

Murata Manufacturing Co., Ltd.

CONVOCATION NOTICE

FOR

THE 85th

ORDINARY GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON

JUNE 29, 2021

LOCATION: “Genji Ballroom” on the third floor of HOTEL GRANVIA KYOTO

NOTE

1. THIS DOCUMENT IS A TRANSLATION OF THE OFFICIAL JAPANESE CONVOCATION NOTICE FOR THE 85TH ORDINARY GENERAL MEETING OF REGISTERED SHAREHOLDERS.
2. THIS TRANSLATION IS PROVIDED ONLY AS A REFERENCE TO ASSIST SHAREHOLDERS IN THEIR VOTING AND DOES NOT CONSTITUTE AN OFFICIAL DOCUMENT.
3. IN THE EVENT OF ANY DISCREPANCY BETWEEN THIS TRANSLATED DOCUMENT AND THE JAPANESE ORIGINAL, THE ORIGINAL SHALL PREVAIL.

* Please understand that gifts to shareholders who attend the meeting will not be provided.

The Murata Philosophy

Murata Philosophy was created by founder Akira Murata in 1954.

Since then, the world around us has dramatically changed, and technologies have continued to evolve.

However, the thoughts embodied in our philosophy will always remain the same.

All employees share these thoughts and exercise them in their daily work.

Murata Philosophy

We contribute to the
advancement of society

by

enhancing technologies and skills

applying scientific approach

creating innovative products and solutions

being trustworthy

and, together with all our stakeholders,

thankful for the increase in prosperity.

(Securities Code: 6981)
CONVOCAATION NOTICE FOR
THE 85th ORDINARY GENERAL MEETING OF SHAREHOLDERS

June 4, 2021

Norio Nakajima
President and Representative Director

Murata Manufacturing Co., Ltd.
10-1, Higashikotari 1-chome,
Nagaokakyo-shi, Kyoto, Japan

Dear Shareholders:

Notice is hereby given that the 85th Ordinary General Meeting of Shareholders of Murata Manufacturing Co., Ltd. (the “Company”) will be held as detailed below.

In the event that you do not attend the meeting, you may exercise your voting rights either by mailing the Voting Rights Exercise Form or via the Internet, etc. To do so, we kindly ask that you first refer to the Reference Materials for the General Meeting of Shareholders later in this translation (p. 6-23), then exercise your voting rights by 5:00 p.m. on Monday, June 28, 2021.

1. Date and time: June 29, 2021 (Tuesday) 10:00 a.m. (Reception is scheduled to open at 9:00 a.m.)
2. Location: Shiokoji-sagaru, Karasuma-dori, Shimogyo-ku, Kyoto, Japan
(KYOTO STATION BUILDING)
“Genji Ballroom” on the third floor of HOTEL GRANVIA KYOTO
3. Agenda:
 - Reports
 1. Report of the business report, the consolidated financial statement for the 85th fiscal term (From April 1, 2020 to March 31, 2021), and audit reports prepared by the Independent Auditor and the Audit and Supervisory Committee on the consolidated financial statement
 2. Report of the financial statement for the 85th fiscal term (From April 1, 2020 to March 31, 2021)

Proposals

- No. 1 Dividends of Retained Earnings for the 85th Fiscal Term
- No. 2 Election of Eight (8) Members of the Board of Directors who are not Audit and Supervisory Committee Members
- No. 3 Revision to the Restricted Period under the Restricted Share Remuneration Plan for Members of the Board of Directors (excluding Members of the Board of Directors who are Audit and Supervisory Committee Members and Outside Directors)

Guide for Exercise of Voting Rights

If You Exercise Your Voting Rights in Advance

Exercise of Voting Rights by Postal Mail (Voting Rights Exercise Form)

Please indicate on the Voting Rights Exercise Form enclosed herewith your approval or disapproval on the proposals and return the form by 5:00 p.m. on Monday, June 28, 2021.

Exercise of Voting Rights via the Internet, etc.

Please access the designated website for exercise of voting rights (<https://soukai.mizuho-tb.co.jp/>) via personal computer, smartphone, or other device, and indicate your approval or disapproval of the proposals by 5:00 p.m. on Monday, June 28, 2021.

If You Attend the General Meeting of Shareholders

June 29, 2021 (Tuesday) 10:00 a.m.

Please submit the Voting Rights Exercise Form enclosed herewith at the reception desk at the entrance to the meeting hall.

In addition, in order to save resources, please bring this Notice when attending the meeting.

Operations of the General Meeting of Shareholders to Prevent the Spread of COVID-19

At the 85th Ordinary General Meeting of Shareholders of the Company, the following measures will be taken to prevent the spread of the novel coronavirus disease (COVID-19). We thank you in advance for your understanding and cooperation.

- From the standpoint of preventing infection, we would like you to carefully consider whether you will attend the meeting. If at all possible, we would like you to exercise your voting rights in advance by postal mail or via the Internet, etc. (please refer to p. 4 for the ways to exercise your voting rights in advance).
- We will broadcast a live stream of the meeting via the Internet so you may watch its proceedings. The details of the live stream are as follows:

Guide for Livestreaming

Date and time of live stream:

From June 29, 2021 (Tuesday) 10:00 a.m. to the conclusion of the meeting
(You may access the website starting 30 minutes prior to the scheduled time of the meeting.)

