

ESG Meeting 2024

Part1 Progress with our ESG initiatives

Murata Manufacturing Co., Ltd.



Regarding the Aftermath of the Noto Peninsula Earthquake in 2024 as of March 1st

- After ensuring the safety of employees, production has resumed except at Wakura Murata Manufacturing and Anamizu Murata Manufacturing, which suffered severe damage.
- Regarding the prospect of upcoming restoration, the Company will post information on [our company website](#) as soon as the situation changes.

Name of Production Site	Status of Production and Estimated Schedule of Resumption of Production as of March 1st
Toyama Murata Manufacturing Co., Ltd.	Production resumed since Jan.9
Fukui Murata Manufacturing Co., Ltd.	Production resumed since Jan.6
Sabae Murata Manufacturing Co., Ltd.	Production resumed since Jan.6
Kanazawa Murata Manufacturing Co., Ltd.	Production resumed since Jan.9
Kanazu Murata Manufacturing Co., Ltd.	Production resumed since Jan.9
Asuwa Murata Manufacturing Co., Ltd.	Production resumed since Jan.9
Komatsu Murata Manufacturing Co., Ltd.	Production resumed since Jan. 9
Himi Murata Manufacturing Co., Ltd.	Production resumed since Feb.5
Hakui Murata Manufacturing Co., Ltd.	Production resumed since Jan. 11
Wakura Murata Manufacturing Co., Ltd.	Production expected to resume methodically from early March
Anamizu Murata Manufacturing Co., Ltd.	Production is expected to resume in mid-May or later.

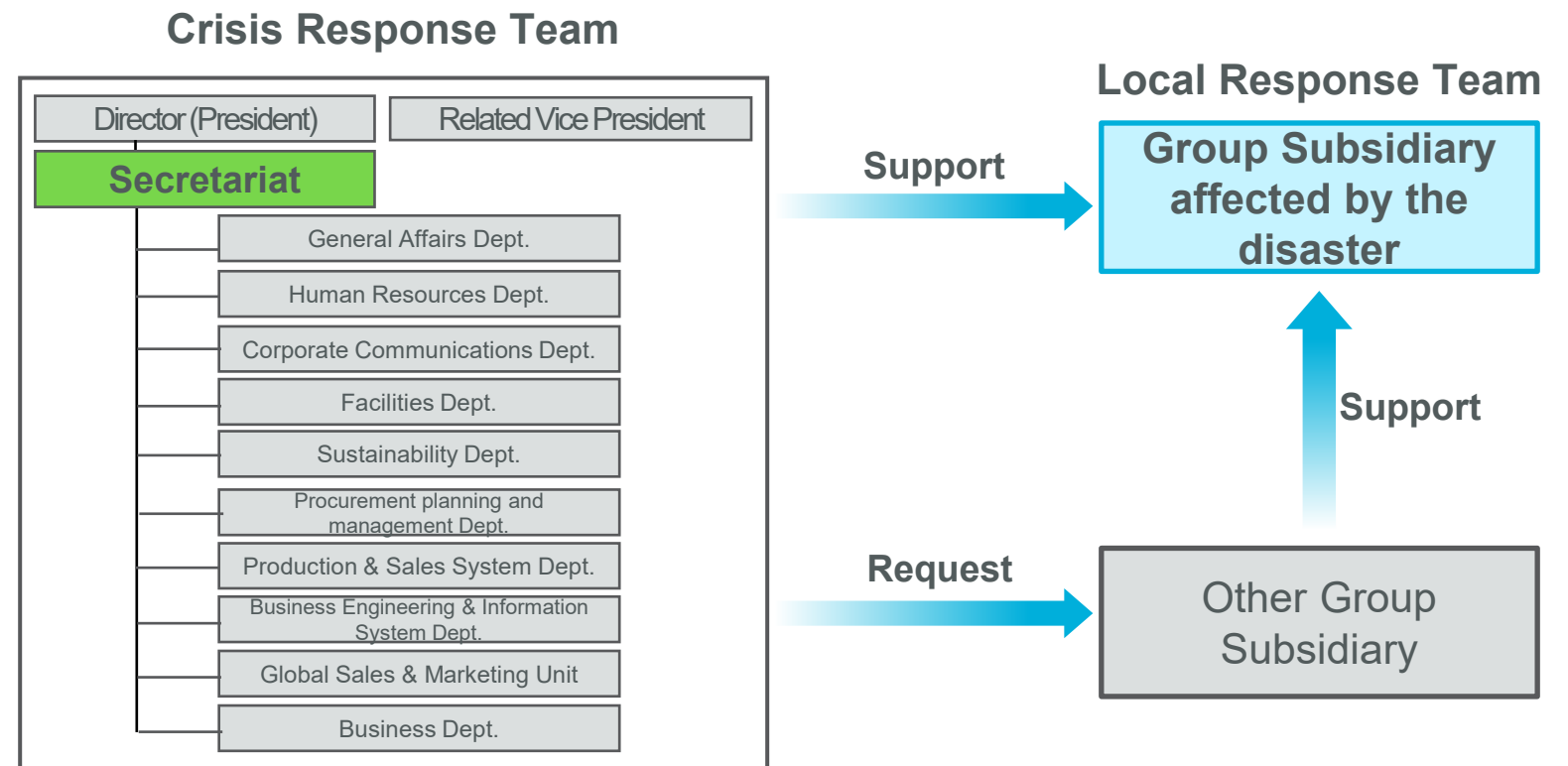
Regarding Business Continuity Management (BCM) in the Event of Disaster

- The Company has set BCM as one of priority issue (materiality). We have established Business Continuity Plans (BCPs) at domestic and overseas business sites, and conduct periodic drills and carry out other measures in order to prepare for a disaster.
- In the event of a disaster, we will promptly establish a crisis response team based on BCPs and provide support to affected sites in cooperation with the other group subsidiary.

Basic BCM policy

1. Ensure the safety of employees and others, and then work toward preventing secondary disasters.
2. Do everything possible to resume production and keep supplying products to markets.
3. Support regional recovery as member of the local community.
4. Thoroughly implement required advance measures after taking costs and benefits into consideration, in order to minimize asset loss during a disaster and to resume production more quickly.
5. Revise the Business Continuity Plan (BCP) regularly and as the business environment changes, in order to continuously improve business continuity organizations.
6. Establish business continuity organizations with all employees working together under the proactive leadership of management.

Disaster support system



Key Messages

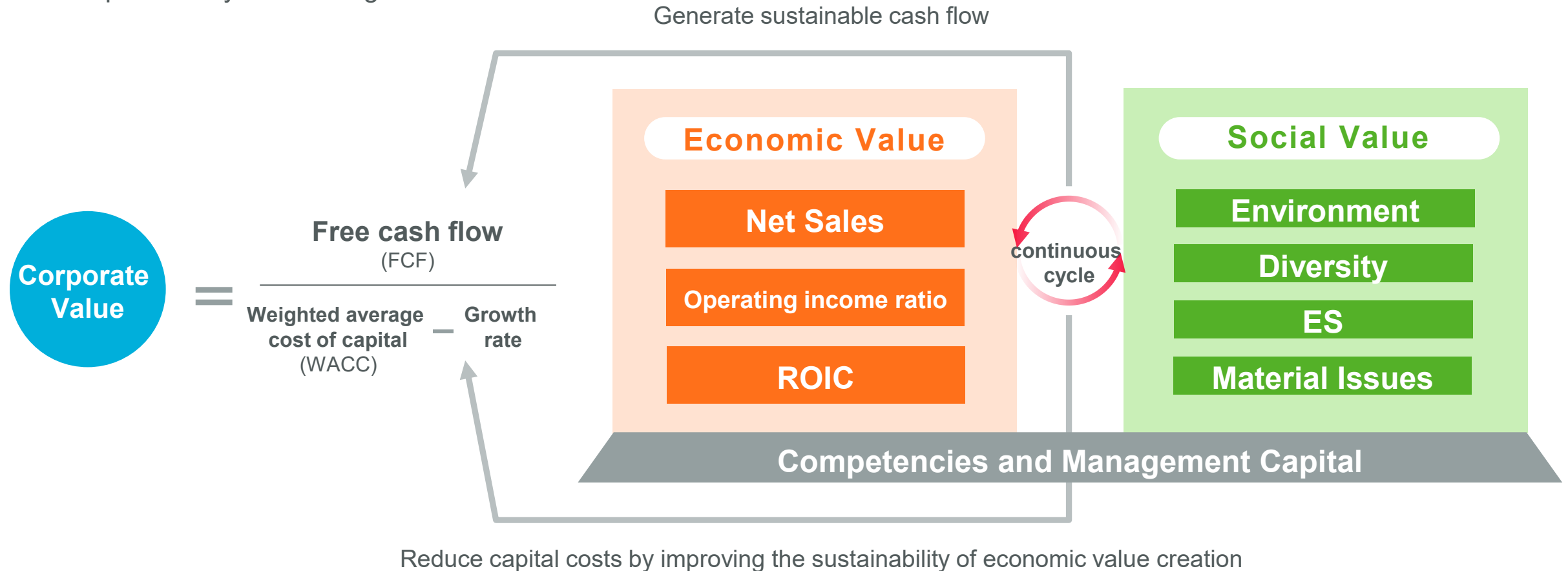
- Progress has been made in the continuous cycle of social and economic value by practicing 3-layer portfolio management.
- Among social value targets, more progress than planned has been achieved in “Environment.” We are accelerating initiatives including “Diversity and ES”.
- Corporate governance is functioning in a sound manner in the management of the Company, and there are ongoing discussions for further enhancement.

