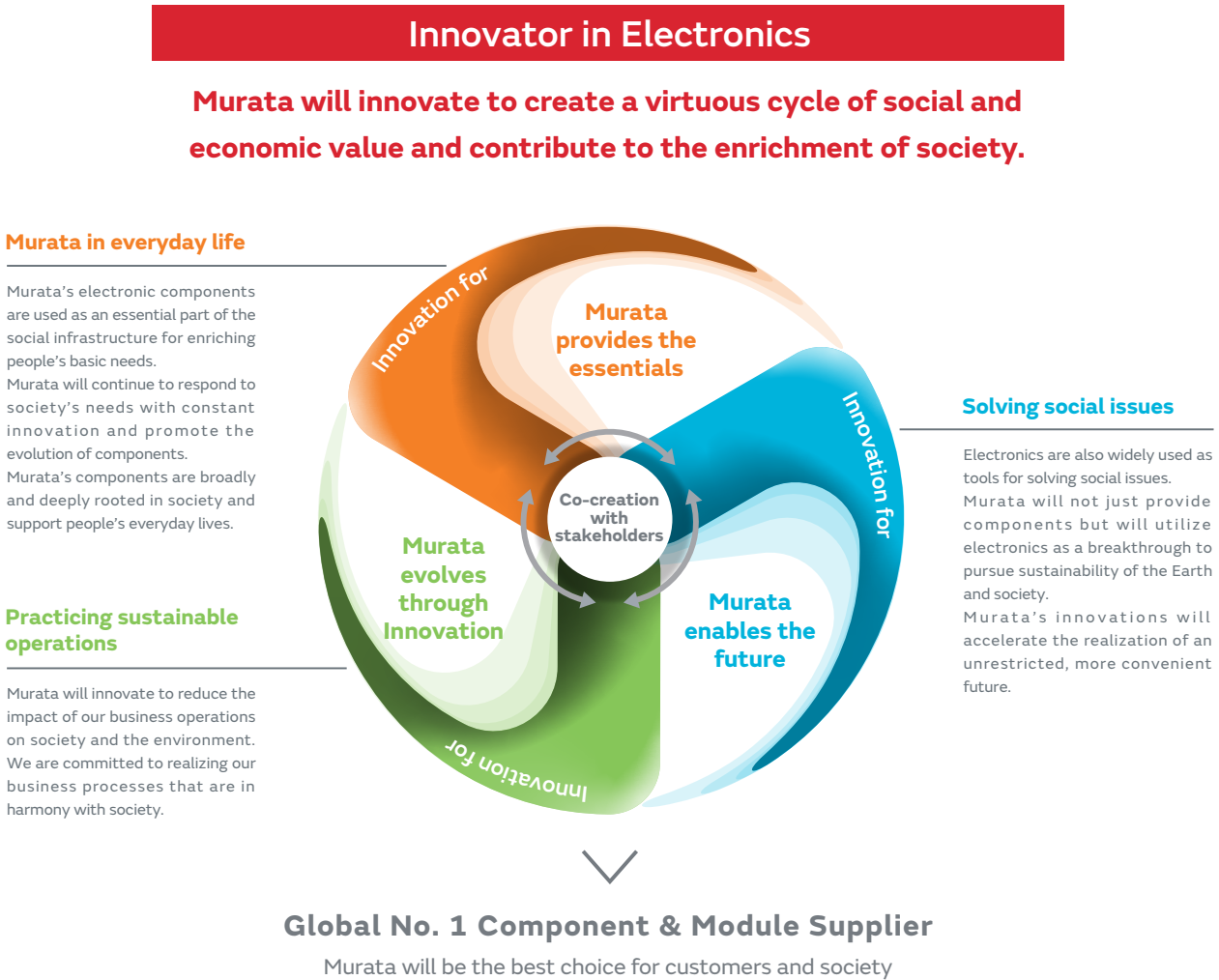


Vision 2030 (long-term direction):

In order to respond to a drastic change in the environment and to continuously increase the corporate value, Murata established Vision 2030 as

the long-term direction that gives detailed guidance as to the necessary preparations while inheriting the fundamental principles from Vision 2025.