Log-in method:

To watch the live stream please access the website for live streaming (<https://vgm.smart-portal.ne.jp>) and log in with the ID and password noted on the Announcement on Livestreaming enclosed with the mailed Convocation Notice of the 85th Ordinary General Meeting of Shareholders of Murata Manufacturing Co., Ltd.

- 1) Only shareholders shall be allowed to view the live stream.
- 2) Please note that we cannot accept exercise of voting rights or questions on the day of the meeting from shareholders watching the live stream.
- 3) When watching the live stream, video and sound quality issues may arise or the live stream may become unavailable depending on the computer environment (functions and performance) that you use, the status of your Internet connection, a large number of simultaneous access, etc.
- 4) Telecommunications charges and other expenses for watching the live stream shall be borne by the shareholders.
- 5) Please do not photograph, record, or capture the live stream or post it on social media, etc.
- 6) Due to considerations such as the privacy of shareholders, we will try to ensure that the content shown in the live stream video will be the video screen and the proximity of the officers' seating location only. However, there may be cases where it will be unavoidable to include attending shareholders in the recorded image. Thank you for your understanding on this matter.

- The number of seats available will be limited because we will widen the spaces in between the seats to prevent infection. Accordingly, we may refuse entry even if you come to the venue on the day of the meeting.
- We would like shareholders coming to the venue to wear masks and use the alcohol disinfectants placed at the venue. In addition, we will set up equipment to monitor the temperatures of shareholders coming to the venue. We may refuse entry to the meeting venue if you seem unwell or if you have a fever.
- From the standpoint of shortening the meeting duration to prevent the spread of infection, we will simplify some of the explanations on the Reports and Proposals. We would like to request shareholders to review the Convocation Notice in advance.
- Changes in circumstances and our responses prior to the day of the meeting will be announced on the Company's website (<https://corporate.murata.com/ja-jp/ir/info/meetings>) as needed.

Reference Materials for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Dividends of Retained Earnings for the 85th Fiscal Term

The Company operates in the electronic devices sector, which is subject to extreme changes in the supply and demand environment and in which the pace of technological innovation is fast. To facilitate a prompt response to environmental changes and achieve sustained growth in profits, as well as maintaining stable management in an increasingly harsh business environment, the Company will strive to strengthen its capital base.

The Company's policy on the return of profits to its shareholders puts priority on distribution of results in the form of a dividend. The Company has adopted a basic policy under which it intends to realize a steady increase of dividend by increasing profit per share, while enhancing the value of the Company and improving its financial strength over the long term at the same time, aiming to achieve a dividend on equity (DOE) of 4% or higher and targeting a payout ratio of approximately 30% in the medium term. Based on this policy, after comprehensively examining the Company's consolidated performance and determining the amount of unappropriated retained earnings, the Company proposes a year-end dividend of 60 yen per share.

Combined with the interim dividend of 55 yen per share, this will bring the annual dividend to 115 yen per share, an increase of 18 yen per share compared with the previous fiscal year.

- 1 Type of dividend asset
Cash
- 2 Allocation of dividend assets and total amount of allocation
60 yen per common share
Total amount of payout:
38,388,927,780 yen
- 3 Effective date of dividend payout
June 30, 2021

Reference: Trends in dividend per share



- Notes:
1. If this proposal is approved and adopted as originally proposed, the payout ratio and DOE will be 31.0% and 4.1%, respectively.
 2. The Company implemented a three-for-one common stock split effective April 1, 2019. "Trends in dividend per share" are calculated as if the stock split had been conducted at the start of the 81st fiscal term (April 1, 2016).


Proposal No. 2: Election of Eight (8) Members of the Board of Directors who are not Audit and Supervisory Committee Members

The terms of office of all nine (9) current Members of the Board of Directors who are not Audit and Supervisory Committee Members will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, it is proposed that eight (8) Members of the Board of Directors who are not Audit and Supervisory Committee Members be elected.


The candidates for Members of the Board of Directors who are not Audit and Supervisory Committee Members are as follows:


See page 23 for the opinion of the Audit and Supervisory Committee regarding this proposal.


Candidate No.	Name	Current positions and responsibilities in the Company
1	Tsuneo Murata Reappointment	Chairman of the Board and Representative Director
2	Norio Nakajima Reappointment	President and Representative Director
3	Hiroshi Iwatsubo Reappointment	Member of the Board of Directors Senior Executive Vice President Director of Corporate Technology & Business Development Unit
4	Masahiro Ishitani Reappointment	Member of the Board of Directors Executive Vice President Director of Capacitor Division, Components Business Unit
5	Ryuji Miyamoto Reappointment	Member of the Board of Directors Senior Vice President Deputy Director of Corporate Planning & Administration Unit
6	Masanori Minamide Reappointment	Member of the Board of Directors Senior Vice President Director of Accounting, Finance & Corporate Planning Group, Corporate Planning & Administration Unit
7	Takashi Shigematsu Reappointment Outside Independent	Member of the Board of Directors
8	Yuko Yasuda Reappointment Outside Independent	Member of the Board of Directors

