



June 27, 2025

Company name: Murata Manufacturing Co., Ltd.
 Name of representative: Norio Nakajima
 President and Representative Director
 (Code: 6981, Tokyo Stock Exchange
 Prime market)
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Notice regarding Disposal of Granting of Standard Share Units based on the Performance-linked Share-based Remuneration

Murata Manufacturing Co., Ltd. (“Company”) hereby announces that at the Board of Directors meeting held today, it resolved to grant Standard Share Units based on Performance-Linked Share-Based Remuneration (hereinafter the “System”).

1. Outline of Granting of Issuance of Shares Related to the Standard Share Units

| | |
|---|---|
| (1) Issuance date | Undecided |
| (2) Class and number of shares to be issued | 151,660 shares of the Company’s common shares |
| (3) Issuance price | Undecided |
| (4) Total value of shares to be issued | Undecided |
| (5) Allottees and number thereof, number of shares to be issued | Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors): 5 92,899 shares Vice Presidents: 18 58,761 shares |
| (6) Others | The Company has submitted the Extraordinary Report regarding the grant of the Standard Share Units in accordance with the Financial Instruments and Exchange Act. |

Note1: The allocation of shares of the Company's common shares under the System will be made by issuing new shares or disposing of treasury shares.

Note2: The number of shares to be issued is based on the assumption that the degree of achievement of the target under the System is the highest.

Note3: The issuance price is undecided because it will be the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day prior to the date of the resolution of the Board of Directors of the Company (scheduled to be held in June 2028) regarding the issuance of shares related to the delivery of the Company Shares under the

System (if the transaction is not closed on the same day, the closing price of the most recent trading day prior to that).

2. Purposes and Reasons of the Issuance

At the 89th Ordinary General Meeting of Shareholders held on June 27, 2025, the Company was approved to introduce the post-delivery performance-linked share-based remuneration (Performance Share Unit) for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter "Eligible Directors") in which a payment rate fluctuates based on the achievement of performance evaluation indicators. That was intended to serve as an incentive for medium-term corporate value enhancement over three consecutive fiscal years. Furthermore, at the Ordinary General Meeting of Shareholders, it was approved that the total number of Confirmed Share Units (the number of units obtained by multiplying the Standard Share Unit by the payment rate determined after the end of the performance evaluation period) will be limited to 200,000 shares per year, the total number of Company Shares to be delivered to Eligible Directors will be limited to 100,000 shares per year, and the annual upper limit of the total amount of monetary remuneration claims and cash for the purpose of covering tax obligations arising from the delivery of Company Shares (hereinafter "Tax-Purpose Cash") to be paid to Eligible Directors will be the amount calculated by multiplying the upper limit of the total number of Confirmed Stock Units, which is 200,000 shares per year, by the stock price at time of delivery. The Company also introduced a performance-linked share-based remuneration of similar content to the System for Vice Presidents of the Company (hereinafter collectively the "System"). Therefore, the grant of the Standard Share Units shall be implemented for Eligible Directors and Vice Presidents of the Company (hereinafter "Eligible Directors, etc.") as part of the System. This time, the Company decided to grant a total number of the Standard Share Units of 151,660 shares to 23 Eligible Directors, etc. (of which, total amount of monetary compensation receivables to be granted to 5 Eligible Directors is 92,899 shares) after taking into account the objectives of the System, the scope of duties of Eligible Directors, etc.

Note: Regarding total number of Confirmed Share Units and Maximum Deliverable Shares, if a stock split (including gratis allotment of the Company's common shares) or stock consolidation of the Company's common shares is conducted, or if any other circumstance arises requiring adjustment to the total number of the Company's common shares to be issued or disposed of, such total number will be adjusted within a reasonable range.

3. Overview of the System

The System is the post-delivery performance-linked share-based remuneration for the purpose of an incentive for medium-term corporate value enhancement over three consecutive fiscal years. Performance evaluation indicators are shown in the table below.

| Performance evaluation indicators | Reasons for selection | Evaluation weight | Range of payment rate | Each evaluation period |
|-----------------------------------|--|-------------------|-----------------------|------------------------|
| Average ROIC (post-tax basis) | Generation of economic value with an emphasis on capital efficiency. | 50% | 0%-200% | 3 years |
| Relative TSR | Sustainable enhancement of corporate value | 30% | 0%-200% | 3 years |
| Sustainability Indicators | Generation of social value | 20% | 0%-200% | 1 year |

Under the System, the number of Company Shares to be delivered and the amount of cash to be paid to each Eligible Director, etc. will be determined by multiplying the number of Standard Share Units granted to each Eligible Director according to their position for each year in office (1 unit = 1 Company Share) by a payment rate (varying from 0% to 200%) based on the achievement of performance evaluation indicators. This determination will be made by resolution of the Board of Directors based on the deliberation and recommendation of the Remuneration Advisory Committee. In principle, monetary remuneration claims for the purpose of delivering Company Shares will be provided for 50% of the Confirmed Share Units calculated by multiplying the Standard Share Units allocated to each Eligible Director, etc. by the payment rate determined after the performance evaluation period, while the remaining portion will be paid in Tax-Purpose Cash.

