

THE NEW VALUE FRONTIER



Kyocera Group  
**CSR Report**  
**2017**

KYOCERA Corporation

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# Corporate Motto / Management Rationale

## 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.

## Methods of Management

1. To earn fair profit through harmonious business practices that result in products that satisfy our customers — providing quality products at lower prices, realized through ongoing R&D and sincere service.
2. To manage our company as if we were a family, hearts bound together devoid of antagonism, helping each other with a mutual sense of gratitude and appreciation.

### Coexistence

In order for the human race to survive and prosper in the future, we must remember the concept of coexistence. This is the concept that all living things on Earth must coexist together.

All living things on Earth, including human beings, depend on each other for survival.

In the future, management must be based on collaboration for mutual success. Fostering relationships where we all share a common vision and are willing to help one another and share in the burden so we can all grow together — this is the kind of management philosophy that future prosperity will require.

Based on the idea of coexistence, Kyocera will continue to strive towards corporate activities aimed at the prosperity and harmony of humankind.



Founder and  
Chairman Emeritus  
KYOCERA Corporation  
Kazuo Inamori

*Kazuo Inamori*

# Top Management Message

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



Chairman, KYOCERA Corporation    President, KYOCERA Corporation

Goro Yamaguchi

Hideo Tanimoto

*Goro Yamaguchi*    *H. Tanimoto*

## Correct Application of the Concept, “Do What is Right as a Human Being”

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

For the Kyocera Group, CSR is tantamount to the practice of the Kyocera Philosophy — the heart of Kyocera Group management. We believe 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. We will continue to engage in corporate management through practice of the Kyocera Philosophy.

Kyocera will contribute to the advancement and development of humankind and society through practice of the Kyocera Philosophy.

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## Contributions to Society through Business Activities

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Modern society faces various challenges including economic globalization, diversification of people's values, an increase in energy demand, climate change, and growth of the global population. The Kyocera Group is working on business expansion with an emphasis on such growing markets as Information & Communications, Automotive, Environment & Energy, and Medical & Healthcare. We also reinforce development of various technologies and products to realize diffusion and expansion of IoT (Internet of Things) with the aim of delivering benefits to society through our corporate activities.

In the Information & Communications market, we are working on the development of products with high added value that contribute to performance enhancement, multi-functionality, downsizing, and thinning of digital consumer equipment such as smartphones and components for network systems that increase the volume of data transfer or support high-speed transmission. We launch new models of communication equipment or information equipment that are differentiated from our competitors' products by using our own original technology. We are determined to develop and manufacture products featuring comfortable operability and ease of use so that our products can satisfy every user.

In the Automotive market, we set up an organization staffed and operated across the Group to meet the expectations from the market, such as enhanced use of electronic equipment in automobiles, environmental consciousness, and diffusion of automated driving. We work hard to increase uses of our existing products and win new customers. At the same time, we further reinforce our technological development capability and collaborate with customers to accelerate new product development so we can help create a safe, comfortable, and environmentally friendly society.

In the Environment & Energy related market, we endeavor to contribute to the creation of an environmentally-friendly society by working on the expansion of an energy management systems designed to make effective use of generated power or stored power; in addition to the energy creation business we are currently involved in using solar power systems and fuel cells; and the energy storage business using battery storage units. To be specific, with energy self-sufficiency in the home gaining more and more attention, we are improving the conversion efficiency of solar modules, launching high-efficiency fuel cell systems to the market and expanding our business of high-volume battery storage units. We also reinforce system development to promote stable supply of power and power saving.

In the Medical & Healthcare market, we develop innovative products and technologies through the pursuit of technological synergy, ranging from materials and parts to systems, and cooperate with external organizations. In addition, we aim to expand our medical equipment business which includes products such as artificial joints, thereby contributing to the improvement of patients' quality of life and the development of the medical field.

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## Handling of Global CSR Issues

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In order for the Kyocera Group to compete globally and continue its high-rate of growth, we believe it is essential to further reinforce our own management foundation and conduct locally rooted business activities while ensuring compliance with international norms and standards; respecting diversity including local customs and cultures, and environmental harmony.

The Kyocera Group is an active member of the UN Global Compact, the basic rules on human rights, labor, the environment and prevention of corruption, and conducts positive activities towards the resolution of CSR issues.

For environmental protection, we actively work on not only the development of environmentally friendly products but also continually work on energy saving at production sites and prevention of climate change while looking to satisfy both ecology and economy according to our philosophy of “living together.” These actions have been duly evaluated by the Japanese Ministry of the Environment, and we have received the Minister of the Environment’s Award for Global Warming Prevention Activity consecutively for seven years since FY2011.

We will continue to meet the expectations of all stakeholders of the Kyocera Group, thus building relationships of mutual trust and contributing to the robust development of society.

# Kyocera Group Management Roots

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Company members around the time of foundation

The origin of Kyocera Group management is the Kyocera Philosophy, a philosophy for work and 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 ethics, 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.

## Origin of the 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. (now Kyocera Corporation). 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 colleagues 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. The Kyocera Philosophy was thus born as he debated his life and work.

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## 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," "Don't cheat people," "Don't lie," and "Be honest" are teachings we all received from our parents as children and represent the most basic principles of humankind.

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."

## Kyocera Philosophy Pocketbook

A copy of the Kyocera Philosophy Pocketbook is distributed to each employee at Kyocera. Employees use various opportunities to apply the principles in the Pocketbook, and to independently learn and practice the Kyocera Philosophy. In April 2011, we published the Kyocera Philosophy Pocketbook II, which summarizes additional important points of the Philosophy. The updated Pocketbook is being progressively translated into multiple languages to aid penetration of the Kyocera Philosophy in bases overseas.





# Management Based on the Kyocera Philosophy

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For the Kyocera Group to realize the Management Rationale, correct understanding and application of the Kyocera Philosophy are essential. This applies also to Amoeba Management, Kyocera Management and Accounting Principles, and The Twelve Management Principles. All are based on the Kyocera Philosophy.

## Amoeba Management

The Kyocera Group uses its own business administration method called the Amoeba Management System, 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

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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 its 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 Pocketbook

Introduction: Adhere to Fundamental Rules

1. The Principle of One-to-One Correspondence
2. The Principle of Double-Checking
3. The Principle of Perfectionism
4. The Principle of Muscular Management
5. The Principle of Profitability Improvement
6. The Principle of Cash-Basis Management
7. The Principle of Transparent Management



# Advancing Kyocera Philosophy Education

## Kyocera Philosophy Education: Basic Concept and Structure

In the Kyocera Group, a variety of education programs are provided to each employee to familiarize them with the Kyocera Philosophy, realize the global growth of the Group through diligent efforts, and with originality and ingenuity, help all employees feel happy working for the Group in order to foster human resources capable of supporting the growth and development of society and humankind.

We regularly hold the Group-Wide Philosophy Committee headed by Kyocera's chairman which formulates the policies for Philosophy education and examines and determines measures to promote understanding of the Philosophy and reinforce its practice.



Group-Wide Philosophy Committee

## Application of Kyocera Philosophy Education

The Kyocera Group is expanding Kyocera Philosophy Education on a global basis in accordance with the policy of the Group-Wide Philosophy Committee. In Japan, we have individual programs to be carried out by each department, site, or Group company based on their own respective business conditions, and a company-wide program that supports each of these programs. The individual program conducted by each department, site, or Group company in their own way is mainly focused on Philosophy diffusion activities from the viewpoint of the frontline people. The company-wide program is set to a standard study theme to create a sense of Group unity and fostering of people capable of contributing to company management. In FY2017, education was provided on the themes of "realize management by all" and "implementation of the management rationale." Outside Japan, education and training is provided according to the two types of programs, or locally tuned individual programs and the standard program, like in Japan.

Training Type		Top Management	Mid-Level Employee	Employee	Part-Time Employee
Philosophy Education	Japan	Philosophy Education by each Department, Site or Group Company			
		Group-Wide Common Philosophy Education Programs			Philosophy Education
	Outside of Japan	Philosophy Education by each Department, Site or Group Company			
		Global Philosophy Seminars	Philosophy Education for Employees		
Vitality Promoting Activity	Individual Support Tuned to Match the Issues Facing each Workplace				

Diagram of the Kyocera Philosophy Education System

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## Philosophy Education by each Department, Site or Group Company

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The Kyocera Group has in place individual education programs conducted by each department, site, or Group company. Inside Japan, an organization that promotes diffusion activities of the Kyocera Philosophy is set up in each department, and opportunities are provided where leaders of those organizations gather to share their experiences related to Philosophy practice and discuss specific examples. Outside Japan, local education managers take the initiative and promote activities that match the local culture and practice. In FY2017, we prepared teaching materials newly translated in to Korean, Thai, German, Spanish and Danish and improved the teaching materials in local languages and education curriculums that match the local conditions.

### One Approach

#### ■ Activities of Group Companies in Korea

Kyocera Document Solutions Korea Co., Ltd. holds a book report contest after reading books by Kyocera founder Kazuo Inamori published in Korean to help employees learn the Kyocera Philosophy and reflect on their own work. They honor employees who write the most excellent reports with awards, and the awardees present their reports in front of all the employees. Kyocera Precision Tools Korea Co., Ltd. set up a project team staffed by local employees to translate the Kyocera Philosophy Pocketbook from Japanese to Korean. The translated Pocketbook is used in various ways including readings at workplaces.



Presentation of reports



Philosophy Pocketbook in Korean

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## Group-Wide Common Philosophy Education Programs

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The Kyocera Group (Japan) provides Philosophy education to all employees to nurture a sense of unity in the Group. Meant to renew awareness of the importance of the Philosophy, education programs provided in FY2017 are about Philosophy themes particularly important when employees voluntarily practice the Philosophy at their respective workplaces. Since tasks and problems differ depending on the role or position, programs are optimized by hierarchy to provide appropriate education to each level of employee.

## Vitality Promoting Activity

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Kyocera's department in charge of education supports Philosophy education of departments and Group companies by planning individual training programs or providing teaching materials to help change the consciousness of each employee and vitalize the organization.

## FY2017 Results of Kyocera Philosophy Education (Japan)

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	Group-Wide Common Philosophy Education Programs (Top Management / Mid-Level Employee / Employee)	Philosophy Education (Part-Time Employee)
Total number of participants	51,012	6,533
Training hours and times per employee	1.5 hours ×2	1 hours ×2

·Performance data of the "company-wide program"

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## Global Philosophy Seminar

For overseas Group companies, Global Philosophy Seminars are held for top management and executives in the Europe, U.S.A., China, and Asia Pacific. As in Japan, these seminars are provided to help foreign employees earnestly learn the Kyocera Philosophy, reconfirm what an ideal leader is, and have a better understanding of the type of leadership required to achieve management goals.

### ■ Results of FY2017 Global Philosophy Seminars

Region	Venue(s)	Schedule	No. of participants
Europe	Amsterdam	April 2016	87
U.S.A.	San Diego, Greenville, etc.	September 2016 and March 2017	231
China	Shanghai, Shilong, etc.	August and September 2016	518
Asia Pacific	Singapore, Bangkok, etc.	August 2016	120
Total			956



Participants listening to a lecture (China)



Group discussion (Europe)

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## Development of philosophy education staff

Kyocera holds workshops for education staff of our sites in Europe, U.S.A., China, and Asia Pacific to support the global spread of Philosophy education. The workshops are intended to help education personnel of each area have a better understanding of Philosophy diffusion activities and share each area's problems and response measures to ultimately reinforce cooperation among the personnel. We intend to establish a system where local education personnel can design their own programs and operate them to vitalize the permeation activities of those areas.



Workshop for education staff

## Diffusion Activities Based on Kyocera Group Philosophy Essays

The Kyocera Group (in Japan) annually asks for Kyocera Group Philosophy Essays from employees in order for them to reflect on their own experiences with the Kyocera Philosophy, have a clear awareness of the necessity of practical implementation of the Philosophy, and master it. This essay contest has been in place since FY1991. Some overseas Group companies also conduct the same contest.

Essays submitted by employees are reviewed and the authors of selected essays are awarded the Chairman Emeritus' Prize, the Chairman's Prize or the President's Prize.

In addition, some overseas Group companies are also engaged in spreading of Philosophy essays. A Group company in China started to invite contributions of Philosophy essays in FY2008 and published a collection of excellent essays. Furthermore, some Group companies in the U.S.A., Europe, and Asia also hold Philosophy Essay Contests.



Awarding of excellent essays



Collection of Philosophy essays edited in Japan and China

# Visualize Health Conditions Easily as a Daily Routine

## Development of Compact Blood Flow Sensor Using Optical Doppler Effect

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In recent years there are increasing social demands for visualization of health conditions — such as stress — for effective use in preventive medicine. Kyocera developed a technique for measuring blood flow using laser light without placing any burden on the patient's body, namely blood sampling. The principle of the optical Doppler effect was used in this development. In the future, this technique is expected to be used in mobile health applications, such as an ear phone that can check stress or relaxation conditions, or wearable devices designed to prevent dehydration, heat stroke or altitude sickness.

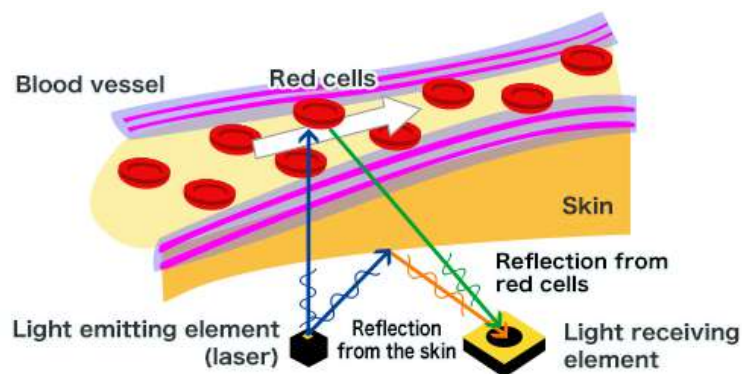
### Optical Doppler Effect

The Doppler effect is a phenomenon of change in frequency of waves such as sonic waves or electric waves depending on the relative speed of the waves with the source or observer. For example, when you hear an ambulance siren, the sound is heard at a higher pitch as the ambulance moves closer to you but at a lower pitch as it moves farther from you. This phenomenon also occurs in light. You see bluer light as you move closer to the light but a redder light as you move farther from the light. This is called the optical Doppler effect.

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## Principle of Blood Flow Sensor

Kyocera applied the optical Doppler effect to development of a blood-flow sensor capable of easily checking the changes of blood flow as a daily routine. Devices equipped with this sensor measure the blood flow under the hypodermal tissue when it is in contact with an ear, a finger, or the forehead. When light from a light emitting element (laser) reflects off red cells in the blood vessel, the frequency shift (Doppler shift), in which the frequency of the reflected light changes, occurs depending on the speed of the light. The blood-flow sensor detects the frequency shift (the greater the shift, the faster the blood flow) and the intensity of the reflected light (the more intense, the more red cells the light hits) with its light receiving element. The light receiving element also detects light reflected from the skin but extracts the frequency components that caused the Doppler shift and calculates the blood flow.



Principle of Blood Flow Sensor



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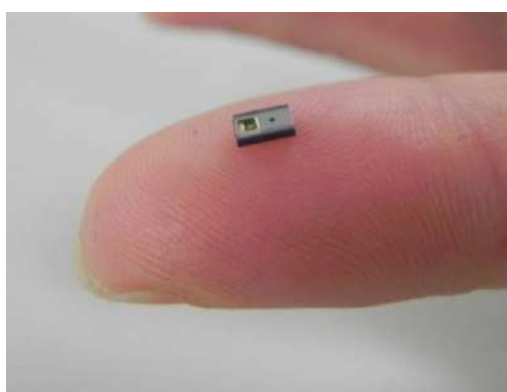
## Application in Wearable Devices and Smartphones

Wearable devices, which have recently drawn a lot of attention, have so far mainly been applied in fitness applications, but have recently been used in the health care field such as for chronic diseases, nursing care of the aged, or health promotion programs. We realized high S/N ratio\*, downsizing, a thin profile, and high power-saving (0.5mW in output) for this blood-flow sensor by incorporating a laser diode (light-irradiating semiconductor) and photo diode (semiconductor serving as a light detector) into a single ceramic package using our technology accumulated over many years in Kyocera's components business. Currently, we are working on development of an algorithm to detect signs of dehydration, heat stroke or altitude sickness so that the sensor can be incorporated in wearable devices or smartphones.

\* Ratio of signal to noise. The higher the ratio, the higher optical sensitivity.



Blood flow sensing earphone



Blood-flow sensor  
Size: 3.2 x 1.6 x 0.9mm

### Comment from Measuring Technique Development Staff



We were involved in development of a blood flow measuring technique as a theme in the medical and health care field for the first time. Although we faced a lot of challenges, we successfully established a high precision measuring technique through coordination and cooperation with other departments. At present, we are developing a new algorithm, equipment, and systems based on the measuring technique. We are determined to continuously solve problems in the medical and health care field and develop techniques and products that satisfy consumers.

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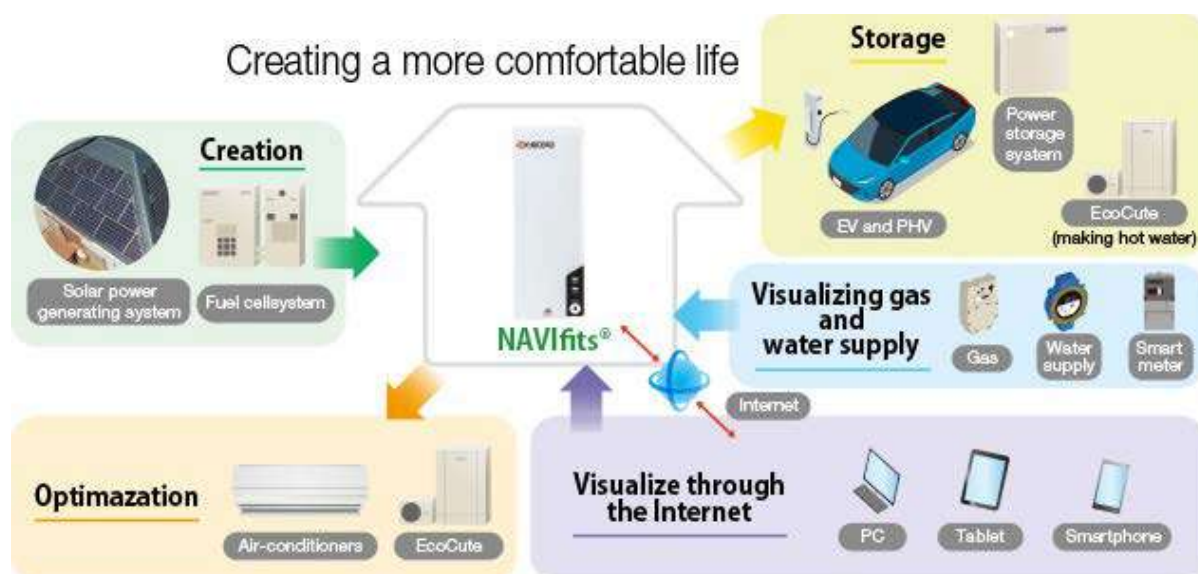
## Comment from Sensor Development Staff

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Ceramic packages are used in a wide variety of products, including smartphones, camera modules, and LED lighting. We were looking for a new application beyond those existing businesses. Then, a different development department came to us and suggested development of a blood-flow sensor. This is how we got started. Since it was an uncharted field for us, we worried and wracked out brains quite a lot about how we should develop the sensor and what sensor would satisfy users. The conventional blood-flow sensors were big and expensive and not something that ordinary people could easily use for measurement. Against such a reality, our goal was not only to achieve higher optical sensitivity but also realize features that help the user easily measure health conditions as a daily routine, namely downsizing and low power consumption. We aim to contribute to the development of the health care field by providing devices equipped with Kyocera's blood-flow sensor to the market.

# Home Energy Management System to Support Efficient Energy Use through AI-based Control



Year by year, more solar power generating systems have been installed in Japan, and sunlight has now gained ground as one of the most important power sources in Japan.

CO<sub>2</sub> reduction is a shared goal around the entire world now that the Paris Agreement, an international accord that deals with measures against global warming in and after 2020, was ratified. RE100, a global initiative uniting businesses committed to 100% renewable electricity, was set up as a sign of global society's growing demands and needs for renewable energy.

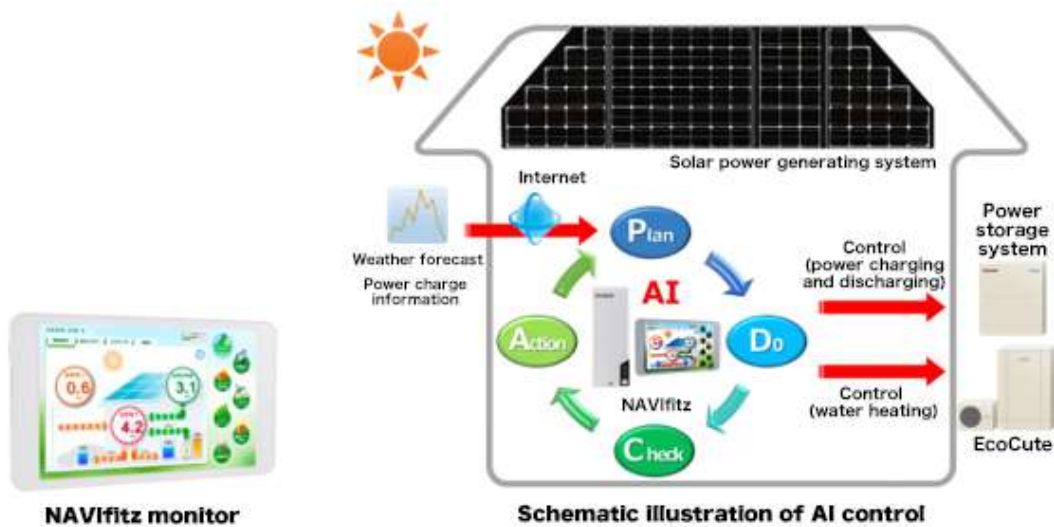
However, when it comes to a system of purchasing generated power at a higher price, which is generally called a feed-in tariff (FIT) system, the power purchase unit price is annually decreasing with a reduction in system prices in Spain, Italy, and Japan in addition to Germany, a leading country in terms of installation of solar power generating systems. Conversely, the renewable energy charge, which is distributed as the purchase cost, is increasing. Thus, financial burdens on the general public are increasing.

As the system is nearing the end of validity, it seems that we are going into a new phase in terms of the use value or method of renewable energy.

## Kyocera's Home Energy Management System (HEMS)

It is expected that in the future more and more houses will be equipped with solar power generating systems designed to allow consumption within the house for efficient use of energy. As a specific example, electric power generated by solar power generating systems installed on the roof can be stored in a battery storage system or used to produce hot water with EcoCute units. Equipped with artificial intelligence (AI)\*, Kyocera's HEMS NAVIfits estimates solar power generation output and power consumption based on weather forecasts and power consumption patterns and automatically controls the battery storage system, EcoCute or other equipment depending on the situation to ultimately make effective use of power in order to contribute to the user's ecological lifestyle.

\* AI capability will be available when the system is updated in August 2017 (planned).



### Development of Corresponding Battery Storage Systems

A lithium-ion battery storage system with a 6.5kWh capacity and multi DC link was commercialized as a battery storage system corresponding to the AI control of HEMS NAVifitz.

The name of this product, Multi DC Link, is given because it is capable of efficiently connecting the power from a solar power generating system to the battery storage system in DC for power charging. This means that a system in which power from Kyocera's solar power generating system featuring high reliability for many years is controlled by the HEMS NAVifitz and is directly charged to or discharged from the battery storage system of the Multi DC Link.

#### Comment from Marketing Staff



The new HEMS NAVifitz predicts the solar power generation for the following day and the necessary power consumption based on weather forecast data and the accumulated customer lifestyle data and automatically controls the equipment.

With this system, the user can charge surplus power, made available from solar power generation, in a battery storage unit or use it with EcoCute or discharge power from the battery in time of the day when the unit price of purchased utility power is high, ultimately allowing the user to lower their power bill or reduce power consumption. We hope that we can help homes reduce their power consumption and realize a new energy society by maximum use of this AI capability.

# Toward Realization of a High-growth and High-profit Corporation

## Further Understanding and Permeation of Kyocera Accounting Principles



The Kyocera Group carries out various structural reform programs to strengthen our management base so we can realize high growth and high profitability. To maximize the effect of this structural reform, it is important to correctly understand and carry out the Kyocera Accounting Principles, which form the core of the Amoeba Management System. Based on this idea, we conduct various activities.

### Importance of the Kyocera Accounting Principles

Kazuo Inamori, founder of Kyocera, understood accounting to be the central nerve of modern management as early as in the founding days and considered it necessary for employees to have an accurate understanding of the status of corporate activity to make the company achieve long-term growth. He then established accounting principles unique to Kyocera based on the judgment criteria, "What is the right thing to do as a human being?" Thus were born the Kyocera Accounting Principles. The Amoeba Management System was designed to allow every employee to do their day-to-day job according to the Kyocera Accounting Principles and enable the entire organization to participate in management so as to achieve further growth.



Establishment of the Kyocera Accounting Principles

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## Seven Principles of Kyocera Accounting

The Kyocera Accounting Principles have "seven principles" as a practical guideline to help correctly understand the status of management and thus enable further growth.

### 1. Principle of Cash-Basis Management

The Principle of Cash-Basis Management describes a simple management style that focuses on the flow of cash. Modern-day accounting has become so complex that it is difficult to see the actual condition of a company. Returning to the original intent of accounting, which is to accurately convey the state of business, we should make management decisions focused on the most important aspect: cash flow.

### 2. Principle of One-to-One Correspondence

In the daily course of business, both money and goods flow constantly. Any movement of money or goods must be accompanied by the correct documentation. We call this the Principle of One-to-One Correspondence. Strictly following this principle allows the accumulation of daily invoices to accurately correspond with the corporate financial totals. This, in turn, will reflect the true financial status of the corporation.

### 3. Principle of Muscular Management

If we were to compare a corporation to the human body, the company should strive to maintain a lean, athletic physique with no excess weight. We call this "Muscular Management." This principle is the backbone of Kyocera's accounting.

### 4. Principle of Perfectionism

The fourth principle is "Perfectionism" and refers to the basic posture of management that aims for perfection in every detail of the business, without any ambiguity or compromise whatsoever. Especially in accounting, 100% accuracy is required.

### 5. Principle of Double-Check

The fifth principle is "Double-Check," a mechanism that helps prevent people from committing fraud, and sustains the company's integrity beyond accounting to many other aspects of business. Receivables and payables must be cross-checked by different "pairs of eyes." This double-check system secures the integrity of our work and the soundness of the organization.

### 6. Principle of Profitability Improvement

The most important mission of a corporation is to improve profitability. Kyocera adopted the Amoeba Management System, which is a "small profit center" system, so that all employees can contribute to improving profitability.

## 7. Principle of Transparent Management

It is important to disclose the true condition of the company openly to employees in order to build strong trust between management and the rest of the work force. This is the reason Kyocera practices transparent management and shares the company's true financial condition, not only with top executives, but with all employees.

Moreover, a publicly owned corporation has an obligation of full disclosure, accurately conveying its true financial condition externally to shareholders and investors as well. Fair disclosure to the outside is thus indispensable.

### Kyocera Accounting Principles Understanding and Permeation Activities

In the Kyocera Group, a copy of the Kyocera Accounting Pocketbook is handed out to all employees. Various activities for understanding and permeation of the Principles are conducted depending on the condition of each workplace, such as reading in turn in a morning meeting or a workshop by the department or Group company. Furthermore, education on the Kyocera Accounting Principles is provided by hierarchy so that employees can learn those most appropriate for their post or role.

Group-wide Actions	Actions by department or Group company	Holding of education by post
<ul style="list-style-type: none"> <li>· Distribution of the Kyocera Accounting Pocketbook</li> <li>· Reading in turn in morning meetings</li> </ul>	<ul style="list-style-type: none"> <li>· Holding of study meeting where people in managerial roles speak about their own experience</li> <li>· DVD viewing related to accounting</li> <li>· Study meeting utilizing internal portal site</li> </ul>	<ul style="list-style-type: none"> <li>· New employee training</li> <li>· Third year training</li> <li>· Promotion training</li> </ul>

### Holding a project exhibition on the Kyocera Accounting Principles

Kyocera held a project exhibition designed to provide a visually easy-to-understand explanation of the Kyocera Accounting Principles with specific case examples at The Inamori Library, a training facility adjacent to the headquarters building, for about three months from February to April 2017. The exhibition was open not only to Kyocera employees but also to the general public who want to know more about the Kyocera Accounting Principles. The exhibition was composed of panel exhibits, an audiovisual corner, and distribution of cards and episode brochures explaining the basic concept of the Principles. Various events were also thrown during the exhibition period, including lectures by accounting managers and external lecturers and a viewing session to see video lectures by Kyocera founder Kazuo Inamori. A total of over 1,400 visitors visited the exhibition.



Exhibit space



Participants listening to a lecture



Exhibit panels

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## ■Comments from Employees

- I learned the Principles from a different viewpoint, which helped me a lot.
- I felt the things all Kyocera employees should understand were compiled in a very easy-to-understand way.
- I listened to the lecturer and realized how the Kyocera Accounting Principles were incorporated into the management system.

### Comment from Education Staff who Planned the Kyocera Accounting Exhibition

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We held the Kyocera Accounting Exhibition for about three months from February 2017 at The Inamori Library to provide Kyocera Group employees with an opportunity to obtain an in-depth understanding of the Kyocera Accounting Principles, a theme stated in the management policy. The contents of the books written by Inamori were expressed with illustrations and graphics and used in the exhibitions and explanation sessions so employees could better understand them. The essence of the exhibition was summarized in the reference materials or teaching materials for distribution to Kyocera sites and domestic Group companies.



Many participants praised the exhibition during the period, and we realized anew the significance of conveying to Kyocera employees as well as many people the belief of Inamori that "Without understanding of accounting, one cannot manage a company," which is embedded in the Kyocera Accounting Principles. Currently, we are planning to do a similar activity in China and spread to other Group companies outside Japan after that.