Candi- date No.	Name of Candidate (Birthdate)	Brief Personal History, Positions, Responsibilities and Significant Concurrent Positions	Period in office as Member of the Board of Directors
1	<p>Tsuneo Murata (August 13, 1951)</p> <p>[Reappointment]</p> 	<p>Mar 1974 Entered the Company</p> <p>Jun 1989 Assumed the position of Member of the Board of Directors of the Company</p> <p>Jun 1991 Assumed the position of Senior Vice President of the Company</p> <p>Jun 1995 Assumed the position of Senior Executive Vice President of the Company</p> <p>Jun 2003 Assumed the position of Representative Director and Executive Deputy President of the Company</p> <p>Jun 2007 Assumed the position of President and Representative Director of the Company</p> <p>Jun 2017 Assumed the position of Chairman of the Board, President and Representative Director of the Company</p> <p>Jun 2020 Assumed the position of Chairman of the Board and Representative Director of the Company (present)</p> <p>(Significant Concurrent Positions) Chairman of the Murata Science Foundation</p>	<p>(at the conclusion of this General Meeting of Shareholders) 32 years</p> <p>Attendance at meetings of the Board of Directors in the fiscal year under review 10/10 (100%)</p> <p>Relationship of special interest Applicable^(Note)</p> <p>Shares of the Company owned 4,630,920 shares</p>
<p>Reason for nomination as candidate</p> <p>Tsuneo Murata has been involved in the running and management of domestic and overseas business and sales divisions at the Company and its group companies for many years, accumulating a wealth of experience and a solid record of achievement. He has been responsible for the Company's management as President and Representative Director of the Company since 2007, as Chairman of the Board, President and Representative Director of the Company since 2017 and as Chairman of the Board and Representative Director of the Company since 2020. He has been nominated as a candidate for Member of the Board of Directors because the Company expects that he will continue to strengthen the decision-making and supervisory functions of the Board of Directors.</p>			


Note: There is a special interest between the Company and Tsuneo Murata, as the Company makes contributions to the Murata Science Foundation, of which Tsuneo Murata assumed the position of Chairman as of December 1, 2010.


Candi-date No.	Name of Candidate (Birthdate)	Brief Personal History, Positions, Responsibilities and Significant Concurrent Positions	Period in office as Member of the Board of Directors (at the conclusion of this General Meeting of Shareholders)
2	<p data-bbox="244 412 456 521">Norio Nakajima (September 21, 1961) [Reappointment]</p> 	<p data-bbox="486 275 1289 808"> Apr 1985 Entered the Company Jul 2006 Assigned as Director of Communication Module Division, Module Business Unit of the Company Jul 2010 Assumed the position of Vice President of the Company Jun 2012 Assigned as Director of Module Business Unit of the Company Jun 2013 Assumed the position of Member of the Board of Directors and Executive Vice President of the Company Jul 2015 Assigned as Director of Communication and Sensor Business Unit of the Company Assigned as Director of Energy Business Division of the Company Apr 2017 Assigned as Director of Module Business Unit of the Company Jun 2017 Assumed the position of Representative Director and Senior Executive Vice President of the Company Jun 2020 Assumed the position of President and Representative Director of the Company (present) </p>	<p data-bbox="1329 275 1493 853"> 8 years Attendance at meetings of the Board of Directors in the fiscal year under review 10/10 (100%) Relationship of special interest N/A Shares of the Company owned 12,240 shares </p>
<p data-bbox="236 875 1481 1059"> Reason for nomination as candidate Norio Nakajima has been involved in technology development and business management at the Company and its group companies for many years, accumulating a wealth of experience and a solid record of achievement. He has been responsible for the Company's management as Representative Director and Senior Executive Vice President of the Company since 2017 and as President and Representative Director of the Company since 2020. He has been nominated as a candidate for Member of the Board of Directors because the Company expects that he will continue to demonstrate his managerial ability and strengthen the decision-making and supervisory functions of the Board of Directors. </p>			


Candi-date No.	Name of Candidate (Birthdate)	Brief Personal History, Positions, Responsibilities and Significant Concurrent Positions	Period in office as Member of the Board of Directors
3	<p>Hiroshi Iwatsubo (August 11, 1962)</p> <p>[Reappointment]</p> 	<p>Apr 1985 Entered the Company</p> <p>Feb 2005 Assigned as General Manager of Corporate Planning Department of the Company</p> <p>Mar 2008 Assigned as Director of Sensor Division, Device Business Unit of the Company</p> <p>Jul 2011 Assumed the position of Vice President of the Company Assigned as Deputy Director of Sales & Marketing Unit of the Company</p> <p>Jun 2012 Assigned as Director of Sales & Marketing Unit of the Company</p> <p>Jul 2013 Assumed the position of Senior Vice President of the Company</p> <p>Jun 2015 Assumed the position of Member of the Board of Directors and Executive Vice President of the Company</p> <p>Jul 2015 Assigned as Director of Corporate Technology & Business Development Unit of the Company (present)</p> <p>Jun 2020 Assumed the position of Member of the Board of Directors and Senior Executive Vice President of the Company (present)</p>	<p>(at the conclusion of this General Meeting of Shareholders)</p> <p>6 years</p> <p>Attendance at meetings of the Board of Directors in the fiscal year under review 10/10 (100%)</p> <p>Relationship of special interest N/A</p> <p>Shares of the Company owned 12,550 shares</p>
<p>Reason for nomination as candidate</p> <p>Hiroshi Iwatsubo has been involved in technology development and business management, planning, and sales at the Company and its group companies for many years, accumulating a wealth of experience and a solid record of achievement. He has been nominated as a candidate for Member of the Board of Directors because the Company expects that he will continue to strengthen the decision-making and supervisory functions of the Board of Directors.</p>			


