

# Corporate Governance Guidelines

With the purpose of contributing to sustainable growth and increase corporate value over the mid- to long-term, Murata Manufacturing Co., Ltd. (the “Company”) has established these Corporate Governance Guidelines as basic principles underlying corporate governance of the Company.

## Chapter 1 General provisions

### Article 1 (Management philosophy)

The Company’s mission is to carry out operations based on the following credo which is the most important management principles of the Company, and to contribute to the advancement of society and culture through the provision of products and services.

We contribute to the advancement of society by

Enhancing technologies and skills

Applying scientific approach

Creating innovative products and solutions

Being trustworthy and,

together with all our stakeholders,

thankful for the increase in prosperity.

(Established in 1954, revised in 1979)

### Article 2 (Basic view on corporate governance)

The Company positions corporate governance as one of its most important management issues, and while taking into consideration all stakeholders, strives to maintain a management control organization and system, plan and implement management strategies, enhance operational efficiency, strengthen management supervising functions, and strictly complies with laws and regulations.

### Article 3 (Complying with the Japan’s Corporate Governance Code)

1. The Company respects and complies with each of the principles stipulated in the Japan’s Corporate Governance Code formulated by the Tokyo Stock Exchange. However, when a principle cannot be complied with, the Company will explain the reason for non-compliance, and specify the time and plan for measures to ensure full compliance.
2. The Board of Directors shall confirm the implementation status of the Japan’s Corporate Governance Code at the Company each year, to enhance the effectiveness of corporate governance.

## Chapter 2 Basic policy of corporate governance

### Article 4 (Upholding the rights and equality of shareholders)

The Company takes appropriate measures to ensure that shareholder rights are substantively upheld, develop an environment in which shareholders can exercise their rights, and take measures to ensure the substantive equality of shareholders.

### Article 5 (Appropriate cooperation with stakeholders other than shareholders)

The Company fully recognizes that sustainable growth and creation of mid- to long-term corporate value is the result of the provision of resources and contribution by all stakeholders, including customers, business partners, other partners, employees and local communities, and is committed to appropriately cooperating with them.

The Board of Directors and the management will provide leadership in fostering a corporate culture where the rights and positions of stakeholders are respected and sound business ethics are ensured, as well as provide leadership in fulfilling corporate social responsibility (CSR).

### Article 6 (Ensuring appropriate information disclosure and transparency)

As a basis for constructive dialog with stakeholders, the Company is proactively committed to make the disclosure of company information that the Company considers to be effective for understanding the Company accurate, easily understood and highly useful. To this end, the Company shall establish a separate disclosure policy.

### Article 7 (Responsibilities of the Board of Directors)

Based on their fiduciary responsibility and accountability to shareholders, the Board of Directors works to ensure sustainable growth and increase of mid- to long-term corporate value of the Company.

### Article 8 (Dialog with shareholders)

The Company engages in constructive dialogs with shareholders and investors to enable contributions to sustainable growth and increase of mid- to long-term corporate value of the Company.

## Chapter 3 Corporate governance system of the Company

### Article 9 (Guideline regarding corporate governance system)

- 1 The Company adopts an organizational structure of a company with Board of Statutory Auditors.
2. The Company introduces a system of vice presidents. The Board of Directors carries out its primary functions including decision-making regarding management policy and execution of important operations as well as supervising the execution of duties by Members of the Board of Directors, Vice Presidents assume the duty of daily operational executions whereby the Company aims to further enhance supervising function and operational execution functions.

3. The Company appoints independent Outside Members of the Board of Directors so that they comprise more than one-third of the Board of Directors to supervise management from the standpoint of the stakeholders, and thereby ensure the transparency of management and enhance the supervising function of the Board of Directors.
4. To enhance the functional independence, objectivity and accountability of the Board of Directors with regard to nomination and remuneration of Members of the Board of Directors and Statutory Auditors, the Company will establish a Nomination Advisory Committee and Remuneration Advisory Committee as advisory organs of the Board of Directors. The members of these committees are selected by the Board of Directors from among the Board of Directors and Statutory Auditors and independent Outside Member of the Board of Directors comprise the majority of the committee members in order to ensure the independence of the committees.

#### Article 10 (Roles, responsibilities and composition of the Board of Directors)

1. To ensure management practice based on the management philosophy, and foster sustainable growth and increase of mid- to long-term corporate value, the Board of Directors duly undertakes decision-making and assumes the role and responsibility of supervising the execution of duties by the Members of the Board of Directors.
2. To ensure substantive and lively discussion, the Board of Directors shall comprise a number of suitable members necessary and sufficient for this purpose, and shall ensure an appropriate balance and diversity in the expertise, experience and capabilities of the Board of Directors as a whole.
3. Based on the reported findings of the Nomination Advisory Committee, the Board of Directors shall make amendments to and disclose the criteria for independence relating to independent Outside Members of the Board of Directors and Statutory Auditors.

#### Article 11 (Roles of the Nomination Advisory Committee)

The roles of the Nomination Advisory Committee are as follows.

- ① Report its findings regarding criteria for selection of candidates for the Board of Directors and Statutory Auditors.
- ② Report its findings regarding the criteria for independence relating to independent Outside Members of the Board of Directors and Statutory Auditors.
- ③ Report its findings regarding proposals for election of Members of the Board of Directors and Statutory Auditors at the General Meeting of Shareholders.
- ④ Deliberation, supervision and report to the Board of Directors regarding the succession plans for the President and Representative Director.
- ⑤ Report its findings regarding proposals for election of Statutory Representative Directors and Directors with Special Titles at the Board of Directors.
- ⑥ Report its findings regarding proposals for dismissal of Statutory Representative Directors and Directors with Special Titles at the Board of Directors.

#### Article 12 (Role of the Remuneration Advisory Committee)

The role of the Remuneration Advisory Committee is as follows.

- ① Report its findings regarding system and level of remuneration for Members of the Board of Directors, Statutory Auditors and Vice Presidents.
- ② Decide on the amounts of individual remuneration for Members of the Board of Directors, Statutory Auditors and Vice Presidents.

#### Article 13 (Internal Control Committee and other discretionary committees)

To ensure appropriate corporate governance, the Board of Directors may establish as necessary discretionary committees in addition to the Internal Control Committee as advisory organs of the Statutory Representative Director. Members of the Internal Control Committee are appointed from among Members of the Board of Directors, Vice Presidents and related division heads.

#### Article 14 (Evaluation of the effectiveness of the Board of Directors)

Every year, the Board of Directors undertakes analysis and evaluation of the effectiveness of the Board of Directors as a whole, based upon evaluations by individual Members of the Board of Directors and Statutory Auditors, and discloses the results thereof in summary form.

#### Article 15 (Training for Members of the Board of Directors and Statutory Auditors)

1. The Company's Members of the Board of Directors and Statutory Auditors ensure that they acquire, verify and update the knowledge deemed necessary for carrying out their roles and responsibilities.
2. The Company provides opportunities for training in corporate governance, compliance and internal controls, etc. to Members of the Board of Directors and Statutory Auditors.
3. The Company provides opportunities other than the Board of Directors meeting for the acquisition of knowledge relating to status of business and management issues, etc. to Outside Members of the Board of Directors and Outside Statutory Auditors.

### Chapter 5 Other matters

#### Article 16 (Amendments)

These guidelines shall be amended by resolution of the Board of Directors.

### Supplementary provisions

#### Article 1 (Entry into effect)

These guidelines are in effect as of October 30, 2015. However, the Nomination Advisory Committee, to be established under these guidelines, shall be organized so that it can exercise recommendation and reporting functions from the fiscal year ending March 31, 2017.