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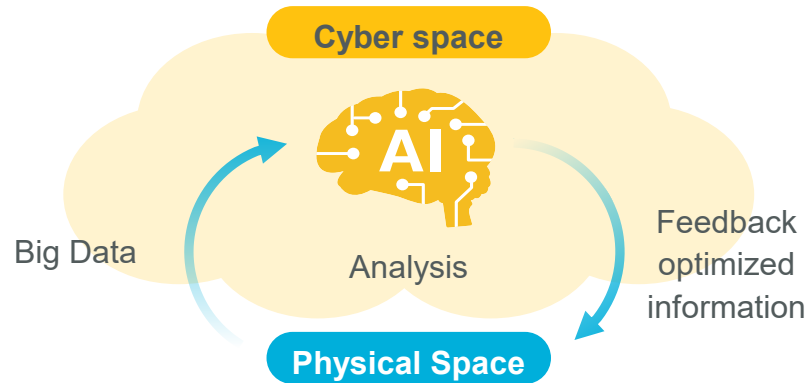
Continuous Cycle of Social and Economic Value

Vision for Increasing Murata's Corporate Value

- Produce a continuous cycle of social and economic value by co-creating value with stakeholders.
- Realize a sustainable society and increased corporate value through long-term and sustainable profit generation by proactively addressing social issues.



Worldview in 2030



Four Business Opportunities



Solving Social Issues Key Words	
<p>Light, thin, short & small</p> <ul style="list-style-type: none"> - Miniaturization - Modularization 	<p>Reducing Power Consumption & Low Latency</p> <ul style="list-style-type: none"> - Wireless communications technologies - Sensing technologies
<p>High Quality & High Reliability</p> <ul style="list-style-type: none"> - High power compatibility - High efficiency & reliability 	<p>Evolution of Communication Standards & Communication Resilience</p> <ul style="list-style-type: none"> - High-frequency technologies

Our Challenges as an “Innovator in Electronics”

- Strengthen the 3-layer portfolio**
- Develop and create new markets and applications**
- Strengthen management capital to support competencies**

Key Issues of the 3-Layer Portfolio

- To produce a continuous cycle of social and economic value, we are working to solve issues faced at each layer based on perspective to solving social issues and striving to take our 3-layer portfolio management to a higher level.

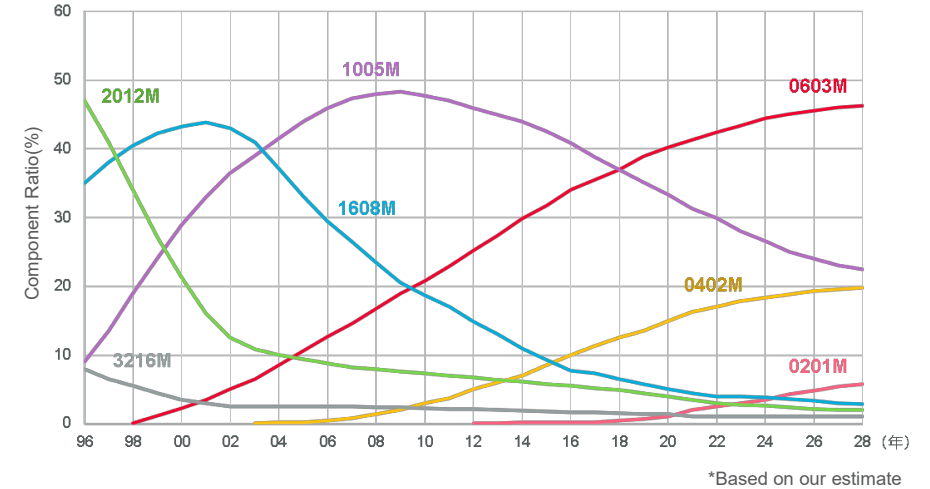
	Sales classification	Issues	Direction taken
Layer 1	Capacitors Inductors/EMI filters	<ul style="list-style-type: none"> • Expand and reinforce production capacity to respond to stronger demand • Maintain and improve our competitive advantage, such as technological strengths • Improve business efficiency to further bolster our business foundation 	<ul style="list-style-type: none"> ■ Expand and reinforce production capacity ■ Strengthen cutting-edge technologies ■ Improve business efficiency
Layer 2	High frequency devices and communications modules Battery and power supply Functional devices	<ul style="list-style-type: none"> • Develop technologies that differentiate us from our competitors • Completely standardize processes and materials, promote mass customization • Strengthen financial position of businesses with low profitability 	<ul style="list-style-type: none"> ■ Strengthen differentiated technologies ■ Improve profitability and establish a healthy portfolio
Layer 3	Others	<ul style="list-style-type: none"> • “Creation of new business models” from a long-term perspective • Build up successful cases with the aim of becoming business mainstays in 2030 and beyond 	<ul style="list-style-type: none"> ■ Search for fields where we can leverage our strengths ■ Implement mechanisms for creating ideas ■ Showcasing initiatives

Layer 1 – Strengthen cutting-edge technologies

Pursuit of miniaturization technology

- With the development of the electronics industry, the need for compact products increases.
- By strengthening cutting-edge technologies that generate added value of miniaturization + α , we strive to maintain and improve our competitive advantage, as well as supporting innovations in the electronics industry.

Market expansion of compact products (MLCCs example)



(Major Product Releases)

- World's Smallest High-Q 100V MLCC for Consumer Electronics & Industrial Equipment(2/20/2024)
- World's First 1 μ F Capacitance 100 V MLCC in a 1608M Size Commercialized (11/21/2023)

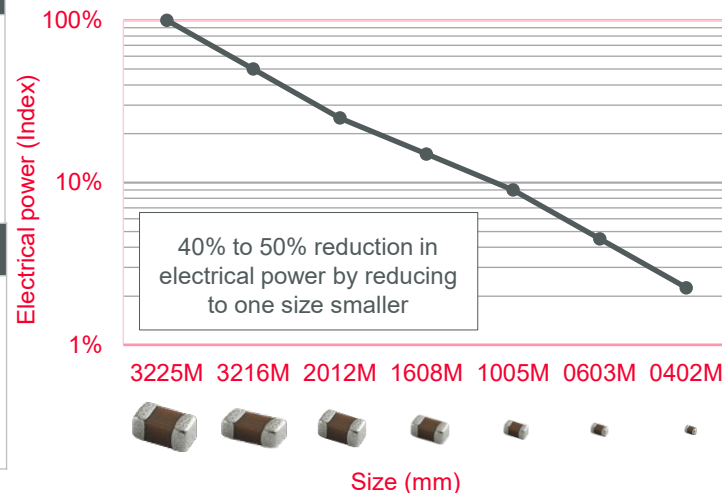
Social value that we provide

- Reducing materials used in manufacturing and packaging
- Reducing the energy used in manufacturing and transportation
- Helping to improve convenience for varied lifestyles with compact electronic devices

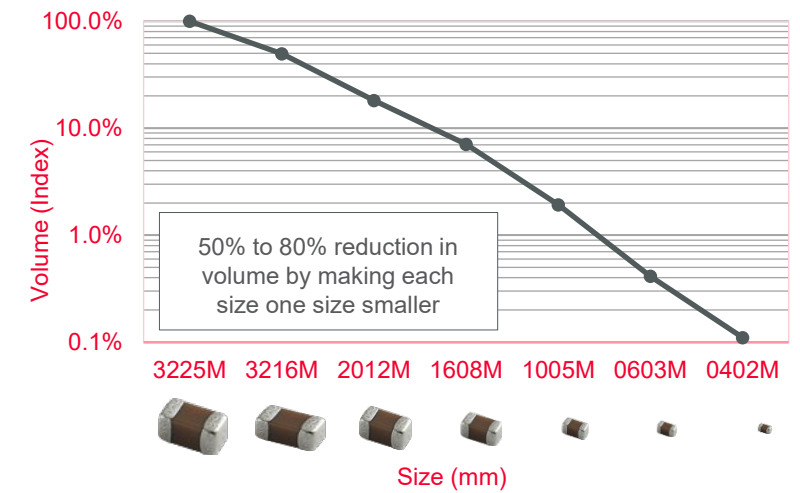
Economic value that we create

- Strengthening the competitive advantage of products with our environmental response
- Reducing the costs of materials and energy
- Improving production efficiency and a better product mix

Reducing power used in manufacturing (MLCCs example)



Reducing materials used in manufacturing (MLCCs example)

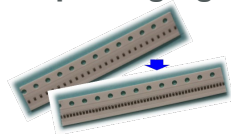


Layer 1 – Initiatives to Reduce environmental impact

- Promote initiatives to reduce environmental impact in collaboration with stakeholders.
- Initiatives to use new packaging formats include standardization efforts through industry associations.

