

Murata Manufacturing Co., Ltd.

CONVOCATION NOTICE

FOR

THE 81st

ORDINARY GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON

JUNE 29, 2017

The venue has changed from the previous meeting held last year.

NOTE

1. THIS DOCUMENT IS A TRANSLATION OF THE OFFICIAL JAPANESE CONVOCATION NOTICE FOR THE 81ST 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.

(Securities Code: 6981)
CONVOCATION NOTICE FOR
THE 81st ORDINARY GENERAL MEETING OF SHAREHOLDERS

June 2, 2017

Tsuneo Murata
President and Representative Director
Member of the Board of Directors

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

Dear Shareholders:

Notice is hereby given that the 81st Ordinary General Meeting of Shareholders of Murata Manufacturing Co., Ltd. (the “Company”) will be held as detailed below, and your attendance is cordially requested.

In the event that you are unable to attend the meeting, you may exercise your voting rights either by Voting Rights Exercise Form or via the Internet, etc. To do so, we kindly ask that you first examine the Reference Materials for the General Meeting of Shareholders later in this translation (p. 4-13), then exercise your voting rights by 5:00 p.m. on Wednesday, June 28, 2017.

1. Date and time: June 29, 2017 (Thursday) 10:00 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
The venue has changed from the previous meeting held last year.
3. Agenda:
 - Reports
 1. Report of the business report, the consolidated financial statement for the 81st fiscal term (From April 1, 2016 to March 31, 2017), 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 81st fiscal term (From April 1, 2016 to March 31, 2017)

Proposals

- No. 1 Dividends of Retained Earnings for the 81st Fiscal Term
- No. 2 Election of Eight (8) Directors who are not Audit and Supervisory Committee Members
- No. 3 Determination of Remuneration for Granting Restricted Shares to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) and Other Terms Thereof

[Guide for Exercise of Voting Rights]

1. Exercise of Voting Rights by Attending the Meeting

Please bring the Voting Rights Exercise Form enclosed herewith with you to the meeting and submit the form, completed, at the reception desk at the entrance to the meeting hall.

2. 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 the said deadline.

3. Exercise of Voting Rights via the Internet

1) Exercise of Voting Rights via the Internet

Please access the designated website for exercise of voting rights (<http://www.it-soukai.com>) via personal computer, smartphone, mobile phone or other device, use the “Voting Rights Exercise Code” and the “Password” shown on the enclosed Voting Rights Exercise Form, and indicate your approval or disapproval of the proposals, following the on-screen instructions by the said deadline.

2) To institutional investors

Nominee shareholders such as managing trust banks and others (including standing proxies) will be able to use the electronic voting platform as a method to electronically exercise voting rights at the General Meeting of Shareholders of the Company if the shareholders have applied in advance to use the electronic voting platform.

4. Treatment when voting rights are exercised more than once

1) If you exercise your voting rights by both postal mail and via the Internet, the vote made via the Internet shall prevail.

2) If you exercise your voting rights via the Internet more than once, the vote made last shall prevail.

Reference Materials for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Dividends of Retained Earnings for the 81st 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 at the same time, aiming to achieve a payout ratio of approximately 30% in the medium term.

Based on this policy, after examining the Company's consolidated performance and determining the amount of unappropriated retained earnings, the Company proposes a year-end dividend of 110 yen per share. Combined with the interim dividend of 110 yen per share, this will bring the annual dividend to 220 yen per share, an increase of 10 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
110 yen per common share
Total amount of payout: 23,401,211,460 yen
3. Effective date of dividend payout
June 30, 2017

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

The terms of office of all eight (8) current 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 13 for the opinion of the Audit and Supervisory Committee regarding this proposal.

Candidate No.	Name of Candidate (Birthdate)	Brief Personal History, Positions, Responsibilities and Significant Concurrent Positions	Shares of the Company Owned
1	Tsuneo Murata (August 13, 1951)	<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 Executive Deputy President Assumed the position of Representative Director of the Company (present)</p> <p>Jun 2007 Assumed the position of President of the Company (present)</p> <p>(Significant Concurrent Positions) Chairman, the Murata Science Foundation</p>	1,539,000 shares
<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 of the Company since 2007 and has been nominated as a candidate for Director 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>			