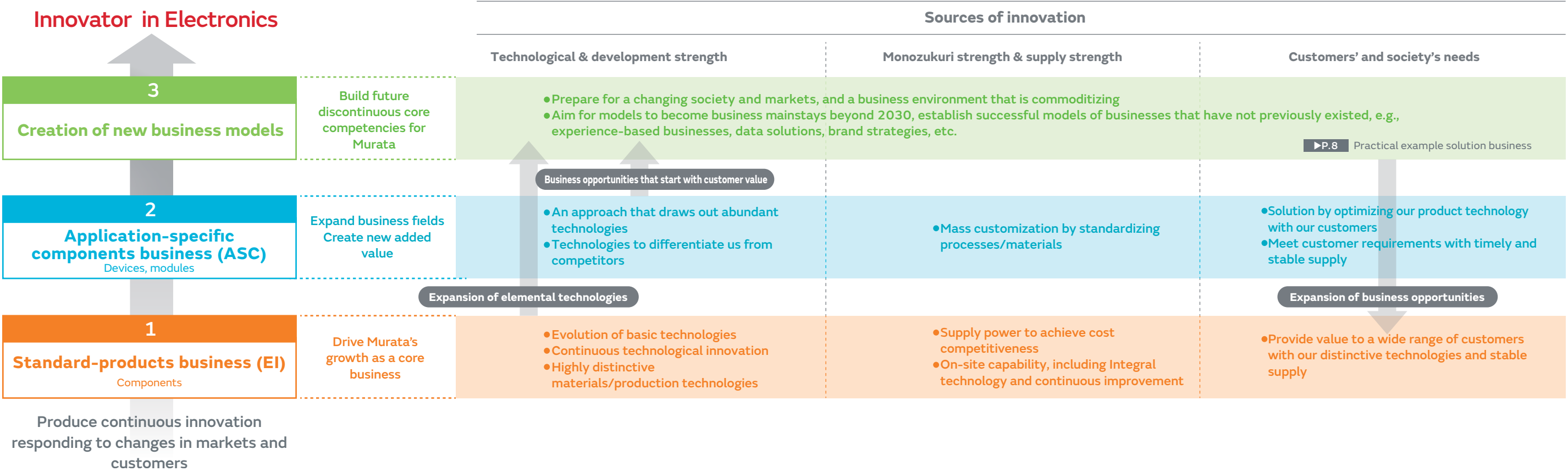


Vision 2030 growth strategy ①: Deepen core businesses and promote evolution of business models

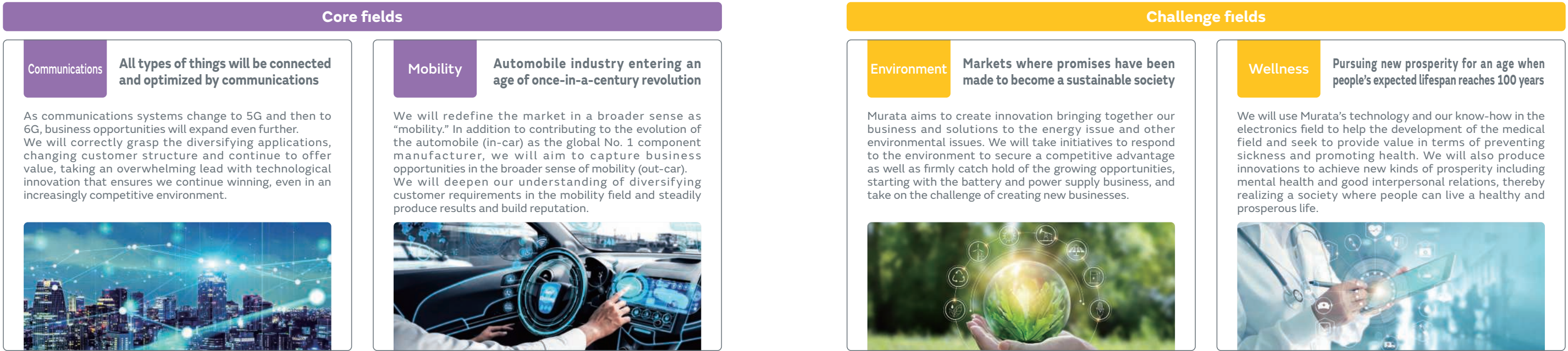
In order for Murata to continue to create value as an innovator in the drastically changing electronics industry, it is necessary to capture the global trends of technology and changes in society and reflect them in business management. In order to create various