Candi-date No.	Name of Candidate (Birthdate)	Brief Personal History, Positions, Responsibilities and Significant Concurrent Positions	Period in office as Member of the Board of Directors (at the conclusion of this General Meeting of Shareholders)
4	<p>Masahiro Ishitani (June 13, 1959)</p> <p>[Reappointment]</p> 	<p>Mar 1982 Entered Fukui Murata Manufacturing Co., Ltd.</p> <p>Oct 2004 Assigned as General Manager of Multilayer Capacitor Planning Unit of Fukui Murata Manufacturing Co., Ltd.</p> <p>Jul 2009 Assigned as Director of Capacitor Division No.3, Components Business Unit of the Company</p> <p>Jul 2010 Assigned as Deputy Director of Capacitor Division No.1, Components Business Unit of the Company</p> <p>Jul 2012 Assumed the position of Vice President of the Company Assigned as Director of Capacitor Division No.1, Components Business Unit of the Company</p> <p>Jul 2016 Assumed the position of Senior Vice President of the Company</p> <p>Jul 2018 Assumed the position of Executive Vice President of the Company Assigned as Director of Capacitor Division, Components Business Unit of the Company</p> <p>Jun 2020 Assumed the position of Member of the Board of Directors and Executive Vice President of the Company (present)</p> <p>Jul 2020 Assigned as Director of Capacitor Division, Components Business Unit of the Company (present)</p> <p>(Significant Concurrent Positions) President of Foshan Murata Minmetals Materials Co., Ltd.</p>	<p>1 year</p> <p>Attendance at meetings of the Board of Directors in the fiscal year under review 8/8 (100%)^(Note)</p> <p>Relationship of special interest N/A</p> <p>Shares of the Company owned 8,245 shares</p>
<p>Reason for nomination as candidate Masahiro Ishitani has been involved in accounting, financial and planning duties, and business management at the Company and its group companies for many years, accumulating a wealth of experience and a solid record of achievement. He has been nominated as a candidate for Member of the Board of Directors because the Company expects that he will continue to strengthen the decision-making and supervisory functions of the Board of Directors.</p>			

Note: Because Masahiro Ishitani was appointed as Member of the Board of Directors at the 84th Ordinary General Meeting of Shareholders held on June 26, 2020, the number of Board of Directors meetings available for his attendance differs from the other Members.

Candi- date No.	Name of Candidate (Birthdate)	Brief Personal History, Positions, Responsibilities and Significant Concurrent Positions	Period in office as Member of the Board of Directors (at the conclusion of this General Meeting of Shareholders) 2 years Attendance at meetings of the Board of Directors in the fiscal year under review 10/10 (100%) Relationship of special interest N/A Shares of the Company owned 5,360 shares
5	<p>Ryuji Miyamoto (March 11, 1960) [Reappointment]</p> 	<p>Apr 1982 Entered the Company Aug 2004 Assigned as General Manager of Legal Affairs Office of the Company Feb 2008 Assigned as General Manager of Personnel & Industrial Relations Department, Administration Group of the Company Jul 2013 Assumed the position of Vice President of the Company Assigned as Director of Administration Group of the Company Jul 2017 Assumed the position of Senior Vice President of the Company Assigned as Deputy Director of Corporate Planning & Administration Unit of the Company (present) Jun 2019 Assumed the position of Member of the Board of Directors and Senior Vice President of the Company (present)</p>	
<p>Reason for nomination as candidate Ryuji Miyamoto has been involved in legal, human resources, and other administrative duties at the Company and its group companies for many years, accumulating a wealth of experience and a solid record of achievement. He has been nominated as a candidate for Member of the Board of Directors because the Company expects that he will continue to strengthen the decision-making and supervisory functions of the Board of Directors.</p>			

Candi-date No.	Name of Candidate (Birthdate)	Brief Personal History, Positions, Responsibilities and Significant Concurrent Positions	Period in office as Member of the Board of Directors
6	<p>Masanori Minamide (December 3, 1964)</p> <p>[Reappointment]</p> 	<p>Apr 1987 Entered Komatsu Murata Manufacturing Co., Ltd.</p> <p>Oct 2010 Assigned as General Manager in charge of Corporate Planning Department, Accounting & Planning Group of the Company</p> <p>Mar 2011 Assumed the position of Managing Director of Murata Electronics Singapore (Pte.) Ltd.</p> <p>Aug 2016 Assigned as General Manager of Corporate Planning Department, Accounting, Finance & Corporate Planning Group of the Company</p> <p>Jul 2017 Assigned as Director of Accounting, Finance & Corporate Planning Group, Corporate Planning & Administration Unit of the Company (present)</p> <p>Jul 2018 Assumed the position of Vice President of the Company</p> <p>Jun 2019 Assumed the position of Member of the Board of Directors and Senior Vice President of the Company (present)</p>	<p>(at the conclusion of this General Meeting of Shareholders)</p> <p>2 years</p> <p>Attendance at meetings of the Board of Directors in the fiscal year under review 10/10 (100%)</p> <p>Relationship of special interest N/A</p> <p>Shares of the Company owned 3,310 shares</p>
<p>Reason for nomination as candidate</p> <p>Masanori Minamide has been involved in accounting, financial and planning duties, and business management in Southeast Asia at the Company and its group companies for many years, accumulating a wealth of experience and a solid record of achievement. He has been nominated as a candidate for Member of the Board of Directors because the Company expects that he will continue to strengthen the decision-making and supervisory functions of the Board of Directors.</p>			