Candidate No.	Name of Candidate (Birthdate)	Brief Personal History, Positions, Responsibilities and Significant Concurrent Positions	Shares of the Company Owned
2	Yoshitaka Fujita (January 27, 1952)	Apr 1975 Entered the Company	2,000 shares
		Jun 1998 Assumed the position of Member of the Board of Directors of the Company	
Jun 2000 Assumed the position of Vice President of the Company			
Jun 2003 Assumed the position of Senior Executive Vice President of the Company			
Jun 2005 Assumed the position of Corporate Senior Executive Vice President of the Company			
Jun 2008 Assumed the position of Executive Deputy President of the Company (present) Assumed the position of Representative Director of the Company (present)			
(Significant Concurrent Positions) President of Murata (China) Investment Co., Ltd.			
Reason for nomination as candidate Yoshitaka Fujita has been involved in accounting and financial duties and 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 Executive Deputy President of the Company since 2008 and has been nominated as a candidate for Director because the Company expects that he will continue to strengthen the decision-making and supervisory functions of the Board of Directors.			
3	Toru Inoue (May 30, 1956)	Apr 1980 Entered the Company	2,100 shares
		Mar 2008 Assigned as General Manager of Corporate Planning Department of the Company	
Jul 2009 Assumed the position of Vice President of the Company Assigned as Director of Accounting & Planning Group of the Company			
Jul 2013 Assumed the position of Executive Vice President of the Company (present) Assigned as Director of Components Business Unit of the Company (present)			
Jun 2015 Assumed the position of Member of the Board of Directors of the Company (present)			
(Significant Concurrent Positions) President and Representative Director of Fukui Murata Manufacturing Co., Ltd. President and Representative Director of Izumo Murata Manufacturing Co., Ltd. President and Representative Director of Toyama Murata Manufacturing Co., Ltd.			
Reason for nomination as candidate Toru Inoue has been involved in business management, planning, and accounting 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 Director because the Company expects that he will continue to strengthen the decision-making and supervisory functions of the Board of Directors.			

Candidate No.	Name of Candidate (Birthdate)	Brief Personal History, Positions, Responsibilities and Significant Concurrent Positions	Shares of the Company Owned
4	Norio Nakajima (September 21, 1961)	Apr 1985 Entered the Company	900 shares
		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 of the Company (present) Assumed the position of Executive Vice President of the Company (present)			
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 (present)			
(Significant Concurrent Positions) President and Representative Director of Kanazawa Murata Manufacturing Co., Ltd. President and Representative Director of Okayama Murata Manufacturing Co., Ltd.			
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 nominated as a candidate for Director because the Company expects that he will continue to strengthen the decision-making and supervisory functions of the Board of Directors.			
5	Hiroshi Iwatsubo (August 11, 1962)	Apr 1985 Entered the Company	2,000 shares
		Feb 2005 Assigned as General Manager of Corporate Planning Department of the Company	
Mar 2008 Assigned as Director of Sensor Division, Device Business Unit of the Company			
Jul 2011 Assumed the position of Vice President of the Company			
Jun 2012 Assigned as Director of Sales & Marketing Unit of the Company			
Jul 2013 Assumed the position of Senior Vice President of the Company			
Jun 2015 Assumed the position of Member of the Board of Directors of the Company (present) Assumed the position of Executive Vice President of the Company (present)			
Jul 2015 Assigned as Director of Corporate Technology & Business Development Unit of the Company (present)			
Reason for nomination as candidate 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 Director because the Company expects that he will continue to strengthen the decision-making and supervisory functions of the Board of Directors.			

Candidate No.	Name of Candidate (Birthdate)	Brief Personal History, Positions, Responsibilities and Significant Concurrent Positions	Shares of the Company Owned
6	Yoshito Takemura (January 23, 1957)	Apr 1981 Entered the Company	400 shares
		Jun 2003 Assigned as General Manager of Finance Department of the Company	
Jul 2009 Assumed the position of President of Murata (China) Investment Co., Ltd.			
Jul 2012 Assumed the position of Vice President of the Company			
Jun 2013 Assumed the position of Member of the Board of Directors of the Company (present) Assumed the position of General Manager of Accounting, Finance & Corporate Planning Group of the Company (present)			
Jun 2015 Assumed the position of Senior Vice President of the Company (present)			
Reason for nomination as candidate Yoshito Takemura has been involved in accounting and financial duties, planning, and business management in the USA and Greater China 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 Director because the Company expects that he will continue to strengthen the decision-making and supervisory functions of the Board of Directors.			
7	Satoshi Ishino (June 5, 1960)	Apr 1983 Entered the Company	200 shares
		Jul 2008 Assigned as General Manager of Business Planning Division, Technology & Business Development Unit of the Company	
Mar 2012 Assigned as Director of New Business Promotion Division, Technology & Business Development Unit of the Company			
Jul 2012 Assumed the position of Vice President of the Company			
Oct 2013 Assigned as Director of New Products & Business Division of the Company Assigned as Director of Business Incubation Center of the Company			
Jun 2015 Assumed the position of Member of the Board of Directors of the Company (present) Assumed the position of Senior Vice President of the Company (present)			
Jul 2015 Assigned as Director of Healthcare Business Division of the Company (present)			
Jul 2016 Assigned as Director of New Business Unit of the Company (present)			
Reason for nomination as candidate Satoshi Ishino has been involved in the module business and new business promotion 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 Director because the Company expects that he will continue to strengthen the decision-making and supervisory functions of the Board of Directors.			

