is established in Shiga, Japan.

Mar. 1981 ● Kyocera Business Machines Co., Ltd. is established in Japan.

Oct. 1982 ● Four affiliates, including Cybernet Electronics Corp., merge with Kyoto Ceramic Co., Ltd. to form Kyocera Corporation.

Apr. 1983 ● Kyocera Business Machines Co., Ltd. merges with the Japan sales division to become Kyocera Electronics Co., Ltd. (later merging with what is now Kyocera Communication Systems Co., Ltd.).

● Kagoshima Electronics Co., Ltd. merges with Kyocera to become Kagoshima Hayato Plant.

Oct. 1983 ● Yashica Co., Ltd. merges with Kyocera.

Apr. 1984 ● Kyocera supports the establishment of the Inamori Foundation (as an incorporated foundation; now a public interest incorporated association).

● Tokyo Central Research Laboratory (now Tokyo Yoga Office) is established in Tokyo, Japan.

Jun. 1984 ● Kyocera establishes Daini-Denden Kikaku Co., Ltd. in Tokyo, Japan (now KDDI Corp.). **(Photo 4)**

Aug. 1984 ● Sakura Solar Energy Center is established in Sakura City, Chiba, Japan.

May 1986 ● Kyocera Electronics Europe GmbH (now Kyocera Mita Deutschland GmbH) is established in Germany.

Jul. 1986 ● LSI Design Center is established in Japan within Tokyo Yoga Office.


4

Jan. 1987 ● Kyocera America, Inc. and Kyocera Electronics, Inc. are established in California and New Jersey, U.S.A., respectively.

Sep. 1987 ● Kyocera Mexicana, S.A. de C.V. is established in Tijuana, Mexico.

Sep. 1988 ● Kyocera Europe GmbH is established in Germany as Kyocera's European headquarters.

Aug. 1989 ● Elco Corp. joins the Kyocera Group.

1990~

Jan. 1990 ● AVX Corp. joins the Kyocera Group. **(Photo 5)**

Mar. 1990 ● Kyocera Industrial Ceramics Corp. is established in Vancouver, Washington, U.S.A.


5

Apr. 1991 ● Kyocera Feldmuehle, Inc. becomes a wholly owned subsidiary of Kyocera and is later reorganized into Kyocera Industrial Ceramics Corp.

Oct. 1991 ● Kyocera Environmental Charter is adopted.

Sep. 1992 ● Kyocera's Advanced Ceramics Technology Center is established in Vancouver, Washington, U.S.A.

Jan. 1994 ● Kyoto Purple Sanga Co., Ltd. is established in Kyoto, Japan in cooperation with 20 companies including Kyocera and Nintendo Co., Ltd.

Mar. 1995 ● Kyocera R&D Center, Yokohama is established in Yokohama, Japan; Tokyo Central Research Laboratory is relocated.

Aug. 1995 ● Kyocera R&D Center, Keihanna is established in Kyoto, Japan.

● Dongguan Shilong Kyocera Optics Co., Ltd. is established in China.

Sep. 1995 ● Kyocera Communication Systems Co., Ltd. is established in Kyoto, Japan.

● Hotel Kyocera opens in Hayato (now Kirishima City), Kagoshima, Japan.

Dec. 1995 ● Shanghai Kyocera Electronics Co., Ltd. is established in China.

Sep. 1996 ● Kyocera Solar Corp. is established in Kyoto, Japan.

Aug. 1998 ● New headquarters building is completed in Fushimi, Kyoto, Japan with environmentally friendly features such as a solar power generating system.

Aug. 1999 ● Kyocera Solar, Inc. is established in Arizona, U.S.A.

2000~

Jan. 2000 ● Mita Corp. is reorganized to become Kyocera Mita Corp.

Feb. 2000 ● Kyocera Wireless Corp. (now Kyocera Communications, Inc.) is established in California, U.S.A.

Oct. 2000 ● DDI Corp., KDD Corp. and IDO Corp. merge to form DDI Corp. (now KDDI Corp.). **(Photo 6)**

Jan. 2001 ● Tycom Corp. (now Kyocera Tycom Corp.) joins the Kyocera Group.

May 2001 ● Kyocera Group sales for the year ending March 31, 2001 break the 1 trillion yen threshold.

Apr. 2002 ● Printer operations are merged with Kyocera Mita Corp.

Aug. 2002 ● Toshiba Chemical Corp. is reorganized to become Kyocera Chemical Corp.


6

Jan. 2003 ● Kyocera (Tianjin) Sales & Trading Corp. is established in China.

May 2003 ● Kyocera (Tianjin) Solar Energy Co., Ltd. is established in China.

Jun. 2003 ● Executive Officer system is implemented.