We hope Kyocera employees as well as our stakeholders have a better understanding of the management technique of the Kyocera Group.



# Kyocera Group Corporate Social Responsibility (CSR)

## CSR Activities Based on the Kyocera Philosophy

Shortly after its founding, Kyocera adopted 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 is based on the Kyocera Philosophy, which uses the concept “What is the right thing to do as a human being?” as its decision-making criterion. This also forms the basis for the Kyocera Group’s CSR activities.

Through implementation of the Kyocera Philosophy, we work to find solutions to corporate citizenship issues, build relationships of mutual trust with our stakeholders, and aim for the sustained development of the Kyocera Group. At the same time, we endeavor to contribute to the healthy development of society.



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## Kyocera Group CSR Guidelines

The Kyocera Group establishes the Kyocera Group CSR Guidelines, our standards of corporate conduct, and will act towards the creation of a sustainable society.

### Kyocera Group CSR Guidelines

#### Introduction

Since its foundation, Kyocera has declared that it will “provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind” as its management rationale and has managed its business based on the Kyocera Philosophy —the core of management in the Kyocera Group. By practicing the Kyocera Philosophy on a daily basis, we will contribute to the sound development of society as well as build mutual trust with stakeholders, and continuously develop the Kyocera Group.

We therefore establish the Kyocera Group CSR Guidelines, our standards of corporate conduct, and will act towards the creation of a sustainable society.

These guidelines apply to Kyocera Corporation and Kyocera Group companies, as well as all executive officers and employees.

#### 1. Basic duties

We shall observe laws, regulations and corporate rules, have unshakable moral values based on the Kyocera Philosophy and perform corporate activities globally, making decisions based on the criterion of “What is the right thing to do as a human being?”

#### 2. Human rights and labor

We shall respect fundamental human rights.

- 2-1. We shall always be aware of changes in work environments and the characteristics and culture of each country to build up a personnel system that can respond appropriately.
  - 2-2. We shall respect the human rights of employees and not treat them severely or inhumanely, including abuse or any type of harassment.
  - 2-3. We shall promote the creation of attractive, rewarding work environments by attempting to share opinions and information with employees.
  - 2-4. We shall respect the right of freedom of association based on the laws, regulations and labor practices of each country.
  - 2-5. We shall not allow forced labor or child labor.
  - 2-6. We shall not engage in unfair and discriminatory treatment.
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### **3. Health and safety**

We shall observe laws and regulations related to health and safety, fire control, and undertake health and safety measures more actively and continuously including through the implementation of risk assessment and emergency preparedness to provide work environments that are accident and disaster-free, where employees can work in safety and free from anxiety.

### **4. Environmental conservation**

We shall regard the Kyocera Environmental Charter as our guideline for the environmental protection activities to be achieved. We shall perform improvement activities more actively and continuously to contribute to global environmental protection by working in a comprehensive fashion on environmental measures such as environmental preservation, energy conservation, climate change prevention, resource conservation, global environmental product development and biodiversity conservation. At the same time, we shall communicate those efforts widely to society.

### **5. Fair trade and ethics**

We shall always carry out fair trade in the spirit of equity and fair play.

- 5-1. We shall compete fairly, transparently and freely, and carry out fair trade.
- 5-2. We shall arrange and manage a clear import and export management system in accordance with related laws and regulations in Japan and overseas.
- 5-3. When procuring materials, we shall conform to laws and regulations, do business faithfully, justly and fairly without abusing any dominant bargaining position, and work to build up partnerships based on mutual trust.
- 5-4. We shall request business partners to understand and cooperate with our CSR activities.
- 5-5. We shall create, protect and utilize intellectual property rights, respect the intellectual property rights of others, and prevent any violation of their rights.
- 5-6. We shall neither offer nor receive inappropriate profits in relationships with stakeholders.
- 5-7. We shall maintain sound and normal relationships with political organizations and the authorities, and shall never offer bribes or illegal political contributions.
- 5-8. We shall steadfastly maintain an attitude of confrontation with antisocial forces and reject any unjust claim.
- 5-9. We shall carry out activities to prevent wrongdoing and also arrange systems to detect and respond to it immediately.
- 5-10. We shall not purchase any materials or products including conflict minerals or metals derived from them that create a source of funds for armed groups causing human rights violations.

### **6. Quality and product safety**

We shall regard the Kyocera Quality Policy and Kyocera Product Safety Policy as our guidelines to be achieved.

### **7. Information disclosure**

We shall always foster communication with society through appropriate information disclosure and active PR and IR activities; and aim at being a fair, highly transparent and open business enterprise.

- 7-1. We shall strive to disclose information to stakeholders including stockholders and investors quickly, appropriately and fairly; and promote understanding of our management and business activities.
- 7-2. We shall foster fair stock transactions and strive to prevent insider trading such as the buying and selling of stocks based on undisclosed internal information.

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## **8. Information security**

We shall be aware that personal information and confidential information are important and strive to prevent information leakages while maintaining and promoting information security.

- 8-1. We shall be aware that personal information is important information that constitutes privacy, and strive to protect it thoroughly.
- 8-2. We shall properly manage and protect confidential information received from customers or third parties, and confidential information of companies obtained in the conduct of business, and prevent any leakage or misuse.

## **9. Business continuity plan (BCP)**

We shall formulate a BCP and aim for quick recovery and operation even if concerns over supply arise due to disaster, etc.

## **10. Social contribution**

Based on the awareness that a business enterprise is a member of society, we shall do our duty at all times as a corporate citizen that supports the development of local communities and society, and carry out various social contribution activities, not just business.

- 10-1. We shall actively interact with local people and support sports to contribute to the development of local communities.
- 10-2. We shall strive to do our duty as a member of society through various activities that contribute to society such as education, research, culture, the arts, international exchange and cooperation, and environmental protection activities.

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## Response to International Standards and Initiatives

### Utilization of ISO26000

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The Kyocera Group effectively uses ISO26000, the international guidance standard related to social responsibility issued in November 2010. ISO26000 puts together items to be reviewed in implementing CSR activities and summarizes them as seven core subjects. The Kyocera Group evaluates our own CSR activities based on these core subjects and conducts continuous improvement for reinforcement of our CSR management.

### ■ Seven Core Subjects of ISO26000 and Corresponding References

Core subjects	References
Organizational Governance	Management
Human Rights	Respect of Human Rights / Optimal Work Environment
Labour Practices	
The Environment	Environmental Activities
Fair Operating Practices	Fair Business Activities
Consumer Issues	Customer Concerns
Community Involvement and Development	Social Contribution Activities

### Participation in the UN Global Compact

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The Kyocera Group is a participant of the United Nations Global Compact — an initiative proposed in 1999 by the then UN Secretary-General Kofi Annan which was officially established in 2007. The Compact consists of 10 principles in four areas: human rights, labour, the environment, and anti-corruption.

The Kyocera Group continues to contribute to society's sustainable growth by practicing these ten principles without fail.



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## Ten Principles of the UN Global Compact

### Human Rights

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- 1: Businesses should support and respect the protection of internationally proclaimed human rights.
- 2: Businesses should make sure they are not complicit in human rights abuses.

### Labour

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- 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.
- 5: Businesses should uphold the effective abolition of child labor.
- 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

### Environment

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- 7: Businesses should support a precautionary approach to environmental challenges.
- 8: Businesses should undertake initiatives to promote greater environmental responsibility.
- 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

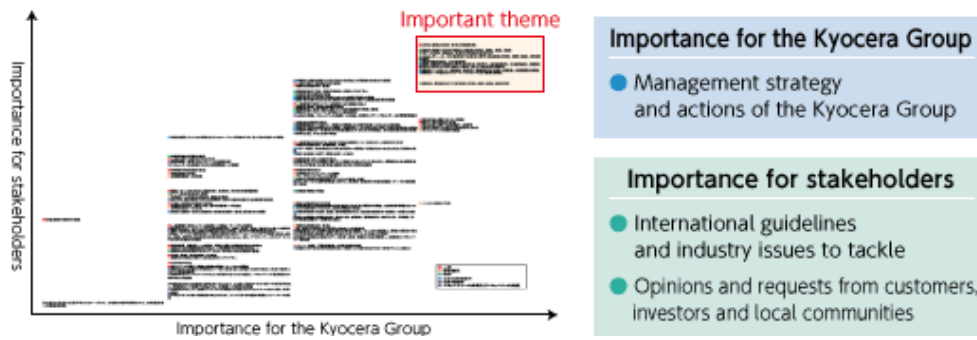
### Anti-Corruption

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- 10: Businesses should work against corruption in all its forms, including extortion and bribery.

## Important Themes of CSR Activities

The Kyocera Group uses an evaluation sheet based on the “core subjects and issues” and “related actions and expectations” described in ISO26000 and makes evaluations from two viewpoints: “importance for stakeholders” and “importance for the Kyocera Group.”



The Kyocera Group actively conducts the following CSR activities as important themes based on the evaluation results.

### ■ Important Themes of CSR Activities

- Response to environmental problems  
Environmental Activities  
Home Energy Management System to Support Efficient Energy Use through AI-based Control
- Respect for diversity  
Respect for Diversity / Work-Life Balance
- Supply chain management  
Policy and Systems Related to Purchasing Activities  
Measures to Address Conflict Minerals

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## Enhance Communication with all Stakeholders

### CSR 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 invite local residents, government representatives, business associates, nearby companies and other people from the community to attend meetings where we provide participants with reports on the economic, social and environmental activities of the Kyocera Group as a whole and of the local facilities; along with exchanging views with the participants on CSR measures. In FY2017, 188 people participated in the meetings at 6 sites.



Introduction of CSR Activities  
(Hokkaido Kitami Plant)



Introduction of effluent treatment during factory visit  
(Kagoshima Sendai Plant)



# Goals and Results of CSR Activities

	FY2017 Goals		FY2017 Results	FY2018 Goals
Management Philosophy	<ul style="list-style-type: none"> <li>Education and Permeation of the Kyocera Philosophy</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of Philosophy Education appropriate for the actual situation of each department</li> </ul>	<ul style="list-style-type: none"> <li>Teaching materials or training programs were prepared or provided to solve problems that differ from department to department.</li> </ul>	<ul style="list-style-type: none"> <li>Partial revision of the education programs and holding of training that matches each employee ranking</li> </ul>
		<ul style="list-style-type: none"> <li>Reinforcement of Philosophy training systems that match the actual conditions in each country or region</li> </ul>	<ul style="list-style-type: none"> <li>Teaching materials developed or prepared to meet multi-lingual needs</li> <li>Study meetings or regional conferences held for local education personnel</li> </ul>	<ul style="list-style-type: none"> <li>Reinforcement of Philosophy training systems that match the actual conditions in each country or region</li> </ul>
Management	<ul style="list-style-type: none"> <li>Reinforcement of communication with stakeholders for greater mutual trust</li> </ul>	<ul style="list-style-type: none"> <li>Reinforcement of communication with local society through periodic holding of CSR Report Meetings</li> </ul>	<ul style="list-style-type: none"> <li>CSR Report Meetings held for stakeholders around each plant, including local residents, customers, administration (188 people at 6 sites)</li> </ul>	<ul style="list-style-type: none"> <li>Continuation of communication with local society through periodic holding of CSR Report Meetings</li> </ul>
	<ul style="list-style-type: none"> <li>Realization of highly transparent corporate governance and internal control systems</li> </ul>	<ul style="list-style-type: none"> <li>Further enhancement of corporate governance systems and internal control systems</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of the operation status of corporate governance systems and internal control systems</li> </ul>	<ul style="list-style-type: none"> <li>Further enhancement of corporate governance systems and internal control systems</li> </ul>
	<ul style="list-style-type: none"> <li>Promotion of respect for diversity / work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>Reinforcement of activities to promote women's success in the workplace toward achievement of the numerical target</li> </ul>	<ul style="list-style-type: none"> <li>Assignment of positive action promotion committee members at each department</li> <li>Holding of lectures by woman role models (Hokkaido Kitami Plant and Kagoshima Sendai Plant)</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of measures to expand the number of women in managerial positions</li> <li>Development of a working environment friendly to LGBT employees</li> </ul>
		<ul style="list-style-type: none"> <li>Promotion of actions to improve the employment rate of disabled persons</li> </ul>	<ul style="list-style-type: none"> <li>Setting of the employment rate target at each work site to promote actions</li> <li>Active acceptance of disabled persons participating in work experience through coordination with local community or relevant organizations</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of actions to improve the employment rate of disabled persons</li> </ul>

Respect for Human Rights / Optimal Work Environment		<ul style="list-style-type: none"> <li>Enhancement of measures to support early return to work for employees from childcare leave or shortened workday system</li> </ul>	<ul style="list-style-type: none"> <li>Introduction of flexible work start or end time for reasons of childcare</li> </ul>	<ul style="list-style-type: none"> <li>Further promotion of support of full-time working to realize childcare or nursing care</li> </ul>
	<ul style="list-style-type: none"> <li>Reinforcement of measures on human resource development</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of sites to which employees are sent for study or training and reinforcement of language learning programs</li> </ul>	<ul style="list-style-type: none"> <li>Holding of language training in the Philippines</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of overseas training content</li> </ul>
	<ul style="list-style-type: none"> <li>Reinforcement of management for health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Japan: 50% reduction in the FY16 total accident frequency rate 50% reduction in the FY16 lost time accident frequency rate Zero fire accidents</li> <li>Overseas: 20% reduction in the FY16 total accidents per 1,000 persons Zero fire or explosion accident</li> </ul>	<ul style="list-style-type: none"> <li>Japan: total accident frequency rate of 0.98 Lost time accident frequency rate of 0.33 One fire accident</li> <li>Overseas: total accidents per 1,000 persons of 2.1 Zero fire accidents</li> </ul>	<ul style="list-style-type: none"> <li>Japan: total accident frequency rate of 0.5 or under Lost time accident frequency rate of 0.15 or under Zero fire or explosion accidents</li> <li>Overseas: total accidents per 1,000 persons of 1.0 or under Zero fire explosion accidents</li> </ul>
		<ul style="list-style-type: none"> <li>Promotion of measures for health development</li> </ul>	<ul style="list-style-type: none"> <li>Blood checks newly held to measure health risks including stomach cancer</li> <li>In-house Occupational Health Physicians' Meetings held for dedicated industrial physicians from each site</li> </ul>	<ul style="list-style-type: none"> <li>Continuation of measures for health development</li> </ul>

Environmental Activities	<ul style="list-style-type: none"> <li>• Achievement of Environment Vision 2020</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of activities towards the achievement of a Low-Carbon Society Contribution Factor of 3 in 2020</li> </ul>	<ul style="list-style-type: none"> <li>• Low-Carbon Society Contribution Factor 3.19 achieved ahead of schedule</li> </ul>	<ul style="list-style-type: none"> <li>• Formulation of new mid- and long-term vision</li> </ul>
	<ul style="list-style-type: none"> <li>• Promotion of environmentally friendly products</li> </ul>	<ul style="list-style-type: none"> <li>• Reinforcement of the Green Procurement Promotion System</li> </ul>	<ul style="list-style-type: none"> <li>• The revised Green Procurement Guideline was distributed to business associates to request their further reinforcement of management</li> </ul>	<ul style="list-style-type: none"> <li>• Reinforcement of the Green Procurement Promotion System</li> </ul>
	<ul style="list-style-type: none"> <li>• Promotion of environmental consciousness at factories and offices</li> </ul>	<ul style="list-style-type: none"> <li>• Achievement of the basic unit improvement ratio in greenhouse gas emission, energy consumption, water consumption and industrial waste emission by 1% or more relative to FY2016 at all production sites</li> </ul>	<ul style="list-style-type: none"> <li>• Greenhouse effect gas emission basic unit: 2.5% up from FY2016</li> <li>• Energy consumption basic unit: 4.9% up from FY2016</li> <li>• Water consumption basic unit: 5.5% improved from FY2016</li> <li>• Industrial waste emission basic unit: 0.1% improved from FY2016</li> </ul>	<ul style="list-style-type: none"> <li>• Improvement of the basic unit improvement rate for greenhouse effect gas emission, energy consumption, water consumption and industrial waste emission at all production sites by 1% or more compared to that of FY2017</li> </ul>
	<ul style="list-style-type: none"> <li>• Environmental communication with local society</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion of environmental communication through support of environmental education or biodiversity preservation activities</li> </ul>	<ul style="list-style-type: none"> <li>• On-site eco lessons for children (participants: 9,461 children in Japan and 22 in China)</li> <li>• Implementation of forestation activities (Nagano and Kyoto)</li> <li>• Kyocera participated in tree-planting events (Thailand) and environmental enlightenment events (Mexico)</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion of environmental communication through environmental education support and biodiversity preservation activities</li> </ul>
	<ul style="list-style-type: none"> <li>• Promotion of risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Reinforcement of global risk management system</li> </ul>	<ul style="list-style-type: none"> <li>• Reinforcement of risk management systems for domestic Group companies</li> </ul>	<ul style="list-style-type: none"> <li>• Reinforcement of risk management systems for overseas Group companies</li> </ul>
		<ul style="list-style-type: none"> <li>• Enhancement of risk management education</li> </ul>	<ul style="list-style-type: none"> <li>• Education to risk management staff at domestic Group companies</li> </ul>	<ul style="list-style-type: none"> <li>• Education to risk management staff at overseas Group</li> </ul>

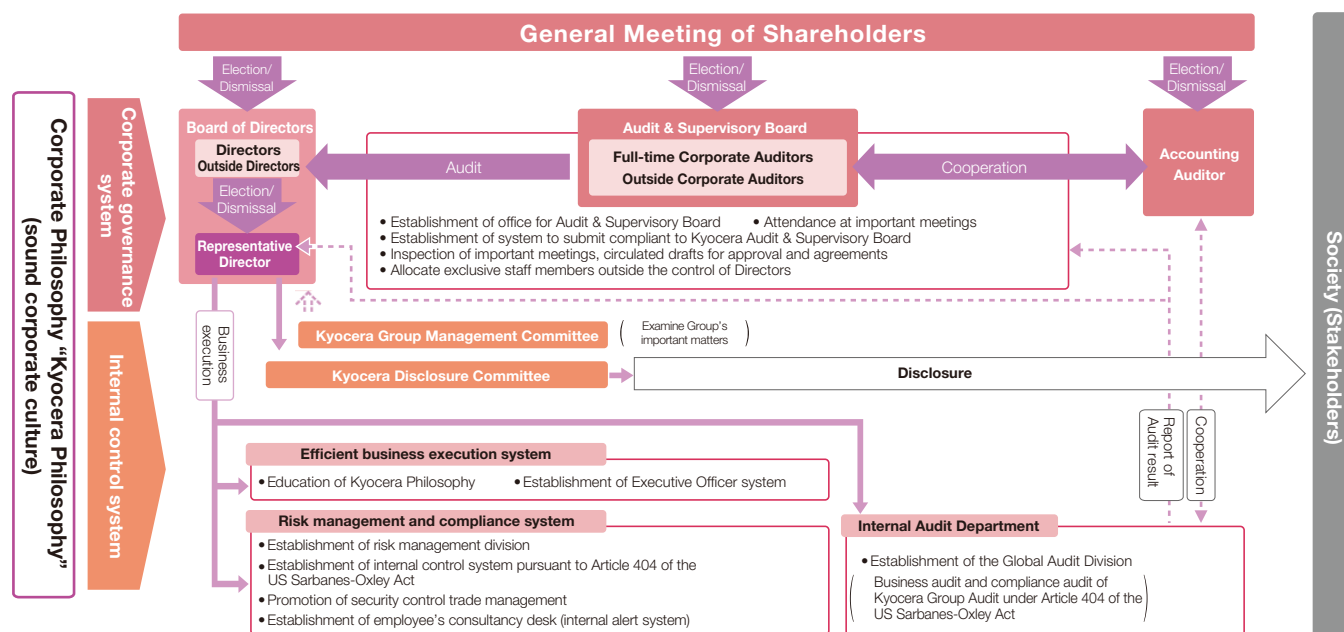
Fair Business Activities			<ul style="list-style-type: none"> <li>Provision of education to department risk management staff and risk managers at each site</li> </ul>	companies
		<ul style="list-style-type: none"> <li>Reinforcement of information security measures, such as technical measures against cyber attacks or internal fraud</li> </ul>	<ul style="list-style-type: none"> <li>Information security measures, such as technical measures against cyber attacks or internal fraud reinforced</li> </ul>	<ul style="list-style-type: none"> <li>Reinforcement of monitoring system for cyber attacks or internal fraud</li> <li>Enhancement of information security education</li> </ul>
		<ul style="list-style-type: none"> <li>Continued maintenance of domestic Group companies' BCP activities</li> </ul>	<ul style="list-style-type: none"> <li>BCP expansion to overseas Group companies continued</li> <li>Introduction of voluntary audit of BCP activities</li> </ul>	<ul style="list-style-type: none"> <li>Continued maintenance of BCP activities and improvement of workability at domestic Group companies</li> <li>Establishment of voluntary audit of BCP activities</li> </ul>
		<ul style="list-style-type: none"> <li>BCP expansion to overseas Group companies continued</li> </ul>	<ul style="list-style-type: none"> <li>BCP expansion to overseas Group companies continued</li> </ul>	<ul style="list-style-type: none"> <li>BCP expansion to overseas Group companies and establishment of maintenance activities</li> </ul>
		<ul style="list-style-type: none"> <li>Continuation of BCP expansion to business associates</li> </ul>	<ul style="list-style-type: none"> <li>Understanding of the status of action at new business associates and identification of their problems</li> <li>Confirmation of the status of action taken by business associates requested to improve their condition in the previous year</li> </ul>	<ul style="list-style-type: none"> <li>Periodic renewal survey on BCP activities at business associates conducted</li> </ul>
	<ul style="list-style-type: none"> <li>Thorough legal compliance</li> </ul>	<ul style="list-style-type: none"> <li>Thorough management of cargoes not subject to the export control laws and orders</li> </ul>	<ul style="list-style-type: none"> <li>Audit/storage system for cargoes not subject to the laws or orders and fees and commissions introduced for reinforcement of management system</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of management reinforcement by introduction of customer audit system</li> </ul>
		<ul style="list-style-type: none"> <li>Greater expansion of the new legal audit system to Japan-based Group companies</li> </ul>	<ul style="list-style-type: none"> <li>Expansion started at some domestic Group companies</li> </ul>	<ul style="list-style-type: none"> <li>Start of expansion at all domestic Group companies</li> </ul>

	<ul style="list-style-type: none"> <li>Reinforcement of supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>Holding of supplier seminars or social gathering events</li> </ul>	<ul style="list-style-type: none"> <li>Supplier seminars and social gathering events held in Kyoto for 128 people from 126 major business associates</li> </ul>	<ul style="list-style-type: none"> <li>Continuation of holding of supplier seminars and social gathering events</li> </ul>
		<ul style="list-style-type: none"> <li>Reinforcement of supply chain management in overseas</li> </ul>	<ul style="list-style-type: none"> <li>Overseas business associates thoroughly checked for their response to conflict mineral survey</li> </ul>	<ul style="list-style-type: none"> <li>Reinforcement of supply chain management in overseas</li> </ul>
Customer Concerns	<ul style="list-style-type: none"> <li>Efforts towards the raising of quality and customer satisfaction levels</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of measures for improvement of CS index</li> </ul>	<ul style="list-style-type: none"> <li>Customer complaint index 69% from the previous year (31% improvement)</li> </ul>	<ul style="list-style-type: none"> <li>Continuation of response to CS index improvement</li> </ul>
Social Contribution Activities	<ul style="list-style-type: none"> <li>Promotion of social contribution activities</li> </ul>	<ul style="list-style-type: none"> <li>Kyocera has implemented activities including the support of academic and research activities, support for cultural and artistic activities, and international exchange and cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Kyocera supports the Inamori Foundation's Kyoto Prize, an award to honor excellence in three fields: Advanced Technology, Basic Sciences, and Arts and Philosophy</li> <li>Special exhibition on the imperial court culture of early-modern Kyoto jointly held with neighboring Jonangu Shrine</li> <li>Vietnamese junior high school students invited to Japan as part of a cultural exchange tour</li> </ul>	<ul style="list-style-type: none"> <li>Kyocera will continue activities including the support of academic and research activities, support of cultural and artistic activities, and international exchange and cooperation</li> </ul>

# Corporate Governance

## Corporate Governance and Internal Control Systems

The purpose of corporate governance and internal control in the Kyocera Group is to maintain management soundness and transparency, and to achieve fair and efficient management, through which we aim to realize the Management Rationale of the Kyocera Group. To establish a sound corporate culture, the Kyocera Group implements the following measures through the practice of the Kyocera Philosophy.



Corporate Governance and Internal Control Systems

### Corporate Governance System

1. Directors shall accommodate requests for reports by corporate auditors.
2. Internal audit departments shall provide regular reports to corporate auditors on the state of internal audits.
3. Establishment of the Kyocera Board of Corporate Auditors Reporting System to enable employees, suppliers, customers and other individuals or organizations associated with the Kyocera Group to report directly to the Board.
4. Corporate auditors have the authority to attend important meetings and to inspect important conference minutes, documents, contracts, etc. Corporate auditors may call for meetings with representative directors to exchange opinions concerning management of the Kyocera Group in general.

### Internal Control System

1. Establishment of the Kyocera Disclosure Committee as a means for making timely and appropriate disclosure of management information outside the company.
2. Establishment of a Risk Management Division, as part of the Kyocera Group's risk management system.
3. Establishment of an Employee Consultation Hot-Line Center as part of the Kyocera Group's internal complaint system, where employees can report violations of laws, company regulations or other matters.
4. Introduction of an Executive Officer System to clearly delegate authority and related responsibilities; and construction of an effective and efficient business execution system.

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## Structure of Business Management

### The Board of Directors

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

Besides, the Company adopts the Executive Officer system to facilitate the efficiency of the management of the Company. The execution of the businesses of the Company is undertaken by the Executive Officers under the instruction of the President and Representative Director of the Company. The President and Representative Director is nominated by the Board of Directors, which undertakes the management decision and supervision of the execution of businesses. The Representative Director directs the Executive Officers report the status of the execution of the businesses to the Board of Directors, and the Board of Directors makes sure that the businesses is efficiently executed. As such, the Company clarifies the responsibility and authority to achieve efficient management of the Company, and to realize the efficient functionality of appropriate corporate governance and internal control of the Company.

Kyocera has two Outside Directors. One of them is an Independent Outside Director. The other one, for who we have not given notice of independent director to the Tokyo Stock Exchange, nonetheless provides us with pertinent advice and supervision over the Board of Directors from an objective standpoint based upon plenty of experiences and appropriate expertise as a corporate manager.

### Audit & Supervisory Board

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Kyocera has Audit & Supervisory Board Members and Audit & Supervisory Board based on the corporate governance policy and the provision of its Articles of Incorporation which was approved by the General Shareholders Meeting. Audit & Supervisory Board Members include one full-time Audit & Supervisory Board Member originally an employee of the Company, one Audit & Supervisory Board Member who is familiar with the Company and who has plenty of knowledge and experience as an attorney-at-law, as well as two Outside Audit & Supervisory Board Members, who have plenty of knowledge and experience as an attorney-at-law or Certified Public Accountant. The Audit & Supervisory Board Members are conducting audits of the Company as a whole based on accurate information about the Company gathered from inside and utilizing a variety of view-points as an outsider of the Company. Audit & Supervisory Board Members are conducting audits pursuant to the audit policy and audit plan established every fiscal year. Moreover they attend the meetings of the Board of Directors and other important meetings, so that they have access to necessary information to conduct their task and they check the soundness of the management of the Company from various points of view.

### The Kyocera Group Management Committee

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Kyocera established “the Kyocera Group Management Committee” consisting of the Directors of the Company. The Committee examines not only the agenda of the meetings of the Board of Directors but also other important matters relating to the execution of the businesses of the Kyocera Group as a whole, and holds meetings every month regularly to secure the sound management of the Kyocera Group as a whole.

With respect to the nomination and remuneration of Directors and Audit & Supervisory Board Members, the Kyocera Group Management Committee and the Board of Directors examines them and receive advice thereon from the Outside Directors, so that the decision relating thereto shall be made in a fair and appropriate manner.

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## **The Kyocera Disclosure Committee**

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

## **Remuneration to the Directors**

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Remuneration to the Directors of Kyocera consists of two components, namely, “basic remuneration” and “bonus to Directors”. Basic remuneration is remuneration to be paid based on the responsibility of each Director and the amount shall be decided based on the importance of responsibility. Level of the amount to be paid to each Director shall be decided taking into consideration the amount of the remuneration of other companies doing similar businesses with the Company, provided that the total amount of basic remuneration to all Directors shall be 400 million yen or less per year. The bonus to Directors is remuneration linked with the performance of the Company. The total amount thereof to all Directors shall be 300 million yen or less per year, and besides, shall be 0.2% or less of the amount of net income attributable to shareholders of the Company for the relevant fiscal year. The amount shall be decided based on the contribution of each Director for the performance of the Company. Remuneration to the Audit & Supervisory Board Members of the Company consists of “basic remuneration” only to secure the neutrality of audit. The total amount of basic remuneration to the Audit & Supervisory Board Members shall be 100 million yen or less per year.