Candi-date No.	Name of Candidate (Birthdate)	Brief Personal History, Positions, Responsibilities and Significant Concurrent Positions	
7	<p>Takashi Shigematsu (November 3, 1949)</p> <p>[Reappointment] [Outside] [Independent]</p> 	<p>Apr 1975 Entered Toyota Motor Co., Ltd. (currently TOYOTA MOTOR CORPORATION)</p> <p>Jun 2004 Assumed the position of Managing Officer of TOYOTA MOTOR CORPORATION</p> <p>Jun 2005 Assumed the position of Outside Director of FUJITSU TEN LIMITED. (currently DENSO TEN Limited)</p> <p>Jun 2009 Assumed the position of Vice President and Representative Director of FUJITSU TEN LIMITED.</p> <p>Jun 2010 Assumed the position of President and Representative Director of FUJITSU TEN LIMITED.</p> <p>Jun 2014 Assumed the position of Chairman and Representative Director of FUJITSU TEN LIMITED.</p> <p>Jun 2015 Assumed the position of Outside Director of the Company (present) Assumed the position of Outside Director of Bando Chemical Industries, Ltd.</p> <p>Jun 2016 Assumed the position of Outside Director and Audit & Supervisory Committee Member of Bando Chemical Industries, Ltd. (present)</p> <p>Jun 2019 Assumed the position of Outside Director of Ashimori Industry Co., Ltd. (present)</p> <p>(Significant Concurrent Positions) Outside Director and Audit & Supervisory Committee Member of Bando Chemical Industries, Ltd. Outside Director of Ashimori Industry Co., Ltd.</p>	<p>Period in office as Member of the Board of Directors (at the conclusion of this General Meeting of Shareholders) 6 years</p> <p>Attendance at meetings of the Board of Directors in the fiscal year under review 10/10 (100%)</p> <p>Relationship of special interest N/A</p> <p>Shares of the Company owned –</p>
<p>Reason for nomination as candidate and outline of expected roles Takashi Shigematsu has extensive experience and insight as an executive in the manufacturing industry and the automotive industry in particular. As an Outside Director of the Company since 2015, he has contributed to strengthening the functions of the Board of Directors from an independent perspective. He has been nominated as a candidate for Outside Director because the Company expects that he will continue to strengthen the decision-making and supervisory functions of the Board of Directors by leveraging his experience and insight in managing the affairs of the Company.</p>			

Candi- date No.	Name of Candidate (Birthdate)	Brief Personal History, Positions, Responsibilities and Significant Concurrent Positions	
8	<p data-bbox="244 638 459 696">Yuko Yasuda (September 16, 1961)</p> <p data-bbox="268 723 435 804">[Reappointment] [Outside] [Independent]</p> 	<p data-bbox="485 275 1299 1227"> Apr 1985 Entered IBM Japan Ltd Sep 1991 Entered Booz Allen Hamilton Inc. Sep 1993 Entered Russell Reynolds Associates Japan Inc. Jun 1996 Assumed the position of Managing Director of Russell Reynolds Associates Japan Inc. Apr 2003 Country Manager, Japan of Russell Reynolds Associates Japan Inc. Assumed the position of Executive Committee Member of Russell Reynolds Associates Inc. Apr 2010 Assumed the position of member of The Board of Trustees of KEIZAI DOYUKAI (Japan Association of Corporate Executives) Apr 2013 Assumed the position of Executive Committee Member of Russell Reynolds Associates Inc. Jun 2015 Assumed the position of Outside Director of SCSK Corporation Jun 2016 Assumed the position of Outside Director and Audit and Supervisory Committee Member of SCSK Corporation Mar 2017 Assumed the position of Outside Director of SHOWA SHELL SEKIYU K. K. Jun 2018 Assumed the position of Outside Director and Audit and Supervisory Committee Member of the Company Apr 2019 Assumed the position of Outside Director of Idemitsu Kosan Co., Ltd. (present) Jun 2020 Assumed the position of Outside Director of Nippon Suisan Kaisha, Ltd. (present) Jun 2020 Assumed the position of Outside Director of the Company (present) Jul 2020 Assumed the position of Senior Partner of Board Advisors Japan, Inc. (present) </p> <p data-bbox="485 1245 1259 1361">(Significant Concurrent Positions) Senior Partner of Board Advisors Japan, Inc. Outside Director of Idemitsu Kosan Co., Ltd. (scheduled to retire in June 2021) Outside Director of Nippon Suisan Kaisha, Ltd. </p>	<p data-bbox="1326 434 1493 703">Period in office as Member of the Board of Directors (at the conclusion of this General Meeting of Shareholders) 3 years</p> <p data-bbox="1326 725 1493 913">Attendance at meetings of the Board of Directors in the fiscal year under review 10/10 (100%)</p> <p data-bbox="1326 936 1493 1012">Relationship of special interest N/A</p> <p data-bbox="1326 1034 1493 1111">Shares of the Company owned -</p>
<p data-bbox="236 1384 874 1411">Reason for nomination as candidate and outline of expected roles</p> <p data-bbox="236 1413 1493 1626">Yuko Yasuda has engaged in the introduction, assessment and development of CEOs, and evaluation of the effectiveness of boards of directors for many years as Japan Director at a company that searches for corporate executive candidates. She has extensive experience with and insight into fields concerning executive personnel assessment, development and corporate governance. As Outside Director and Audit and Supervisory Committee Member of the Company since 2018 and as Outside Director of the Company since 2020, she has contributed to strengthening the functions of the Board of Directors from an independent perspective. She has been nominated as a candidate for Outside Director because the Company expects that she will continue to strengthen the decision-making and supervisory functions of the Board of Directors by leveraging her experience and insight in managing the affairs of the Company.</p>			

