

Murata Report 2013

Corporate Report
CSR Report



Innovator in Electronics®

Many people are unaware of Murata's electronic components.
 However, Murata components are used by almost all of us.
 Computers, mobile phones, home appliances, car electronics...
 Inside our electronic equipment, which continues to evolve dramatically,
 becoming ever smaller with more advanced functions,
 Murata components are hard at work.

Innovator in Electronics®

Electronic components keep on changing.
 Murata wants to keep on changing, too.
 We work to stay in step with the trends of the times,
 keeping our focus on the customer,
 carrying out our manufacturing with pride,
 continually seeking out new challenges,
 and striving to always remain
 the tireless innovator that we are.
 Under a philosophy that is unchanging,
 we continue to make bold changes.
 In any and every age,
 Murata will always be an innovator.

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In this brochure, "Murata" refers to the Murata Manufacturing Group as a whole.

Murata's Philosophy

Returning to Our Founding Concept to Offer Value on a Global Scale



What we must change and what we must not

The environment currently surrounding Murata is in the midst of the unbridled turmoil of evolving market needs, rapid globalization, and the expansion of emerging markets. Companies must respond rapidly to a variety of changes. A company that does not change cannot survive. On the other hand, there are also things that should not change.

Our "Murata's Foundation", something we must not change, is embodied within our "Philosophy". Without being influenced by the trends of the times, that philosophy must always be seen as the basis behind our judgment and action, as the

foundation of our managerial decisions. Do our customers acknowledge the value of our products and services? As an "Innovator in Electronics®", do we surprise and impress our customers? Are we growing? We must always think in this manner.

Towards becoming the company that we seek to be

In order to manifest the corporate ideal indicated in our philosophy, we have compiled a "Corporate Grand Design", a story of our planned growth ten years into the future. Viewing our business domain as being made up of "houses", we are expanding the level of value that we provide our customers through

**We contribute to
the advancement of society**
by
enhancing technologies and skills
applying scientific approach
creating innovative products and solutions
being trustworthy
and, together with all our stakeholders,
thankful for the increase in prosperity.

the significant development of each individual "house". Simultaneously cultivating the products that will become the pillar of our future business, we continue to aim at sustained growth, even ten years from now.

Three action policies, and beyond

From the company's Mid-Term Strategy that began in April 2013, I can mention "True Globalization", "Marketing by All Members", and "Evolving *Monozukuri*" as the actions we should especially focus on over the next three years in order to realize that "Corporate Grand Design". To triumph over the global competition, we must have cooperation with each site

and each partner in the Murata Group and utilize the optimum resources available throughout the world. We must pursue the value that all Murata members provide to our customers. And we must integrate our production equipment and manufacturing sites, including materials, product design, and process design, in order to further heighten our latent strength in *monozukuri*. It is our aim to contribute to society by constantly practicing these policies in unison with all Murata members.

Tsuneo Murata
President
Statutory Representative Director

All for Customer

Our desire to serve customers links us together.

All employees freely linking together within our powerful global deployment in order to create value that pleases our customers... that is the concept behind Murata's "Value Network". And we will continue to contribute to the future of the world through that network.

Cooperating with local staff to take full advantage of our anechoic chamber in Shanghai and produce the "next idea"

Early on, Murata recognized the necessity of taking measures against the problem of EMI (Electromagnetic Interference), and we have developed various EMI filters to that end. This includes installing an anechoic chamber in both our Head Office and Yokohama Technical Center in order to measure radiation noise and propose effective countermeasures, and, through that, we have provided a variety of solutions for many of our customers to-date. In 2010, we established the "Murata EMC Center", Murata's first anechoic chamber overseas, in Shanghai, China. We then installed shield rooms in Shenzhen, Beijing and Taipei in order to prepare an overall organization that can offer wide-ranging support for our customers' problem-solving activities throughout the Chinese bloc. While we continue to transfer to those nations the countermeasure technology that we have accumulated over decades at home in Japan, there is also a pressing need to foster local talented human resources in each country. As we provide customers with anti-EMI solutions for each individual circuit, that is where the seeds of new technology and the ideas for new products are born. In that sense, I think that China, a country into which companies from around the world are advancing, is a treasure trove of opportunity, and I would like to concentrate further on that market.



Murata Manufacturing Co., Ltd.
Product Promotion Dept., Components Business Unit
Naoki Iida

Sharing Murata's "Spirit of *Monozukuri*" towards global *monozukuri* that maximizes the characteristics of each area

Since Murata's foundation, we have had the desire to embody our proprietary manufacturing technology through proprietary equipment. Our original machines that produce cutting edge products are another source of pride. With a diversified product lineup and a production base that spreads from Japan throughout the rest of Asia, optimization of equipment from a global point of view is also required. So Murata began developing equipment suppliers in East and Southeast Asia from 2009 and we are also involved in the overseas manufacture of our company equipment and the practical utilization of some third party equipment. Murata's staff in Japan is also cooperating with local personnel towards strengthening the *monozukuri* capabilities of each corresponding site from the aspects of both equipment and personnel training. As we share Murata's spirit of *monozukuri*, we are also working at each site to evolve towards a state of *monozukuri* that efficiently employs the special characteristics unique to that particular area.

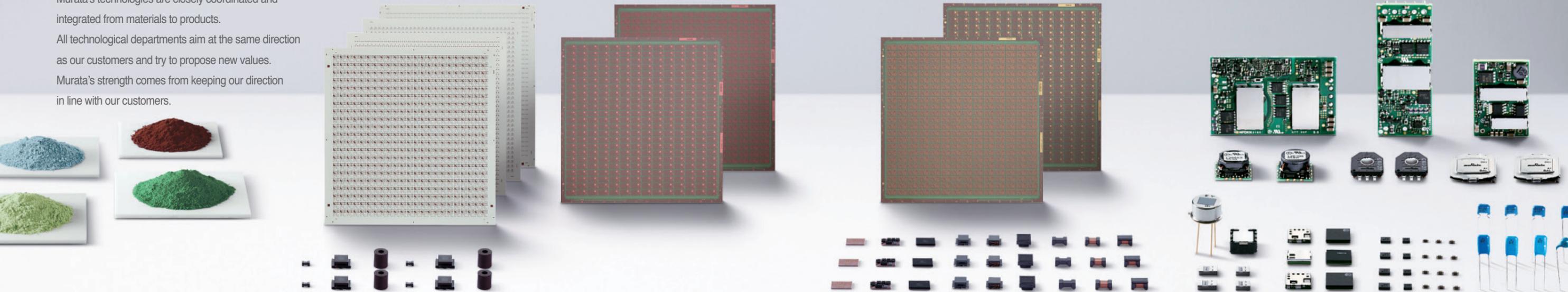


Photo, from left to right
①Li Ling/②Hiroshi Koyama/
③Daisaku Kugo/④Yoko Shuto/
⑤Masayuki Serigano/
⑥James Lum Mum Foong
1,3,5
Murata Manufacturing Co., Ltd.
Monozukuri Enhancement Dept.,
Production Engineering Unit
2,4,6
Murata Manufacturing Co., Ltd.
Machinery Purchasing Dept.,
Production Engineering Unit

Murata's Core Competence

All technologies are directly in line with our markets and customers.

Murata's technologies are closely coordinated and integrated from materials to products. All technological departments aim at the same direction as our customers and try to propose new values. Murata's strength comes from keeping our direction in line with our customers.



[Murata's manufacturing technologies]

Materials

Murata has established a technology to precisely control ceramic materials and electrode materials that critically determine the property of electronic components.



Forming

From 1 μm thick ceramic sheets to complexly shaped filters created by injection forming, we pursue "the functional shape".



Firing

When fired, ceramic's crystal structure shifts to achieve certain properties. Firing is a technique to control these invisible changes inside a furnace.



Processing

Once they have gained electric properties from the previous processes through firing, ceramics are formed into electronic components through various additional processing.



Finish

Once completed, products are delivered to users only if rigorous testing proves that they live up to their Murata label.



[Murata's core technologies] Core competence upholding Murata's manufacturing

Material technology

Developing new materials from scratch while keeping 10 years in the future in view

It is Murata's trait and strength to vertically integrate all manufacturing technologies surrounding electronics, such as materials, components and modules. What determines the future of technologies depends on an accumulation of seed technologies in the upstream processes, namely those pertaining to ceramic and organic materials. We are striving to develop materials with various characteristics drafting a roadmap for the world with 10 years from now in our view.



Murata Manufacturing Co., Ltd. Materials Technology Center, Technology & Business Development Unit
Hayato Katsu

Layering technology

Total technology for making products with the smallest size and the greatest capacity

Layering technology is applied to a process to form prepared ceramic materials into extremely thin sheets and to configure electrodes and stack numerous layers. Over the years of developing and producing monolithic ceramic capacitors, Murata has been thoroughly refining this technology. Our advantage comes from maintaining well-balanced refinement in all processes. This allows us to offer excellent QCD in totality for markets where smaller size and large capacitance are in increasing demand.



Murata Manufacturing Co., Ltd. New Process Development Center, Technology & Business Development Unit
Kazuhiro Tabata

Production technology

Murata's proprietary technologies accumulated at original in-house facilities

In principle, Murata develops and builds original in-house production facilities. For example, I was responsible for implementing a visual inspection unit to ensure built-in quality and quality assurance through a unique image-processing algorithm. We need production lines and facilities to meet the product concepts in order to create and propose new values in electronics, and come up with new products as a result. This is also the source of Murata's competitiveness.



Murata Manufacturing Co., Ltd. New Process Development Center, Technology & Business Development Unit
Ryo Nishiki

Radio frequency technology

A technology for communication tomorrow

Murata's high-frequency filters and communication modules that integrate those filters are behind mobile device innovations evidenced by the rapid evolution of smartphones and tablets. Many of Murata's modules designed with original LTCC design technology and simulation technology are integrated in small advanced equipment. We strive to develop new technologies to meet future needs of society by always staying ahead of our times.



Murata Manufacturing Co., Ltd. Multilayer Products Dept., Communication Business Unit
Atsushi Ono

Electronic components that bring *Innovation* into equipment

By downsizing electronic equipment and adding new functions, electronic components transform equipment from within.



