



Notes: This is an English translation of the Japanese original. This translation is prepared for the reference and convenience solely for those who do not use Japanese. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Certain of the statements made in this document are forward-looking statements, which are based on our current assumptions and beliefs in light of the information currently available to us. Please refer to "Cautionary Statements with respect to Forward-Looking Statements" on the last page.

In this document, the year ended March 31, 2025 is referred to as "Fiscal 2025", the year ending March 31, 2026 is referred to as "Fiscal 2026" and three months ended/ending June 30 is referred to as "1Q." Other fiscal years and quarterly periods are referred to in a corresponding manner.

Progress Update

Strategic Business Transformation Project

February 3, 2026
Kyocera Corporation

1. Overview of the Project

Hideo Tanimoto

President, Representative Director

2. Strengthening Business Portfolio Management

Same as above

2-1. Components Businesses

Shiro Sakushima

Director, Senior Managing Executive Officer

2-2. Solutions Business

Norihiro Ina

Director, Senior Managing Executive Officer

3. Promoting Capital Strategies

Hiroaki Chida

Director, Managing Executive Officer

4. Strengthening Corporate Governance

Hideo Tanimoto

President, Representative Director

5. Upcoming Schedule

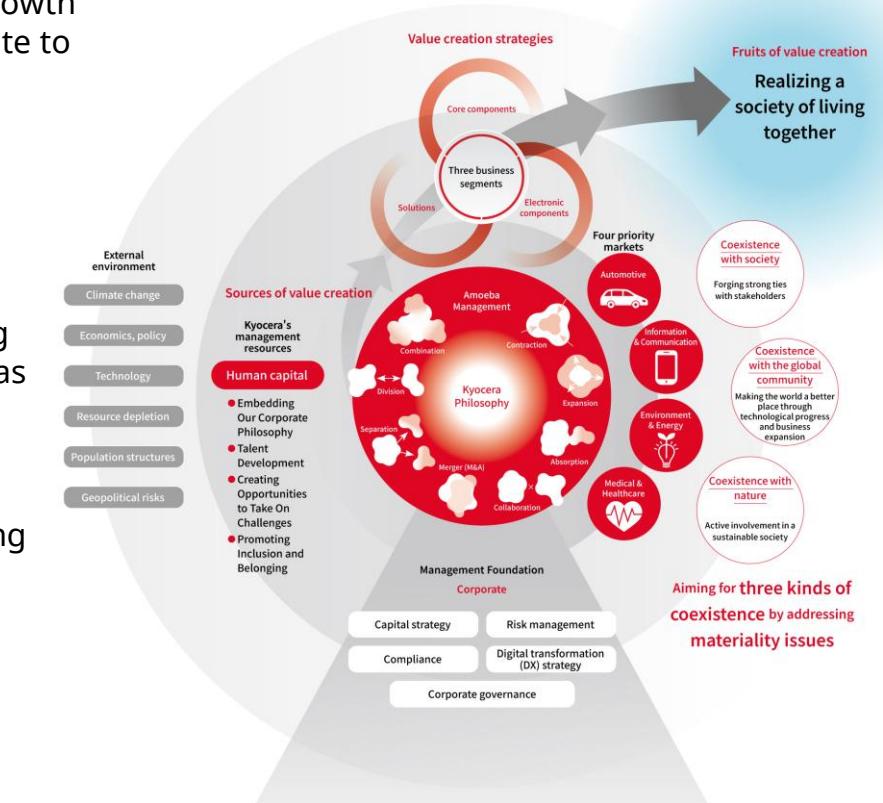
Same as above

1. Overview of the Project

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.

<Value Creation Stories>



What We Aim to Be

Becoming “The Company” and gaining the respect of the world

Kyocera Group strives to address social issues by embracing the “Kyocera Philosophy,” which upholds “Do what is right as a human being” as its core standard of judgement.

Following are the three centered-elements.

<Management by All>

Blazing a path to the future, with every member embracing manager's consciousness

<Challenge and Creativity>

Contribute to the future of society through business development by always taking on new challenges

<Solid Corporate Philosophy (“Kyocera Philosophy”)>

Members continue to grow, elevate their character and even enhance the corporate identity

Divide the management reform period into two and steadily implement initiatives to improve ROE, which is our major management challenge

Until Fiscal 2025

- Invested aggressively to achieve the long-term target of 3 trillion yen-sales revenue
- Performance declined, due mainly to weak demand in semiconductor-related markets and automotive-related markets (resulting in shortfall of current mid-term management target)
- Recognized necessity of management reforms, including revision of management targets**

Fiscal 2025
Result
ROE 0.7%

Fiscal 2026-2028

Reorganize management foundation

Fiscal 2026
Forecast
ROE 3.6%

Fiscal 2028
Target
ROE 5.0%
or more

Fiscal 2029-2031

Promote business growth

Fiscal 2031
Target
ROE 8.0%
or more

Future Target
ROE
10.0%
or more

Aiming to surpass
the record-high market
capitalization of
approx. 5 trillion yen

Inorganic growth

Organic growth

Continuous optimization of capital structure

Three reforms to achieve continuous improvement of ROE

1. Business Portfolio Management

Shift management policy to emphasize investment efficiency

Reorganize business portfolio according to business characteristic of each reporting segment

- Select growth areas and establish investment strategies based on ROIC as the key criterion
- Establish internal process to assure disciplined growth strategies

2. Capital Strategies

Pursue capital optimization

Implement capital strategies that enhance capital efficiency

- Continuous reduction of cross-shareholdings and management of shareholders' equity through shareholder returns
- Optimize our capital structure through measures including the use of leverage

3. Corporate Governance

Separate supervision and execution

Transition to a company with an Audit & Supervisory committee

- Transition to monitoring board with a majority of Outside Directors
- Enhance discussions on management visions to achieve mid- to long-term improvement of corporate value

2. Strengthening Business Portfolio Management

Aim to increase corporate value by contributing to solving challenges of customers as well as society using unique technologies

Components Businesses

(Core Components Business / Electronic Components Business)

Drive mid- to long-term growth

- Utilize technological capabilities and strong customer-base fostered in our original business area, the fine ceramics
- Increase market share mainly in advanced semiconductors and mobility markets, and improve profitability

✓ **Transform into a business portfolio optimized to provide high-value-added customized products and solutions that contribute to solving customers' challenges**