## **System for Internal Complaint Reporting to the Audit & Supervisory Board**

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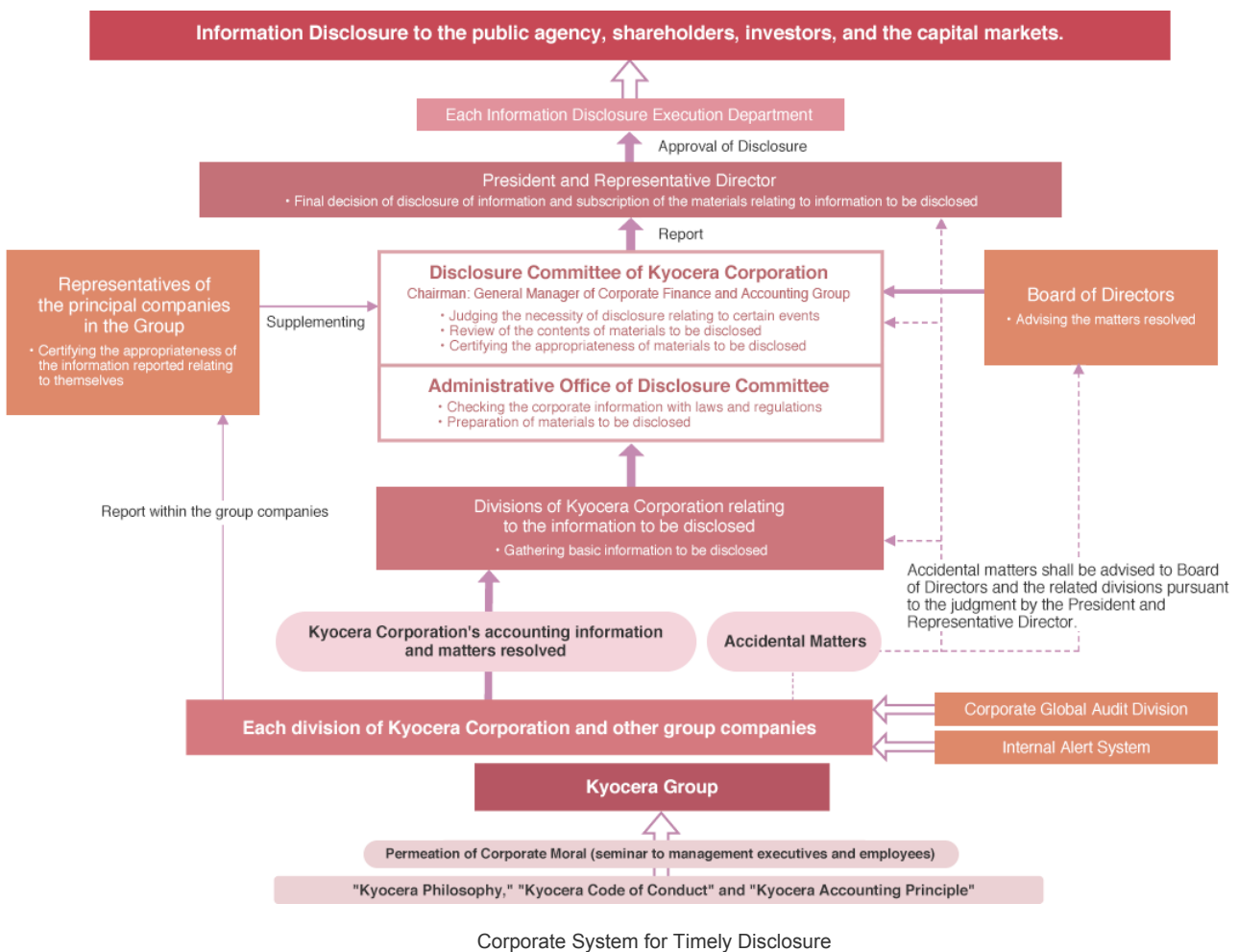
In case employees, suppliers, customers and other individuals or organizations associated with the Kyocera Group find conduct that violates or is likely to violate the laws on accounting or matters related to auditing, such as illegal sale or transaction, or feel suspicious of any such conduct, they are encouraged to directly notify the Audit & Supervisory Board by e-mail or letter by means of the System for Internal Complaint Reporting to the Audit and Supervisory Board put in place for this purpose.



## Fundamental Attitudes of Timely Disclosure

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

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



## Internal Control Audits of the Kyocera Group

As Kyocera is listed on the New York Stock Exchange, the company is subject to Section 404 of the Sarbanes-Oxley Act. Section 404 requires business operators to construct and maintain internal control systems relating to fiscal reporting. Section 404 assesses the effectiveness of internal control systems through internal audits based on internal control evaluation criteria.

# Respect for Human Rights and Diversity

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## Respect for Human Rights

Aside from compliance with the laws of individual countries, the Kyocera Group implements measures in accordance with the United Nation's Universal Declaration of Human Rights, the Fundamental Human Rights Convention by the International Labor Organization (ILO) and other international conventions. The Kyocera Group joined the United Nations Global Compact, a global platform setting out 10 fundamental principles relating to human rights, labor, environment, and anti-corruption, out of agreement with the main purport of the Compact. The Kyocera Group established the Kyocera Group CSR Guidelines and explicitly prohibits the use of forced labor and child labor as well as discriminatory treatment on the basis of gender, age, beliefs, nationality, physical features, etc. The Kyocera Group is also working to prevent power harassment and sexual harassment in the workplace. In addition, 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 a comfortable work environment that fosters motivation.

## Measures Relating to Human Rights and Labor

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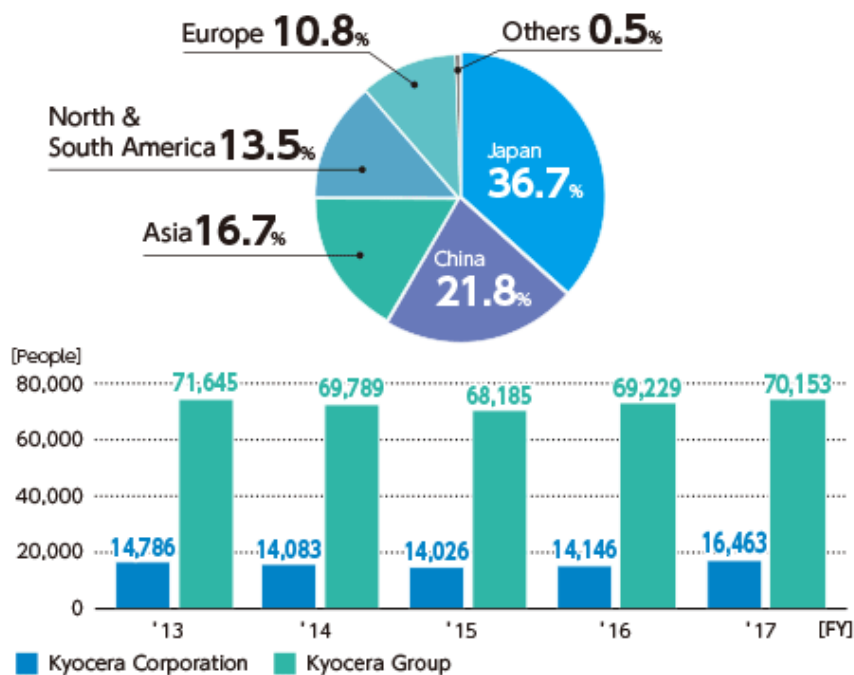
To raise employee awareness concerning human rights and labor, time at morning meetings in Kyocera is set aside for announcements on matters requiring compliance in the workplace. Reading in turn about related issues from the Kyocera Employee's Action Guideline, which is distributed to all employees, is also an ongoing activity. In addition, human resource departments undertake independent checks for legal violations such as discrimination, appropriate payment and working hour management according to labor-related laws and regulations, in-house rules, and labor agreements with unions. Auditing departments also carry out audits regularly to ensure thorough legal compliance.

## Respect for Diversity / Work-Life Balance

### Adapting to Globalization

Since Kyocera's 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 directly employs students who graduate from Chinese universities and graduate schools from the viewpoint of the employment and development of personnel who will lead our global development in the future. We will also continue to employ foreign students studying in Japan.

Ratio & No. of Employees by Region (as of March 31, 2017)

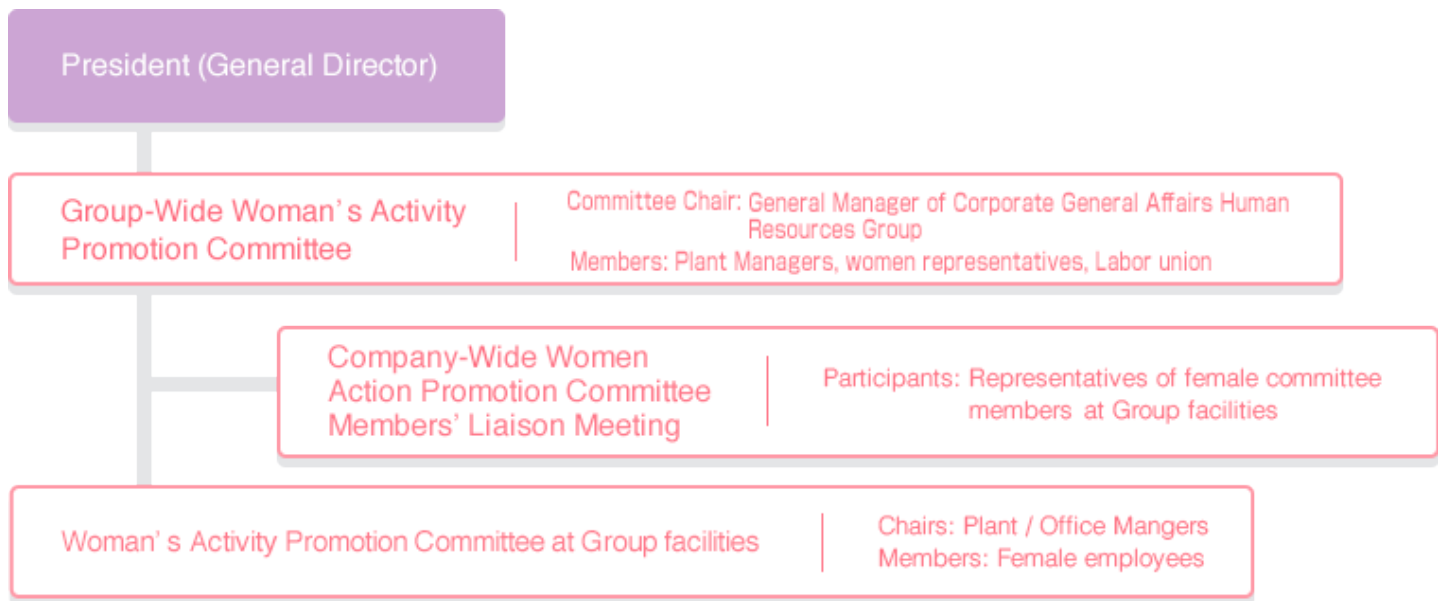


### Promoting the Careers of Women in the Workplace

Kyocera views the promotion of women's advancement as an important management issue and is developing a workplace environment that allows a variety of human resources to maximize their individual performance. In FY2017, we set two specific numerical goals to further promote the careers of women, which are to "increase the number of woman employees whose position is section manager or higher to 60 by 2020" and to "maintain the ratio of women employed by the 'regular university graduate recruitment system' at 20% in and after 2017." The ratio of women employed in FY2018 regular university graduate recruitment is 20.8%. We continue to conduct various activities toward achievement of the goals.

■ **System and Action for Promotion of the Careers of Women in the Workplace**

Kyocera conducts various measures, through the woman action promotion activities headed by the President as the General Director, including increase in the number of woman managers, improvement of the ratio of woman employees, enhancement of the system to support realization of both work and childcare, and education for cultural reform. Activities of education for cultural reform include setting up a Woman’s Activity Promotion Committee at each major site. Woman employees selected from each workplace as Committee members are voluntarily carrying out various activities to solve pending problems facing women’s career promotion. In FY2017, the Positive Action Promotion Committee was newly set up for each business department, in addition to current activities by site. The Committee holds an annual gathering to discuss the working style of woman employees. The opinions and requests from the Positive Action Committee are integrated by the human resource departments, and particularly important items are incorporated to personnel measures. Kyocera intends to reinforce those activities to establish or improve the working environment friendly to woman employees.



Organization System

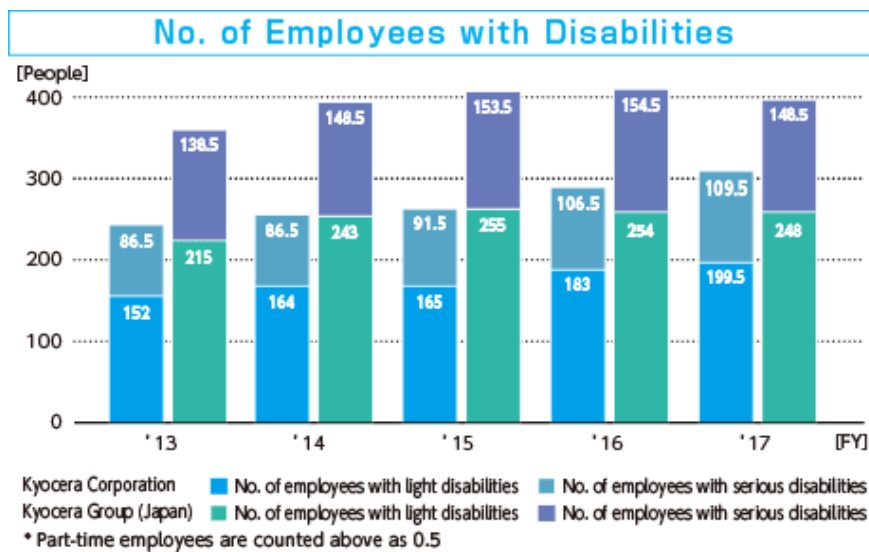
## Major Actions in FY2017

Action sites	Action details
Hokkaido Kitami Plant	<ul style="list-style-type: none"> <li>· Skill improvement workshop for Woman's Activity Promotion Committee members held</li> <li>· Lectures by external woman role models held</li> </ul>
Tokyo Office	<ul style="list-style-type: none"> <li>· Study meetings for information exchange with other companies held</li> </ul>
Yokohama Office	<ul style="list-style-type: none"> <li>· Career design training provided</li> <li>· Episodes of experience on satisfaction of both work and childcare placed on the Intranet</li> <li>· Study meetings for information exchange with other companies held</li> </ul>
Nagano Okaya Plant	<ul style="list-style-type: none"> <li>· Interviews given to women managers active at other sites to vitalize activities at Okaya Plant</li> <li>· Publication of booklets introducing the systems for supporting a balance of career and childrearing</li> </ul>
Shiga Gamo Plant	<ul style="list-style-type: none"> <li>· Workshop for women in their 40s held</li> <li>· Educational information newsletter "Himawari-Net" published</li> </ul>
Shiga Yasu Plant	<ul style="list-style-type: none"> <li>· Plant tour for employees' family members held</li> <li>· Educational information e-mail newsletter "Jokatsu Tsushin" distributed</li> <li>· Training for shortened workday system users held</li> </ul>
Headquarters	<ul style="list-style-type: none"> <li>· Training for employees with managerial positions held on communication with employees during childrearing working under them</li> <li>· Exchange meetings among woman employees engaged in childrearing held</li> </ul>
Kagoshima Sendai plant	<ul style="list-style-type: none"> <li>· Career design training provided</li> <li>· Lectures by external woman role models held</li> <li>· Educational information newsletter "Tanpopo Tsushin" put up in company cafeteria</li> <li>· Career design training provided</li> </ul>
Kagoshima Hayato Plant	<ul style="list-style-type: none"> <li>· Career design training provided</li> <li>· Exchange meetings among woman employees held</li> </ul>

## Employing People with Disabilities

Kyocera focuses on hiring people with disabilities and continuing their employment. Employees with disabilities hired by Kyocera are assigned appropriately so that their jobs and workplaces match their aptitudes.

We continue various structural improvement specifically including elevators and bathrooms friendly to employees using wheelchairs, and installation of braille plates at various places. In addition, we provide health care support by industrial physicians. With these fine-tuned actions, we promote development of an attractive work environment that allows employees to feel satisfaction. In FY2017, we actively placed disabled persons intending to experience working through coordination with local community or relevant organizations. At Kyocera, the employment rate target was set at each work site to promote actions. As a result, the rate of employees with disabilities is 2.05% as of March 2017. Kyocera intends to develop specific actions plans and actively employ people with disabilities to enhance the rate of employees with disabilities.



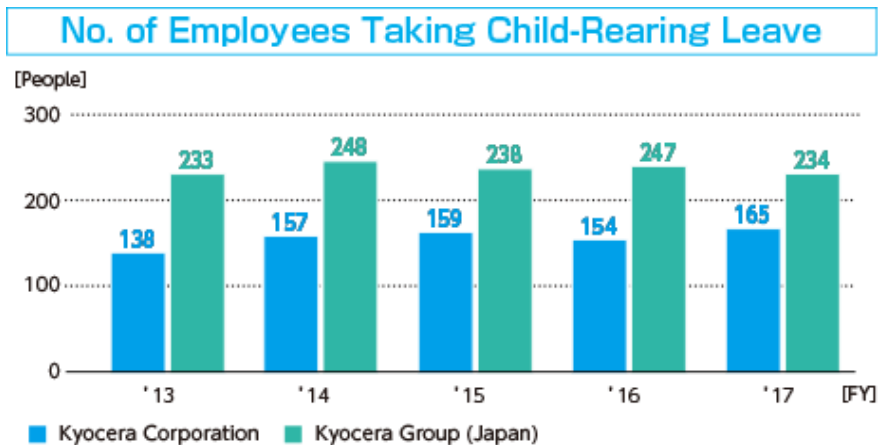
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## Measures for Child-Rearing and Nursing Care

The Kyocera Group (Japan) introduced the Child-Rearing Leave System to help female employees to both work and fulfill their family lives. In FY2017, 234 female employees took advantage of this system. Kyocera also offers a shortened workday system available for employees for reasons of childrearing or nursing care. As of March 31, 2017, 298 employees were using this system.

Furthermore, Kyocera's support for nursing care is provided in the form of a nursing care leave system that allows employees to take up to a maximum of one year longer off work than that which is mandated by law. Intended to mitigate worries of balancing of career and nursing care, the Guidebook for Balancing Career and Nursing Care is placed in the in-house portal site as part of the effort to provide necessary information to employees.

As a result of the environmental improvement for balancing both responsibilities, Kyocera was granted certification of standard-compliant general enterprise as per the Act on Advancement of Measures to Support Raising Next-Generation Children by the Health, Labour and Welfare Ministry.



■ Major systems for supporting a balance of career, childrearing and nursing care

	System	Description
Childrearing	Child-Rearing Leave System	Applicable until one day prior to the first year birthday of a child. Extendable until the child reaches 18 months of age depending on the situation.
	Shortened Workday System	Applicable during pregnancy or the child finishes schooling of the third grade of elementary school. Working hours can be shorted by up to two hours a day.
	Work Time Change	Applicable during pregnancy or up until the child finishes schooling of the third grade of elementary school. Work start or end time adjustable up to 1.5 hours earlier or later a day
	Subsidizes Use of a Baby-Sitter	Applicable until the child finishes schooling of the third grade of elementary school. Maximum annual subsidy per child is 200,000 yen
	Child Care Vacation	Up to five days per year per child providing the child is younger than elementary school age. 10 days for two or more children. Half-day leave may also be obtained.
Nursing Care	Family Nursing Care Leave	Total of one year per family member who needs nursing care.
	Shortened Workday System	Up to three years from the start of use. Available in divisions. Work time can be shortened by up to two hours a day.
	Work Time Change	When family nursing care vacation is taken, the work start or end time may be adjustable up to 1.5 hours earlier or later per day effective for up to one year.
	Family Nursing Care Vacation	Up to five days per year per family member who needs nursing care 10 days for two or more children. Half-day leave may also be obtained.
Others	Comeback Entry System	This system allows employees, who once left Kyocera for reasons such as childrearing, nursing care, or other personal reasons, to reenter Kyocera. Former Kyocera employees are eligible for this system within 7 years after their departure.
	Hour-based Paid Vacation System	When a former employee applies for re-entry, Kyocera's job openings and the applicant's desire will be reviewed for appropriateness, and his/her re-employment will be approved if they are matched.



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## Approaches to Stimulating Communication

### Holding Company Events & After-Work Social Gatherings “Compa”

The Kyocera Group believes it is necessary to maintain family-like relationships of trust among employees, and thus considers company events and “compa” to be very important. Kyocera Group “compa” are not simply social gatherings, they are opportunities for interaction aimed at strengthening mutual understanding on reaching specific objectives. This understanding can be attained, for example, by deepening discussion on work-related issues, and by participants declaring their goals. At company events or “compa,” employees can deepen communication with executives and managers, get to know co-workers in other departments better, and deepen mutual relationships and ties.

### 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 relationship is “coaxial labor and management,” where perspectives are shared on the same level. We carry out sports meets, summer festivals and many other kinds of events that stimulate and sustain such relations through unity. In Europe, the U.S.A., China and other countries, Kyocera continues to maintain appropriate labor relations via thorough labor-management consultation in accordance with labor laws of individual countries. Labor and management on the same axis is the key for successful labor relations. Maintaining this stance will help to resolve problems in the workplace and keep the company on the path of sustainable development.



Athletic meet (Osaka)

### ■ Regulations Review Project

Aware of diversifying needs and lifestyles of Kyocera employees with the changes in times or the environment, Kyocera set up the Regulations Review Project as a joint project of the management and labor union to always ensure appropriateness, fairness, and justness in systems and standards to inspect all these regulations together.

### ■ Labor and 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 the workplace environment, and to actively exchange views on matters needing improvement, among other issues.

### ■ Kyocera Group Sports Festival

At Kyocera, great emphasis is put on building relationships based on trust and heart-to-heart bonds among employees. At the 2016 athletic meet, which is the 37<sup>th</sup> holding of the event, 34 teams who outperformed their preliminary competitors from plants, offices and domestic Group companies of Kyocera had a good competition among themselves under the slogan "Gather at the Place of Foundation! Show Your Combined Power! Fly toward the Future!"

## One Approach

### ■ Hokkaido Kitami Plant Certified as a Kitami Work-Life Balance Business

The Hokkaido Kitami Plant was certified as a Kitami Work-Life Balance Business newly established by Kitami city in FY2017. This system examined businesses from the viewpoints of availability of support of career and childrearing balance, development of human resource capability without gender bias, and health promotion of employees. Certification is provided in three levels depending on the status of activity, from Stage 1 to Stage 3. The Plant is evaluated for its enhancement of the system to support balancing of career and childrearing and activity to enhance employees' awareness of cultural reform, and was certified at the highest level Stage 3.



Awarding ceremony of certificate

### ■ Thai Group Company Awarded the Excellent Labor-Management Relations and Labor Welfare Award

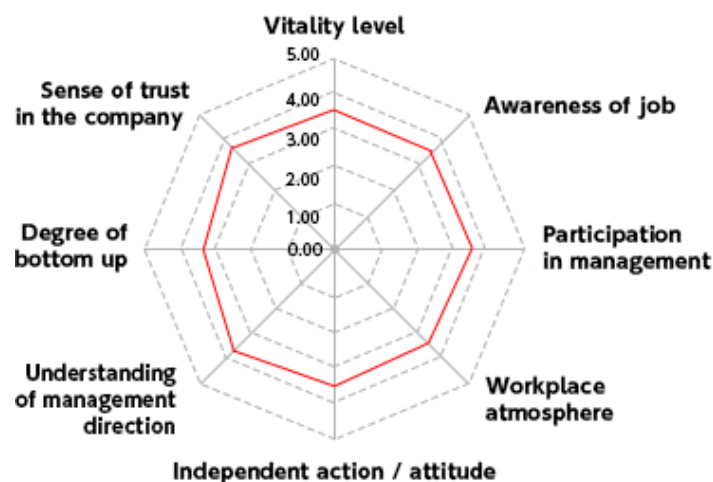
Kyocera Crystal Device (Thailand) Co., Ltd. was awarded the Excellent Establishment on Labour Relations and Welfare Award, established by the Thai Government to improve labor environment in their country, consecutively for the ninth year. The company was comprehensively evaluated for its labor and management joint activities including prevention of industrial accidents or infectious diseases, education to employees for health promotion or other purposes, and local contribution activities such as tree planting.



Award ceremony

## Measures for Raising Workplace Vitality

The Kyocera Group (Japan) regularly conducts an awareness survey of all employees. The survey focuses on topics such as the level of awareness of work, the atmosphere at workplaces, voluntary action or attitude, and the sense of trust in the company. Responses from each organizational unit are analyzed, enabling diagnosis of "vitality level" in each workplace. Results of analyses are compiled into a reference index, which is then used in improvement activities centered on workplace leaders to achieve higher vitality levels in each workplace.



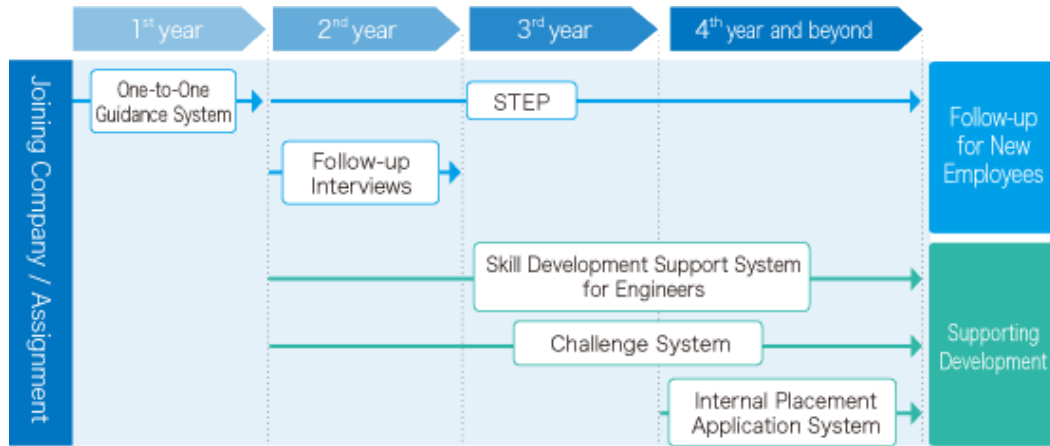
2016 workplace vitality diagnosis results (Kyocera Group in Japan)

# Cultivation of Human Resources

## Systems for the Cultivation of Human Resources

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 helps employees grow based on the following system:



Structure of the Human Resource Development System

### One-to-One Guidance System

Kyocera has established a One-to-One Guidance System to support the growth of new employees. Under this system, a guidance manager is assigned to each new employee. Guidance managers undertake close communication with new employees, including periodic interviews, and provide fine-tuned guidance. Follow-up interviews are also provided by human resource departments. New employees therefore enjoy a system that gives them advice from various viewpoints.



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## **STEP**

Based on the idea that employees grow steadily step by step as if they go up the stairs and move to the next level, Kyocera established the STEP system for new employees up to the fifth year of employment to support the growth of younger employees. When there are regular opportunities for communication between subordinates and supervising employees, young employees are encouraged to talk about their thoughts and ideas with their supervisors, and the supervisors listen to them and share their thoughts. This creates a feeling of oneness among all employees, which then helps support the growth of young employees.

## **Skill Development Support System for Engineers**

Kyocera has an Engineer Ability Development & Support System to help engineers enhance their credentials independently. This system clarifies the level of roles expected of each engineer and allows engineers to quantitatively understand the skills necessary for their roles. This system leads to improved engineering capabilities for the organization as a whole.

## **Challenge System**

Kyocera also has another system for human resource development, the Challenge System. It allows the sharing of employee work targets with supervisors and improves employee capabilities through interviews with supervisors. This helps employees understand their roles and encourages them to work proactively on their job and skill development. It also aims to create a working environment where every employee can work actively and brightly. Supervisors, by heeding subordinate feedback, endeavor to improve the ability of the organization to reach goals and succeed in business.

## **Internal Placement Application System**

Kyocera's Internal Placement Application System was established to provide employees with information on departments that need personnel immediately, for example, due to the start of a new project or expansion of an existing business. Since this system provides employees with various opportunities that allow them to experience different positions at their own will, it serves as an effective means of support for employee career improvement. The optimal assignment of personnel is also another important goal for the company.

## Human Resource Education

The Kyocera Group provides human resource education aimed at improving both theoretical and practical aspects of education, understanding and practice of the Kyocera Philosophy and mastering of the specialized knowledge and skills necessary to execute work. Kyocera thus endeavors to optimize human resources who can help us achieve the Management Rationale by providing a variety of education programs based on the education system composed as follows for each objective:

Training Type		Top Management	Mid-Level Employee	Employee	Part-Time Employee
Philosophy Education	Japan	Philosophy Education by each Department, Site or Group Company			
		Group-Wide Common Philosophy Education Programs			Philosophy Education
	Outside of Japan	Philosophy Education by each Department, Site or Group Company			
		Global Philosophy Seminars	Philosophy Education for Employees		
Vitality Promotion Activity	Individual Support Tuned to Match the Issues each Workplace				
Management Education	Training by hierarchy	Plant Manager & General Office Manager Training	Sales Office Manager Training		
	Training to supervisors	Executive Promotion Training	Training for Department Managers	Training for Team Leaders	
Technical Training		HA* Training	Mid-Level Engineer Training	Presentation of task research	
				Specialized Technical Training	Basic Technical Training Sales Training for New Employees
Global Education			Overseas Training System		
		Training for Employees Going on Overseas Assignment		Training for Improvement of Basic English Skills	

\*Human Assessment

Human Resource Education System

## Education Results in FY2017

	Management Education	Technical Training	Global Education
No. of Course Participants	1,735 People	2,995 People	217 People
Average Annual Training Hours Per Employee	2.5 days	1.5 days	5.7 days

### Management Education

Kyocera provides training to supervisors — the leaders of the organization — to develop executives with advanced management capabilities. In addition, Kyocera aims to improve employees' management capabilities by providing the training to employees necessary in each stage of their career development, from the time of entry into the company to mid-level and executive positions, so that they can learn the skills and knowledge required to fulfill their tasks on a step-by-step basis.

### Technical Training

It is Kyocera's goal to develop human resources with a wide range of basic knowledge and advanced expert knowledge in all departments, including engineering, R&D, manufacturing, quality assurance, sales and management. Specific training programs include Basic Technical Training for first year employees, Specialized Technical Training mainly for young engineers, and Mid-Level Engineer Training for mastery of technical management. The training curriculum covers a wide range, such as materials technology, manufacturing technology, production technology, and quality control. Kyocera employees can take the training necessary for their assignments under this training system.



