

April 30, 2020

Company name: Murata Manufacturing Co., Ltd.
Name of representative: Tsuneo Murata
Chairman of the Board,
President and Representative Director
(Code: 6981, First section of
the Tokyo Stock Exchange)
Contact: Masahiro Sawada
General Manager of Accounting Dept.
(Phone: 075-955-6525)

Notice Relating to Review of Policy on Profit Distribution

This is to advise you that Murata Manufacturing Co., LTD. has resolved at a meeting of its Board of Directors held on April 30, 2020 to amend its policy on profit distribution.

Our basic policy on profit distribution to shareholders is to prioritize the sharing of profits through payment of dividends, and to steadily raise the dividends by increasing profit per share, while enhancing our long-term corporate value and strengthening our capital structure.

We had previously set a target of achieving dividend payout ratio of 30% over the medium term, but this time, in order to further implement our basic policy of steadily increasing dividends, we will adopt DOE (Dividend on equity ratio), which is less affected by the results in any individual year, as our shareholder return indicator, and from the fiscal year ending March 31, 2021, will aim to realize DOE of 4% or higher over the medium term with reference to dividend payout ratio of approximately 30%.

In accordance with this policy, our dividends are determined after comprehensively considering our business performance, as well as the accumulation of internal reserves necessary for reinvestment to ensure future development. We also regard the repurchase of our own share as an approach for returning profit to shareholders. We accordingly implement this measure as appropriate in order to improve our capital efficiency.

As stated in our financial results for the fiscal year ending March 2020, we plan to pay a dividend of 110 yen per share (Interim dividend of 55 yen and year-end dividend of 55 yen) for the fiscal year ending March 2021, an increase of 13 yen from the previous fiscal year.