BUSINESS REPORT

FOR THE 89TH FISCAL TERM

FROM APRIL 1, 2024
TO MARCH 31, 2025

10-1, Higashikotari 1-chome, Nagaokakyo-shi, Kyoto, Japan
Murata Manufacturing Co., Ltd.
Norio Nakajima
President and Representative Director

Business Report

From April 1, 2024
to March 31, 2025

1. Matters Concerning Status of the Companies

(1) Main business areas

The Companies are electronic component manufacturers that primarily engage in manufacturing and sales of electronic components and related products primarily of ceramic material, Components (such as capacitors, inductors, and EMI suppression filters), Devices and Modules (such as high-frequency modules, SAW filters, lithium-ion secondary batteries, and sensors), and Others (such as medical products and solutions business) and conduct vertically integrated technological development and manufacturing, from inorganic and organic chemical materials, to ceramics and electronic components. The Companies create original products based on accumulated proprietary foundational technologies, which include materials and processes development, product design and production technology, as well as supporting software, analysis, and evaluation. Products are sold for use in a wide range of electronic equipment, including edge devices, such as smartphones, PCs, and wearables, IT infrastructure, such as data centers, servers, base stations, and backbone network equipment, mobility, audio-visual equipment, and home appliances.

(2) Business progress and results

1) Business conditions

The global economic environment for the current fiscal year maintained a trend of moderate recovery despite remaining uncertainties, including escalating tension in the Middle East and U.S. policy trends. The United States maintained a strong economy, underpinned by consumer spending on the back of a firm employment and income environment. In Europe, although the downturn in manufacturing industry continued, primarily in Germany, the economy remained resilient as consumer sentiment recovered due to lower inflation and an improvement in the income environment. In China, the economic recovery lacked strength as the falling real estate market and weak exports drove business down, but there were signs of some improvement, mainly in domestic demand, due in part to economic stimulus measures and the impact of the Chinese New Year.

In the electronics market where the Companies operate, demand for parts for computers grew against the backdrop of expanding investments in IT infrastructure such as AI servers.

In these circumstances, regarding revenue for the current fiscal year, revenue of SAW filters and connectivity modules decreased for smartphones. However, revenue of capacitors (MLCCs) increased for computers and mobility. Additionally, revenue of multilayer resin substrates and inductors increased for smartphones. As a result, overall revenue increased by 6.3% year on year to 1,743,352 million yen, boosted in part by foreign currency fluctuations (the yen depreciated by 7.95 yen year on year).

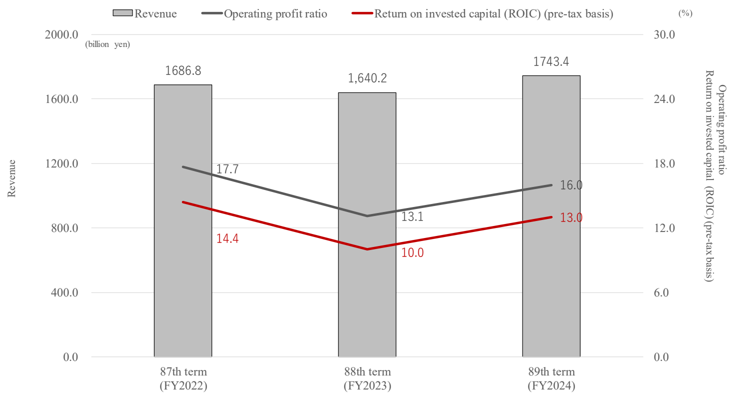
Looking at profits, operating profit was 279,702 million yen, up 29.8% year on year, profit before tax was 304,404 million yen, up 27.2% year on year, and profit attributable to owners of parent came to 233,818 million yen, up 29.3% year on year. This was due to profit-increasing factors such as an increase in the operation rate and a cost reduction despite profit-decreasing factors such as a fall in product selling prices and an increase in fixed costs.

Return on invested capital (ROIC) (pre-tax basis) for the current fiscal year was 13.0%, a year-on-year increase of 3.0 percentage points, due to the significant increase in operating profit, in addition to a decrease in invested capital, including inventory.

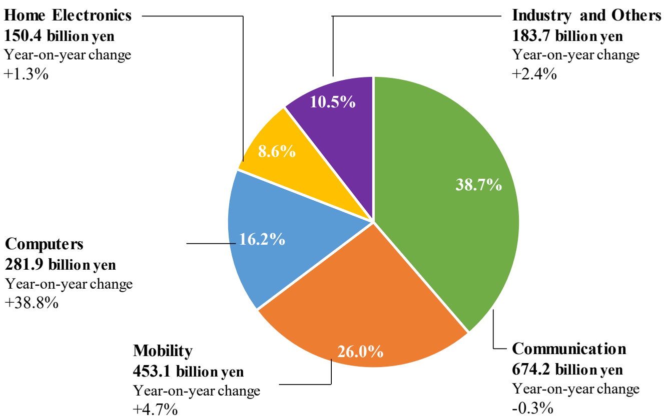
Key financial results

Revenue	**1,743.4 billion yen**	YoY **+6.3%**
Operating profit	**279.7 billion yen**	YoY **+29.8%**
Profit before tax	**304.4 billion yen**	YoY **+27.2%**
Profit attributable to owners of parent	**233.8 billion yen**	YoY **+29.3%**
Return on invested capital (ROIC) (pre-tax basis)	**13.0 %**	YoY **+3.0 percentage points**

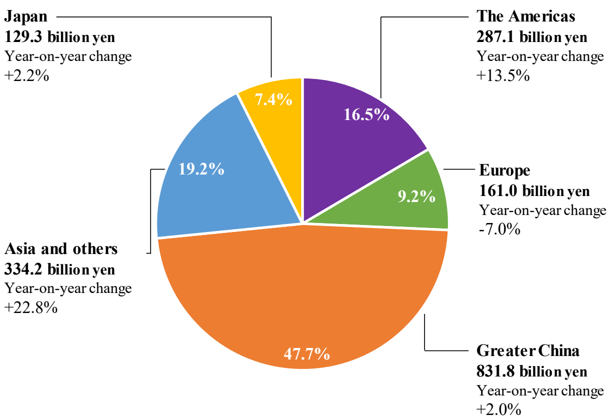
Performance Trend



Sales by Application (Based on the Company's estimates)



Sales by Area

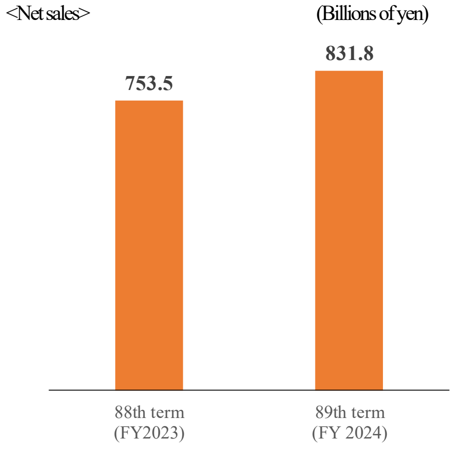


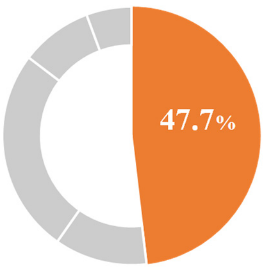
2) Revenue by operating segment

[Capacitors]
(MLCCs, etc.)

Orders and backlogs	**832.7 billion yen**
Net sales	**831.8 billion yen**
YoY	**+78.3 billion yen (+10.4%)**

For the fiscal year under review, sales of MLCCs increased for computers and mobility.
As a result, overall revenue increased by 10.4 % year on year to 831,845 million yen.

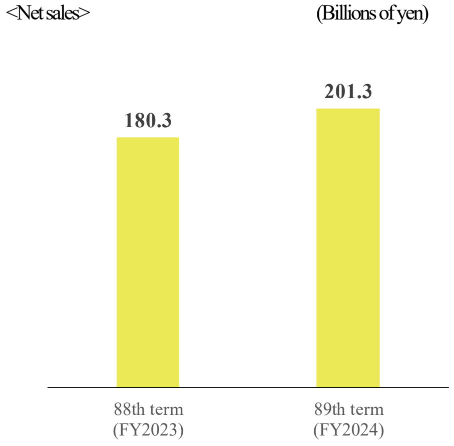


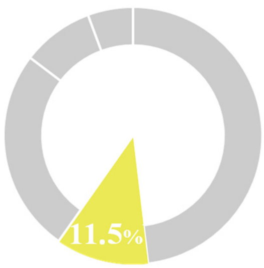


[Inductors and EMI Filters]
(Inductors, EMI suppression filters)

Orders and backlogs	**203.0 billion yen**
Net sales	**201.3 billion yen**
YoY	**+21.0 billion yen (+11.7%)**

For the fiscal year under review, sales of inductors increased for smartphones, computers and mobility. Additionally, sales of EMI suppression filters increased for mobility.
As a result, overall revenue increased by 11.7% year on year to 201,273 million yen.





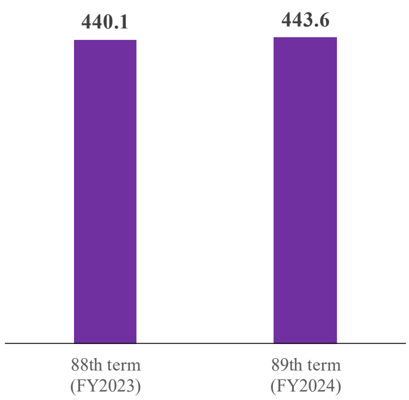
[High-Frequency Device and Communications Module]

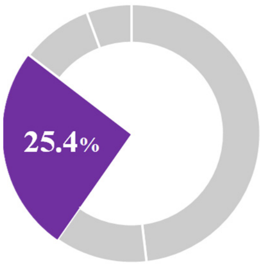
(Connectivity modules, high-frequency modules, SAW filters, multilayer resin substrates, etc.)

Orders and backlogs	**433.3 billion yen**
Net sales	**443.6 billion yen**
YoY	**+3.5 billion yen (+0.8%)**

For the fiscal year under review, sales of SAW filters and connectivity modules decreased for smartphones, sales of multilayer resin substrates increased for smartphones. Additionally, RF modules increased for PCs.
As a result, overall revenue increased by 0.8 % year on year to 443,602 million yen.

<Net sales> (Billions of yen)





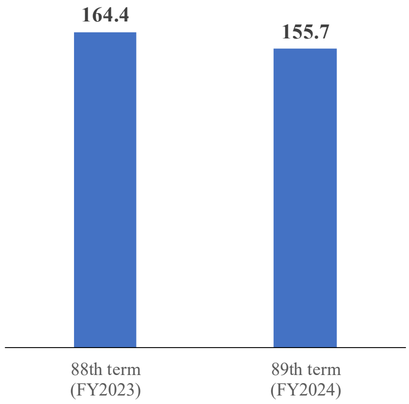
[Battery and Power supply]

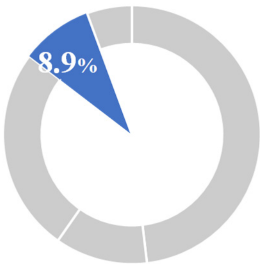
(Lithium ion secondary batteries, power supplies modules)

Orders and backlogs	**143.0 billion yen**
Net sales	**155.7 billion yen**
YoY	**-8.7 billion yen (-5.3%)**

For the fiscal year under review, sales of power supplies modules decreased for industrial equipment. Additionally, while lithium ion secondary batteries increased for servers, they decreased for gaming consoles and power tools.
As a result, overall revenue decreased by 5.3 % year on year to 155,741 million yen.

<Net sales> (Billions of yen)



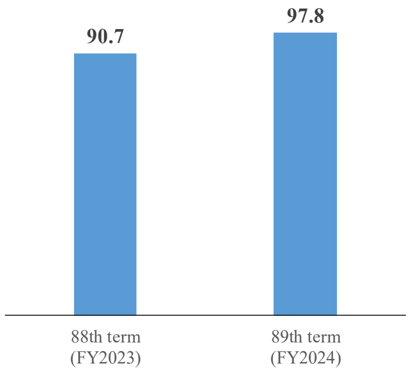


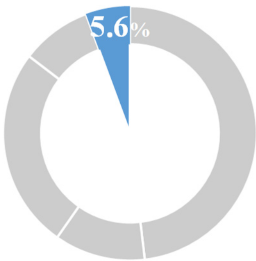
[Functional Device]
(Sensors, timing devices (resonators), etc.)

Orders and backlogs	**95.8 billion yen**
Net sales	**97.8 billion yen**
YoY	**+7.1 billion yen (+7.9%)**

For the fiscal year under review, sales of actuator and sensors increased for computers.
As a result, overall revenue increased by 7.9 % year on year to 97,822 million yen.

<Net sales> (Billions of yen)





(3) Issues to be Addressed

1) Basic policy on company management

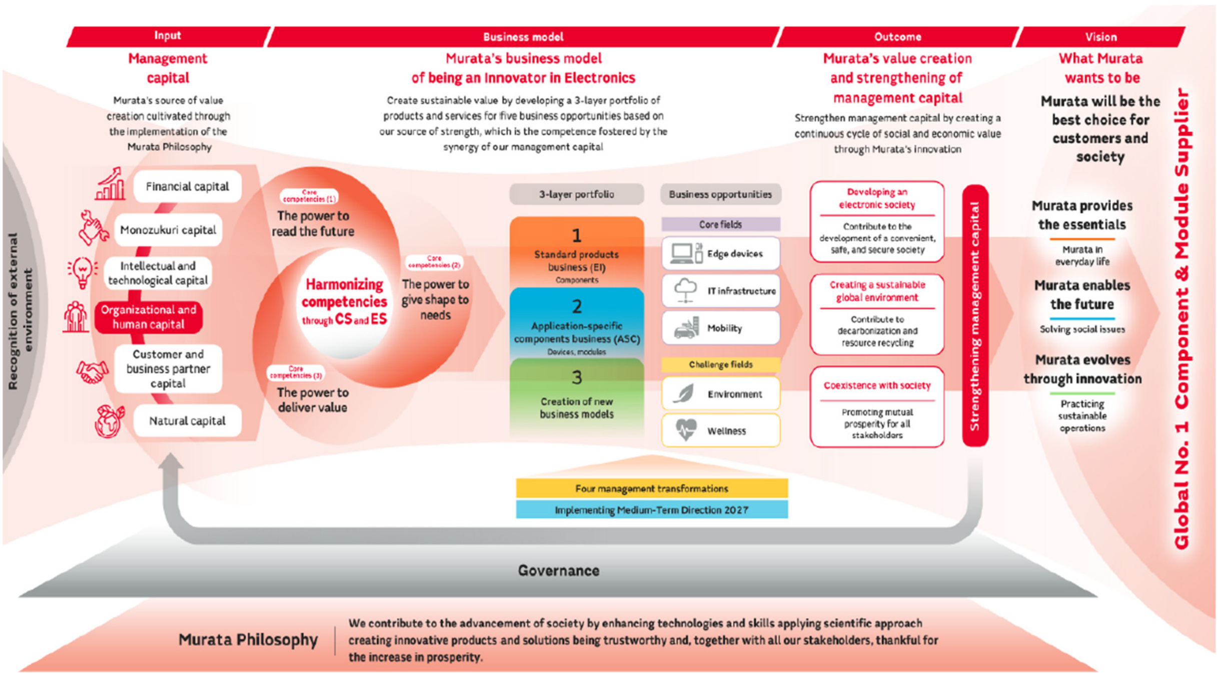
The Companies practice management based on the Murata Philosophy, the heart of which is to "contribute to the advancement of society by creating innovative products and solutions." Our employees share a belief in the slogan "Innovator in Electronics," which embodies the Companies' desire to be a leader in innovation for the electronics industry.

For the Companies to continue proactively creating value as a true Innovator in Electronics, it is important that we expand the scope of the value we provide from just "innovation for customers" to also include "innovation for solving social issues." "CS (customer satisfaction: Continuing to create and provide value that is recognized by the customer) and ES (employee satisfaction: Every employee achieves satisfaction and continuing growth through the performance of their work duties)" are key values of the Companies and the driving force behind the three core competencies: "the power to read the future," "the power to give shape to needs," and "the power to deliver value." We aim to harness these core competencies to each other to demonstrate our collective strength and generate a continuous cycle of social and economic value, through which we will contribute to the enrichment of society.

To achieve this, we believe it important that diverse personnel collaborate with each other beyond organizational boundaries to create innovation. Another critical part is to pursue co-creation with stakeholders more actively than we ever have before. Going forward, we will build solid relationships with our stakeholders, work to solve social issues, and contribute to social sustainability.

"The Companies' value creation process"

During the current fiscal year, the Companies reorganized our management capital, the source of our value creation, and reviewed our value creation process, for example by placing our collective strength through CS and ES at the center of our competencies.

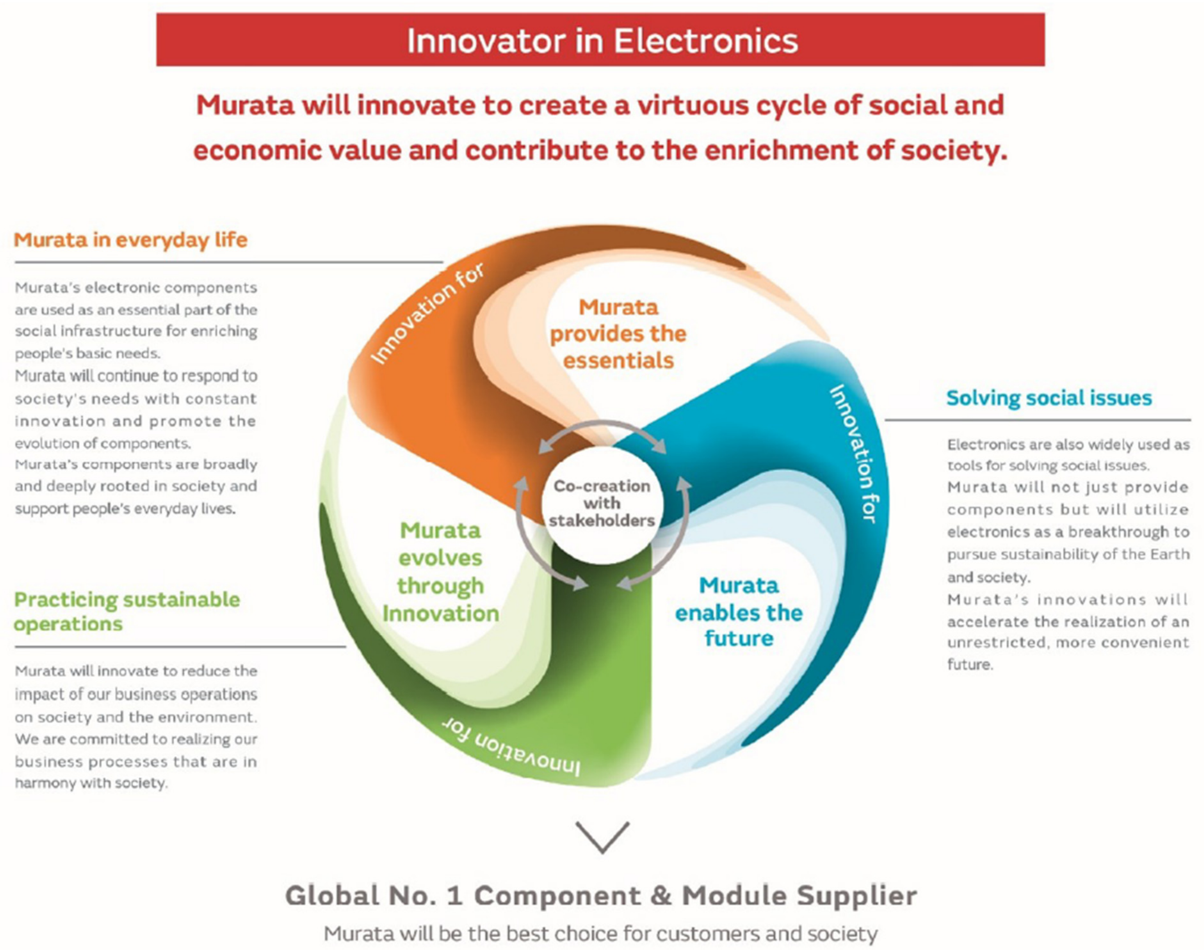


2) Medium- to long-term company management strategy

I. Vision 2030 (long-term vision)

During the fiscal year ended March 31, 2022, The Companies established Vision 2030 as our long term vision. Vision 2030 describes what Murata wants to be, namely that "Murata will innovate to create a continuous cycle of social and economic value and contribute to the enrichment of society." We also made it our growth strategy to "deepen core businesses and promote evolution of business models" and to "execute four management transformations." We present these as our vision to give consistency to our efforts through 2030 and enable us to get where we want to be. By so doing, we aim to ensure that the Companies remains the best choice for customers and society as well as the global No. 1 component & module supplier.