Technical training

### Global Education

Kyocera has an Overseas Training System and Overseas Graduate School Study System in order to cultivate human resources who can function on the global stage. First established in 1984, these systems have sent many employees to various regions around the world, including Europe, China, Southeast Asia, and India as well as the U.S.A. Kyocera is thus promoting the cultivation of employees with improved language skills, the ability to obtain up-to-date knowledge and technology that can only be acquired abroad, as well as the development of internationally minded employees.

As part of training to improve employees' basic English capabilities, Kyocera provides English learning support to aid the achievement of a minimum score of 600 points on the TOEIC English test.



Overseas training



English education

## Building a Safe & Secure Work Environment

### Occupational Health and Safety Policy

The Kyocera Group aims to create an accident-free and disaster-free workplace environment where everyone can work safely and with peace of mind. Based on the policy below, the Kyocera Group is promoting occupational health and safety activities with the participation of all employees:

- Kyocera will comply with laws, agreements, and internal standards regarding the environment and work safety.
- Kyocera will support corporate social responsibility (CSR) activities and communicate with various stakeholders.
- Kyocera aims to build a corporate culture that creates an accident-free and disaster-free workplace environment where everyone can work safely and with peace of mind.
- Kyocera will identify problems to tackle based on risk assessment, taking action to solve issues in order to prevent the occurrence of occupational accidents.
- The Kyocera Group strives to build a work environment where employees feel healthy, enjoy job satisfaction and can reach their maximum potential by promoting mental and physical health.

\* Abstract from the Kyocera Group Environmental Safety Policy

### Approaches to Occupational Health and Safety and Management System

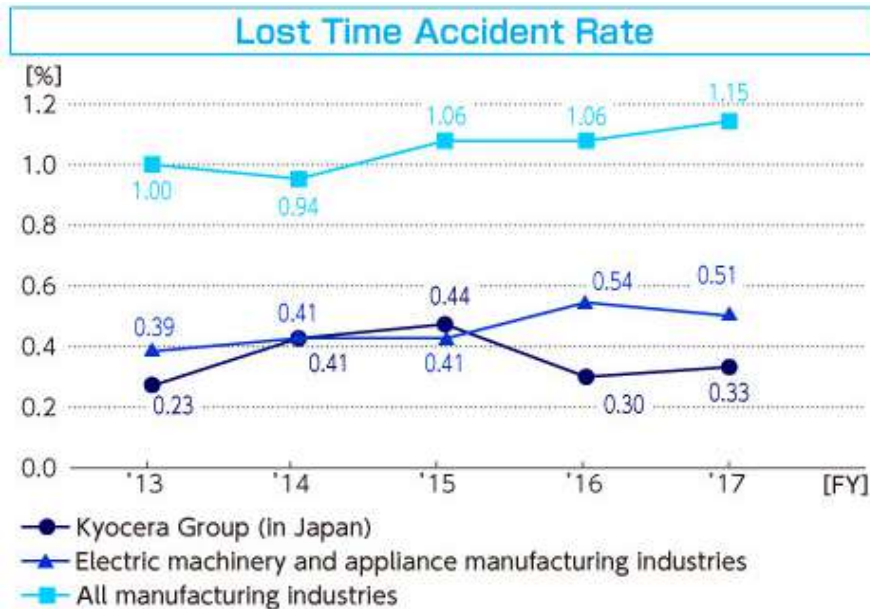
The Kyocera Group has in place a safety and disaster prevention management system according to the Occupational Safety and Health Management System (OHSAS18001) and promotes efforts for occupational safety and health. In Japan, Kyocera conducts continuous improvement activities by identifying problems to tackle based on the risk assessment, taking actions to solve them, and conducting audits at various sites. In FY2017, Kyocera identified risks hidden in work and took action to prevent industrial accidents based on the risk assessment on work actions at all plants of Group companies in Japan, with the manufacturing departments and safety and disaster prevention departments working hand in hand.



Checking the production staff for compliance with the work procedure (Kyoto Ayabe Plant)

## Changes in Lost Time Accident Rate of the Kyocera Group (in Japan)

The lost time accident rate of the Kyocera Group (Japan) in FY2017 was 0.33, lower than the average of all manufacturing industries and electric machinery and appliance manufacturing industries. Kyocera will continue to take action to reduce industrial accidents and create a work environment safe for employees to work at.



\* The lost time accident rates of all manufacturing industries and electric machinery and appliance manufacturing industries are based on the data of the Ministry of Health, Labour and Welfare.

\* Lost time accident rate: No. of afflicted persons/1 million hours

\* The number of days of missed work is as per the standard of the Ministry of Health, Labour and Welfare.

\* Annual data are used for the accident rates of the Ministry of Health, Labour and Welfare. (One or more days of missed work)

\* Annual data are used for the lost time accident rate of the Kyocera Group (In Japan). (One or more days-off)



## One Approach

### ■ Holding of Safety Meeting

The Hokkaido Kitami Plant, Shiga Yasu Plant, and Kagoshima Sendai Plant each invited lecturers from the Labor Standards Inspection Office and the Fire Department and held a safety meeting in FY2017. Staff in charge of the environmental safety department and managers of each department participated in the meeting and learned various case examples and measures taken with respect to safety and disaster prevention for enhancement of safety and disaster prevention awareness.



The safety meeting held at each plant (from left: Hokkaido Kitami Plant, Shiga Yasu Plant, and Kagoshima Sendai Plant)

### ■ Awarded the Commendation of the Director General of Fire and Defense Management Agency as an Excellent Site for Handling of Hazardous Materials

The Nagano Okaya Plant was awarded the Commendation of the Director General of Fire and Defense Management Agency as an excellent site of hazardous material handling at the 2016 Hazardous Material Safety Meeting held in June. The awarding was a result of evaluation of the plant's promotion of license acquisition for hazardous material handling staff, development of human resources playing a central role in safety promotion, and holding of life-saving training for employees. The Plant is determined to ensure thorough safety management of hazardous materials and continue no accident and no violation.



Awarding ceremony held at the Hazardous Material Safety Meeting

### ■ Forklift Skill Test

Fukushima Koriyama Plant uses forklifts to transport cargoes. The Plant conducts a skill test unique to the Plant for operator license holders. Only those who passed the test are allowed to operate forklifts. The Plant regularly holds the skill test to improve safety awareness and skill level of workers and prevent industrial accidents.



Forklift skill test

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### ■ Joint Fire-fighting and Evacuation Drill Held Jointly by Two Overseas Group Companies

Kyocera Crystal Device (Thailand) Co., Ltd. and Kyocera Display (Thailand) Co., Ltd. jointly held their first fire-fighting and evacuation drill in November 2016 to enhance their sense of unity. On the drill date, about 780 employees participated in the evacuation drill held under an assumption of a fire. They also invited lecturers from the local fire department to teach how to handle leakage of chemical substances, how to extinguish fires, or how to perform emergency life-saving techniques.



Joint fire-fighting drill

### ■ Awarded the Disaster Prevention Achievement Award

The Yokohama Office conducts various fire and disaster defense activities including disaster management and evacuation drills held jointly with the fire department, emergency life-saving training, AED training, and installation of a booth for introduction of fire defense activities. These activities were evaluated, and the 2015 Disaster Prevention Achievement Award was granted to the Yokohama Office by the Tsuzuki Fire Department and Tsuzuki Fire Prevention Association. The Office continues to actively conduct fire and disaster management activities to help each employee take appropriate actions in an emergency situation.



Booth to introduce fire defense activities at a summer festival

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## Actions for Health Enhancement

The Kyocera Group is undertaking various measures to raise awareness of health among all employees and support health in body and mind.

### Actions for Health Enhancement among Employees

The Kyocera Group holds regular health checks and lifestyle-related disease checks as obligated by law. In addition, we newly started blood testing that measures risks such as stomach cancer in FY2017. The health management staff provide health guidance to employees who need particular care based on the medical check result and examine those employees to check the effect of their lifestyle improvement activity as instructed by the guidance six months later. Health enhancement of employees is promoted to make employees themselves understand their health condition.

### Promotion of Mental Health

The Kyocera Group conducts a regular stress check to measure the status of employees' physical and mental health. Based on the stress check results, occupational health physicians have a meeting with employees as required and take appropriate measures including referring an external special institute, guidance to the section they belong to, or recommendation of use of a rehabilitation work system.

### Holding of In-house Occupational Health Physicians' Meetings

Kyocera holds In-house Occupational Health Physicians' Meetings for the dedicated industrial physicians from each site twice a year to improve the level of health management. In the meetings, physicians share actions and problems related to health management and discuss improvement measures to take in the future. Representatives of human resources and safety and disaster prevention departments and the health insurance union also attend the meeting to solve problems and actively promote the health care of employees through a concerted effort.

## Deployment of Kyocera Perfect 5S Promotion Activities

The 5S system ("Seiri": Sort / "Seiton": Set in Order / "Seiso": Shine / "Seiketsu": Sanitize / "Shitsuke": Sustain) is at the heart of work. Efforts by the Kyocera Group to implement the 5S system perfectly are called Kyocera Perfect 5S Promotion Activities. They are being introduced globally. At each worksite, employees regularly evaluate the degree of 5S achievement using a check list common in the entire company. This activity makes employees take points to improve as their worksite task and involves all members as the main players for improvement. It is a rule that evaluators are those who completed 5S training and passed the test so as to prevent evaluation inconsistency and ensure judgment from a more objective viewpoint. Through these activities, Kyocera aims to create a working environment that allows every employee to work in a safe and secure atmosphere and help every individual employee greatly improve their 5S awareness and upgrade their sensitivity.



Field explanation on 5S Promotion Activities  
(Kyocera Vietnam Company Limited)

# Kyocera Group Environmental Basic Philosophy and Policy

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Since foundation of the company, based on the corporate motto “Respect the Divine and Love People,” the Kyocera Group has focused all corporate activities on three pillars of coexistence (Living Together): Coexisting with Our Community, Coexisting with Global Society, and Coexisting with Nature. The entire Kyocera Group is committed to environmental management and aims for sustainable corporate development while striving to combine the goals of ecology and economy. 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.

It is Kyocera Group policy to render any industrial waste as harmless as possible by using the latest technology. In addition to the Environmental Vision 2020, which has been our medium- and long-term guideline, we formulated the Kyocera Group Environmental Safety Policy and the Kyocera Group Environmental Safety Target to promote active and continuous environmental protection activities.

## Kyocera Environmental Charter

Based on the concept of “Coexistence (Living Together),” the Kyocera Group established the Kyocera Environmental Charter, which provides for comprehensive measures on 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 create a low-carbon producing society, recycling society and a society in harmonious coexistence with nature.

## Kyocera Group Environmental Safety Policy

The Kyocera Group has put in place the Kyocera Group Environmental Safety Policy, which combines policies on the environment and safety and sanitation, including reduction in environmental loads through product life cycle or control of greenhouse gas emissions throughout the entire value chain, to promote comprehensive measures for environmental safety based on its management rationale in conducting business activities.

## Environment Vision 2020

The Kyocera Group has established the Environment Vision 2020, which clarifies the goals to be achieved by 2020 in order to work on environmental management aimed at sustainable growth while satisfying both ecology and economy demands.

## Kyocera Group Environmental Safety Targets

The Kyocera Group has set the Kyocera Group Environmental Safety Targets, which set basic unit improvement targets for greenhouse gas, energy, water and industrial wastes, and targets for control of industrial accidents and zero fire accidents.

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# Kyocera Environmental Charter

Established: October 1, 1991

Revised: June 1, 2013

## I. Preface

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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 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.

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## II. Basic Philosophy

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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

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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.

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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**

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1. Kyocera will establish and operate an environmental management system based on ISO14001 standards, and continuously expand environmental preservation activities.
2. 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.
3. 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**

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

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# Kyocera Group Environmental Safety Policy and Targets

## Kyocera Group Environmental Safety Policy

The Kyocera Group actively and continuously promotes comprehensive measures for environmental safety based on its management rationale in conducting business activities.

### ■ Kyocera Group Environmental Safety Policy

- Kyocera will comply with laws, agreements, and internal standards regarding the environment and work safety.
- Kyocera will increase research and development into products that make a positive contribution to the enhancement of the global environment and minimize environmental impact at all stages of the product life cycle; and the Company will strive to spread the use of such products.
- Kyocera will promote greenhouse gas emission control in the value chain to contribute to the prevention of climate change.
- Kyocera will contribute to the realization of a society with sustainable recycling of resources by purchasing materials with low environmental impact, reducing the volume of new resource consumption, and minimizing waste.
- Kyocera will advance conservation of biodiversity by minimizing negative impacts on the natural environment, as well as by protecting and nurturing the natural environment.
- Kyocera will support corporate social responsibility (CSR) activities and communicate with various stakeholders.
- Kyocera aims to build a corporate culture that creates an accident-free and disaster-free workplace environment where everyone can work safely and with peace of mind.
- Kyocera will identify problems to tackle based on risk assessment, taking action to solve issues in order to prevent the occurrence of occupational accidents.
- The Kyocera Group strives to build a work environment where employees feel healthy, enjoy job satisfaction and can reach their maximum potential by promoting mental and physical health.

## Kyocera Group Environmental Safety Targets

The Kyocera Group has set the Kyocera Group Environmental Safety Targets, which set targets in four items of greenhouse gas, energy, water, and industrial wastes; and targets for control of industrial accidents and fire accidents.

### ■ Kyocera Group Environmental Safety Targets

- (1) In all production sites, greenhouse gas emissions, energy consumption<sup>\*1</sup>, water consumption<sup>\*2</sup>, and industrial waste discharge will be reduced by 1% or more from the previous year in terms of energy consumption unit improvement rate.
- (2) In Japan, the target for total accident frequency rate is 0.5 or less; and lost time accident frequency rate is 0.15 or less. Overseas, the target for total accidents per 1,000 persons is 1.0.
- (3) Fire accidents target is zero.

\*1 Energy consumption: all sites in Japan including manufacturing sites and non-manufacturing sites

\*2 Water consumption: except sites which do not consume water in the production line



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## 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 a 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.

### 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.

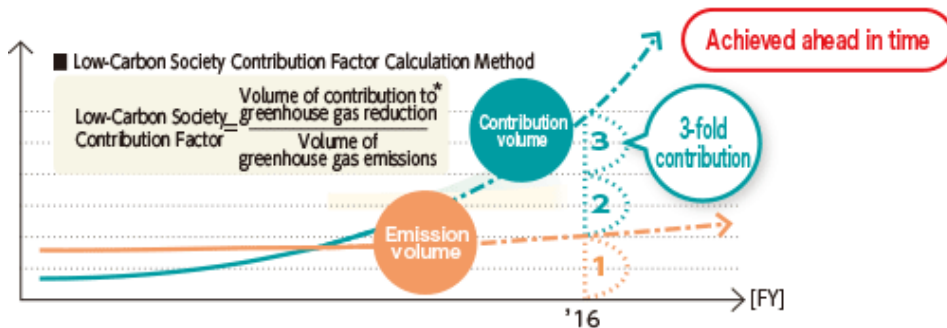
## Commitment to Achieving a Low-Carbon Society

The Environment Vision 2020 sets our own index, “low-carbon society contribution factor,” which comprehensively evaluates “the level of contribution to greenhouse gas reduction” by use of Kyocera’s environmentally friendly products in addition to control of “greenhouse gas emissions” in our business activities, thereby helping establish a low-carbon society. The low-carbon social contribution factor in FY2016 was 3.19, which means we have achieved the FY2020 goal four years in advance. We are going to review new goals to further promote activities for realization of low-carbon society.

\* For this page only, fiscal years (FY) are counted in the style of Japan, where the fiscal year is represented by the year in which it begins (April 1).

### Result of Low-Carbon Society Contribution Factor

FY	'12	'13	'14	'15	'16	Target
Factor	1.47	1.70	2.12	2.85	3.19	FY2020: 3.00



\*Value of the energy-production effect equivalent assuming solar power generation systems produced and sold by Kyocera continue power generation for 20 years converted to the greenhouse effect gas. The emission coefficient used in this conversion is 0.505 kg-CO<sub>2</sub>/kWh. (based on the Industry’s Voluntary Rule on Labeling by the Japan Photovoltaic Energy Association)

### Participation in the Low-Carbon Society Action Plan

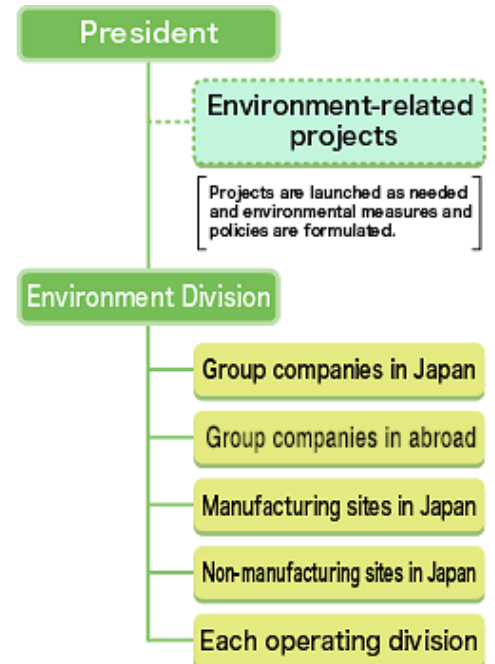
Kyocera participates in the electric and electronic industries’ Low-Carbon Society Action Plan to fulfill our contribution to the realization of a low-carbon society. To be specific, what we attempt to achieve by 2020 includes reductions in CO<sub>2</sub> emissions by 1% annually on average in energy basic units and reductions in CO<sub>2</sub> emissions in products. Our efforts are in concert with the industry’s commitment to climate change prevention.

# Green Management

## Environmental Management Promotion System

The Kyocera Group formulates environment-related policies and measures through reviews and discussions in the Planning and Policy Division, Environment Division and other related divisions with the President as leader. Environment-related projects are set up whenever required to take on any environment-related challenges and resolve outstanding issues.

A separate organization has been established with the Environment Division playing a central role so that Kyocera can continue activities for environmental protection. Specifically, the contents of the Kyocera Group Global Environment Policy are assimilated into our environment management system based on ISO14001 and managed through the monthly PDCA process.



Environmental Management Promotion System

## Environmental Education

The Kyocera Group provides systematic environmental education to help all employees understand the significance of environmental protection activities and their roles in them. Specifically, environment education is divided into general/awareness education and special education and is provided to employees systematically depending on their rank and occupation so as to improve environmental awareness.

		Top Management	Mid-level Employee	Employee	Part-time Employee
General / Awareness		Employee magazine, Web site, various monthly activities, etc.			
Specialty	By hierarchy	Plant Manager & General Office Manager Training Training Sales Office Manager Training	Supervisory / Leader Skills Training	Education for new employees	
	By function	Education for environmental safety directors	Education for department managers Education for environmental safety managers	Education for environmental enhancement leaders Education for environmental enhancement personnel Education for personnel in charge of environmental safety divisions	
	Technique		Education for personnel engaging in specific environmental jobs	Basic environmental technology program	
	Certification		Education for internal environmental safety auditors Training of lecturers for "Eco-Lessons"		
(Other: Education for employees of in-plant resident companies, education for vendor companies)					

## Efforts to Improve Employees' Environmental Awareness

The Kyocera Group sets a specific period, in which environmental preservation activities, such as energy-saving or power-saving activities, are intensively conducted, to improve employees' environmental awareness and enhance environmental preservation activities at plants and offices.

The Kyocera Group (Japan) conducted various energy-saving activities including installation of "Green Curtains" or energy-saving patrols during four months of 2016 from June to September, called the Summer Eco Challenge 2016, to improve employees' environmental awareness and reinforce measures for energy-saving during the summer season.



Poster of Eco Challenge 2016(Japan)

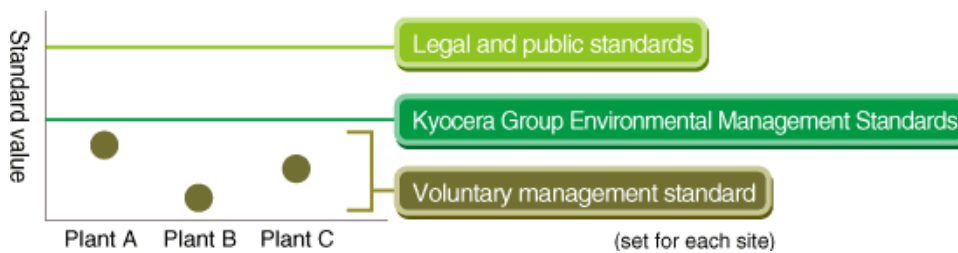


Tree-planting activity conducted together with local residents (Thailand)

Outside Japan, Kyocera was also active in various ways including holding of environmental events in various parts of the world.

## Environmental Risk Management

The Kyocera Group established the Kyocera Group Environmental Management Standard in 1992, which is stricter than statutory and public regulations on emissions, wastewater, soil and groundwater. Based on this Environmental Management Standard, we have more stringent voluntary management standards for each site. Thorough management for environmental conservation is thus ensured using these strict standards, including periodic environmental measurement.



Kyocera Group Environmental Management Standard

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## Dealing with Emergencies

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 drill (Kagoshima Kokubu Plant)

## Compliance with Environment-related Laws, Regulations and Ordinances

The Kagoshima Hayato Plant allowed release of some alkali wastewater from a stormwater side drain in FY2017 but took immediate action to deal with the release. As a result, no environmental impact was reported. The Kyoto Ayabe Plant recorded a value of copper concentration beyond the upper limit of the ordinance-specified standard at a scrubber discharge port but conducted operation adjustment and other measures. The copper concentration was then confirmed to be within the standard range.

The Kagoshima Kokubu Plant received a complaint about noise generated from steam release from boiler piping and immediately took action to eliminate the problem.

### ■ Reports on soil or groundwater contamination

The Kyocera Group (Japan) conducts soil surveys and provides survey reports to competent local governments according to the Soil Contamination Countermeasures Act. Consequently, a total of four areas were designated as an area which requires action as per the Act: including our sites in Asahi City, Chiba, in 2013; Ebetsu City, Hokkaido, in 2014; Hachioji City, Tokyo, in 2014; and Mikasa City, Hokkaido, in 2015.

It is reported that there is no confirmation of any spread to or impact in the surrounding areas of those sites. We take appropriate measures in close cooperation with each competent administration.

## Environmental Audit

The Kyocera Group conducts periodic internal audits to make sure the Environmental Management System is being run properly based on the requirements of ISO14001. The results and corrective actions are reflected in the review and in the improvement of the Environment Management System.



Environmental Audit

## Environmental Accounting

The Kyocera Group established an Environmental Accounting System which has been in practice since FY2003. In its business activities, the Kyocera Group quantitatively assesses the cost laid out for environmental conservation and its conservation effects as well as economic benefits, and positively utilizes this information for environmental conservation measures.

### Range of data collection: 172 sites

Sites collectively certified under the Kyocera Group Integrated Environment & Safety Management System

Period covered: April 2016 through March 2017

## Environmental Accounting Analysis Results (FY2017)

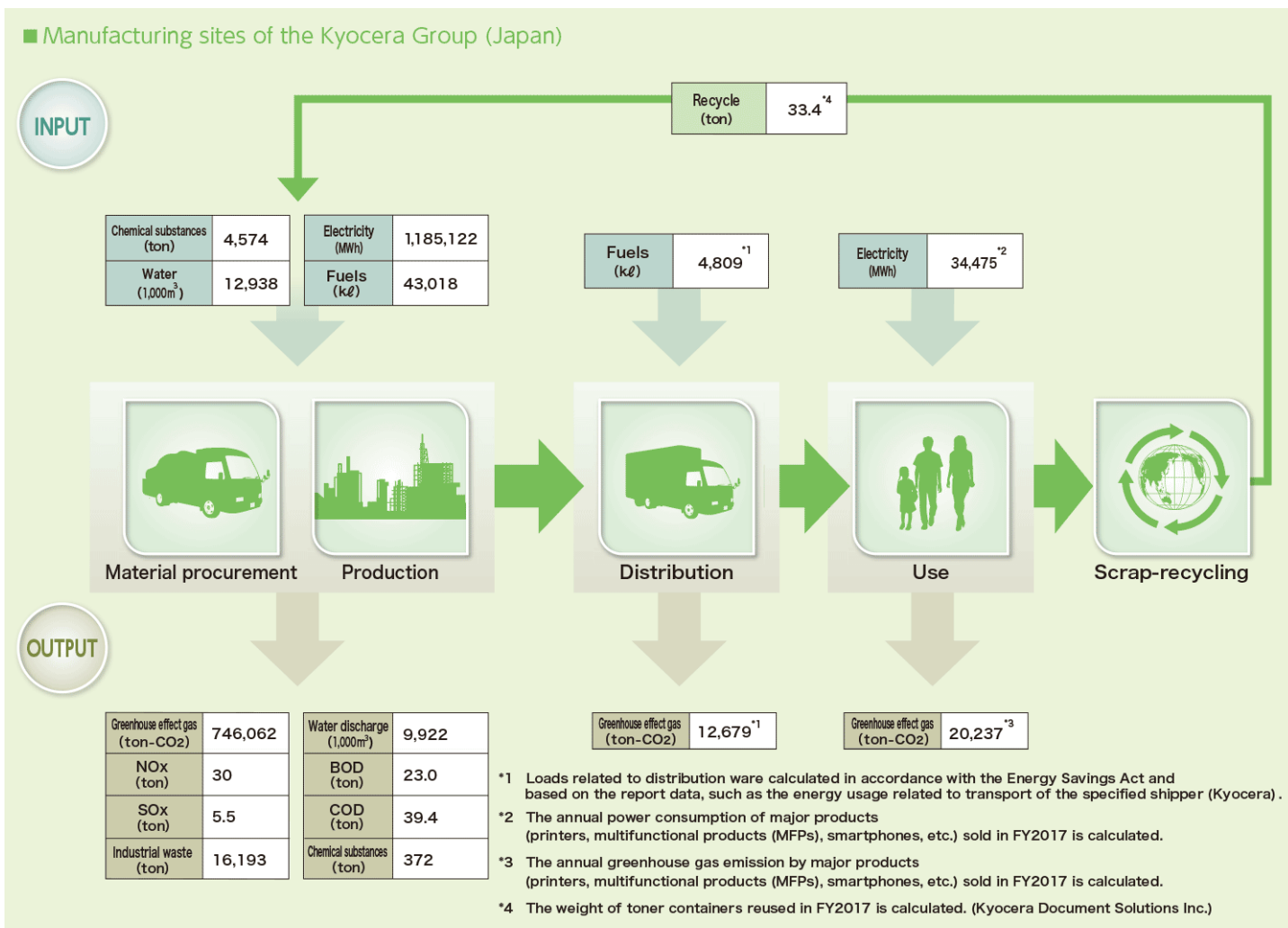
The value of investment in FY2017 was 263 million yen, up 147% from FY2016, and the effect in monetary value in FY2017 was 956 million yen, up 108% from FY2016 as a result of active energy reduction measures including use of waste heat from sintering furnaces.

## Environmental Conservation Effects

Effect Content	Investment (million yen)		Effect (million yen)		Effect content		
	FY2016	FY2017	FY2016	FY2017	Unit	FY2016	FY2017
Reduction of energy consumption	179	263	697	771	kℓ (crude oil equivalent)	10,449	13,283
Reduction of waste			112	88	Tons	2,290	2,836
Reduction of water usage			31	15	1000m <sup>3</sup>	671	423
Others			42	82	-	-	-
Total	179	263	882	956	-	-	-

## Overall Environmental Impact

The Kyocera Group monitors and manages the relationship of business activities and environmental burdens as data. The data for each stage of materials procurement, manufacturing, distribution, use, and disposal/recycling are used in the formulation of measures and the analysis and assessment of results to realize effective reductions in environmental burdens.



### Input Items

Chemical substances	Amount of used chemical substabces specified by PRTR (Class 1 chemical substances)
Water	Amount of city water, industrial water and groundwater consumption
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)

### Output Items

Greenhouse gases	Amount of 6 major gases discharged, including CO <sub>2</sub> 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
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 ny PRTR (Class 1 chemical substances)



# Green Products

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## Development of Environmentally Friendly Products

The Kyocera Group aims for every product that it sells to contribute to the betterment of the global environment and endeavors to develop environmentally friendly products.

Kyocera has clearly specified the Concept of Environmental Consciousness to guide our design of environmentally conscious products. Kyocera also identifies products designed to contribute actively to the climate change prevention, energy saving, resource saving, and reductions in hazardous substances as Green Products, and has set up evaluation criteria for each product based on the Concept of Environmental Consciousness. As a result of these efforts, 99% of our products were designated as Green Products in FY2017.

We intend to continue being active in this respect to continue supplying environmentally friendly products to society.

## Concept of Environmental Consciousness

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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.

## ■ Concept of Contributing to Environmental Protection

These products allow customers and end-users to contribute to the reduction of environmental impact through use of our products.

## ■ Concept of Lowering Environmental Impact

These products minimize environmental impact at all stages of the product life cycle, including manufacturing, sales, distribution, use, and disposal.