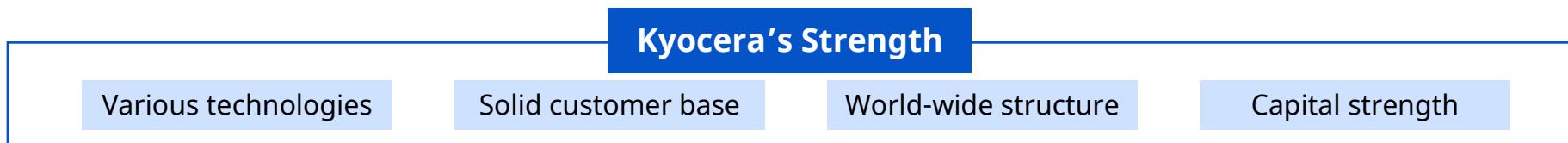
Solutions Business

Consistently generate stable profit

- Create innovation by taking advantage of various line-up of products and services
- Transform into a business portfolio emphasizing "co-creation of values with customers"

✓ **Transform into a business centering "Products X Experience Value Approach"; fusing high-quality and high- performance manufacturing and service that contribute to solving customers' challenges**

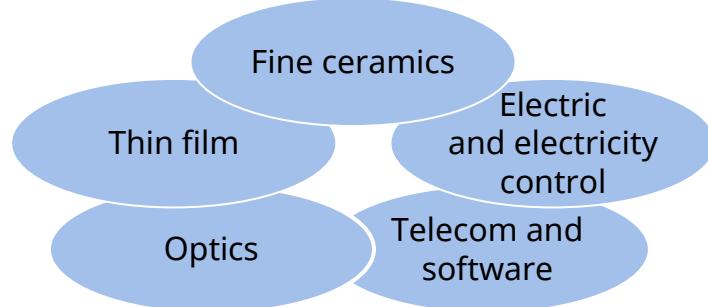
Utilize Kyocera's strength in both organic and inorganic growth strategies



Organic Growth Strategies

Make multifaceted integration of technologies a source of competitiveness and concentrate management resources in key areas

The five core technologies



Inorganic Growth Strategies

Focus M&As in areas where it is capable to strengthen Kyocera's technological capabilities and competitiveness

Areas of consideration

- Where growth of market share as well as profits are expected through synergies with core technologies
- Where providing new solutions are expected by combining products and services

Cooperation with target companies

- Support creation of new business and business reform
- Respect independence and value prosperous coexistence

Initiate business evaluation based on ROIC from fiscal 2027

Business Evaluation Methods

Quantitative
Criteria

ROIC * Kyocera ROIC

$$= \frac{\text{Business profit after tax}}{\text{Invested capital}}$$

Qualitative
Criteria

Business potential, sustainability, competitiveness and market attractiveness, etc.

Operation

Task of
Management

Devise company-wide plan and manage business portfolio

- Set areas of growth and focus
- Evaluate business portfolio based on ROIC and devise strategies

Task of
Business
Departments

Devise business plan and manage its progress

- Devise plan focusing on profitability and investment efficiency
- Manage business based on amoeba management system

Enhance the monitoring system

Reorganize the organization responsible for monitoring from a company-wide perspective

Mainly promote profitability improvement of existing businesses and reform of internal structures until fiscal 2028

Items Implemented During Fiscal 2026

Profitability improvement of existing businesses

- Optimize business size of the Organic Packages and Boards Business
- Technological and physical support to KAVX from Kyocera Corp.

Business portfolio restructuring amounting to approx. 200 billion yen- sales revenue size

- Transfer of the silicon diode power semiconductor business
- Divestment of SouthernCarlson, Inc.
- Transfer of the chemical business

Organization structure reform to concentrate on focus areas

- SPE components-related divisions
- Automotive systems-related divisions

Items to Implement in Fiscal 2027-2028

- ✓ Improve ROIC by thoroughly implementing profitability improvement initiatives in each reporting segment
- ✓ Achieve 5% ROE by concurrently implementing capital strategies

- ✓ Materialize mid-term growth strategies based on business evaluation centered on ROIC
- ✓ Consistently conduct business portfolio review based on clear criteria

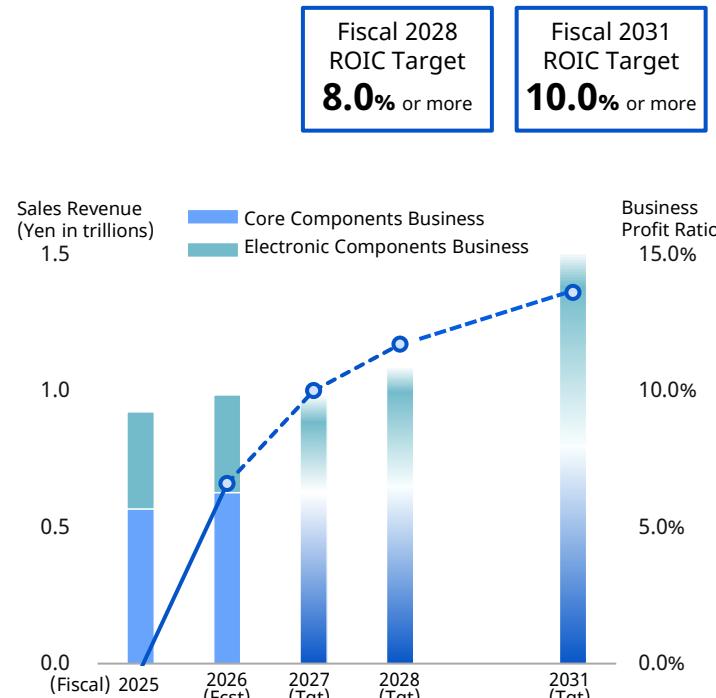
- ✓ Reorganize organization responsible of strategy planning and related processes from the viewpoint of technology and marketing
- ✓ Continuously consider company-wide personnel composition

2-1. Components Businesses

(Core Components Business and
Electronic Components Business)

Conduct structural reforms based on technologies and enhance competitiveness

<Performance Target of the Components Businesses>



Fiscal 2026-2028

Aim early achievement of two-digit business profitability

Fiscal 2029-2031

Enter new stage of growth by collaborating strengths

Organic growth of core businesses

- Enhancement of SPE-related business's organizational strength (consolidate organization and strengthen development)
- Consolidation into the Automotive Systems Business
- Order expansion by providing solutions to power circuit-related challenges for AI applications

Enhance productivity

- Launch smart-factory operations at Nagasaki Isahaya Plant
- Personnel and technological support to KAVX Thai Plant from Kyocera Corp.