Use of new environmentally friendly packaging formats

Narrow pitch tape packaging



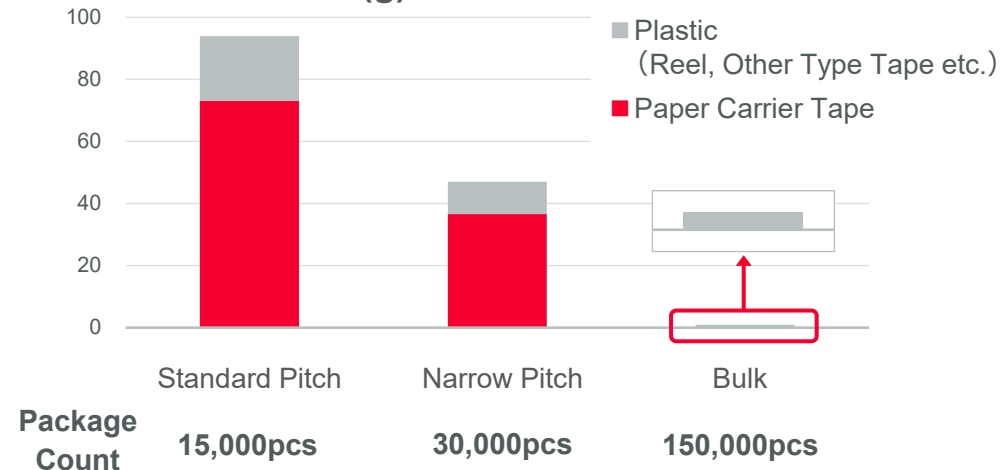
Efficient use of materials with narrow pitches

New bulk case packaging



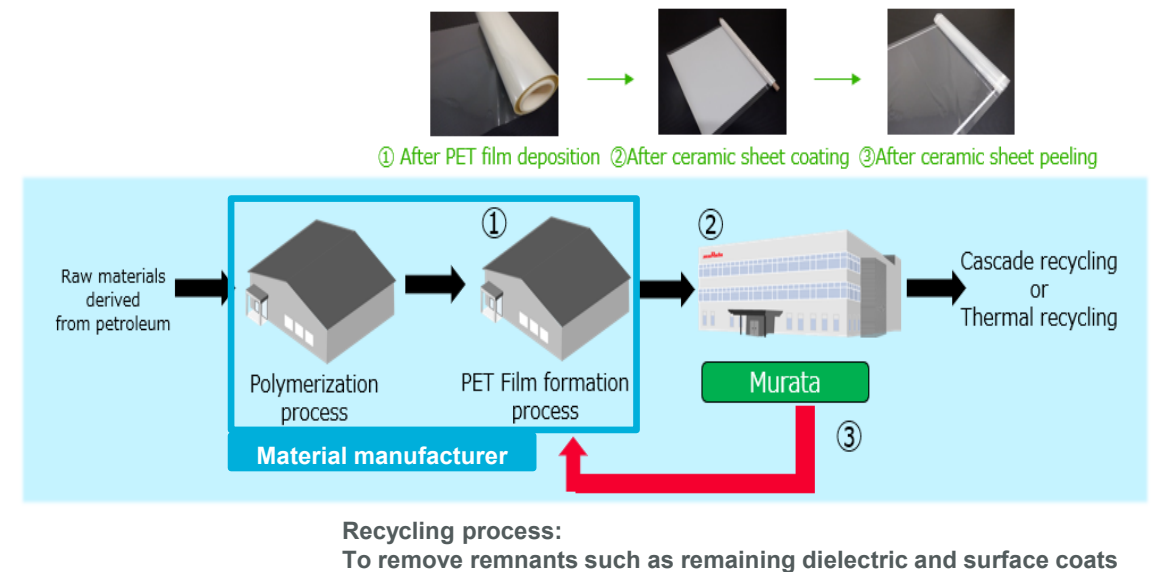
Control packaging materials and packaging volume

Weight of packaging materials per 10,000 units of MLCC 0603M size (g)



Closed-loop Recycling of PET Film Used in MLCCs

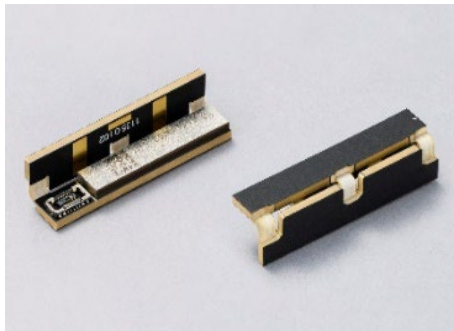
- Created the electronic component manufacturing industry's first closed-loop recycling system
- This system makes the long-term recycling of PET material possible, reducing our environmental impact.



Layer 2 – Strengthen differentiated technologies

- By 2030, increasing communications traffic will be a social issue as communications increasingly become the social infrastructure. The use of ultra-high frequency bands such as millimeter waves, 7 to 24 GHz, and THz waves is expected as one of the solutions.
- Strengthen differentiation technologies to realize a “world where everything is connected” and promote market-out activities.

mmWave 5G



Antenna array integrated module for mmWave(AiM)

This product makes it possible to emit radio waves in two directions with a single RFIC* by forming an L-shaped multilayer resin substrates and placing an antennae on each of two boards facing different directions.

Contributes to reducing the number of components in electronic devices and manufacturing costs.

Participation in the Fifth Generation Mobile Communications Promotion Forum(5GMF)

Create business opportunities by promoting the wider use of millimeter waves through industry associations.



5GMF is an organization that aims to promote the social implementation of 5G (including local 5G) and contribute to developing new use cases and solving social issues.

6G(7~24GHz , THz)

Participation in international communication standardization projects

- As a member of projects, including ITU-R¹ and 3GPP², we contribute to formulating new communication standards and the practical application of wireless communication.
- By encouraging collaboration with external organizations and companies, we are improving material R&D and production processes over the medium to long term, with an eye to the evolution of communication network systems and next-generation communication technology trends.

Notes:

1. International Telecommunication Union, Radiocommunication Sector
2. The 3rd Generation Partnership Project

Launch of “SONAE Project”

- In-house project activities that promote study and exploration, research and development, and commercialization of technologies required for future societies in 2030 and beyond.