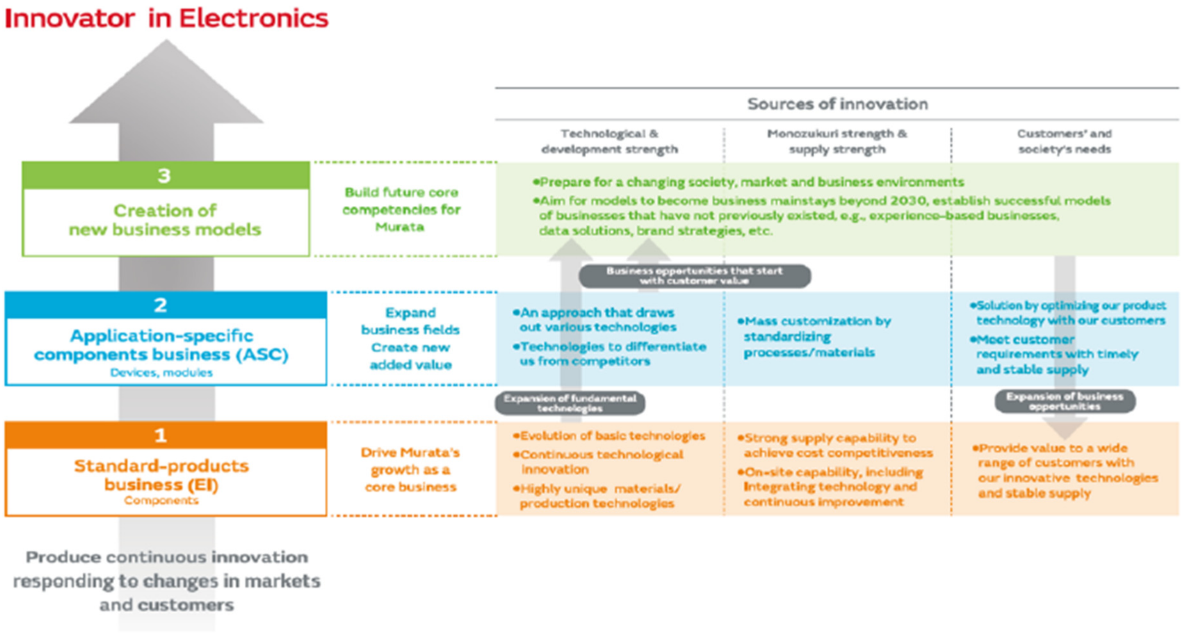
"Vision 2030: What Murata wants to be"



<u>Growth strategy (1): Deepen core businesses and promote evolution of business models</u>

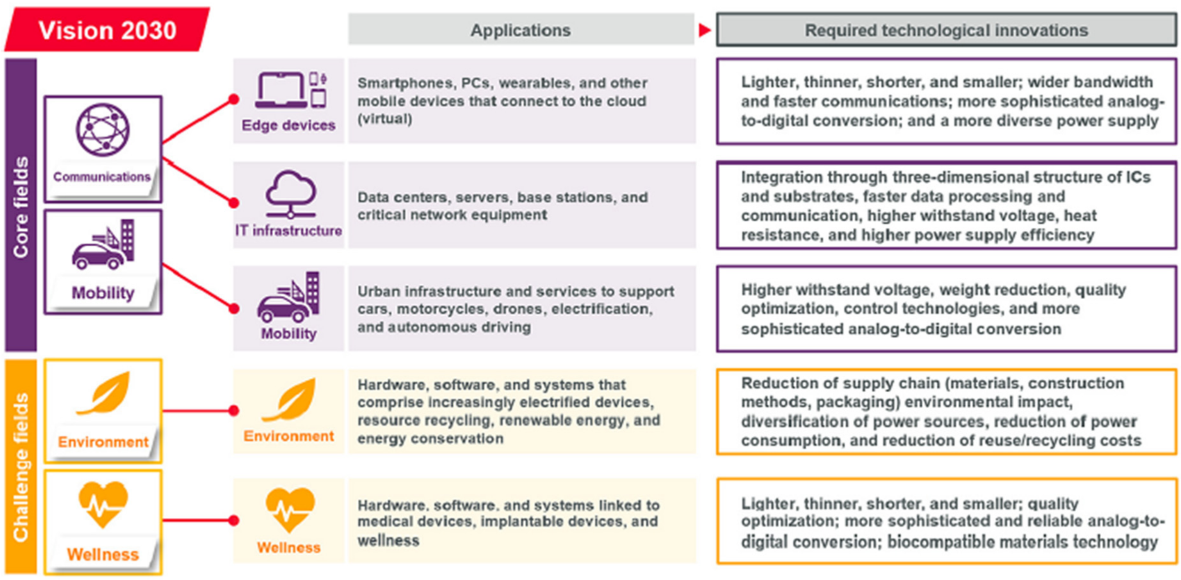
In order for the Companies to continue to create value as an innovator in the drastically changing electronics industry, it is necessary to capture the global trends of technology and changes in society and reflect them in business management. In order to create various innovations looking ahead to the future from a long-term perspective, the Companies use a 3-layer portfolio in its business management and focus on five key fields with business opportunities to create value.

“3-layer portfolio”



“Five business opportunities”

In Medium-Term Direction 2027, formulated during the current fiscal year, the number of business opportunities was changed from four to five. By redefining the communication field, one of the Companies’ core fields, into the two areas of edge devices and IT infrastructure, we have given more concrete form to the business opportunities created by technological innovations like AI and cloud computing. We aim to create value by seizing these five business opportunities.



Growth strategy (2): Execute four management transformations

- Management transformation 1: Management that creates a continuous cycle of social value and economic value

The Companies strive to increase the value it provides to society (social value) while creating a continuous cycle of social value and economic value as it aims to remain the company of choice that is trusted by its stakeholders. To achieve this vision, we have set targets for key issues (materialities) originating with social issues.

- Management transformation 2: Autonomous and decentralized organizational management

Even as the Companies expand its scale and business area, we hope to transform Murata's organizational management to be more autonomous and decentralized so that every employee can continue to practice the Murata Philosophy in their daily work, provide value, and continue growing just as we did when the Murata Philosophy established.

- Management transformation 3: Change-responsive management based on hypothetical thinking

At a time when the environment is changing drastically, we should not be passive, but rather prepare by hypothesizing what might happen in the future, then practice change-responsive business management, which flexibly corrects its course in response to change. Each function and organization continually gathers information on future changes, discusses them, takes action, and monitors, raising their sensitivity to environmental changes.

- Management transformation 4: Digital transformation (DX)

The Companies define digital transformation (DX) as an initiative that enables people and organizations (business processes) both inside and outside Murata to connect digitally and freely and make processes shorter, faster, and visible, thereby continually driving to dramatically increase customer value and competitiveness. Both the organization that promotes the strategy for company-wide DX and the executing organization will accelerate the overall digitalization in order to realize our vision in the domains to strengthen and core fields.

II. Medium-Term Direction 2027

Review of Medium-Term Direction 2024

During the fiscal year ended March 31, 2022, the Companies established Medium-Term Direction 2024 (covering the fiscal year ended March 31, 2023 through the fiscal year ended March 31, 2025) as the first phase of Murata's effort toward our Vision 2030 description of what Murata wants to be.

1) Result of economic value targets

Medium-Term Direction 2024 set out economic value targets as measured in revenue, operating profit ratio, and ROIC (pre-tax basis), but unfortunately the Companies fell short on each of these three targets.

	FY2024 Target	FY2024 Result	Compared to the Target
Revenue (Millions of yen)	2,000,000	1,743,352	(256,648)
Operating profit ratio (%)	20% or higher	16.0	(4.0)
ROIC (pre-tax basis) (%) (Note)	20% or higher	13.0	(7.0)

(Note) ROIC (pre-tax basis) = Operating profit/Average invested capital at the beginning and end of the period (property, plant and equipment・right-of-use assets・goodwill・intangible assets + inventories + trade receivables – trade payables)

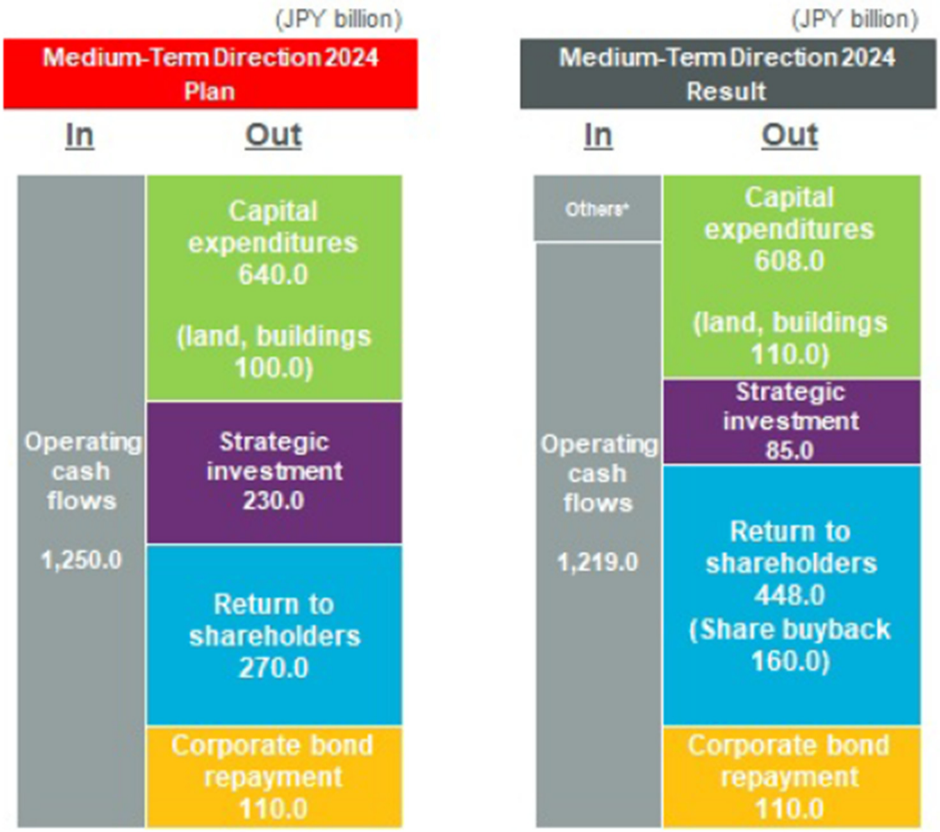
In respect to revenues, although there was an upsurge in demand for AI servers, accelerated electrification in the mobility market, and the depreciation of the yen, consumer markets such as smartphones and PCs saw much lower demand for parts than expected due to prolonged inventory adjustment caused by a reactionary decline in demand following increases during the COVID-19 pandemic. In layer 2 businesses, the Companies' growth in market share of modules was delayed, resulting in lower-than-expected results. As for our operating profit ratio, it did not reach our target due to a lower factory operation rate and delays in the improvement of low-profit businesses, despite efforts to reduce the costs and improve productivity in response to lower demand for parts. Our ROIC (pre-tax basis) fell short of our target due to continued upfront investment in preparation for the expansion of the electronics field amid a declining operating profit ratio, as just mentioned.

2) Result of capital allocation

Medium-Term Direction 2024 set out a clear capital allocation policy and established a new "strategic investment" category. We treated long-term environmental investment, acquisition of technologies, risk countermeasures, and IT infrastructure enhancements as strategic investments.

Regarding the progress on strategic investment, the cumulative amount of combining projects already executed and projects approved for the past three fiscal years was 85 billion yen. For the progress on shareholder returns, the cumulative amount of dividends for the past three fiscal years was 448 billion yen. For the progress on redemption of bonds, 110 billion yen was redeemed during the past three fiscal years.

We will continue investing in our main businesses (components and devices/modules) and aim to steadily generate cash. We will meet stakeholder expectations by providing additional returns to shareholders in a flexible manner in response to the business environment.



*Includes excess funds on hand at the end of FY2021 and expenses incurred during the period.

3) Initiatives to address medium-term management issues

Under Medium-Term Direction 2024, in addition to solving problems that emerged during the years of Medium-Term Direction 2021, we strove to capture the changes in the environment from a long-term perspective and perform backcasting to identify preparations we needed to make going forward. Therefore, we took initiatives to address four medium-term management issues: management transformation, portfolio management (higher level), formation of a lean management base, and preparation for 2030.

・ Management transformation

Vision 2030, the Companies' long-term vision, sets out four management transformations as a growth strategy: management that creates a continuous cycle of social value and economic value, autonomous and decentralized organizational management, change-responsive management based on hypothetical thinking, and digital transformation (DX).

During the period covered by Medium-Term Direction 2024, we introduced a sustainability investment promotion system and an internal carbon pricing (ICP) system as new business management systems to address key issues (materiality) in relation to issues facing society and to promote a continuous cycle of social value and economic value. In addition, as projects to solve environmental issues, we are promoting the internal and external deployment of the integrated renewable energy control solution, efinnos, and an energy-saving system that combines our products with AI-driven energy-saving control from our partner Mutron. In addition, as a mechanism to ensure an autonomous and decentralized organization, we applied a hypothesis-based way of thinking in business plan management processes and reviewed the processes for formulating budgets and medium-term business plans as well as evaluating business viability. For the business viability evaluation process, we have targeted products that do not meet certain standards on the two axes of ROIC and market growth rate, formulating improvement plans and performing periodic monitoring. In addition, the Companies fostered awareness internally and the securing and training of DX staff, in addition to organizing issues, formulating concepts and plans, and implementing proof of concept (PoC) as we establish next-generation digital platforms and an infrastructure base. We will continue to promote management transformation initiatives to realize Vision 2030.

・ Portfolio management (higher level)

To achieve a deepening of core businesses and promote evolution of business models, a growth strategy found in Vision 2030, we will take portfolio management to a higher level using the 3-layer portfolio mentioned previously.

Regarding layer 1, we promoted initiatives to ensure our position as an industry leader by building up supply capacity to keep pace with growing demand, cutting-edge technical strength to overcome technical limitations, and business efficiency. To prepare for medium- to long-term demand growth for multilayer ceramic capacitors and inductors, we have been constructing new production buildings in China, Thailand, and Vietnam and established a joint venture company, MF Material Co., Ltd. In preparation for future production in India, we started a contract to lease a factory in an industrial park in that country. Furthermore, our pursuit of cutting-edge technologies has made us the first to develop the world's smallest multilayer ceramic capacitor at 006003-inch size (0.16 mm x 0.08 mm), which contributes to the miniaturization and improvement of electronic devices. Likewise, we have also begun developing the world's smallest class of chip inductors of the same size.

For layer 2, the Companies have endeavored to win market share by stepping up differentiating technologies. We are also working to build up our financial strength by reconsidering our portfolio, for example selecting and concentrating on specific businesses. In high-frequency devices and communications modules, we are promoting the development of XBAR technology from Resonant, a company whose acquisition we completed in the fiscal year ending March 31, 2022, and are currently preparing to start shipments in the next fiscal year. In the battery business, we are taking initiatives to become profitable by creating business opportunities in the environmental field, establishing a lean business foundation, and strengthening and reallocating management capital.

On layer 3, we have been searching out business areas where we can put the Companies' strengths to work. During the period covered by Medium-Term Direction 2024, we kicked off KUMIHIMO Tech Camp with Murata, which aims to realize ideas of startups and universities by utilizing the Companies' hardware. We have also actively expanded co-creation activities with external parties to create and accelerate innovation. For example, during the current fiscal year, we held the event outside Japan (in Bulgaria) for the first time. In addition, the number of cases of social implementation of layer 3 businesses, such as the deployment of PIECLEX, worker safety monitoring systems, efinnos, and wireless sensing solutions, is steadily rising. Co-creating with our stakeholders, we will accelerate our efforts to scale up such businesses.

- Form a lean management base

The Companies have focused on building more powerful human capital and a firmer foundation for quality to form a lean management base.

To improve our social value indicators (ES and diversity), we conducted a global organization survey and examined and implemented action plans based on the results. We also actively provided opportunities for personnel to gain work experience at other locations globally. Furthermore, we prepared and implemented selective education programs in Japan and overseas with the aim of training personnel as future management candidates, promoted elimination of wasteful practices at manufacturing sites and improvements in productivity by making use of smart technologies and digital technologies, and moved forward with training human resources that will support on-site improvements and the global production system. We also introduced a business risk assessment mechanism and strengthened our quality assurance and management system to support management of our 3-layer portfolio. the Companies will continue to strive for quality trusted by all customers by practicing scientific management starting at the origin of processes.

- Preparation for 2030

The Companies have assessed important management risks and made the necessary preparations, while identifying and nurturing technologies that will make us competitive in future and formulating and implementing intellectual property strategies to support them.

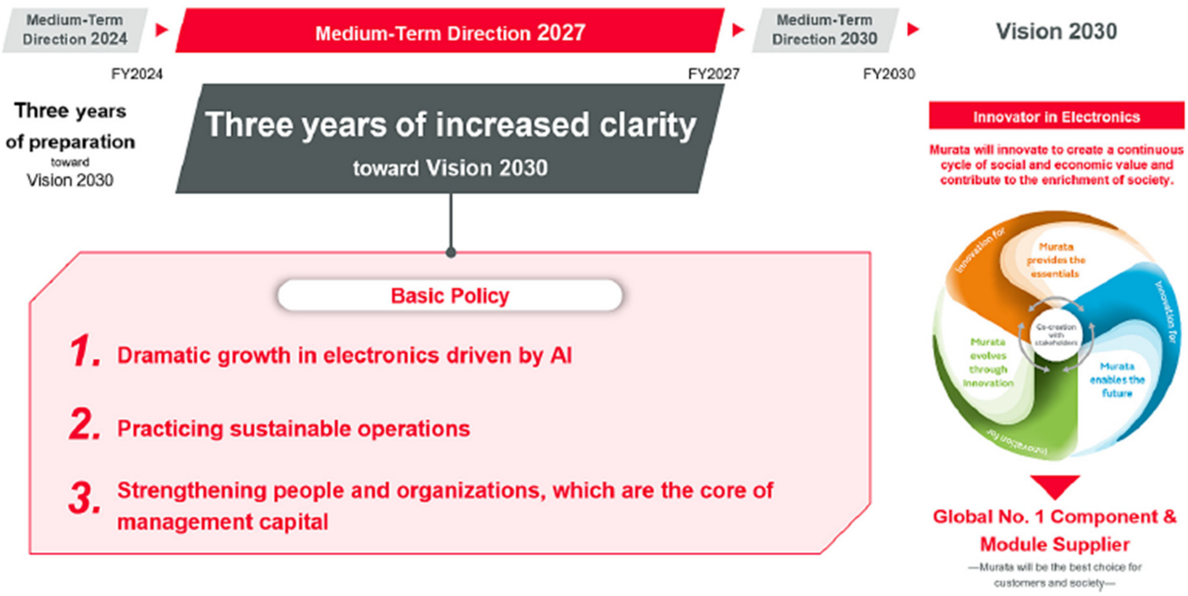
Specifically, we strengthened initiatives with an awareness of backcasting for the year 2030 and beyond, such as our SONAE Project and η Project. Under the SONAE Project, during the current fiscal year, we newly added the themes space and robotics to the four existing themes of next-generation communications and 6G, the environment, optics and semiconductors, and bioelectronics, and we will drive our studies and exploration, research and development, and commercialization in these areas. Furthermore, by strengthening sales and marketing capabilities to meet diversifying customer needs, by establishing a BCM framework (for example by opening the Tokyo Logistics Center), and by diversifying supply chains, we have strengthened risk management to counter geopolitical and other business risks that may arise in future. We will continue to practice management not only from a short-term perspective, but also with a view to medium- to long-term growth.

