



March 17, 2023

Company name:	Murata Manufacturing Co., Ltd.
Name of representative:	Norio Nakajima President and Representative Director (Code: 6981, Tokyo Stock Exchange Prime market)
Contact:	Mikito Yamada General Manager of Corporate Communication Department (Phone: 075-955-6786)

Notice Regarding Establishment of a Joint Venture Company with Ishihara Sangyo Kaisha, Ltd. and Fuji Titanium Industry Co., Ltd.

Murata Manufacturing Co., Ltd. (hereinafter the “Company”) hereby announces that, at the Board of Directors meeting held today, a resolution was passed to conclude a joint venture agreement with Ishihara Sangyo Kaisha, Ltd. (head office: Nishi-ku, Osaka; president: Hideo Takahashi; hereinafter “Ishihara Sangyo”) and Fuji Titanium Industry Co., Ltd. (head office: Nishi-ku, Osaka; president: Hideo Nogi; hereinafter “Fuji Titanium”), a wholly owned subsidiary of Ishihara Sangyo, following the basic agreement entered into by the three companies on September 16, 2022, to establish a joint venture company to manufacture barium titanate for use in multilayer ceramic capacitors and other products. Details are as follows.

1. Purpose of Establishment of a Joint Venture Company

Fuji Titanium is one of the Company’s suppliers that manufactures barium titanate, a material used in multilayer ceramic capacitors. Barium titanate, a material used in multilayer ceramic capacitors, is becoming increasingly important in anticipation of further growth in demand for multilayer ceramic capacitors amidst the rapid development of IT devices and the electrification of automobiles.

Subsequent to the signing of the basic agreement on September 16, 2022, the Company, Ishihara Sangyo, and Fuji Titanium have been engaged in discussions to establish a joint venture company with the primary objective of increasing the production capacity of barium titanate and, as a result of the discussions, have agreed to enter into a joint venture agreement.

The joint venture company has a plan to construct a new plant in Nobeoka City, Miyazaki Prefecture, for enhancing the production capacity of barium titanate and will seek to achieve further improvement in quality and productivity by combining the respective manufacturing technologies and know-how that Fuji Titanium and the Company have cultivated.

2. Details of the Joint Venture Agreement

The joint venture company will be established whereby Fuji Titanium will execute a company split to separate main assets, liabilities, and other items related to the barium titanate manufacturing business, following which the Company and Ishihara Sangyo will take a 35% and 10% stake, respectively.

3. Outline of the Joint Venture Company

(1) Name	MF Material, Co., Ltd.
(2) Address	Nobeoka City, Miyazaki Prefecture
(3) Name and title of representative	Representative Director Hideo Nogi
(4) Business	Manufacturing and sale of barium titanate, procurement of related raw materials, quality assurance, and quality and productivity improvement operation
(5) Capital	0.1 billion yen
(6) Date of establishment (scheduled)	June 1, 2023
(7) Fiscal year-end	March
(8) Capital contribution ratio	Fuji Titanium : the Company : Ishihara Sangyo = 55% : 35% : 10%

4. Outline of the Joint Venture Partner

(1) Ishihara Sangyo

(1) Name	Ishihara Sangyo Kaisha, Ltd.	
(2) Address	3-15 Edobori 1-chome, Nishi-ku, Osaka	
(3) Name and title of representative	Executive Director Chairman Kenichi Tanaka Executive Director President Hideo Takahashi	
(4) Business	Manufacture and sales of chemical industrial products in the inorganic chemical field centered on titanium dioxide and the organic chemical field centered on agrochemicals	
(5) Capital	43.4 billion yen	
(6) Established	June 1, 1949	
(7) Major shareholders and shareholding ratios (as of March 31, 2022)	The Master Trust Bank of Japan, Ltd. (Trust Account) 11.58% Custody Bank of Japan, Ltd. (Trust Account) 9.42% Mitsui & Co., Ltd. 5.05%	
(8) Relationship between the Company and Ishihara Sangyo	Capital	Not applicable
	Personnel	Not applicable
	Trading	Not applicable
	Status of applicability to related parties	Not applicable

(9) Business results and financial status for the past three years			
Fiscal year	Year ended March 31,2020	Year ended March 31, 2021	Year ended March 31, 2022
Consolidated net assets	76,669	79,515	91,869
Consolidated total assets	172,437	180,021	185,758
Consolidated net assets per share	1,918.63 yen	1,990.03 yen	2,299.42 yen
Consolidated net sales	101,066	101,774	110,955
Consolidated operating income	6,188	5,173	11,557
Consolidated ordinary income	5,345	5,944	13,272
Profit attributable to owners of parent	2,359	3,373	11,690
Consolidated earnings per share	59.03 yen	84.41 yen	292.58 yen
Dividend per share	20.00 yen	18.00 yen	36.00 yen

(In millions of yen, unless otherwise noted.)

(2) Fuji Titanium

(1) Name	Fuji Titanium Industry Co., Ltd.
(2) Address	3-15 Edobori 1-chome, Nishi-ku, Osaka
(3) Name and title of representative	President and CEO Hideo Nogi
(4) Business	Manufacture and sales of titanium dioxide, barium titanate, etc.
(5) Capital	1.9 billion yen
(6) Established	March 12,1936
(7) Major shareholders and shareholding ratios	Ishihara Sangyo Kaisha, Ltd. 100.00%

5. Schedule

Date of Board of Directors' resolution	March 17,2023
Date of conclusion of joint venture agreement	March 17,2023
Date of establishment of joint venture (scheduled)	June 1,2023

6. Future Outlook

The establishment of the joint venture company is scheduled for June 1, 2023, and will have no impact on the Company's consolidated financial results for the fiscal year ending March 31, 2023. Thereafter, any expected impact on financial results will be incorporated in the results forecasts for the next and subsequent fiscal years.