M&As and organization reforms

- Consider inorganic growth mainly in the Electronic Components Business
- Conduct routine business portfolio review

Strengthen existing businesses

Combine various strength

Drive business growth by expanding to advanced semiconductors and its surrounding areas as well as mobility areas

Advanced Semiconductors and Areas Around

Ceramic and optical components for SPE

Introduce products that address miniaturization and high-layer stacking demands

- High-market share fine ceramic structural components
- Products for lithography and etching process as well as electrostatic chucks
- High-end optical components for inspection equipment

Packages for high-speed communication

Develop component that address high-speed communication demands

- Ceramic packages for optical communications
- MEMS optical switches
- Organic packages for high-speed communication

Capacitors

Launch products that address to unique high-value-added areas

- MLCCs: high performance customized products for AI servers
- Tantalum capacitors: polymer-type products for AI servers

Mobility Areas

AD and ADAS related

Pursue synergies

- Integrated the Displays Business and the Automotive Components Business (conducted in Jan. 2026)

Strengthen relationship with major Tier 1 customers

- Expand product lineup for sensing camera applications towards the practical implementation of autonomous driving

Utilize Kyocera unique technologies

- Cooperate with major OEMs to develop ITS* modules and systems

*ITS: intelligent transport systems

ICE related

Components for ICE, e.g. O₂ sensors

- Pursue the advantage of the remaining players and assess market trend

Aim for growth by capturing robust demand in advanced semiconductors and related areas by using our unique and diverse product portfolio

Semiconductor Manufacturing Process



Sapphire windows

Wafer hands

Stages for exposure

Electrostatic chucks

Semiconductor Devices



Advanced FC-BGAs

Ceramic core materials
(under development)Passive-component-embedded
substrates and MLCCs