Aug. 2003 ● Kinseki, Ltd. (now Kyocera Kinseki Corp.) becomes a wholly owned subsidiary of Kyocera Corp.

● Kyocera SLC Technologies Corp. is established in Shiga, Japan.

Jan. 2004 ● Kyocera Electronic Devices, LLC is established in the U.S.A.

Feb. 2004 ● Hotel Princess Kyoto (now Hotel Nikko Princess Kyoto) joins the Kyocera Group.

Apr. 2004 ● Kyocera's organic-material components businesses are merged with Kyocera SLC Technologies Corp.

● Kyocera begins assembling solar modules in Mexico.

Sep. 2004 ● Japan Medical Materials Corp. is established in Osaka, Japan.

Oct. 2004 ● Kyocera invests capital in Maruzen Systems Integration Co., Ltd. and the company is renamed Kyocera Maruzen Systems Integration Co., Ltd.

● Kyocera Solar Europe s.r.o. is established in the Czech Republic.

Apr. 2005 ● Kyocera's Japanese solar sales business is integrated into Kyocera Solar Corp.

● Kyocera Solar Europe s.r.o. opens a manufacturing plant in the Czech Republic.

Aug. 2005 ● Kyocera acquires land, buildings and other property from IBM Japan, Ltd. for its Yasu plant and offices in Yasu City, Shiga, Japan.

Jan. 2006 ● Kyocera Korea Co., Ltd. is established in Korea.

Apr. 2006 ● KCCS Management Consulting, Inc. is established in Tokyo, Japan.

Aug. 2006 ● Shanghai Kyocera Trading Co., Ltd. is established in China.

Oct. 2006 ● Hertz Technology, Inc. becomes Kyocera Kinseki Hertz Corporation.

Dec. 2006 ● Kyocera Management Consulting Service (Shanghai) Co., Ltd. is established in China.

Sep. 2007 ● Kyocera invests in Wireless Broadband Planning K.K. (now UQ Communications Inc.) jointly with KDDI Corporation, Intel Corporation, East Japan Railway Company, Daiwa Securities Group Inc., and the Bank of Tokyo-Mitsubishi UFJ, Ltd.

Apr. 2008 ● Kyocera acquires the mobile phone business of SANYO Electric Co., Ltd.; Kyocera Sanyo Telecom, Inc. is established in California, U.S.A.; Kyocera Telecom Equipment (Malaysia) Sdn. Bhd. is established in Malaysia.

Jan. 2009 ● TA Triumph-Adler AG joins the Kyocera Group.

Apr. 2009 ● Kyocera Sanyo Telecom, Inc. is integrated with the sales, marketing and service functions of Kyocera Wireless Corp. to form Kyocera Communications, Inc., based in San Diego, California, U.S.A.

Aug. 2009 ● Kyocera Asia Pacific (India) Pvt. Ltd. is established in India.

2010~

Mar. 2010 ● Construction of a new solar cell manufacturing plant is completed at Shiga Yasu facility in Shiga, Japan. **(Photo 7)**

Jun. 2010 ● The thin-film transistor (TFT) liquid crystal display (LCD) business is acquired from Sony Mobile Display Corporation's Yasu office in Shiga, Japan.

Feb. 2011 ● KCCS Mobile Engineering Co., Ltd. is established.


7

Independent Assurance Report

Facts and Figures

Kyocera has this report certified by a third party to ensure impartiality and reliability.

pwc

This English language report is a translation of the original Independent Assurance Report in Japanese on KYOCERA Corporation's CSR Report 2011.

Independent Assurance Report

To: Mr. Tetsuo Kuba, President
KYOCERA Corporation

June 30, 2011

1. Objectives and Scope

We, PricewaterhouseCoopers Aarata Sustainability Certification Co., Ltd., have been commissioned by KYOCERA Corporation (hereafter the "Company") to provide independent assurance on the Company's "CSR Report 2011" (hereafter the "Report"). The scope of the assurance covers the environmental performance data and relevant qualitative information. The objective of our assurance engagement is to independently express our conclusions using the Company's policies and standards as criteria as to:

- Whether the environmental performance data (P.51-56, P59 and P.63-78) and the relevant qualitative information for the year ended March 31, 2011 included in the Report were collected and reported in accordance with the Company's policies and standards (P.1), in all material respects; and
- Whether the significant environmental information stipulated in the Standards for Environmental Reporting Assurance and Registration by the Japanese Association of Assurance Organizations for Sustainability Information (J-SUS) is included in the Report, in all material respects.

The preparation of the Report is the responsibility of the Company's management. Our responsibility is limited to independently express a conclusion on the Report.