Next generation communication 6G

Optics & Semiconductor

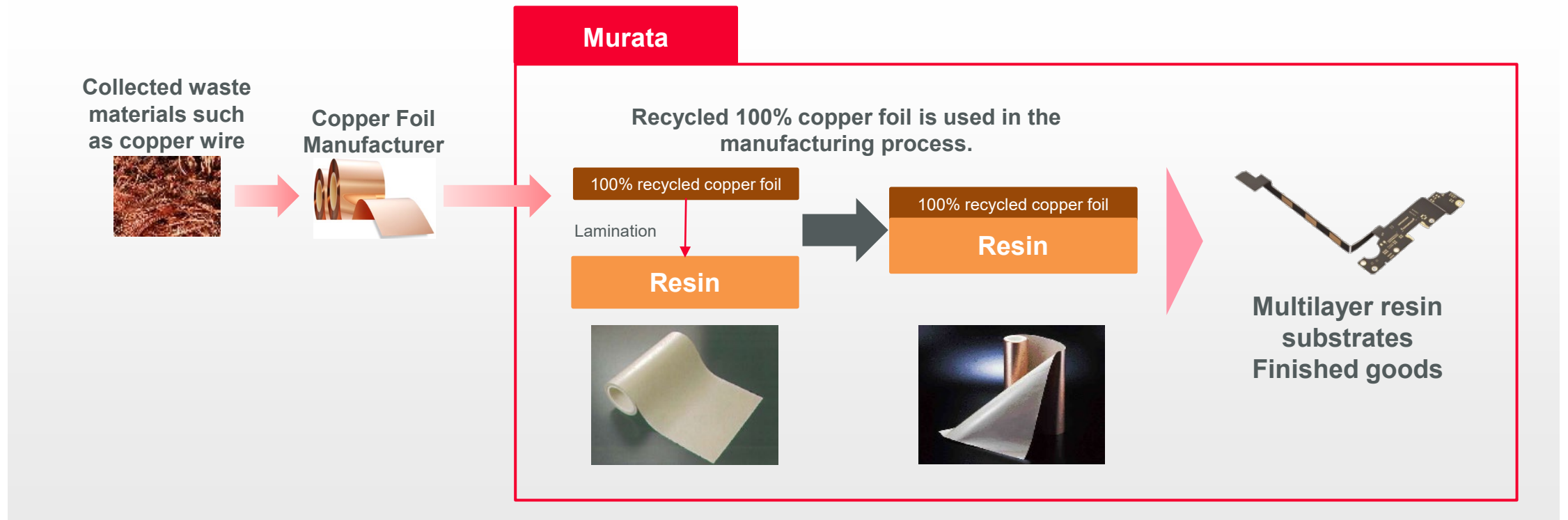
Environment

Bioelectronics

Layer 2 – Enhance product competitive advantage by utilizing recycled materials

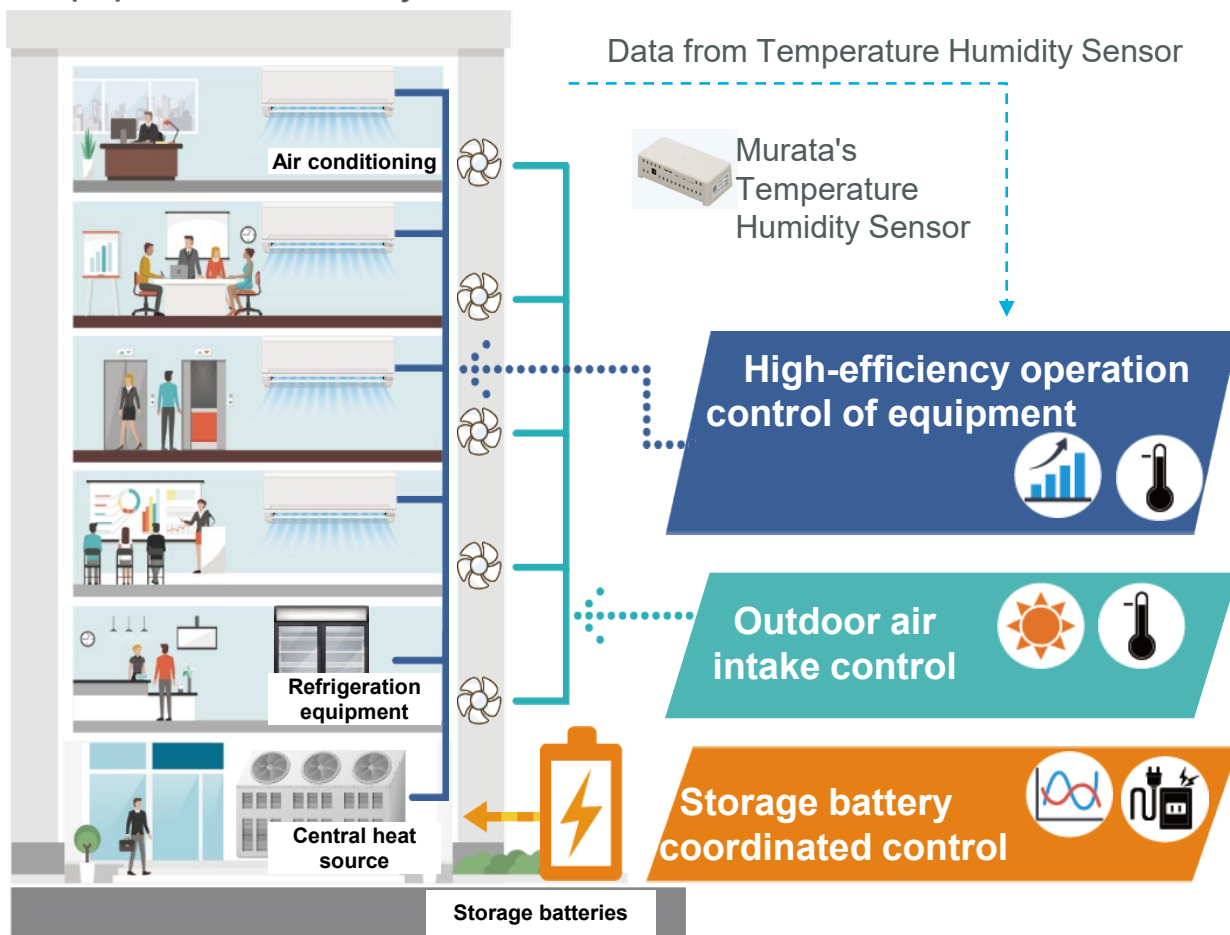
- Inner coating copper foil material used in multilayer resin substrates has been certified as conforming to ISO14021 that it is an environmentally friendly 100% recycled product, based on the verification by a third party.
- Through collaboration with suppliers, we will work on the advance establishment of supply chains to realize sustainable use of materials, making it leading to the competitive advantage of our products.

Initiatives to Utilize Recycled Materials for Multilayer resin substrates



Layer 3 – Showcasing initiatives: Energy-Saving Initiatives

Started the installation outside the Company in collaboration with our partner MUTRON, inc. that installed an energy-saving system that utilizes building space data, air conditioning equipment efficiency data, and climate data.



Deployment of this system in internal company

- The system has been installed at the Head Office, Tokyo Branch, and Kanazu Murata Manufacturing, achieving energy savings of around 20% at each site.



Deployment of this system outside Murata

- The system was installed in Moriyama City's new city hall building in August 2023, in cooperation with MUTRON, inc., our collaboration partner.



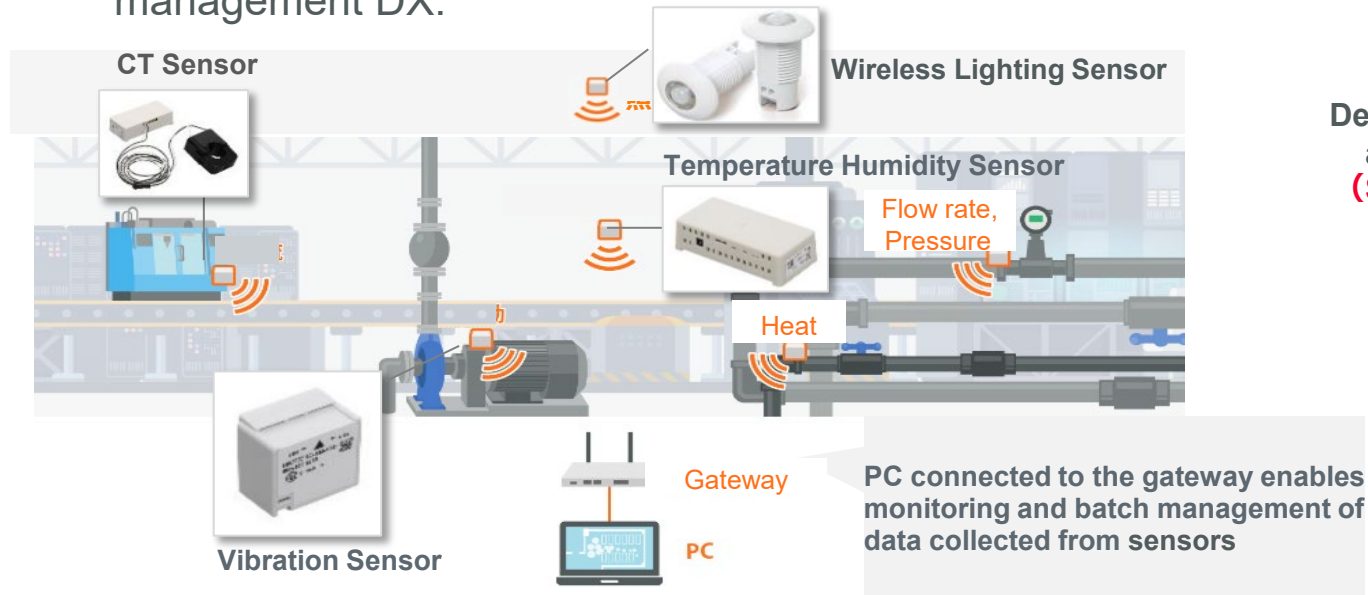
Moriyama City New Government Office Building (Shiga Prefecture)

Introduction example of our products

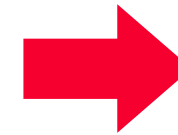
- Storage battery units : 4 units
- Temperature Humidity Sensor : 100 units
- Energy-saving software

Layer 3 – Showcasing initiatives: Smart Building

- Minato MIRAI Innovation Center deploys the Company’s products for smart building initiatives.
- Promote businesses in Layers 2 and 3 by “showcasing” in-house use cases such as energy conservation and facility management DX.