Communications

Mobile phones link you with your future, your security
—With Murata, connection takes up a brand new meaning—

Mobile phones are presently in use all around the world. Higher speed, higher capacity communication services are constantly being introduced and the trend for even more multifunctional and even smarter products is accelerating. Small, highly functional, high frequency parts and sensors, along with functional modules, contribute to their evolution and diffusion.

Key Murata products used in mobile phones



Monolithic Ceramic Capacitor

The world's smallest 0402-size micro-capacitors help reduce the size and thickness of smartphones. These high capacity parts also support the stable operation of smartphone APUs and provide even greater efficiency than conventional mobile phones.

SAW Filter and Duplexer

SAW filters and duplexers, which separate the necessary signal from all radio frequency signals, are key devices in radio frequency circuits. With its unique miniaturization technology, Murata helps RF circuit downsizing.

SWITCHPLEXER®

SWITCHPLEXER® is used for noise filtering and switching between reception and transmission. Murata's innovative multilayer module technology allows the achievement of compact size and high reliability.

Connectivity Module

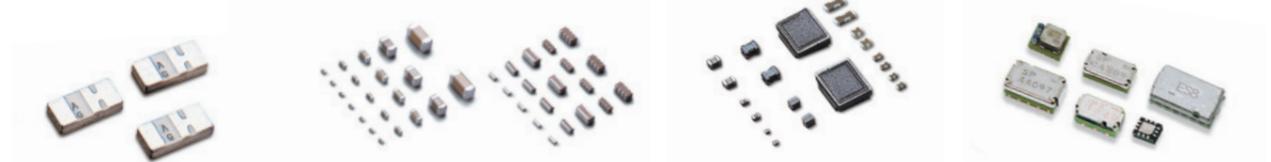
Enabling mobile phones to access the Internet via wireless LAN, these modules lead the trend towards increasing multifunctionality in those phones.

Computers

Ubiquitous computing in the true sense
—Murata makes things “simple” with not-so-simple technologies—

Easy to carry and simple to connect, highly mobile PCs and tablet computers are drawing attention with the spread of high-speed wireless communications and cloud computing services. Murata is supporting new-age computing by downsizing electronic components, enabling them to accommodate higher-frequency signals, reducing power consumption to make them more battery-friendly, and offering sensors and other products that deliver high reliability and operating comfort.

Key Murata products used in computers



Shock Sensor

In addition to their role in protecting hard disks from impact, these sensors contribute to higher density and greater capacity by returning vibration to the magnetic head control as an electrical signal.

Monolithic Ceramic Capacitor and Low-ESL Capacitor

These capacitors stabilize the power supply circuit to MPU, helping reduce size and thickness of mobile PCs.

EMI filter (Chip EMIFIL®)

With the spread of mobile devices like smartphones that offer multiple digital functions in a single package, internal anti-noise measures have become even more important. These small noise suppression parts can be used in a variety of applications to solve noise issues.

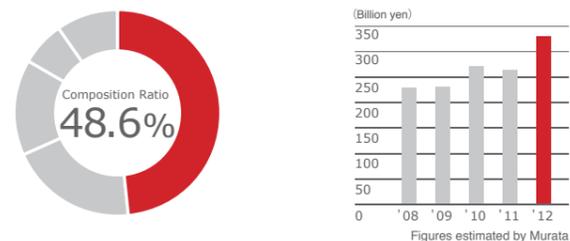
Connectivity Module

Enabling tablet computers to access the Internet via wireless LAN, these modules lead the trend towards increasing multifunctionality in tablet PCs.

The spread of sophisticated mobile phones drives the growth of Murata components.

Mobile phones account for the largest portion of the demand for Murata's electronic components. In addition to the rapid increase in the number of units in use, the spread of such sophisticated models as LTE terminals and smartphones is advancing and there has been a sharp rise in the number of components used in handsets, such as capacitors, SAW filters and connectivity modules, allowing us to expect continued and rapid market growth in the future.

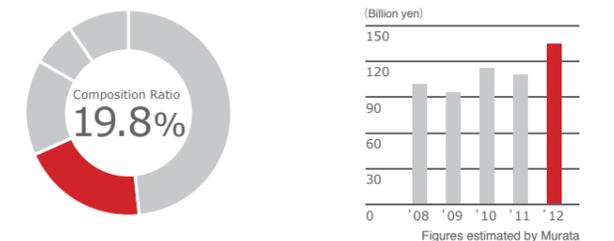
■ Net sales share and net sales for the communication market



Mobile computing now in a new phase of growth.

Market demand for capacitors and noise suppression parts is growing in line with the performance gains in onboard CPUs. Murata also commands an overwhelming share in the shock sensor market for hard disk drives. As more and more tablet PCs that contain wireless communication functions become available, Murata can also expect further growth in its strongholds, i.e., high-frequency products and functional modules.

■ Net sales share and net sales for the computers and peripherals market





Automotive Electronics

Automotive technology is going through transformation for our Earth and people
—Thus, Murata's missions abound...—

In pursuit of people- and environment-friendly performance, cars are being increasingly computerized and electrified.

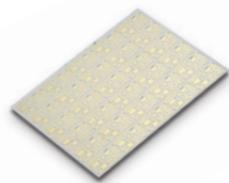
Maximizing the heat resistance of ceramics, Murata's highly reliable electronic components demonstrate their worth even under difficult conditions, and our MEMS sensors are used for safer, more reliable cars.

Key Murata products used in automobiles



MEMS Accelerometer

Developed through micro electro mechanical (MEMS) technology, these sensors can measure gravity, vibration, motion, and shock, and can be used in various automotive applications such as Electronic Stability Control (ESC) and Anti-lock Brake Systems (ABS).



LTCC Multilayer Substrate

This low-temperature co-fired ceramic substrate contributes greatly to improving automotive performance, such as with miniaturized and more reliable power train control ECUs, improving safety with radar modules, and improving mileage through the adoption of idling stop systems.



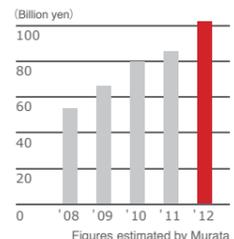
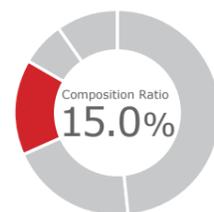
Metal terminal type monolithic ceramic capacitor

These high reliability capacitors employ metal terminals that absorb vibration and stress to prevent cracks in the ceramic. Also effective in noise countermeasures, they play an active role in the world of automotive electronics.

Murata enjoys a growing demand for various electronic components that ensure environmental friendliness, safety, and comfort in cars.

As environmentally friendly cars go mainstream, automobiles are fitted with more electronics, causing a rapid growth in demand for capacitors and other electronic components from Murata. Various sensors used for safety equipment as well as Bluetooth® modules are also successful. We expect to continue to achieve high growth in the sales of components for automobile applications.

■ Net sales share and net sales for the automotive electronics market



Figures estimated by Murata



Audio and Visual / Home Appliances

At home, there's your family, and then there's Murata...
—Smart and economical; the epitome of stylish —

The television remembers your favorite program. The air-conditioner cools only those areas with people in them. Murata's sensors and high conversion efficiency power supply modules support a new "smart" and "eco" lifestyle.

Key Murata products used in audio-visual equipment and home appliances



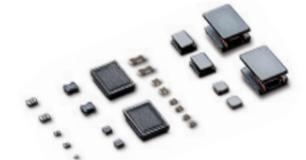
Ionizer (Ionissimo®)

Ion generators provide anti-mold, anti-virus, air cleansing and skin-moisturizing effects. We can now propose a new aspect to our lifestyle, the control of air quality.



Electrical Double Layer Capacitor

Making peak load reduction in mobile equipment batteries and compact power supplies possible, these capacitors are characterized by their small size, low profile, and low resistance, thus contributing to even smaller devices.



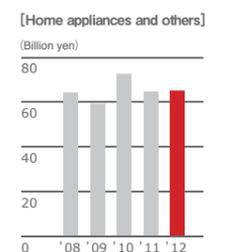
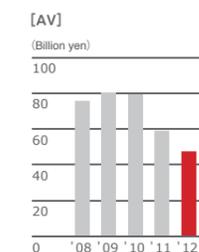
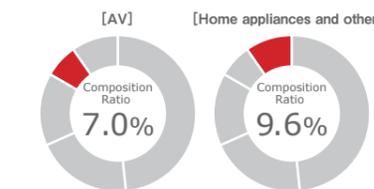
EMI filter (Chip EMIFIL®)

Digitization of audio-visual equipment is advancing and the high-speed clock signal that flows inside those devices may sometimes have a negative influence as electromagnetic noise. EMI filters prevent such malfunctions caused by noise and other factors, and simultaneously contribute to the high definition and high-quality sound in audio-visual equipment.

Flat-screen TV sets represent a core market for Murata.

In addition to larger screens and higher definition, functions that link with peripheral devices and the fusion of communications services result in televisions not only being something to watch and enjoy, but such innovation is turning them into vital information terminals. Flat-screen TVs are thus driving the demand for Murata components like capacitors and inductors.

■ Sales distribution ratio and net sales for the audio-visual, home appliance, and other markets



Figures estimated by Murata

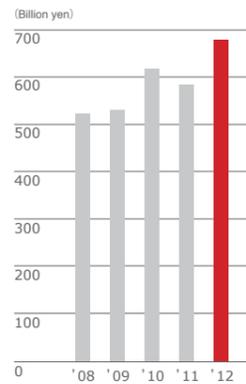
Financial Highlights

Smartphones, tablets, automotive electronics...

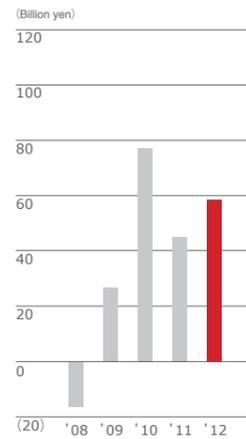
The markets for Murata's electronic components continue to grow.

Smartphones now occupy approximately half of the mobile phone market, and it is predicted that this will grow to about 70% within three years. As this market advances, in addition to the monolithic ceramic capacitors that have been Murata's core product since our foundation, the need for communication modules and piezoelectric parts is increasing. In the automotive field, expectations are focused on sensors that contribute to even greater safety.