Candidate No.	Name of Candidate (Birthdate)	Brief Personal History, Positions, Responsibilities and Significant Concurrent Positions	Shares of the Company Owned
8	Takashi Shigematsu (November 3, 1949)	<p>Apr 1975 Entered Toyota Motor Co., Ltd. (currently TOYOTA MOTOR CORPORATION)</p> <p>Jun 2004 Assumed the position of Managing Officer of the company</p> <p>Jun 2005 Assumed the position of Outside Director of FUJITSU TEN LIMITED.</p> <p>Jun 2009 Assumed the position of Vice President & Representative Director of the company</p> <p>Jun 2010 Assumed the position of President & Representative Director of the company</p> <p>Jun 2014 Assumed the position of Chairman and Representative Director of the company (present)</p> <p>Jun 2015 Assumed the position of Member of the Board of Outside Directors of the Company (present) Assumed the position of Outside Director of Bando Chemical Industries, Ltd.</p> <p>Jun 2016 Assumed the positions of Outside Director and Audit and Supervisory Committee Member of Bando Chemical Industries, Ltd. (present)</p> <p>(Significant Concurrent Positions) Chairman and Representative Director of FUJITSU TEN LIMITED. Outside Director and Audit and Supervisory Committee Member of Bando Chemical Industries, Ltd.</p>	—
<p>Reason for nomination as candidate Takashi Shigematsu has contributed to strengthen the functions of the Board of Directors from an independent perspective as Outside Director since 2015. He has been nominated as a candidate for Outside Director because the Company expects that he will continue to utilize his deep insight and abundant business experience in the automotive industry to strengthen the decision-making and supervisory functions of the Board of Directors from an independent perspective.</p>			

- Notes:
- Special interests between any of the candidates for Directors who are not Audit and Supervisory Committee Members and the Company are as follows.
 - The Company makes contributions to the Murata Science Foundation, of which Tsuneo Murata assumed the position of Chairman as of December 1, 2010.
 - There are no special interests between the Company and any of the other candidates.
 - Takashi Shigematsu is a candidate for Outside Director and meets the criteria for independence prescribed by the Company. See page 12 for the criteria for independence.
 - FUJITSU TEN LIMITED., of which Takashi Shigematsu serves as Chairman and Representative Director, has business relations with the Company Group regarding sales and purchases of products. However, sales involving the relations accounted for only less than 1% of the Company's consolidated sales in the 81st fiscal year, indicating that there is no materiality that would affect his independence as Outside Director.
 - The Company has designated Takashi Shigematsu as an independent director as specified in the regulations of the Tokyo Stock Exchange, Inc. and reported the designation to the exchange. If Takashi Shigematsu is re-elected, the Company intends that he should continue to be an independent director.
 - Takashi Shigematsu is currently Outside Director of the Company. At the end of this ordinary general meeting of shareholders, he will have served in the position for two (2) years.
 - Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Takashi Shigematsu limiting his liability for damages under Article 423, Paragraph 1 of the Companies Act. The liability for damages under the agreement is restricted to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. If the re-election of Takashi Shigematsu is approved, the Company plans to continue the aforementioned agreement to limit liability with him.

<For Reference>

If Proposal No. 2 is approved as originally proposed, the number of Members of the Board of Directors will be twelve (12), four (4) of whom will be independent Outside Directors.

Proposal No. 3: Determination of Amount of Remuneration for Granting Restricted Shares to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) and Other Terms Thereof

With regard to remuneration of the Company's Directors who are not Audit and Supervisory Committee Members, the annual amount of up to 700 million yen was approved by resolution of the 80th Ordinary General Meeting of Shareholders held on June 29, 2016 (this does not, however, include employee salaries of Directors who serve concurrently as employees). The Company hereby proposes payment of remuneration for granting the restricted shares to Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter the "Eligible Directors") in a framework that is separate to the remuneration amount described above with the aim of giving incentives to the Eligible Directors for sustainable growth in our corporate value and making them further share values with our shareholders.

See page 12 for the Policy on Director Remuneration.

