

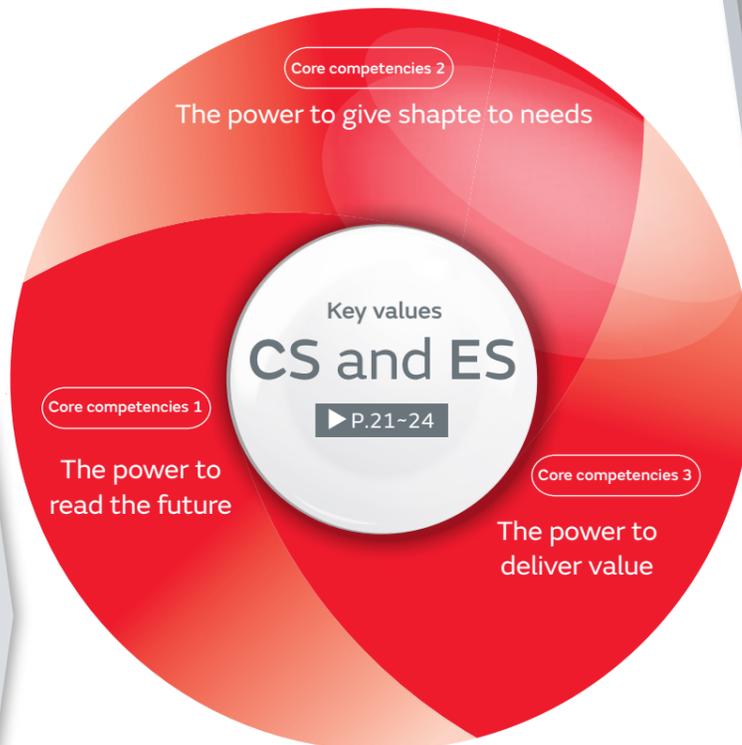
Process of value creation

At Murata, employees around the world respond to the changing business environment, thinking and acting based on the Murata Philosophy as the shared guiding principles. Each and every employee feels rewarded and continues to grow through his or her work. They trust and cooperate with each other to demonstrate collective strength, thereby creating new innovation.

Innovator in Electronics —As a leading innovator in the electronics industry, Murata is committed to realizing and improving society through proactive value creation— ▶ P.3-6

- Expansion of the usage of electronics
- Transition to a sustainable society
- Advancement of digitalization
- Increasing geopolitical risks
- Changing population structure and balance of power
- Response to post-pandemic society

Recognizing the environment (opportunities and risks)



Management capital Murata has cultivated through the implementation of the Murata Philosophy

- Human capital
- Intellectual and technological capital
- Organizational capital
- Customer and business partner capital
- Monozukuri capital
- Financial capital

▶ P.21-22

Murata Philosophy

Reinforcement of corporate governance system ▶ P.53-72

Growth strategies

Deepen core businesses and promote evolution of business models ▶ P.31-32



Four business opportunities



Execute four management transformations ▶ P.33-35

- 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)

Key issues (materiality) in relation to issues facing society

Contribute to solving social issues through our business ▶ P.33



Initiatives on social issues through business activities overall ▶ P.73-96



Strengthen management foundations

What Murata wants to be

Murata will innovate to create a continuous cycle of social and economic value and contribute to the enrichment of society

Murata provides the essentials
Murata in everyday life

Murata enables the future
Solving social issues

Murata evolves through innovation
Practicing sustainable operations

Global No. 1 Component & Module Supplier
▶ P.29-30

Value creation with stakeholders

Economic value

- Net sales 2 trillion yen
- Payout ratio 30%
- Operating income ratio 20% or higher
- DOE 4% or higher
- ROIC (before tax) 20% or higher

Social value

- Amount of GHG emissions (vs fiscal 2019)
- Renewable energy implementation rate
- Rate of use of sustainable resources
- Sustainable resource usage rate
- Resource recycling rate
- Percentage of overseas indirect employees with experience working at other sites
- Positive employee engagement response rate

▶ P.38