Deployment of our sensors and wireless solutions
(Showcasing initiatives)



Minato MIRAI innovation center

Social value that we provide

- Manpower saving in facility management where labor shortage is a problem
- Contributing to measures against climate change through energy-saving effects

Economic value that we create

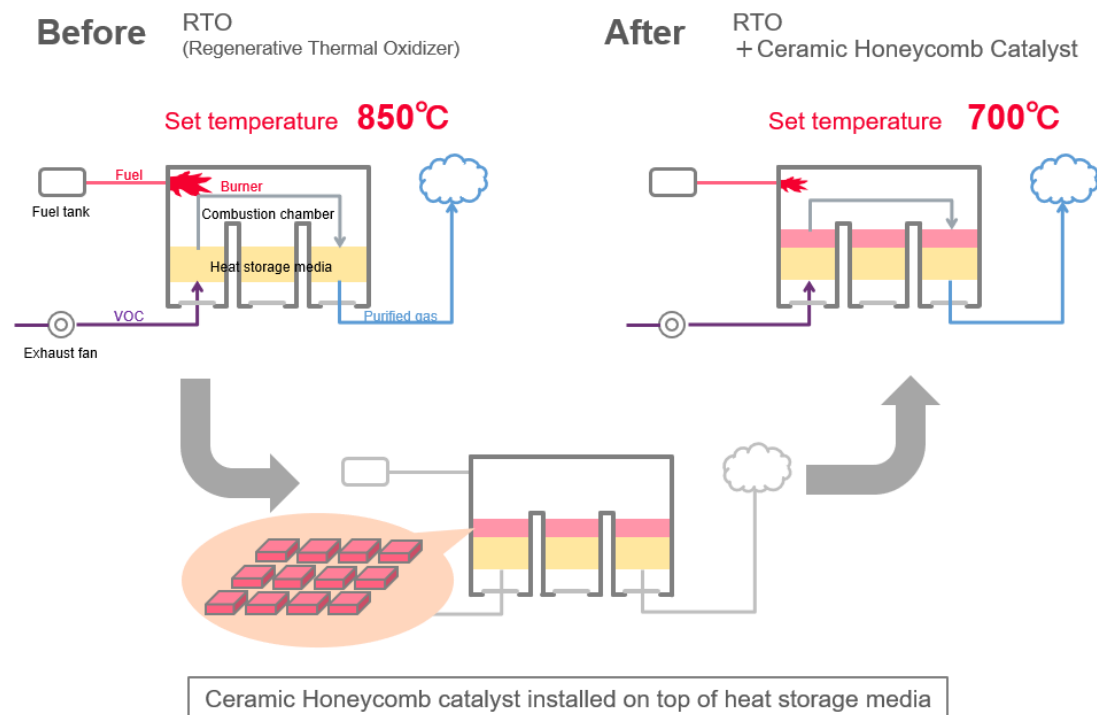
- Cost reduction effect by saving labor and energy
- Increase in sales through external sales of this solution (Number of transactions in FY2023: 9)

Layer 3 – Addressing Social Issues through our products: Ceramic Catalyst Material for Reducing GHG Emissions

- Developed the world’s first heat-resistant ceramic catalyst material for exhaust gas treatment by applying the material design technology of ceramic capacitors.
- The use of a catalyst using this material enables the set temperature to be lowered by 100 to 150°C, while maintaining the decomposition performance of exhaust gas treatment.
- It reduces GHG emissions of fuel used in exhaust gas treatment by up to 53.0%* by reducing fossil fuel consumption.

* Average fuel consumption over a period of time is compared using the Company’s standards.

Installation image



Impact of Solving Social Issues

GHG reduction of 1.5 million tons per year by installing this product in 5,000 units of thermal storage exhaust gas treatment equipment

* Estimate based on 30% reduction in fuel (LNG) consumption

Deployment of this product

- Five plants in the group have installed the system. A GHG reduction rate of 38.2% has been achieved at Wuxi Murata Electronics Co., Ltd. (China).
- Mass production has already started. Making proposals to paint manufacturers, chemical and packaging manufacturers, etc.

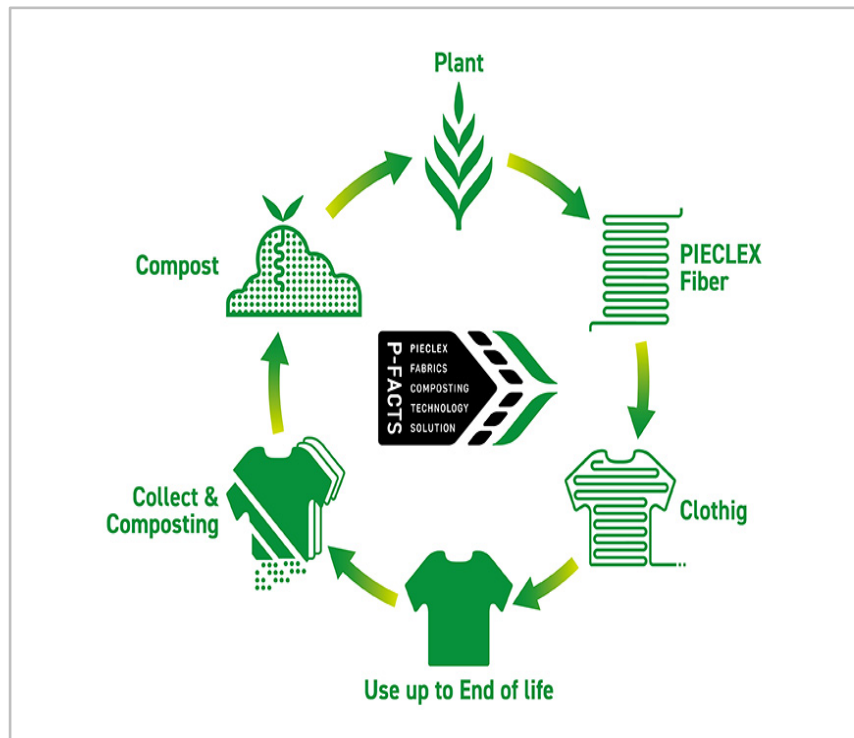


Wuxi Murata Electronics Co., Ltd.

Layer 3 – Environmental Infrastructure: “P-FACTS”



- Led by PIECLEX Co., Ltd., a highly transparent circulation infrastructure “P-FACTS” was established in cooperation/co-creation with partner companies, local governments, welfare facilities, educational institutions and others to collect apparel and textile products using “Electric Fiber” PIECLEX, a material made from plant-based polylactic acid, and handle processes up to composting for use in forestry and agriculture.



Collaboration and co-creation partners (partial list)



PIECLEX Products with P-FACTS



02

Progress toward Social Value Goals and Company-wide ESG initiatives

Progress toward Social Value Goals

Environment

	FY2021	FY2022	FY2024 (Target)	FY2030 (Target)	Long-term Target
GHG emissions reduction rate vs. fiscal 2019 Scopes 1 + 2	12.7%	16.4%	20%	46%	Carbon neutral
Renewable energy implementation rate	21.3%	23.7%	25%	50%	100% (2050)

	FY2021	FY2022	FY2024 (Target)	FY2030 (Target)	FY2050 (Target)
Use of sustainable resources (%) ¹	Approx. 15% ³	Currently being tabulated	1% improvement over FY2021 results	25%	100%
Resource recycling (%) ²	36%	Currently being tabulated	5% improvement over FY2021 results	50%	100%

1. Resources at low risk of depletion, which Murata can use continually into the future by taking steps such as building recycling schemes. (Potentially depletable resources: Ag, Ni, etc.).

2. Percentage of Murata's waste and useful outputs (emissions) recycled as resource.

3. The aggregation results may change since items whose purchase records were denoted in other than weight were converted into weight while interviewing suppliers, in surveying the amount of resources procured.

Diversity

	FY2021	FY2022	FY2024 (Target)	FY2030 (Target)
Percentage of overseas indirect employees* with experience working at other sites	3%	5.3%	7%	10%

* Applies to overseas local staff, excluding those transferred from Japan to overseas

ES

	FY2021	FY2023	2024 (Target)	FY2030 (Target)
Positive employee engagement response (%)	68%	66%	70% or higher	76% or higher

Response to Climate Change – State of Our Initiatives

- Targets for FY2024 are expected to be achieved in FY2023, one year ahead of schedule, as a result that we stepped up our efforts to combat climate change.
- Considering bringing forward the medium- to long-term targets to accelerate the efforts.