Medium-Term Direction 2027

During the current fiscal year, the Companies established Medium-Term Direction 2027 (covering the fiscal year ending March 31, 2026 through the fiscal year ending March 31, 2028) as the second phase of Murata's effort toward our Vision 2030 description of what Murata wants to be.

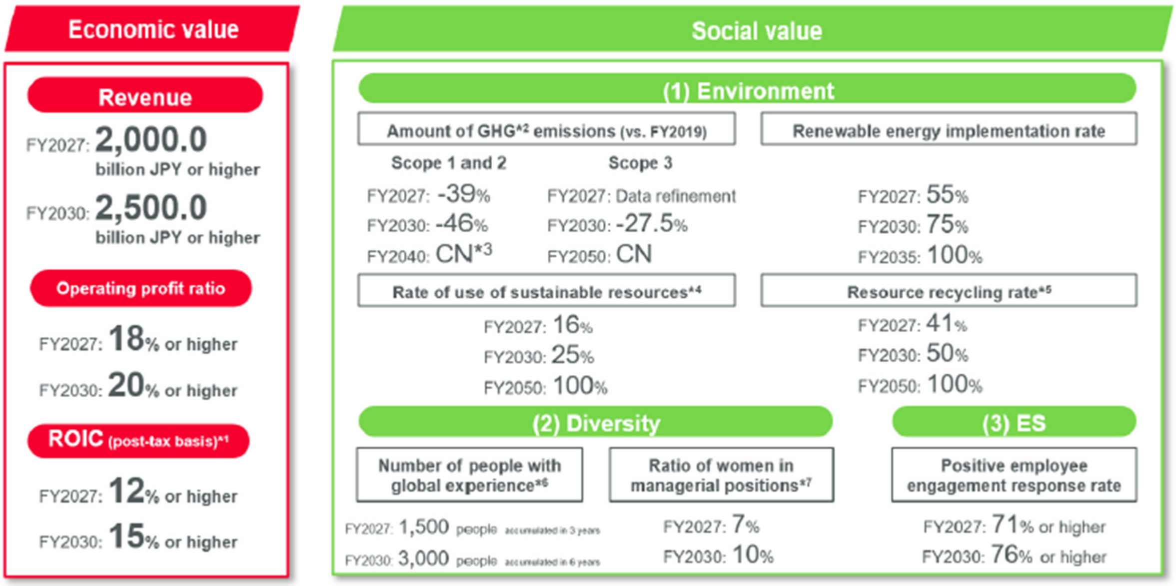
1) Positioning of Medium-Term Direction 2027

The Companies see Medium-Term Direction 2027 as covering a three-year period of increased clarity toward the realization of our vision as we work to achieve "what Murata wants to be" as described in Vision 2030. We believe that the emergence of AI will further accelerate the realization of "digital twins" that the Companies foresee for 2030 in our worldview. On the way to achieving our 2030 worldview, the three years from now through 2027 will be a period of major change in the electronics industry. For this period, we have set forth three basic policies that the Group will implement to increase clarity toward the realization of our vision of initiatives to be the best choice for customers and society.



2) Management Targets

The figure below lays out our company-wide management targets under Medium-Term Direction 2027.



*1 ROIC disclosure has been changed from pre-tax to post-tax from this Medium-Term Direction. ROIC (post-tax basis) = Operating profit × (1 - effective tax rate) ÷ Average invested capital at the beginning and end of the period (Property, plant, and equipment/right-of-use assets/goodwill/intangible assets + inventories + trade receivable - trade payables)

*2 Greenhouse gas

*3 Carbon neutral

*4 Percentage of recycled material use (by weight), mainly in 24 resources at high risk of depletion

*5 Percentage of Murata's discharges (waste + valuable materials) that are recycled as circulating resources (by weight)

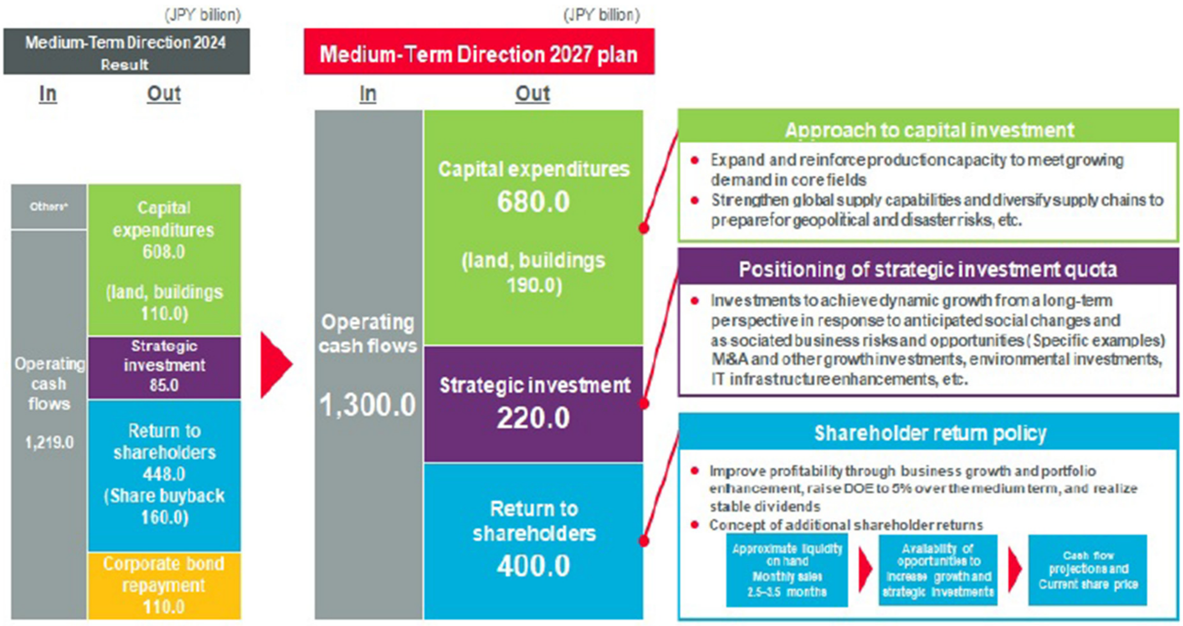
*6 Cumulative number of employees in Japan and abroad who have gained global experience through relocation, training, or remote assignments outside their home country after 2025

*7 Murata Manufacturing Co., Ltd. on a non-consolidated basis

3) Capital allocation policy

In accordance with Medium-Term Direction 2027, we established the following capital allocation policy with the aims of expanding business and maximizing corporate value.

To strengthen our earning power over the medium to long term, we will actively make strategic investments to realize disruptive growth, in addition to investments to increase production capacity and diversify supply chains. Concerning returns to shareholders, the Companies are raising our target for dividend on equity (DOE) by improving profitability so we can ensure stable dividends and flexibly offer additional returns to shareholders in response to the business environment.



*Includes excess funds on hand at the end of FY2021 and expenses incurred during the period.

4) Three "Basic Policies"

・ Policy 1: Dramatic growth in electronics driven by AI

With the development of AI technology, we foresee that the Companies' business opportunities will further expand as we realize our "digital twins" worldview, in which cyberspace and physical space are seamlessly connected.

The Companies will focus on edge devices, mobility, and IT infrastructure as our core fields, aiming to win the No. 1 share of the market for capacitors and for inductors and EMI filters, and to achieve high sales growth in functional devices, high-frequency devices and communications modules, and battery and power supply.

In addition, we see the environment, wellness, and layer 3 businesses as challenge fields. We will work to expand our businesses in these areas and explore technologies for the very long term beyond 2030.

・ Policy 2: Practicing sustainable operations

Up to now, the Companies have achieved business growth by pursuing lighter, thinner, shorter, smaller, and more efficient products contributing to the miniaturization of electronic devices, and by taking the lead in efforts to reduce environmental impact through sustainable operations. Going forward, we will accelerate our efforts by co-creating with our stakeholders under the two main themes of climate change countermeasures and resource recycling.

In addition, to ensure a stable supply of products in business conditions where the threat of hazard risks and geopolitical risks is becoming more complex, we will further strengthen our efforts to reinforce our networks among sites around the globe, maintain appropriate inventory policies, and build resilient, diversified supply chains.

・ Policy 3: Strengthening people and organizations, which are the core of management capital

The Companies believe that organizational and human capital is the core connecting all management capital. As such, we aim to realize Vision 2030 by promoting the transformation into individuals and an organization brimming with innovation. We have drawn up a new "virtuous cycle between individuals and the organization" model that spells out actions to be taken by individuals and the organization in an autonomous and decentralized organizational management. We will further our initiatives under the three key themes of "dynamic resource allocation," "developing leaders who can change the future," and "achieving a virtuous cycle between individuals and the organization."

In addition, we aim to realize high-cycle operations by promoting DX to visualize and streamline engineering chains, supply chains, and demand chains. This will give our personnel more time to focus on the core objectives of our operations and serving customers properly, helping to maximize CS and ES.

(4) Status of capital expenditures

During the current fiscal year, the Companies had capital expenditures totaling 180,471 million yen.

Primary components were 101,414 million yen in reinforcement and rationalization of manufacturing facilities of the Company and its subsidiaries, 23,521 million yen in the acquisition of land and buildings, and 14,611 million yen in reinforcement of research and development facilities.

No eliminations or sales that had a significant effect on manufacturing capabilities were carried out.

(5) Status of property and profits

Status of property and profits of the Companies

(Millions of yen)

Item \ Term	86th Fiscal Term From April 1, 2021 to March 31, 2022	87th Fiscal Term From April 1, 2022 to March 31, 2023		88th Fiscal Term From April 1, 2023 to March 31, 2024	89th Fiscal Term From April 1, 2024 to March 31, 2025
	U.S. GAAP	U.S. GAAP	IFRS	IFRS	IFRS
Revenue	1,812,521	1,686,796	1,686,796	1,640,158	1,743,352
Profit before tax	432,702	314,895	302,683	239,404	304,404
Profit attributable to owners of parent	314,124	253,690	243,946	180,838	233,818
Total assets	2,809,171	2,872,763	2,858,303	3,037,895	3,028,194
Equity attributable to owners of parent	2,263,596	2,402,511	2,359,985	2,556,147	2,580,805
Basic earnings per share	163.65 yen	133.78 yen	128.64 yen	95.72 yen	125.08 yen
Ratio of equity attributable to owners of parent	80.6%	83.6%	82.6%	84.1%	85.2%

(Notes)
1. The Company prepares consolidated financial statements on an IFRS basis starting from the 88th term, and the above is stated in accounts under IFRS. For the 87th term, the figures after reclassified in accordance with IFRS are also listed.
2. The Company implemented a three-for-one common stock split effective October 1, 2023. Basic earnings per share are calculated based on the assumption that the stock split was executed at the beginning of the 86th term.
3. Amounts of less than one million yen are rounded to the nearest million yen.

(6) Primary sites and status of significant subsidiaries of the Company

1) The Company (As of March 31, 2025)

Name	Location
Head Office	Nagaokakyo-shi, Kyoto
Tokyo Branch	Shibuya-ku, Tokyo
Yokaichi Plant	Higashiomi-shi, Shiga
Yasu Division	Yasu-shi, Shiga
Yokohama Technical Center	Yokohama-shi, Kanagawa
Nagaoka Division	Nagaokakyo-shi, Kyoto
Minato MIRAI Innovation Center	Yokohama-shi, Kanagawa

2) Subsidiaries (As of March 31, 2025)

Company name	Capital	Share of voting rights held by the Company	Primary business areas	Head office location
Fukui Murata Manufacturing Co., Ltd.	Millions of yen 300	% 100	Manufacturing of components	Echizen-shi, Fukui
Izumo Murata Manufacturing Co., Ltd.	430	100	Manufacturing of components	Izumo-shi, Shimane
Toyama Murata Manufacturing Co., Ltd.	450	100	Manufacturing of devices and modules	Toyama-shi, Toyama
Kanazawa Murata Manufacturing Co., Ltd.	480	100	Manufacturing of devices and modules	Hakusan-shi, Ishikawa
Okayama Murata Manufacturing Co., Ltd.	480	100	Manufacturing of components, devices and modules	Setouchi-shi, Okayama
Komoro Murata Manufacturing Co., Ltd.	200	100	Manufacturing of devices and modules	Komoro-shi, Nagano
Tohoku Murata Manufacturing Co., Ltd.	300	100	Manufacturing and development of devices and modules	Koriyama-shi, Fukushima
Murata Electronics North America, Inc.	Thousands of US$ 14,406	100	Sales of products of the Company and its subsidiaries and associates	United States of America
Murata Company Limited	Thousands of HK$ 1,900,000	100	Sales of products of the Company and its subsidiaries and associates	People's Republic of China
Murata (China) Investment Co., Ltd.	Thousands of US$ 145,000	100	Marketing and engineering activities in Greater China, General management of Chinese sales companies	People's Republic of China
Murata Electronics Trading (Shanghai) Co., Ltd.	Thousands of US$ 23,400	100 (Note)	Sales of products of the Company and its subsidiaries and associates	People's Republic of China
Wuxi Murata Electronics Co., Ltd.	Thousands of US$ 478,000	100 (Note)	Manufacturing of components, devices and modules	People's Republic of China
Shenzhen Murata Technology Co., Ltd.	Thousands of US$ 58,100	100 (Note)	Manufacturing of components, devices and modules	People's Republic of China
Murata Energy Device Wuxi Co., Ltd.	Thousands of US$ 486,220	100 (Note)	Manufacturing of devices and modules	People's Republic of China
Foshan Murata Materials Co., Ltd.	Thousands of US$ 68,900	90 (Note)	Manufacturing of raw materials	People's Republic of China
Murata Electronics Trading (Tianjin) Co., Ltd.	Thousands of US$ 6,267	100 (Note)	Sales of products of the Company and its subsidiaries and associates	People's Republic of China
Murata Electronics Europe B.V.	Thousands of EURO 245,000	100	Sales of products of the Company and its subsidiaries and associates	Kingdom of the Netherlands

Company name	Capital	Share of voting rights held by the Company	Primary business areas	Head office location
Murata Electronics (Thailand), Ltd.	Thousands of Baht 6,610,385	100	Manufacturing of components, devices and modules	Kingdom of Thailand
Philippine Manufacturing Co. of Murata, Inc.	Thousands of PHP 7,700,000	100	Manufacturing of components	Republic of the Philippines
Murata Electronics Singapore (Pte.) Ltd.	Thousands of SD 4,000	100	Manufacturing of components, devices and modules, Sales of products of the Company and its subsidiaries and associates, General management of ASEAN sales companies	Singapore
Murata Integrated Passive Solutions SAS	Thousands of EURO 60,646	100 (Note)	Development and manufacturing of components	France
Murata Manufacturing Vietnam Co., Ltd.	Thousands of US$ 80,600	100 (Note)	Manufacturing of components	Vietnam

(Note) Ratio includes indirect holdings.

3) Progress and results of business combinations

The number of consolidated subsidiaries is 82, including 22 significant subsidiaries above. The results of business combinations are as stated in “(2) Business progress and results” in “1. Matters Concerning Status of the Companies.”

(7) Employees

1) Employees of the Companies

Number of employees	
As of March 31, 2025	Year-on-year change
Persons 72,572	Persons (593)

(Note) The number of employees is the number of persons in regular employment at the Company (excluding persons seconded outside of the Companies), and does not include seasonal, part-time, or temporary employees (1,874 persons).

2) Employees of the Company

Number of employees		Average age	Average length of service
As of March 31, 2025	Year-on-year change		
Persons 10,865	Persons 464	Years old 40.1	Years 14.1

(Note) The number of employees is the number of persons in regular employment at the Company (excluding persons seconded to subsidiaries, etc., but including persons seconded from subsidiaries, etc.), and does not include seasonal, part-time, or temporary employees (484 persons).

(8) Lenders (As of March 31, 2025)

A description has been omitted because the amounts of borrowings are immaterial.

2. Matters Concerning Stock (As of March 31, 2025)

(1) Total number of authorized shares 5,229,000,000 shares (Number of shares per unit: 100 shares)

(2) Total number of issued shares 1,963,001,843 shares (Includes 100,640,793 shares of treasury stock)

(Note) The total number of issued shares decreased by 64,4441,000 shares due to the cancellation of treasury stock conducted in accordance with the resolution of the Board of Directors meeting held on April 26, 2024.

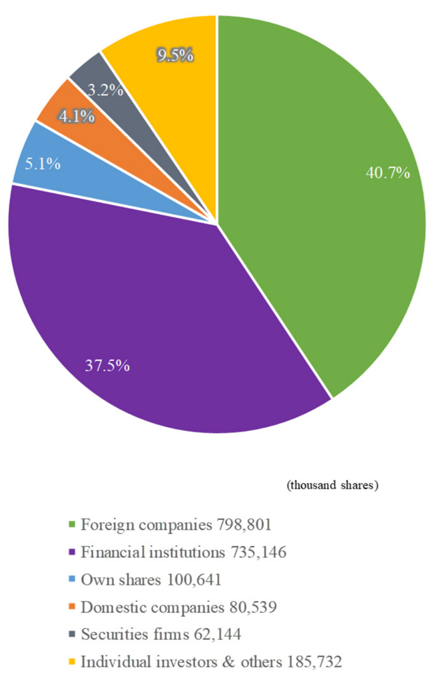
(3) Number of shareholders 175,548 persons

(4) Major shareholders (Top 10)

	Shareholder name	Number of shares held (Thousands of shares)	Ownership ratio (%)
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	314,164	16.9
2	Custody Bank of Japan, Ltd. (Trust Account)	131,703	7.1
3	STATE STREET BANK AND TRUST COMPANY 505001	53,842	2.9
4	Nippon Life Insurance Company	49,687	2.7
5	The Bank of Kyoto, Ltd.	47,340	2.5
6	Meiji Yasuda Life Insurance Company	47,168	2.5
7	STATE STREET BANK WEST CLIENT – TREATY 505234	35,495	1.9
8	GOVERNMENT OF NORWAY	27,375	1.5
9	STATE STREET BANK AND TRUST COMPANY 505103	26,291	1.4
10	BNYM AS AGT / CLTS NON TREATY JASDEC	24,029	1.3

(Note) Ownership ratio is calculated after subtracting treasury stock (100,640 thousand shares) from the total number of issued shares.

Shareholding by shareholder category



(5) Shares granted as compensation for the execution of duties during the current fiscal year

Category	Number of shares (shares)	Persons
Members of the Board of Directors (excluding those who are Audit and Supervisory Committee Members)	31,895	5
Vice Presidents	37,190	19

(Notes) 1. Out of the total shown above, there are no shares granted to Outside Directors.
2. The contents of share-based remuneration at the Company are stated in "3. (4) Compensation, etc., of Members of the Board of Directors and Audit and Supervisory Committee Members."

(6) Other important matters concerning stock

In accordance with the resolution of the Board of Directors meeting held on April 26, 2024, the Company repurchased its shares as shown below.