innovations looking ahead to the future from a long-term perspective, Murata uses a three-layer portfolio in its business management and focuses on four key fields with business opportunities to create value.

3-layer portfolio



Four business opportunities

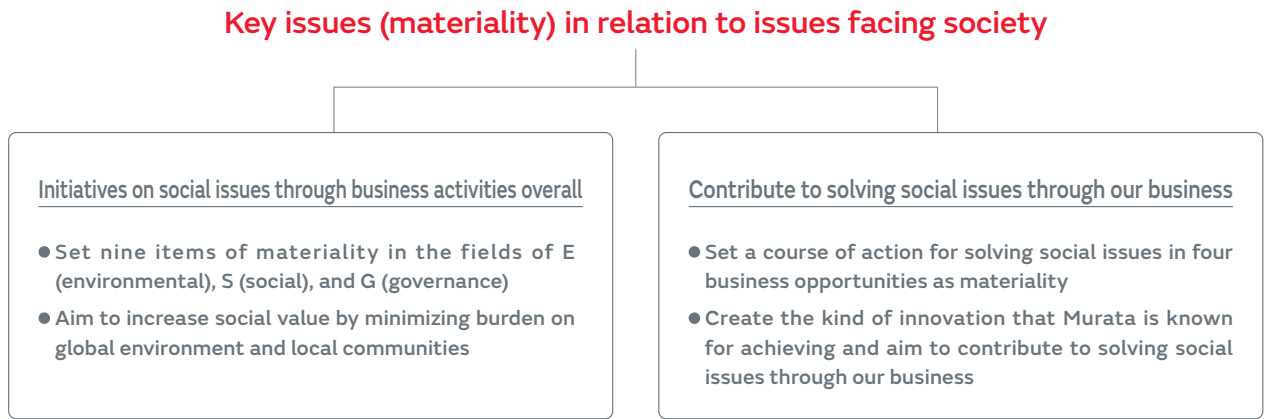


Growth strategy ②: Execute four management transformations

Management transformation 1: Management that creates a continuous cycle of social value and economic value

Murata strives to increase the value it provides to society (social value) while creating a continuous cycle of social value and economic value, and aims to be a company of choice, being trusted by stakeholders

as the global No.1 component manufacturer. In order to achieve this vision, we will set targets for key issues (materiality) originating with social issues and accelerate our efforts to solve them.