GHG Emissions Reduction Rates and Renewable Energy Implementation Rates - Results and Targets

		FY2021	FY2022	FY2024 (Target)	FY2030 (Target)	Long-term target
Greenhouse gas emissions reduction rate (vs. FY2019)	Scope1 + Scope2	12.7%	16.4%	20%	46%	Carbon neutrality
	Scope3	2.6%	5.9%	-	27.5%	-
Renewable energy implementation rate		21.3%	23.7%	25%	50%	100% (2050)

Overview of Our Initiatives

Scope 1 and 2

Promoting renewable energy

- Onsite
- Offsite PPA
- Purchasing power from renewable energy

Promoting energy savings

- Introduction of energy-saving systems
- Initiatives to save energy at manufacturing sites
- Production of energy-saving equipment

New challenges

- Use of hydrogen

etc.

Scope 3

- Collaboration with suppliers
- Reduction of environmental impact in logistics
- Refinement of Scope 3 calculations etc.

Onsite Initiatives – Deployment of Renewable Energy System

A system that combines solar panels, storage batteries and control software has been deployed internally. Preparing for external deployment for renewable energy control software “efinnos” .

Deployment of this system in internal company

- Plan to expand to 5 plants in the first half of FY2023. Three of them aim to achieve 100% renewable energy by combining with the purchase of renewable energy electricity
- Kanazu Murata Manufacturing has built it as a showroom and is considering deployment to companies and local governments

Deployment “efinnos” outside Murata

- “efinnos” is planned for deployment at several companies from FY2024 onward
- Aim for reductions in Scope 3 as well by making proposals to suppliers

Sites using 100% renewable energy

Kanazu Murata Manufacturing



Main sites using solar power

Wakura Murata Manufacturing



Ise Murata Manufacturing



Sendai Murata Manufacturing

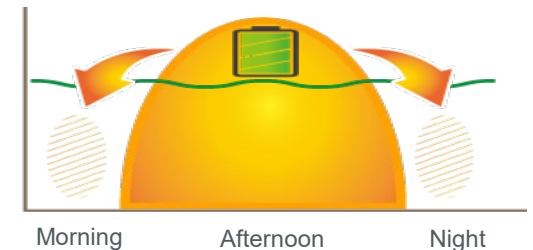


Hakui Murata Manufacturing



efinnos

System capable of improving renewable energy ratio by power generation and power consumption prediction



Measures Aimed at Reducing Scope 3 Emissions

- Scope 3 accounts for about 80% of Murata’s total GHG emissions, with Category 1 accounting for the largest share.
- The cooperation of suppliers is essential in order to refine the calculation of emissions and promote reduction initiatives.
- We aim to strengthen our supply chain as well as achieving medium- to long-term reduction targets, by not only making requests to suppliers but also providing support.

Examples of Initiatives in FY2023

1 Interviews with suppliers on the status of their decarbonization initiatives (1-on-1)

Suppliers are asked to understand the Company’s CO₂ reduction plan, confirm the status of setting reduction targets and whether support is required, and provide primary data.

■ Scope

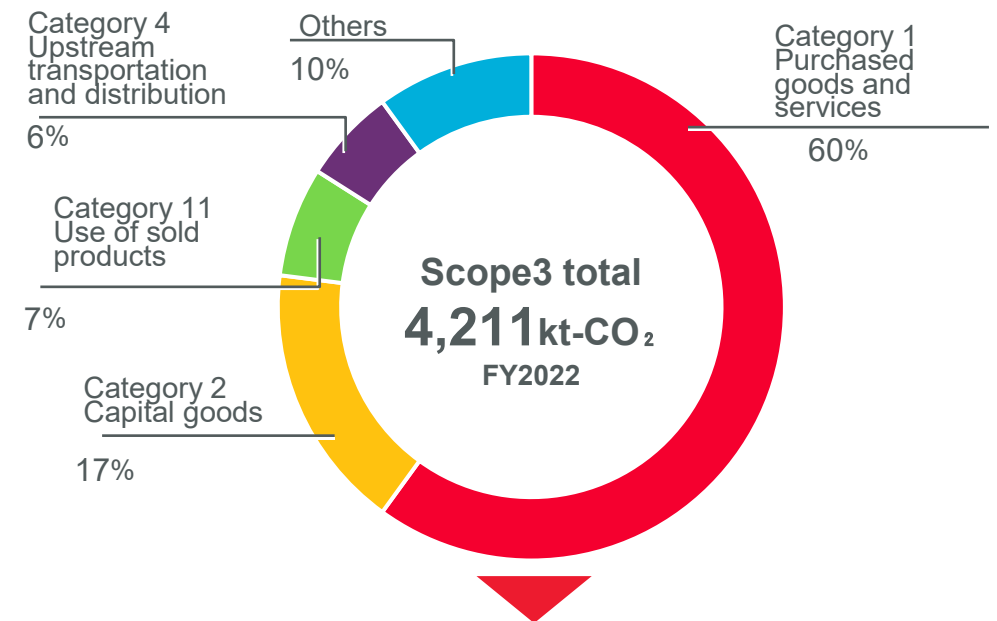
Major suppliers
(Top 80% based on GHG emissions)



FY2022/2023 cumulative interview results covering **Approx.18%** of Scope 3, Category 1

2 Held briefing sessions on our policy for climate change countermeasures

- Held briefing sessions for domestic suppliers (more than 200 companies participated).
- Shared the need for decarbonization, including more active shift toward decarbonization and a growing need for electronic components with low GHG emissions.
- Introduced examples of the Company’s initiatives and concrete steps to reduce emissions.



Direction of initiatives

- Enhancing engagement with suppliers by providing GHG reduction examples and know-how and supporting GHG emission calculations.
- Proposal of energy management system utilizing renewable energy and energy saving systems with implementation track records and the Company’s products.

Use of Sustainable Resources – State of Our Initiatives

Use of sustainable resources and Resource recycling - Results and Targets

	FY2021	FY2022	FY2024(Target)	FY2030(Target)	FY2050(Target)
Use of sustainable resources (%)	Approx. 15%	Currently being tabulated	1% improvement over FY2021 results	25%	100%
Resource recycling (%)	36%	Currently being tabulated	5% improvement over FY2021 results	50%	100%

Company-wide issues

- Continued to survey the amount of our procured resources and their recycling ratio with suppliers
- Deployment of implement initiatives in internal company to serve as leading examples

Overview of Our Initiatives

	Key point	Current initiatives
Use of sustainable resources	<p>-Direction- In order to achieve sustainable resource availability for the future, We aim to cease the utilization of virgin materials from 24 resources with high depletion risks, such as Ni and Ag, or transition to alternative resources.</p> <p>-Issues- Measures to stabilize the quality and procurement of raw materials for recycling and to deal with increased costs to promote the production of products using recycled materials.</p>	<ul style="list-style-type: none"> • Horizontal recycling of PET film used in manufacturing processes • Horizontal recycling of Solder scraps • Utilization of recycled materials in products that comply with ISO14021 etc.
Resource recycling	<p>-Direction- We are working on resource recycling to use all waste generated during manufacturing processes as resources for Murata or other companies by repeatedly recycling discharges (waste + valuable material) as resources.</p> <p>-Issues- Initiatives to the processing of plastics, which account for a high proportion of both procurement and disposal.</p>	<ul style="list-style-type: none"> • Conversion of waste plastic into asphalt material • Chemical recycling of waste plastic etc.

Fundamental Approach to Murata's Human Capital

- Underlying Murata's human capital is the penetration of and practicing its philosophy globally. While emphasizing the sense of unity of the organization, we aim to foster a culture of mutually recognizing differences and to become a company where business and people grow together.
- Strengthening 3-layer portfolio management requires strengthening of human capital and organizational reforms in response to changes in the environment, such as changes in markets, customers, and diversification of business models. We promote human capital management by running a PDCA cycle with three pillars as key issues.

Penetration of the management philosophy

Penetration of the Murata Philosophy as our shared approach

Murata Philosophy

We contribute to the advancement of society by enhancing technologies and skills applying scientific approach creating innovative products and solutions being trustworthy and, together with all our stakeholders, thankful for the increase in prosperity.