Class and number of shares repurchased: 27,611,000 shares of common stock

Total amount: 79,999,822,685 yen

Period: From April 30 to October 29, 2024

3. Matters Concerning Corporate Officers of the Company

(1) Members of the Board of Directors (As of March 31, 2025)

Name	Positions and responsibilities	Significant concurrent positions	
Norio Nakajima	President and Representative Director		
Hiroshi Iwatsubo	Representative Director and Executive Deputy President Director of Technology		
Masanori Minamide	Representative Director and Senior Executive Vice President Director of Corporate Unit and Director of Corporate Management Group	Murata (China) Investment Co., Ltd.	Chairman
Hiroshi Izumitani	Member of the Board of Directors and Senior Vice President Director of Communication & Sensor Business Unit and Director of RF Device Division	Komoro Murata Manufacturing Co., Ltd.	President and Representative Director
Takaki Murata	Member of the Board of Directors and Senior Vice President Director of Corporate Technology & Business Development Unit		
Yuko Yasuda	Member of the Board of Directors	Board Advisors Japan, Inc.	Director and Vice President
		Eisai Co., Ltd.	Outside Director
Takashi Nishijima	Member of the Board of Directors	LOGISTEED, Ltd.	Outside Director
Hiroyuki Ina	Member of the Board of Directors		
Yoshiro Ozawa	Member of the Board of Directors who is an Audit and Supervisory Committee Member (Standing)		
Takatoshi Yamamoto	Member of the Board of Directors who is an Audit and Supervisory Committee Member	Hitachi, Ltd.	Outside Director
Naoko Munakata	Member of the Board of Directors who is an Audit and Supervisory Committee Member	The University of Tokyo Graduate School of Public Policy	Professor
		ExaWizards Inc.	Outside Director
Seiichi Enomoto	Member of the Board of Directors who is an Audit and Supervisory Committee Member	Enomoto Certified Public Accountant Office	Senior Partner
		iBridge Japan	Representative Director

(Notes)

1. Members of the Board of Directors Yuko Yasuda, Takashi Nishijima, and Hiroyuki Ina, and Members of the Board of Directors and Audit and Supervisory Committee Members Takatoshi Yamamoto, Naoko Munakata, and Seiichi Enomoto are Outside Directors as stipulated by Article 2, Paragraph (15) of the Companies Act.
2. Member of the Board of Directors and Audit and Supervisory Committee Member Yoshiro Ozawa has experience in finance and accounting operations at the Company, and possesses adequate insight into the fields of finance and accounting.
   Member of the Board of Directors and Audit and Supervisory Committee Member Takatoshi Yamamoto has years of experience as a securities analyst and possesses adequate insight into the fields of finance and accounting.
   Member of the Board of Directors and Audit and Supervisory Committee Member Seiichi Enomoto is a certified public accountant, and possesses adequate insight into the fields of finance and accounting.
3. Member of the Board of Directors and Audit and Supervisory Committee Member Yoshiro Ozawa is a Standing Audit and Supervisory Committee Member.
   The Company designates a Standing Audit and Supervisory Committee Member to improve the effectiveness of audits and supervision of the Audit and Supervisory Committee through collecting information by attending important internal meetings on a daily basis and deep cooperation with the Independent Auditor and Internal Audit Department, etc.

4. There are no special interests between the Companies and companies, etc. at which Members of the Board of Directors Yuko Yasuda and Takashi Nishijima, and Members of the Board of Directors and Audit and Supervisory Committee Members Takatoshi Yamamoto, Naoko Munakata, and Seiichi Enomoto hold concurrent positions.
5. The Company has designated Members of the Board of Directors Yuko Yasuda, Takashi Nishijima, and Hiroyuki Ina, and Members of the Board of Directors and Audit and Supervisory Committee Members Takatoshi Yamamoto, Naoko Munakata, and Seiichi Enomoto as Independent Directors/Auditors as specified in the regulations of the Tokyo Stock Exchange and notified the exchange accordingly.
6. The Company has a total of 26 Vice Presidents. Aside from Members of the Board of Directors above that hold concurrent positions as Vice Presidents, the Company has 23 other Vice Presidents.
7. Changes in Members of the Board of Directors during the current fiscal year are as follows.
   At the conclusion of the 88th Ordinary General Meeting of Shareholders held on June 27, 2024, Member of the Board of Directors Tsuneo Murata and Member of the Board of Directors and Audit and Supervisory Committee Member Hyo Kanbayashi retired from their position owing to the expiration of their term of office.
   At the 88th Ordinary General Meeting of Shareholders held on June 27, 2024, Hiroshi Izumitani, Takaki Murata, and Hiroyuki Ina were each newly elected and appointed as Members of the Board of Directors, and Seiichi Enomoto was newly elected and appointed as Member of the Board of Directors and Audit and Supervisory Committee Member.
8. Changes in positions and responsibilities of Members of the Board of Directors during the fiscal year under review are as follows.

Name	Before change	After change	Date of change
Norio Nakajima	President and Representative Director Director of Communication & Sensor Business Unit	President and Representative Director	July 1, 2024
Hiroshi Iwatsubo	Member of the Board of Directors Senior Executive Vice President Director of Corporate Technology & Business Development Unit	Representative Director and Executive Deputy President Director of Corporate Technology & Business Development Unit	June 27, 2024
Hiroshi Iwatsubo	Representative Director and Executive Deputy President Director of Corporate Technology & Business Development Unit	Representative Director and Executive Deputy President Director of Technology	July 1, 2024
Masanori Minamide	Member of the Board of Directors Executive Vice President Director of Corporate Unit Director of Corporate Management Group	Representative Director Executive Vice President Director of Corporate Unit Director of Corporate Management Group	June 27, 2024
Masanori Minamide	Representative Director Executive Vice President Director of Corporate Unit Director of Corporate Management Group	Representative Director Senior Executive Vice President Director of Corporate Unit Director of Corporate Management Group	July 1, 2024
Hiroshi Izumitani	Member of the Board of Directors Vice President Managing Director of Murata Electronics Singapore (Pte.) Ltd.	Member of the Board of Directors Senior Vice President Director of Communication & Sensor Business Unit Director of RF Device Division	July 1, 2024
Takaki Murata	Member of the Board of Directors Vice President Director of RF Device Division, Communication & Sensor Business Unit	Member of the Board of Directors Senior Vice President Director of Corporate Technology & Business Development Unit	July 1, 2024

9. Changes in significant concurrent positions of Members of the Board of Directors during the current fiscal year are as follows.
   Member of the Board of Directors Hiroshi Izumitani was appointed as President and Representative Director of Komoro Murata Manufacturing Co., Ltd. on July 1, 2024.
   Member of the Board of Directors Takaki Murata retired from his position as President and Representative Director of Komoro Murata Manufacturing Co., Ltd. on June 30, 2024.

(2) Summary of liability limitation agreements

The Company has entered into liability limitation agreements with Members of the Board of Directors (excluding those who are the executive directors) to restrict liabilities for damages as stipulated by Article 423, Paragraph (1) of the Companies Act based on the provisions of Article 427, Paragraph (1) of the same Act. The liability limit under these agreements is the minimum liability amount stipulated in Article 425, Paragraph (1) of the same Act.

(3) Summary of Directors and Officers Liability Insurance agreement

The Company has entered into a Directors and Officers Liability Insurance agreement, as stipulated in Article 430-3, Paragraph (1) of the Companies Act, with an insurance company. The scope of the insured under the insurance agreement includes Members of the Board of Directors and Vice Presidents of the Company and the Company's subsidiaries in Japan, etc., and the insurance premiums are fully paid by the Company.

Under the insurance agreement, the insurance company covers damages that may arise from the insured being liable for the execution of their duties or being subject to a claim related to the pursuit of such liability, and the insurance agreement is renewed each year. The Company plans to renew the agreement with similar terms at the time of next renewal.

(4) Compensation, etc., of Members of the Board of Directors and Audit and Supervisory Committee Members

1) The amount of compensation, etc., of Directors and matters related to policy concerned with determination of calculation methods

The Company, upon establishing the following remuneration governance, operates its remuneration program and determines compensation, etc. of Directors based on the resolutions of the General Meeting of Shareholders and the decision policy of individual compensation, etc. of Members of the Board of the Company, which includes the basic policy for the remuneration system.

A) Remuneration governance

(1) Method to determine decision policy of compensation, etc.

The Company makes decisions at the Board of Directors about the decision policy on individual compensation, etc. regarding the amount of compensation, etc., of Directors of the Company and determination of its calculation methods, based on reports from the Remuneration Advisory Committee, which was established to enhance objectivity and transparency and to improve corporate governance.

(2) Roles and responsibilities of the Remuneration Advisory Committee

The Remuneration Advisory Committee of the Company reviews the appropriateness of remuneration levels and systems for Members of the Board of Directors and provides necessary recommendations or reports to the Board of Directors. Furthermore, to ensure a high level of independence and objectivity in all decisions related to the remuneration system, the Remuneration Advisory Committee, entrusted by the Board of Directors, determines the details of remuneration for each individual Member of the Board of Directors, including payment amounts, within the remuneration framework for each type of remuneration, as resolved at the General Meeting of Shareholders.

As a measure to ensure that the delegated authority is exercised appropriately, to ensure effective discussions while secure the independence of the Remuneration Advisory Committee, the Company endeavors to provide the Remuneration Advisory Committee with the enough objective information it requires by appointing an external compensation consulting firm, Willis Towers Watson (WTW), as an advisor and fully understands the recent environment and public trends surrounding executive remuneration. This includes utilizing remuneration benchmarks from companies of similar size, industry, and business type, as well as other information and advice from the advisor.

(3) Composition of the Remuneration Advisory Committee, attributes of the Chairperson, and methods of resolutions

Composition of the Remuneration Advisory Committee of the Company will be composed of Members of the Board of Directors selected by the Board of Directors and will be composed of a majority of Outside Directors. In addition, the Chairperson of the Remuneration Advisory Committee will be resolved by the Board of Directors and will be selected from Directors who are Independent Outside Directors.

Also, the Remuneration Advisory Committee of the Company will be attended by a majority of Directors who can participate in resolutions, and resolutions will be passed by means of a majority vote by those in attendance. However, Directors cannot exercise voting rights on resolutions where there is a special interest, and in this case, the voting rights of said Directors will not be included in the number of voting rights of Directors in attendance.

B) Remuneration program

(1) Basic policy of the Director remuneration system

Regarding the remuneration for Members of the Board of Directors and Vice Presidents of the Company, the Company makes it a basic policy to provide a system and level of remuneration that is considered suitable for executive-level managers of a globally competitive electronic equipment and component manufacturer to ensure recruitment of human talent considered to be excellent based on a comparison with same-industry competitors, to raise the morale and motivation to improve financial results and to contribute to the maximization of corporate value.

(2) Individual remuneration for Members of the Board of Directors who are not Audit and Supervisory Committee Members

[Remuneration for Members of the Board of Directors (excluding Outside Directors)]

Remuneration is made up of (a) monthly remuneration, (b) bonus, and (c) share-based remuneration (non-monetary remuneration). Each standard and composition ratio is based on the "Executive Compensation Database" operated by the external remuneration consulting company, WTW (Willis Towers Watson) and will be determined by performing benchmarks on corporations similar to the Company's type of industry and scale and verifying the validity. Furthermore, the composition ratio of remuneration elements of remuneration of the President and Representative Director is largely as follows. The composition ratio of remuneration elements for other inside Members of the Board of Directors who are not Audit and Supervisory Committee Members of the Company is set so that the ratio of bonuses and share-based remuneration is higher for upper ranking positions according to the responsibilities etc. for each position. In the diagram of composition ratios below, the ratios displayed are those in the case where the bonus and the share-based remuneration are the base amount. The actual composition ratios of the remuneration components actually paid may differ from those shown below.

Composition ratio of remuneration for the President and Representative Director

Monetary remuneration		Share-based remuneration
(a) Monthly remuneration (approximately 42%)	(b) Bonus (approximately 37%)	(c) Share-based remuneration (approximately 21%)

(a) Monthly remuneration

- The monthly remuneration is a fixed remuneration of an amount individually decided for each Member of the Board of Directors based on a fixed amount for service as a Member of the Board of Directors, and an amount that is decided based on consideration of the level of importance of each Member of the Board of Directors' business execution allocation and responsibility and the previous fiscal year's financial performance.
- Monthly remuneration is paid on a monthly basis.

(b) Bonus

- Bonus is cash remuneration that is provided as an incentive to create economic value in each fiscal year.
- The amount is calculated by multiplying a reference amount for each position by a factor (variable within a range of 0% and 200%) according to the level of achievement of the targets for performance evaluation indicators.
- The performance evaluation indicators are consolidated operating profit and ROIC (pre-tax basis), which are indicators related to the Group-wide management targets for economic value outlined in the Medium-Term Direction 2024. The Company selected these indicators in order to provide an incentive to increase net sales, which are accompanied by profit margins that the Company emphasizes, and efficiently generate profits from invested capital.
- In principle, is paid in June after the end of the fiscal year.

(Varies in the range of 0 to 200%) (0 to 200%) (0.8 to 1.2)

Amount of annual bonus paid = Base amount by position × (Payment coefficient based on operating profit result × Payment coefficient based on ROIC)

(c) Share-based remuneration

- Restricted stock is granted as non-monetary remuneration in order to increase the willingness to contribute to the continuous enhancement of value sharing and corporate value spanning the long term between the Company's Members of the Board of Directors and shareholders.
- The value granted is determined based on the base amount for each position.
- Because a portion of the share-based remuneration (approximately 20% of the total share-based remuneration) is based on an evaluation of initiatives related to the creation of medium- to long-term social value and ESG, every fiscal year the Remuneration Advisory Committee evaluates progress of the initiatives for achieving the Group-wide management targets related to social value in the Medium-term Direction 2024 and adjusts the amount of such portion within a range of ±20% of the reference amount set for each position.
- Share-based remuneration is, in principle, granted in July.
- Restrictions of the allotted restricted stock will be lifted when eligible members of the Board of Directors' term of both positions as Member of the Board of Directors and Vice President expires, or retires due to the compulsory retirement age or resigns.

[Remuneration for Outside Directors]

Remuneration for Outside Directors (excluding Audit and Supervisory Committee Members) independent of the Company's business execution consists only of monthly remuneration, in light of their role. The level is determined with reference to benchmark results and other information from companies of similar industry or size.

(3) Individual remuneration for Members of the Board of Directors who are Audit and Supervisory Committee Members

Remuneration for Members of the Board of Directors (including Outside Directors) who are Audit and Supervisory Committee Members consists only of monthly remuneration, in light of their role. Individual remuneration is determined according to discussions between Members of the Board of Directors who are Audit and Supervisory Committee Members, pursuant to the provisions of Article 361, Paragraph (3) of the Companies Act.

(4) Guidelines for the holding of shares

From the perspective of strengthening the sharing of value with shareholders, the Company has recommended shareholdings as follows for Executive Directors. At the end of the current fiscal year, the President and Representative Director holds shares equivalent of 260% of his fixed remuneration.

President and Representative Director:	His or her target shall be to hold shares equivalent to 2.0 times fixed remuneration, within five years of being appointed to the relevant position
Other Executive Directors:	Their target shall be to hold shares equivalent to 1.5 times fixed remuneration, within five years of being appointed to the relevant position

(5) Repayment of remuneration, etc. (malus and clawback provision)

In order to ensure soundness of the remuneration system for Members of the Board of Directors, the Company has established a provision (a so-called malus and clawback provision) whereby based on the decision of the Board of Directors following deliberations by the Remuneration Advisory Committee, the right to receive a bonus before it is paid and share-based remuneration before the transfer restrictions are lifted are fully or partially forfeited under certain circumstances, such as misconduct or retrospective adjustments to financial statements due to fraudulent accounting. The provision applies to bonuses to be paid and share-based remuneration to be allotted after the 86th Ordinary General Meeting of Shareholders held in June 2022 and will remain in effect for all periods thereafter.

2) Relationship between remuneration results and business performance

i. Total compensation, etc. by category, total compensation by type and number of eligible Directors

Category	Total amount of compensation, etc. (Millions of yen)	Total amount per type of compensation, etc. (Millions of yen)			Persons
		Monthly remuneration	Bonus	Share-based remuneration	
Members of the Board of Directors (excluding those who are Audit and Supervisory Committee Members)	504	267	138	99	9
Members of the Board of Directors who are Audit and Supervisory Committee Members	87	87	–	–	5

(Notes)
1. The above figures include one Member of the Board of Directors (who is not an Audit and Supervisory Committee Member) and one Outside Director (who is an Audit and Supervisory Committee Member) who retired at the conclusion of the 88th Ordinary General Meeting of Shareholders held on June 27, 2024.
2. Out of the total shown above, total compensation, etc., provided to seven Outside Directors, is 102 million yen (only monthly remuneration).
3. The amount of compensation, etc. for Members of the Board of Directors (excluding those who are Audit and Supervisory Committee Members) does not include employee salaries provided to Members of the Board of Directors concurrently serving as employees.
4. By resolution at the 80th Ordinary General Meeting of Shareholders held on June 29, 2016, the amount of compensation (excluding share-based remuneration) is 700 million yen or less for Members of the Board of Directors (excluding those who are Audit and Supervisory Committee Members). However, this does not include employee salaries and bonuses provided to Members of the Board of Directors concurrently serving as Vice Presidents. At the conclusion of the said General Meeting of Shareholders, the number of Members of the Board of Directors (excluding those who are Audit and Supervisory Committee Members) was eight (of which, one was Outside Director).
5. By resolution at the 80th Ordinary General Meeting of Shareholders held on June 29, 2016, the amount of compensation is 100 million yen or less for Members of the Board of Directors who are Audit and Supervisory Committee Members. At the conclusion of the said General Meeting of Shareholders, the number of Members of the Board of Directors who are Audit and Supervisory Committee Members was four (of which, three were Outside Directors).
6. By resolution at the 81st Ordinary General Meeting of Shareholders held on June 29, 2017, the maximum amount of compensation for the restricted stock remuneration is 300 million yen or less, and the maximum number of shares is 60,000 shares per year. Shares are not granted to Members of the Board of Directors who are Audit and Supervisory Committee Members or Outside Directors. At the conclusion of the said General Meeting of Shareholders, the number of Members of the Board of Directors (excluding those who are Audit and Supervisory Committee Members and Outside Directors) was seven. In addition, at the 85th Ordinary General Meeting of Shareholders held on June 29, 2021, the restricted period under the restricted stock remuneration plan was approved to change from “a period of minimum three years and maximum five years that starts from the payment date of common shares of the Company allotted under the agreement on allotment of shares with transfer restrictions entered into between the Company and each Eligible Director (hereinafter referred to as “Allotted Shares”) determined in advance by the Board of Directors of the Company” to “the period from the payment date of Allotted Shares to the date on which any of the Eligible Directors retires from both positions of Member of the Board of Directors and Vice President of the Company.” At the conclusion of the said General Meeting of Shareholders, the number of Members of the Board of Directors (excluding those who are Audit and Supervisory Committee Members and Outside Directors) was six.
7. The state of the Company’s shares granted as share-based remuneration for the current fiscal year is as stated in “2. (5) Shares granted as compensation for the execution of duties during the current fiscal year.”

ii. Total compensation, etc. of persons whose total compensation, etc. is 100 million yen or more

Name (Category)	Company category	Total amount per type of compensation, etc. (Millions of yen)			Total amount of compensation, etc. (Millions of yen)
		Monthly remuneration	Bonus	Share-based remuneration	
Norio Nakajima (Member of the Board of Directors)	Reporting company	70	50	34	155
Hiroshi Iwatsubo (Member of the Board of Directors)	Reporting company	46	32	21	100

iii. Targets and results of performance evaluation indicators for performance-linked compensation with the current fiscal year as the evaluation period

(1) Bonus

The following are the targets and results of performance evaluation indicators for performance-linked remuneration with the current fiscal year as the evaluation period

Performance-linked indicators	Targets	Results
Consolidated operating profit	300,000 million yen	279,702 million yen
ROIC (pre-tax basis)	20%	13.0%

(2) Share-based remuneration (variable portion linked to progress in initiatives related to the creation of social value and ESGs)

For the share-based remuneration for the current fiscal year as an evaluation period, the Remuneration Advisory Committee reviews progress in measures taken during the year to achieve the social value outlined in the Medium-Term Direction 2024 (see table below) and finalizes the evaluation for the year.