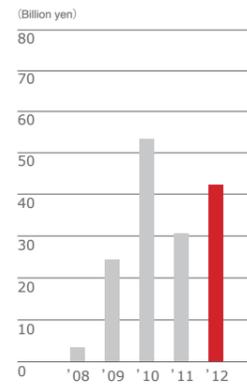
Net sales



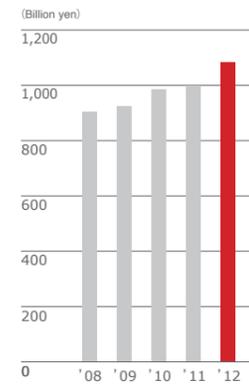
Operating income



Net income



Total assets

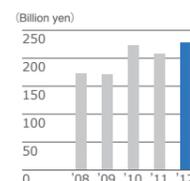
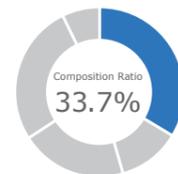


■ Capacitors

Miniaturization and large capacity technology with an overwhelming advantage...

Amongst the need for smaller and greater capacity monolithic ceramic capacitors, Murata has developed the world's smallest capacitors at 0.2 mm x 0.1 mm. Advancing the world's smallest mass-produced products as well, the adoption of 0.4 mm x 0.2-mm capacitors in high-end portable devices is ongoing. In this area as well, Murata boasts an overwhelming advantage.

Murata Manufacturing Co., Ltd. Capacitor Division 2, Components Business Unit
Yuko Abe

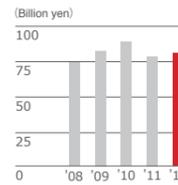
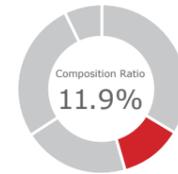


■ Piezoelectric products

Multiband, multi-mode, SAW filters that play an active role...

As telecommunications standards evolved from 3G to LTE and to 4G, the trend is towards multiband and multi-mode portable devices. In piezoelectric parts as well, we can expect an especially large growth in the demand for SAW filters and duplexers.

Kanazawa Murata Manufacturing Co., Ltd. SAW Products Dept.
Sunao Yamazaki

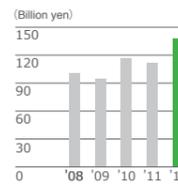
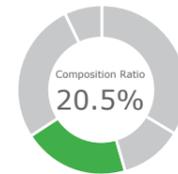


■ Other components

Focusing on MEMS, and expanding their use in the automotive market...

The need for EMI filters and inductors is increasing in the telecommunications sector. In the automotive domain, as the incorporation of systems for stability control (Electronic Stability Control) and other functions are made compulsory in each country, the demand for MEMS sensors (Accelerometers) that detect slipping tires is also expanding.

Murata Manufacturing Co., Ltd. Sensor Products Division
Takatomo Sakai

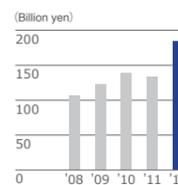
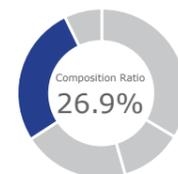


■ Communication modules

The future of space-saving, built-in component technology...

The greater functionality required in smartphones and tablet PCs has increased the demand to miniaturize communication modules. The solution to that is multilayer board technology and built-in component technology. Murata is bringing together a variety of component engineering in these areas to meet customer needs.

Murata Manufacturing Co., Ltd. Connectivity Products Division
Kei Kawashima

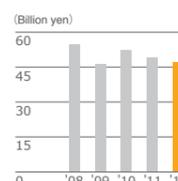


■ Power supplies and other modules

Preparing a new system for industrial standard products

Up to now, Murata's strong suit for power supply modules has been products with customized sizes and outputs. We are preparing our manufacturing system to produce industrial standard products that have large, global markets.

Murata Manufacturing Co., Ltd. Power Device Products Division
Naoko Fujita



Global Network



The Americas



Net sales: 44.1 billion yen
 Number of employees: 650
 Subsidiaries: 14

Murata Americas
 General Manager
 Connectivity Solutions
 Mehul Udani

Innovation begins with "I" and hence with each one of us!

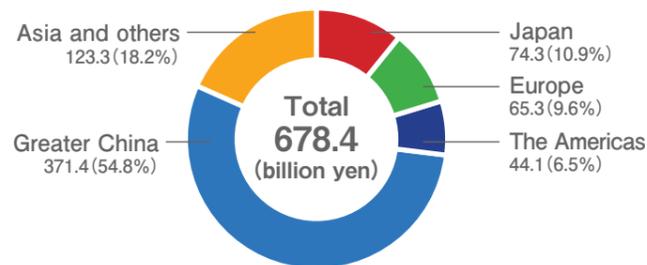
Murata Americas strives to cultivate wireless module opportunities in both core and new markets and applications. We will provide value to new customers through a solutions approach that includes hardware, software, and support to address the needs of key vertical markets. This will strengthen our strategy of offering wireless modules as an anchor in order to provide a broader Murata product portfolio!

Global Network

76 companies in many regions of the world.
 Wherever you find us, we are always Murata,
 ever innovative.

Approximately 90% of Murata products are sold overseas.
 Japan, Asia, North and South America, Europe.
 Not only do we adhere to the same customer-oriented policy at each of our sites, we also strive to be a beloved corporate citizen and trusted presence in every region. Furthermore, each site recognizes itself as a member of the same Murata Group, moving together towards a common goal.
 Around the globe, Murata works as one.

Sales by Area



* Net sales, number of employees, and number of subsidiaries for each area are as of March 31, 2013.
 * Net sales for each area are for electronic components and related products.



Europe



Net sales: 65.3 billion yen
 Number of employees: 1,150
 Subsidiaries: 13

Murata Europe
 Sales Manager
 Automotive Business Unit
 Daniel Salvans

LET'S INFLUENCE & BE PART OF CUSTOMER SUCCESS!

The electronics industry is developing in all sectors, and its customer base is just as diverse. As a global team, we will keep track of our clients' needs, and contribute to their growth. We will, further, differentiate ourselves from our competitors by offering innovative ideas and products as well as best services possible. Murata Europe will do its utmost to realize these goals.



Japan



Net sales: 74.3 billion yen
 Number of employees: 22,537
 Subsidiaries: 24

Murata Manufacturing Co., Ltd.
 Device Research & Development Center,
 Technology & Business Development Unit Manager
 Devices Development Dept.
 Takashi Hasegawa

Creation of Core Technologies

At the Yasu Plant, Murata's base for research and development, we work with materials, manufacturing technology, and product development to create competitive Murata products by organically connecting various development content. Though both customer demands and the necessary technology will continue to change in the future, the need for core technology that surpasses our competitors will remain. Here, we create the core technology that answers those changes, and we nurture the talented personnel who make that possible.

Greater China



Net sales: 371.4 billion yen
 Number of employees: 6,868
 Subsidiaries: 16

Murata (China) Investment Co., Ltd.
 Business Engineering Dept.
 Senior Manager
 Weng Jin

Prepare for danger in time of peace

The Chinese bloc is considered the most active area in the world, and sales here account for more than half of the whole of the Murata Group. Currently, dizzying transformations around and flexible response to a variety of situations is called for in order to continue to provide customers with the "best" products. We are contributing to the building of a "Global Murata" by demonstrating a spirit of challenge and creating new value to that end.

Asia and Others



Net sales: 123.3 billion yen
 Number of employees: 5,856
 Subsidiaries: 9

Murata Electronics Singapore (Pte.) Ltd.
 Assistant General Manager
 Sales Department
 Peter TAY Wee Peng

Build global team synergy = High CS = Sustainable sales growth

My greatest satisfaction as a global account manager comes from the recognition we have received as the top supplier of electronic products. Our close-knit global team responds to a variety of issues towards continually heightening the level of customer satisfaction. But there is still much for us to do as an "Innovator in Electronics®."

CSR Report 2013

In harmony with the Earth, Society and People... An “Innovator in Electronics®”

The Murata Philosophy, which has guided our activities since our inception, contains such phrases as “We contribute to the advancement of society”, “together with all our stakeholders” and “thankful for the increase in prosperity”. These represent the very spirit of our CSR policies today. It was in keeping with the focus of this Philosophy that we established our “CSR Charter”, under which Murata Group corporate officers and employees proclaim to fulfill their social responsibilities as good corporate citizens, while acting upon the “Murata’s Foundation” with integrity and justice.

We have identified CS (Customer Satisfaction) and ES (Employee Satisfaction) as our top priorities, and have begun working to realize the goals of our newly established Corporate Grand Design. And we have excellent news to report this year: Murata’s “0402 size” and “0201 size” micro-monolithic ceramic capacitors won the Nikkei Awards for Excellence in the 2012 Nikkei Superior Products and Services Awards sponsored by the Nihon Keizai Shimbun newspaper. This was based on our effective use of state-of-the-art technology to produce and supply large quantities of micro (0402 size) monolithic ceramic capacitors that are indispensable in smartphones and tablet PCs. We feel proud that this is direct praise for Murata’s contribution to the advancement of society and a validation of our practice of the Murata Philosophy.

We are also strengthening our involvement with respect to global environmental issues such as the reduction of CO₂ and the protection of biodiversity, as well as to pressing worldwide dilemmas that include the use of mineral resources from conflict regions.

Murata is also committed to fulfilling its responsibilities as a member of society and the community through the supply chain and have obtained OHSAS 18001 (Occupational Health and Safety Assessment Series) certification at the company’s domestic and overseas production sites. Since the beginning of fiscal 2013, we have employed this OHSAS certification as a tool in positioning the safety and health of all employees as the first priority of management, and we are working to get the whole of our organization involved in creating safe and comfortable workplace environments and maintaining and improving employee mental and physical health.

In this way, all of us at Murata remain committed to being an open presence in our community and in society as a whole, and to remain a corporation that is worthy of trust and respect. We want to ensure that our customers know they are in good hands when they do business with Murata. Guided by the CSR Management Committee that we established in order to put the CSR Charter into practice in line with the “Murata’s Foundation”, we will continue to serve the needs of society by promoting our fully-integrated, company-wide CSR management policies in a consistent and strategic manner.

