



June 29, 2021

Company name: Murata Manufacturing Co., Ltd.
Name of representative: Norio Nakajima
President and Representative Director
(Code: 6981, First section of
the Tokyo Stock Exchange)
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Notice regarding Disposal of Treasury Shares as Restricted Stock Compensation

Murata Manufacturing Co., Ltd. (“Company”) hereby announces that at the Board of Directors meeting held today, it resolved to dispose treasury shares as stock compensation (“Disposal of Treasury Shares”) as follows.

1. Outline of the Disposal

(1) Disposal date	July 28, 2021
(2) Class and number of shares to be disposed	18,015 shares of common stock of the Company
(3) Disposal price	8,300 yen per share
(4) Total value of shares to be disposed	149,524,500 yen
(5) Allottees and number thereof, number of shares to be disposed	Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors): 6 9,890 shares Vice Presidents: 17 8,125 shares
(6) Others	The Company has submitted the Securities Registration Statement regarding the Disposal of Treasury Shares in accordance with the Financial Instruments and Exchange Act.

2. Purposes and Reasons of the Disposal

At the 81st Ordinary General Meeting of Shareholders held on June 29, 2017, based on the restricted stock compensation plan for the Company’s Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter “Eligible Directors”) which was introduced to provide an incentive to sustainably increase the Company’s corporate value and to further promote shared values between the Eligible Directors and the shareholders, it was approved that the Company shall grant monetary compensation receivables not exceeding ¥300 million per year to Eligible Directors for the granting of restricted stock and that the transfer restriction period of the restricted stock shall be between three and five years based on a decision by the Board of Directors of

the Company. At the 85th Ordinary General Meeting of Shareholders held on June 29, 2021, it was approved to change the restricted period 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 determined in advance by the Board of Directors of the Company” to “the period from the payment date of Allotted Stock 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”.

Furthermore, the Company also introduced a restricted stock compensation plan of similar content to the above plan for Vice Presidents of the Company (collectively “Plan”). Therefore, the Disposal of Treasury Shares shall be implemented for Eligible Directors and Vice Presidents of the Company (collectively “Eligible Persons”) as part of the Plan. This time, the Company decided to grant a total amount of ¥149,524,500 in monetary compensation receivables to 23 Eligible Persons (of which, total amount of monetary compensation receivables to be granted to 6 Eligible Directors is ¥82,087,000) after taking into account the objectives of the Plan, the Company’s business performance, the scope of duties of Eligible Persons and various business circumstances.

3. Overview of restricted stock allotment contract

The Company and Eligible Persons shall enter into a restricted stock allotment contract (“Allotment Contract”) individually, and the overview of the Allotment Contract is as follows

(1) Transfer restricted period

From the payment date of Allotted Stock 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

(2) Conditions for lifting transfer restriction

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 Stock 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.

(3) The Company’s acquisition of Allotted Stock without contribution

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 (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) or the Eligible Director is in violation of the Allotment Agreement, the Company shall naturally acquire all of the Allotted Stock without contribution.

(4) Management of stock

In order to prevent Eligible Persons from transferring, creating a security interest on, or otherwise disposing of Allotted Stock during the transfer restriction period, the Allotted Stock shall be managed in dedicated accounts opened by Eligible Persons at Nomura Securities Co., Ltd. The Company and each Eligible Director, etc. has concluded an agreement with Nomura Securities Co., Ltd. for the management of accounts of the Allotted Stock possessed by each of the Eligible Persons in order to secure the effectiveness of the transfer restriction, etc., pertaining to the Allotted Stock. In addition, the Eligible Persons have agreed to the method of management of this account.

(5) Treatment during reorganization, etc.

If the effective date, etc. 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. come during the transfer restricted period, the transfer restriction of all or part of the Allotted Stock shall be lifted prior to the effective date of such reorganization, etc. by a resolution of the Company’s Board of Directors.

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

The Disposal of Treasury Shares to the Eligible Persons shall be made by way of in-kind contribution of the monetary compensation receivables granted as restricted stock compensation under the Plan for the Company’s 86th fiscal year. To avoid disposing the shares based on arbitrary decisions on price, the disposal price of the shares shall be the closing price of the Company’s common stocks on the Tokyo Stock Exchange of ¥8,300 on June 28, 2021 (the business day immediately preceding the date of the resolution by the Board of Directors). As the price is the market price of the day immediately preceding the date of resolution of the Board of Directors, the Company believes that it is reasonable and the disposal price is not an especially favorable price.

Reference: Restricted Stock (RS) Management Flow in the Restricted Stock Plan