The actual results of the initiatives to achieve social value will be disclosed in “Business Overview” in the Annual Securities Report (for the 89th fiscal term) to be issued in June 2025.

Social value target subject to evaluation		Medium-term target (FY2022 - FY2024)
Environment	Greenhouse gas emissions	20% reduction (vs. FY2019)
	Renewable energy introduction	25%
	Sustainable resources use	1% higher than FY2021 actual results
	Recyclable/circulative resources	5% higher than FY2021 actual results
Diversity	Overseas indirect department employees with work experience at different bases (%)	7%
	Female managers	4% (unconsolidated)
ES	Employee engagement affirmative answers	70%

iv. Matters related to the determination of the details of fixed individual compensation, etc., of Members of the Board of Directors for the current fiscal year

Composition, status of attendance, and activities of the Remuneration Advisory Committee held in the current fiscal year is as follows.

The Remuneration Advisory Committee of the Company, on determination of details of fixed individual compensation, etc., for Members of the Board of Directors of the Company for the current fiscal year, through the activities listed below, secured sufficient deliberation details. The Board of Directors of the Company, receiving a report from the Remuneration Advisory Committee stating appropriate determination of the details of fixed individual compensation, etc., for Members of the Board of Directors of the Company for the current fiscal year were made, judged that the details of fixed individual compensation, etc., for Members of the Board of Directors followed decision policy.

[Composition and status of attendance]

Name	Position	Status of attendance
Yuko Yasuda ◎	Outside Member of the Board of Directors	14/14 (100%)
Masanori Minamide	Representative Director	14/14 (100%)
Takashi Nishijima	Outside Member of the Board of Directors	14/14 (100%)
Naoko Munakata	Outside Member of the Board of Directors (Audit and Supervisory Committee Member)	9/9 (100%)

(Notes) 1. ◎ after the name means the person is the chairperson.

2. As Naoko Munakata became Remuneration Advisory Committee Member on June 27, 2024, the number of meetings of the Remuneration Advisory Committee for her to attend differs from other Members.

3. The status of attendance at meetings in FY2024 for Tsuneo Murata, who resigned as Director and Remuneration Advisory Committee Member effective June 27, 2024, and Hyo Kambayashi, who resigned as Director and Audit and Supervisory Committee Member and a member of the Remuneration Advisory Committee effective the same date, is 5 out of 5, or 100%.

4. The Nomination Advisory Committee and the Remuneration Advisory Committee held a joint meeting four times during FY2024. The number of attendances includes attendance in one joint meeting for Tsuneo Murata and Hyo Kambayashi, attendance in three joint meetings for Naoko Munakata, and attendance in four joint meetings for Masanori Minamide, Yuko Yasuda, and Takashi Nishijima.

[Activities]

Main contents of discussion	Period
Determination of the amount of individual bonus for directors for the 88th fiscal term	May
Reporting of decision policy on director remuneration for the 89th fiscal term	April
Consideration and reporting of the reference amount of director remuneration for the 89th fiscal term	April, May, and June
Consideration and reporting of targets for bonus for the 89th fiscal term	April and May
Consideration and reporting of the evaluation of progress in social value targets and targets for share-based remuneration for the 89th fiscal term share-based remuneration	May and June
Consideration and determination of the individual reference amount for directors for the 89th fiscal term	June and July
Determination of activity plans for the Committee for the 89th fiscal term	July
Verification of the latest trends surrounding director remuneration	July and October
360-degree evaluation of President and Representative Director and determination of the evaluation on President and Representative Director for the current fiscal year (jointly with the Nomination Advisory Committee)	June, December, January, and February
Review of director remuneration based on its issues and trends	April, July, October, November, January, February, and March

(Notes) 1. The 88th term refers to the period starting from the 87th Ordinary General Meeting of Shareholders held on June 29, 2023 until the 88th Ordinary General Meeting of Shareholders held on June 27, 2024.

2. The 89th term refers to the period starting from the 88th Ordinary General Meeting of Shareholders held on June 27, 2024 until the 89th Ordinary General Meeting of Shareholders scheduled to be held on June 27, 2025.

3. In June, December, January, and February, a joint meeting for the Nomination Advisory Committee and the Remuneration Advisory Committee was held in addition to the meeting of the Remuneration Advisory Committee.

(5) Key activities of Outside Directors

Name (Category)	Attendance at meetings of the Board of Directors	Attendance at meetings of the Audit and Supervisory Committee	Key activities and outline of duties performed in relation to expected roles
Outside Director Yuko Yasuda	13/13	—	Yuko Yasuda actively provided opinions and made proposals on many agenda items at meetings of the Board of Directors. In particular, based on her perspective as an expert in the fields of executive personnel assessment, development, and corporate governance, as well as her abundant experience as a corporate manager, she has fulfilled appropriate roles in ensuring the validity and appropriateness of decision-making, as well as the oversight functions, such as by raising issues and providing advice regarding governance system, further improvement of effectiveness of the Board of Directors, human capital including human resource diversity and engagement, and sustainability, and raising issues and making proposals from the standpoint of management strategies with a view to medium- and long-term prospects. In addition, as a member of the Remuneration Advisory Committee, she attended all 14 meetings of the committee held during the current fiscal year, taking on the oversight functions with respect to the decision-making process on and operation of matters including the remuneration plans and levels for the Company's Members of the Board of Directors, as well as specific individual remuneration, from an objective and neutral standpoint. She has played an active role in managing the Remuneration Advisory Committee, leading the fair and transparent management of the committee as the chairperson. Additionally, as a member of the Nomination Advisory Committee, she attended all nine meetings of the committee held during the current fiscal year, taking on the oversight functions with respect to the decision-making process on and operation of matters including the criteria and procedures for nominating candidates for Members of the Board of Directors of the Company, the nomination of candidates for Members of the Board of Directors and other officers, and the successor plan for President and Representative Director, from an objective and neutral position.
Outside Director Takashi Nishijima	13/13	—	Takashi Nishijima actively provided opinions and made proposals on many agenda items at meetings of the Board of Directors. In particular, based on his abundant experience and insight as a corporate manager and chairman of a company operating global business related to industrial automation, he has fulfilled appropriate roles in ensuring the validity and appropriateness of decision-making, as well as the oversight functions, such as by raising issues and providing advice regarding the governance system, the status of the Board of Directors, the business portfolio, and business opportunities, and raising issues and making proposals from the standpoint of business and management strategies with a view to medium- and long term prospects. As the Chairman of the board, he has contributed to has contributed to the performance of its functions, by setting the agenda, organizing the key issues, and leading engaging discussions at Board meetings. Additionally, as a member of the Nomination Advisory Committee, he attended eight of nine meetings of the committee held during the current fiscal year, taking on the oversight functions with respect to the decision-making process on and operation of matters including the criteria and procedures for nominating candidates for Members of the Board of Directors of the Company, the nomination of candidates for Members of the Board of Directors and other officers, and the successor plan for President and Representative Director, from an objective and neutral position. He was appointed Chairman of the Nomination Advisory Committee on June 27, 2024 and has been actively involved in management of the committee, leading its fair and transparent operation. In addition, as a member of the Remuneration Advisory Committee, he attended all 14 meetings of the committee held during the current fiscal year, taking on the oversight functions with respect to the decision-making process on and operation of matters including the remuneration plans and levels for the Company's Members of the Board of Directors, as well as specific individual remuneration, from an objective and neutral standpoint.

Name (Category)	Attendance at meetings of the Board of Directors	Attendance at meetings of the Audit and Supervisory Committee	Key activities and outline of duties performed in relation to expected roles
Outside Director Hiroyuki Ina	10/10	—	Hiroyuki Ina actively provided opinions and made proposals on many agenda items at meetings of the Board of Directors. In particular, based on his abundant experience and knowledge obtained through his engagement in the management of the electronic system and device business for many years at a company expanding its business related to automotive technologies, systems and products globally, he has fulfilled appropriate roles in ensuring the validity and appropriateness of decision-making, as well as the oversight functions, such as by raising issues and providing advice regarding product development, quality management, and communication with customers, and raising issues and making proposals from the standpoint of business and management strategies with a view to medium- and long term prospects.
Outside Director who is an Audit and Supervisory Committee Member Takatoshi Yamamoto	13/13	10/10	Takatoshi Yamamoto actively provided opinions and made proposals on many agenda items at meetings of the Board of Directors and meetings of the Audit and Supervisory Committee. In particular, based on his abundant experience and insight into the corporate analysis of companies mainly in the electronics industry in Japan and overseas as a securities analyst as well as his abundant experience in international corporate management, he has fulfilled appropriate roles in ensuring the validity and appropriateness of decision-making, as well as the oversight and supervisory functions, such as by raising issues and providing advice regarding business portfolio, business investments, and disclosure from the perspective of an investor, and making proposals from the standpoint of management strategies with a view to medium- and long-term prospects. In addition, as a member of the Nomination Advisory Committee, he attended all nine meetings of the committee held during the current fiscal year, taking on the oversight and supervisory functions with respect to the decision-making process on and operation of matters including the criteria and procedures for nominating candidates for Members of the Board of Directors of the Company, the nomination of candidates for Members of the Board of Directors and other officers, and the successor plan for President and Representative Director, from an objective and neutral position.
Outside Director who is an Audit and Supervisory Committee Member Naoko Munakata	13/13	10/10	Naoko Munakata actively provided opinions and made proposals on many agenda items at the meetings of the Board of Directors and meetings of the Audit and Supervisory Committee. In particular, based on her insight and abundant experience in government administration of such fields as industrial and trade policies and intellectual property policies as well as abundant experience in organizational management in central bureaucracy, she has fulfilled appropriate roles in ensuring the validity and appropriateness of decision making, as well as the oversight and supervisory functions, such as by raising issues and providing advice regarding geopolitical risks, information security risks, and technological advantages, providing advice on intellectual capital strategies, and raising issues and making proposals from the standpoint of management strategies with a view to medium and long-term prospects. In addition, as a member of the Remuneration Advisory Committee, she attended all nine meetings of the committee held during the current fiscal year after she assumed the office on June 27, 2024, taking on the oversight functions with respect to the decision-making process on and operation of matters including the remuneration plans and levels for the Company's Members of the Board of Directors, as well as specific individual remuneration, from an objective and neutral standpoint.
Outside Director who is an Audit and Supervisory Committee Member Seiichi Enomoto	10/10	7/7	Seiichi Enomoto actively provided opinions and made proposals on many agenda items at meetings of the Board of Directors and meetings of the Audit and Supervisory Committee. In particular, based on his perspective and abundant experience as a certified public accountant and an expert in the fields of internal controls and risk management, he has fulfilled appropriate roles in ensuring the validity and appropriateness of decision-making, as well as the oversight and supervisory functions, such as by raising issues and providing advice regarding systems of internal controls and risk management, and making proposals from the standpoint of management strategies with a view to medium- and long-term prospects.

(Notes) 1. As Hiroyuki Ina became Member of the Board of Directors at the 88th Ordinary General Meeting of Shareholders held on June 27, 2024, the number of Board of Directors meetings for him to attend differs from other Outside Directors. After he assumed the office, 10 meetings of Board of Directors were held.

2. As Seiichi Enomoto became Member of the Board of Directors and Audit and Supervisory Committee Member at the 88th Ordinary General Meeting of Shareholders held on June 27, 2024, the number of Board of Directors meetings and Audit and Supervisory Committee meetings for him to attend differs from other Outside Directors. After he assumed the office, 10 meetings of Board of Directors and seven meetings of Audit and Supervisory Committee were held.

3. For the fiscal year under review, in addition to the number of meetings of the Board of Directors in the table above, one resolution is deemed to have been made by the Board of Directors by written resolution based on the provisions of Article 370 of the Companies Act and Article 25 the Articles of Incorporation of the Company.

4. The Nomination Advisory Committee and the Remuneration Advisory Committee held a joint meeting four times during FY2024. The number of attendances includes attendance in four joint meeting for Yuko Yasuda, Takashi Nishijima, and Takatoshi Yamamoto, and attendance in three joint meetings for Naoko Munakata.

4. Matters Concerning the Independent Auditor

(1) Name of Independent Auditor

Deloitte Touche Tohmatsu LLC

(2) Independent Auditor Compensation, etc., for the current fiscal year

	Category	Amount of compensation, etc.
(1)	Compensation, etc., as Independent Auditor	Millions of yen 249
(2)	Total amount of cash and other beneficial property payable by the Company and its subsidiaries	278

(Notes)
1. The Audit and Supervisory Committee has given its consent to the amount of compensation, etc. for the Independent Auditor for the current fiscal year upon receiving explanation on quotation of compensation from the Independent Auditor and internal related departments, and conducting necessary verification on the content of the Independent Auditor's audit plans, the performance status of its accounting audit duties, and whether the calculation basis, etc. of quotation of compensation is appropriate.
2. In the audit agreement between the Company and the Independent Auditor, audits based on the Companies Act and audits based on the Financial Instruments and Exchange Act are not distinguished, and as they are not distinguishable in practice, the amount in (1) is the total of these amounts.
3. Of the Company's significant subsidiaries, Murata Electronics North America, Inc., Murata Company Limited, Murata (China) Investment Co., Ltd., Murata Electronics Trading (Shanghai) Co., Ltd., Wuxi Murata Electronics Co., Ltd., Shenzhen Murata Technology Co., Ltd., Murata Energy Device Wuxi Co., Ltd., Foshan Murata Materials Co., Ltd., Murata Electronics Trading (Tianjin) Co., Ltd., Murata Electronics Europe B.V., Murata Electronics (Thailand), Ltd., Philippine Manufacturing Co. of Murata, Inc., and Murata Electronics Singapore (Pte.) Ltd., Murata Integrated Passive Solutions SAS, and Murata Manufacturing Vietnam Co., Ltd. are audited (such as audits defined by the Companies Act or the Financial Instruments and Exchange Act [including corresponding foreign laws and regulations]) by certified public accountants or Independent Auditors (including parties that hold corresponding foreign certifications) other than the Independent Auditor serving the Company.

(3) Policy for dismissal or nonrenewal of the Independent Auditor

If the Audit and Supervisory Committee determines that the any of the items in Article 340, Paragraph (1) of the Companies Act applies to the Independent Auditor and that dismissal is appropriate, the Independent Auditor shall be dismissed upon unanimous approval of the Audit and Supervisory Committee.

Additionally, if the Audit and Supervisory Committee determines that the Independent Auditor cannot appropriately fulfill its duties, the Audit and Supervisory Committee shall determine the content of a proposal to be submitted to a General Meeting of Shareholders regarding the dismissal or nonrenewal for the Independent Auditor.

Systems to Secure the Appropriateness of Company Operations

The Company's Board of Directors has defined a basic policy regarding the maintenance of a system to secure the appropriateness of operations (internal control system), as shown below. Based on this, the Company works to appropriately maintain and operate the internal control system.

[Systems to Secure the Appropriateness of Company Operations]

(1) System to secure compatibility between execution of duties of Members of the Board of Directors and employees with laws and regulations and the Articles of Incorporation

1) The Company shall appoint a number of Outside Directors to strengthen operational execution decisions of the Board of Directors and monitoring functions of business execution by Members of the Board of Directors.
2) The Company shall establish an organizational committee to evaluate the maintenance and operational conditions of the internal control system, and work to maintain and continuously improve the internal control system.
3) In order to fulfill corporate social responsibilities (CSR), the Company shall establish an organizational committee which manages activities regarding CSR areas such as compliance and environment, etc., and promote CSR management of the Company and its subsidiaries (the "Companies") continuously and systematically.
4) The Company shall establish an organization responsible for promotion of CSR activities. This organization will work in tandem with organizational committees related to CSR, and act as a central group to spread CSR within the Company and handle issues with the outside of the Company.
5) In order for Members of the Board of Directors, Vice Presidents, and employees to adhere to laws and regulations and the Articles of Incorporation, and conduct business activities based on higher ethical standards, the Company shall define and work to spread Corporate Ethics Policy and Code of Conduct and regulations regarding compliance.
6) In order to ensure early detection and prevention of non-compliant behavior, the Company shall establish a reporting hotline within and outside of the Company, and ensure that measures are in place such that there is no detriment to reporters.
7) The Company shall clearly define within its Corporate Ethics Policy and Code of Conduct to firmly refuse correspondence and contact with anti-social activities and organizations and to not resolve unreasonable requests received from anti-social forces via the use of cash, etc., and will appropriately deal with such events based on the policy and the code.
8) The Company shall establish an independent internal auditing department to evaluate and monitor the effectiveness of the internal control system.

(2) System to store and manage information regarding the execution of duties by Members of the Board of Directors

1) Minutes and group approval documents of the Board of Directors and other important documents concerning the execution of duties by Members of the Board of Directors shall be stored based upon internal regulations of the Company, and shall be suitably made available for viewing by Members of the Board of Directors.
2) Basic items regarding storing and managing documents shall be defined within the internal regulations of the Company, and documents contained in the above item shall be appropriately stored and managed.
3) A meeting structure shall be established to deliberate the necessity and content of timely disclosure of company information, and company information shall be disclosed in a timely and appropriate manner.

(3) Regulations and other systems regarding management of risks of loss

1) Regulations shall be defined regarding risk management, and the division that supervises each business function shall conduct risk management.
2) Organizational committee regarding risk management shall be established and deliberations regarding the Companies' risk management structure and operational status and examination of measures for company-wide risk projects of the Companies shall be conducted at the organizational committee regarding risk management.
3) Twice a year, the departments in charge of each risk will extract and evaluate the risks that the Companies are currently facing or are expected to in the near future and formulate countermeasures. The Risk Management Committee will organize these matters and direct additional measures as necessary.

(4) System to secure efficient execution of duties by Members of the Board of Directors
   1) The Company shall formulate medium- and long-term policies and based on such long and medium term policies formulate yearly policies, budgets, and action plans, and manage the progress and confirm status of the achievement.
   2) The Company shall implement a Vice President system, and by separating decision making for management policies and important business execution with daily business execution, strengthen monitoring functions and business execution functions.
   3) To conduct appropriate decision making, approval regarding matters that are defined in the internal regulations of the Company shall be conducted via group approval procedures, through deliberation by concerned Members of the Board of Directors and Vice Presidents, etc.
   4) As a body to supplement decision making by the Board of Directors and Representative Directors, the Company shall establish the Management Committee.
   5) Various information regarding the status of business execution shall be provided to concerned Members of the Board of Directors, Vice Presidents, and employees periodically or as required, and a system to share information shall be established.

(5) System to secure appropriate business in the Companies, composed of the Company and its subsidiaries
   1) The Companies shall share corporate policy that acts as a fundamental management policy, in addition to strictly enforcing and sharing Corporate Ethics Policy and Code of Conduct established to materialize the corporate policy, and regulations regarding compliance.
   2) The Companies shall establish regulations and procedures regarding common decision making. Based on these, deliberations will be made with subsidiaries regarding the business operations of subsidiaries, in addition to sharing various information regarding business operations of the Companies. Projects that meet the criteria of the agenda will be discussed and deliberated by the Management Committee and the Board of Directors.
   3) Divisions that supervise the various business functions of the Company shall define frameworks, processing procedures, and judgment standards for duties to ensure that duties within the Companies are performed appropriately and efficiently, in addition to providing appropriate direction to subsidiaries as required.
   4) The Internal Audit Department shall evaluate and monitor whether or not duties within the Companies are conducted appropriately and efficiently, adhering to laws and regulations and the internal regulations, etc. of the Company.
   5) Members of the Board of Directors, Vice Presidents, and employees of subsidiaries shall report to the Company matters defined in items 2) through 4) above, and other items regarding the execution of duties.
   6) The Company shall direct each subsidiary to establish and operate internal control systems that are appropriate for the content and scale of each business.