Tsuneo Murata



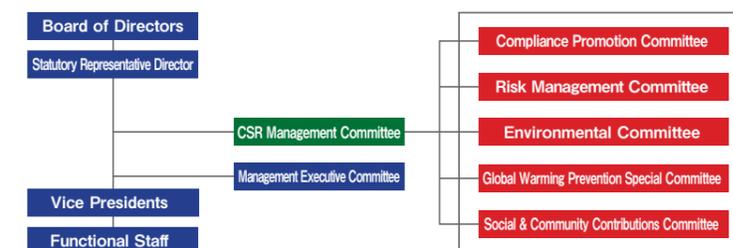
President
Statutory Representative Director
Chairman of the CSR Management Committee

CSR Charter (Outline)

In line with the “Murata’s Foundation”, Murata aims to continue to be a company that is trusted by society by committing to compliance with laws and regulations, as well as to highly transparent governance, respect for human rights, health and safety, social contribution and environmental preservation, on the basis of high corporate ethics. To these ends, Murata stipulated this CSR Charter as the norms to be observed by all those working at the Company.

- **Corporate governance** We will fulfill accountability and enhance management transparency, so as to remain open to our communities and society, and continue to be a reliable and respectable company.
- **Human rights and labor** We will respect the human rights and dignity of individuals.
- **Health and safety** We will improve product and service quality and boost employee morale by securing a safe and comfortable working environment and managing employees’ health.
- **Environmental preservation** We aim to realize a society where people can live a healthy life with peace of mind, by reducing negative impact of our corporate activities on society, environment and natural resources.
- **Fair trade and ethics** We aim to maintain the highest standards of ethics, so as to be a company that fulfills its social responsibility and wins social trust.
- **Management system** We will establish a system that ensures compliance with this CSR Charter, and continuously improve the system.

[CSR-related committee organizational chart]



[Our CSR Charter and CSR-related policy list]

■ CSR Charter / ■ Corporate Ethics Policy and Code of Conduct / ■ Human Rights and Labor Policies / ■ Occupational Health and Safety Policy / ■ Environmental Policy / ■ Purchasing Policies / ■ Quality Policy / ■ Disclosure Policy / ■ Basic Policies for Activities to Contribute to Society and Local Communities

[Scope of report and information disclosure system]

This report is written and edited with care to be concise in order to help readers easily understand Murata’s CSR concept and activities. Detailed information, case studies and environmental performance data from each plant are also provided on the Murata website. Detailed financial information can be found under “Investor Relations”.

[Term of this report]

Between April 1, 2012 and March 31, 2013

* Some activities taking place before March 2012 or after April 2013 are covered in the report as well.

[Organizations reported on]

Murata Manufacturing Group
(Murata Manufacturing Co., Ltd. and 76 subsidiaries inside and outside of Japan)

 For items marked with this icon, further information is available on the Murata website.



Feature Articles: Business and CSR — “Monolithic Ceramic Capacitors”

Monolithic ceramic capacitors: Contributing to the evolution of smaller and more efficient electronic devices

Creating new value that will promote the evolution of mobile phones and smartphones

At the time it first appeared, the mobile phone was carried on the shoulder like a shoulder bag. That look has now evolved into the size of one's palm and is thinner than a small notebook. In addition to phone calls and e-mail, everything that we used to put in our pockets, like commuter tickets, wallets, maps, and cameras... all of these functions are now contained in a single smartphone. However, since they incorporate so many functions, it is necessary to pack a large number of electronic circuits into a narrow space. For example, there are no less than 500 to 700 miniature monolithic ceramic capacitors in the latest smartphone. And those built-in electronic components need to continually be ever smaller and ever thinner. Presently, communication networks represented by mobile phones and smartphones have become a part of the social infrastructure that delivers safety, security, and affluence to our lives, just like electricity, gas, and water utilities. They are naturally used for regular communication, but they also demonstrate their enormous importance in times of disaster. Since our foundation, at Murata we have worked towards total integration from material development to the manufacturing process and all the way to the finished products, and we lead the drive for smaller, larger capacity monolithic ceramic capacitors.

We think that Murata has the responsibility to continue finding ways to offer even newer value in monolithic ceramic capacitors that will advance the evolution of those mobile phones and smartphones, which have become an indispensable part of the infrastructure. And we are determined to continue our vigorous efforts as an "Innovator in Electronics®" in the development of parts, service, and solutions that create new value.

Murata. Always challenging miniaturization and leading the industry towards the "world's smallest" products

This January, Murata's micro monolithic ceramic capacitors were given the Nikkei Awards for Excellence in the 2012 Nikkei Superior Products and Services Awards sponsored by the Nihon Keizai Shimbun newspaper. Presented for superior products and services, we were commended for our development of small products, like 0.4 x 0.2 mm for practical use (0402 size) and an even smaller 0.25 x 0.125 mm (0201 size). "Murata is always a leading vendor in the industry and delivers the electronic components that are indispensable in smartphones, the use of which is spreading quickly in today's market." The trend towards miniaturization and greater capacity in monolithic ceramic capacitors can be said to mirror the very history of Murata itself. And our development of 0201-size products now opens a new page in that history.



Feature Articles: Business and CSR — “MEMS Sensors”

Preventing loss of stability even in suddenly changing road surfaces and contributing to safety in an automotive society via “Active Safety”

A new ally joins the Murata Group: MEMS sensor technology from Finland

MEMS is an acronym for “Micro Electro Mechanical Systems” and it involves the micro fabrication of silicon wafers just like with semiconductor products such as memory and microcomputers. MEMS products are not merely circuits on a silicon substrate but possess a three-dimensional, mechanically movable configuration. This structure enables functions that employ sensors for converting such physical quantities such as pressure, temperature and acceleration into electrical signals and actuators that conversely receive the electrical signal and mechanically move the movable structure. When VTI Technologies Oy, a dedicated MEMS producer in Finland, was added to the Murata Group as Murata Electronics Oy in January 2012, it became possible for us to employ three-dimensional MEMS technology and offer the robust functions of accelerometers, gyro sensors, and inclination sensors. The main market for this new technology is the

automotive domain, especially for the ESC (Electronic Stability Control) system that is indispensable to safe driving. In response to the over- or under-steering that is generated when there is sudden change in road surface conditions, or from rapid steering actions, this mechanism instantly returns the vehicle to a state of stability through automatic and integrated control of the brake and engine output. Europe and North America have already made installation of an ESC system obligatory, and that same requirement was imposed even in Japan for new models and full model changeovers starting from October 2012. Conventionally, the mainstream of automotive safety was “ex post facto remedies” with the installation of air bags and other safety equipment, but ESC is based on the concept of “Active Safety”, i.e., preventative safety. And Murata technology contributes a great deal to the spread of systems like this.



Providing automotive safety through sensors that adopt MEMS technology

- 1 Front row, from left:
Murata Manufacturing Co., Ltd.
Sensor Products Dept.2,
Device Business Unit
Katsuhiko Hiyoshi
Yoshie Komikado
Hiroyasu Ishiguro
Nobuhiro Takagi
Toshiaki Kitagawa
Isao Naito
- Back row, from left:
Masayuki Kimura
Keiichi Shinooka

- 2 Murata Electronics Oy
Executive Vice President
Automotive
Hannu Laatikainen

Feature Articles: The Environment — “Global Warming Prevention”

Expending efforts towards saving energy and affirmative reexamination of production methods result in a dramatic reduction in CO₂

Fulfilling our responsibility as a so-called “Mother Factory” to our Group and to society as a whole

Fukui Murata Manufacturing is the largest production site in the Murata Group but, with on-site development capabilities, we also represent the closest development base to any of the Group’s production sites. Involved in the development of new products and the new production techniques and manufacturing and production technology that are required for mass-production, we play the role of a so-called “Mother Factory” in preparing the way for mass-production and then transferring that know-how to other Group businesses. We also recognize that Fukui Murata Manufacturing is in a unique position to take the lead in providing solutions to the issues of energy saving and CO₂ reduction. Here, with the development team situated in the same locale as the mass-production line, mutual cooperation and exchange enables the design of products and the development of production methods and equipment that are more environmentally-considerate.

With our core item, monolithic ceramic capacitors, we have attained an approximate 45% reduction in CO₂ emissions over fiscal 2007 when calculated based on production level. However, as production volume has doubled, we have actually experienced a 10% increase in CO₂ emissions overall. From upstream to downstream, little by little, each and every department is exerting its accumulated efforts towards saving energy. However, based on the prediction that the demand for micro, high-capacity monolithic ceramic capacitors will grow even further from here on, I sense the necessity for a more fundamental energy-saving policy. For example, under the present circumstances, the issue of temperature distribution means that only the central portion of the furnace can be used for calcination, the largest source of energy use in the overall process. Furthermore, in order to achieve dimensional accuracy within the extreme miniaturization that is taking place in the base ceramic substrate, only a portion of the whole is usable, and the remainder must be discarded. By investigating these problems thoroughly, on paper, it should be possible to lower the energy cost per piece to 1/10th its current level. Although the spread of small high-capacity monolithic ceramic capacitors itself is contributing to energy savings in electronic devices, we can attain further energy savings during the manufacturing process.... And I think that it is the very mission of Fukui Murata Manufacturing.

Fukui Murata Manufacturing Co., Ltd.
Director
Takaichi Kitahata



Feature Articles: The Environment — “Mega Solar”

Operating large-scale solar power generation systems in order to make social contributions through renewable energy

[Shenzhen Murata Technology Co., Ltd.]
Achieving a 10%-equivalent reduction in power consumption even within the remarkable economic growth of China

These days in China, the country’s rapid economic growth has resulted in chronic electric power outages, with power shortages in summer being especially serious. In line with that, the need for companies to save energy and reduce their environmental impact is growing larger due to the government’s environmental policies, which include CO₂ emission control.

At Shenzhen Murata Technology, our rate of annual power consumption exceeds 10 million kWh and accounts for a large portion of this area’s energy consumption, making this one of the most important problems that we needed to immediately improve. So we installed a solar power generation system in order to contribute to the spread of renewable energy as well as to the elimination of the area’s electric power shortages. With this system, we are able to realize a reduction of about 1.1 million kWh of electric power per year and about 812 tons in CO₂ emissions. This is equivalent to around 10% of our total annual power consumption. As a company that does business in China, we will continuously strive to be a positive stimulus to the whole Murata Group while enthusiastically fulfilling our local social responsibilities.