We dedicate ourselves to extending the penetration of the Murata Philosophy so that we can create a corporate culture of collaboration and harmony among diverse human resources

Three actions for further strengthen human capital

to respond to a changing business environment Acquiring and developing human resources	that is born when employees are motivated and feel they are growing Employee engagement	to sustain and enhance our collective strength Leverage diversity in human resources
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Reinforce our autonomous and decentralized organizational management

- Promoting innovation and productivity improvements in every organization
- Promoting coordination among organizations and more synergy with the 3-layer portfolio

Our key values: CS and ES

Early 2000s

Growth slowed following the bursting of the dot-com bubble

▶

2004

Launched organizational culture restructuring

▶

While we had placed much importance on CS in the past, an organization survey found that employees were becoming seriously fatigued

▶

We placed more importance on ES, in addition to CS

↓

We are making progress toward achieving sustainable growth

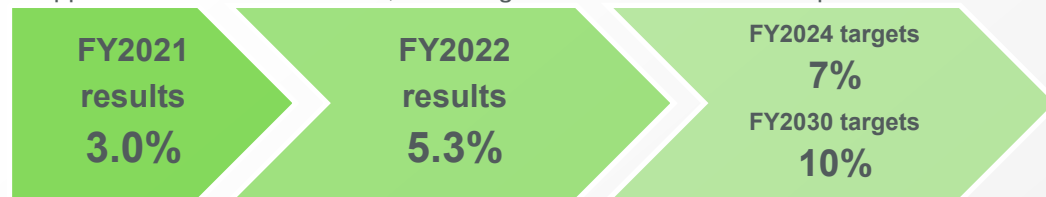
Innovation by leveraging diversity

To realize a surge in growth going forward, we have to engage in spirited debates with people of different backgrounds.

Promotion of global job rotation

Percentage of overseas indirect employees with experience working at other sites

* Applies to overseas local staff, excluding those transferred from Japan to overseas



Background

In order to realize autonomous decentralized management, we aim to strengthen human resources at overseas through rotation and promote global cooperation to expand production overseas and strengthen field capabilities.

Issues

- Elevating the quality of experience through overseas assignments
- Creating a comfortable working environment for expats

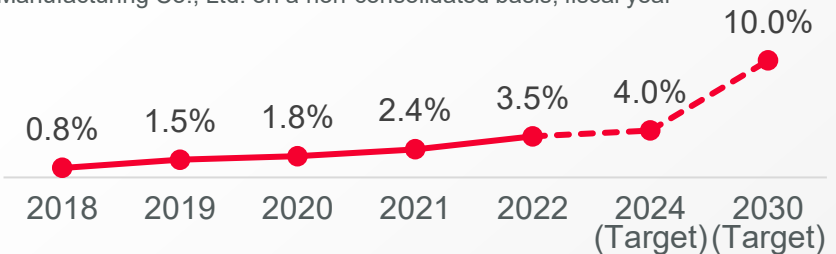
Actions

- Implement rotations based on medium- to long-term talent development plans
- Provide diverse international secondment schemes
- Enhanced pre-secondment learning including language study

Promotion women's participation

Percentage of women in management positions

(Murata Manufacturing Co., Ltd. on a non-consolidated basis, fiscal year)



Issues

- Promote understanding of diverse leadership and work styles
- Support and foster workplace culture for participation in childcare, regardless of gender
- Strengthen the recruitment of women in career-track technical positions

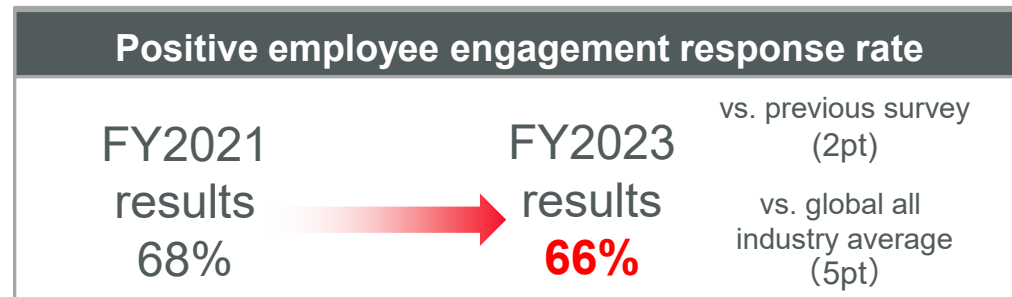
Actions

- Promote awareness-raising activities on the theme of women's participation by the management
- Expand a support system that encourages male employees to take part in childcare leave
- Set the target of at least 10% of women in the hiring of new graduates for career-track technical positions, which we have been achieving since 2017

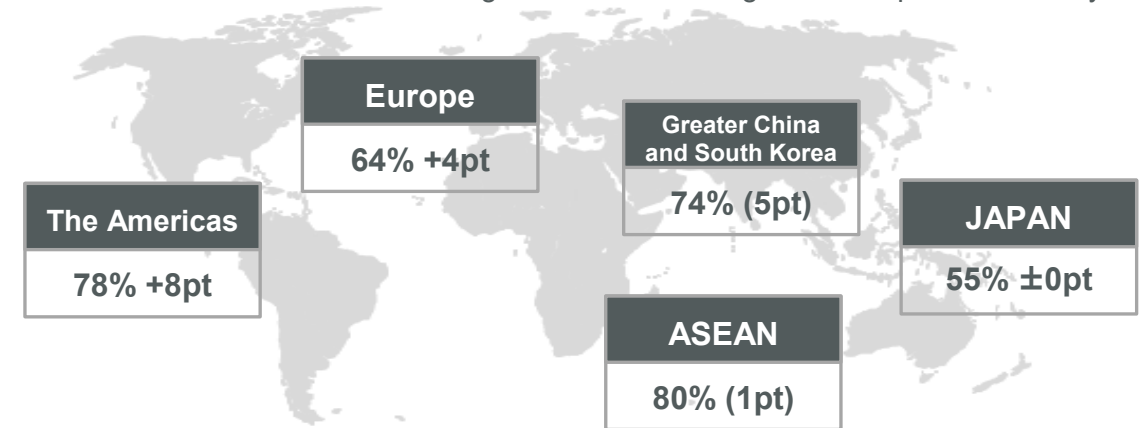
Overview of Employee Engagement survey results in FY2023

Overview of Murata Global Survey 2023

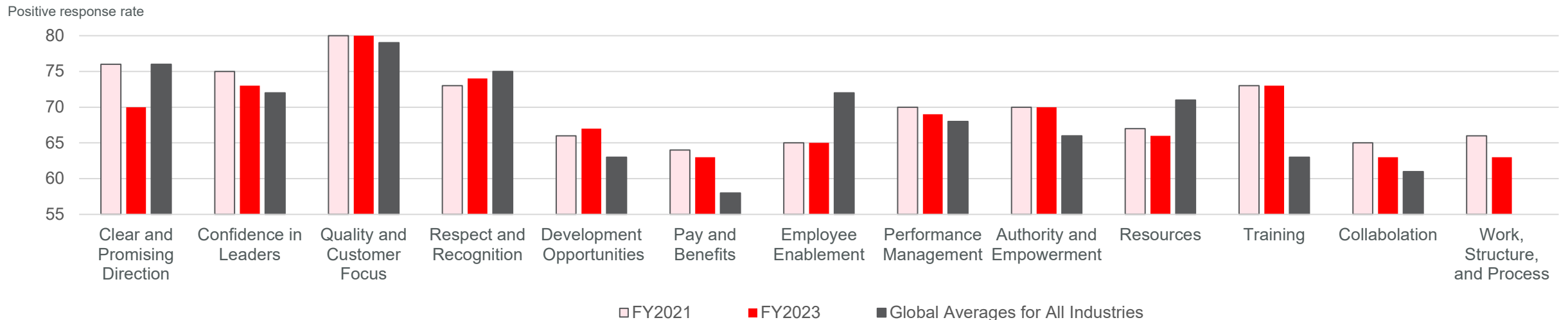
*The number on the right indicates a change from the previous survey.



*Ultimate response rate in FY2023 : 96%



Changes in Survey Results by Category (Murata Global)



*No comparison with the global all industry average is shown for the "Work, Structure, and Process" category, since it includes questions for which no benchmarking data is available.

Issues and countermeasures identified through engagement survey

- The decline in the Strategy and Direction score pushed down the overall score. In the face of major changes in employee values and work styles and the business environment, it is necessary to promote and share the contents of our strategy and strengthen detailed and careful communication with those in the field.
- On the other hand, the “Action from Previous Survey” score rose. Awareness for the actions steadily improved, and autonomous actions in each organization progressed.