(6) Matters regarding Members of the Board of Directors and employees who assist the duties of the Audit and Supervisory Committee, matters regarding the independence of these employees from Members of the Board of Directors who are executive directors, and matters regarding securing the ability to execute orders given to these employees
   1) The Company shall establish a division to assist the duties of Audit and Supervisory Committee, and station an appropriate number of dedicated employees to assist the duties of Audit and Supervisory Committee.
   2) These employees shall not receive supervision or orders from Members of the Board of Directors who are executive directors. Additionally, for matters regarding human resources of these employees, Members of the Board of Directors who are executive directors must consult with and obtain permission from the Audit and Supervisory Committee.

(7) System for reporting to the Audit and Supervisory Committee and system to ensure that parties that report to the Audit and Supervisory Committee do not receive detrimental treatment as a result of reporting

1) Members of the Board of Directors who are executive directors, Vice Presidents, and employees shall submit to the Audit and Supervisory Committee minutes and materials from Management Committee, etc., group approval documents of the Companies, and periodic reports of business reports, etc., and also report on facts that may conflict with the Corporate Ethics Policy and Code of Conduct, status of risks and risk management, status and content of reports to the internal reporting hotline, and audit results of external public institutions.
2) In the event that facts are discovered regarding the business execution of the Companies that conflict with laws and regulations, the Articles of Incorporation, Corporate Ethics Policy and Code of Conduct, or other internal regulations of the Company, or may cause significant harm to the Companies, Members of the Board of Directors who are executive officers, Vice Presidents, and employees shall immediately report to the Audit and Supervisory Committee.
3) In the event that facts are discovered regarding the business execution of the Companies that conflict with laws and regulations, the Articles of Incorporation, Corporate Ethics Policy and Code of Conduct, or other internal regulations of the Company, or may cause significant harm to the Companies, officers, statutory auditors, and employees of subsidiaries or parties that received such reports from officers, Statutory Auditors, and employees of subsidiaries shall report to the Audit and Supervisory Committee.
4) Apart from the previous items, if requested by the Audit and Supervisory Committee, Members of the Board of Directors who are executive directors, Vice Presidents, and employees shall submit requested documents, etc., or report as required.
5) Regarding the previous items, the Company shall not give detrimental treatment to reporters as a result of reporting.

(8) Other systems to secure the effectiveness of audits by the Audit and Supervisory Committee

1) Members of the Board of Directors who are executive directors shall maintain an environment that allows for Audit and Supervisory Committee Members designated by the Audit and Supervisory Committee to attend important meetings.
2) Members of the Board of Directors who are executive officers and employees shall conform to the "Audit Plan" as formulated on a yearly basis by the Audit and Supervisory Committee, and cooperate to allow for effective audits.
3) Members of the Board of Directors who are executive officers and employees shall cooperate with and fulfill the requests of the Audit and Supervisory Committee in the event that evaluation hearings are required with attorneys-at-law or the Independent Auditor.
4) Fees, etc., incurred as a result of the execution of duties by Audit and Supervisory Committee Members shall be borne by the Company.
5) Members of the Board of Directors who are executive officers and employees shall cooperate with and fulfill the requests of the Audit and Supervisory Committee during the course of cooperation between the Audit and Supervisory Committee and the Independent Auditor.
6) The Internal Audit Department shall work to cooperate with the Audit and Supervisory Committee as requested.
7) Representative Directors, etc., shall work to exchange information with the Audit and Supervisory Committee.

[Operational Conditions of Systems to Secure the Appropriateness of Company Operations]

(1) System to secure compatibility between business execution of Members of the Board of Directors and employees with laws and regulations and the Articles of Incorporation

- Based on internal regulations such as "Regulations of the Board of Directors," the Board of Directors conducts monitoring of decision making of management policies and important business executions as well as the execution of duties of Members of the Board of Directors.
- "Independent Outside Director Appointment Standards" have been established. Based on the standards, a number of Outside Directors are elected and they are giving their opinions based on their specialized views and abundant experience in the meeting of the Board of Directors and conducting vigorous discussions.
- An Internal Control Committee has been established to develop the internal control system, evaluate and investigate operational conditions, and periodically report such content to the Board of Directors.
- "Compliance Promotion Committee," "Environmental Committee," "Climate Change Committee," "Social & Community Contributions Committee," "Health & Safety Promotion Committee," and "Human Rights Committee" have been established, as well as a "CSR Management Committee" that acts as a controlling committee. A dedicated organization responsible for promoting CSR activities has also been established.
- Compliance-related regulations are formulated such as "Compliance Program Regulations" and "Corporate Ethics Policy and Code of Conduct," and through measures such as selecting compliance promotion leaders in each division, an appropriate compliance system is maintained and continued while actions for further improvement are also taken. Also, regarding the Compliance Promotion Committee, the status of its activities and others are periodically reported to the Board of Directors.
- The Company has established a reporting hotline both within and outside of the Company that receives anonymous, pseudonymous, and identifiable reports. A systematic approach is taken with regards to the treatment of reporters so that they are not subject to detrimental treatment and efforts are taken toward appropriate responses.
- A response manual regarding anti-social forces is distributed to all offices and related companies.
- Through establishing an Internal Audit Department independent from executive divisions and implementing third-party assessment regarding the effectiveness of internal control systems at the department, the Company works to enhance transparency and effectiveness of operations.

(2) System to store and manage information regarding the execution of duties by Members of the Board of Directors

- Based on internal regulations such as "Regulations on Document Storage and Preservation Management," efforts are being made to construct a system to appropriately store and manage information. Also, "Information Security Management Regulations" and others have been established and a commitment has been made to educating employees and others in an effort toward thoroughly appropriate information management.
- Regarding important decisions, an "Information Disclosure Committee" was established and creates a system to deliberate on the necessity of disclosing individual items and the content of disclosure in an effort toward realizing timely and appropriate disclosure.

(3) Regulations and other systems regarding management of risks of loss

- In addition to developing internal regulations such as "Risk Management Basic Regulations," each department responsible for each business functions periodically surveys and evaluates the existence, content, etc., of risks across the Company and reports these to the Risk Management Committee. Regarding individual risks received in these reports, the Risk Management Committee deliberates on countermeasures and verifies the state of implementation of those measures.

(4) System to secure efficient execution of duties by Members of the Board of Directors

- A Medium-term Direction (three years) has been formulated and progress reports are periodically given at the Board of Directors. Yearly policies are decided by the Board of Directors and are then shared within the Company.
- By implementing a Vice President system and having Vice Presidents conduct daily business execution, the Company aims to realize efficient decision making.
- Regarding decision making in the Company and the Companies, a group approval system has been established that is used to carry out decision making. A dedicated information system is also used to not only realize efficient deliberations, but also to record both the results and progress of decision making to visualize the process.

- The Management Committee deliberates on management items provided by internal regulations such as important management policies, plans, business execution, etc., and also receives reports on the status of policies and budgets, evaluates them, and works on their improvement.
- The Board of Directors periodically receives reports on the status of business execution and also a dedicated information system allows related Members of the Board of Directors, Vice Presidents, and employees to share periodic reports and others.

(5) System to secure appropriate business in the Companies, composed of the Company and its subsidiaries
- Efforts are made to share the management policy including the corporate policy by posting them on the Intranet site as well as in internal company reports, and measures such as incorporating them in the education system. Additionally, similar efforts are being taken to spread awareness of Corporate Ethics Policy and Code of Conduct established to materialize the corporate policy.
- As stated earlier, a group approval system has been established in both the Company and the Companies. The Company also gives advice and approval on certain matters for decisions by subsidiaries.
- Divisions that supervise each function of the Company maintain regulations so that operations within the Companies are carried out in a standardized, efficient, and appropriate manner and appropriately guide operations and other measures taken in the course of operations.
- The Internal Audit Department evaluates and monitors the Company and the Companies regarding the effectiveness and efficiency of operations, the credibility of financial statements, the development status of important compliance items, and the status of operations, and works to increase transparency and effectiveness. Additionally, proposals are implemented through internal control evaluations of operation process levels.

(6) Matters regarding Members of the Board of Directors and employees who assist the duties of the Audit and Supervisory Committee, matters regarding the independence of these employees from Members of the Board of Directors who are executive officers, and matters regarding securing the ability to execute orders given to these employees
- The Company has established a division to assist the duties of Audit and Supervisory Committee, and stationed an appropriate number of dedicated employees to assist the duties of the Audit and Supervisory Committee.
- These employees receive direction regarding their duties directly from Standing Audit and Supervisory Committee Members, and the appointment, transfer, and other personnel evaluations of these employees are made by Members of the Board of Directors who are executive officers receiving consent upon discussion with the Audit and Supervisory Committee.

(7) System for reporting to the Audit and Supervisory Committee and system to ensure that parties that report to the Audit and Supervisory Committee do not receive detrimental treatment as a result of reporting
- Minutes and materials from the Management Committee, etc., group approval documents, and periodic business reports are available for inspection as necessary by Standing Audit and Supervisory Committee Members. Additionally, a system is in place where Standing Audit and Supervisory Committee Members may attend meeting bodies such as the Management Committee, CSR Management Committee, Internal Control Committee, Information Disclosure Committee, Compliance Promotion Committee, and Risk Management Committee at any time, and their minutes, audit results from internal and external bodies, and others are delivered and reported to Standing Audit and Supervisory Committee Members. Furthermore, documents, information, etc., requested by the Audit and Supervisory Committee are individually submitted and reported.
- In the event that Members of the Board of Directors who are executive officers, Vice Presidents, and employees of the Company, as well as Members of the Board of Directors, Statutory Auditors, Vice Presidents, and employees of subsidiaries of the Company discover facts regarding the business execution of the Companies that conflict with laws and regulations, the Articles of Incorporation, Corporate Ethics Policy and Code of Conduct, or other internal regulations, or that may cause significant harm to the Companies, a system where such reports can be made to the Audit and Supervisory Committee is developed, and reporters are not given detrimental treatment as a result of reporting. Furthermore, a hotline allowing for direct reports and consultations with Standing Audit and Supervisory Committee Members has been established as a reporting and consultation hotline for compliance violations.

(8) Other systems to secure the effectiveness of audits by the Audit and Supervisory Committee
- As noted above, Standing Audit and Supervisory Committee Members are allowed to attend important meetings such as the Management Committee.

- Audit plans formulated by the Audit and Supervisory Committee are reported to the Board of Directors and shared with Members of the Board of Directors. Members of the Board of Directors actively cooperate with audits by the Audit and Supervisory Committee and hearings from attorneys-at-law and the Independent Auditor.
- The Company secures budgets necessary for the execution of duties by Audit and Supervisory Committee Members and bears fees, etc., actually incurred as a result of the execution of duties by Audit and Supervisory Committee Members.
- The Audit and Supervisory Committee, the Independent Auditor, and the Internal Audit Department periodically meet, and a sufficient level of cooperation is realized.
- Representative Directors are sharing the status and results of the Audit and Supervisory Committee's audits in the meeting with the Audit and Supervisory Committee on a regular basis and actively exchanging opinions.

Consolidated Statement of Financial Position

(As of March 31, 2025)

(Millions of yen)

Item	Amount	Item	Amount
Assets	3,028,194	Liabilities	448,219
Current assets	1,497,935	Current liabilities	276,517
Cash and cash equivalents	625,148	Bonds and borrowings	781
Trade receivables	294,419	Trade payables	69,617
Inventories	482,833	Lease liabilities	10,043
Other financial assets	50,685	Other financial liabilities	49,066
Other current assets	44,850	Income taxes payable	30,952
		Deferred income	883
		Provisions	2,170
		Other current liabilities	113,005
Non-current assets	1,530,259	Non-current liabilities	171,702
Property, plant and equipment	1,183,727	Bonds and borrowings	1,656
Right-of-use assets	64,204	Lease liabilities	47,513
Goodwill	135,746	Other financial liabilities	4,743
Intangible assets	40,647	Deferred income	19,131
Investments accounted for using equity method	215	Retirement benefit liability	74,834
Other financial assets	40,274	Provisions	7,435
Deferred tax assets	52,675	Deferred tax liabilities	12,081
Other non-current assets	12,771	Other non-current liabilities	4,309
		Equity	2,579,975
		Equity attributable to owners of parent	2,580,805
		Share capital	69,444
		Capital surplus	99,354
		Retained earnings	2,400,684
		Other components of equity	146,515
		Treasury shares	(135,192)
		Non-controlling interests	(830)
Total assets	3,028,194	Total liabilities and equity	3,028,194

Consolidated Statement of Profit or Loss

From April 1, 2024
to March 31, 2025

(Millions of yen)

Item	Amount	
Revenue		1,743,352
Cost of sales	(1,025,650)	
Gross profit		717,702
Selling, general and administrative expenses	(277,681)	
Research and development expenses	(149,274)	
Other income	16,494	
Other expenses	(27,539)	
Operating profit		279,702
Finance income	29,368	
Finance costs	(4,775)	
Share of profit (loss) of investments accounted for using equity method	109	
Profit before tax		304,404
Income tax expenses	(71,431)	
Profit for the period		232,973
Profit attributable to:		
Owners of parent		233,818
Non-controlling interests		(845)
Profit for the period		232,973

Consolidated Statement of Changes in Equity

From April 1, 2024
to March 31, 2025

(Millions of yen)

Item	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Other components of equity	Treasury shares	Total		
Balance as of April 1, 2024	69,444	121,231	2,332,018	166,895	(133,441)	2,556,147	(538)	2,555,609
Profit for the period			233,818			233,818	(845)	232,973
Other comprehensive income				(27,410)		(27,410)	(10)	(27,420)
Comprehensive income			233,818	(27,410)		206,408	(855)	205,553
Purchase of treasury shares					(80,006)	(80,006)		(80,006)
Disposal of treasury shares		0			0	0		0
Cancellation of treasury shares		(20,812)	(56,541)		77,353	-		-
Dividends			(101,581)			(101,581)	(114)	(101,695)
Share-based payment transactions		(290)			902	612		612
Changes in ownership interest in subsidiaries		(775)				(775)	677	(98)
Transfer from other components of equity to retained earnings			(7,030)	7,030		-		-
Total transaction with owners		(21,877)	(165,152)	7,030	(1,751)	(181,750)	563	(181,187)
Balance as of March 31, 2025	69,444	99,354	2,400,684	146,515	(135,192)	2,580,805	(830)	2,579,975

Notes to the Consolidated Financial Statements

(Basis of preparation of Consolidated Financial Statements)

1. Scope of consolidation and application of the equity method
    1) Number of consolidated subsidiaries: 82
        Major consolidated subsidiaries:
        Fukui Murata Manufacturing Co., Ltd.
        Izumo Murata Manufacturing Co., Ltd.
        Toyama Murata Manufacturing Co., Ltd.
        Kanazawa Murata Manufacturing Co., Ltd.
        Okayama Murata Manufacturing Co., Ltd.
        Komoro Murata Manufacturing Co., Ltd
        Tohoku Murata Manufacturing Co., Ltd.
        Murata Electronics North America, Inc.
        Murata Company Limited
        Murata (China) Investment Co., Ltd.
        Murata Electronics Trading (Shanghai) Co., Ltd.
        Wuxi Murata Electronics Co., Ltd.
        Shenzhen Murata Technology Co., Ltd.
        Murata Energy Device Wuxi Co., Ltd.
        Foshan Murata Materials Co., Ltd.
        Murata Electronics Trading (Tianjin) Co., Ltd.
        Murata Electronics Europe B.V.
        Murata Electronics (Thailand), Ltd.
        Philippine Manufacturing Co. of Murata, Inc.
        Murata Electronics Singapore (Pte.) Ltd
        Murata Integrated Passive Solutions SAS
        Murata Manufacturing Vietnam Co., Ltd.
    2) Number of affiliated companies
        1 (Companies accounted for by equity method 1)

2. Changes in scope of consolidation and application of the equity method
    (Consolidated subsidiaries)
        2 company was included in consolidation.
        3 companies were excluded from consolidation.

3. Significant accounting policies
    (1) Standards for preparation of consolidated financial statements
    The consolidated financial statements of the Company are prepared in accordance with the International Financial Reporting Standards ("IFRS"), pursuant to Article 120, Paragraph (1) of the Company Accounting Ordinance. Some of the disclosure items required by the IFRS are omitted, pursuant to the second sentence of the said Paragraph.

    (2) Inventories
    Inventories are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs required of completion and the estimated selling expenses. Cost is determined primarily based on the periodic average method and includes purchase costs, costs of conversion, and all costs incurred in bringing the inventories to their present location and condition.

(3) Financial instruments

1) Financial assets

(i) Initial recognition and measurement

The Companies classify financial assets as financial assets measured at amortized cost, debt and equity financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss. This classification is determined at initial recognition.

The Companies recognize a financial instrument on the trade date when the Companies become a party to the contractual provisions of the financial asset.

All financial assets are measured at fair value, plus transaction cost, except for those classified as financial assets measured at fair value through profit or loss.

(a) Financial assets measured at amortized cost

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met.

・Assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.

・The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets measured at fair value

Financial assets other than financial assets measured at amortized cost are classified as financial assets measured at fair value.

[1] Debt financial assets measured at fair value through other comprehensive income

Debt financial assets measured at fair value are classified as debt financial assets measured at fair value through other comprehensive income if both of the following conditions are met.

・The financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

・The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

[2] Equity financial assets measured at fair value through other comprehensive income

Equity financial assets measured at fair value are classified as equity financial assets measured at fair value through other comprehensive income if an irrevocable election has been made at initial recognition to recognize changes in fair value in other comprehensive income rather than in profit or loss.

[3] Financial assets measured at fair value through profit or loss

Financial assets measured at fair value other than [1] and [2] are classified as financial assets measured at fair value through profit or loss.

(ii) Subsequent measurement

After initial recognition, financial assets are measured based on the classification as follows.

(a) Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured using the amortized cost based on the effective interest method.

(b) Financial assets measured at fair value

[1] Debt financial assets measured at fair value through other comprehensive income

Subsequent changes in the fair value of such financial assets, other than impairment gains or losses and foreign currency exchange gain or loss, are recognized in other comprehensive income until the financial assets are derecognized or reclassified. Upon derecognition of such financial assets, previously recognized other comprehensive income is reclassified to profit or loss.

[2] Equity financial assets measured at fair value through other comprehensive income

Subsequent changes in the fair value of such financial assets are recognized in other comprehensive income. Dividends from such financial assets are recognized as part of finance income in profit or loss for the current fiscal year.

[3] Financial assets measured at fair value through profit or loss

Subsequent changes in the fair value of such financial assets are recognized in profit or loss.

(iii) Derecognition of financial assets

The Companies derecognize financial assets when contractual rights to cash flows from the financial assets expire, or when the Companies transfer substantially all the risks and rewards of ownership of the financial assets. If the Companies retain control over the transferred financial asset, the Companies recognize the asset and related liability to the extent of their continuing involvement.

(iv) Impairment of financial assets

For financial assets measured at amortized cost, allowance for doubtful accounts is recognized for expected credit losses.

At the end of each period, the Companies assess whether the credit risk associated with each financial asset has increased significantly since initial recognition, and if the credit risk has not increased significantly since initial recognition, the Companies recognize expected credit losses for 12 months as allowance for doubtful accounts. On the other hand, if the credit risk has increased significantly since initial recognition, an amount equal to the lifetime expected credit losses is recognized as allowance for doubtful accounts. However, for trade receivables and contract assets that do not contain a significant financial component, allowance for doubtful accounts is always recognized in an amount equal to the lifetime expected credit losses, regardless of whether the credit risk has increased significantly

since initial recognition.
The Companies determine whether credit risk has increased significantly based on changes in the risk of a default occurring, and in making this determination, the Companies consider downgrades of internal credit ratings, deterioration in the business performance of counterparties, and information on the elapse of due dates, etc.
Expected credit losses are recognized at the present value of the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive.
The Companies estimate expected credit losses on financial assets in a manner that reflects the following:

・An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
・Time value of money
・Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

In case of being affected by significant economic fluctuations, etc., necessary adjustments are made to the expected credit losses measured above.
The carrying amount of a financial asset is directly reduced if the Companies do not have a reasonable expectation of recovering the entirety or a portion of a financial asset.