The quantitative information within the scope of our assurance engagement is limited to that of the "sites certified under Kyocera Group Integrated Environment & Safety Management System" of the Company and its domestic subsidiaries.

2. Summary of Assurance Procedures Performed

We performed our work in accordance with International Standard on Assurance Engagement 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE3000), revised in December 2003 by the International Federation of Accountants and the Practical Guidelines of Sustainability Information Assurance, revised in December 2009 by the J-SUS. Therefore, we provide limited assurance on data and information included in the Report in accordance with the aforementioned standards under the scope of our assurance engagement. Accordingly, we do not intend to express auditor's opinion as this is not an audit work conducted in accordance with generally accepted auditing standards.

The summary of the procedures we performed for our assurance engagement is as follows:

- Reading the relevant documents with regard to the Company's overall status and environmental management, and interviewing personnel responsible thereof;
- Interviewing personnel with regard to the establishment and implementation of the Company's policies and standards under the scope of our assurance engagement in the headquarters and the site visited as listed in the following;
- Reading the relevant documents in the headquarters and the site visited as listed in the following with regard to the methodologies for measuring, compiling, and reporting the information under our scope, and interviewing personnel responsible thereof;
- Performing mainly analytical procedures and tracing part of data provided with supporting documents available at the headquarters and the site visited; and
- Assessing internal documents in the headquarters and interviewing responsible personnel to evaluate if the significant environmental information stipulated in the Standards for Environmental Reporting Assurance and Registration by the J-SUS is fully stated in the Report.

The sites on which we performed the above procedures are as follows:

Name of Site		Functions
KYOCERA Corporation	Headquarters	Headquarters
KYOCERA Corporation	Kagoshima Kokubu Plant	Manufacturing

3. Our Conclusion

Based on our work performed, we have reached the following conclusion:

- To the extent of our procedures performed, nothing has come to our attention that causes us to believe that the environmental performance data and the relevant qualitative information for the year ended March 31, 2011 included in the Report were not collected and reported in accordance with the Company's policies and standards, in all material respects; and
- To the extent of our procedures performed, nothing has come to our attention that causes us to believe that the significant environmental information stipulated in the Standards for Environmental Reporting Assurance and Registration by the J-SUS is not included in the Report, in all material respects.

4. Independence

In accordance with the Practical Guidelines of Sustainability Information Assurance and the provisions of the Certified Public Accountants Law of Japan, no reportable relationship exists between the Company and PricewaterhouseCoopers Aarata Sustainability Certification Co., Ltd.

PricewaterhouseCoopers Aarata Sustainability Certification Co., Ltd.
Sumitomo Fudosan Shiodome Hamarikyu Bldg.
8-21-1 Ginza, Chuo-ku, Tokyo 104-0061, Japan

Environmental information was verified by an independent institution and acknowledged with receipt of the logo to the right.
The reliability of the environmental information in this report satisfies the "Environmental Report Assurance / Registration Mark Conferral Criteria" set by the incorporated body, The Japanese Association of Assurance Organizations for Sustainability Information (J-SUS).

J-SUS

KYOCERA

KYOCERA Corporation

About the cover design

U-shaped Kelcima

Kyocera was established in 1959 as a small suburban workshop where 28 young colleagues pursued big dreams. Our first product was a U-shaped ceramic insulator (known as a Kelcima) for use within early television picture tubes.
Today, Kyocera is a highly diversified global enterprise. We pursue boundless dreams by accepting challenges that others timidly avoid.
We believe that a strong will can make dreams come true, and that limitless effort can overcome any obstacle. These beliefs from Kyocera's history remain the driving force behind our growth.
We aim to become a creative company that grows continuously throughout the future. Kyocera Group employees around the world who have adopted this challenging spirit personify our path to growth.
The cover design features illustrations of the U-shaped Kelcima.

Waterless Printing, Naturally.
VOC Free
VEGETABLE OIL INK
ENERGY GREEN WIND
FSC www.fsc.org MIX Paper from responsible sources FSC® C022784

To minimize environmental impact, the following considerations were taken in producing this report.

【 Printing Method 】 A waterless printing technique was used.
【 Ink 】 The report is printed with vegetable ink, VOC-free (Volatile Organic Compounds).
【 Paper 】 Paper made from wood from FSC certified forests and containing deinked pulp has been used for the covers of this document. Clean power is used during papermaking (Grace Wind/820 kWh/t). Paper made of wood from FSC certified forests containing fresh pulp as raw material was used for the body of this document.

Inquiries

KYOCERA Corporation
Headquarters Planning and Policy Division

6 Takeda Tobadono-cho
Fushimi-ku Kyoto 612-8501, Japan

http://global.kyocera.com
http://www.kyocera.co.jp