Data Centers



FC-BGAs for communications

Ceramic PKGs for
optical communications

Tantalum capacitors

Clock OSCs for
optical transceivers

Optical connectors

Edge AI Devices

PKGs for CMOS image
sensors

PKGs for SMDs

Ultra miniature MLCCs

Low-power crystal clock OSCs

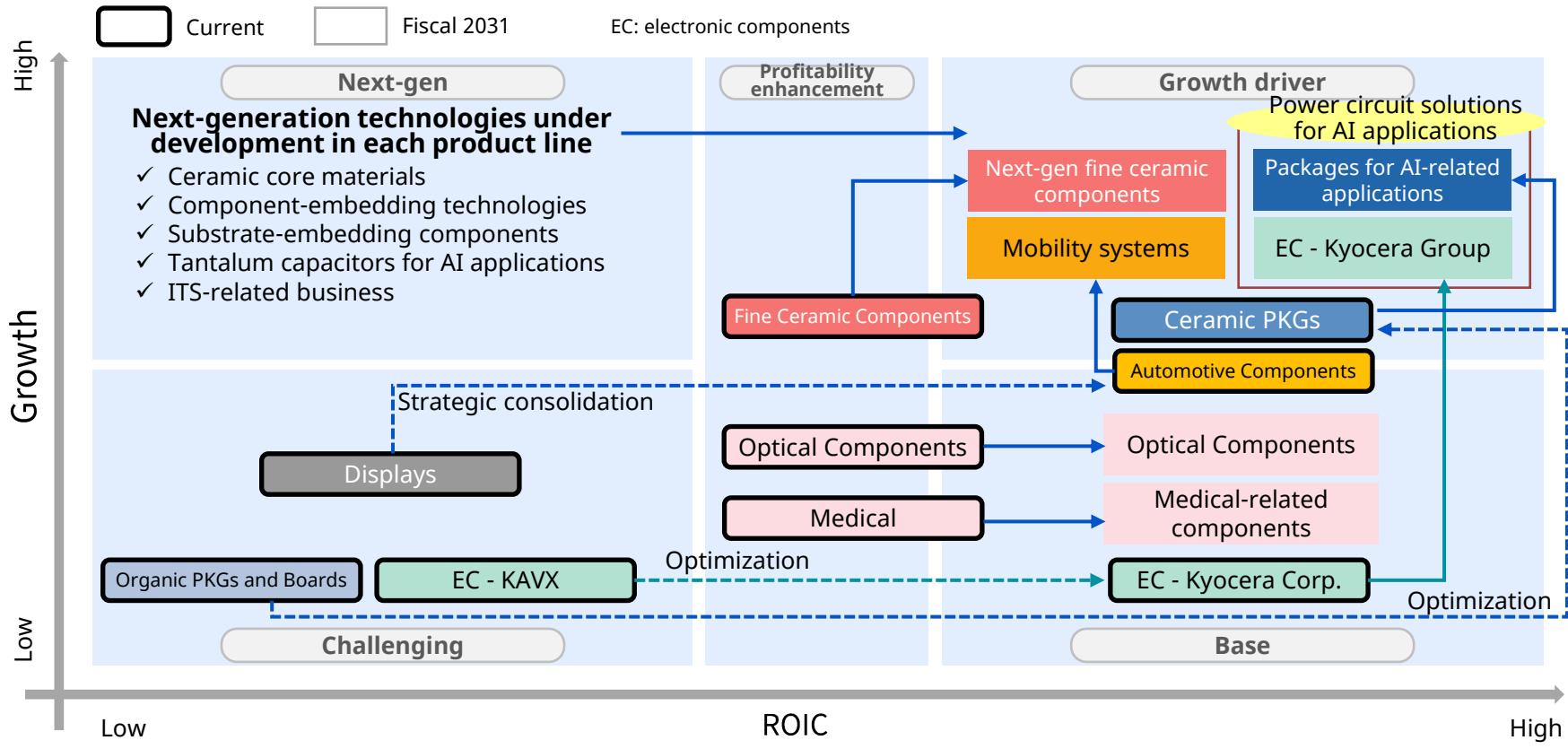
MEMS

PKG: package / SMD: surface mounted device / OSC: oscillator

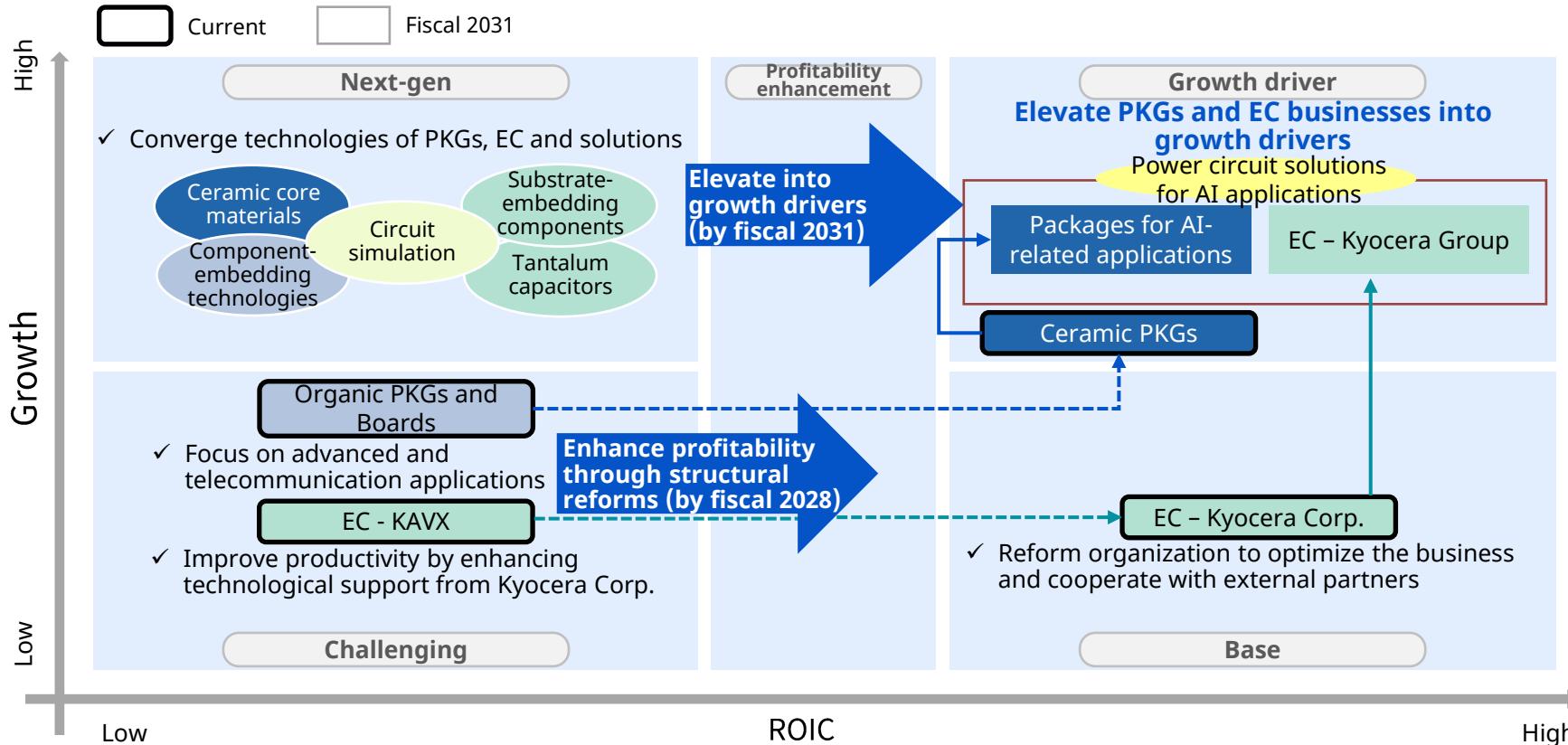
Core Components
BusinessElectronic Components
Business

Deliver optimal solutions for future technological challenges in advanced semiconductor-related areas with a product portfolio spanning packages for semiconductors, passive components, connectors, and OSCs, in addition to components for advanced SPE

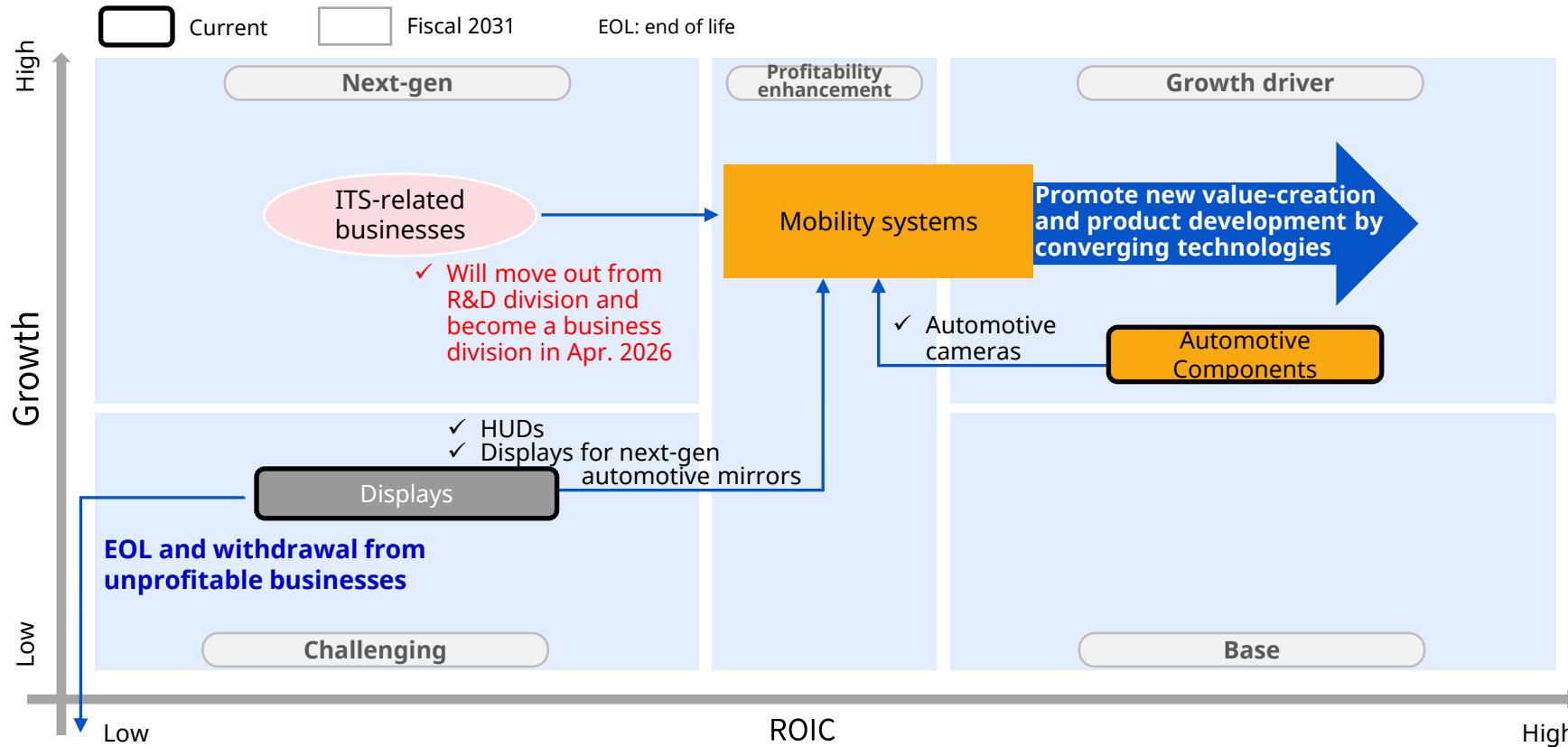
Transform into high-growth, highly-profitable business portfolio