Contribute to solving social issues through our business ▶P.31

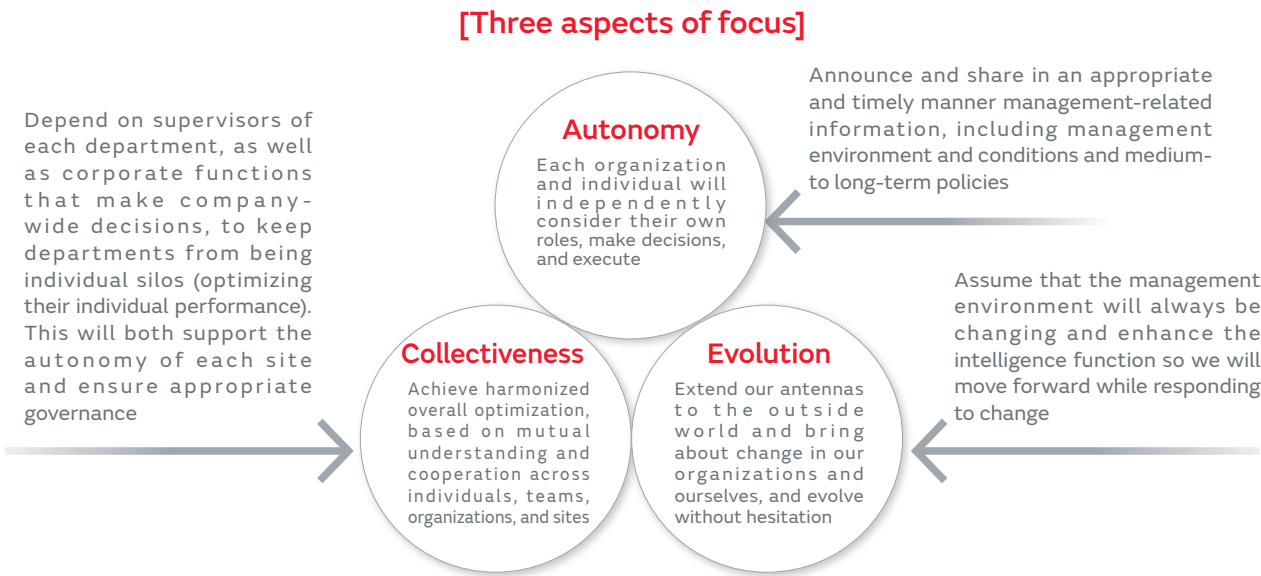


Initiatives on social issues through business activities overall ▶P.73



Management transformation 2: Autonomous and decentralized organizational management

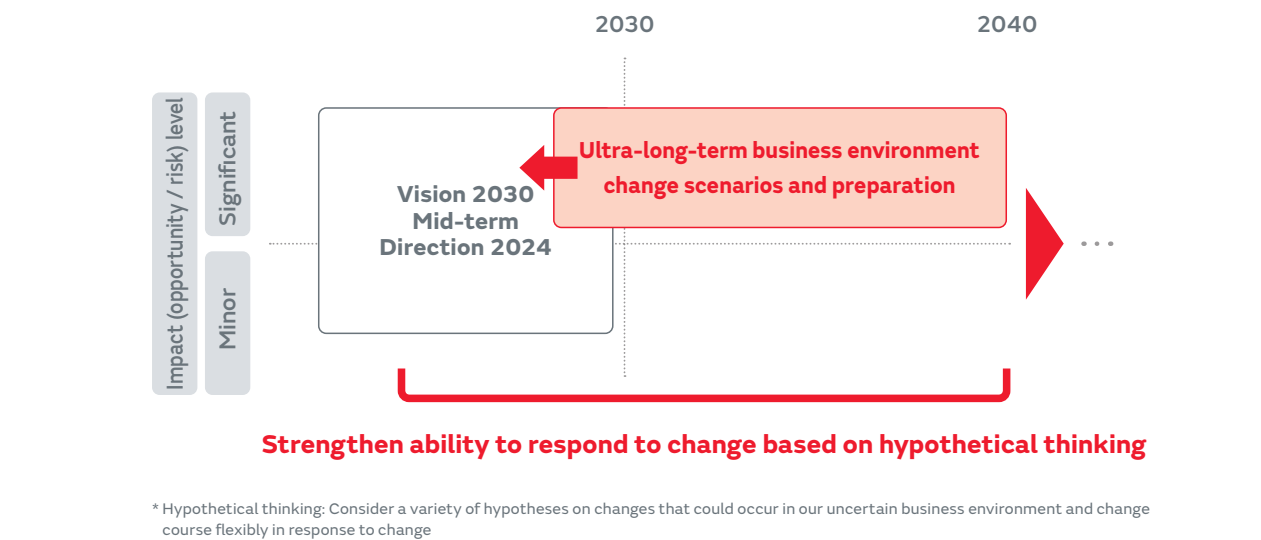
We hope to transform Murata's organizational management to be more autonomous and decentralized so that we can continue to practice the Murata Philosophy, provide value, and continue growing even as the environment changes drastically.



