

Human resources

We aim to become a company where employees can work together while learning from each other by respecting each individual's characteristics with no bias against anyone for personal attributes, and where opportunities for growth suited to each individual's endowments are offered in an equitable manner and employees with diverse backgrounds are highly motivated to work, while value is created in innovative ways as an organization.

Respect for Human Rights and Diversity

We aim to provide a foundation on which diverse employees work autonomously and work in teams, including with people from business partners, so that Murata's collective strength can be demonstrated.

Revision to Human Rights and Labor Policies

In 2012, we established the Human Rights and Labor Policies,* which complements the CSR Charter established in fiscal 2009. In January 2019, we made substantial revisions to it.

As a result of its business expansion, Murata's influence on society has increased and expectations of society for Murata have also increased. In light of this situation, after discussing how Murata's rapid business expansion has influenced people, organizations, and local communities and once again analyzing what is expected of Murata, we have revised the policies to align them with declarations by the United Nations, the International Labor Organization, Responsible Business Alliance, etc.

We substantially revised the policies to once again clarify our policy of respecting, protecting, and not violating the basic human rights of each employee and reflect the human rights awareness imbued in the Murata Philosophy and the company's history. Using these Human Rights and Labor Policies, we aim to ask not just Murata employees but, throughout Murata's supply chains, those of our business partners to pursue realization of society where these policies are respected and support their efforts and objectives.

Efforts on human rights

We have established a management manual for the Human Rights and Labor Policies, which clearly stipulates specific processes, systems and authorities for respecting and protecting the basic human rights of every individual working for Murata, as well as goal setting and educational systems.

In conjunction with the revision of the Human Rights and Labor Policies, we reformed our system for education on harassment. We had been previously conducting a lecture-style training program, but now include all employees as trainees via e-learning. The e-learning program was introduced in fiscal 2019 and has reached approximately an 80% participation rate. In fiscal 2020, we are expanding the program to include group company employees, aiming to increase the percentage to at least 90%.

We will also promote efforts on LGBT issues and implement online seminars, etc.

Promotion of women's advancement

As part of efforts to promote respect for diversity, we are also focusing on promoting women's advancement. Especially in Japan, ensuring of equal opportunities for women is a major issue, and we are working to provide opportunities for growth suited to individuals' endowments in an equitable manner as part of efforts to promote diversity and inclusion.

We have set a female ratio target for recruiting new graduates for career-track positions, and are conducting a variety of recruitment activities specifically targeting female recruits, such as conducting "Seminars for Rikejo [Rikejo is a woman who majors in science]."

Furthermore, we have introduced various systems that are more favorable to employees than required by law, including spouse childbirth/childcare leave and temporary school closure leave. We will continue to work to help each employee achieve a good balance between work and family and create value in a condition sound in both mind and body.

Creating an environment in which employees can work comfortably

COVID-19 has dramatically altered the environment surrounding health and safety. At Murata, we see it as a great opportunity to take various efforts further.

Measures for COVID-19

Murata has set up a Crisis Management Team headed by the President and established policies to address COVID-19 that call for prioritizing the safety of employees in thinking about business continuity, prioritizing measures to ensure employee mental health, not just physical measures to protect them against infection, but also taking measures against the disease on the assumption this situation will remain for an extended period. Based on these objectives, our various functions have coordinated to implement infection prevention measures aimed at ensuring employee health and safety and maintaining business operation. At a manufacturing location in China, which was our first facility to be addressed, we quickly introduced measures including taking employees' temperatures, urging them to sanitize hands, sanitizing workplaces, and creating infection prevention manuals. These measures served as guides for other operational locations. In Europe and the United States, we introduced telecommuting and sent messages at regular intervals to employees to help mitigate the feeling of isolation. In the Philippines, we ran educational sessions for employees, in addition to taking physical infection prevention measures.

In Japan, we changed office layouts to support avoidance of the three Cs: closed spaces, crowded places, and close-contact settings; encouraged telecommuting; introduced a QR code registration system at employee canteens to keep track of their movements; required employees with signs of health issues to keep away from workplaces (with subsidies); and granted special paid leave for employees during closure of their children's schools, among other measures. At the same time, we set a focus on maintaining the mental and physical health of employees, and handed out a collection of ideas for maintaining health while working from home and a booklet offering specific advice on communication and labor management, etc., under emergencies to individuals in managerial positions. Healthcare specialists at operational locations have provided individualized support to employees who had health issues or signs that their conditions may turn serious. The top management also sent messages to employees to express appreciation and thanks for their efforts and urge them to be careful about health.