- Notes:
1. Takashi Shigematsu and Yuko Yasuda are candidates for Outside Director and meet the criteria for independence prescribed by the Company. See page 22 for the criteria for independence. DENSO TEN Limited, of which Takashi Shigematsu served as Chairman and Representative Director until June 2018, has business relations with the Company Group regarding sales and purchases of products. However, sales involving the relations account for only less than 1% of the Company's consolidated sales in each fiscal year, indicating that there is no materiality that would affect his independence as Outside Director. There are no business relations between the Company Group and Russell Reynolds Associates Japan Inc., where Yuko Yasuda served as Managing Director until June 2020, or between the Company Group and Board Advisors Japan, Inc., where she has served as Senior Partner since July 2020. The Company has designated Takashi Shigematsu and Yuko Yasuda as independent directors as specified in the regulations of the Tokyo Stock Exchange and reported the designation to the exchange; if the election of Takashi Shigematsu and Yuko Yasuda is approved and adopted, the Company intends that they should continue to be independent directors.
 2. Pursuant to the provisions of Article 427, Paragraph (1) of the Companies Act, the Company has entered into agreements with Takashi Shigematsu and Yuko Yasuda limiting their liability for damages under Article 423, Paragraph (1) of the Companies Act. The liability for damages under the agreements is restricted to the minimum liability amount stipulated in Article 425, Paragraph (1) of the Companies Act. If the reelection of Takashi Shigematsu and Yuko Yasuda is approved and adopted, the Company plans to continue the aforementioned agreements to limit liability.
 3. The Company has entered into a Directors and Officers Liability Insurance (D&O Insurance) agreement, as stipulated in Article 430-3, Paragraph (1) of the Companies Act, with an insurance company. The insurance agreement 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. All candidates for Members of the Board of Directors are planned to be included as insured under this Directors and Officers Liability Insurance agreement, if they are elected as Members of the Board of Directors. However, there are certain exemptions; for example, damages shall not be covered if they were caused as a result of a criminal act or an intentional action taken with the knowledge that they are in violation of laws and regulations. In addition, the Company plans to renew the agreement with the same terms at the time of renewal in June 2021.

<Reference>

■ **Composition of the Board of Directors After Election and Skill Matrix**

If Proposal No. 2 is approved and passed as proposed, the composition of the Board of Directors as well as primary skills, experiences, and knowledge held by each Member of the Board of Directors will be as follows. The proportion of Independent Outside Directors in the Board of Directors will be 41.7%.

Positions in the Company Name (age)	Corporate and business management	Technology, research, and development	Insight into industry	Internationality and global experience
Chairman of the Board and Representative Director Tsuneo Murata (69)	●	●	● (Electronics)	●
President and Representative Director Norio Nakajima (59)	●	●	● (Electronics)	●
Member of the Board of Directors Senior Executive Vice President Hiroschi Iwatsubo (58)	●	●	● (Electronics)	●
Member of the Board of Directors Executive Vice President Masahiro Ishitani (62)	●		● (Electronics)	●
Member of the Board of Directors Executive Vice President Ryuji Miyamoto (61)			● (Electronics)	●
Member of the Board of Directors Executive Vice President Masanori Minamide (56)	●		● (Electronics)	●
Outside Director Takashi Shigematsu (71) <u>Outside</u> <u>Independent</u>	●	●	● (Automotive)	●
Outside Director Yuko Yasuda (59) <u>Outside</u> <u>Independent</u>	●			●
Member of the Board of Directors who is an Audit and Supervisory Committee Member (Standing) Yoshiro Ozawa (59)			● (Electronics)	●
Outside Director who is an Audit and Supervisory Committee Member Hyo Kambayashi (69) <u>Outside</u> <u>Independent</u>	●			●
Outside Director who is an Audit and Supervisory Committee Member Takatoshi Yamamoto (68) <u>Outside</u> <u>Independent</u>	●		● (Electronics)	●
Outside Director who is an Audit and Supervisory Committee Member Naoko Munakata (59) <u>Outside</u> <u>Independent</u>		● (Intellectual property policy)		●