Management transformation 3: Change-responsive management based on hypothetical thinking

At a time when the environment is changing drastically, we should not be passive, but rather prepare by hypothesizing what might happen in the future, then practice change-responsive business management, which flexibly corrects its course in

response to change. Each function and organization continually gathers information on future changes, discusses them, takes action, and monitors, raising their sensitivity to environmental changes and strengthening their ability to respond to them.



Management transformation 4: Digital transformation (DX)

At Murata, we define digital transformation (DX) as an initiative that enables people and organizations (business processes) both inside and outside Murata to connect digitally and freely and make processes shorter, faster, and visible, thereby continually driving to dramatically increase customer value and competitiveness, and we will accelerate the initiatives for the transformation.

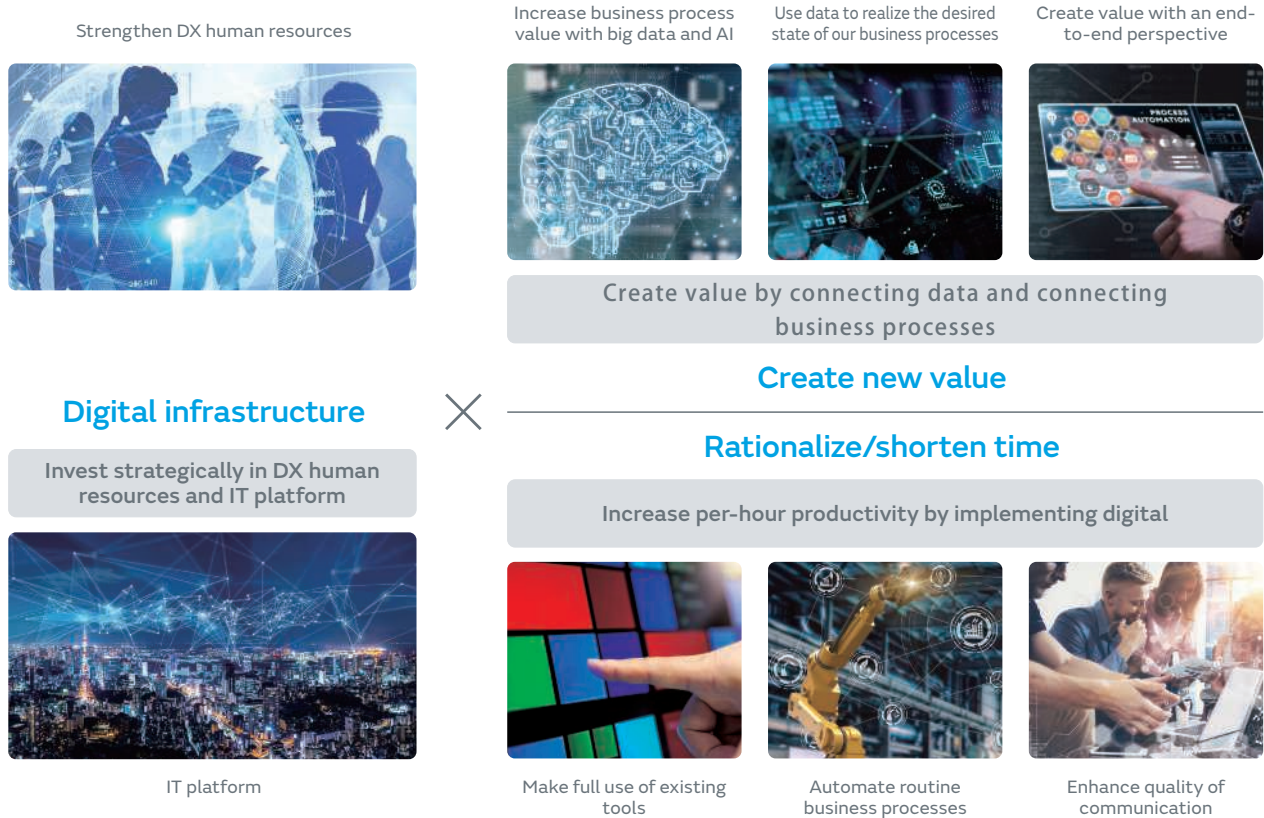
We will establish an organization that promotes the strategy for company-wide DX and works with the executing organization to realize our vision in the domains to strengthen and core fields, accelerating the overall digitalization.