Shenzhen Murata Technology Co., Ltd. Administration Dept.
Wen Fang Jing



[Yasu Plant]
Proposing a post-disaster energy supply system:
Mega Solar systems that can serve 200 average households

Following the example of Shenzhen Murata Technology Co., Ltd. in China, we completed “Mega Solar Yasu”, a mega-solar power system, at our Yasu Plant, and have initiated the generation of electrical power there. We introduced this solar power generation system in connection with the deregulation and promotion measures for renewable energy that emerged in line with Japan’s reexamination of its post-disaster energy supply structure. Using this system, we are generating 910,000 kWh of electric power per year, equivalent to the use in about 200 average households, and we sell all of that electricity to the local electric power company. Although we experienced many difficulties and hardships during construction of the system, such as problems with the foundation, problems with materials, and problems with the equipment itself, it was finally completed and began generating power safely. While continuing the spread and promotion of renewable energy, and assisting towards the elimination of electric power shortages in this area, we will also continue to cooperate with local governing bodies in order to be of use in local environmental research and learning.

Photo, from left to right
Murata Manufacturing Co., Ltd.
Planning Dept., EMI Filter Division,
Components Business Unit
Katsuya Imagawa

Murata Manufacturing Co., Ltd.
Environment Dept., Administration Group
Yoshiaki Sakata
Hiroaki Otsuka

Murata Manufacturing Co., Ltd.
Yasu Plant Administration Dept.
Hiroyuki Tsutsumi
Yoshiaki Kishimura
Fumitaka Kojima



[Promoting Environmental Management]

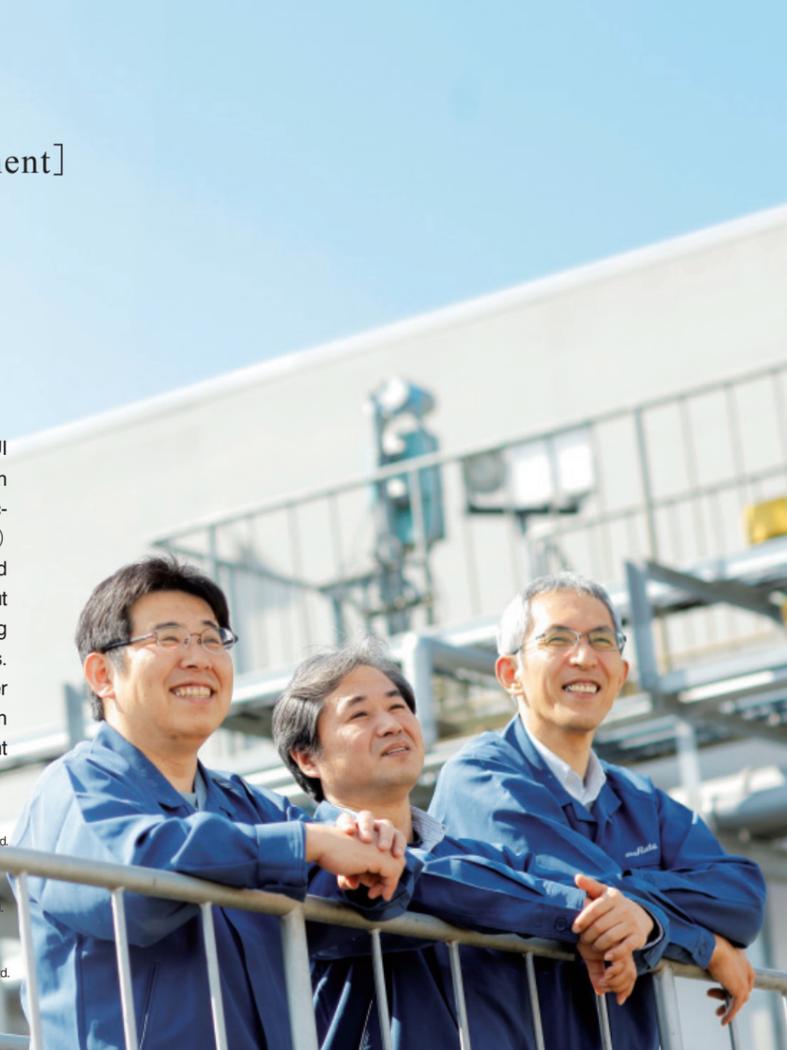
Focusing each company's attention on the environment and sharing concrete information and activity content

Since our three companies, Toyama Murata Manufacturing, HAKUI Murata Manufacturing, and Himi Murata Manufacturing, are situated in close geographic proximity and are manufacturing the same piezoelectric goods, we began to fully unify our participation in ISO14001 (EMS) from fiscal 2012. Through this integration, we have naturally increased efficiency, reduced the load, and lowered costs in regard to EMS, but our three companies have also shared concrete information on saving energy, on reducing waste, and on social action and greening activities. This has had the effect of allowing us to take the activities of the other companies as a hint towards advancing such content in our own businesses. And we will continue to strive towards even more efficient and effective environmental activities in all three companies.

Environmental management

Murata completed consolidation of an environmental management framework based on our environmental management concept at every plant in Japan as well as every production site overseas in FY2009. We will share information with regard to environmental management, and aim at the promotion of highly efficient and effective environmental activities and strengthening of governance.

Photo, from left to right
Toyama Murata Manufacturing Co., Ltd.
Administration Dept.
Go Mizuno
Himi Murata Manufacturing Co., Ltd.
Administration Sec.
Yoshiaki Yamashita
Hakui Murata Manufacturing Co., Ltd.
Administration Sec.
Yoshiyuki Ishimaru



Residue resin turned into recycled blocks for use in the beautification of on-premises sidewalks and in the local community

Murata Electronics (Thailand), Ltd., tackles waste reduction based on the "3R" concept (Reduce, Reuse, Recycle). For example, the resin and plastic resulting from our production activities is re-molded into blocks for sidewalks within the factory grounds. However, those recycled resin blocks not only play a useful role on the premises but also as a part of our social contribution for use by local citizens.

Waste reduction

The Murata Group attained zero emissions in Japan in fiscal 2003. We are now tackling zero emissions overseas and working to reduce the generation of waste itself.

Photo, from left to right
Murata Electronics (Thailand) Ltd.
Environmental Control Section
Kiathipong Somdet
Patcharin Kaiyasit
Mirth Srithongsuk



Towards products that are fully environment-friendly when they're produced, when they're used, and when they're discarded

Our Product Department is in charge of developing micro DC-DC converter modules for the mirrorless cameras that have shown remarkable growth within the digital camera market. As eco-friendly products come to be more and more in demand these days, miniaturization, lower weight, and greater efficiency are called for in those micro DC-DC converter modules as well. The product we have just developed in collaboration with other related departments delivers a 25% reduction in size compared with conventional products and a 22% reduction in weight. In spite of that miniaturization, we were still able to make it more efficient as well. I would like to continue our aim towards further miniaturization and higher efficiency and to develop products that take the environment into consideration.

Eco design

At Murata, we manufacture environmentally preferable products thoroughly focusing on the environmental burden throughout their entire lifecycle, including parts and materials procurement, design and development, production, use, recycling and disposal.

Murata Manufacturing Co., Ltd.
Technology Integrated
Products Dept.
(presently Okayama Murata
Manufacturing Co., Ltd.)
Tomoyoshi Hiei



MURATA BOY and MURATA GIRL: Playing an active part in activities that introduce our involvement in environmental preservation

At Fukui Murata Manufacturing, in order for people in this area to feel like our company is "friendly, safe, and reliable", we hold company tours and introduce our environmental preservation activities. In an age in which children "losing interest in science" is regarded as a problem, and as a company involved in "monozukuri", we also hold "environment and science study classes" and "electronic workshops" at elementary schools in order to convey the joys of science to the children who are our future. It is our hope that, through these activities, the local citizens will come to learn more about and also become fans of our company.

Environmental risk communication

Murata strives to minimize the environmental risks of business activities affecting the local community and to be ready to promptly handle any problems when they happen. To this end, we do our best to disclose information pertaining to such efforts, including inviting local residents to company tours so that they can understand Murata's environmental conservation activities.

Photo, from left to right
Fukui Murata Manufacturing Co., Ltd.
General Sec., Administration Dept.
Chihiro Tanikawa
Nobuaki Matsuda
Environmental
Maint. Sec.,
Administration Dept.
Teruki Masunaga



● Murata and the Environment [Web](#)

Reviving natural woodlands and establishing biotopes to create a space in which the factory and the surrounding Nature interact

At Azumi Murata Manufacturing, we consider the effect on the ecosystem that accompanies our corporate activities and we are engaged in activities to return the groves adjacent to the plant to a "natural woodland" environment. We also plan to use the waterways that flow through those woods to create "biotope" spaces inhabitable by a diversity of living organisms, and hope to utilize them in the future as teaching material in the observation of Nature for neighboring elementary and junior high school students, as well as a place of relaxation for local residents and employees. Furthermore, we are developing various activities for the future that will lead to environmental preservation in order to give birth to a community rich in biodiversity.

Conserving biodiversity

Murata has been working on conserving and restoring the ecosystem based on our philosophy about the association between business activities and biodiversity. On January 2011, we added an action plan for biodiversity conservation in our environmental policy to further accelerate our activities, and to promote awareness of the importance of biodiversity conservation in our employees.

Photo, from left to right
Azumi Murata Manufacturing Co., Ltd.
Administration Sec.
Hiroshi Kobayashi
Mika Yabana
Seiji Furihata

Reducing 1,170 tons of CO₂ in our distribution activities by shifting from air to ferry transport

Wuxi Murata Electronics Co., Ltd. is tackling a reduction in CO₂ emissions towards mitigating the environmental impact of our physical distribution. Much of the cargo sent from Japan to bases abroad is shipped by air, with only a small portion of the cargo sent to our company being by boat. So, we received the support of the Head Office's distribution department, and, in cooperation with their shipping department as well, starting from March 2012 we introduced ocean ferry shipments as a part of deliveries from Japan. By gradually expanding the range of applicable cargo, we were able to reduce CO₂ emissions a total of 1,170 tons, from 2,926 to 1,756 tons, in fiscal 2012 year, compared with shipping solely by air. We hope to continue to aggressively focus on even further CO₂ reductions in the physical distribution system.

