

To All Persons Concerned

Name of Company Listed: Kyocera Corporation

Name of Representative: Hideo Tanimoto, Director and President
(Code number: 6971, TSE Prime Market)

Contact Person: Hiroaki Chida
Executive Officer,
Senior General Manager of Corporate Management Control Group
(Tel: +81-75-604-3500)

Notice Relating to the Disposal of Treasury Stock for Restricted Stock Compensation

Kyocera Corporation (“the Company”) has resolved at the meeting of its Board of Directors held on June 25, 2024 to dispose of treasury stock (“the Disposal”) as the restricted stock compensation as follows.

1. Overview of the Disposal

(1) Disposal date	July 24, 2024
(2) Class and number of shares to be disposed of	Common stock 106,863 shares
(3) Disposal price	1,860 yen per share (Note 1.)
(4) Total value of disposal	198,765,180 yen (Note 2.)
(5) Scheduled subscriber	Total of 31 Directors (*) and Executive Officers 106,863 shares *Excluding Outside Directors

(Note 1.) In the Disposal, the granting 44,999 shares as compensation for the directors’ execution of duties (the “Shares to Directors,” the total value of disposal of such shares is 83,698,140 yen) shall be made by the method in which the Company disposes of the Company’s common stock as remuneration for directors without payment of cash or provision of contributed assets in kind, and the granting 61,864 shares as compensation for the executive officers’ execution of duties (the “Shares to Executive Officers,” the total value of disposal of such shares is 115,067,040 yen) shall be made by the method in which the Company disposes of the Company’s common stock in exchange for the monetary remuneration claims which are provided to them by the Company as contributed assets in kind. The disposal price for the Directors is the fair value of the Company’s common stock related to the Disposal and the disposal price for the Executive Officers is the amount to be paid in under the Companies Act, and both are 1,860 yen, which is the closing price of the Company’s common stock on the Tokyo Stock Exchange on June 24, 2024 (business day preceding the date of the resolution of the Board of Directors).

(Note 2.) The total value of disposal is the sum of the total fair value of the Company’s common stock related to the Disposal and the total amount to be paid in under the Companies Act.

2. Purpose and reason of the Disposal

The Company resolved at the meeting of its Board of Directors held on March 29, 2019, to introduce the Restricted Stock Compensation Plan (“the Plan”) to the Directors of the Company (excluding Outside Directors; the same applies hereinafter) for the purpose of providing the Directors of the Company with incentives to continuously increase the Company’s mid- to long-term corporate value and shareholder value, as well as promoting further shared value with shareholders. At the 65th Ordinary General Meeting of Shareholders held on June 25, 2019, it was approved that, pursuant to the Plan, the Company grants monetary remuneration claims which shall be no more than 100 million yen per year as well as no more than 0.1% of the profit attributable to owners of the parent to the Directors of the Company as the contributed assets in-kind, separate from the existing Directors’ cash remuneration limitation, and that the total number of shares of the Company’s common stock to be issued or disposed of to the Directors based on the Plan shall not exceed 25,000 shares per year, etc.

Then, at the 69th Ordinary General Meeting of Shareholders held on June 27, 2023, it was approved, to revise the Plan partially, that as the method of granting restricted stock based on the Plan, the Company may use the method in which the Company’s common stock is issued or disposed of as remuneration for directors without payment of cash or provision of contributed assets in kind, in addition to the method in which the Company’s common stock is issued or disposed of in exchange for provision of monetary remuneration claims.

In addition, the Company also introduces the same compensation plan to the Executive Officers of the Company for the purpose of providing the Executive Officers of the Company with incentives to continuously increase the Company’s mid- to long-term corporate value and shareholder value, as well as promoting further shared value with shareholders.

In light of the above, the Company has resolved at the meeting of its Board of Directors held today to grant 106,863 shares of the Company’s common stock to total of 31 Directors and Executive Officers (the “Eligible Officers”) taking the purpose of the Plan, the business performance of the Company, the scope of the work responsibility of each Eligible Officer and other circumstances into consideration. For the Shares to Executive Officers, the Company grants monetary remuneration claims in a total amount of 115,067,040 yen as contributed assets in kind of the Disposal.