Domains to strengthen	<ul style="list-style-type: none">● R&D: Accelerate the development of elemental technologies and new technologies by utilizing AI and MI (Machine Intelligence)● ECM/SCM*: Transform monozukuri in a broad sense, including ECM/SCM, envisioning how monozukuri should be in ten years' time● Customer contact: Strengthen the connection with customers not just individually but from an end-to-end perspective, thereby co-creating value with them● Business management: Promote business portfolio management and enhance business management to improve the ability to respond to changes
Core fields	<ul style="list-style-type: none">● DX human resources/IT platform: Invest strategically to develop digital human resources and improve IT infrastructure as a foundation for DX

* ECM/SCM: Engineering Chain Management / Supply Chain Management

Murata DX policy

Increase per-hour productivity by continually investing in digital infrastructure and making full use of digital. Encourage use of data, connect business processes to each other, and create new value. Also contribute to Layer 3 portfolio domain. By executing and practicing these things, we will foster a corporate culture of ongoing transformation.



Mid-term Direction 2021 review

In 2018, Murata established “Mid-term Direction 2021” as the policy for the next three years (from FY2019 to FY2021). With “Mid-term Direction 2021,” we aimed to provide value to customers by rebuilding strong business foundations to support our growing business and by capturing broadening business

opportunities. We also aimed to be a company where each employee plays an important role, feel rewarded and grow through their work. We identified three group-wide issues to achieve continuous and sound growth, and strived to solve these issues.

Management targets

	Target	FY2019 results	FY2020 results	FY2021 forecast ^{*1}	
Net sales	2 trillion yen	1,530 billion yen	1,630 billion yen	1,730 billion yen	Miss target by 270 billion yen
Ratio of operating income to net sales	17% or higher	16.5%	19.2%	21.1%	Exceeded by 4.1 percentage points
ROIC (pre-tax basis) ^{*2}	20% or higher	16.1%	18.5%	20.4%	Exceeded by 0.4 percentage points

^{*1}: From earnings forecast announced on July 29, 2021
^{*2}: ROIC [pre-tax basis]: Operating income / Invested capital (Property, plant and equipment + Inventories + Trade accounts receivable - Trade accounts payable)

Mid-term Direction 2021 review

Although we saw a continuous increase in demand for components due to the advancement of automobile electrification and increase of new products for smartphones, we are expecting less-than-projected growth and will miss the sales target due to the production adjustment of electronics and stock adjustment of electronic components in FY2019. The ratio of operating income to net sales is expected to

achieve the target due to improved profitability of each product and improved product mix. ROIC (pre-tax basis) is also expected to achieve the target due to significant improvement of the ratio of operating income to net assets compared with the plan despite tepid sales compared with the plan and delay in the improvement of capital turnover in terms of large-scale investment.

Towards Mid-term Direction 2024

There were changes in market conditions and difficulties caused by the COVID-19 pandemic, but we take it seriously that our sales growth will be less than planned. We will continue to focus on the ratio of operating income to net sales and ROIC (pre-tax

basis) in the next mid-term Direction. For that reason, we will strive to take portfolio management to a higher level and maximize synergies from M&As made previously and aim to increase our profitability and capital efficiency.