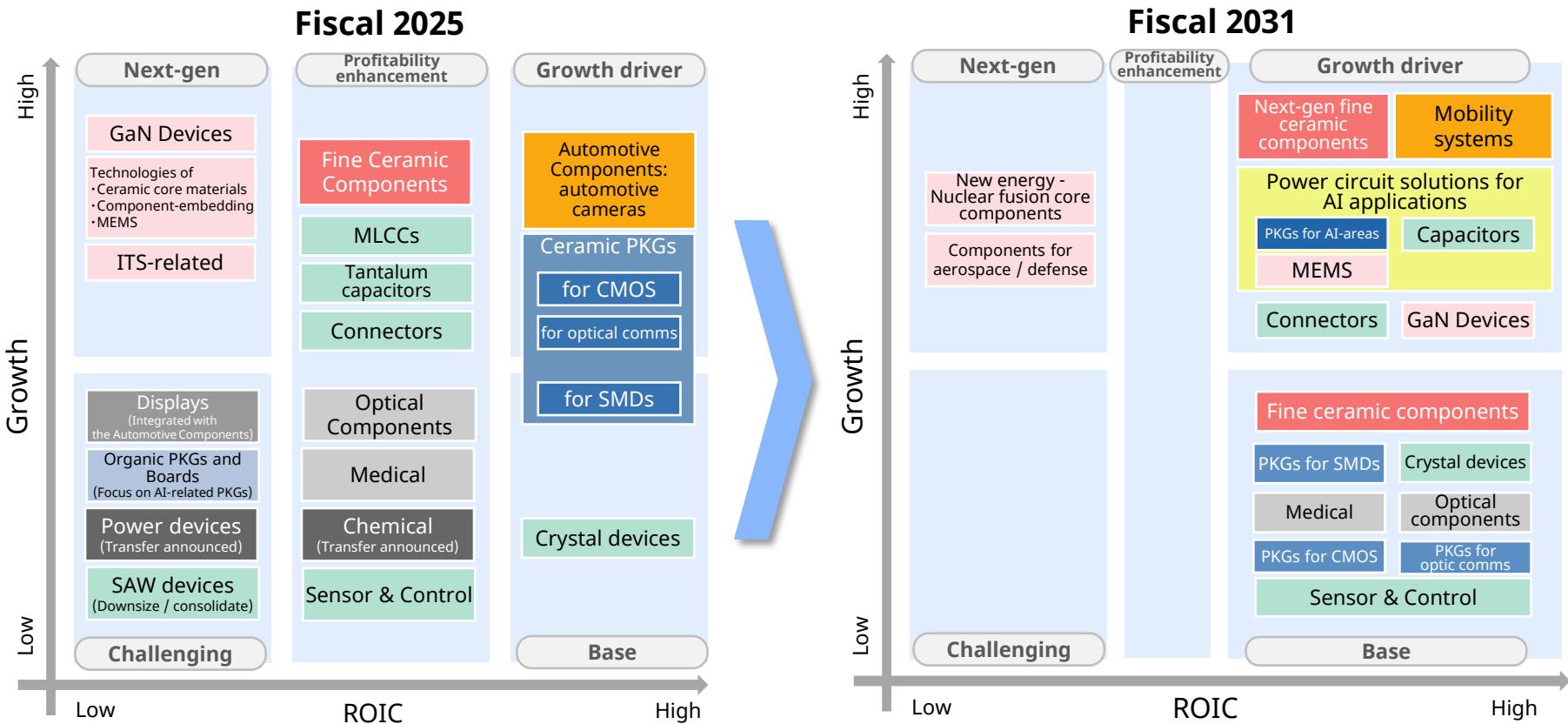
Drive growth of PKGs and EC businesses with power circuit solutions for AI applications



Drive business growth by consolidating mobility systems business as well as by leveraging telecommunication technologies



Aim to achieve high-growth and highly profitable business portfolio by pursuing structural reforms and commercialization of next-gen technologies

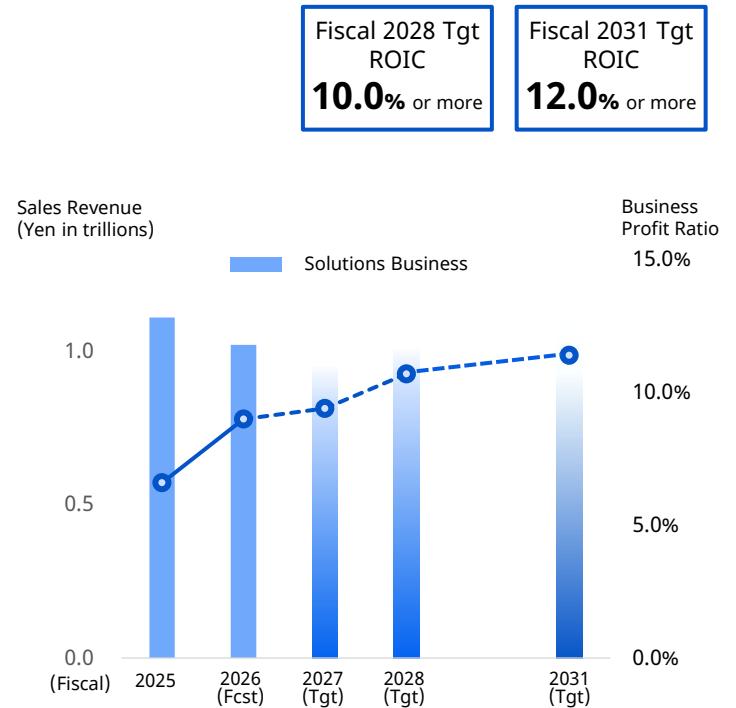


2-2. Solutions Business

Divide the management reform period into two and steadily implement initiatives to improve ROE, which is our major management challenge

<Performance Target of the Solutions Business>

Fcst: forecast / Tgt: target



Fiscal 2026-2028

Achieve double-digit business profitability

Expand sales of high-margin products

- Launch new high-margin information equipment and strengthen sales structure
- Shift resources into growth-driving businesses or focus markets of other businesses

Promote cost reduction and productivity improvement

- Manufacture components in-house as well as change materials
- Expand smart factory
- Improve yield by strengthening manufacturing

Withdraw from or downsize unprofitable businesses

Lay foundation for the “Products X Experience Value Approach”