Promoting eco-conscious distribution and packaging

We strive to reduce environmental burden at the distribution stage of products in addition to the manufacturing stages. We reduce CO₂ emissions by promoting efficient transportation in addition to reducing waste through using less packaging materials.

Photo, from left to right
Wuxi Murata Electronics Co., Ltd.
Corporate Administration Group
Zhong Weiyue

Wuxi Murata Electronics Co., Ltd.
Administration Dept.
Yang Aihua
Shen Ta





[Employees]

Working at Murata means working within the world at large. Young employees experience the Murata within global diversity, the diversity within Murata.

Communicating in the lingua franca of “technology” while mutually respecting each other’s cultural background

In order to foster future global human resources, Murata Manufacturing offers a program for employees to learn through work in a location abroad while they are still young. We entered this program and are currently being trained in Singapore. The overseas production ratio is growing at Murata and the corresponding work is increasing, like supplying production equipment overseas, local procurement, and more. We regard cooperation with the local staff, such as in regard to equipment startup, maintenance and upgrading, as being indispensable and look forward to expanding the scope of our work in this area. Akinori Hata’s work is specifically studying equipment maintenance and upgrading. Together with local staff, he researches methods behind promoting employee education, such as building a “training kit for the *monozukuri* site” that utilizes a specific block of equipment. Yusuke Nakagawa is studying the global procurement of equipment. With the cooperation of the staff here, and also through association with the Singapore government, he is trying to establish connections with the

excellent and practical equipment manufacturers that exist in the ASEAN region. In both our cases, it is important to ensure smooth communication with the local staff and to unify the focus of that staff with our own. Singapore is an international city and, with its notable economic growth, it possesses many excellent and talented people, and we frequently find stimulus here. It feels like there is much for us to learn, especially from a business standpoint. Although it is said that the world of technology is universal, the way we work is subtly influenced by our mutual cultural backgrounds. Although the in-company language is mainly English, taking one step out into the town in Singapore presents us with a world in Chinese. We have realized that we have made ourselves more open to outside cultures by allowing ourselves to be active inside such diversity. Working at Murata means working within the world at large. We have a deeper understanding of that now. Once our training finishes, we hope to have an opportunity in the future to work together with the staff that we’ve worked with in Singapore.

Photo, from left to right
Murata Manufacturing Co., Ltd.
Production Engineering Development Dept.,
Production Engineering Unit

Akinori Hata

Murata Manufacturing Co., Ltd.
New Process Development Center,
Technology & Business
Development Unit

Yusuke Nakagawa



With the local staff at Murata
Electronics Singapore (Pte.) Ltd.

[Employees]

Towards creating a safe and comfortable workplace and advancing health and safety activities

“If you act, the workplace will change.”

Safety is borne from communication and ideas.

OHSAS (Occupational Health and Safety Assessment Series) is an international standard on Occupational Health and Safety formulated by an international consortium. To the degree that there are even manufacturers who make it a condition of business to have acquired this certification, it is also a proof of trustworthiness. Of course, the most important thing is to provide a safe environment for employees and to aim at zero accidents. In response to the enthusiastic words of our factory manager, “Worker consciousness changes when the supervisor raises his or her own consciousness,” this administration desk began in-house activities a full year and a half before obtaining external certification. Health and safety measures are the accumulation of little things. The catchphrase is the “genba, genbutsu, genjitsu (actual site, actual thing, actual situation)” principle. Search for places in which risk lurks in each work site, walk around the site, summarize the workers’ statements, and create a risk assessment table. We started our own assessment table in 2011, and, a mere year later, potential risks that were not readily evident before quickly began to emerge there. At

Kanazu Murata Manufacturing, we began in 2000 to promote “KYA” (K: kiken [hazard], Y: yochi [prediction], A: [activity]) in which employees, when they sense or discover danger, indicate the contents on a card and work towards improvement. The results from that are then incorporated into a risk assessment. Our risk assessment table is posted in locations where everyone in the workplace can see it, and it is updated whenever an improvement is made. We have even come to hear positive comments about this in meetings of the Health and Safety Committee as well. Basically, Murata has always been a gathering of people who enjoyed *monozukuri*. There is a place called the “Forest of Creation” on each floor of our company, and we are also developing activities for employees themselves to devise and create the mechanisms and tools for reducing risk and eliminating “muri, muda, mura” (unreasonableness, waste and inconsistency). We at the administration desk have always tried to act immediately upon receiving any comment from the workplace. If you act, the workplace will change. We can truly feel that this consciousness is shared among employees.

Photo, from left to right
Kanazu Murata Manufacturing Co., Ltd.
Administration Sec.

Yoshimi Kitano
Shinichi Maruko



[Responsibilities and Actions in Relation to Suppliers]

Permeating CSR through the supply chain

Aiming at a win-win relationship between Murata and its suppliers through CSR activities

We think it is important that a company not only pursue profits but also fulfill its social responsibilities. And, in purchasing activities, that the buyer not only procure the targeted item from the supplier, but also make the supplier conscious of CSR. Not limiting ourselves to the standpoint of management, we also aim at appropriate quality and environment-friendly production activities by advancing the concept of "Reduce, Reuse, and Recycle" together with our suppliers. For example, the reuse of packing materials and the introduction of reusable shipping cartons have the effect of also reducing effort and cost for the supplier. We are working to permeate improvements in work conditions, safety, and health, as well as other results through our supply chain. With CSR, it is important that Murata and its suppliers make sustainable improvements together. We have attempted to convey that during our visits to our suppliers and when making proposals for improvement. By placing this point of view within our management activities, Murata and its suppliers enter into a win-win relationship. And that is our goal.

Photo, from right to left
Wuxi Murata Electronics Co., Ltd.
Purchasing Control Sec.,
Operations Dept.

Tomoyuki Yamaguchi
Zhou Xiaoqu
Chen Sufang
Xuan Yong
Wang Minya
Ling Xiaobo
Yan Yan
Zhou Meihong
Ding Haiyan
Zhou Hong

[Response to the problem of conflict minerals]

Upon the enactment of the Dodd-Frank Act in the U.S. in July of 2010, the problem of "conflict minerals" garnered a great deal of close-up attention worldwide. Then, in August 2012, once the SEC had issued a final rule pursuant to that Act, many of our customers began to ask us to provide information on the conflict minerals contained in our products. At our company, we regard this "conflict mineral problem" as part of our corporate social responsibility (CSR), and are tackling it through the following policies:

- (1) Construct a mechanism of managing conflict minerals and continuously promote activities towards making our products free of conflict minerals.
- (2) Investigate smelters used for component materials based on an "EICC/GeSI program".
- (3) Transmit and share timely information about conflict minerals with customers, including information on smelters.

In the future, we will continue to be in close cooperation with both our suppliers and customers to earnestly and surely work toward resolving this problem as one of the corporate social responsibilities that our company should fulfill.

[Society and the Community]

Maintaining a global outlook while deepening relationships with local communities

Raising rhododendrons that dye a whole area in crimson

At Anamizu Murata Manufacturing, we borrowed an open area in a quasi-national park from 2009 as part of our greening activities, and begun training "Notogazan Kirishima" rhododendrons, a specialty of the Anamizu-cho district. Together with employees and their families, we are raising about 400 trees in all. Landscaping work includes the installation of *kageishi* stone, the addition and transplanting of Kirishima rhododendrons, and mowing of the grounds. We also began participating from 2012 in "Noto Kirishima Tsutsuji Open Garden", an event in which aficionados all over Noto Peninsula open their homes and gardens and exhibit their prize Kirishima plants. Once they reach full bloom in May, the whole open area filled with Kirishima rhododendrons is dyed in brilliant crimson. This area is now attracting the full attention and expectations of the locals, and has led to greater interest towards our other activities.

1 The area dyed in crimson during "Noto Kirishima Tsutsuji Open Garden"



50 years in the U.S.
Creating more local jobs and cultural exchange

This year, we welcome the 50th anniversary of our advancement into the U.S., with Murata opening an office in New York in 1963. Then, in 1973, in order to reply to the "Buy American" policy of those days and the subsequent demands of our customers, we established a factory in the state of Georgia and positioned it as our head office in the U.S. replete with a sales function. From the beginning, we actively backed the establishment of The Japanese Chamber of Commerce of Georgia and the Georgia Japanese Language School in order to support the lives of the Japanese people living there and their children's education, and we continue that activity still today. Murata not only provides the community with the opportunities of employment, but the first president of Murata Corporation of America, Futoshi Chanoki, was deeply involved in the establishment of The Japan-America Society of Georgia in order to promote cultural exchange between Japan and the U.S. This organization still serves as a bridge linking the state of Georgia with Japan. We are committed to continuing our management throughout the next 50 years by maximizing the asset represented by our excellent relationship with the local community that has been cultivated over the years.

3 50th anniversary ceremony

Vaccinating about 30 children in three and a half years with the "Ecocap Movement"

Asuwa Murata Manufacturing initiated full-employee participation in the "Ecocap Movement" in July of 2009. To that end, we are involved in the "Japan Committee for Vaccines for the World's Children" activity sponsored by Fukui Television in which the caps from PET bottles are collected throughout the company. As of February 2013, we had collected about 24,300 of these caps, something that has enabled the purchase of a polio vaccination for about 30 children and also contributes to the reduction of CO₂ emissions. From here on, we will continue with the united cooperation of all our employees in perpetuating the widespread and easy-to-implement "Ecocap Movement".

2 Collected PET bottle caps



A traveling classroom with MURATA BOY conveys the charm of science to the children of Finland

In May of 2012, Murata Electronics Oy held a classroom featuring MURATA BOY at an elementary school in Finland in order to make science feel more fun. About 150 inquisitive and excited children aged 7 to 12 participated in the class and posed various questions and comments like, "Why doesn't MURATA BOY fall down while riding the bicycle?" and "It's amazing that it can run along a 2-cm-wide balance beam!" While also visiting another school for Japanese living in Helsinki, MURATA BOY's first traveling classroom to Finland was a roaring success.

4 MURATA BOY pedaling around in front of the many attentive children

[CSR Activities: Targets and Results]

Murata commits itself to continual improvement in priority theme areas through the implementation of a broad range of measures.