Group-wide issues

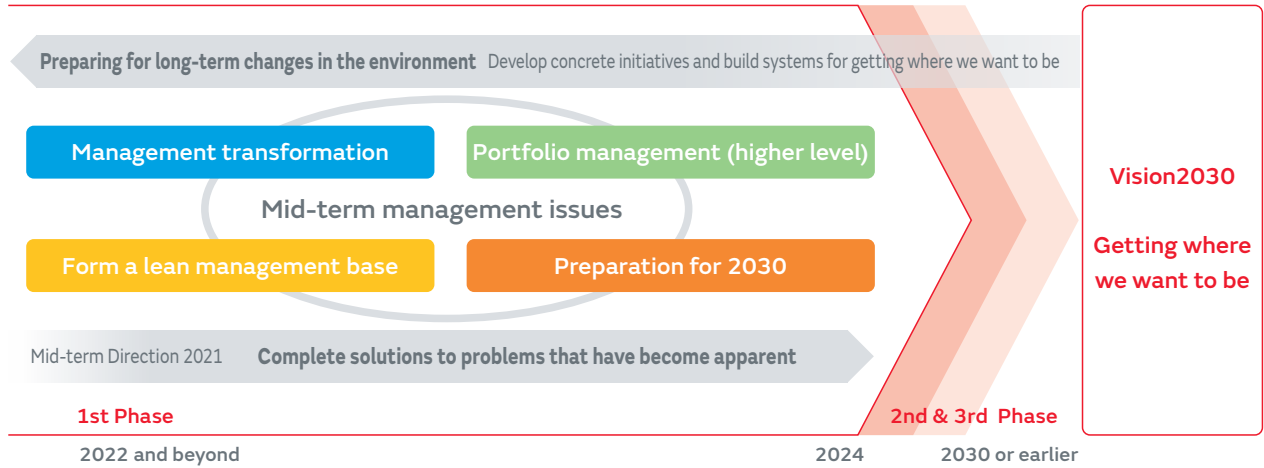
Group-wide issues	Review of Mid-term 2021	Ongoing issues connected to Mid-term 2024
Practicing portfolio management	<ul style="list-style-type: none">● By introducing a business feasibility model and continually improving it, we have allocated management resources from the perspective of Group-wide optimization.● We reconsidered our business portfolio (Battery, Connectivity Module business etc.)	<ul style="list-style-type: none">● Evolution of portfolio management (realizing a three-layer portfolio)● Expand business with a new understanding of the market in a broader sense (automobile → mobility)
Dramatically increasing productivity and building a stable supply system	<ul style="list-style-type: none">● We have introduced a supply chain planning (SCP) system and started its operation.● At monozukuri sites, we have made a progress in various issues towards improvement of productivity and reduction of production loss.	<ul style="list-style-type: none">● Increase productivity of monozukuri in a broad sense, including ECM and SCM, and enhance the ability to respond to change● Develop a concrete personnel strategy using results of employee surveys and execute it
Harmonization between people, organizations, and society	<ul style="list-style-type: none">● We have identified key issues (materiality) and set KPIs for raising degree of contribution to solving social issues and built system for further promoting these.● We have conducted employee surveys to improve the organizational culture.	<ul style="list-style-type: none">● Strengthen initiatives to link contributions to solving social issues to business growth

Mid-term Direction 2024

Vision 2030, which was established as a long-term direction, sets out the necessary preparations in details as well as the direction the company aims for. And the first phase to achieve Vision 2030 is set forth in “Mid-term Direction 2024” (FY2022 to FY2024).

In this three-year period, in addition to solving the currently existing problems, we strive to capture the changes in the environment from a long-term perspective and perform backcasting to identify necessary preparations to get where we want to be.

Basic policy



Management transformation	<ul style="list-style-type: none">● Management that creates a continuous cycle of social value and economic value● Autonomous and decentralized organizational management● Change-responsive management based on hypothetical thinking● Digital transformation (DX)
Portfolio management (higher level)	<ul style="list-style-type: none">● Practice portfolio management that uses a 3-layer structure and rejuvenate our technology and business<ul style="list-style-type: none">■ Layer 1: Components We will secure business opportunities in the growing market while working to increase business efficiency and achieve lean business operations■ Layer 2: Devices/modules We will earn competitive advantage by establishing a healthy business portfolio and pursuing differentiation with technologies rooted in customer needs■ Layer 3: New business models We will create value by combining the first and second layer and will develop businesses that are designed not just to sell components but are based on solutions wherein customers will recognize the high added value we offer
Form a lean management base	<ul style="list-style-type: none">● Enhance work quality and increase work productivity● Strengthen business operations during the ongoing COVID-19 pandemic and strengthen personnel and organizational capabilities for the post-pandemic period● Continue to strengthen quality foundation
Preparation for 2030	<ul style="list-style-type: none">● Work on issues to achieve the innovation that Murata aims for by combining the 3-layer portfolio with the four business opportunities<ul style="list-style-type: none">■ Strengthen monozukuri in wide meaning and promote its evolution■ Strengthen the power to sell and power to support and promote their evolution■ Strengthen the ability to respond to geopolitical and other management risks■ Promote development of elemental technology that will be core technologies of the future■ Practice open innovation to achieve co-creation of value