<Overview of Allocation Agreement>

The Company and the Eligible Officers will individually execute the Allocation Agreement accompanied by the Disposal, and the overview of the Allocation Agreement is as follows.

(1) Restriction period

The Eligible Officer shall not transfer, create security interest on, or otherwise dispose the allocated common stock of the Company (the “Allocated Shares”) during a period from July 24, 2024 (Disposal date) to the date such Eligible Officer resigns or retires from the position as the Director or the Executive Officer (if the moment immediately following three months after the end of the fiscal year that includes the date of delivery of the Allocated Shares is later than such date of resignation or retirement, then the moment).

(2) Conditions for cancelling transfer restriction

On the condition that the Eligible Officer continuously serves the position as the Director or the Executive Officer of the Company from the starting date of the restriction period (i) to the date of the Ordinary General Meeting of Shareholders to be held in the following year (in case the Shares to Directors), or (ii) to March 31, 2025 (in case the Shares to Executive Officers) (collectively the “Service Period”), the Company will cancel the transfer restriction regarding all Allocated Shares at the time of expiration of the transfer restriction period; provided, however, that, if the Eligible Officer resigns or retires from the position as the Director or the Executive Officer of the Company during the Service Period due to death or other reasons deemed legitimate by the Board of Directors, the Company will cancel, on the day following the date of resignation or retirement, the transfer restriction regarding the Allocated Shares in a quantity that rationally adjusted in accordance with the period to the date of resignation or retirement.

(3) Acquisition of Allocated Shares by the Company without compensation

The Company will acquire the Allocated Shares, for which the transfer restriction has not been cancelled under (2) above as of the expiration of the restriction period, as a matter of course, without any compensation.

(4) Management of shares

During the restriction period, the Allocated Shares will be managed in a dedicated account of the restricted stock opened by the Eligible Officers in Daiwa Securities Co. Ltd. so that the Eligible Officers cannot transfer, create security interest on, or otherwise dispose the Allocated Shares during the restriction period.

(5) Measures to be taken upon organizational restructuring, etc.

In the event a merger agreement in which the Company will become the absorbed company, a stock exchange agreement or a stock transfer plan in which the Company will become the wholly-owned subsidiary, or any other matter related to organizational restructuring, etc., is approved in the General Meeting of Shareholders (or if approval in the General Meeting of Shareholders is not required in relation to such organizational restructuring, then the Board of Directors’ meeting) during the restriction period, the Company will cancel the transfer restriction based on the resolution of the Board of Directors immediately before the business day preceding the effective date of such organizational restructuring, etc. for the Allocated Shares in a quantity obtained by multiplying the number, which is obtained by dividing the number of months (i) from July 2024 (in case the Shares to Directors), or (ii) from April 2024 (in case the Shares to Executive Officers) to the month including the approval date of the said organizational restructuring, etc., by 12 (if this number exceeds 1, then this number shall be deemed to be 1), by the number of Allocated Shares (if any fraction less than 1 share unit arises as a result of the calculation, such fraction shall be rounded down). At the time immediately after the cancelling transfer restriction, the Company shall acquire the Allocated Shares for which the transfer restriction has not been cancelled, as a matter of course, without any compensation.

3. Basis of calculation of paid-in amount and specific details thereof

The Shares to Executive Officers in the portion of the Disposal will be carried out with the monetary remuneration claims to be paid to the Executive Officers as the contributed assets in kind, and the amount paid per share is 1,860 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on June 24, 2024 (business day preceding the date of the resolution of the Board of Directors), in order to adopt a price that excludes arbitrariness. This price is the market value immediately preceding the date of the resolution of the Board of Directors, and is a reasonable price that properly reflects the Company's corporate value in a state where there are no special circumstances under which the foregoing price is not relied upon the most recent stock price, and does not fall within a price that is excessively advantageous for the Executive Officers.