【Activities aimed at improving engagement】

1 Held meetings to share examples of initiatives globally

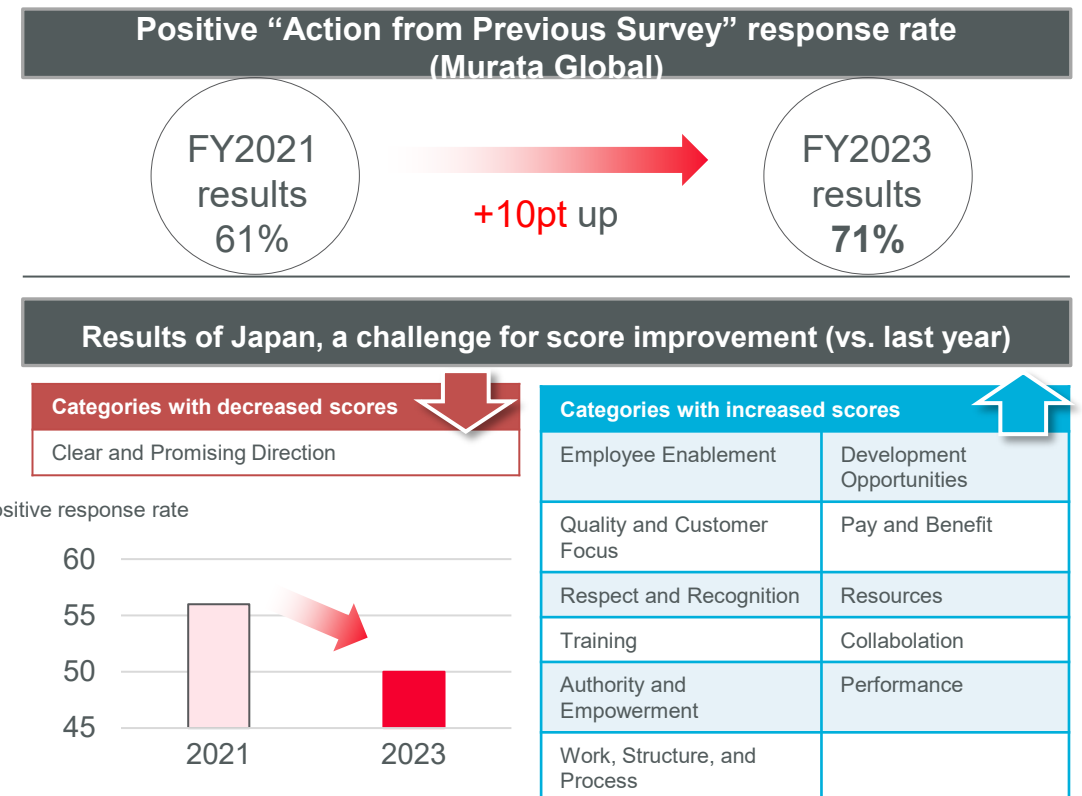
Good practices at each site and organization in Japan and overseas were shared throughout the Company. More than 1,400 people watched in real time. Video data was also distributed.

- Examples introduced -

- Activating QC circle activities through increased engagement
- Enhancing career support based on employee attributes
- Establishment of an engagement award system at each site

2 Site visits by top management

Chairman Murata and President Nakajima visited sites in Japan and overseas to have a dialogue with employees in the field. They visited more than 20 business sites annually.



Strengthen Human Resources Portfolio: Continuously Develop Candidates for Next Generation of Executives

- Defined human resource requirements required of global leaders and designed selective education programs. Achieved consistent leadership talent development.
- In addition to the top management’s active involvement, we promote personnel exchanges between programs and experience working at other overseas sites as a growth opportunity.



Respect for Human Rights – State of Our Initiatives

- Promote human rights due diligence throughout the company, and establish “human rights and labor management systems” at each business site. Site-specific risks are identified each year and a PDCA cycle is run for improvement.
- Conducted CSR audits in addition to self-assessments for important suppliers. For any risk that has materialized, in addition to requesting suppliers to take improvement actions, we also provide support for improvement as necessary.

Main Initiatives in FY2023

1 Take a deep dive look at risks and understand actual conditions through on-site audits at our group’s business sites

Scope

Three domestic and overseas sites identified as requiring additional confirmation based on the results of past assessments.

Detail

Conducted field surveys and interviews together with outside experts on high-priority risks such as forced labor.

2 Implementation of self-assessment at each business site and corrective measures

Conducted based on RBA standards for all domestic and overseas production sites.

3 Conducted self-assessments and CSR audits for suppliers

- Conducted self-assessments for approximately 130 companies, or 100% of our important suppliers*.
- CSR audits were conducted for approximately 50 companies. In addition to paper-based offsite confirmations, on-site confirmations and employee interviews were conducted to better understand the actual situation.

*Significant suppliers that supply important procurement parts and materials or that are not easily substituted, among suppliers with a large transaction amount accounting for 80% or more of Murata’s purchases from the previous fiscal year.

- **No major potential/manifested risks were identified in any of them.**
- **We will continue to identify and evaluate negative impacts, identify risks, and take corrective actions.**

03

Our corporate governance

History of Initiatives to Strengthen Corporate Governance

● June 2020 Change of President(Dissolution of concurrent duties of Chairman of the Board of Directors and President)

(Year)	2000	2010	2020
Execution and supervision separation	2000 <ul style="list-style-type: none"> ● Established a Vice President system ● Established the Management Executive Committee (currently Management Committee) 		2016 <ul style="list-style-type: none"> ● Transitioned to a Company with an Audit and Supervisory Committee
Board of Directors composition	* declared the appointment of Outside Directors 2001 <ul style="list-style-type: none"> ● First appointed Outside Director 		* Outside Directors shall represent more than one-third of the Directors.
Development of structure and system	2002~2008 <ul style="list-style-type: none"> ● Established the Corporate Ethics Policy and Code of Conduct ● Established the Internal Control Committee and the Audit Office (currently Office of Internal Audit) ● Established the basic policy on the internal control system ● Established the Corporate Social Responsibility (CSR) Management Office ● Established the CSR Committee (currently the CSR Management Committee) 	2015 <ul style="list-style-type: none"> ● Established the Corporate Governance Guidelines 	2023 <ul style="list-style-type: none"> ● Redefined the role and positioning of the Risk Management Committee
System development for nomination and remuneration of Board of Directors	2004 <ul style="list-style-type: none"> ● Abolished the Directors' retirement benefits system ● Established the Remuneration Advisory Committee 	2015 <ul style="list-style-type: none"> ● Established the Nomination Advisory Committee 	2021 <ul style="list-style-type: none"> ● Reviewed compositions of Nomination Advisory Committee and Remuneration Advisory Committee * The majority of the members of each committee shall be Independent Outside Directors. 2022 <ul style="list-style-type: none"> ● Made progress in collaboration between the Nomination Advisory Committee and the Remuneration Advisory Committee 2023 <ul style="list-style-type: none"> ● Established guidelines for the holding of shares



Initiatives to improve the effectiveness of the Board of Directors and both Advisory Committees

- In order to enhance governance, we are working to improve the effectiveness of the Board of Directors and both Advisory Committees, while separating execution from supervision and developing mechanisms and systems.

Board of Directors

Features

- An atmosphere that enables Directors to speak out freely and openly
- Composition of outside Directors who can play an appropriate role in ensuring the reasonableness and appropriateness of decision-making and the supervisory function

Key points of FY2023

- Proactive reform in pursuit of broader and more substantive discussions, starting with the evaluation of effectiveness result
- Discussions about how the Board of Directors that demonstrates Murata's unique qualities

Nomination and Remuneration Advisory Committee

Features

- Highly objective, transparent, and effective management of meetings, taking into account the external environment through the appointment of external advisors
- A highly independent committee, a majority of which consist of outside Directors, without including Representative Director and President in its membership

Key points of FY2023

- Improved transparency in the appointment and dismissal process for the nomination of Representative Directors
- Introduction of clear quantitative indicators for remuneration systems to improve transparency
- Held joint meetings of the Nomination and Remuneration Advisory Committee to conduct a multi-faceted evaluation of Representative Director and President

Cautionary Statement on Forward-looking Statements

This report contains forward-looking statements concerning Murata Manufacturing Co., Ltd. and its group companies' projections, plans, policies, strategies, schedules, and decisions.

These forward-looking statements are not historical facts; rather, they represent the assumptions of the Murata Group (the “Group”) based on information currently available and certain assumptions we deem as reasonable. Actual results may differ materially from expectations due to various risks and uncertainties. Readers are therefore requested not to rely on these forward-looking statements as the sole basis for evaluating the Group. The Company has no obligation to revise any of the forward-looking statements as a result of new information, future events or otherwise.

Risks and uncertainties that may affect actual results include, but are not limited to, the following:

1. Economic conditions of the Company's business environment, and trends, supply-demand balance, and price fluctuations in the markets for electronic devices and components
2. Price fluctuations and insufficient supply of raw materials
3. Exchange rate fluctuations
4. The Group's ability to provide a stable supply of new products that are compatible with the rapid technical innovation of the electronic components market and to continue to design and develop products and services that satisfy customers
5. Changes in the market value of the Group's financial assets
6. Drastic legal, political, and social changes in the Group's business environment
7. Other uncertainties and contingencies.

The Company undertakes no obligation to publicly update any forward-looking statements included in this report.

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