Fiscal 2029-2031

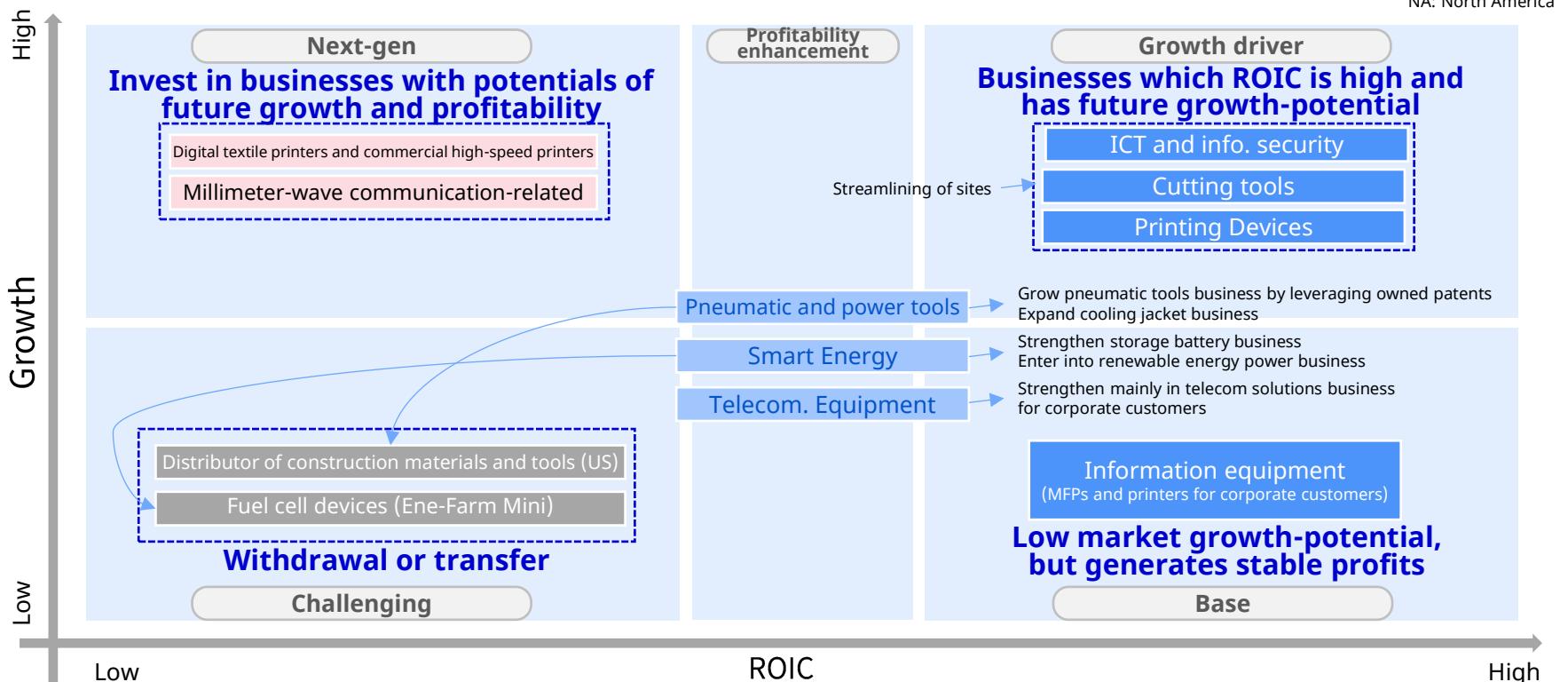
Promote business growth

Promote “Products X Experience Value Approach”

Target business growth and profitability improvement by maximizing values provided to customers through continuous support to customers' success by collaborating products as well as added-values from worthwhile information, services, etc.

Roll out the “Products X Experience Value Approach”

Business portfolio with a priority on profitability enhancement



Possess technological and sales capability to promote the “Products X Experience Value Approach”

Core technologies of the Solutions Business				
EM: electrode materials				
Material	Thin film	Machinery	Electricity and communication	Software
EM for storage batteries	PVC and CVD coatings	Small high-power brushless motors	ASIC designs	
Organic drums		Long-life printer designs	Engine control and image processing AIs	
Toner, ink			Construction function of wireless base stations and solar power plants	
Composite material (Cermet)	Amorphous silicon films	High-density ink fluid channel designs	IoT and cloud integrations	
Large thin-film piezo actuators				
Structural ceramics	Formation of resistance films and protection films	Design and manufacturing of rugged terminals	Wireless telecommunications	Building Android Apps
Single-crystal growth				

Global sales channel and IoT connectivity status

- Possess global sales channel and marketing network; provide products and services in over 170 countries and regions



- Kyocera's equipment and systems all over the world are connected to the Internet as IoT devices



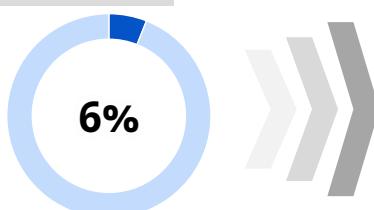
Possess the base necessary to increase “Product x Experience Value Approach,” a key to business growth

Maximize profit size by raising the sales ratio of the “Products X Experience Value Approach” to 30% or more

Target Ratio of the “Products X Experience Value Approach”*1

Fiscal 2026 Forecast

Sales revenue



Fiscal 2031 Target

“Products X Experience Value Approach”
30%

Examples of “Products X Experience Value Approach” currently promoted

- Managed print service: Consistently optimize printing environment in offices
- Virtual power plant: Optimize power supply and demand by virtually integrating dispersed energy

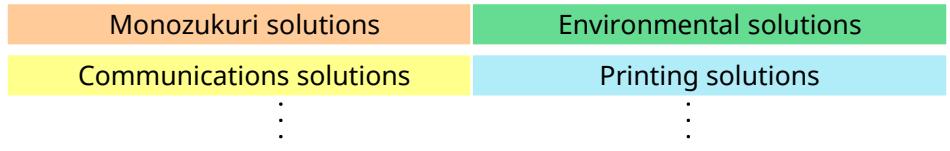
Business profit

8%

“Products X Experience Value Approach”
40%

Build business foundation for the “Products X Experience Value Approach”

Customers from various types of businesses



Data*2 from diverse businesses
as a Source

*2 data from IoT equipment and behavioral data

Optimized for each customer
Solutions lead by “Products X Experience Value Approach”

Business foundation for the “Products X Experience Value Approach”

Analyze → Visualize → Optimize design → Propose → Support ongoingly
Utilize built algorithms across diverse businesses