Positions in the Company Name (age)	Finance and accounting	Legal affairs and compliance	HR, personnel affairs, and human resource development	Sales and marketing	Public policy	Governance and risk management
Chairman of the Board and Representative Director Tsuneo Murata (69)				●		●
President and Representative Director Norio Nakajima (59)				●		
Member of the Board of Directors Senior Executive Vice President Hiroshi Iwatsubo (58)				●		
Member of the Board of Directors Executive Vice President Masahiro Ishitani (62)	●					
Member of the Board of Directors Executive Vice President Ryuji Miyamoto (61)		●	●			●
Member of the Board of Directors Executive Vice President Masanori Minamide (56)	●				●	
Outside Director Takashi Shigematsu (71) <u>Outside</u> <u>Independent</u>						
Outside Director Yuko Yasuda (59) <u>Outside</u> <u>Independent</u>			●			●
Member of the Board of Directors who is an Audit and Supervisory Committee Member (Standing) Yoshiro Ozawa (59)	●		●			●
Outside Director who is an Audit and Supervisory Committee Member Hyo Kambayashi (69) <u>Outside</u> <u>Independent</u>	●	●				●
Outside Director who is an Audit and Supervisory Committee Member Takatoshi Yamamoto (68) <u>Outside</u> <u>Independent</u>	●			●		
Outside Director who is an Audit and Supervisory Committee Member Naoko Munakata (59) <u>Outside</u> <u>Independent</u>					● (Industrial and trade policy)	

Proposal No. 3: Revision to the Restricted Period under the Restricted Share Remuneration Plan for Members of the Board of Directors (excluding Members of the Board of Directors who are Audit and Supervisory Committee Members and Outside Directors)

This proposal seeks approval on a change in the restricted period pertaining to the restricted share remuneration plan that was approved by resolution of the 81st Ordinary General Meeting of Shareholders held on June 29, 2017.

By resolution of the 81st Ordinary General Meeting of Shareholders, the Company has obtained approval to provide restricted shares as remuneration to Members of the Board of Directors of the Company (excluding Members of the Board of Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter the “Eligible Directors”), which is separate from the maximum amount of 700 million yen in remuneration (per annum) for Members of the Board of Directors who are not Audit and Supervisory Committee Members (this does not, however, does not include employee salaries provided to Members of the Board of Directors concurrently serving as employees), with the aim of giving incentives to the Eligible Directors for sustainable growth in our corporate value and making them share values with our shareholders. At that time, it was approved that the restricted period shall be “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.”

The Company proposes to change the restricted period 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,” with the aim of further increasing the motivation to contribute toward sustainable growth in our corporate value and achieving the sharing of values with our shareholders for as long as possible by having the Eligible Directors hold Allotted Shares until the time of their retirement. If Proposal No. 2 is approved and passed, the number of Eligible Directors will be six (6). In addition, necessary amendments have been made to the lifting of transfer restrictions and the treatment at the time of retirement under the agreement on allotment of shares with transfer restrictions.

Furthermore, subject to obtaining approval on this proposal as originally proposed, the Company proposes to make the same change to the restricted shares that have already been granted as remuneration for granting restricted shares prior to the change. There are no changes to the framework regarding the amount of remuneration for granting restricted shares, the total number of common shares of the Company that shall be issued or disposed of to be received by Eligible Directors, and the amount to be paid in per share for granting of restricted shares.

While comprehensively considering the scale of the Company’s business, remuneration system for officers, level of remuneration, current number of officers, future trends, etc., and following deliberations by the Remuneration Advisory Committee, the Board of Directors has deemed this proposal to be appropriate.

Outline of the Company's restricted share remuneration plan (Underlined sections are the details of the revisions subject to obtaining approval on this proposal.)

1. The maximum number of restricted shares granted to Eligible Directors, etc.

Under the Company's restricted share remuneration plan, the remuneration to be paid to Eligible Directors for granting restricted shares is monetary remuneration claims, and their total amount is 300 million yen or less per year. Eligible Directors pay all of the monetary remuneration claims to be provided in the form of property contributed in kind in accordance with a resolution of the Board of Directors of the Company, and receive common shares of the Company that are issued or disposed of by the Company. The total number of common shares of the Company to be issued or disposed of thereby is 60,000 shares or less per year (provided, however, that if either a share split of common shares of the Company (including any allotment of common shares of the Company without contribution) or a share consolidation is carried out, adjustments are made as needed, to a reasonable extent, to the total number of the shares in proportion to the split or the consolidation). The amount to be paid in per share is determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors, which will be within the range not especially advantageous to Eligible Directors who are to be granted the common shares.

2. Matters regarding restricted shares granted to Eligible Directors

For the issuance or disposal of the common shares of the Company, an agreement on allotment of shares with transfer restrictions that includes mostly the following provisions shall be entered into between the Company and each Eligible Director (hereinafter the "Allotment Agreement").

(1) Restricted period

Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the Allotted Shares for 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 (hereinafter the "Restricted Period").

(2) Conditions for lifting transfer restrictions

The Company shall lift the transfer restriction if any of the Eligible Directors 1) has remained in the position of either Member of the Board of Directors or Vice President of the Company for the duration of the Restricted Period, or from the payment date of Allotted Shares to the time at which the Board of Directors has deemed that there is a justifiable reason, and 2) has retired from the positions of Member of the Board of Directors and Vice President of the Company due to death, term expiration, or at compulsory retirement age, or if the Board of Directors of the Company has otherwise deemed that there is a justifiable reason. However, if the abovementioned event occurs prior to the expiration of the payment standard period for the subject remuneration (which shall be defined as the period from the day after the date of an Ordinary General Meeting of Shareholders of the Company to the time of conclusion of the next Ordinary General Meeting of Shareholders), the number of Allotted Shares for which the transfer restriction is lifted shall be reasonably adjusted.