The total amount of such monetary remuneration claims and cash will be calculated by multiplying the number of Confirmed Share Units by the closing price of the Company Shares on the Tokyo Stock Exchange (Prime Market) on the business day immediately preceding the date of the Board of Directors' resolution concerning the allotment of Company Shares based on the System after the end of the performance evaluation period (if no closing price is published that day, the calculation will be made using the most recent day on which a closing price is available; hereinafter be referred to as the "stock price at time of delivery").

(1) Calculation method of the number of shares delivered and amount of monetary remuneration claims and Tax-Purpose Cash

The Company will calculate the number of Company Shares delivered to Eligible Directors, etc. based on the following formula (A) (however, if a fraction of less than 1 share occurs, it will be rounded down). Also, the Company will calculate amount of monetary remuneration claims and Tax-Purpose Cash paid for each Eligible Director, etc. based on the following formula (B) and (C).

(A) Number of Company Shares to be delivered to each Eligible Director, etc.:

Standard Share Units (Note) x payment rate x 50%

(B) Amount of Tax-Purpose Cash to be paid to each Eligible Director, etc.:

$\{(Standard\ Share\ Units \times payment\ rate - number\ of\ Company\ Shares\ in\ (A)\ above)\} \times stock\ price\ at\ time\ of\ delivery$

(C) Amount of monetary remuneration claims to be paid to each Eligible Director, etc.:

Number of Company Shares in (A) above \times stock price at time of delivery

Note : This will be determined annually for each Eligible Director, etc. according to their position, after deliberation by the Remuneration Advisory Committee.

(2) Treatment in the case of retirement

For Eligible Directors, etc. who retire during the performance evaluation period due to expiration of their term of office or other legitimate reasons, Company Shares and cash reasonably calculated according to their period of service as a Member of the Board of Director, Vice President, or in any other position determined by the Board of Directors of the Company shall be delivered and paid at the time of retirement.

In the case that an Eligible Director retires due to death during the performance evaluation period, without requiring an in-kind contribution of monetary remuneration claims, a reasonable amount of cash calculated based on the total amount of monetary remuneration claims and cash that would have been reasonably calculated for the Eligible Director in question, taking into consideration the period of service of the Eligible Director in question, shall be paid to the heir who becomes the successor of the Eligible Director in question. No Company Shares shall be delivered to this heir. Except in cases where the Board of Directors determines that there is expiration of the term of office, death, or another legitimate reason, the Company shall forfeit all granted Standard Share Units.

(3) Treatment during organizational restructuring, etc.

If, during the performance evaluation period, a merger agreement in which the Company becomes an absorbed company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or any other matter related to organizational restructuring is approved at a general meeting of shareholders of the Company (or by the Board of Directors of the Company in cases where such organizational restructuring does not require approval at a general meeting of shareholders of the Company), the Company may, without requiring an in-kind contribution of monetary remuneration claims, pay a reasonable amount of cash calculated based on the total amount of monetary remuneration claims and cash that would have been reasonably calculated for the Eligible Director in question, taking into consideration the period until the effective date of such organizational restructuring.

(4) Conditions for the delivery of Company Shares and payment of cash under this System

- i. The Eligible Director, etc. held the position of Members of the Board of Directors or Vice President of the Company or any other position determined by the Board of Directors of the Company as of the start date of the grant period.

- ii. The Eligible Director, etc. did not engage in certain misconduct as defined by the Board of Directors of the Company or other circumstances deemed by the Board of Directors to warrant forfeiture of granted units.
- iii. The Eligible Director, etc. fulfills other requirements established by the Board of Directors of the Company as necessary to achieve the purpose of the performance-linked share- based remuneration.

(5) Management of stock

Except in the case of death or resignation due to just cause, the Company will not deliver shares based on Standard Share Units during the evaluation period. Therefore, the Company will not deliver shares before the submission of the Company's 90th Semi-Annual Report, except in such cases.

4. Basis of Calculation and Specific Details for the Payment Amount

To avoid arbitrary decisions on price, the issuance price or the disposal price, which is regarding the issuance of shares or disposal of treasury shares related the delivery of the Company Shares the shares based on the System, shall be the closing price of the Company's common stocks on the Tokyo Stock Exchange (if no closing price is published that day, the calculation will be made using the most recent day on which a closing price is available). As the price is the market price of the day immediately preceding the date of resolution of the Board of Directors (scheduled to be held in June 2028), the Company believes that it is reasonable and the disposal price is not an especially favorable price.