Group-wide targets

Economic value	Social value ①: “Environment”		Social value ②: “Diversity”
Net sales	Amount of GHG emissions ^{*1} (vs fiscal 2019)	Renewable energy implementation rate	Percentage of overseas indirect employees ^{*5} with experience working at other sites
2 trillion yen	FY2024: 20% reduction FY2030: 46% reduction	FY2024: 25% FY2030: 50% FY2050: 100%	FY2024: 7% FY2030: 10%
Operating income ratio	Sustainable resource ^{*2} usage rate	Resource recycling rate ^{*3}	Social value ③: “ES”
20% or higher	FY2024: 1% ^{*4} FY2030: 25% FY2050: 100%	FY2024: 5% ^{*4} FY2030: 50% FY2050: 100%	Positive employee engagement response rate
ROIC (before tax)			FY2024: 70% or higher FY2030: 76% or higher
20% or higher			

- We will continue to view the ratio of operating income to net asset and ROIC as key indicators. Murata aims for a sound management by “focusing on capital efficiency as well as productivity, and keeping ROIC at 20%.”

● Murata is planning to invest strategically in environment, acquisition of technologies, risk measures and enhancement of IT infrastructure in advance to be prepared for the future in addition to capital investment for the expansion of production capacity. Considering these factors, we set targets to ensure a healthy growth.
- “Environment”

● In order to tackle global environmental issues that are becoming more serious, Murata considers responses to climate change including decarbonization and use of sustainable resources as important issues to be addressed by all the business divisions and employees at Murata.

● Regarding climate change measures, Murata will contribute to the reduction of greenhouse gas emissions in manufacturing processes through business operations in line with the RE100 and SBT (Science Based Targets). In addition, we will promote the sustainable use of resources in our business while contributing to solving environmental issues through co-creation with collaborators.

“Diversity”

● Murata can remain an innovator by respecting the diversity of individuals and building trust, connections, and harmony across teams, departments, and sites. For that purpose, Murata will promote human resources with diverse experience at other global sites and global collaboration opportunities.

“ES”

● Murata emphasizes ES as an important value and aims to realize the organization culture where employees feel rewarded and grow through their work. In order to improve employee engagement, we consider it necessary for each organization to strive to continually improve the culture.

*1: Total of Scope 1 and Scope 2
*2: Sustainable resources: Resources with lower risk of depletion that can be used sustainably by building a recycling scheme, etc.
*3: Resource recovery rate: Rate of Murata's output (emission) recycled as resources
*4: Target at FY2024 indicates the improvement range from the current state
*5: Overseas local staff excluding expats from Japan

Capital allocation policy

- Continue investing in main businesses (components, devices/modules) and steadily generate cash
- Treat long-term environmental investment, acquisition of technologies, risk countermeasures, IT infrastructure, etc., as strategic investments and actively pursue them
- Meet stakeholder expectations by maintaining a solid financial footing while using surplus funds to expand shareholder returns, including stock buybacks

Mid-term Direction 2021 (forecast)		Mid-term Direction 2024 (plan)	
In	Out (Billion yen)	In	Out (Billion yen)
Operating cash flows 1,120	Capital investments 650 (Land and buildings 200)	Operating cash flows 1,250	Capital investments 640 (Land and buildings 100)
	Shareholder returns		Strategic investments 230
	Strengthen our financial footing		Shareholder returns 270
Bonds 50			Redemption of bonds 110

* From earnings forecast announced on July 29, 2021