■ 5th Environmental Action Plan: Results for Fiscal 2012

○ : Achieved
△ : Nearly achieved
□ : Not achieved

Item	Region (s)	Targets for FY2012	Results for FY2012	Achievement	
[1] Environmentally considerate products	Global	Expand the lineup of environmentally considerate products (goods, materials, processes)	Set goals for design and development that consider the environment, and promoted the miniaturization and energy saving of products	○	
	Global	Continue to reduce and replace environmentally hazardous chemical substances contained in products	Advanced reduction and replacement of environmentally hazardous chemical substances as planned	○	
	Global	Increase sales of environmentally considerate products to help shape a society with a low environmental impact	Implemented activities towards promoting, obtaining approval for, and increasing sales of environmentally considerate products. Obtained approval from many customers and continued to replace existing products	○	
[2] Global warming countermeasures	(1) Production sites	Global	Continue to recognize CO ₂ emissions and quantitative basic units by product at domestic production site and deploy that system at overseas production sites	<ul style="list-style-type: none"> Continued to operate a system for recognizing CO₂ emissions and quantitative basic units by product at domestic production sites Began operation of a system for recognizing CO₂ emissions and quantitative basic units by product at all overseas production sites 	○
		Global	Implement and monitor measures to reduce CO ₂ emissions from production	Drafted plans to implement measures to reduce CO ₂ emissions from production and implemented those measures according to those plans	○
	(2) Logistics	Domestic plants	Maintain the FY2011 reduction rate of CO ₂ emissions per unit of real production from logistics	Maintained the FY2011 reduction rate of CO ₂ emissions per unit of real production from logistics	○
		Overseas plants	Recognize CO ₂ emissions from logistics	Promoted recognition of CO ₂ emissions from logistics at overseas plants and totaled CO ₂ emissions from overseas logistics (this partly includes estimates, so we will continue to work to improve the accuracy of recognition)	△
	(3) Green purchasing	Domestic plants	Achieve a green procurement ratio of 90%	Achieved a rate of 87.7%; did not achieve the target. Will continue in the next fiscal year to improve the green procurement ratio for office supplies.	△
	[3] Chemicals	Domestic plants	Reduce the use of environmentally hazardous chemical substances per unit of net production by 1% from the previous fiscal year	Reduced environmentally hazardous chemical substances per unit of net production by 13% from the previous fiscal year	○
Overseas plants		Recognize the usage of environmentally hazardous chemical substances and promote reduction in use	Overseas plants recognized use of these substances. Initiatives for reducing that implemented in Wuxi, Shenzhen, Malaysia and Thailand.	○	
[4] Saving resources & recycling	(1) Waste	Global	Reduce waste emissions per unit of net production by 4% from FY2007	Reduced by 33% compared with FY2007	○
		Overseas plants	Continue efforts to achieve zero emissions	Maintained zero emissions at 4 sites: Wuxi, Shenzhen, Taiwan, and Thailand	○
	(2) Containers and packaging	Global	Increase the ratio of eco-containers made of internally produced materials to more than 20%	<ul style="list-style-type: none"> Achieved a replacement ratio of more than 20%. Introduced approximately 169,000 new containers out of the approximately 200,000 containers used overall in logistics (approx. 85%). 	○
(3) Production processes	Global	Reduce raw material loss ratios	Implemented measures for improvement (e.g., higher yields) in each individual processes	○	
[5] Biodiversity	Global	Continue to provide employees with biodiversity education	Continued from the previous fiscal year to educate employees on biodiversity	○	
	Global	Provide environmental education in biodiversity for elementary and junior high school children	Incorporated content on biodiversity in environmental education materials and implemented that education	○	
[6] Environmental & social contribution activities	Global	Continue environmental & social contribution activities	Towards business management in local communities and societies, continually implemented environmental education for elementary and junior high school children, as well as activities for the preservation of the domestic woodlands known as the "Murata Forest" and for the greening of our plants and offices	○	

■ Social Activities: Targets and Results for Fiscal 2012 and Targets for Fiscal 2013

○ : Achieved
△ : Nearly achieved
□ : Not achieved

Item	Targets for FY2012	Results for FY2012	Achievement	Targets for FY2013
Promoting development of the internal control system	In addition to developing internal controls to ensure the appropriateness of operations, continually promote operational standardization, visualization, improvement and reforms	<ul style="list-style-type: none"> In addition to developing internal controls aimed at ensuring the appropriateness of operations, we continually promoted operational standardization, visualization, improvement and reforms. The company has also been expanding the scope of the internal control system to include M&A companies. Further, along with the increase in overseas production, operating procedures were reevaluated according to the risk. To ensure compliance as well as operational effectiveness and efficiency, the company now improves and evaluates the internal control system at almost all consolidated sites. 	○	Aim at expanding the scope of the internal control system (New M&A companies)
	Improve monitoring functions to ensure operational appropriateness and increase the transparency and effectiveness of the corporate governance system	Taking a risk approach to the internal control system, such as in regard to compliance and risk management, the independent internal audit department evaluates and monitors priority items to increase transparency and effectiveness	○	Conduct efficient and comprehensive audits that utilize data
Promoting compliance	Aim at an enhanced, reestablished and streamlined compliance system from a cross-group perspective	<ul style="list-style-type: none"> Conducted compliance surveys and tested general awareness towards compliance and the content of the Corporate Ethics Standards and Code of Conduct Regularly published email magazines on compliance awareness and on compliance promotion activities Murata Manufacturing and domestic affiliates held intensive study meetings and other activities during Compliance Month (October) Firmly establish Compliance Month 	○	<ul style="list-style-type: none"> Aim at an enhanced, reestablished and streamlined compliance system from a cross-group perspective Regularly communicate information on compliance promotion activities Publish a monthly email magazine on compliance awareness Publish a quarterly email magazine on compliance promotion activities Firmly establish Compliance Month (October) <ul style="list-style-type: none"> Hold group discussions Conduct verification tests Post awareness posters Conduct surveys
	Strengthen measures in regard to important themes amongst company-wide business risks and continually improve each risks response through risk management activities	Strengthened disaster measures for communication and core systems, and reevaluated the inventory control system towards continuing product supply	○	Strengthen company-wide preventative measures as well as measures to minimize loss when a risk materializes in relation to significant risks that may impede the continuation of Murata business
Strengthening risk management	Strengthen proactive measures towards continuing operations in an emergency, and continue to strengthen the overall emergency response organization	Strengthened disaster measures for communication and core systems, and reevaluated the inventory control system towards continuing product supply	○	
	Continue social and regional support activities that are firmly rooted in and recognize local communities and societies	<ul style="list-style-type: none"> Manufactured a new experiment kit for capacitors, and cooperated with local elementary and junior high schools to enhance the content of and increase the opportunity for science and environmental education Participated in local events and increased the opportunity for plant tours for local residents Continued community clean-up, forest preservation, and greening activities 	○	Continue social and regional support activities that are firmly rooted in and appreciated by local communities and society
Suppliers	Conduct tests for all purchasing representatives in and outside Japan to confirm their comprehension of compliance and CSR procurement	Held 5 classes on compliance and CSR procurement at the Procurement Department workshop. Also conducted comprehension tests for all purchasing representatives in and outside Japan.	○	In continuation from the previous fiscal year, investigate conflict mineral information (refiner information) with suppliers and built an in-house conflict mineral control mechanism as a response to the "conflict mineral problem"
	Conduct in-house training and operational diagnosis at purchasing sites in and outside Japan to strengthen the compliance organization	Carried out self-assessment at material sites in and outside Japan towards thorough awareness in regard to response guidelines when a supplier submits a report of a dishonest act. Also held 8 classes at sites in Japan on the "Subcontract Act" for regular employees, and provided education on the "Subcontract Act" as needed for transferees to the Procurement Department	○	Conduct classes on the "Subcontract Act" at core sites and deepen the awareness of each and every employee of departments requesting materials towards dealing with subcontractors. Foster human resources who are able to conduct education on the "Subcontract Act" at core sites
	Have all overseas materials sites conclude CSR agreements with their suppliers	Obtained CSR agreements from current suppliers for all overseas materials sites. Incorporated into the daily operations the absolute need to obtain a CSR agreement when new dealings start.	○	Determine the response guideline at overseas sites when there is a report from a supplier, and enhance and strengthen the compliance system at overseas sites as well
Employees	Keep employees at Murata and all domestic affiliates thoroughly informed about the need for compliance in transactions with suppliers	Held 5 classes on compliance and CSR procurement at the Procurement Department workshop. Also conducted comprehension tests for all purchasing representatives in and outside Japan.	○	
	Continue to implement the system to enable employees to select career paths according to their aptitude	<ul style="list-style-type: none"> Conducted self-declaration of employees in their fourth year at the company and achieved a 42% participation rate in the career development program for employees who entered Murata in 2008 Accepted 44 foreign employees on loan in FY2012 Approved 4 new senior experts Held 11 career management training sessions: 5 sessions for managers and 6 sessions for general employees Hold 10 career management training sessions during FY2012 	○	<ul style="list-style-type: none"> Implement a system to enable employees to select career paths according to their aptitude Practice reshuffling through a career development program Promote employment of disabled persons Employment rate: 2.0% or more Support active roles for senior-level employees Hold 10 career management training sessions during FY2013
	Continue awareness and education to prevent harassment (Hold 5 training sessions during FY2012 for those managers who have not undergone training on sexual and power harassment. Hold 2 sessions for general employees during FY2012.)	<ul style="list-style-type: none"> Held 16 harassment training sessions for managers (who have not undergone training) at all sites Held 1 human rights class as social class study 	○	<ul style="list-style-type: none"> Continue awareness and education to prevent harassment Hold 4 training sessions during FY2013 for those managers who have not undergone training on sexual and power harassment. 1 session for general employees. Continue human rights education Hold once a year as social class education
Promote the further permeation of the "Murata's Foundation" and the sharing of measures	<ul style="list-style-type: none"> Firmly establish a benefit system with a focus on diversity and independence Enhance and establish a support system to help employees strike a balance between work and family life ("work-life balance") 	<ul style="list-style-type: none"> Aimed at promoting a choice-based benefit system 4 times per year towards support in the 3 areas of independence, health, and a balance of work and family life, and worked to firmly establish that system. Also aimed to improve utilization rate by simplifying procedures and adding choices. Held a work experience program and company tour for children of employees (11 participants) Expanded the term during which temporary part time work was available due to nursing care from 1 year to 5 years 	○	<ul style="list-style-type: none"> Enhance and firmly establish a support system to help employees strike a balance between work and family life ("work-life balance") Hold 1 visitation day for children of employees
	<ul style="list-style-type: none"> Promote education on globalization (an English improvement course for each half-year) Train the next generation of leaders 	<ul style="list-style-type: none"> Created a scheme to permeate the corporate philosophy and held manager workshops and manager-sponsored training (40 times in and outside Japan) Provided English improvement classes in Japan (701 participants) Held a management cram course (5 participants) and business leader training (18 participants) in order to train the next generation of leaders 	○	<ul style="list-style-type: none"> Promote permeation of the "Murata's Foundation" and the sharing of measures Hold manager-sponsored training: 30 times Hold idea-sharing discussions: 4 times Promote increasing the number of foreign employees on loan 30 in FY2013 Increase the number of foreign employees Number of overseas university graduates hired: 2 Provide education on globalization An English improvement course for each half-year
Promote acquisition of outside certification for the occupational health and safety management system at 12 plants in Japan	12 plants in Japan acquired outside certification for their occupational health and safety management system	○	Position safety simulator education as one pillar of safety and health education, and aim at full-scale introduction and development	