Train professionals

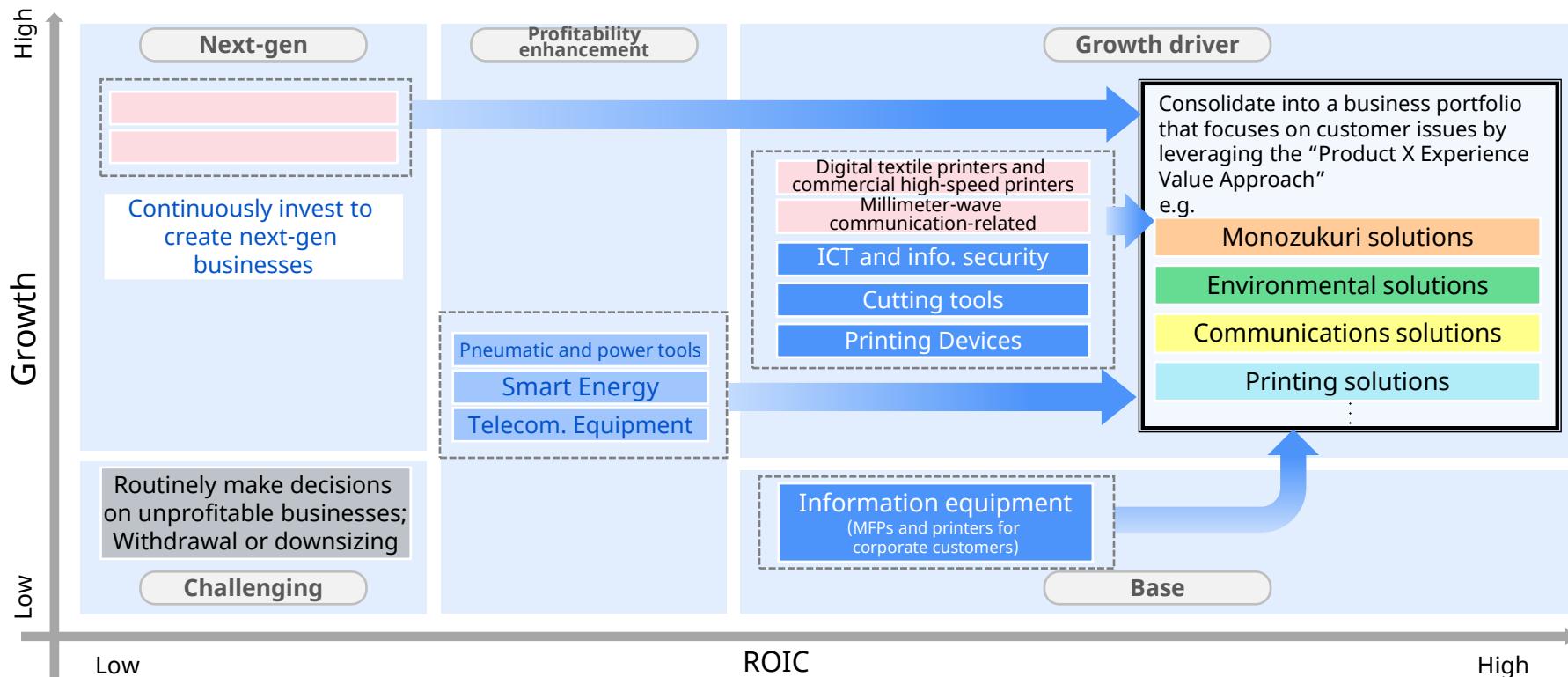
Develop specialized tools

Design the solution-development process

AI-utilization platform

*1 High-added-value business by providing solutions that address customers' challenges

Maximize business growth and profit through business portfolio transformation with the “Product X Experience Value Approach”



3. Promoting Capital Strategies

Cross-shareholdings Reduction Plan

Amount of KDDI shares to be sold

Fiscal 2026

250 billion yen
(approx.)

Fiscal 2027

250 billion yen
(approx.)

- From fiscal 2028 onward, the amount to be sold will be determined at a level commensurate with our medium-term funding needs and shareholder returns.

Future target

- Ratio of cross-shareholdings to net assets

Fiscal 2025

51.6%

End of
fiscal 2026 3Q

43.7%

Around the end of
fiscal 2031

Less than **20.0%**

(Above two targets have been set based on the share prices as of the end of fiscal 2026 3Q)

Shareholder Returns

Share repurchases

Fiscal 2026 (Plan)

200 billion yen

Fiscal 2027 and 2028
Maximum of
500 billion yen in total

- From fiscal 2029 onward, share repurchases planned in balance with growth investments for ROE improvement.

Dividend policy

- **Plan to adopt DOE** as the standard of dividend policy from fiscal 2027, replacing the current standard of payout ratio
- By adopting DOE as the standard, **progressive dividend policy will be formalized**, aiming to maintain stable dividend and improve dividend levels over the mid- to long-term

Capital Allocation

Strive to balance investments for growth and shareholder returns

Two-year target of fiscal 2027-2028

Note: Figures are approximate.

Operating Cash Flow

750 billion yen

(Before deducting R&D expenses)

Investment in Businesses

700 billion yen

Breakdown

- Capex and investments for growth: 500 billion yen
- R&D expenses: 200 billion yen

Income from Divestment of Shareholdings, Funds from Debt, etc.

600 billion yen

(Scale of debt will be determined based on the progress of sales of shareholdings)

Shareholder Returns, etc.

650 billion yen

Breakdown

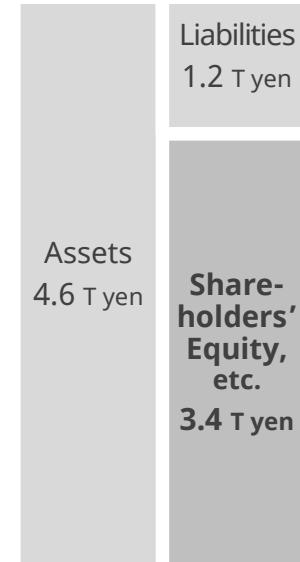
- Share repurchases: maximum of 500 billion yen
- Dividend: 150 billion yen

Capital Structure

Optimize equity to increase corporate value

T Yen: Yen in trillions

End of fiscal 2026 3Q



Target by end of fiscal 2028



Continuously optimize capital from fiscal 2029 onward

(Above targets are calculated based on stock price of cross-shareholdings and exchange rates as of end of fiscal 2026 3Q)

4. Strengthening Corporate Governance

Transition to a company with an Audit & Supervisory Committee

(to be proposed at the 72nd Ordinary General Meeting of Shareholders scheduled for June 2026)

Structure After the Transition

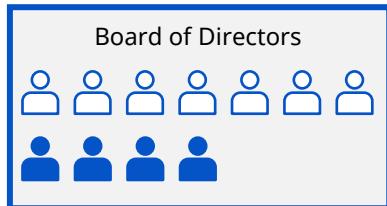
Monitoring board with a majority of Outside Directors

Current: a company with an Audit & Supervisory Board

<Membership>

7 Inside Directors

4 Outside Directors

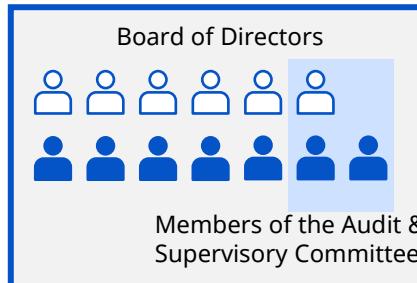


After transition: a company with an Audit & Supervisory Committee

<Membership>

6 Inside Directors

7 Outside Directors



Inside Director
Outside Director

Objective of the Transition

Separating the two functions; supervision and execution

1

Focus further on management decisions from company-wide perspective

2

Prioritize discussions on mid- to long-term management visions

3

Strengthen supervisory function of the Board of Directors

Candidates for Director

(to be proposed at the 72nd Ordinary General Meeting of Shareholders scheduled for June 2026)

