

OASIS

Oasis Intends to Vote Against Kyocera's Top Management at the Upcoming AGM

**Kyocera has been facing chronic underperformance, with its stock price remaining depressed over the long-term and profitability continuing to deteriorate sharply*

**Although Kyocera has announced certain management reform initiatives, they fall far short of the necessary fundamental changes needed to transform the Company*

**On May 14, Oasis released a "Seven-Point Plan" calling for more substantive reforms at Kyocera, including the acceleration of non-core business divestitures and improvements to the Company's inefficient capital structure*

**However, Kyocera has so far failed to address the "Seven-Point Plan" and has demonstrated little commitment to genuine transformation*

**In its latest results, Kyocera achieved an ROE of just 0.8%*

**Oasis will vote against the reappointment of Chairman Yamaguchi and President Tanimoto at the upcoming AGM, holding them accountable for the underperformance and poor capital allocation*

**Both ISS and Glass Lewis have recommended to vote against the reappointment of Kyocera Chairman Yamaguchi, and ISS additionally recommends voting against President Tanimoto*

More information available at abetterkyocera.com

June 12, 2025, Hong Kong – Oasis Management Company Ltd. ("Oasis") is manager to funds that beneficially own shares in Kyocera Corporation (6971 JP) ("Kyocera" or the "Company"). Oasis has adopted the Japan FSA's "Principles of Responsible Institutional Investors" (a.k.a. the Japan Stewardship Code) and in line with those principles, Oasis monitors and engages with its investee companies.

At its May 14, 2025 earnings call, Kyocera reported on the progress of its management reforms. The Company appeared to acknowledge its past mistakes and expressed an intention to take the first step toward change. Specifically, Kyocera recognized the inefficiencies

caused by the dispersal of management resources due to diversification and announced its policy to restructure its business portfolio in order to focus on its core strengths.

However, like many shareholders and market participants, Oasis remains highly skeptical of Kyocera's commitment and ability to execute meaningful change especially in light of its modest plans and continued commitment to manufacturing solar panels and telecommunication devices.

Moreover, underperformance against its management targets has become the norm. Since the fiscal year ended March 2020, Kyocera has exceeded its operating profit targets only once. This track record raises serious concerns about the current management team's ability to formulate and execute plans, casting significant doubt on whether they can even implement the current, modest reform plan.

The latest earnings briefing further highlighted weak progress. Although Kyocera announced plans to exit JPY200 billion worth of non-core businesses, only JPY7.3 billion has been announced so far. This year's forecast includes just a JPY10 billion revenue reduction from exits.

Kyocera's capital policy also remains insufficient. Although the Company has announced "Future Reduction Plan" to lower cross-shareholdings to below 20% of net assets, it has yet to provide a clear timeline for achieving this goal.

Shareholders' dissatisfaction is growing. Approval for the Company's president at the AGM has dropped from 96% in 2015 to just 65% in 2023. ISS and Glass Lewis have once again recommended voting against the reappointment of Kyocera's Chairman, Mr. Yamaguchi. ISS has also recommended voting against President, Mr. Tanimoto, citing continued underperformance in ROE and capital misallocation. Oasis also believes that the top management is responsible for Kyocera's weak performance and therefore intends to vote against the reappointment of both individuals.

Amid growing pressure from shareholders, Kyocera announced plans to reduce the cap on board directors from 20 to 12. At the same time, the Company also plans to increase the number of internal directors -- a move that runs against the broader efforts by many Japanese companies to strengthen board independence thereby decreasing the percentage of independent directors.

In order for Kyocera to achieve genuine transformation and resolve its excessive diversification and inefficient capital structure, Oasis urges the full implementation of the following Seven-Point Plan:

1. Divest non-core businesses amounting to over JPY660 billion of revenue.
2. Exit the Organic Packages to prevent further losses.
3. Restructure its KAVX subsidiary to achieve higher margins in line with peers.

4. Stop losses by halting investment into GaN and millimeter-wave technologies which have little potential to produce material returns.
5. Focus on its core business such as ceramics to capture untapped opportunities.
6. Commit to aggressive M&A to reinforce core businesses.
7. Announce a buyback program of JPY1 trillion over the next four years, amounting to approximately 37% of the Company.

By implementing this plan, we believe that the stock could see an upside of over +100% from current levels.

Seth Fischer, Founder & Chief Investment Officer of Oasis, said:

"Kyocera's excessive diversification has long prevented it from realizing its full potential. The Company continues to support underperforming businesses while failing to prioritize investment and growth opportunities within its best businesses such as ceramics packaging, and the automotive and semiconductor sectors. With cross-shareholdings still accounting for 53% of its net assets and an ROE of just 0.8%, the time for meaningful change is now."

Management needs to address the twin problems of over-diversification and over-capitalization of its balance sheet by exiting underperforming businesses, leaning into its best growth opportunities, and taking a much more ambitious stance on unwinding cross-shareholdings to improve returns on capital. Kyocera needs brave, large steps forward to achieve these goals. The current half measures are not enough."

Full details can be viewed at abetterkyocera.com. All stakeholders are encouraged to contact Oasis at info@abetterkyocera.com.

Oasis Management Company Ltd. manages private investment funds focused on opportunities in a wide array of asset classes across countries and sectors. Oasis was founded in 2002 by Seth H. Fischer, who leads the firm as its Chief Investment Officer. More information about Oasis is available at <https://oasiscm.com>. Oasis has adopted the Japan FSA's "Principles for Responsible Institutional Investors" (a.k.a. the Japan Stewardship Code) and, in line with those principles, Oasis monitors and engages with our investee companies.

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