After the state of emergency declaration was lifted, we regard the present time as a period of "life with corona," in which we seek to achieve a balance between ensuring the safety of employees and reducing their stress, and have sent messages on how workplaces should be operated based on medical knowledge.

Safety and health

In fiscal 2020, we launched a fresh effort on safety and health under the concept of "Safety depends on health" by integrating the safety and health function and the health-promotion function into the same entity. One of the issues that has become apparent

during the period of "life with corona" is the need to regard employees' homes as a workplace and work environment as a result of an increase in the number of employees working from home and the prolongation of this situation.

To ensure the safety of remotely working employees, we have created and distributed a self-assessment tool on the home working environment and employee health conditions. We linked it with the human resources function. When an employee works remotely, the person is required to confirm safety and health after conducting an assessment based on this tool.

The number of industrial accidents resulting in worker absence was 24 in 2017, decreasing to 10 in 2018 and 11 in 2019 and is remaining stable at that level. The analysis of the industrial accidents that occurred in 2019 found that more than 70% of all cases lacked preliminary risk identification in the risk assessment process. Furthermore, more than 70% of the causes of all accidents were due to unsafe behavior.

In response to these results, we set the goal of improving safety and health management and building a culture of safety and launched new initiatives under this goal. Specifically, these initiatives were aimed at improving risk management by reviewing the existing risk assessment process, developing a safety management method that uses a health and productivity management approach, external resources, and IoT systems. We will also work to build a culture of safety by improving safety and health education systems and fostering personnel in charge of safety and health in the next generation.

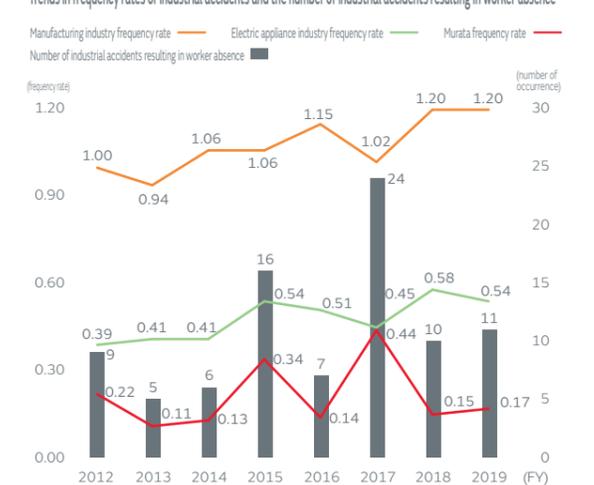
We thus aim to develop a work environment where safety is respected as the top priority and to enhance safety and health literacy among employees through a two-track approach comprising the obligation of the entire management team to ensure safety of employees and the obligation of employees to maintain their own health by implementing measures from a variety of angles.



Amid the new coronavirus pandemic, we invited an external lecturer for an executive discussion camp and remotely held a human rights seminar and discussion.

*Human Rights and Labor Policies
https://corporate.murata.com/en-global/csr/people/human_rights

Trends in frequency rates of industrial accidents and the number of industrial accidents resulting in worker absence



Health and productivity management

In order to sincerely engage in nurturing employees' health, we established the Murata Health Management Plan in fiscal 2019 as a medium-term policy. We have decided to revise this plan in view of consolidation of health insurance cooperatives and enhancement to databases, as well as a significant change in employees' awareness of health and safety due to COVID-19. We will work to improve it into a plan that better reflects the current situation by resetting issues under the concept of "down-to-earth health and productivity management."

For example, in "enhancing stress management," one of the plan's themes, we aim to revise the content from the viewpoint of how we may go about coping with the significant, unprecedented stress caused by COVID-19 and which group may be affected particularly significantly. Specifically, we introduced an online self-care training program for new employees at operational locations with a high percentage of staff working from home. The program provides an opportunity to learn techniques to cope with stressors, ways to take advantage of consultation, and methods of self-care through group work. Going forward, we plan to upgrade the content and methods by measuring the program's impact.

Developing human resources globally

Murata has the basic human resources development policy, "Increase individuals' power to grow, supervisors' and workplaces' power to nurture, and the company's power to make individuals grow." We carry out initiatives to create a culture where individuals can grow and stimulate each other to grow in accordance with this policy.

Rotation of human resources on a global level

Murata has increased hiring of workers at many locations in preparation of further business expansion in global markets. We have aggressively sought to hire such human resources and in fiscal 2007, launched a rotation system that aims to promote hiring of individuals to positions suited to their skills on the global level. The system enables personnel to leave their current Murata location to work at another Murata facility in another country. We rotated a total of 876 individuals by the end of fiscal 2019.