The remuneration to be paid to Eligible Directors for granting the restricted shares based on this proposal shall be monetary remuneration claims, and their total amount shall be 300 million yen or less per year, the level of amount deemed as reasonable in light of the aforementioned objective. Also, specific timing of payment and allocation of such remuneration to each Director shall be determined by the Board of Directors.

Currently the number of Eligible Directors is seven (7), and if Proposal No. 2 is approved, the number will remain the same at seven (7).

In addition, Eligible Directors shall pay all of the monetary remuneration claims to be provided under this proposal in the form of property contributed in kind in accordance with resolution of the Board of Directors of the Company, and shall receive common shares of the Company that shall be issued or disposed of by the Company. The total number of common shares of the Company to be issued or disposed of thereby shall be 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 effective on or after the day on which this proposal is approved, adjustments shall be made as needed, to a reasonable extent, to the total number of the shares in proportion to the split or the consolidation on or after such split or consolidation takes effect). The amount to be paid in per share shall be 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 (if there is no closing price on such date, the closing price of the closest preceding trading day), which will be within the range not specially advantageous to Eligible Directors who are to be granted the common shares. 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 (hereinafter the "Allotment Agreement") shall be entered into between the Company and each Eligible Director (common shares of the Company allotted under the Allotment Agreement hereinafter referred to as "Allotted Shares").

(1) Restricted period

Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the Allotted Shares for a period of minimum three years and maximum five years that starts from the payment date of Allotted Shares determined in advance by the Board of Directors of the Company (hereinafter the "Restricted Period").

(2) Conditions for lifting transfer restrictions

The Company shall lift the transfer restriction upon expiration of the Restricted Period, on the condition that any of the Eligible Directors has remained in the position of Director or Vice President of the Company or any of its subsidiaries. In case, however, the Eligible Director retired from any of

the positions due to death or term expiration, or for any other reasons the Company's Board of Directors deems justifiable, the Company shall lift the transfer restriction.

(3) Reasons for acquisition of Allotted Shares without contribution

i) In case any of the Eligible Directors retires from the position of Director or Vice President of the Company or any of its subsidiaries 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).

ii) Other reasons for acquisition without contribution 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 13 for the opinion of the Audit and Supervisory Committee regarding this proposal.

(Reference)

Subject to gaining approval of this proposal at this Ordinary General Meeting of Shareholders, the Company intends to introduce the restricted share remuneration plan that is similar to this plan for Vice Presidents of the Company.

Criteria for Independence of Outside Directors

The following provides a summary of the Company's 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.
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 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.

Policy on Director Remuneration

With respect to remuneration for Directors, the Company makes it a basic policy to provide a system and level of remuneration that is considered suitable for executive-level managers of a globally competitive electronic equipment and component manufacturer in order to ensure recruitment of human talent considered to be excellent based on a comparison with same-industry competitors, to raise the morale and motivation to improve financial results and to contribute to the maximization of corporate value.

To improve corporate governance for the decision making process for matters related to the remuneration of Members of the Board of Directors, etc. by improving objectivity and transparency, the Company has established a Remuneration Advisory Committee, consisting of four (4) Members of the Board of Directors of which two (2) are Outside Directors, and after passing through deliberation at that committee, the decision is made at the Board of Directors meeting.

Remuneration for Directors who are not Audit and Supervisory Committee Members is made up of a monthly remuneration, Board Member bonus with the aim of giving a short-term incentive, and share-based remuneration with the aim of making them further share values with our shareholders by giving a medium- to long-term incentive. The monthly remuneration is a fixed remuneration of an amount individually decided for each Director based on a fixed amount for service as Director, and an amount that is decided based on consideration of the level of importance of each Director's business execution allocation and responsibility and the previous fiscal year's financial performance. The total amount Board Member bonus is decided according to the Company's financial performance and the amount allocated to each Director is decided by giving consideration to the level of contribution to financial performance of the respective Director. The share-based remuneration is set by position of each Directors. Remuneration to Outside Directors who are Audit and Supervisory Committee Members will only be a monthly remuneration.

The remuneration paid to Directors who are Audit and Supervisory Committee Members is only monthly remuneration, and the amount paid to each individual is decided through discussion by the Directors who are Audit and Supervisory Committee Members.

Opinion of the Audit and Supervisory Committee

The Audit and Supervisory Committee deliberated the election of the Company's Directors (excluding 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. The Audit and Supervisory Committee judges that each of the candidates for Director is qualified as candidate based on the evaluation of the status of business execution and financial performance of each candidate in the 81st fiscal year. The Audit and Supervisory Committee also judges that remuneration for Directors is appropriate based on the verification made on such matters as the remuneration system and the specific computation method for the amount of remuneration.