

**Corporate
governance**

Message from the Chairman of the Board

To be a company trusted and supported by all stakeholders

Chairman of the Board

Tsuneo Murata

This past June at the General Meeting of Shareholders and the Board of Directors, the appointment of a new president was approved. Hereafter, the new President Norio Nakajima will lead the company's management, while I will provide supervision and advice in the capacity of Chairman of the Board.

In order to fulfill our social responsibility, which has been increasingly called for in recent times, strengthening of our governance will become more important. We will also need to build a governance structure that can adapt to a changing business environment surrounding the company. In our endeavor to achieve these objectives, I believe my responsibility is to be involved in the management from a broad perspective while focusing on my role as Chairman, fulfill my obligation to monitor and supervise execution and, in particular, lead the operation of the company in the right direction from the governance viewpoint.

Murata Manufacturing Co., Ltd. shifted its governance structure to The Company with an Audit and Supervisory Committee in 2016, delegated authorities for executing individual duties to lower ranks, and introduced changes to allow the Board of Directors to focus more on discussions and monitoring of the company's management policies and business strategies.

While doing so, we have endeavored to reinforce measures to introduce and ensure an independent viewpoint and improve transparency of management.

We started to appoint outside executives relatively early, in 1971, and have heeded their opinions and advice, believing in the importance of incorporating the viewpoint of people outside the company. In 2016, when we shifted to the Audit and Supervisory Committee structure, Outside Directors came to represent more than one-third

of the Board. We have attached importance to how to have effective discussions, not just numbers. As Chairman of the Board, I make a point of creating an atmosphere in which everyone, both internal and outside directors alike, can express views freely in the Board meetings, and actually feel that discussions are conducted and opinions are exchanged in an open, free and constructive manner. The outside directors have always offered us valuable opinions and specific advice from a medium- to long-term perspective and sometimes given us critical opinions. We have been able to reflect their views in the execution of our management policies and business strategies. From the viewpoint of diversification, we have appointed individuals with diverse backgrounds or expertise as Outside Director, which has made it possible for us to discuss management policies and business strategies from wide-ranging perspectives.

Going forward, I hope to provide solid support to President Nakajima in his pursuit of the two themes of creating a self-governing, decentralized organizational structure and improving management transparency, by enhancing the monitoring function on management policies and business strategies and working to improve the effectiveness of the Board of Directors, while trying to bring out and adopt input from Outside Directors who have diverse backgrounds and expertise.

I believe governance is one of the most important management challenges for us to be able to continue developing and growing in a sound manner, while putting the Murata Philosophy into action. We will continue to work to achieve sustainable growth of the company and improve its corporate value by reinforcing governance while squarely facing and addressing challenges, in order to remain to be a company trusted and supported by all stakeholders.