Concept of Environmental Consciousness

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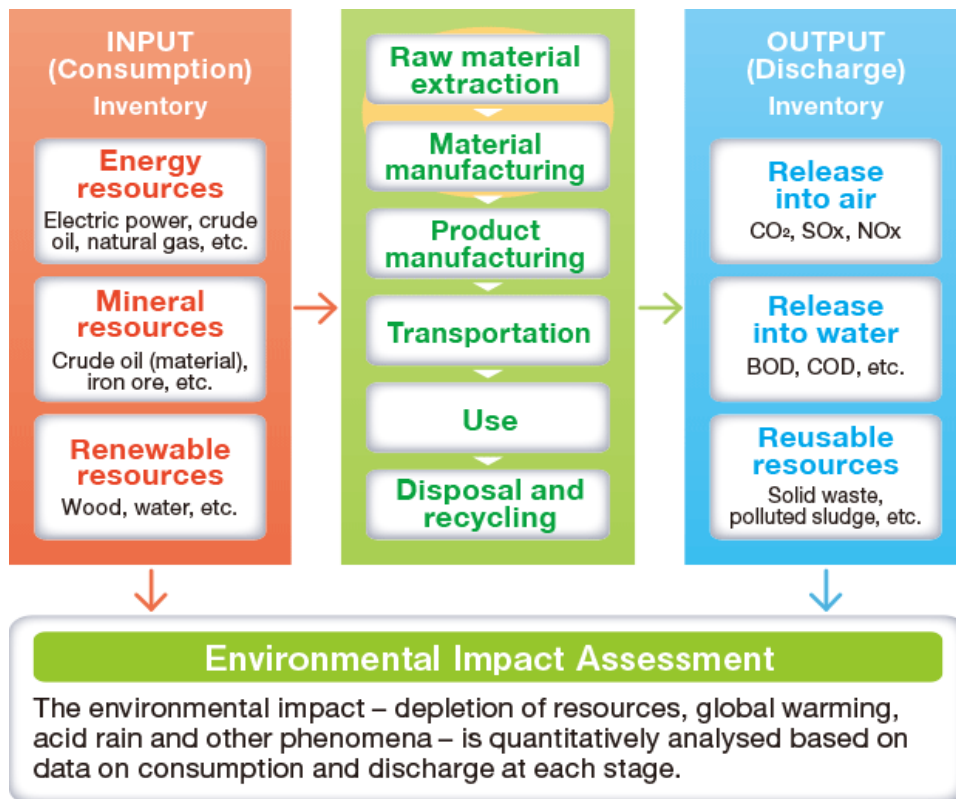
## Environmentally Conscious Designs for Printers and Multifunctional Products (MFPs)

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Kyocera Document Solutions Inc., which produces and sells printers and multifunctional products (MFPs), conducts environmentally conscious activities in various aspects including longevity design that reduces part replacement or disposal; 3R design that focuses on “reduce,” reuse,” and “recycling;” and low consumption power design that reduces greenhouse effect gas emission.

In the design stage, designs are developed based on the Environmentally Conscious Design Standard from the initial development stage of new products through each of the subsequent development steps. The Environmentally Conscious Design Check Sheet is then used to make sure designs are environmentally conscious during product development.

Kyocera Document Solutions Inc. also conducts a life cycle assessment (LCA), which digitalizes the resources, energy, and waste used or discharged for products or services during the stages from the acquisition of resources to manufacturing, transport, use, and disposal/recycling for all products to reduce the environmental burden of our products.



Life Cycle Assessments

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## Compliance with Environmental Product Standards

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Kyocera Document Solutions Inc. is committed to producing environmentally conscious products and actively acquiring Environmental Labels.

The Environmental Label contains three types as specified by the International Organization for Standardization (ISO), or Type I (label for or with which a third party independently conducts product categorization and establishes the judgment criteria and certifies compliance); Type II (self-declaration type label for which a company independently established the criteria and holds that its products are made environmentally conscious); and Type III (label for which the environmental loads of a product from “resource acquisition” to “disposal” are calculated based on the life cycle assessment technique and are disclosed based on quantitative analysis).

Kyocera actively promotes acquisition of those certification programs. To be specific, when Kyocera manufactures products, we always attempt to create products that can satisfy the required criteria of major environmental labels (Type I), such as Eco Mark or Blue Angel Mark, as early as their development stage.

For Eco Leaf environmental label (Type III), we manufacture products that have less environmental loads and actively register and disclose environmental information of products.

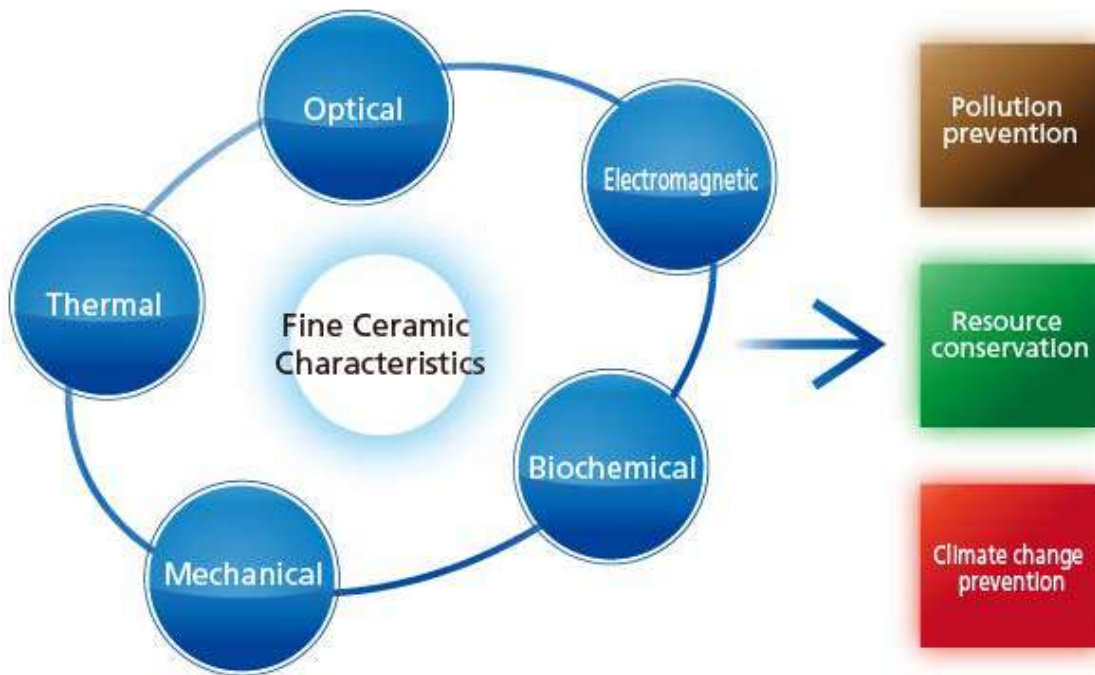
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## Environmentally Friendly Products

The Kyocera Group develops environmentally friendly products including fine ceramic products, energy management systems (EMS), solid oxide fuel cells (SOFC), LED lighting, and solar power generation systems.

## Fine Ceramic Products

Fine ceramics are representative ecological materials. Because of their excellent mechanical, electromagnetic and thermal properties, fine ceramics are used frequently in machines and equipment for industrial use in such fields as environment, energy and automobiles. This contributes to the prevention of environmental pollution, conservation of resources and the prevention of climate change.



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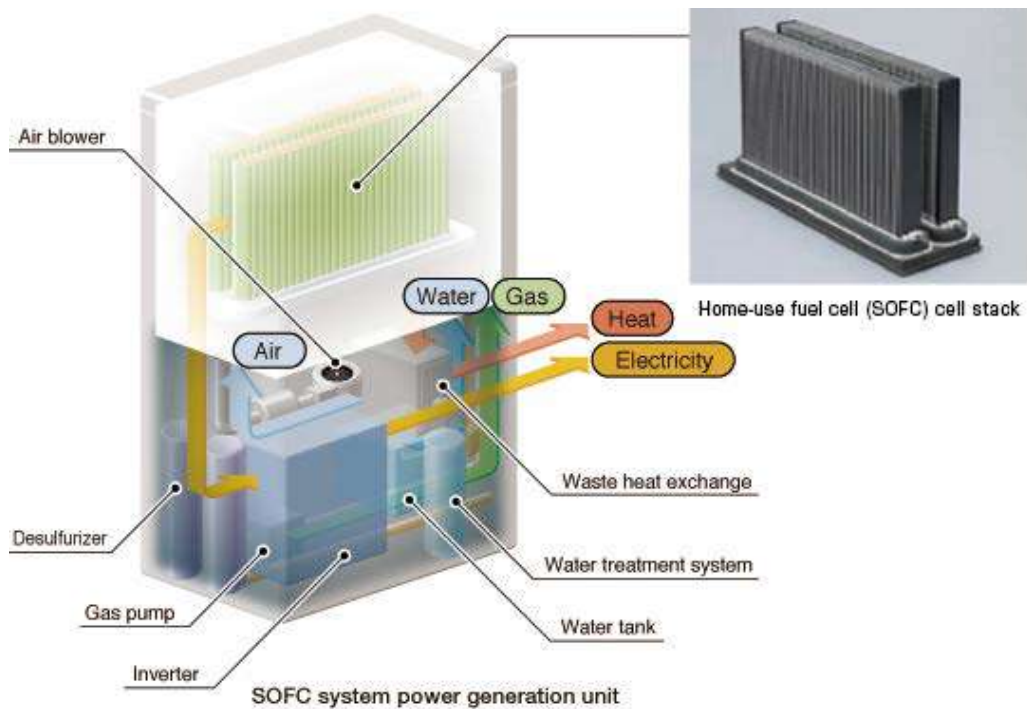
## Home-Use Solid Oxide Fuel Cell (SOFC) Cell Stack

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A residential-use fuel cell has two parts — a power generation unit and a water heating unit that uses exhaust heat from the power generation unit. The fuel cell has high energy efficiency, and produces only extremely small amounts of the greenhouse gases CO<sub>2</sub>, nitrous oxides, sulfur oxides or other byproducts. Use of the fuel cell as an environment-friendly system is expected to increase.

Kyocera realized the world's highest level power generation efficiency\* by promoting the development of cells and cell stacks, which form the core of solid oxide fuel cells (SOFC) with high power generation efficiency, and using fine ceramics, which have excellent thermal resistance and durability, as cell materials.

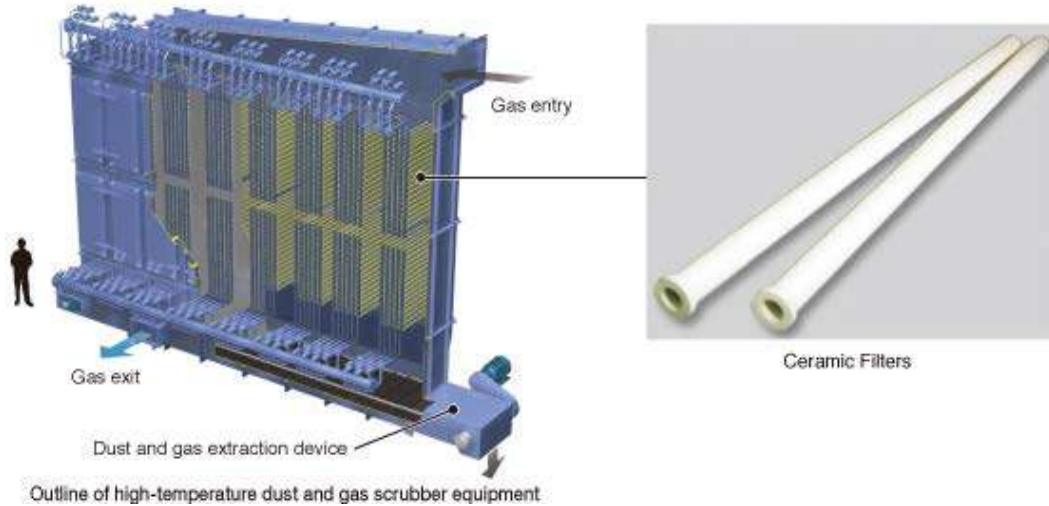
\* World's highest efficiency as a home-use fuel cell with a rated output of 1kW or under (as of Feb. 24, 2016)



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## Ceramic Filters

Excellent in thermal resistance, ceramic filters are used in emission gas treatment equipment such as those at large-scale waste incineration plants which optimize efficient use of exhaust heat energy. Compared with the service temperature range (150 to 200°C) of conventional bag filters, ceramic filters are capable of collecting dust at higher temperature ranges (300 to 900°C) to realize improved energy efficiency during the use of waste heat and the reuse of filters by washing.

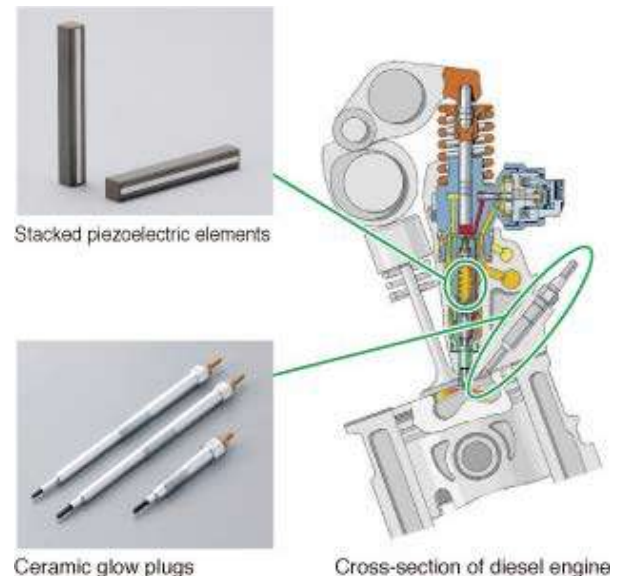


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## Ceramic Glow Plugs and Stacked Piezoelectric Elements

Ceramic glow plugs help reduce production of hazardous substances in exhaust gas as they support start-up of diesel engines.

Piezoelectric stacks for fuel injectors use piezoelectric ceramics and help optimize combustion by precise control of the high-pressure injection of fuels and the volume of injection as components of fuel injectors.



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## Aluminum Foundry Components

Kyocera's silicon nitride ceramic material features outstanding high-temperature strength, heat and thermal shock resistance as well as corrosion resistance. When used in molten aluminum smelting equipment for the production of automobile engines and aluminum wheels, silicon nitride extends the product life of components and reduces the risk of impurities entering molten metal. With such benefits, silicon nitride contributes to the reduction of waste and improves product quality.

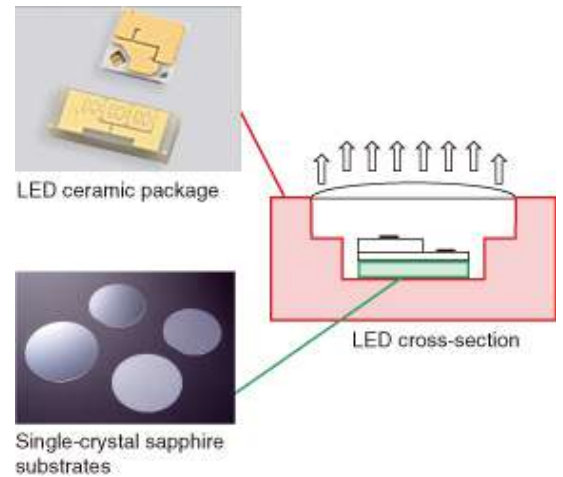


Aluminum foundry components

## LED Ceramic Packages and Single-Crystal Sapphire Substrates

Since ceramic materials are capable of efficiently diffusing the heat generated by LEDs, they can maintain high longevity and reliability without compromising LED luminescence efficiency. Such features led to the realization of very bright LEDs.

Single-crystal sapphires are used as the base substrates of LEDs and the backlights of mobile phones and LCD TV sets.





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## Solar Power Generating Systems

The first oil crisis (1973) made Kyocera aware of the necessity of solar power generation technology as a future energy source and was the impetus for us to start R&D of solar cells in 1975. In 1982, Kyocera successfully mass-produced multicrystalline silicon solar cells, which are now the mainstream, ahead of any other competitor in the world and started sales of residential-use solar power generating systems in Japan in 1993 for the first time in this country.

Today, we promote expanded use of solar power energy as a provider of residential- and industrial-use solar power generating system in and out of Japan and a power producer engaged in operation of industrial-scale solar power plants.



Residential-use solar power generation system  
RoofleX

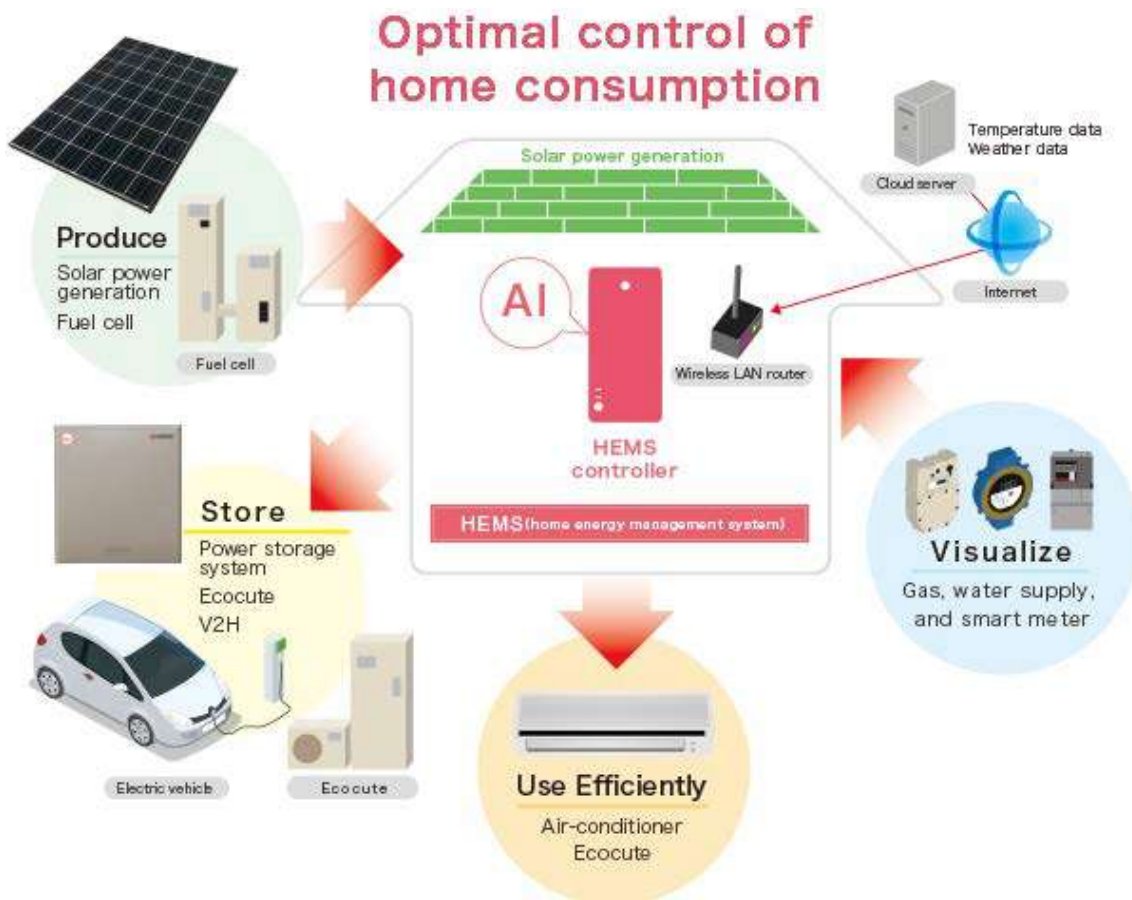


Kagoshima Nanatsujima Mega Solar Power Plant  
(approx. 70MW), Kagoshima Prefecture, Japan

## Energy Management System

Energy management visualizes energy consumption from electricity or gas and realizes efficient use of energy. Kyocera supports power saving and ecological lifestyles by realizing storage of electricity generated by solar power generation and optimized use of power. Kyocera aims self-sufficiency in terms of electricity by utilizing management systems that make effective and wasteless use of power. In addition, we are actively involved in demonstration projects of automated demand response (ADR) that adjusts the power supply and demand balance in an entire area or community to ensure stable use of power.

Kyocera contributes to a future energy environment that can prevent climate change, a major concern for all humankind, by realizing a management system capable of maximum use of renewable energy.



Home energy management system

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## Printing Devices

### Amorphous silicon (a-Si) photoreceptor drum

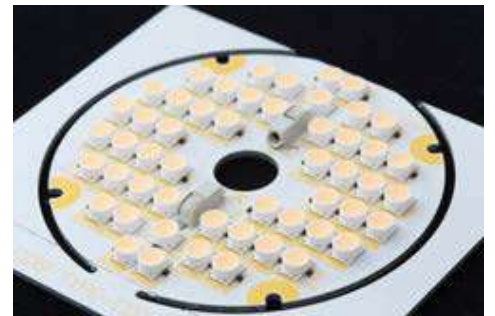
Used in core parts of laser printers and multifunctional products, high-durability amorphous silicon (a-Si) photoreceptor drums contribute to elongation of the service life of the equipment, reduction of maintenance costs, and reduction of waste materials.



High-durability a-Si photoreceptor drum

## LED Lighting

Kyocera supplies high-color rendering index (CRI) LED modules that reproduce light very similar to sunlight. Application of ceramics to the package realizes a life expectancy of 100,000 hours, about twice that of a resin package, thereby helping reduce waste. We also provide high-efficiency LED lights for various uses, including office lighting, high ceiling lighting in factories and warehouses, and illumination of signboards and plazas. We contribute to reduction of power consumption by promoting these products.



High-color rendering index (CRI) LED module



High-efficiency LED light

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## Cutting Tools

### Milling Cutter

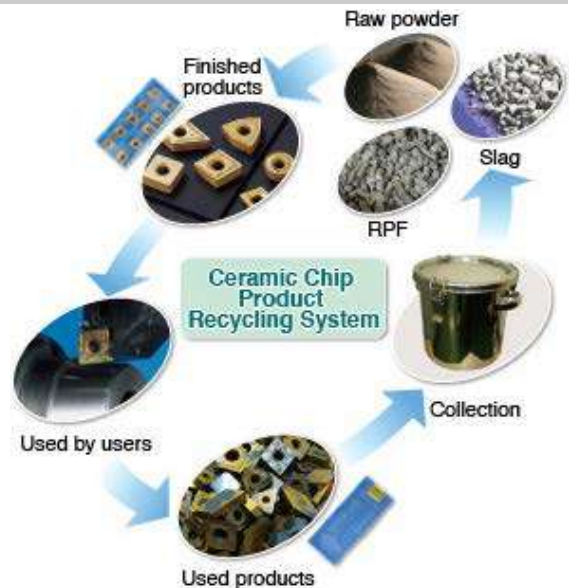
Milling cutters are used in a variety of metal cutting processes. Featuring both reductions in cutting resistance and excellence in loss resistance, milling cutters contribute to the improvement of productivity through stable processing and elongation of service life.



Milling cutter

### Recycling of Used Cutting Tools and Tip Cases

Kyocera collects and recycles cutting tools and tip cases after use at users' production sites. Kyocera is actively involved in the reduction of waste and effective utilization of resources by properly recycling collected tips and tip cases for relevant applications, such as material powder and RPF (refuse plastic fuel), slag used for roadbed material, and others.



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## Organic Material

### Silver Sintering Paste

We are recently seeing reinforcement of lead control regulations. One such move is regulation of high melting point lead, which had been excluded from the EU's ELV Directive\*.

Kyocera used low-temperature sintering performance of silver nano particles and developed a new connecting material, silver sintering paste, as a replacement of lead solder. The new paste will contribute to reduction of environmental impacts by chemical substances as it is being applied to vehicular LED headlights and inverters.



Silver sintering paste

\* Directive aiming to reduce environmental loads by reducing automobile wastes.

### Halogen-Free Material

Halogenated elements, such as chlorine, bromine, and others, may produce harmful substances such as dioxin when burned. Their use is controlled according to regulations for chemical substances all over the world, with Europe as a leader. Kyocera has developed a wide variety of halogen-free\* materials that conform to such legal regulations and contribute to a reduction in the environmental burden caused by the use of chemical substances.



Molding compounds for semiconductor encapsulation (Halogen-free)

\* Based on the standard values of the Japan Electronics Packaging and Circuits Association (JPCA).

### Low-VOC Materials

VOC (volatile organic compounds) is the generic name for organic compounds which are highly volatile and turn into vapor in the atmosphere, including toluene, styrene, and many other substances. VOC is considered to be one of the causes of suspended particle matters and photochemical oxidant, which are suspected to affect human health. In the insulation varnish field, where varnish is used for insulation of motors, Kyocera has developed and markets styrene-free varnishes that reduce VOC generation to 1/50 or less that of conventional products, as well as greatly reduce odor.

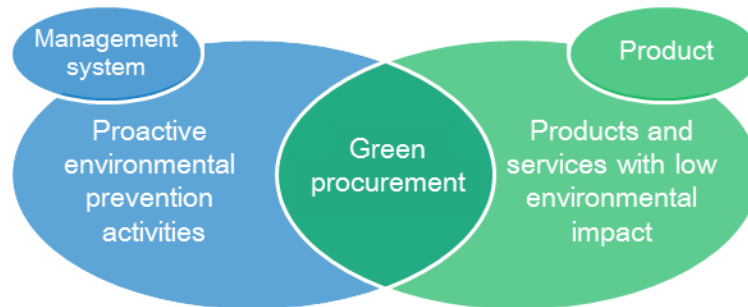


Insulation varnish

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## Promotion of Green Procurement

Since we consider it important to take action in the entire supply chain including business partners in addition to ourselves to cope with worsening global environment problems, we established, in FY1999, the Kyocera Guideline on Environmentally Hazardous Substances, which specifies criteria for product specifications in promoting green procurement, and the Kyocera Guideline on Environmental Protection Activities, which describes the guideline for environmental protection activities considered important for Kyocera. These actions are designed to reinforce cooperation and coordination with our business partners.



## Conforming to Environmental Product Regulations

Management of chemical substances or regulations on use restrictions are being reinforced in various countries in the world, with major examples including the RoHS Directive<sup>\*1</sup> or REACH regulations<sup>\*2</sup>, from the viewpoint of impact on human health or prevention of environmental pollution. This trend indicates greater demands for production of products friendly to the global environment. Europe's RoHS Directive plans to add four phthalates in the list of restricted substances, which currently contain six substances including lead, mercury, cadmium and hexavalent chromium, in July 2019. In response, the Kyocera Group regularly holds Product Environmental Quality Meetings to formulate the company-wide response policies and share information on environmental laws and regulations within the entire group. In addition, each production department strictly complies with environmental regulations by making it a rule to obtain information on the chemical content of purchased items and ensure thorough management of chemical substances in production processes.

\*1 Restrictions on the use of specified substances contained in electric and electronic equipment

\*2 Regulations on the registration, assessment, permission and control of chemical substances

# Green Factories

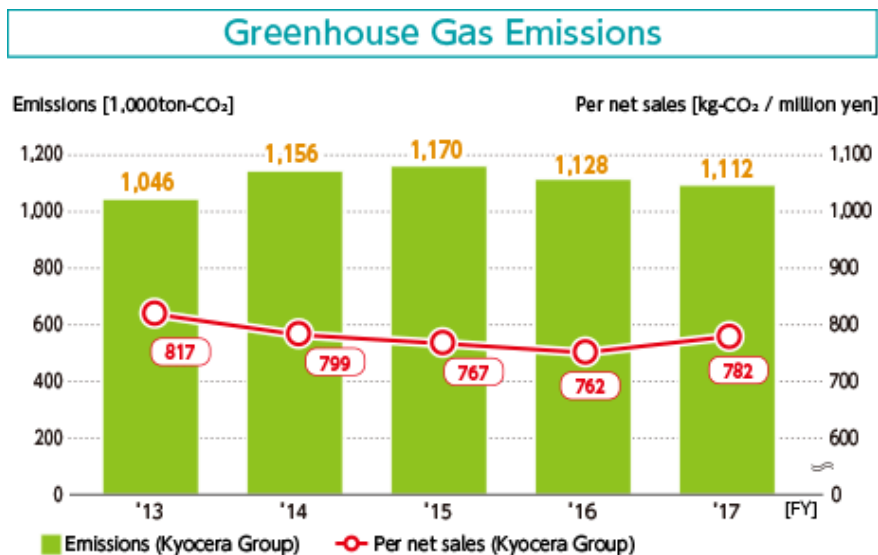
## Energy Conservation and Prevention of Climate Change

Increased energy consumption has an impact on the environment, including negative effects such as climate change. We share the task of using limited energy resources more effectively, including energy use in industrial activities.

The Kyocera Group works on measures for the prevention of climate change in various ways, including the setting of targets for greenhouse gases and energy reduction, and the implementation of energy-saving measures in business activities.

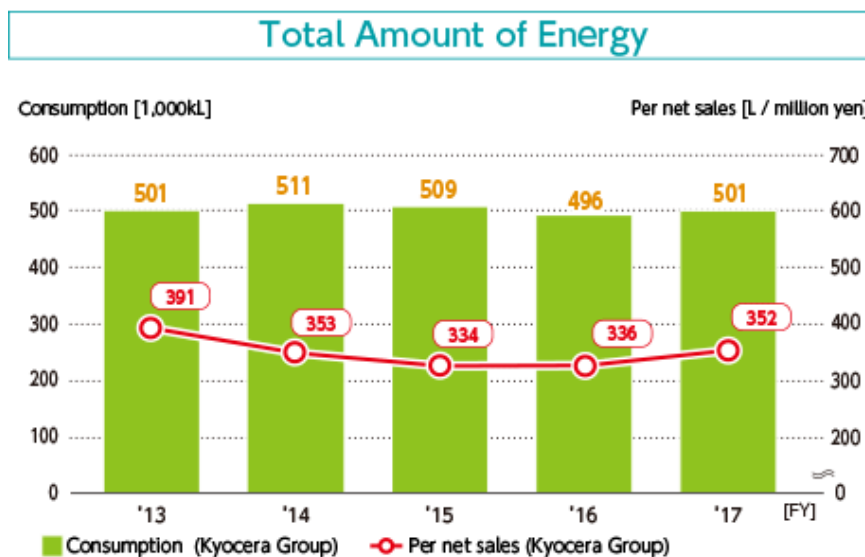
## Energy Saving and Reduction of Greenhouse Gas Emissions

Our greenhouse gas emission reduced in FY2017 compared with FY2016 due to various efforts such as energy-saving measures including introduction of waste heat boilers, optimal operation of air-conditioners, and integration of production equipment (sintering furnaces) as well as reduction in CO<sub>2</sub> emission coefficients of power companies. However, the effect contents by these efforts failed to reach the sales reduction, which caused an increase per net sales.



·The emissions after FY2014 were changed because of revision by third party verification.

We made various efforts in FY2017 such as energy-saving measures including introduction of waste heat boilers, optimal operation of air-conditioners, and integration of production equipment (sintering furnaces) to reduce the total energy consumption. However, the effect contents because of those efforts failed to reach the sales reduction, and Nihon Inter Electronics Corporation joined the Kyocera Group, which ultimately caused an increase in consumption and per net sales compared with FY2016.