For example, a total of 110 individuals from our Thai production subsidiary (Murata Electronics (Thailand), Ltd.) took the opportunity to work in one of our Japan locations by the end of fiscal 2019, since the introduction of the rotation system. After returning to Thailand, many of the participants in the program play active roles by taking advantage of (1) experience and skills learned systematically in Japan, (2) ways of working and thinking in accordance with the Murata Philosophy, and (3) not only the Japanese language but communication networks established with business divisions and plants in Japan. There are also individuals who were assigned to positions that had traditionally been held by expats from Japan, gained experience in Japan, and, after returning home, assumed important positions as candidates to succeed expats from Japan.

This system has not only helped motivate and train employees but also contributed to laying the foundation on which Murata's operations across the globe can work together to address management challenges.



Improvement facilitators playing active roles globally

The improvement facilitator is an internal qualification that recognizes employees who acquire skills required by individuals working in manufacturing workplaces through lectures and in practice and engage in activities to implement improvements. There are about 1,200 improvement facilitators. There are many improvement facilitators in our operations outside of Japan, including local hires and support personnel dispatched from HQ locations.

In addition to on-the-job training held at each operational location, the Takaoka Training Center opened at Toyama Murata Manufacturing Co., Ltd. is equipped with an environment for training programs that combine lectures and hands-on content to support training. Murata employees around the world are participating in training programs and engaging in practices, aiming to become improvement facilitators.

Before improvement facilitators were widely used, specialists were utilized from headquarters to assist improvement activities, but now we are working to establish improvement activities in which things decided by individuals are carried out by them under the philosophy that "people on the ground know affairs on the ground best."

In addition, improvement facilitators have become indispensable for start-up of mass production, transfer of production operations, introduction of smart factories, in addition to improvement activities at many of our manufacturing facilities.

On such occasions, improvement facilitators play the role of communicating what underlies Murata's *monozukuri* (manufacturing) that is not apparent in manuals.

Improvement in work processes cannot be done by an improvement facilitator working alone. The key is how to put experience and knowledge to effective use and get individuals around him involved. They nurture Murata's manufacturing by voluntarily thinking and working with individuals around them and sharing the joy of working together.

Culture of leveraging diverse individual strengths and collaboratively working together

Murata regards diversity and inclusion as accepting and leveraging not only visible diversity such as gender, age and race, but also qualities and strengths such as thoughts, knowledge, experiences, and viewpoints. We are implementing initiatives to develop a culture focused on mutual trust and cooperation.

Promoting philosophy education backed by history

We opened the Murata Innovation Museum a training facility for employees, inside the Nagaoka Division in 2019.

Here, visitors can learn about the background to the Murata Philosophy and passion behind it, the path Murata has followed while treasuring it, and Murata's global expansion. With this facility, we aim to share our management philosophy and help shape and guide the next generation of our workforce by getting to know Murata's history of challenges and looking toward the future.



First step in disseminating philosophy

Last year, we held study meetings of mainly individuals in charge of education and those who are putting, or plan to put, effort into disseminating the philosophy in each department, with an initial purpose of increasing instructors. We expect these individuals will lead efforts to plan and carry out philosophy and history education programs at their respective workplaces. To enable people who cannot directly visit the museum to feel its atmosphere, we have made it possible to view parts of the museum's materials by opening a virtual reality (VR) museum.

Future expectations for Murata Innovation Museum

We plan to use the museum as a place to promote dissemination of the philosophy to a broader audience by incorporating it into job grade-specific training programs, conducting follow-ups for new hires, conducting training for employees in each region, etc.

POINT! Future of business seen through the Murata Philosophy

Murata Innovation Museum has a key role in efforts to promote the dissemination of the Murata Philosophy throughout operations. We have set up a training room adjacent to the museum to hold workshops using what was learned. For example, there is a business division that, in working out medium-term policies, allows staff members to think about future business after learning anew about the Murata Philosophy and the history of Murata. There are individuals with diverse background in the company, including mid-career hires, employees hired through M&A, and assignees from overseas operations. As a result, we have experienced increasing challenges in sharing the passion behind the policy as we have failed to clearly articulate the characteristics unique to Murata, the passion toward the Murata Philosophy that Murata has treasured and shared among employees which perhaps has been taken for granted.

We learn the Murata Philosophy, which underlies Murata's DNA and the company's footsteps that it walked with the philosophy and think about what should be changed and what should be inherited.