(3) Reasons for acquisition of Allotted Shares without contribution

1) In case any of the Eligible Directors retires from both positions of Member of the Board of Directors and Vice President of the Company before expiration of the Restricted Period, the Company shall acquire all of the Allotted Shares without contribution (provided, however, that this does not apply when the Eligible Director retired due to death, will be appointed or reappointed to either of the positions defined above immediately upon retirement, or retired from the position defined above upon term expiration or at compulsory retirement age, or when there is any reason the Company's Board of Directors deems justifiable).

2) Other reasons for acquisition without contribution, such as an Eligible Director being in violation

of the Allotment Agreement, shall be set forth in the Allotment Agreement.

(4) Treatment during reorganization, etc.

If the effective date of a merger in which the Company will be the disappearing company, a share exchange or share transfer in which the Company will be the wholly-owned subsidiary, or other reorganization, etc., is during the Restricted Period, the transfer restriction of all or part of the Allotted Shares shall be lifted prior to the effective date of such reorganization by resolution of the Company's Board of Directors.

(5) Other matters

Other matters regarding the Allotment Agreement shall be determined by the Company's Board of Directors.

See page 23 for the opinion of the Audit and Supervisory Committee regarding this proposal.

(Reference)

If this proposal is approved and passed as proposed, the Company intends to reflect a similar change in the plan for Vice Presidents of the Company.

<Reference>

■ Guideline for Nomination of Candidates for Members of the Board of Directors

The Company appoints as senior management people who have the knowledge, experience, and qualities to contribute to business execution, taking into consideration the business content, scale, and management environment, etc., of the Company. Also, personnel with knowledge, experience, and qualities that can contribute to enabling the Board of Directors to function (determination of basic management principles and important business execution, as well as supervision of execution of duties of Members of the Board of Directors) are selected as candidates for Members of the Board of Directors taking into account the balance and diversity in the expertise, experience, and capabilities of the overall Board of Directors as a whole. Additionally, in appointing Outside Directors, the Company seeks personnel across a wide and diverse range, and works to secure candidates who satisfy the independence standards of the Tokyo Stock Exchange and the criteria for independence of the Company.

Especially, with regard to candidate Members of the Board of Directors who will be Audit and Supervisory Committee Members, as noted above, the Company selects personnel with a wealth of knowledge and experience regarding management administration and business operations who have qualities that can contribute to improvement in the soundness and transparency of management and audit the business execution of Members of the Board of Directors from a fair and objective standpoint.

With the intent of improving the independence, objectivity, and accountability of the functions of the Board of Directors regarding the nomination of Members of the Board of Directors, the Company established a Nomination Advisory Committee as an advisory organ of the Board of Directors. The committee considers criteria for selection of candidates for Members of the Board of Directors, independence standards for Independent Outside Directors, nomination of Members of the Board of Directors, and nomination of Representative Directors and executive Members of the Board of Directors, and reports its findings to the Board of Directors.

All candidates for Proposal No. 2 are selected based on the reported findings of the Nomination Advisory Committee.

[Criteria for Independence of Outside Directors]

The Company sets the following criteria for independence in order to strengthen operational execution decisions of the Board of Directors and monitoring functions of business execution by Members of the Board of Directors, and increase the independence and neutrality of the auditing system.

Summary of the Criteria for Independence of Outside Directors

- (1) The person is not an executive of the Company or its current subsidiary or a company that was a subsidiary within the past three years.
- (2) The person is not currently a major shareholder or an executive of a major shareholder.
- (3) The person is not an executive of a company, etc., that is currently a significant client or supplier or was a significant client or supplier within the past three years with the Company or its current subsidiary.
* “Significant client or supplier” refers to one with which the Company has transactions of 2% or more of consolidated net sales of the Company or of the client or supplier.
- (4) The person is not an executive of an organization that has received within the past three years a donation or grant of over 10.00 million yen per annum from the Company or its current subsidiary.
- (5) The person is not an executive of a company or a subsidiary of that company, or a company or a subsidiary of that company that within the past three years has employed a Member of the Board of Directors, Statutory Auditor, or Vice President of the Company or its current subsidiary.
- (6) The person does not have any significant transaction relationship with the Company, such as a consulting or advisory agreement, and has not had a significant transaction relationship in the past.
- (7) The person is not an executive of the Independent Auditor of the Company.
- (8) The person is not the spouse or a relative within the second degree of kinship, etc., of a Member of the Board of Directors, Statutory Auditor, or Vice President of the Company or its current subsidiary.
- (9) The person does not carry the risk of creating a constant substantial conflict of interest between the Company’s general shareholders as a whole for reasons other than those considered in (1) through (8) above.

■ Opinion of the Audit and Supervisory Committee

The Audit and Supervisory Committee deliberated the election of the Company's Members of the Board of Directors (excluding Members of the Board of Directors who are Audit and Supervisory Committee Members, the same shall apply hereinafter) and their remuneration, while also confirming the results of discussions by the Nomination Advisory Committee and the Remuneration Advisory Committee. Regarding the nomination of candidates for Director, the Audit and Supervisory Committee judged that the procedures for deciding candidates are appropriate, and that each candidate is suitably qualified to be a Member of the Board of Directors based on the evaluation of the status of business execution and business performance of the respective candidate for the fiscal year under review, the candidate's comments in the Board of Directors meetings, and the candidate's career history, etc. up until present. The Audit and Supervisory Committee also judged that the procedures for deciding remuneration for Members of the Board of Directors are appropriate and the details of the remuneration, etc. are suitable based on the verification made on such matters as the remuneration system and the specific computation method for the amount of remuneration.