- Emission coefficients are calculated based on the Act on Promotion of Global Warming Countermeasures.
- Greenhouse gas means CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, PFC, HFC, and SF<sub>6</sub>.
- Figures for overseas facilities are calculated using the emission coefficients of electricity for each country in IEA CO<sub>2</sub> EMISSIONS FROM FUEL COMBUSTION Highlights (2015 Edition).
- The total amount of energy after FY2014 was changed because of revision by third party verification.



### ■ Third Party Verification of Greenhouse Gas (GHG) Emissions

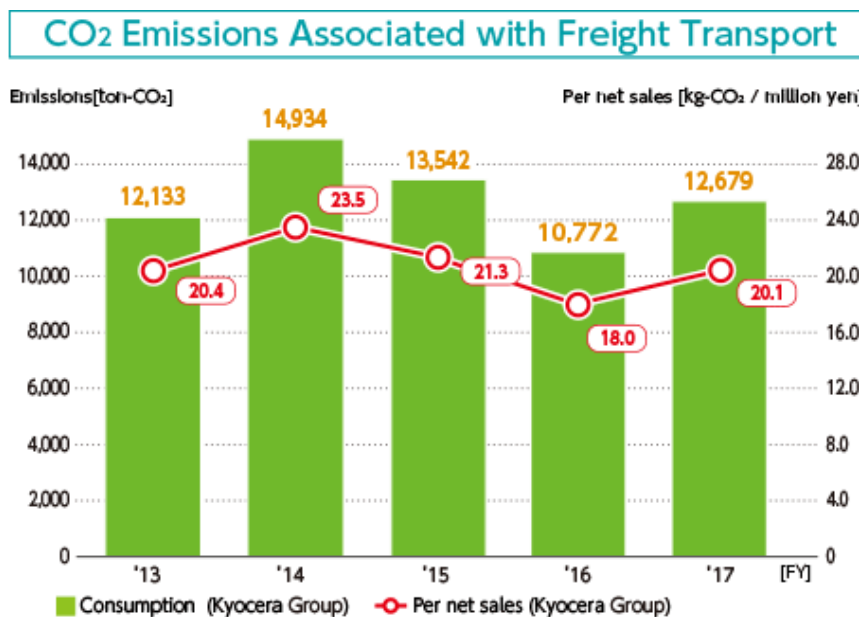
Greenhouse gas (GHG) emissions were verified by a third party contractor, SGS Japan Inc., to improve data reliability. Their verification confirmed that Kyocera correctly totaled, calculated and disclosed data on Scope 1 (direct emission associated with fuel consumption) and Scope 2 (indirect emission associated with consumption of power or heat purchased from outside).



Verification Opinion

### Efforts to Reduce CO<sub>2</sub> Emissions Associated with Freight Transport

We are committed to reducing CO<sub>2</sub> emissions associated with cargo transport used by modal shift promotion. In FY2017, transport distance increased because of reorganization of sites in the communication equipment business, which resulted in an increase in emissions and per net sales compared with FY2016.



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## One Approach

### Installation of Solar Power Generating Systems

The Kyocera Group has introduced solar power generating systems at facilities at home and abroad, such as the Kyocera Headquarters Building and Kyocera International Inc. in North America.

In FY2017, solar power generating systems were additionally installed at three sites: Hokkaido Kitami Plant, Kyoto Ayabe Plant, and Kagoshima Sendai Plant. The cumulative power generating capacity in and out of Japan totaled over 12MW. We continue to introduce solar power generating systems at more sites of the Kyocera Group to promote reduction in CO<sub>2</sub> emission.

### Japan



■ Hokkaido Kitami Plant (615kW)  
(first introduced in FY2011 and expanded in FY2017)



■ Yamagata Higashine Plant (688kW)  
(introduced in FY2015)



■ Fukushima Koriyama Plant (1,500kW)  
(introduced in FY2014)



■ Nagano Okaya Plant (173kW)  
(introduced in FY2011 and expanded in FY2014)



■ Shiga Gamo Plant (571kW)  
(introduced in FY2011 and expanded in FY2013 and 2015)



■ Shiga Yohkaichi Plant (1,549kW)  
(introduced in FY2006 and expanded in FY2011 to FY2014 and FY2016)



■ Shiga Yasu Plant (890kW)  
(introduced in FY2011 and expanded in FY2014 and FY2016)



■ Kyoto Ayabe Plant (1,843kW)  
(introduced in FY2014 and expanded in FY2016 and FY2017)



■ Kagoshima Sendai Plant (949kW)  
(introduced in FY2011 and expanded in FY2014 and FY2017)



■ Kagoshima Kokubu Plant (1,100kW)  
(introduced in FY2006 and expanded in  
FY2014)



■ Kagoshima Hayato Plant (40kW)  
(introduced in FY2006)



■ Headquarters (214kW)  
(introduced in FY1999)



■ Yokohama Office (58kW)  
(introduced in FY2012)



■ Yokohama Nakayama Office  
(130kW)  
(introduced in FY2012)



■ Chiba Sakura Office (493kW)  
(introduced in FY1985 and expanded in  
FY2014)



■ Kyocera Document Solutions Inc.  
Headquarters (12kW)  
(introduced in FY2008)



■ Kyocera Document Solutions Inc.  
Tamaki Plant (50kW)  
(introduced in FY2011)



■ Kyocera Document Solutions Inc.  
Hirakata Plant (60kW)  
(introduced in FY2006)

## Overseas



■ Kyocera International, Inc. (U.S.A.)  
(279kW)  
(introduced in FY2006)



■ Kyocera Mexicana, S.A. de C.V.  
(Mexico) (100kW)  
(introduced in FY2011)



■ Kyocera Document Solutions Espana  
S.A. (Spain) (36kW)  
(introduced in FY2008)



- Kyocera Document Solutions Belgium N.V. (Belgium) (9kW) (introduced in FY2010)



- Kyocera Document Solutions Deutschland GmbH (Germany) (15.6kW) (introduced in FY2008)



- Kyocera (Tianjin) Solar Energy Co., Ltd. (China) (93kW) (introduced in FY2011)



- Shanghai Kyocera Electronics Co., Ltd. (China) (155kW) (introduced in FY2010 and expanded in FY2013)

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## Cultivating “Green Curtains”

The Kyocera Group started the “Green Curtain” campaign in 2007, which is to cultivate climbing plants such as goya or morning glory around, over, or on parts of windows and external walls of buildings to block strong summer sunlight and thus reduce air-conditioning loads as part of our summer energy-saving activities.

In FY2017, Green Curtains were cultivated at 27 plants and offices in Japan. The Green Curtains cultivated total to about 710m in length and about 2,900m<sup>2</sup> in area. This is equal to reduction of about 10,000 kg-CO<sub>2</sub>\* in a year. Since Green Curtains are an ecological activity that we can conduct at hand, we distribute seedlings to local residents and employees to help spread the activity. Harvested goya are provided to our company cafeteria or distributed at summer festivals held by Kyocera.

\* Roughly calculated as CO<sub>2</sub> absorption (3.5 kg-CO<sub>2</sub>/m<sup>2</sup>/year) x Green Curtain cover area (m<sup>2</sup>) = annual CO<sub>2</sub> absorption (kg-CO<sub>2</sub>/year)  
(Reference source: Rural Culture Association Japan)



Green Curtain of morning glory  
(Nagano Okaya Plant)



Green Curtain seen from indoors  
(Shiga Gamo Plant)



Distribution of seedlings  
(Osaka Daito Office)

## Energy Consumption Reduction by Using Waste Heat of Sintering Furnaces

The Kagoshima Sendai Plant newly introduced boilers that produce steam using waste heat. Introduction of these boilers allowed us to effectively apply waste heat to air-conditioning and production processing and reduce gas consumption.

Annual CO<sub>2</sub> emission reduction: 407 ton-CO<sub>2</sub>



Waste heat boilers

## Energy Consumption Reduction by Introduction of Inverters for Vacuum Pumps

The Shiga Yohkaichi Plant introduced inverters for the vacuum pumps in casting furnaces. Introduction of inverters allowed us to operate vacuum pumps at frequencies that match the load of each process and ultimately reduce power consumption.

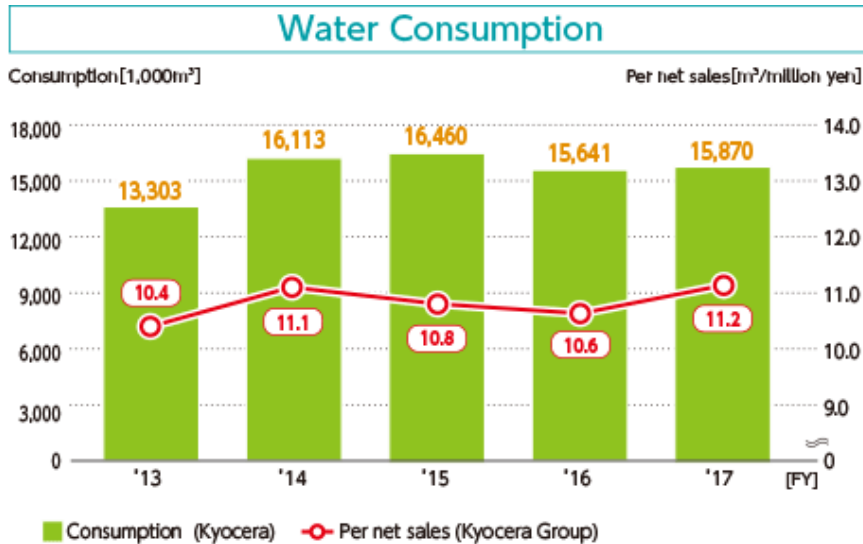
Annual CO<sub>2</sub> emission reduction: 38 ton-CO<sub>2</sub>



Vacuum pump with inverters

## Effective Use of Water Resources

In FY2017, we conducted various measures for water consumption reduction including recycling of process wastewater or cooling water and optimization of scrubber water supply. However, the effect contents by these measures failed to reach the sales reduction equivalent. This resulted in an increase in consumption and per net sales compared with FY2016.



## One Approach

### Water Consumption Reduction by Introduction of Wastewater Recycling Equipment

Dongguan Shilong Kyocera Co., Ltd., China, introduced wastewater recycling equipment. The new equipment purifies treated wastewater from production processes to reuse the water in the production process and utility equipment, thereby reducing water consumption.

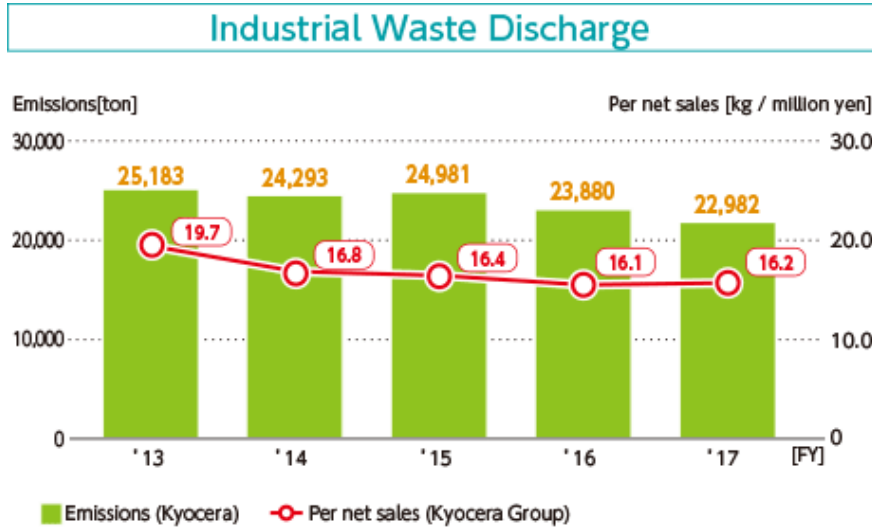
Annual water consumption reduction: 7,200m<sup>3</sup>



Wastewater Recycling Equipment

## Waste Reduction and Recycling Measures

In FY2017, we conducted various measures to reduce industrial waste including internal treatment of effluent and conversion into valuables. However, the effect contents by these measures failed to reach the sales reduction equivalent, which resulted in an increase per net sales compared with FY2016.



### One Approach

#### Industrial Waste Reduction by Improvement of Wastewater Treatment Sludge Dewatering Machine

The Shiga Yokkaichi Plant improved filters used in dewatering machines to further reduce the amount of sludge generated from the wastewater treatment system. Optimal selection of filters to match the nature of sludge can improve the dewatering capability to reduce the industrial waste emissions.

Annual waste emission reduction: 120 ton

### Chemical Substances Management

Some chemical substances cause environmental pollution and can affect human health and the ecosystem as a result of long-term accumulation. The Kyocera Group sets a voluntary control standard and takes initiative in carrying out environmental load reduction activities. In addition, the Kyocera Group (Japan) carries out thorough control of emissions and the transferred amount of Class I Designated Chemical Substances as prescribed by PRTR Law.

#### Plan for Management and Disposal of PCB Waste

The Kyocera Group (Japan) prepares a management ledger for PCB (polychlorinated biphenyl) waste and strictly manages it in accordance with the relevant laws. We dispose of this waste sequentially.



PCB waste load-out work  
(Tochigi Moka Office)

## Environmental Load Data at Major Production Sites

Area	Country	Company	Energy consumption*1 [as converted to crude oil consumption in kℓ]		CO <sub>2</sub> emission*2 [t-CO <sub>2</sub> ]		Water consumption [m <sup>3</sup> ]		Industrial waste emission [t]	
			FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017
Asia	Japan	Hokkaido Kitami Plant, KYOCERA Corporation	2,614	3,090	7,110	8,129	19,852	29,871	42	104
		Yamagata Higashine Plant, KYOCERA Corporation	1,665	7,932	3,405	18,281	171,939	199,951	342	335
		Fukushima Koriyama Plant, KYOCERA Corporation	1,562	1,599	3,648	3,739	9,696	11,257	372	450
		Tochigi Moka Office, KYOCERA Corporation	238	221	479	444	1,190	1,464	75	90
		Ibaraki Tsukuba Office, KYOCERA Corporation*3	-	4,254	-	4,779	-	196,006	-	150
		Kawasaki Plant, KYOCERA Corporation	1,420	1,500	2,803	2,957	20,823	19,978	241	324
		Kanagawa Hadano Plant, KYOCERA Corporation*3	-	5,151	-	6,123	-	91,874	-	96
		Niigata Shibata Plant, KYOCERA Corporation	18,893	17,898	41,976	39,805	1,529,754	1,500,594	4,573	2,996
		Toyama Nyuzen Plant, KYOCERACorporation	12,878	13,566	33,564	35,358	1,753,942	1,615,236	358	316
		Nagano Okaya Plant, KYOCERA Corporation	12,041	9,839	24,082	19,703	92,474	79,921	75	58
		Shiga Gamo Plant, KYOCERA Corporation	15,825	15,429	33,214	32,414	811,766	809,950	203	481
		Shiga Yokkaichi Plant, KYOCERACorporation	53,696	49,069	115,867	105,578	1,146,208	986,740	1,737	1,471
		Shiga Yasu Plant, KYOCERA Corporation	28,000	19,370	60,282	41,939	922,394	592,949	1,461	770
		Kyoto Fushimi Office, KYOCERA Corporation	228	204	483	432	1,424	1,447	6	6
		Kyoto Ayabe Plant, KYOCERA Corporation	19,407	25,069	41,321	53,390	1,637,870	2,030,801	831	2,807
		Osaka Daito Office, KYOCERA Corporation	1,078	1,014	2,209	2,086	20,173	18,773	113	95
		Kagoshima Sendai Plant, KYOCERACorporation	51,651	52,754	120,329	122,897	1,603,736	1,598,464	2,430	1,952
		Kagoshima Kokubu Plant, KYOCERACorporation	65,329	67,930	148,787	154,785	1,703,729	1,809,937	1,250	1,262
		Kagoshima Hayato Plant, KYOCERA Corporation	5,593	6,010	12,941	13,992	217,471	242,152	382	481
		Headquarters and Chigase Plant, KYOCERA OPTEC Co., Ltd	1,106	1,096	2,227	2,208	20,417	15,445	77	86
		Tamagawa Plant, KYOCERA OPTEC Co., Ltd*4	-	298	-	596	-	1,613	-	13
		Hirakata Plant, KYOCERA Document Solutions Inc.	3,582	3,650	7,381	7,520	36,879	31,699	70	48
		Tamaki Plant, KYOCERA Document Solutions Inc.	6,860	7,627	13,256	14,739	29,276	38,373	492	312
	Headquarters and Shiga Yasu Plant, KYOCERA Display Corporation	21,894	23,275	47,983	50,787	776,487	1,000,452	1,133	1,208	
	China	Shanghai KYOCERA Electronics Co., Ltd.	11,210	10,087	38,585	32,312	282,537	237,577	358	415
		Dongguan Shilong KYOCERA Co., Ltd.	6,891	7,582	21,958	24,181	237,720	269,945		
		KYOCERA OPTEC (Dongguan) Co., Ltd.	2,512	2,565	8,048	8,217	73,406	73,897	238*5	290*5
		KYOCERA Document Technology Company (Dongguan) Limited	8,236	8,100	24,176	25,331	367,870	360,190	374	523
		KYOCERA Connector Products (Dongguan) Co. Ltd.	3,878	3,822	12,233	11,993	64,316	53,209	69	56
KYOCERA (Tianjin) Solar Energy Co., Ltd.		3,823	3,999	14,342	12,810	37,980	57,045	278	13	
KYOCERA Display (Zhangjiagang) Co., Ltd.		3,139	3,403	11,623	10,902	212,460	231,666	99	90	
Vietnam	KYOCERA Vietnam Company Limited.	3,783	4,159	5,696	6,263	165,408	220,294	598	719	
Thailand	KYOCERA Crystal Device (Thailand) Co., Ltd.	4,865	3,968	9,859	8,042	186,250	98,275	214	191	
North and South America	U.S.A.	KYOCERA America, Inc.	4,945	5,054	9,592	9,803	126,319	129,564	58	66
	Mexico	KYOCERA Mexicana, S.A. de C.V.	5,064	4,224	10,181	8,491	76,860	62,065	327	269

\*1

• Crude oil conversion factor is calculated based on the Act on the Rational Use of Energy.

\*2

• The emission factor is calculated based on the Act on Promotion of Global Warming Countermeasures.

• Data is calculated based on the emission factor of electricity of each country as given in IEA CO<sub>2</sub> EMISSIONS FROM FUEL COMBUSTION Highlights (2012 Edition) .

\*3

• As it was merged into KYOCERA Corporation on August 1, 2016, the data for FY2017 alone are shown here.

\*4

• As it was integrated into KYOCERA OPTEC Co., Ltd. on Nov. 1, 2016, the data for FY2017 alone are shown here.

\*5

• The total sum of the emissions of Dongguan Shilong KYOCERA Co., Ltd. and KYOCERA OPTEC (Dongguan) Co., Ltd.



# Green Communication

## Support of Environmental Education for Children

### Kyocera Group “Eco-Lessons”

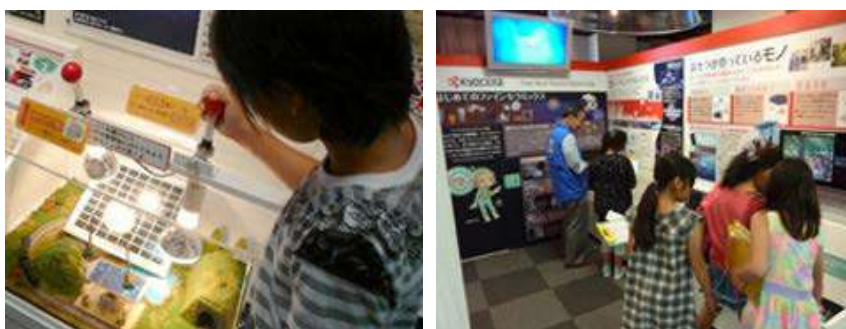
The Kyocera Group has conducted “Eco-Lessons”, a locally rooted social contribution activity, since FY2003, to help children, the next-generation of leaders, better understand environmental problems and energy, and receive an environmentally friendly school education. Kyocera started Eco-Lessons in China too in FY2010 based on knowhow accumulated in Japan. In FY2017, we held “Eco-Lessons” in areas near 20 Kyocera Group sites in Japan (11 prefectures) and taught 9,461 school children in 159 elementary schools. In Shanghai, China, an Eco-Lesson was also delivered to 22 children in a local elementary school. Since FY2003, the total number of students who have participated in Eco-Lessons totals 119,846 in and out of Japan.



Lesson where students learn the mechanism of solar cells (Japan)

### Cooperating Exhibition at the Kyoto Manufacturing Hall

Kyocera displays Kyocera’s products and holds a workshop where students learn the nature of fine ceramics and mechanism of solar cells at the Kyoto Manufacturing Hall, a hall that displays exhibitions of corporations and is intended for elementary school and junior high school students, opened in 2009 in a Kyoto experience-based study facility. Children who visit the Hall to attend the lesson can see products and technologies on display and feel the enthusiasm and effort of people dedicated to manufacturing to deepen their understanding of society and what it means to work.



Elementary school students visiting the exhibition booth of Kyocera

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## Special Science Class to Teach the Mechanism of Electricity or Copying

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The Osaka Board of Education holds “Special Science Lessons” jointly with corporations in hopes of allowing children to learn the joy of science through hands-on lessons and enhance their interest in and willingness to learn science. Kyocera Document Solutions Inc. started participation in this joint educational program in 2008. Over 4,000 elementary school students in a total of 58 schools have taken these Science Lessons. Children feel the joy of experiments of hand-copying pictures drawn by themselves. They actually operate copying machines and vividly realize that electricity is applied to products familiar to us.



Children learning the mechanism of copying through an experiment



Students learning the history of the copying machine in class

## Cooperating with Environmental Awareness Event

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Since 1996, Kyocera Mexicana, S.A. de C.V. has participated in an annual environmental education event organized by the Tijuana municipal government for local middle and high school students from Tijuana, where Kyocera operates a manufacturing plant, and its neighboring areas. Attracting roughly 20,000 participants, the event enlightens students about the importance of environmental protection as they learn about local environmental initiatives undertaken by companies and the government in an enjoyable way.



Students learning at the Kyocera booth

## Activities Related to the Conservation of Biodiversity

Human society consists of various blessings from 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 the last several hundreds of years has caused the extinction rate of species to be accelerated by 1,000 times. In these ways, 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 biodiversity.

The Kyocera Group establishes working policies relating to the conservation of biodiversity on activities such as the reduction of destructive effects on the natural environment and on the ecological system, active promotion of greenification at Group facilities, and participation in and support of social contribution activities.

### Promoting Kyocera Forestation Activities

The Kyocera Group conducts activities to help factory compounds or local forests regain rich verdure to take action for environmental issues such as prevention of climate change or preservation of biodiversity, contribute to local society, and enhance employees' environmental awareness. These activities mainly include thinning and undergrowth cutting together with local residents.



Thinning work



Cutting of undergrowth

### Records of Activity

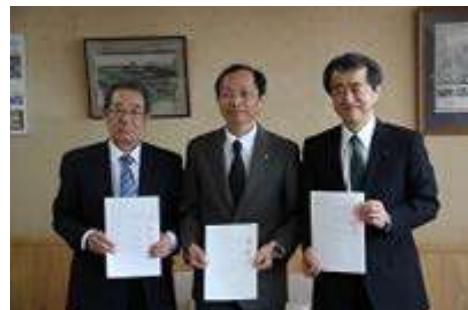
	Place of activity	Start of activity
Okaya City, Nagano Prefecture	Minatozaisan area (about 80,000m <sup>2</sup> )	October 2011
Higashi-Omi City, Shiga Prefecture	Forest owned by the Shiga Gamo Plant (about 20,000m <sup>2</sup> )	June 2008
Kyotanabe City, Kyoto Prefecture	Mt. Kannabi (about 880,000m <sup>2</sup> )	November 2012
Satsuma Sendai City, Kagoshima Prefecture	Forest owned by the Kagoshima Sendai Plant (about 3,000m <sup>2</sup> )	April 2011

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## One Approach

### ■ Contract of the “Forest Foster Parent Agreement” Renewed

The Nagano Okaya Plant conducts forestation activities in cooperation with administration and local communities in support of the purpose of the Forest Foster Parent Promotion project promoted by Nagano Prefecture to deepen exchange between corporations and local society and create a new form of forestation. The Plant signed the Forest Foster Parent Agreement with Minatozaisan area, Okaya City in July 2011, and started the activity. Since some part of the forest was damaged by heavy rainfall, the damaged forest covering an area of about 8 hectares was named as the Kyocera Forest, and the Plant is conducting various measures including thinning, cutting of undergrowth, or planting trees, to make the forest more resistant to disasters. In March 2017, the Plant renewed the agreement at a renewal signing ceremony at the city hall of Okaya. Kyocera continues to develop and preserve forests through these activities.



Renewal signing ceremony

## 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.



A firefly in the plant compound

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## Main Feedback on Sustainable Management

### Minister of the Environment's Award for Global Warming Prevention Activity Awarded Consecutively for Seven Years

Since our high-output solar module was awarded the Minister of the Environment's Award for Global Warming Prevention Activity for the first time in 2010, Kyocera has been awarded the same commendation consecutively for seven years. In 2016, the Kyoto Ayabe Plant was awarded the Minister of the Environment's Award for Global Warming Prevention Activity in the category of Countermeasure Technology Introduction and Dissemination as the plant's local contribution activities were comprehensively evaluated, including installation of solar power generating systems, introduction of highly energy-saving high-efficiency equipment and waste heat recovering equipment, and holding of "Eco-Lessons" at nearby elementary schools.

The solid-oxide fuel cell (SOFC) cogeneration system for residential use "ENE FARM Type S" jointly developed by Kyocera, Osaka Gas Co., Ltd., Aisin Seiki Co., Ltd., and Noritz Corporation won the same Award in the category of Technological Development and Commercialization. Kyocera was in charge of the cell stack, the core of this system.



Award ceremony

■ Awards Received Related to the Environment (FY2017)

Date	Award	Recipient
April 2016	Recycler of the Year	Kyocera Communications, Inc. (U.S.A.) (now Kyocera International, Inc.)
August 2016	Excelencia Ambiental	Kyocera Mexicana S.A. de C.V. (Mexico)
October 2016	Environment Award and Environment Activity Award, Japan Cutting & Wear-resistant Tool Association	Shiga Yohkaichi Plant and Kagoshima Sendai Plant
October 2016	Refuse Reduction and 3R Activity Excellent Establishment Certification Award, Kyoto City	Kyoto Fushimi Office
November 2016	Refuse Reduction and 3R Activity Excellent Establishment Certification Award, Yokohama City	Yokohama Office
November 2016	Grand Prize, Green Curtain Contest, Hirakata City	Hirakata Plant, Kyocera Document Solutions Inc.
November 2016	Minister of the Environment's Award for Global Warming Prevention Activity (Countermeasure Technology Introduction and Dissemination)	Kyoto Ayabe Plant
November 2016	Minister of the Environment's Award for Global Warming Prevention Activity (Technological Development and Commercialization)	Development of solid oxide fuel cell (SOFC) cogeneration system for residential-use "ENE FARM Type S"
February 2017	Prize, Fukushima Protocol Project Award (Production Industry)	Fukushima Koriyama Plant
February 2017	Excellent Prize, Kagoshima GHG Emission Reduction Enterprise	Hotel Kyocera

# Risk Management and Compliance

## Risk Management Promotion

The Kyocera Group is making Group-wide efforts to reinforce its risk management system to cope with global risks that are becoming ever more complicated. The Kyocera Group faces various risks that may affect the credibility or business sustainability of the Kyocera Group, including changes in the market environment, occurrence of natural disasters, incidents and accidents, the impact of climate change, information leakage, deficiencies of labor conditions in the supply chain, and violation of human rights. To cope with these, the Kyocera Group endeavors to reduce and mitigate risks while acting on the Basic Policy on Risk Management put in place for this purpose.

### ■ Basic Policy on Risk Management

1. In accordance with assurance of compliance and the spirit of the Kyocera Philosophy, the Group will consider what is the right conduct as a human being and act based on the value standards.
2. In accordance with the spirit of the Kyocera Philosophy, the Group will accept “the highest priority is to ensure safety of bodies and lives of people,” deal with crisis, and for convergence of crisis, cooperate among employees as a unit to minimize loss, recover the damage, and make efforts to prevent reoccurrences, thereby attempting to remove or mitigate impediments to the interests of each stakeholder (the interested party), including customers, business partners, shareholders/investors, and the community.
3. The Group will attempt to continuously develop its business through implementing risk management.
4. The Group will act with its social mission to stably supply products and services helpful to the progress and development of society.

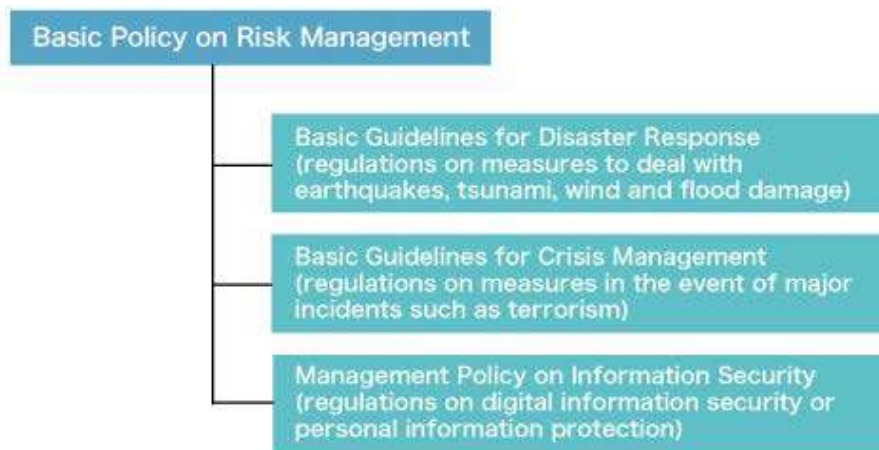
## Risk Management System

The Kyocera Group conducts risk management, with the President as the group chief officer and the General Manager of Corporate General Affairs Human Resources Group as his assistant to supervise the risk management divisions. The Risk Management Committee conducts risk assessment of each department and each site in and out of Japan and formulates, examines, and approves response measures and monitors their progress with respect to risks considered to be particularly high in importance.