Inside Directors



Goro Yamaguchi
Representative Director
Chairman of the Board
Right to Represent



Norihiko Ina
Representative Director
Vice Chairman of the Board
Right to Represent



Shiro Sakushima
Representative Director
President
Right to Represent



Eiji Kakiuchi
Director
(Independent Outside)



Shigenobu Maekawa
Director
(Independent Outside)



Junko Sunaga
Director
(Independent Outside)



Akitoshi Nakamura
Director
(Independent Outside)
Newly Appointed



Hiroaki Chida
Director



Michinori Yamada
Director



Shoichi Aoki
Director

Audit & Supervisory
Committee Member

Outside Directors



Noriko Oi
Director
(Independent Outside)



Minoru Kida
Director
(Independent Outside)

Audit & Supervisory
Committee Member



Michie Kohara
Director
(Independent Outside)

Audit & Supervisory
Committee Member

Reason for selection of the newly appointed Outside Director

- After working as a lawyer and in both private and public investment funds, he currently serves as a representative of an investment fund.
- In addition to his strong expertise, especially in finance and capital policy, he possesses robust management philosophy and a wealth of experience. As Kyocera aims to enhance corporate value by improving profitability and capital efficiency, the company believes he is well qualified and has selected him as a candidate for Outside Director.

Skills matrix of candidates for Director

RD: Representative Director / Chair: Chairman of the Board

No.	Name	Title (Expected)	Corporate Management / Business Strategy	Global Business	Financial Affairs / Accounting / Capital Strategies	Legal Affairs / Compliance / Risk Management	Sales / Marketing / Creation of Business Opportunities	Technology / R&D
1	Goro Yamaguchi	RD, Chair	●	●		●	●	
2	Norihiko Ina	RD, Vice Chair	●	●			●	
3	Shiro Sakushima	RD, President	●	●				●
4	Hiroaki Chida	Director	●	●	●	●		
5	Michinori Yamada	Director		●			●	
6	Eiji Kakiuchi	Director (Independent Outside)	●	●			●	
7	Shigenobu Maekawa	Director (Independent Outside)	●	●	●	●		
8	Junko Sunaga	Director (Independent Outside)	●	●			●	●
9	Noriko Oi	Director (Independent Outside)				●		
10	Akitoshi Nakamura	Director (Independent Outside)	●	●	●	●		
11	Shoichi Aoki	Director		●	●	●		
12	Minoru Kida	Director (Independent Outside)		●	●	●		
13	Michie Kohara	Director (Independent Outside)				●		

(Note) Candidates No.11-13, which rows are colored, are the candidates for Director who is an Audit & Supervisory Committee Member.

◆ Although Kyocera received recommendations from a shareholder when selecting candidates for Director, Kyocera decided on the candidates above after a thorough selection process, including interviews conducted by the Nomination and Remuneration Committee.

5. Upcoming Schedule

Upcoming Schedule

Specific initiatives on today's items will be announced in sequence

Roadmap to enhance corporate value

Items to Be Announced

Fiscal 2026-2028 "Reorganize management foundation"

Fiscal 2028 ROE Target: **5.0%** or more

Components businesses
Fiscal 2028 Target

ROIC **8.0%** or more

Solutions Business
Fiscal 2028 Target

ROIC **10.0%** or more

- Reform R&D structure and process regarding DX investments
- Promote company-wide optimization of personnel composition

Accelerate optimization of shareholders' equity

<Fiscal 2026 4Q Financial Results Release>
Plan to announce planned figure for
fiscal 2027 and fiscal 2028

Fiscal 2029-2031 "Promote business growth"

Fiscal 2031 ROE Target: **8.0%** or more

Components Businesses
Fiscal 2031 Target

ROIC **10.0%** or more

Solutions Business
Fiscal 2031 Target

ROIC **12.0%** or more

- Achieve profitability of new businesses and profit contribution of DX investments
- Formulate competitive organizational structure

Pursue and achieve optimal capital structure

<Fiscal 2027 2Q Financial Results Release>
Plan to announce planned figure to
achieve fiscal 2031 ROE target

Cautionary Statements with respect to Forward-Looking Statements

Certain of the statements made in this document are forward-looking statements, which are based on our current assumptions and beliefs in light of the information currently available to us. These forward-looking statements involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors include, but are not limited to the following:

- (1) General conditions in the Japanese or global economy;
- (2) Unexpected changes in economic, political and legal conditions in countries where we operate or export;
- (3) The effect of foreign exchange fluctuations on our results of operations;
- (4) Intense competitive pressures to which our products are subject;
- (5) Fluctuations in the price and ability of suppliers to provide the required quantity of raw materials for use in our production activities;
- (6) Manufacturing delays or defects resulting from outsourcing or internal manufacturing processes;
- (7) The possibility that future initiatives and in-process research and development may not produce the desired results;
- (8) Companies or assets acquired by us not produce the returns or benefits, or bring in business opportunities;
- (9) Inability to secure skilled employees;
- (10) Damages on our information security systems from cyberattacks, etc. and significant costs in order to recover and maintain the systems;
- (11) Insufficient protection of our trade secrets and intellectual property rights including patents;
- (12) Expenses associated with licenses we require to continue to manufacture and sell products;
- (13) Unintentional conflict with laws and regulations or newly enacted laws and regulations;
- (14) Environmental liability and compliance obligations by tightening of environmental laws and regulations;
- (15) Inability to respond to global climate change problems or delay in such response, which may lead to increased costs and negatively impact our corporate brands;
- (16) Our market or supply chains being affected by plague, infectious diseases, terrorism, wars or similar events;
- (17) Earthquakes and other natural disasters affecting our headquarters and major facilities as well as our suppliers and customers;
- (18) Credit risk on trade receivables;
- (19) Fluctuations in the value of financial instruments held by us;
- (20) Impairment losses on property, plant and equipment, goodwill and intangible assets;
- (21) Uncertainty over income tax and deferred tax assets; and
- (22) Changes in accounting standards.

Due to such risks, uncertainties and other factors, our actual results, performance, achievements or financial condition may be substantially different from any future results, performance, achievements or financial condition expressed or implied by these forward-looking statements.

We undertake no obligation to publicly update any forward-looking statements included in this document.



KYOCERA Corporation