2) Fair value of financial instruments
The fair value of financial instruments traded in an active market at each reporting date is determined by reference to quoted prices in a market or prices provided by dealers. The fair value of financial instruments for which there is no active market is determined using appropriate valuation techniques.

3) Derivatives and hedge accounting
Derivatives are initially recognized at fair value on the date the derivative contract is entered into and are remeasured at fair value at the end of each fiscal year after initial recognition.
The Companies use forward exchange contracts to fix cash flows related to recognized financial assets and liabilities and future transactions.
There are no derivatives to which hedge accounting is applied for the above derivatives.

(4) Property, plant, and equipment
The acquisition cost includes costs directly attributable to the acquisition of the asset, costs of dismantling and removing, and restoration of assets. The cost model is used for measurement after initial recognition, and the assets are carried at acquisition cost, less accumulated depreciation and accumulated impairment losses. Depreciation of each asset other than land and construction in progress is recognized on the straight-line method over their respective estimated useful lives.
Estimated useful lives, residual values, and depreciation methods are reviewed at each fiscal year end, and any changes are applied prospectively as changes in accounting estimates.

(5) Goodwill and intangible assets
1) Goodwill
The Companies initially measure goodwill at the fair value of the consideration for transfer, including the recognized amount of any non-controlling interests in the acquiree measured as of the acquisition date, less the net amount of identifiable assets acquired and liabilities assumed as of the acquisition date.
Goodwill is not amortized, but tested for impairment at the same time each year or whenever an indication of impairment exists.
Goodwill impairment losses are recognized in the consolidated statement of profit or loss and are not subsequently reversed.
Goodwill is stated at acquisition cost, less accumulated impairment losses, in the consolidated statement of financial position.
2) Intangible assets
Intangible assets acquired individually are measured at acquisition cost on initial recognition. Intangible assets acquired in a business combination are measured at fair value as of the acquisition date. The cost model is used for measurement after initial recognition, and the intangible assets are carried at acquisition cost, less accumulated amortization and accumulated impairment losses.
Research and development expenses incurred within the Companies are expensed as incurred, except for expenditures for development activities that meet all of the following capitalization requirements:

・Technical feasibility of completing the intangible asset so that it is available for use or sale
・Intent to complete and use or sell the intangible asset
・Ability to use or sell the intangible asset
・Probable future economic benefits generated from the intangible asset
・Availability of adequate technical, financial, and other resources required to complete the development and use or sell the intangible asset
・Ability to reliably measure expenditures attributable to intangible assets during the development period

Intangible assets with finite useful lives are amortized using the straight-line method over their estimated useful lives.
Estimated useful lives, residual values, and depreciation methods are reviewed at each fiscal year end, and any changes are applied prospectively as changes in accounting estimates.

(6) Leases

In the case of becoming the lessee under a lease contract, right-of-use assets and lease liabilities are recognized at the commencement of the lease. The initial measurement of the lease liabilities is measured at the present value of the total lease payments not paid as of the commencement date, and right-of-use assets are measured at acquisition cost, adjusted for initial direct costs incurred by the lessee, such as lease payments paid up to the commencement date, to the amount of lease liabilities initially measured.

After the commencement date, right-of-use assets are depreciated using a straight-line method over the lease term and depreciation is charged to cost of sales; selling, general and administrative expenses; and research and development expenses in the consolidated statements of profit or loss. For lease liabilities, lease payments are allocated between interest expense and repayment of the lease liabilities based on the interest method, with interest expense recorded in finance costs in the consolidated statement of profit or loss.

However, for short-term leases with a lease term of 12 months or less and leases with a small underlying asset, the right-of-use assets and lease liabilities are not recognized and the total lease payments are recognized as expenses over the lease term either by a straight-line method or on another regular basis.

(7) Impairment of non-financial assets

The carrying amount of the Companies' non-financial assets, excluding inventories and deferred tax assets, etc., is assessed at the end of each reporting period for any indication that the assets may be impaired, and if any indication of impairment exists, the recoverable amount of such assets is estimated. For goodwill and intangible assets with indefinite useful lives or not yet available for use, the recoverable amount is estimated at the same time every year, regardless of whether there is any indication of impairment.

The recoverable amount of a cash-generating unit or group of cash-generating units is the higher of its value in use or its fair value, less costs to dispose of. The value in use is calculated by discounting estimated future cash flows to present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.

Assets that are not tested individually in impairment testing belong to the smallest cash-generating unit that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets from continuing use of the asset. When testing goodwill for impairment, the cash-generating units to which goodwill is allocated are aggregated so that impairment is tested to represent the lowest level within the Companies to which the goodwill relates. Goodwill acquired in a business combination is allocated to each of the cash-generating unit or group of cash-generating units that is expected to benefit from the synergies of the integration.

The Companies' corporate assets do not generate independent cash inflows. When there is any indication that corporate assets may be impaired, the recoverable amount of the cash-generating unit to which the corporate assets belong is determined.

An impairment loss is recognized in profit or loss when the carrying amount of the cash-generating unit or group of cash generating units exceeds its estimated recoverable amount. Impairment losses recognized in relation to a cash-generating unit or group of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the unit and to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

No impairment losses related to goodwill are reversed. For other assets, previously recognized impairment losses are evaluated at the end of each reporting period to determine whether there is any indication that the loss may have decreased or no longer exists. If there has been a change in the estimates used to determine the asset's recoverable amount, the impairment losses are reversed. Impairment losses are reversed up to the carrying amount of the asset after deducting the required depreciation and amortization from the carrying amount if no impairment loss had been recognized.

(8) Employee benefits

Short-term employee benefits are not discounted, but are charged to expense when the related services are rendered.

For bonuses and paid leave costs, the Companies have a legal or constructive obligation to pay them and recognize as a liability the amount estimated to be paid under those plans when reliable estimates can be made.

The obligation for long-term employee benefits other than post-employment benefits is calculated by discounting to present value the amount of future benefits earned by employees for services rendered in prior and current fiscal years.

The Companies have both defined benefit plan and defined contribution plan as retirement benefit plans for employees. The net asset or liability for a defined benefit plan is calculated as the present value of the defined benefit plan obligation less the fair value of the plan assets. The asset ceiling for this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Companies calculate the present value of defined benefit plan obligation and related current service cost and past service cost using the projected unit credit method.

The discount rate is calculated based on the market yield of high-quality corporate bonds at the end of the period corresponding to the discount period, setting the discount period based on the period up to the expected date of benefit payments each fiscal year in the future.

The remeasurement of the net amount of defined benefit liability or asset is recognized in a lump sum in other comprehensive income in the period in which it occurs and is immediately reclassified from other components of equity to retained earnings.

Past service cost is recognized as profit or loss in the period in which it is incurred.

The cost of defined contribution retirement benefits is recognized as an expense when contributions are made.

(9) Provisions

Provisions are recognized when, as a result of past events, the Companies have a present legal or constructive obligation, it is probable that an outflow of economic resources will be required in order to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the time value of money is significant, estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the liability. The unwinding of the discount due to passage of time is recognized as finance costs.

(10) Revenue recognition

The Companies recognize revenue from contracts with customers, excluding interest and dividend income and other income under IFRS 9 "Financial Instruments," by applying the following steps as prescribed in IFRS 15 "Revenue from Contracts with Customers."

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Companies sell electronic components that comprise the Companies' operating segments (Components, Devices and Modules, and Others) and related products. With regard to the sales of products, the Companies recognize revenue at the time of delivery of a product, since they consider that the customer obtains control over the product and performance obligations are satisfied at the time of delivery of the product. In addition, revenue is recognized at the amount of consideration promised in the contract with the customer, less discounts, rebates, returned goods, etc.

4. Significant accounting estimates and judgments

In preparing the consolidated financial statements in accordance with IFRS, management is required to make judgments, estimates, and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and their underlying assumptions are continuously reviewed. The effects of a change in any accounting estimate are recognized in the period of the change and future periods.

The following are items that are recorded in the consolidated financial statements for the current fiscal year based on accounting estimates and may have a material impact on the consolidated financial statements for the following fiscal year:

(1) Impairment of property, plant and equipment

The balance of property, plant and equipment for the current fiscal year is as stated in the consolidated statement of financial position.

For property, plant and equipment, the Companies assess whether there is any indication of impairment of assets at the end of each reporting period, and estimate the recoverable amount of the asset if any indication of impairment exists.

The recoverable amount of a cash-generating unit or a group of cash-generating units is recognized at the higher of its value in use or its fair value less disposal costs. Value in use is calculated by discounting estimated future cash flows, which are calculated based on the assumption of remaining useful lives, future cash flows, growth rate, etc., of the asset, to the present value using a pre-tax discount rate that reflects the time value of money and the risks inherent in the asset.

An impairment loss is recognized in profit or loss when the carrying amount of the cash-generating unit or group of cash-generating units exceeds its recoverable amount.

The recoverable amount of property, plant and equipment is determined based on management's best estimates and judgments, but any unforeseeable changes in future business plans, economic conditions, etc., may have a significant impact on the consolidated financial statements for the following fiscal year.

The breakdown of the impairment losses recognized for the current fiscal year is as stated in "Notes to impairment of non-financial assets."

(2) Impairment of goodwill

The balance of goodwill for the current fiscal year is as stated in the consolidated statement of financial position.

The Companies estimate the recoverable amount of goodwill at the same time each year regardless of an indication of impairment and put it to an impairment test if there is any indication of impairment.

The recoverable amount for testing goodwill impairment is calculated based on value in use. Value in use is calculated, with future cash flows, which reflect past experience and external information and estimated based on the management-approved future business plans and growth rates for up to next five years, discounted to the present value using a discount rate based on a pre-tax weighted average cost of capital for the cash-generating unit or group of cash-generating units. Growth rates are determined by reference to long-term inflation forecasts, etc., in the industry or country where the cash-generating unit or group of cash-generating units belongs.

An impairment loss is recognized in profit or loss when the carrying amount of the cash-generating unit or group of cash-generating units exceeds its estimated recoverable amount.

The recoverable amount of goodwill is determined based on management's best estimates and judgments, but any unforeseeable changes in future business plans, economic conditions, etc., may have a significant impact on the consolidated financial statements for the following fiscal year.

5. Other significant matters concerning the preparation of consolidated financial statements

Amounts of less than one million yen are shown rounded to the nearest million yen.

(Note to Consolidated Statement of Financial Position)

1. Allowance for doubtful notes and accounts deducted directly from assets

Trade receivables 2,609 million yen

2. Accumulated depreciation of property, plant and equipment and impairment loss 1,840,763 million yen

3. Breakdown of other components of equity is as follows.

(Unit: million yen)

Financial assets measured at fair value through other comprehensive income	3,463
Exchange differences on translation of foreign operations	143,052
Total	146,515

(Note to Consolidated Statement of Changes in Equity)

1. Total number of common shares issued as of March 31, 2025 1,963,001,843 shares

2. Matters concerning dividends

1) Amount of dividends paid

Resolution	Type of stock	Total amount of dividends (Millions of yen)	Dividend per share (yen)	Record date	Effective date
June 27, 2024 Ordinary General Meeting of Shareholders	Common shares	51,009	27	March 31, 2024	June 28, 2024
November 1, 2024 Meeting of the Board of Directors	Common shares	50,572	27	September 30, 2024	November 25, 2024

2) Of dividends with a record date during the current fiscal year, and with an effective date during the following fiscal year

Planned resolution	Type of stock	Total amount of dividends (Millions of yen)	Source of funds for dividends.	Dividend per share (yen)	Record date	Effective date
June 27, 2025 Ordinary General Meeting of Shareholders	Common shares	55,871	Retained earnings	30	March 31, 2025	June 30, 2025

(Note to financial instruments)

1. Status of financial instruments

1) Capital management

The Companies manage capital with the aim of maintaining a sound financial position on the one hand and a high capital efficiency on the other.

In capital management, the Companies have positioned return on equity attributable to owners of the parent and return on invested capital (ROIC) (pretax basis) as important management indicators, and are working to improve them.

2) Financial risk management

The Companies are exposed to financial risks (credit risk, liquidity risk, foreign currency risk, interest rate risk, and market price fluctuation risk) in the course of their management activities, and manage risks based on certain policies to mitigate such financial risks. The Companies enter into forward foreign exchange contracts to hedge foreign currency fluctuation risks, but do not hold such contracts for trading purposes.

3) Credit risk management

Credit risk is the risk that causes financial loss to the Companies when a counterparty of a financial asset held by the Companies goes into default for contractual obligations.

The Companies manage due dates and outstanding balances by customers, while they also monitor the credit status of major customers, based on the Companies' credit management regulations periodically.

In addition, the Companies make foreign exchange contracts only with financial institutions, etc., with a high level of creditworthiness, and these transactions' effect on credit risk is thus limited.

Furthermore, the Companies are not exposed to any credit risk excessively concentrated in a specific counterparty or group to which a specific counterparty belongs.

The carrying amount of financial assets presented in the consolidated financial statements represents the maximum exposure to credit risk of financial assets held by the Companies.

The Companies hold no properties as collateral or other credit enhancements with regard to these credit risk exposures.

4) Liquidity risk management

Liquidity risk is the risk that the Companies become unable to meet their repayment obligations on financial liabilities that are due on the due date.

The Companies manage liquidity risk by preparing appropriate repayment funds, securing credit facilities that are available to use at any time from financial institutions, and by continuously monitoring projected and actual cash flows.

5) Foreign exchange risk management

Since the Companies conduct business globally, fluctuations in foreign exchange rates are mainly U.S. dollar significantly influencing their operating performance.

The Companies strive to reflect exchange rate fluctuations in overseas sales prices to reduce exchange rate fluctuation risks. They have also concluded exchange contracts for a certain percentage of foreign currency denominated transaction amounts while taking into consideration exchange rate hedge costs to offset the influence of exchange rate fluctuations on profit and loss based on trends in foreign exchange rates and events that affect foreign exchange rates. Although hedge accounting is not applied to foreign exchange forward contracts, the Companies believe that the transactions effectively offset the influence of exchange rate fluctuations.

6) Interest rate risk management

The Companies pay interest on financing necessary for working capital and capital expenditures in conducting their business activities. The interest rate risk is deemed to be immaterial to the Companies at present, as the impact of interest payments on the Companies is minimal.

7) Market price fluctuation risk management

The Companies are exposed to stock price fluctuation risk as they hold listed shares of business partner companies in order to maintain and strengthen business relationships with them. The Companies review their holdings on an ongoing basis, taking into account their relationship with the business partner companies, by regularly monitoring the fair value and the financial condition of such companies.

2. Fair values of financial instruments

For financial instruments measured at fair value, the Companies classify the fair value into the following three levels according to the observability of the inputs used in their measurement.

Level 1: Market prices in active markets for identical assets or liabilities
Level 2: Fair value calculated directly or indirectly using observable prices other than Level 1
Level 3: Fair value calculated using valuation techniques that include unobservable inputs

1) Financial instruments measured at amortized cost

The carrying amounts and fair values of financial instruments measured at amortized cost are as follows.

Financial instruments measured at fair value and financial instruments with fair value being nearly equal to their carrying amount are not included in the following table.

(Unit: million yen)

	Carrying amount	Fair value
Financial liabilities measured at amortized cost		
Bonds and long-term borrowings (including current portion)	2,437	2,437
Total	2,437	2,437

The fair value of long-term borrowings (including current portion) is determined based on the present value of future cash flows discounted at the interest rate to be applied if similar new contracts were entered into, and is classified as Level 2.

2) Financial instruments measured at fair value

The fair value hierarchy of financial instruments measured at fair value is as follows:

(Unit: million yen)

	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets measured at fair value through profit or loss				
Derivative assets	—	153	—	153
Equity securities and investments in capital, etc.	—	—	12,132	12,132
Financial assets measured at fair value through other comprehensive income				
Equity securities	14,486	—	976	15,462
Total	14,486	153	13,108	27,747
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	—	5	1,728	1,733
Total	—	5	1,728	1,733

Transfers between levels in the fair value hierarchy are recognized on the date an event or change in the situation resulting in the transfers arises. There were no material transfers between Level 1 and Level 2 in the current fiscal year.

(i) Information about fair value measurements of financial instruments classified as Levels 2 and 3

Derivatives classified as Level 2 are valued based on the prices quoted by counterparty financial institutions.

Equity securities and investments in capital, etc. classified as Level 3 are valued using appropriate techniques that comprehensively take into account the most recently available information about the investee, including its projected future profitability and net asset value.

Derivatives classified as Level 3 are those recognized in connection with the settlement of cash flows arising from differences between the fixed electricity price based on a virtual PPA agreement and the wholesale market electricity price, and they are evaluated by a proper technique, whereby future prices in the wholesale market, expected power generation by renewable

energy generation facilities, and such are considered.
No significant changes in fair value are expected from changing unobservable inputs for financial instruments classified as Level 3 to reasonably possible alternative assumptions.

(ii) Reconciliation of financial instruments classified as Level 3 from the beginning balance to the ending balance
The reconciliation of the beginning balance to the ending balance of the fair value measurement categorized as Level 3 is as follows:

(Unit: million yen)

	Equity securities and investments in capital, etc.
Balance at beginning of year	11,226
Purchase	4,551
Gains or losses	
Profit or loss	(1,717)
Other comprehensive income	(5)
Sale or settlement	(947)
Balance at end of year	13,108

Other than listed above, derivatives are also included in financial instruments classified as Level 3, and their changes arise from profit or loss.
Gains or losses recognized in profit or loss are included in finance income or finance costs in the consolidated statement of profit or loss.

(Notes to revenue recognition)

1. Disaggregation of revenue

The Companies sell electronic components that comprise the Companies' operating segments and related products. Operating segments are classified based on the Companies' business strategies, and the Companies recognized the Components segment, the Devices and Modules segment and Others. The Companies break revenues from contracts with customers into the categories of Capacitors and Inductors / EMI Filters derived from Components Business, and the categories of High-Frequency Device and Communications Module, Battery and Power supply and Functional Device derived from Modules Business.

The relationship between disaggregated revenue and segment revenue is as follows:

(Millions of yen)

	Amount
Capacitors	831,845
Inductors and EMI filters	201,273
Components	1,033,118
High-Frequency Device and Communications Module	443,602
Battery and Power supply	155,741
Functional Device	97,822
Devices and Modules	697,165
Others	13,069
Total	1,743,352

With regard to the sales of products, the Companies recognize revenue upon delivery of a product since they consider that the customer obtains control over the product and performance obligations are satisfied at the time of delivery of the product. In addition, revenue is recognized at the amount of consideration promised in the contract with the customer, less discounts, rebates, returned goods, etc. The Companies mostly receive transaction consideration within one year after performance obligations are satisfied, and there are no significant financial components included.

2. Contract balances

The breakdown of receivables from contracts with customers and contract liabilities is as follows:

(Millions of yen)

	Beginning of the current fiscal year (April 1, 2024)	End of the current fiscal year (March 31, 2025)
Receivables from contracts with customers	292,736	294,419
Contract liabilities	4,185	5,031

Receivables from contracts with customers are included in trade receivables in the consolidated statement of financial position. Contract liabilities are primarily the balance of consideration received from customers before transferring control to customers, and are included in other current liabilities in the consolidated statement of financial position. The amounts of revenue recognized in the current fiscal year that were included in the balance of contract liabilities at the beginning of the period are 4,185 million yen. Furthermore, the amounts of revenues recognized in the current fiscal year from the performance obligations satisfied (or partially satisfied) in prior periods were immaterial. There were no significant changes in the balance of contract liabilities during the current fiscal year. The balance of contract assets is immaterial.

3. Transaction price allocated to the remaining performance obligations

The Companies have omitted information on remaining performance obligations per application of practical expedient because there are no material transactions for which the expected duration of any individual contract would exceed one year. The Companies' contracts with customers have no significant consideration that is not included in the transaction price.

(Notes to amounts per share)

1. Equity attributable to owners of parent per share	1,385.77 yen
2. Basic earnings per share	125.08 yen

(Significant subsequent events)

Purchase of treasury stock

The Company adopted a resolution at the meeting of the Board of Directors held on April 30, 2025 on matters on the purchase of treasury stock in accordance with provisions of Articles of Incorporation pursuant to Article 459, Paragraph (1) of the Companies Act.