In FY2017, the Kyocera Group assigned risk management personnel at each department and domestic site, provided education on major risks such as natural disasters, terrorist responses, and information security and reinforced risk management.



Kyocera Group's Risk Management System



Systematic diagram of risk management

**Promotion of Contingency Planning**

The Kyocera Group has a Disaster Response Manual established based on the Basic Guidelines for Disaster Response to take appropriate actions in the event that a large-scale natural disaster damages the Kyocera Group, including minimization of personal and physical damage and implementation of swift restoration of business operations. The Disaster Response Manual is established and specifies regulations on collection and distribution of information on disasters and response measures for earthquakes, tsunami, wind, and flood damage.



Basic policy of disaster response

**Actions against Earthquakes**

In an attempt to minimize injury and damage from a major earthquake, the Kyocera Group (Japan) is installing a disaster warning system at all plants and offices. This uses the Earthquake Early Warning System provided by the Japan Meteorological Agency. The Kyocera Group endeavors to minimize earthquake damage through diverse means. These include drills using the Earthquake Early Warning System, disaster prevention training for employees, regular disaster drills held with local fire stations and other organizations.

Considerable damage is expected from a tsunami that could be generated by an earthquake in the Nankai Trough. To counter the potential damage, evacuation areas have been prepared for bases that are likely to sustain damage, based on the expected maximum tsunami height and shortest arrival time. Steps have been taken to ensure employees are fully aware of what they need to do.



## One Approach

### ■ Holding of General Drill for Large-Scale Earthquakes

The Kyocera Group holds a general drill at all plants and offices assuming that a major earthquake occurred and that a fire has broken out in the building. The Kagoshima Kokubu Plant held a drill for about 1,650 employees based on an assumption that the facility collapsed due to the effects of an earthquake with a seismic intensity of over 6, a fire broke out, and employees were stuck in the elevator — all under the attendance of the Kirishima city fire department. An emergency earthquake warning was announced in the entire building, the voluntary fire-fighting team of the headquarters and local voluntary fire-fighting team started guiding employees for evacuation, the whereabouts of the employees were checked, victims were rescued, and an initial fire-fighting drill was conducted. In about 28 minutes, all rescue and evacuation activities were completed. The Plant intends to regularly hold these emergency drills to enhance their disaster preparedness.



Evacuation drill assuming a major earthquake



Drill of rescuing people from a collapsed building

## Business Continuity Plan (BCP) Efforts

The Kyocera Group uses the BCP to reinforce the readiness of business continuity and restoration of operation even in the case of disruption of product and service supply due to a natural disaster.

The Kyocera Group (Japan) formulated BCP against occurrence of a major earthquake and has taken necessary measures including fixation of important equipment, arrangement of repair members, and acquisition of alternative production means. In FY2017, we reinspected the safety measures and response procedures or measures to deal with important members in the event of a major earthquake to cope with changes in the business environment. We also endeavor to maintain appropriate equipment conditions through voluntary inspection. In FY2018, we continue to improve our response capability against emergency situations by continuing response measures to identified risks, holding of drills, and sharing of information among departments.

Our Group companies outside Japan also expand and maintain BCP activities depending on the disaster risks such as the natural disasters or infectious diseases assumed at each area.



Desktop drill assuming an earthquake disaster (Tokyo Office)



Training of checking the power system restoration procedure (Toyama Nyuzen Plant)

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## ■ BCP Efforts for the Supply Chain

The Kyocera Group promotes evaluation of alternative items and multiple purchasing sources with respect to the procurement of raw materials and components so as to prevent the stagnation of production activities during a disaster situation.

Kyocera has distributed the Supply-Chain CSR Deployment Guidelines to all business partners to help them understand our concept of BCP. For business partners who supply us with important raw materials and components, we are carrying out a survey on the progress of their BCP efforts in more detail.

## Promotion of Risk Crisis Management

The Kyocera Group has in place the Basic Guidelines for Crisis Management to promote risk management measures. Based on these Guidelines, we formulated the Risk Management Manual that stipulates actions to take to ensure safety of employees working at overseas sites in the event of a terrorist attack and various other emergency situations. In FY2017, we revised the Manual and distributed the revised version to Group companies.

## Information Security Efforts

The Kyocera Group makes effective and efficient use of information assets. We have clarified the basic requirements that employees should comply with in the handling of information assets and established an information management system.

### Policy and System of Information Security Management

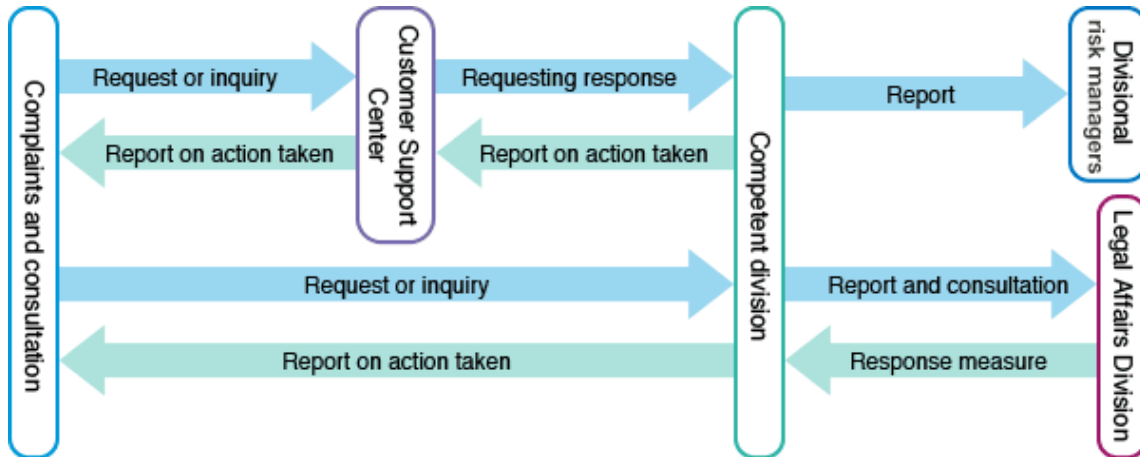
The Kyocera Group has in place the Information Security Management Policy for the entire Kyocera Group as we see management strategies, product development, expertise, technology, organization, personnel information and others as the company's important assets. Based on the Information Security Management Policy, we set up the Digital Information Security Management Regulations, Personal Information Protection Management Regulations, and Technological Know-how Leak Prevention Guideline for classified information management, intellectual property management, physical security management, visitor control, and human control, thereby ensuring thorough information security management.

The Kyocera Group established a Digital Information Security Committee with the President as its chairman and is implementing various digital security measures including periodic employee education by post or job, restrictions on the external use of information equipment, measures to prevent information assets leaks, thorough management of IT assets, internal audit, and enhancement of information security against cyber attacks. Furthermore, Kyocera Group companies outside Japan have taken actions to reinforce security management depending on the legal system, commercial custom, culture, and business style of each country while complying with the Information Security Management Policy and other related regulations.

## Protection of Personal Information

The Kyocera Group regards the personal information obtained from stakeholders through business activities as important private information and strives to protect it thoroughly as a primary social responsibility.

Kyocera has set up rules on protection of specific personal information, clarified usage purposes of personal information and the dedicated contact for inquiries, and provided education on private information to employees handling such information, thereby ensuring thorough management.



Communication system on personal information

## 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. We assign liaison officers responsible for intellectual property to main offices and manufacturing plants. Their role is to facilitate the processes of obtaining intellectual property rights — maintaining control of rights and negotiating licenses for intellectual property rights. The Kyocera Group is undertaking activities relating to intellectual property in close cooperation with relevant business units.

Kyocera also regularly holds the Global Intellectual Property Partners Meeting for patent offices and the personnel of Group companies in charge of intellectual property in the U.S.A., Europe, China, Korea, and Japan, which help us obtain patents in those countries. The participants in the Meeting discuss improvement of patent application specifications and response actions to patent acquisition using specific case examples so that Kyocera can improve the Guideline and the system of sharing information.



Global Intellectual Property Partners Meeting

## One Approach

### ■ Awarded the "Top 100 Global Innovator 2016"

Kyocera was awarded the Top 100 Global Innovators 2016 selected by a worldwide information service company Clarivate Analytics. The award is annually given to companies or research institutes that lead the field in their innovative actions based on analysis of intellectual property and patent data of potential winners by Clarivate Analytics' own standard based on the patent data owned by them. Kyocera was given high evaluation for its "success ratio of patents" and "global performance" and has been awarded the commendation consecutively for three years.



Trophy awarded to Kyocera

### ■ Measures for Dealing with Counterfeit Products

The Kyocera Group is implementing diverse measures in various countries around the world to protect customers from the harm caused by counterfeit products, and to enable product use with peace of mind. Kyocera monitors mail order Web sites and distribution sites around the world looking for counterfeit products. Vendors selling counterfeit products are warned and asked to pledge they will no longer handle them. They are requested to destroy stocks and reveal the names of their suppliers. Kyocera also uses hologram seals to distinguish between genuine and counterfeit products for some products, such as toner containers, making it easier to determine whether a product is authentic.



Counterfeit ceramic knife

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## Thorough Legal Compliance

The Kyocera Group ensures thorough compliance with the law by taking measures including management by each division in charge of a specific law or regulation, the establishment of an in-house communication system for notification of the enactment or revision of a law or regulation, the establishment of Employee Consultation Offices (internal reporting system), the implementation of regular legal compliance audits, and provision of compliance education to employees upon new employment or promotion.

We also regularly hold the Kyocera Group Global Legal Affairs Meeting, in which legal affairs personnel of major Group companies in the U.S.A., Europe, and China participate in order to reinforce global cooperation. At each Meeting, participants learn about each other's results, share information on legal issues currently being faced by each company, and engage in discussions regarding various legal issues affecting the Group.



Kyocera Group Global Legal Affairs Meeting

## Measures for Fair and Free Competition

The Kyocera Group considers it important to maintain fair and free competition and promote it while using as a judgment criterion the concept, "What is the right thing to do as a human being?" As part of such activities, the Kyocera Group issued the Kyocera Group Global Antitrust Compliance Manual, common to the entire Group and provides education on antitrust laws to employees in and out of Japan. We also formulated the Antitrust Act Compliance Regulations that specifically provide for items of compliance for employees. In FY2017, Kyocera started an individual interview based educational program for managers in sales departments so as to enhance employees' understanding of the antitrust act. We continue to provide education to ensure thorough compliance with the antitrust act and other relevant laws and regulations.

## Security Trade Control System

The Kyocera Group complies with the Foreign Exchange and Foreign Trade Act and other regulations relating to international security. In addition, the Kyocera Group is establishing a system for heightening security trade control. The purpose is to prevent the outflow of components for weapons of mass destruction and arms, or products and technology that could be used for their production and development.

Kyocera introduced the audit and storage system for cargoes not subject to the laws or orders and for fees and commissions to reinforce the voucher management system of audit results. In addition, the Kyocera Group (Japan) regularly holds the Security Trade Control Committee to ensure thorough compliance with the foreign exchange act and export-related laws and regulations. Our overseas Group companies have established a system focused on education and audit related to security trade control for reinforcement of security trade management.

## One Approach

### ■ Measures to Ensure Security in International Distribution

Kyocera is recognized as an “authorized exporter” and “authorized importer” according to the AEO (Authorized Economic Operator) system, an international standard designed to ensure safety and smoothness of international trading and for which the mechanism of mutual approval is established in each country. This authorization helps us ensure security and smooth trading related to products delivered to customers outside Japan.

We will continue to improve maintenance of the security system in distribution.



Authorized exporter certificate



Authorized importer certificate

## Appropriate Information Disclosure

The Kyocera Group complies with regulations relating to the disclosure of information. The Group endeavors to provide appropriate information without falsehoods or expressions that invite misunderstanding, in accordance with social and moral principles. Additionally, display of product labels and operating instructions, catalogs, sales promotion documents, advertisements and other materials by Kyocera is in line with the company standard as set out in our Public Document Verification Guidelines. We are building a check system for verification by the Quality Assurance, Legal, Intellectual Property and Corporate Communications divisions.

## Measures for Prevention of Bribery and Corruption

For the Kyocera Group, the basis of dealings with business associates is to always be fair and just, and to approach all manner of transactions in the spirit of fair play with the correct attitude as a human being. The Kyocera Group CSR Guideline prohibits the excessive exchange of gifts, the provision and receipt of excessive entertainment, and other corrupt activities. The Guideline also forbids activities that depart from customary business practice.

## Ensuring Transparency in Political Donations

The Kyocera Group may provide political donations as required from perspectives such as the realization of policy-oriented politics and contributing to the sound growth of parliamentary democracy. When we make political donations, we will comply with relevant laws and regulations including the Political Funds Control Act as well as relevant bylaws.

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## **Measures for Prevention of Insider Trading**

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The Kyocera Group has in place management systems to prevent insider trading and educates employees thoroughly. Kyocera has enacted the Insider Trading Prevention Regulations, which establish a management system for insider information and provide restrictions on stock trading. The company prepared an Insider Trading Prevention Handbook and distributed it to employees to enhance understanding of its importance. In addition, the company takes various continuing actions including provision of education on prevention of insider trading to newly hired or promoted employees and advising of no stock trading periods at morning meetings. In FY2017, Kyocera provided education to a greater range of employees, including employees who recently became Kyocera employees through Group company integration, merging fixed-term employees, part-timers, and temporary staff, in addition to all Kyocera Group (Japan) employees in the form of e-learning, group training, and distribution of hand-outs. In FY2018, we intend to provide refresher courses to all employees of Kyocera and have overseas Group companies provide similar education.

## **Measures for Exclusion of Antisocial Groups**

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The Kyocera Group established a basic policy for corporate governance and internal control including the prevention of involvement in management activities by antisocial groups and the prevention of damage by such groups.

The basis of the measures for exclusion of antisocial groups is that “the entire company is united in confronting antisocial groups with determination.” The Kyocera Group CSR Guideline clearly specifies how to handle antisocial groups to notify all employees of the company’s attitude.

The transaction basic contract form Kyocera has with our business associates now contains terms on exclusion of antisocial groups. More efforts will be made in the entire supply chain to redouble exclusion of antisocial groups.

## **Establishment of Employee Consultation Hot-Line Center (Internal Reporting System)**

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Kyocera Group employees can consult the Employee Consultation Hot-Line Center on diverse issues. Employees can seek advice and consult on diverse matters of doubt, and report actions that are or may be in violation of laws and internal regulations relating to human rights, labor, safety and health, environment, fair business practices, etc. Measures for protection of individual privacy are clarified, and employees can consult the Hot-Line Center directly by telephone, e-mail or other means. Details of the consultation are investigated and ascertained in cooperation with the relevant divisions. This is followed by corrective action and preventive measures against recurrence. At Kyocera, consultations were undertaken on 32 matters in FY2017, and steps toward resolution were taken in each case.

# Supply Chain Management

## Policy and Systems Related to Purchasing Activities

The Kyocera Group believes that the mutual prosperity of the entire supply chain can only be realized if all companies involved in the series of business processes including development, production, sales and service work together to meet the demands of society.

To this end, the Kyocera Group actively communicates with business partners and focuses on the building of partnerships based on mutual trust. We also ensure thorough compliance with business-related laws such as the Subcontract Act, by regularly implementing in-house education and audits of personnel in charge of materials and business divisions.

### Basic Policy on Purchasing

At the Kyocera Group, we are determined to contribute to value creation and business development through materials business, diligently conduct work, and coexist with business partners, thereby attempting to be better people and win society's trust. We established the Basic Policy on Purchasing with this idea as the basis of our purchasing activities. Under this policy, we conduct various surveys on corporate overviews and CSR to evaluate and select our business partners fairly.

- 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<sup>\*1</sup> / VE<sup>\*2</sup> proposal strength).
- Whether the company excels in such areas as quality, price, delivery time, service response, etc. (e.g.: ISO9000 series or equivalent quality management systems; lead-time reduction activity).
- Whether the company is seriously involved in global environmental conservation activity (e.g.: ISO14001 certification).

\*1 Value Analysis

\*2 Value Engineering

### Holding of Supplier Seminars and Social Gatherings

The Kyocera Group regularly holds supplier seminars and social gathering with business associates in order to better allow them to understand the management policy and business policy of the Group and request their further cooperation with our activities.

In FY2017, we held a supplier seminar and social gathering with major business associates in Kyoto. A total of 128 people from 126 companies participated in the event. We also awarded customers who were particularly excellent in terms of quality, price and delivery in the transactions of the past one year.



Awarding at the social gathering in the supplier seminar



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## CSR Deployment in the Supply Chain

The Kyocera Group promotes CSR activities together with our business partners in order to fulfill our social responsibilities in terms of human rights, labor and environmental conservation.

Kyocera established the Kyocera Supply-Chain CSR Deployment Guidelines to appropriately handle CSR issues that should be addressed by the entire supply chain, including formulation of BCP regarding conflict minerals and swift business restoration and continuation in disaster situations. We survey the CSR activity efforts on the part of business partners based on the Guideline.

To be specific, we had their cooperation with such items as human rights, labor, environment, safety and health, fair trading, ethics, quality, safety, BCP, and information security. For business partners whose efforts on some items was found to be insufficient, we requested them to work more proactively on CSR activities. As a result, we found that many business partners showed successful results from their efforts.

We intend to deploy CSR activities to overseas business partners as well as Group companies' business partners.



Kyocera Supply-Chain  
CSR Deployment  
Guideline

### ■ Supply-Chain BCP Survey

The Kyocera Group sets up the policy that swift restoration and restart of business in the event of severance of product and service supply as a result of a natural disaster. In this respect, we ask business partners to conduct a survey on their effort for business continuity planning.

We explain the importance of BCP to business partners who are to newly provide us with raw materials and members and request their reinforced compliance. When the previous year's survey reveals that some business partners are insufficient concerning their efforts, we check the status of their improvement.

Kyocera will continue to promote and spread BCP so our business partners promote the same effort.

### Measures to Address Conflict Minerals

In recent years, there is concern that mineral resources mined in the Democratic Republic of the Congo and neighboring countries may serve as a source of funds to the armed groups that have caused human rights violations, and this has become an international issue.

Knowing that some revenue of minerals produced from the Democratic Republic of the Congo and its neighboring countries in Africa — including columbite-tantalite (tantalum), cassiterite (tin), gold, wolframite (tungsten), and their derivatives — are used to fund armed groups that commit human rights violations, the Dodd-Frank legislation of July 2010 designates these minerals as “conflict minerals” regardless of where they are produced and requires all companies listed on the New York Stock Exchange to disclose information on the use of these minerals in their products.



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## Kyocera Group's Conflict Minerals Policy

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The Kyocera Group's policy is that we will not purchase materials or products that use conflict minerals and their derived metals which are mined in the Democratic Republic of the Congo and neighboring countries and serve as a source of funds to the armed groups that have caused human-rights violations. We issued the Kyocera Supply-Chain CSR Deployment Guideline, which states our policy on conflict minerals, to help our business partners understand our stance and policy, thereby sharing the same attitude toward this issue.

## Organizational System to Handle Conflict Mineral Issue

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In the Kyocera Group, the Kyocera Conflict Minerals Committee, consisting of directors or general managers of departments in charge of procurement (materials), IR, general affairs, internal auditing and legal affairs, has been established as the central player to deal with the conflict mineral issue.

This Committee determines the methods that serve as the basis of conflict mineral investigation and the information to disclose about conflict minerals, and provides reports on its activities to the top management in a timely and appropriate manner. Furthermore, the Committee provides education to Kyocera Group companies about the rules and policies on conflict minerals and makes sure the entire Group appropriately deals with the problem of conflict minerals.

Furthermore, we play important roles to realize early recognition of risks in handling conflict minerals, including communication with stakeholders, communication with the procurement division, and swift response to complaints or notices on conflict minerals collected through the internal reporting system.

## ■ Coordination and Cooperation with Trade Organizations

Kyocera promotes coordination and cooperation with trade organizations as part of our system of cooperation with external parties related to conflict minerals. To be specific, we realize responsible mineral procurement and are initially active as one of major members of the Responsible Minerals Trade Working Group set up in the Japan Electronics and Information Technology Industries Association (JEITA) to cope with the related regulations including Article 1502 of the US Dodd-Frank Wall Street Reform and Consumer Protection Act. We extend our cooperation with the Responsible Minerals Trade Working Group in understanding of and response to problems revealed by the survey and implementation of survey briefing sessions. Since 2013, we have served as lecturers of conflict mineral survey briefing sessions held by JEITA.

## Actions for Business Partners and Survey Results

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Kyocera conducted survey to our business partners using the Conflict Minerals Reporting Template (CMRT) prepared by the Conflict-Free Sourcing Initiative (CFSI), an international organization dealing with conflict mineral issues.

The FY2017 survey included holding a total of four briefing sessions in Japan, China and Vietnam, where business partners of Kyocera are concentrated. 146 companies participated in those sessions. In China and Vietnam, Kyocera held a training session for in-house personnel in charge of conflict mineral research to reinforce the internal system of the Kyocera Group.

Based on the results of the due diligence, Kyocera collated the list of refineries and smelters disclosed by CFSI with the processing facilities of conflict minerals used in Kyocera's products and obtained the following findings as of March 13, 2017.



Briefing session to business partners

	Gold	Tantalum	Tin	Tungsten	Total
Number of refineries/smelters	134	44	81	45	304
Number of refineries/smelters Validated as CFS*	94	44	66	40	244
Number of refineries/smelters Considered as Non-CFS	40	0	15	5	60

\* Refineries or smelters validated to be conflict-free by a third party

### Kyocera Group's Future Measures

The Kyocera Group recognizes the importance of continuing its survey using the CFS\* program and in identifying and investigating smelters and refiners.

Therefore, we intend to continually establish a strong supply chain relationship through various measures, including the signing of a letter of engagement with suppliers that includes a pledge to contact Kyocera immediately if a connection to a conflict mineral has been uncovered.

Furthermore, Kyocera belongs to a team, formed by JEITA, which assists smelters, and conducts outreach activities directly using smelters to obtain CFS validation.

\* Program that certifies that minerals handled by a refinery are not linked with conflicts by a third party.

# Approaches to Raising Quality and Customer Satisfaction Levels

## Efforts to Improve Product Quality

### Kyocera Quality Policy

The Kyocera Group has established the Kyocera Quality Policy to achieve production of quality goods that fully satisfy our customers' needs.

All departments must pursue the right way to perform their jobs based on a firm policy in order to realize an enterprise that is worthy of trust throughout the world. All employees of the Kyocera Group continue to strive to do every job right the first time toward the goal of becoming a world leader in quality.

#### ■ Kyocera Quality Policy

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

### Quality Management Systems

The Kyocera Group holds meetings of the Kyocera CS Improvement Committee with the President serving as its chairman on a regular basis to improve the customer satisfaction indices, share quality information to prevent quality problems, and prevent the recurrence of quality-related problems. The company has established quality management systems based on ISO9001, and each business unit sets its own quality targets and carries out quality improvements towards their achievement. Furthermore, these improvement activities are continuously being upgraded by holding various quality-related training programs. This training is designed to give employees field drills with the help of Kyocera style tree diagrams and help them enhance their practical capability that allows them to smoothly handle quality problems.



Kyocera Group CS Improvement Committee

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## Efforts to Ensure Product Safety

### Kyocera Product Safety Policy

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 this perspective, Kyocera has set a Product Safety Policy, in addition to its 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.

#### ■ 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.

### Responses to Accidents Involving Products

We have established systems that allow the CS Division and Risk Management Division to gather information and implement countermeasures if a serious product accident occurs. We also notify the competent authority of such accidents and disclose information on our Web site.

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## Approaches to Raising Customer Satisfaction Levels

### Action by the Customer Support Center

The Kyocera Group operates a Customer Support Center (Call Center) to handle mainly matters concerning products for general consumers. By responding earnestly, correctly and promptly to customer inquiries, consultations, complaints and other issues, the Kyocera Group 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 segments. The information received is used to improve the quality of our products and services.

The number of inquiries to Kyocera in FY2017 increased by about 40,000 to 101,063, compared to FY2016, as a result of the integration of the customer consultation section of the solar division into Kyocera after merging of a Group company in April 2016.

### Safeguarding Customer Personal Information

In the Kyocera Group, the personal information of customers is as a rule obtained directly from customers, upon agreement with the customers, and only after clarification of the purpose for which it would be used is provided. Personal information stored by the Kyocera Group is handled appropriately in accordance with strict controls based on the Electronic Information Security Management Policy and associated regulations.

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## Product Development by User Centered Design

Kyocera Document Solutions Inc. incorporates the concept of User Centered Design in its development process. Under this concept, users are always at the center of the life cycle of products such as printers and multifunctional products (MFPs), covering planning, design, production and sale; and products are designed based on information gathered from users and a good understanding of what they want.



Wheelchair usability evaluation

Particularly in the design stage, it is important to understand customers' needs and repeat the production and evaluation of prototypes. This is how the company realizes the supply of easy-to-use products and user-friendly services. Engineers and designers whose job is to develop products actually visit workplaces where people with disabilities work, as well as place themselves in wheelchairs or wear special kits in order to recreate the physical experience of elderly people so that they can better understand the needs of diverse people. What they learn is then incorporated into the verification and development of products.

### One Approach

#### ■ Antibacterial technology AG-PROTEX<sup>®</sup> won the FY2017 Japanese Society for Artificial Organs Technical Award.

The antibacterial technology AG-PROTEX jointly developed by Kyocera and Saga University won the FY2017 Japanese Society for Artificial Organs Technical Award.

The award was established in 1995 and is given to individuals or organizations that have developed technology which makes a great contribution to clinic fields or industrial fields related to artificial organs.

AG-PROTEX was recognized as an excellent technology that greatly reduces infection risk after surgery because of its high antibacterial effect created by coating the surface of an artificial joint.



Artificial hip joint using antibacterial technology AG-PROTEX

#### ■ Kyocera's solar modules certified as a "Top Performer"

Kyocera was certified as a Top Performer, the title of highest level achiever in the PV Module Reliability Scorecard 2016, a survey that evaluates the overall reliability of solar modules, conducted by the world-renowned certification organization in Norway, DNV GL.

The survey conducts five loading tests assuming an external environment that causes deterioration

to a product, such as temperature cycle, condensation, or freezing, and measures the output deterioration of a module. Kyocera won the highest level evaluation and is the only manufacturer to achieve the status of an excellent manufacturer in all items in consecutive scorecards, following the previous survey in 2014.



Kyocera's solar module

### ■ High-durability smartphone and printer/multifunctional product (MFP) won the iF Design Award 2017

Kyocera's high-durability smartphone DuraForce PRO, sold in the U.S.A., and A4 color printers and MFPs produced and sold by Kyocera Document Solutions Inc. were awarded the iF Design Award 2017 (Product Category) held by Germany's iF International Forum Design GmbH Hannover.

The award is an internationally acclaimed design award applied to industrial products not only in Germany but also around the world. Design originality and innovativeness, ease of use, quality, environmental consciousness and other factors are comprehensively evaluated.

DuraForce PRO features a thin and slim design and high durability, while 4 printers and MFP models including the color A4 ECOSYS M5526 cdw feature simple designs, user-friendly operability, and reduction in waste and printing cost through product longevity — features which were the keys to their awarding.



High-durability smartphone  
DuraForce PRO



Color A4 multifunctional  
product ECOSYS M5526 cdw

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■ **SOFC cell stack won the 70th Ceramic Society of Japan Award for achievement in industrial ceramic technology.**

Development and commercialization of a flat-tubular SOFC (solid-oxide fuel cell) developed by Kyocera won the technological achievement award of the Ceramic Society of Japan Award. The cell is unique in that it features both advantages of a cylindrical cell resistant to heat stress and a flat-plate cell that realizes higher output density during cell stacking. Development and commercialization of this product was highly evaluated for its contribution to the advancement and development of the ceramic industry and science and technology.

■ **Commercialization of “miraie f” smartphone for children**

Kyocera commercialized a smartphone equipped with various functions that ensure safety and security of both parents and children, called the miraie f, in January 2017.

The product was developed to meet the demands of parents who wanted a smartphone that could allow them to check the safety of their children. It has a filtering function that automatically restricts access to designated Web sites and apps and a crime prevention buzzer with a camera that automatically sends images when triggered.



Smartphone for children,  
miraie f



# Academic Advancement and Research

## Supporting the Inamori Foundation's Kyoto Prize

The non-profit Inamori Foundation was established in 1984, based upon the belief of Kyocera's founder Kazuo Inamori, that "a human being has no higher calling than to strive for the greater good of humanity and the world," and that "the future of humanity can be assured only when there is a balance between scientific development and the enrichment of the human spirit." The Kyoto Prize, organized by the Foundation, was established in 1985. It celebrates its 33<sup>rd</sup> anniversary in 2017 as an international award that honors people who have made significant contributions in the three categories of Advanced Technology, Basic Sciences, and Arts and Philosophy. Each laureate receives a diploma, Kyoto Prize medal and prize money of 50 million yen per category.

Following the Kyoto Prize presentation ceremony each November, events are held to encourage citizen interaction with the laureates, including commemorative lectures for the general public where the laureates present their path of research and world views, academic workshops involving experts in the chosen award fields, and educational programs for students from elementary school to university level.

Also, a Kyoto Prize Symposium for local university students and the general public has been held in San Diego (U.S.A.) since 2001, and in 2017, a Kyoto Prize Symposium was held for the first time at Oxford University (U.K.).

The Kyocera Group is fully aligned with the spirit of the Kyoto Prize and is pleased to support this award.



The 2016 Kyoto Prize laureates



The Kyoto Prize Presentation Ceremony



Kyoto Prize Symposium held in San Diego (U.S.A.)  
(©Erik Jepsen/UC San Diego)



Kyoto Prize at Oxford (©John Cairns)

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### **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 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

### **Inamori Academy Building at Kagoshima University**

In 2008, the Inamori Academy building opened at Kagoshima University (Kagoshima Prefecture, Japan) to offer a course targeting the comprehensive development of human potential. Kyocera supported the construction of the facility. In 2000, Kyocera endowed the Chair of Management Studies in the Faculty of Engineering. In 2005, the Inamori Academy of Management and Technology was founded, which later reorganized and merged into the Inamori Academy in 2008.



Inamori Academy building

### **Research Support at Four U.S. Universities**

In gratitude for many years of collaboration with the American electronics industry, and based on a desire to ensure the industry's continued development, Kyocera has given endowments to the engineering departments of Alfred University, Case Western Reserve University, Massachusetts Institute of Technology, and the University of Washington. These endowments support the research activities of appointed Kyocera Professors as well as the enrollment of overseas students and researchers at each institution.



Kyocera Professors meet to exchange research ideas

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### The Kyocera Museum of Fine Ceramics

The Kyocera Museum of Fine Ceramics was inaugurated at 1998 at the global headquarters building in Kyoto, followed by a sister museum in the company's Kagoshima Kokubu Plant, which opened in 2001. Open to the public and free of charge, the museums showcase the evolution and latest technological advances around which Kyocera has grown, and serve to support the future development of fine ceramics. The museum in Kyoto was completely renovated in March 2014, and receives more than 20,000 visitors per year.



The Kyocera Museum of Fine Ceramics

### Donation of the Kyocera Collection of British Parliamentary Papers

In 1998, Kyocera donated to Japan's National Museum of Ethnology more than 12,000 volumes of documents that had been submitted to the British parliament in the 19<sup>th</sup> and 20<sup>th</sup> centuries. The collection was transferred to the Center for Integrated Area Studies (CIAS) at Kyoto University in 2006 and is utilized as a resource for research.



Kyocera Collection of British Parliamentary Papers

## Support for Culture and the Arts

### The Kirishima International Music Festival

Since 2001, Kyocera has supported the Kirishima International Music Festival (Japan) with the hope of providing students an opportunity to learn from outstanding musicians by experiencing their performances firsthand. Concerts and workshops are held every year, featuring musicians from around the world as invited performers and lecturers.



Concert at the Kirishima International Music Festival  
© Kirishima International Music Festival

### Kyoto Hanatouro Project

Kyocera supports the Kyoto Hanatouro Project, in which lights and flowers evoking a rich Japanese ethos decorate Kyoto's prominent streets, temples, shrines and other historic cultural assets. More than two million people enjoyed fantastic night scenery during 2015 events in Higashiyama and Arashiyama. In 2016, Hotel Princess Kyoto Co., Ltd. (a Kyocera Group company) began providing volunteer Information Desk staffing and distributing promotional literature and questionnaires.



Townscape vividly lit by street lanterns  
© Kyoto Hanatouro Promotion Council

### The Kyocera Museum of Art

The Kyocera Museum of Art, which is open to the public and free of charge, was established at 1998 at Kyocera's headquarters building (Kyoto, Japan). Many works of art are on permanent display, including Picasso's copper plate print series 347, paintings, sculptures, and Qianlong glass from China.

In 2016, a special exhibition on the imperial court culture of early-modern Kyoto was jointly held with neighboring Jonangu Shrine. Invaluable items related to the coronation ceremony conducted in the beginning of a new Emperor's reign and other important rituals as well as various items associated with Tofukumon-in were on display for the first time in about 40 years. The elegant court culture inherited in Kyoto was on display from the foundation of the Heian-kyo Capital in 794.



The Kyocera Museum of Art



2016 Autumn Special Exhibition poster

## International Exchange and Collaboration

### Donations to Nepal to Support Earthquake Reconstruction

To support reconstruction in Nepal following the 2015 earthquakes, Kyocera donated solar power generating systems through the United Nations Development Programme (UNDP), which established temporary facilities and helped rebuild infrastructure and lifelines. The solar installations power lighting and computers at Gorkha District Hospital and a rehabilitation facility in the Sindhupalchowk District.



Delivery to Sindhupalchowk District (Nepal)

### Picture Books for Children in Asia

Since 2009, to support international efforts to promote reading, Kyocera has joined a program to deliver children's picture books translated into local languages to regions in Asia with lower literacy rates. Picture books were delivered to Laos and Cambodia and used to help local children learn reading and writing skills.



Employees volunteer to make picture books



Children enjoying the picture books (photo courtesy of Shanti Volunteer Association)

### The Inamori-Kyocera Western Development Scholarship

Since 2001, Kyocera and its founder, Kazuo Inamori, set up the Inamori-Kyocera Western Development Scholarship Fund to assist economically disadvantaged university students in China's western provinces who show both outstanding academic achievement and high moral character. The fund fosters individuals who will aid regional development through science and technology.

Scholarships are granted at 12 universities each year, with more than 4,000 recipients to date.



Scholarship recipients

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### Providing Scholarships to Japanese Language Students

Since 1983, Kyocera International, Inc. (U.S.A.) has provided Kyocera Japanese Scholarships and Best Student Awards to students at San Diego State University. These annual partial scholarships and awards recognize outstanding students of Japanese language and encourage cross-cultural studies.



Student receiving the Kyocera Japanese Language Scholarship (left) and the representative of Kyocera International, Inc. (right)  
(© Cassandra Neel)

### Vietnam Cultural Exchange Tour delegation was invited to Japan.

This event started in 2016 in hopes of providing impressionable children with the experience of visiting a foreign culture and thus being able to serve as a bridge of friendship between Japan and Vietnam in the future. Children publicly selected from Hanoi, Hung Yen Province, and Hai Phong visited Japan and stayed at Japanese homes to experience the Japanese culture and learn things about Japan.



Vietnamese children visiting the headquarters of Kyocera



Vietnamese children experiencing Japanese summer together with their host families



Vietnamese children mingling with Japanese junior high school students

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## Support for Overseas Study

Since 2013, the Japanese Ministry of Education, Culture, Sports, Science and Technology has implemented “TOBITATE! NEXT JAPAN” — a public-private overseas study program aimed at nurturing human resources with a global perspective who can succeed in the modern world.

In August 2015, a Kyocera executive with both overseas study and work experience gave a keynote speech during a pre-departure study abroad training seminar for students about the importance of maintaining hopes and dreams which he tied it in to the company’s corporate philosophy.

Kyocera supports this program in the hope that motivated and capable young people will grow into adults who contribute to a more harmonious global society.



“TOBITATE! NEXT JAPAN” send-off party



Pre-departure training seminar

## Supporting Education of Vietnam Maritime University Students

To support the development of the local city of Hai Phong, Kyocera Document Technology Vietnam Co., Ltd. started offering scholarships to Vietnam Maritime University students in 2013.

By providing annual scholarships to economically disadvantaged students with excellent academic performance and conduct, Kyocera hopes to assist in developing strong leaders for the next generation.



Ceremony inaugurating the scholarship program



Scholarship recipients

## Donations to Schools in Uganda, Tanzania and Nepal

To help improve the educational environment in areas lacking electricity, Kyocera donated solar power generating systems and basic electrical equipment, including lighting, TVs and radios, to schools in Uganda, Tanzania and Nepal from 2009 to 2014. As a pioneer in solar power, Kyocera can help improve educational standards in developing countries by giving children — our future leaders — classrooms lit by solar electricity.

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Solar modules installed at a school  
(Uganda)



Schoolchildren watch a solar-powered TV  
(Uganda)



Solar modules installed at a school  
(Tanzania)



Solar modules installed at a school  
(Nepal)



# Local Community Activities

## Japan

### Supporting Kyoto Sanga F.C. Professional Soccer Team

In 1994, in response to the high expectations of Kyoto residents calling for a local professional soccer team, Kyocera helped establish Kyoto Purple Sanga (now Kyoto Sanga F.C.), with the belief that it is the responsibility of local companies to help local communities thrive. Kyocera Group companies in Japan work together to support the team. Kyocera also supports the Sanga Cup Kyoto Youth Soccer Championships, as well as a project that helps develop soccer skills in players ages 18 and younger.



© KYOTO .P.S.

### Operation of Kagoshima Nanatsujima Solar Science Museum

Kyocera, working through the Kagoshima Mega Solar Power Corporation, built and operates the 70-megawatt Kagoshima Nanatsujima Mega Solar Power Plant and the adjoining Kagoshima Nanatsujima Solar Science Museum where people can explore global environmental issues and learn how solar power generation works. More than 30,000 people have visited the facilities since they opened in 2013. In addition to offering stunning views of the solar power plant and Mt. Sakurajima, the Museum seeks to contribute to local revitalization.



Kagoshima Nanatsujima Mega Solar Power Plant where the Solar Science Museum is located



Students touring the Kagoshima Nanatsujima Solar Science Museum

### Christmas Illuminations

In December, Kyocera festively illuminates its global headquarters building in Kyoto with LED lighting to enliven the local community. During the holiday season, the headquarters building becomes a huge, 86-meter-high shining fir tree through the clever arrangement of lighted windows. In 2016, many visitors enjoyed strolling in the headquarters courtyard, which was decorated by approximately 190,000 LED bulbs, providing a festive atmosphere on winter nights.



A giant Christmas tree is created through the clever arrangement of lighted windows



LED illuminations in the public space in front of the headquarters building

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### Donation of “Kyocera Libraries”

To commemorate its 55th anniversary in 2014, Kyocera donated approximately 50 million yen worth of books — dubbed “Kyocera Libraries” — to 130 local elementary and middle schools in communities where 25 of Kyocera’s main manufacturing plants and business offices are located in Japan. In response to an overall decline in readership, Kyocera hopes that this donation will enhance the development of our next-generation leaders by providing them with more opportunities to enjoy books and discover the importance of reading.



Presentation ceremony at an elementary school (Yasu, Shiga Prefecture)

### Outside Japan

#### Outreach Activities for Local Children and Groups

Kyocera Precision Tools Korea Co., Ltd. (Korea) has conducted outreach to disabled children and elderly persons living alone at Christmastime every year since 1999.

Approximately 400 employees divide into small to deliver food and daily necessities donated by employees, and also engaged in other volunteer activities such as light housekeeping.



Scarves delivered to children in welfare facilities

#### Donation to the Autism Research and Treatment Organization

Kyocera Document Solutions America, Inc. (U.S.A.) began fundraising for World Autism Awareness Day in 2014. Kyocera employees who donated five dollars or more come to work in blue, the official color of World Autism Awareness Day. Money donated by employees is given to Autism Speaks, an organization specializing in the research and treatment of autism.



Employees in blue who participated in the charity drive

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## Renovating Schools

Kyocera Crystal Device (Thailand) Co., Ltd., together with local communities, joined in renovations such as re-tiling bathroom floors, painting walls and washbasins, and installing drinking fountains at schools in Lamphun Province where the company is located. These efforts greatly improved the sanitary conditions at the schools and evoked messages of joy and gratitude from the children.



Employees who took part in school renovations

## Raising Funds for Cancer Patients

Kyocera Document Solutions Australia Pty. Ltd. (Australia) supports both “Daffodil Day” and “Australia’s Biggest Morning Tea” charity fundraisers, which benefit cancer patients and research. Teddy bears, pens and other goods were sold in the office and a staff-funded morning tea was held to raise donations. All funds raised were donated to the Cancer Council Australia.



Employees participate in “Australia’s Biggest Morning Tea” charity event



“Australia’s Biggest Morning Tea” charity event

## Toys for Tots Donation

Since 2006, Kyocera Document Solutions America, Inc. has supported the annual Toys for Tots campaign run by the U.S. Marine Corps, which collects toys to give as holiday gifts to underprivileged children. The primary goal of Toys for Tots is to deliver a message of hope to less fortunate youngsters that will assist them in becoming responsible and productive citizens.



U.S. Marines and Kyocera employee with donated toys

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### 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 this effort. In the United States, Kyocera has donated part of the profits from its pink-handled ceramic knives to breast cancer research since 2004. Kyocera supports similar activities in Australia, Singapore, China, Japan and Korea.



Ceramic knife series supports the Pink Ribbon movement

### Summer Festivals at Plants and Offices

Every year since 1972, Kyocera Group has held summer festivals at its offices and plants throughout Japan to deepen the relationship with local communities. The Kyocera Group also began holding summer festivals in China in 2009 and Vietnam in 2014. About 3,000 local residents visit our plant in Vietnam to enjoy food, games, karaoke and dance performances every year.



Employees wearing traditional national dress, ao dai , while performing the Non La dance (Vietnam)

### Local Beautification Activities

Kyocera aims to be an integral part of its local communities, participating in beautification efforts for parks, forests, rivers and areas around the company's offices and plants worldwide on a regular basis. Kyocera Document Solutions Australia Pty. Ltd. (Australia) has participated in the nation's largest community-based environmental event, "Clean-up Australia Day" since 2011 and conducted cleanups at Lane Cove's Blackman Park in 2015. Kyocera continually seeks to help beautify its communities.



Employees taking part in the clean-up event (Australia)

# Editorial Policy

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This CSR report is published to report on the Kyocera Group's CSR activities in keeping with the concept of ISO26000, the international standard concerning social responsibilities. Information contained in this report is disclosed in consideration of opinions and views received from stakeholders, and the degree of importance placed on the above activities by the Kyocera Group.

## Reporting Period

Information disclosed focuses on content from FY2017 (April 1, 2016 to March 31, 2017).

## Scope of the Report

Kyocera Corporation and consolidated subsidiaries

In this report, "Kyocera" refers to Kyocera Corporation as a separate entity. The environmental data shown here are for production sites. Whenever the scope differs, it is so specified.

## Accuracy of Information

To ensure the accuracy of disclosed information, the information presented here is disclosed after being cross-checked by multiple divisions, including the division providing the information, the Editorial Section, and the Corporate Communications Division.

# GRI and ISO26000 Comparison Tables

The Kyocera Group strives to report in conformity to international standards and refers to core subjects of Sustainability Reporting Guidelines Version 4 of GRI and ISO26000: 2010.

## GRI Guideline

The Company's CSR Report conforms to the core items of the GRI G4 Sustainability Reporting Guidelines.

General Standard Disclosures		
Item	Indicator	References
Strategy and Analysis		
G4-1	Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	<a href="#">→ Top Management Message</a>
G4-2	Provide a description of key impacts, risks, and opportunities.	<a href="#">→ Top Management Message</a> <a href="#">→ Form 20-F</a>
Organizational Profile		
G4-3	Report the name of the organization.	<a href="#">→ Corporate Summary</a>
G4-4	Report the primary brands, products, and services.	<a href="#">→ Business Segments</a>
G4-5	Report the location of the organization's headquarters.	<a href="#">→ Corporate Summary</a>
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	<a href="#">→ Business Development</a> <a href="#">→ Global Network</a>
G4-7	Report the nature of ownership and legal form.	<a href="#">→ Corporate Summary</a> <a href="#">→ Form 20-F</a>
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	<a href="#">→ Corporate Summary</a>
G4-9	Report the scale of the organization.	<a href="#">→ Corporate Summary</a>

G4-10	<p>a. Report the total number of employees by employment contract and gender.</p> <p>b. Report the total number of permanent employees by employment type and gender.</p> <p>c. Report the total workforce by employees and supervised workers and by gender.</p> <p>d. Report the total workforce by region and gender.</p> <p>e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as selfemployed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.</p> <p>f. Report any significant variations in employment numbers.</p>	<p>→ Respect for Human Rights and Diversity</p>
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	<p>→ Respect for Human Rights and Diversity</p>
G4-12	Describe the organization's supply chain.	<p>→ Kyocera Group Corporate Social Responsibility (CSR)</p> <p>→ Supply Chain Management</p>
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	Not applicable
Commitments to External Initiatives		
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	<p>→ Corporate Governance</p> <p>→ Risk Management and Compliance</p> <p>→ Environmental Risk Management</p>
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	<p>→ Response to International Standards and Initiatives</p>
G4-16	List memberships of associations and national or international advocacy organizations in which the organization:	Keidanren (Japan Business Federation), JEITA (Japan Electronics and Information Technology Industries Association) etc

Identified Material Aspects and Boundaries		
G4-17	<p>a. List all entities included in the organization's consolidated financial statements or equivalent documents.</p> <p>b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.</p>	→ <a href="#">Kyocera Group Corporate Social Responsibility (CSR)</a>
G4-18	<p>a. Explain the process for defining the report content and the Aspect Boundaries.</p> <p>b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.</p>	→ <a href="#">Kyocera Group Corporate Social Responsibility (CSR)</a>
G4-19	List all the material Aspects identified in the process for defining report content.	→ <a href="#">Kyocera Group Corporate Social Responsibility (CSR)</a>
G4-20	For each material Aspect, report the Aspect Boundary within the organization, as follows.	→ <a href="#">Kyocera Group Corporate Social Responsibility (CSR)</a>
G4-21	For each material Aspect, report the Aspect Boundary outside the organization, as follows.	→ <a href="#">Kyocera Group Corporate Social Responsibility (CSR)</a>
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Not applicable
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Not applicable
Stakeholder Engagement		
G4-24	Provide a list of stakeholder groups engaged by the organization.	→ <a href="#">Kyocera Group Corporate Social Responsibility (CSR)</a>
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	→ <a href="#">Kyocera Group Corporate Social Responsibility (CSR)</a>
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	→ <a href="#">Kyocera Group Corporate Social Responsibility (CSR)</a>
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	→ <a href="#">Kyocera Group Corporate Social Responsibility (CSR)</a>



Report Profile		
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	<a href="#">↗ Editorial Policy</a>
G4-29	Date of most recent previous report (if any).	July, 2017
G4-30	Reporting cycle (such as annual, biennial).	Annual
G4-31	Provide the contact point for questions regarding the report or its contents.	<a href="#">↗ Support / Contact</a> 
GRI Content Index		
G4-32	<p>a. Report the 'in accordance' option the organization has chosen.</p> <p>b. Report the GRI Content Index for the chosen option (see tables below).</p> <p>c. Report the reference to the External Assurance Report, if the report has been externally assured. (GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.)</p>	<a href="#">↗ GRI and ISO 26000 Comparison Tables</a>
Assurance		
G4-33	<p>a. Report the organization's policy and current practice with regard to seeking external assurance for the report.</p> <p>b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.</p> <p>c. Report the relationship between the organization and the assurance providers.</p> <p>d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.</p>	<a href="#">↗ Form 20-F</a> 
Governance		
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	<a href="#">↗ Corporate Governance</a>
Ethics and Integrity		
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	<a href="#">↗ Kyocera Group Management Roots</a> <a href="#">↗ Kyocera Group Corporate Social Responsibility (CSR)</a> <a href="#">↗ Corporate Governance</a>

## Specific Standard Disclosures

(○ : Selected as material issues for Kyocera Group)

Item	Indicator	References
Economic		
Economic Performance		
G4-EC1	Direct economic value generated and distributed	→ <a href="#">Form 20-F</a>
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	→ <a href="#">Form 20-F</a> → <a href="#">Feature Article 2: Home Energy Management System</a>
G4-EC3	Coverage of the organization's defined benefit plan obligations	→ <a href="#">Form 20-F</a>
G4-EC4	Financial assistance received from government	→ <a href="#">Form 20-F</a>
Market Presence		
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	-
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	-
Indirect Economic Impacts		
G4-EC7	Development and impact of infrastructure investments and services supported	→ <a href="#">Social Contribution Activities</a>
G4-EC8	Significant indirect economic impacts, including the extent of impacts	→ <a href="#">Environmental Accounting</a>
Procurement Practices		
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	-
Environmental		
Materials		
G4-EN1	Materials used by weight or volume	-
G4-EN2	Percentage of materials used that are recycled input materials	→ <a href="#">Environmentally Friendly Products</a>
○ Energy		
G4-EN3	Energy consumption within the organization	→ <a href="#">Energy Conservation and Prevention of Climate Change</a>
G4-EN4	Energy consumption outside of the organization	→ <a href="#">Energy Conservation and Prevention of Climate Change</a>

G4-EN5	Energy intensity	→ Energy Conservation and Prevention of Climate Change
G4-EN6	Reduction of energy consumption	→ Energy Conservation and Prevention of Climate Change
G4-EN7	Reductions in energy requirements of products and services	→ Environmentally Friendly Products
O Water		
G4-EN8	Total water withdrawal by source	-
G4-EN9	Water sources significantly affected by withdrawal of water	-
G4-EN10	Percentage and total volume of water recycled and reused	→ Effective Use of Water Resources
Biodiversity		
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	→ Activities Related to the Conservation of Biodiversity
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	→ Activities Related to the Conservation of Biodiversity
G4-EN13	Habitats protected or restored	→ Activities Related to the Conservation of Biodiversity
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	-
O Emissions		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	→ Energy Conservation and Prevention of Climate Change
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	→ Energy Conservation and Prevention of Climate Change
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	→ Energy Conservation and Prevention of Climate Change
G4-EN18	Greenhouse gas (GHG) emissions intensity	→ Energy Conservation and Prevention of Climate Change
G4-EN19	Reduction of greenhouse gas (GHG) emissions	→ Energy Conservation and Prevention of Climate Change
G4-EN20	Emissions of ozone-depleting substances (ODS)	Complete elimination
G4-EN21	NOX, SOX, and other significant air emissions	→ Energy Conservation and Prevention of Climate Change

O Effluents and Waste		
G4-EN22	Total water discharge by quality and destination	→ Effective Use of Water Resources
G4-EN23	Total weight of waste by type and disposal method	→ Waste Reduction and Recycling Measures
G4-EN24	Total number and volume of significant spills	→ Environmental Risk Management
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention <sup>2</sup> Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	-
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	-
Products and Services		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	→ Environmentally Friendly Products
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	→ Environmentally Friendly Products
Compliance		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	→ Environmental Risk Management
Transport		
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	→ Energy Conservation and Prevention of Climate Change
Overall		
G4-EN31	Total environmental protection expenditures and investments by type	→ Environmental Accounting
O Supplier Environmental Assessment		
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	→ Supply Chain Management → Promotion of Green Procurement
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	→ Supply Chain Management → Promotion of Green Procurement


Environmental Grievance Mechanisms		
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	<a href="#">→ Thorough Legal Compliance</a> <a href="#">→ Approaches to Raising Customer Satisfaction Levels</a>
Social		
Labor Practices and Decent Work		
Employment		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	<a href="#">→ Careers</a> 
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	-
G4-LA3	Return to work and retention rates after parental leave, by gender	-
Labor/Management Relations		
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	-
Occupational Health and Safety		
G4-LA5	Percentage of total workforce represented in formal joint management — worker health and safety committees that help monitor and advise on occupational health and safety programs	<a href="#">→ Approaches to Stimulating Communication(Approach to Labor-Management Relations)</a>
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of workrelated fatalities, by region and by gender	<a href="#">→ Approaches to Occupational Health and Safety</a>
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	<a href="#">→ Approaches to Occupational Health and Safety</a>
G4-LA8	Health and safety topics covered in formal agreements with trade unions	<a href="#">→ Approaches for Health Enhancement</a>
○ Training and Education		
G4-LA9	Average hours of training per year per employee by gender, and by employee category	<a href="#">→ Advancing Kyocera Philosophy Education</a> <a href="#">→ Cultivation of Human Resources</a>
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	<a href="#">→ Cultivation of Human Resources</a>
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	<a href="#">→ Advancing Kyocera Philosophy Education</a> <a href="#">→ Cultivation of Human Resources</a>

○ Diversity and Equal Opportunity		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	→ Respect for Diversity / Work-Life Balance
○ Equal Remuneration for Women and Men		
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	No discrimination with regard to male and female compensation within the same category
○ Supplier Assessment for Labor Practices		
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	→ Supply Chain Management
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	→ Supply Chain Management
Labor Practices Grievance Mechanisms		
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	→ Thorough Legal Compliance → Approaches to Raising Customer Satisfaction Levels
Human Rights		
Investment		
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	→ Respect for Human Rights and Diversity → Supply Chain Management
Non-discrimination		
G4-HR3	Total number of incidents of discrimination and corrective actions taken	-
Freedom of Association and Collective Bargaining		
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	→ Respect for Human Rights → CSR Deployment in the Supply Chain
Child Labor		
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	→ Respect for Human Rights → CSR Deployment in the Supply Chain

Forced or Compulsory Labor		
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	<ul style="list-style-type: none"> <li>➔ Respect for Human Rights</li> <li>➔ CSR Deployment in the Supply Chain</li> </ul>
Security Practices		
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	-
Indigenous Rights		
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	-
Assessment		
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	<ul style="list-style-type: none"> <li>➔ Advancing Kyocera Philosophy Education</li> <li>➔ Cultivation of Human Resources</li> </ul>
O Supplier Human Rights Assessment		
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	-
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	➔ Supply Chain Management
Human Rights Grievance Mechanisms		
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	<ul style="list-style-type: none"> <li>➔ Thorough Legal Compliance</li> <li>➔ Approaches to Raising Customer Satisfaction Levels</li> </ul>
Society		
Communities		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	<ul style="list-style-type: none"> <li>➔ Green Communication</li> <li>➔ Social Contribution Activities</li> </ul>
G4-SO2	Operations with significant actual or potential negative impacts on local communities	➔ Environmental Risk Management
Anti-corruption		
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	<ul style="list-style-type: none"> <li>➔ Internal Control Audits of the Kyocera Group</li> <li>➔ Thorough Legal Compliance</li> </ul>
G4-SO4	Communication and training on anti-corruption policies and procedures	➔ Thorough Legal Compliance
G4-SO5	Confirmed incidents of corruption and actions taken	-

Public Policy		
G4-SO6	Total value of political contributions by country and recipient/beneficiary	→ Thorough Legal Compliance
Anti-competitive Behavior		
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Not applicable
Compliance		
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Not applicable
O Supplier Assessment for Impacts on Society		
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	→ Supply Chain Management
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	→ Supply Chain Management
Grievance Mechanisms for Impacts on Society		
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	→ Thorough Legal Compliance → Approaches to Raising Customer Satisfaction Levels
Product Responsibility		
Customer Health and Safety		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	→ Efforts to Ensure Product Safety
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	-
Product and Service Labeling		
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	→ Thorough Legal Compliance
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	-
G4-PR5	Results of surveys measuring customer satisfaction	-



Marketing Communications		
G4-PR6	Sale of banned or disputed products	-
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	-
Customer Privacy		
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Not applicable
Compliance		
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	<a href="#">Information</a> 

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Core Subjects	Issues	References
Organizational Governance	-	<ul style="list-style-type: none"> <li>→ <a href="#">Top Management Message</a></li> <li>→ <a href="#">Kyocera Group Corporate Social Responsibility (CSR)</a></li> <li>→ <a href="#">Corporate Governance</a></li> </ul>
Human Rights	<ol style="list-style-type: none"> <li>1. Due diligence</li> <li>2. Human rights risk situations</li> <li>3. Avoidance of complicity</li> <li>4. Resolving grievances</li> <li>5. Discrimination and vulnerable groups</li> <li>6. Civil and political rights</li> <li>7. Economic, social and cultural rights</li> <li>8. Fundamental principles and rights at work</li> </ol>	<ul style="list-style-type: none"> <li>→ <a href="#">Respect for Human Rights and Diversity</a></li> <li>→ <a href="#">Risk Management and Compliance</a></li> <li>→ <a href="#">Supply Chain Management</a></li> </ul>
Labour Practices	<ol style="list-style-type: none"> <li>1. Employment and employment relationships</li> <li>2. Conditions of work and social protection</li> <li>3. Social dialogue</li> <li>4. Health and safety at work</li> <li>5. Human development and training in the workplace</li> </ol>	<ul style="list-style-type: none"> <li>→ <a href="#">Respect for Human Rights and Diversity</a></li> <li>→ <a href="#">Cultivation of Human Resources</a></li> <li>→ <a href="#">Building a Safe &amp; Secure Work Environment</a></li> </ul>
The Environment	<ol style="list-style-type: none"> <li>1. Prevention of pollution</li> <li>2. Sustainable resource use</li> <li>3. Climate change mitigation and adaptation</li> <li>4. Protection of the environment, biodiversity and restoration of natural habitats</li> </ol>	<ul style="list-style-type: none"> <li>→ <a href="#">Kyocera Group Environmental Basic Philosophy and Policy</a></li> <li>→ <a href="#">Green Management</a></li> <li>→ <a href="#">Green Products</a></li> <li>→ <a href="#">Green Factories</a></li> <li>→ <a href="#">Green Communication</a></li> </ul>
Fair Operating Practices	<ol style="list-style-type: none"> <li>1. Anti-corruption</li> <li>2. Responsible political involvement</li> <li>3. Fair competition</li> <li>4. Promoting social responsibility in the value chain</li> <li>5. Respect for property rights</li> </ol>	<ul style="list-style-type: none"> <li>→ <a href="#">Promotion of Green Procurement</a></li> <li>→ <a href="#">Risk Management and Compliance</a></li> <li>→ <a href="#">Supply Chain Management</a></li> </ul>

Consumer Issues	<ol style="list-style-type: none"> <li>1. Fair marketing, factual and unbiased information and fair contractual practices</li> <li>2. Protecting consumers' health and safety</li> <li>3. Sustainable consumption</li> <li>4. Consumer service, support, and complaint and dispute resolution</li> <li>5. Consumer data protection and privacy</li> <li>6. Access to essential services</li> <li>7. Education and awareness</li> </ol>	<ul style="list-style-type: none"> <li>→ Promotion of Green Procurement</li> <li>→ Risk Management and Compliance</li> <li>→ Supply Chain Management</li> <li>→ Customer Concerns</li> </ul>
Community Involvement and Development	<ol style="list-style-type: none"> <li>1. Community involvement</li> <li>2. Education and culture</li> <li>3. Employment creation and skills development</li> <li>4. Technology development and access</li> <li>5. Wealth and income creation</li> <li>6. Health</li> <li>7. Social investment</li> </ol>	<ul style="list-style-type: none"> <li>→ Green Communication</li> <li>→ Social Contribution Activities</li> </ul>



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