1. Reasons for the purchase of treasury stock

The Company makes the purchase of treasury stock with an aim to improve capital efficiency and enable flexible financial strategies.

2. Details of purchase

(1) Type of stock subject to purchase:	Common shares
(2) Total number of shares available for purchase:	77,000,000 shares (maximum) Percentage of total number of shares issued (excluding treasury shares): 4.13%
(3) Total amount of purchase of shares:	100,000,000,000 yen (maximum)
(4) Purchase period:	From May 7, 2025 to October 29, 2025

(Notes to impairment of non-financial assets)

“Other expenses” recorded in the consolidated statement of profit or loss for the current fiscal year contain impairment loss on non-financial assets (22,083 million yen).

Of the total impairment loss, 10,352 million yen is recorded for manufacturing machinery, etc., for MEMS inertial sensor business, which comprises “Devices and Modules” segment.

With regard to the MEMS inertial sensor business, the Companies made investments to increase future production, mainly for the mobility market. However, with the fact that autonomous driving has progressed slower than initially expected, the Companies calculated the recoverable amount of the relevant cash-generating unit at the end of the current fiscal year based on the latest business plan. As a result, the recoverable amount of the cash-generating unit at the end of the current fiscal year was deemed to be less than the carrying amounts, and impairment losses were recorded in the amounts of 8,661 million yen for machinery and equipment, tools, dies, furniture and fixtures, and autos and trucks, 1,559 million yen for construction in progress, 31 million yen for software, and 101 million yen for other intangible assets.

As the estimated future cash flows used in calculating value in use, which is the recoverable amount, are negative, the recoverable amount is assessed as zero.

Balance Sheets

(As of March 31, 2025)

(Millions of yen)

Item	Amount	Item	Amount
Assets	1,452,484	Liabilities	690,167
Current assets	723,418	Current liabilities	655,129
Cash	203,129	Trade accounts payable	119,669
Trade accounts receivable	326,248	Short-term borrowings	454,904
Merchandise and finished goods	10,750	Current portion of long-term borrowings	29,700
Raw materials and supplies	38,445	Other accounts payable	22,121
Work in process	21,990	Accrued expenses	25,578
Accounts receivable	45,074	Accrued income tax	1,718
Income taxes refund receivable	1,074	Other	1,436
Current portion of long-term loans receivable	70,824	Long-term liabilities	35,038
Other	5,988	Termination and retirement benefits	29,801
Allowance for doubtful notes and accounts	(107)	Other	5,236
		Net assets	762,316
Noncurrent assets	729,066	Murata Corporation’s Shareholders’ equity	756,762
Property, plant and equipment	203,128	Common stock	69,444
Buildings	92,731	Capital surplus	107,733
Structures	7,545	Legal capital surplus	107,733
Machinery	33,234	Retained earnings	714,775
Vehicles	124	Legal retained earnings	7,899
Equipment	11,933	Other retained earnings	706,876
Land	36,195	Reserve for reduction entry of land	13
Construction in progress	21,363	Reserve for reduction entry of replaced property	766
Intangible assets	60,221		
Investments and other assets	465,716	General reserve	162,707
Investment securities	21,443	Retained earnings brought forward	543,387
Shares of subsidiaries and associates	317,459	Treasury stock	(135,191)
Investments in capital of subsidiaries and associates	17,414	Valuation and translation adjustments	5,554
Long-term loans receivable	72,121	Valuation difference on other marketable securities	5,554
Deferred tax assets	12,453		
Other	29,053		
Allowance for doubtful notes and accounts	(4,229)		
Total assets	1,452,484	Total liabilities and total net assets	1,452,484

Income Statements

From April 1, 2024
to March 31, 2025

(Millions of yen)

Item	Amount	
Net sales		1,106,301
Cost of sales		801,672
Gross profit		304,629
Selling, general and administrative expenses		292,280
Operating income		12,348
Non-operating income		
Interest and dividend income	208,512	
Insurance claim income	7,182	
Foreign currency exchange gain	3,894	
Other	3,814	223,404
Non-operating expenses		
Interest expense	4,993	
Product replacement and repair costs	3,010	
Other	4,467	12,471
Ordinary income		223,281
Extraordinary income		
Gain on sale of investment securities	4,094	4,094
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	3,240	
Provision of allowance for doubtful notes and accounts	2,267	5,508
Income before income taxes		221,868
Current income tax	(5,395)	
Deferred income tax	5,717	322
Net income		221,545

Statements of Shareholders' Equity

From April 1, 2024
to March 31, 2025

(Millions of yen)

	Murata Corporation's Shareholders' equity						
	Common stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	
						Reserve for reduction entry of land	Reserve for reduction entry of replaced property
Balance at April 1, 2024	69,444	107,733	19,255	126,989	7,899	13	767
Changes of items during period							
Restricted stock remuneration			1,557	1,557			
Cash dividends							
Net income							
Purchases of treasury stock at cost							
Disposal of treasury stock			0	0			
Cancellation of treasury stock			(20,813)	(20,813)			
Reversal of reserve for reduction entry of replaced property							(1)
Net changes of items other than shareholders' equity							
Total changes of items during period	-	-	(19,255)	(19,255)	-	-	(1)
Balance at March 31, 2025	69,444	107,733	-	107,733	7,899	13	766

	Murata Corporation's Shareholders' equity					Valuation and translation adjustments		Total net assets
	Retained earnings			Treasury stock	Total Murata Corporation's Shareholders' equity	Valuation difference on other marketable securities	Total valuation and translation adjustments	
	Other retained earnings		Total retained earnings					
	General reserve	Retained earnings brought forward						
Balance at April 1, 2024	162,707	479,962	651,351	(133,441)	714,344	10,096	10,096	724,441
Changes of items during period								
Restricted stock remuneration				901	2,459			2,459
Cash dividends		(101,581)	(101,581)		(101,581)			(101,581)
Net income		221,545	221,545		221,545			221,545
Purchases of treasury stock at cost				(80,006)	(80,006)			(80,006)
Disposal of treasury stock				0	0			0
Cancellation of treasury stock		(56,540)	(56,540)	77,353	-			-
Reversal of reserve for reduction entry of replaced property		1	-		-			-
Net changes of items other than shareholders' equity						(4,542)	(4,542)	(4,542)
Total changes of items during period	-	63,425	63,424	(1,750)	42,417	(4,542)	(4,542)	37,875
Balance at March 31, 2025	162,707	543,387	714,775	(135,191)	756,762	5,554	5,554	762,316

Notes to Unconsolidated Financial Statements

(Notes to significant accounting policies)

1. Valuation standards and valuation methods of assets

(1) Valuation standards and valuation methods of marketable securities

Stock of subsidiaries and affiliated companies	Moving-average method
Other marketable securities	
Securities other than stock, etc., without market prices	Market value method based on market prices (Valuation differences are reported as a component of net assets, and the cost of securities sold is calculated using the moving-average method)
Stock, etc., without market prices	At cost based on the moving-average method

(2) Valuations standards and valuation methods of derivatives

Derivatives	Market value method

(3) Valuation standards and valuation methods of inventories

Finished goods	At cost based on the moving-average method (balance sheet amounts are calculated by writing down the book value of assets that have decreased in profitability)
Products, raw materials, work in process, and supplies	At cost based on the weighted-average method (balance sheet amounts are calculated by writing down the book value of assets that have decreased in profitability)

2. Depreciation method for noncurrent assets

(1) Property, plant and equipment

Straight-line method

Primary useful lives are as follows.

Buildings	10 to 50 years
Machinery and equipment	4 to 17 years

(2) Intangible assets

Straight-line method

Software for internal use is amortized by the straight-line method based on an estimated useful life of 3 to 5 years.

3. Standards for recording of allowances

(1) Allowance for doubtful notes and accounts

To provide for possible losses resulting from uncollectible receivables such as trade accounts and loans, the estimated uncollectible amount is recorded based on historical default rate with regard to general accounts, and by individually assessing possible collectability for certain receivables such as loans with default possibility.

(2) Termination and retirement benefits

To provide for retirement benefits to employees, benefits are recorded based on the estimated amount of termination and retirement liabilities and pension assets as of the closing date.

Prior service cost is recorded as expenses using the straight-line method based on the average remaining years of service of employees as of the time of occurrence. Actuarial differences are amortized using the straight-line method over the period of 5 years within the average remaining years of service of employees commencing the following fiscal year after incurrence.

4. Revenue and expense recognition standards

The Company conducts sales of electronic items, including Components (such as capacitors, inductors, and EMI suppression filters) and Devices and Modules (such as high-frequency modules, SAW filters, lithium-ion secondary batteries, and sensors), and related merchandise and products. With regard to the sales of merchandise and products, the Company recognizes revenue at the time of delivery of merchandise or a product since it considers that the customer obtains control over the merchandise or product and performance obligations are satisfied at the time of delivery of the merchandise or product. Furthermore, for domestic sales, because shipment through delivery is within the usual timeframe, revenue is recognized after shipment to the domestic delivery area designated by the customer. In addition, revenue is recognized at the amount of consideration promised in the contract with the customer less discounts, rebates, returned goods, etc. Also, transaction consideration is generally received within one year of when performance obligations are satisfied, and important financing components are not included.

5. Other significant matters concerning the preparation of unconsolidated financial statements

(1) The group tax sharing system is applied.

(2) Amounts of less than one million yen are rounded down.

(Notes on significant accounting estimates)

Evaluation of investments and loans extended to affiliated companies

1. Amounts stated in the financial statements for the current fiscal year

Stock of affiliated companies	317,459 million yen
Investments in affiliated companies	17,414 million yen
Long-term loans receivable	72,109 million yen
Allowance for doubtful notes and accounts	4,205 million yen

2. Helpful information in understanding significant accounting estimates

In evaluating shares in subsidiaries and associates and investments in capital of subsidiaries and associates, if the substantial value, which is calculated based on the amount of net assets per share, decreases approximately 50% or more relative to the acquisition cost due to financial deterioration of an affiliated company, the Company recognizes impairment loss by reducing to the substantial value, except when the recoverability is supported by sufficient evidence. In evaluating loans to subsidiaries and associates that financially deteriorate, the Company records the estimated uncollectible amount as allowance for doubtful accounts, in compliance with "3. Standards for recording of allowances" in (Notes to Significant Accounting Policies).

Worsened business results and financial conditions due to certain changes in economic conditions, etc., unforeseeable at the time of estimation, may affect evaluations and the amounts of relevant allowances in the financial statements for the following fiscal year.

(Notes to unconsolidated balance sheets)

1. Accumulated depreciation of property, plant and equipment	255,491 million yen
2. Short-term monetary claims with affiliated companies	389,241 million yen
Long-term monetary claims with affiliated companies	73,839 million yen
Short-term monetary liabilities with affiliated companies	598,083 million yen
3. Guarantee obligations	372 million yen

Warrantee	Guaranteed amount (Millions of yen)	Liability guaranteed
Shenzhen Murata Technology Co., Ltd.	370	Trade notes and accounts payable
pSemi Corporation	2	Trade notes and accounts payable
Total	372	-

4. Tax purpose reduction entry

Accumulated reduction entry in the current fiscal year, directly deducted from non-current assets acquired by using government subsidies, etc.

Buildings	4,751 million yen
Structures	22 million yen
Machinery	87 million yen
Vehicles	0 million yen
Tools, furniture and fixtures	20 million yen
Land	1,786 million yen

(Notes to unconsolidated income statements)

Transactions with affiliated companies

Business transactions	1,723,410 million yen
Net sales	966,355 million yen
Purchase turnover	757,054 million yen
Non-business transactions	217,199 million yen
Interest income	428 million yen
Dividend income	203,844 million yen
Commission income	210 million yen
Asset transfer	2,437 million yen
Interest expense	4,980 million yen
Product replacement and repair costs	1,902 million yen
Asset purchase	2,541 million yen
Other	855 million yen

(Notes to statements of shareholders' equity)

Type and number of treasury stock as of March 31, 2025

Common shares	100,640,793 shares

(Notes to tax effect accounting)

1. Breakdown of primary causes for occurrence of deferred tax assets and liabilities

Deferred tax assets	
Accrued bonuses	3,517 million yen
Inventories	4,226 million yen
Accrued expenses	1,178 million yen
Accounts payable – other	4 million yen
Accrued enterprise tax	486 million yen
Termination and retirement benefits	4,669 million yen
Stock of affiliated companies	6,414 million yen
Tangible and intangible assets	2,047 million yen
Deferred tax adjustment	870 million yen
Investment securities	1,228 million yen
Other	2,729 million yen
Deferred tax assets subtotal	27,374 million yen
Valuation allowance for total deductible temporary differences, etc.	(12,579) million yen
Total deferred tax assets	14,795 million yen
Elimination with deferred tax liabilities	(2,341) million yen
Net deferred tax assets	12,453 million yen

Deferred tax liabilities	
Other marketable securities valuation adjustment	1,939 million yen
Other	401 million yen
Total deferred tax liabilities	2,341 million yen
Elimination with deferred tax assets	(2,341) million yen
Net deferred tax liabilities	- million yen

2. Difference between effective statutory tax rate and income tax rate after application of tax effect accounting

Effective statutory tax rate	30.5 %
(Adjustments)	
Exemption for dividend income	(27.0) %
Tax exemption for R&D promotion tax system	(6.0) %
Foreign withholding tax	1.4 %
Valuation allowance for deferred tax assets	1.4 %
Other	(0.1) %
Income tax rate after application of tax effect accounting	0.2 %

3. Accounting treatment of corporate income tax and local corporate tax or accounting treatment of tax effect accounting concerning them

The Company has applied the Group Tax Sharing System. Additionally, following "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITE No. 42, August 12, 2021), the Company performs accounting treatment of corporate tax and local corporate tax or accounting treatment of tax effect accounting concerning them, and disclosure.

4. Revision to the amounts of deferred tax assets and deferred tax liabilities due to change in the rate of corporate income taxes

The Act to Partially Amend the Income Tax Act, etc. (Act No. 13 of 2025) was promulgated on March 31, 2025, and the special corporate surtax for defense will be levied from fiscal years beginning on or after April 1, 2026. As a result, the statutory effective tax rate used to calculate deferred tax assets and deferred tax liabilities will change from the previous 30.5% to 31.4% from fiscal years beginning on or after April 1, 2026. The impact of this tax rate change on the non-consolidated financial statements is minor.

(Notes to transactions with related parties)

Subsidiaries and affiliated companies, etc.

(Millions of yen)

Type	Name of company, etc.	Percentage of voting rights holding (or held)	Relationship with related party	Summary of transactions	Transaction amount	Item	Balance at the end of the fiscal year
Subsidiary	Fukui Murata Manufacturing Co., Ltd.	Holding Directly, 100%	Manufacturing of the Company's products	Procurement of products, etc. (Note 1)	155,978	Trade accounts payable	12,316
				Borrowing of funds Payment of interest (Note 2) (Note 3)	55,795 35	Short-term borrowings Current portion of long-term borrowings Accrued expenses	56,242 17,500 16
Subsidiary	Izumo Murata Manufacturing Co., Ltd.	Holding Directly, 100%	Manufacturing of the Company's products	Procurement of products, etc. (Note 1)	220,431	Trade accounts payable	16,601
				Borrowing of funds Payment of interest (Note 2) (Note 3)	94,982 57	Short-term borrowings Current portion of long-term borrowings Accrued expenses	105,954 11,000 37
Subsidiary	Kanazawa Murata Manufacturing Co., Ltd.	Holding Directly, 100%	Manufacturing of the Company's products Officers concurrently serving at the Company	Borrowing of funds Payment of interest (Note 2) (Note 3)	26,343 18	Short-term borrowings Accrued expenses	27,253 2
Subsidiary	Okayama Murata Manufacturing Co., Ltd.	Holding Directly, 100%	Manufacturing of the Company's products Officers concurrently serving at the Company	Borrowing of funds Payment of interest (Note 2) (Note 3)	27,892 18	Short-term borrowings Accrued expenses	31,828 9
Subsidiary	Tohoku Murata Manufacturing Co., Ltd.	Holding Directly, 100%	Manufacturing of the Company's products	Lending of funds Recovery of funds Reception of interest (Note 2)	15,300 26,815 82	Current portion of long-term loans receivable Long-term loans receivable Other current assets (Accrued revenue)	21,007 11,200 2
Subsidiary	Komoro Murata Manufacturing Co., Ltd.	Holding Directly, 100%	Manufacturing of the Company's products Officers concurrently serving at the Company	Borrowing of funds Payment of interest (Note 2) (Note 3)	16,080 9	Short-term borrowings	20,711
Subsidiary	Toyama Murata Manufacturing Co., Ltd.	Holding Directly, 100%	Manufacturing of the Company's products	Borrowing of funds Payment of interest (Note 2) (Note 3)	14,645 9	Short-term borrowings	20,391

Type	Name of company, etc.	Percentage of voting rights holding (or held)	Relationship with related party	Summary of transactions	Transaction amount	Item	Balance at the end of the fiscal year
Subsidiary	Murata Company Limited	Holding Directly, 100%	Sales of products of the Company and subsidiaries	Sales of products, etc. (Note 1)	234,845	Trade accounts receivable	71,458
				Borrowing of funds Payment of interest (Note 2) (Note 3)	68,289 2,844	Short-term borrowings	59,098
Subsidiary	Murata Electronics Trading (Shanghai) Co., Ltd.	Holding Indirectly, 100%	Sales of products of the Company and subsidiaries	Sales of products, etc. (Note 1)	196,400	Trade accounts receivable	66,015
Subsidiary	Murata Electronics Europe B.V.	Holding Directly, 100%	Sales of products of the Company and subsidiaries Officers concurrently serving at the Company	Borrowing of funds Payment of interest (Note 2) (Note 3)	75,428 1,958	Short-term borrowings	81,040
Subsidiary	Philippine Manufacturing Co. of Murata, Inc.	Holding Directly, 100%	Manufacturing of the Company's products	Lending of funds Reception of interest (Note 4)	14,545 237	Current portion of long-term loans receivable Long-term loans receivable	43,700 38,590

Transaction conditions and standard for determining transaction conditions

(Note 1) Determined via the same method as general transactions, in consideration of market prices.

(Note 2) Borrowing and lending of funds includes transactions via the cash management system (CMS), and the interest rate is determined in consideration of market interest rates.
As the fund management operations business for the Japanese subsidiaries is concentrated within the Company, there are borrowings from each company and lending of funds to each company.

(Note 3) Transaction amounts are the average balance over the course of the current fiscal year.

(Note 4) Borrowing and lending of funds includes is determined in consideration of market interest rates.

(Note 5) The Company records 2,267 million yen as provision of allowance for doubtful accounts of subsidiaries.
The balance of allowance for doubtful accounts of subsidiaries at the end of the current fiscal year is 4,205 million yen.

(Notes to amounts per share)

Net assets per share	409.33 yen
Net income per share	118.54 yen

(Notes to revenue recognition)

Notes on information on the basis for understanding revenue arising from contracts with customers are omitted because the same content is described in the Consolidated Financial Statements "Notes to the Consolidated Financial Statements, (Notes to revenue recognition)."

(Significant subsequent events)

Purchase of treasury stock

The Company adopted a resolution at the meeting of the Board of Directors held on April 30, 2025 on matters on the purchase of treasury stock in accordance with provisions of Articles of Incorporation pursuant to Article 459, Paragraph (1) of the Companies Act.

1. Reasons for the purchase of treasury stock

The Company makes the purchase of treasury stock with an aim to improve capital efficiency and enable flexible financial strategies.

2. Details of purchase

(1) Type of stock subject to purchase:	Common shares
(2) Total number of shares available for purchase:	77,000,000 shares (maximum) Percentage of total number of shares issued (excluding treasury shares): 4.13%
(3) Total amount of purchase of shares:	100,000,000,000 yen (maximum)
(4) Purchase period:	From May 7, 2025 to October 29, 2025