Opinion from a Third Party

Taking a close look at CSR at Murata

Murata's CSR Report for the current fiscal year features two points in particular, "Business and CSR" and other feature articles that show the faces of employees who are involved in environmental preservation and CSR activities.

"Business and CSR" emphasizes that their core product, monolithic ceramic capacitor, is a part of the social infrastructure, and explains the corresponding technological and production capabilities from the viewpoint of CSR. Since social action through business is a company's most important social mission, there is major significance in terms of CSR that they are able to position themselves as a company that contributes to the social infrastructure. As a next step, it is important to connect that type of outlook to concrete activity. For example, since quality assurance and securing the sustainability of the company are important social responsibilities, I think that reevaluating the targets and management systems from the viewpoint of CSR, and making information public as needed, are something that is called for.

The articles that show employee's faces introduce the energetic image of employees involved in environmental preservation and CSR activities and allow us to feel the vitality within the company. Through this kind of editing, we can expect employee interest in environmental and CSR activities to be heightened. I think that, since employees are the most important stakeholders, this kind of corporate stance is to be highly praised. In the future, it might even be good to include articles that feature exchanges of opinion, like a round-table talk or interviews.

Although the Murata Report does contain unique feature like this, when read as a CSR Report, I think that it will be important to also weave in more quantitative information from here on. Since numerical data is included in the financial information, if CSR information includes that type of numerical data along with the descriptive information, it will be easier to understand the content more concretely. Naturally, although detailed information is already disclosed on the Internet, if that main information at least is published here as well, I think that its value as a CSR Report will improve further.

Towards that purpose, I think that a performance index that serves as a target for environmental and CSR activities is needed. Presently, a movement towards the creation of an "Integrated Report" that combines a company's Financial Report and Sustainability Report is progressing globally. And, because the Murata Report already has the characteristics of merging both financial and CSR content, it is my hope that, by all means, it will be developed to a level that also garners a global reputation as just such an Integrated Report.



Graduate School of Business Administration,
Kobe University
Professor
Katsuhiko Kokubu

Profile

List of Domestic and Overseas Sites

[List of domestic sites]

Murata Manufacturing/ Head Office•Branch•Plant and Division•Sales Office	
Head Office	Murata Manufacturing Co., Ltd.
Branch	Tokyo Branch
Plants and Division	Yokohama Technical Center / Yasu Division / Yokaichi Plant / Nagaoka Plant
Sales Office	Sendai / Mito / Saitama / Tokyo / Tachikawa / Hamamatsu / Nagoya / Azumino / Kyoto / Kobe / Okayama / Fukuoka

Domestic subsidiaries	
Fukui Murata Manufacturing Co., Ltd.	Wakura Murata Manufacturing Co., Ltd.
Izumo Murata Manufacturing Co., Ltd.	Tome Murata Manufacturing Co., Ltd.
Toyama Murata Manufacturing Co., Ltd.	Ogaki Murata Manufacturing Co., Ltd.
Komatsu Murata Manufacturing Co., Ltd.	Asuwa Murata Manufacturing Co., Ltd.
Kanazawa Murata Manufacturing Co., Ltd.	Anamizu Murata Manufacturing Co., Ltd.
Okayama Murata Manufacturing Co., Ltd.	Murata Land & Building Co., Ltd.
Kanazu Murata Manufacturing Co., Ltd.	Murata Eiko Co., Ltd.
Sabae Murata Manufacturing Co., Ltd.	Murata Active Partner Co., Ltd.
Iwami Murata Manufacturing Co., Ltd.	Murata Electronics Co., Ltd.
Hakui Murata Manufacturing Co., Ltd.	Murata Software Co., Ltd.
Himi Murata Manufacturing Co., Ltd.	Murata BUNSEKI Partner Co., Ltd.
Azumi Murata Manufacturing Co., Ltd.	Tokyo Denpa Co., Ltd.
Komoro Murata Manufacturing Co., Ltd.	Kitami Tokyo Denpa Co., Ltd.
	Morioka Tokyo Denpa Co., Ltd.

[List of overseas sites]

North & South America	
U.S.A.	Murata Electronics North America, Inc. SyChip, L.L.C. Murata Power Solutions, Inc. RF Monolithics, Inc.
Canada	Murata Power Solutions(Toronto)ULC Murata Power Solutions(Canada)ULC
Mexico	Murata Electronics Trading Mexico, S.A. de C.V.
Brazil	Murata World Comercial Ltda. Others

Europe	
Netherland	Murata Electronics Europe B.V. Murata Electronics(Netherlands)B.V.
Germany	Murata Elektronik GmbH
U.K.	Murata Electronics(UK)Limited Murata Power Solutions(Milton Keynes)Limited Murata Power Solutions(Celab)Limited Celab Power Management Limited NCL Holdings Limited
France	Murata Electronique SAS
Italy	Murata Elettronica S.p.A.
Finland	Murata Electronics Oy Others

Asia	
China	Murata (China) Investment Co., Ltd. Wuxi Murata Electronics Co., Ltd. Shenzhen Murata Technology Co., Ltd. Murata Electronics Trading (Tianjin) Co., Ltd. Murata Electronics Trading (Shanghai) Co., Ltd. Murata Electronics Trading (Shenzhen) Co., Ltd. SyChip Electronic Technology (Shanghai) Ltd. Murata Power Solutions (Shanghai) Co., Ltd. Guangzhou Murata Power Solutions Limited
Hong Kong	Murata Company Limited
Taiwan	Taiwan Murata Electronics Co., Ltd.
Korea	Korea Murata Electronics Company, Limited
Singapore	Murata Electronics Singapore (Pte.)Ltd.
Thailand	Murata Electronics (Thailand) , Ltd. Thai Murata Electronics Trading, Ltd.
Malaysia	Murata Electronics (Malaysia) Sdn. Bhd.
Philippines	Murata Electronics Philippines Inc. Philippine Manufacturing Co. of Murata, Inc.
India	Murata Electronics (India) Private Limited
Vietnam	Murata Electronics (Vietnam) Co., Ltd. Others

We also have sales offices in Spain, Sweden, Hungary, and Switzerland.

Members of Directors As of July 1, 2013

Statutory Representative Directors

President Tsuneo Murata
 Executive Deputy President Yoshitaka Fujita

Board of Directors

Tsuneo Murata
 Yoshitaka Fujita
 Koji Makino
 Norio Nakajima
 Yoshito Takemura
 Yasuro Tanahashi (Outside Director)
 Hiroaki Yoshihara (Outside Director)

Statutory Auditors

Standing Statutory Auditors
 Yukio Yoshino
 Junichi Tanaka
 Statutory Auditors Masakazu Toyoda (Outside Auditor)
 Shizuo Nakanishi (Outside Auditor)
 Kazuto Nishikawa (Outside Auditor)

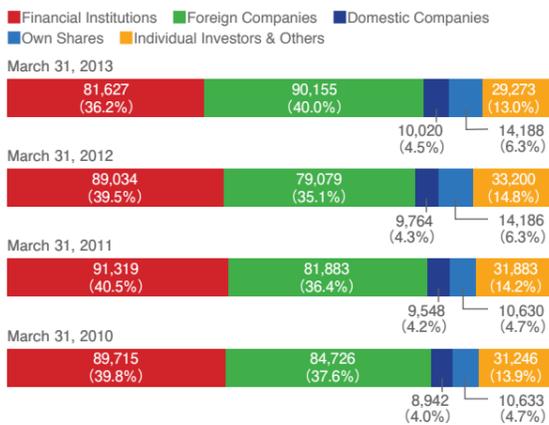
Vice Presidents

Senior Executive Vice Presidents
 Koji Makino
 Yukio Hamaji
 Executive Vice Presidents
 Toru Inoue
 Norio Nakajima
 Senior Vice Presidents
 Yuichi Kojima
 Satoshi Sonoda
 Hiroshi Iwatsubo
 Vice Presidents
 Takekazu Okada
 Toshihiro Maegawa
 Yoshito Takemura
 Takehiro Konoike
 Hideki Maruyama
 Yutaka Tada
 Masahiro Ishitani
 Kenichi Mizuno
 Satoshi Ishino
 Fellow Norio Sakai
 Vice Presidents Ryuji Miyamoto

Stock Information As of March 31, 2013

Number of shares outstanding at the end of current term
 225,263 thousands of shares
 Number of shareholders at the end of current term
 69,870

Number of Shares Outstanding (unit: one thousand)



Stock Exchange Listing

[Domestic] Tokyo Stock Exchange First Section
 [Overseas] Singapore Exchange

Major Shareholders As of March 31, 2013

Name	Number of shares (unit: one thousand)	Ownership (%)
JP Morgan Chase Bank 380055	20,210	9.6
Japan Trustee Services Bank, Ltd. (Trust Account)	10,612	5.0
State Street Bank and Trust Company	10,210	4.8
Nippon Life Insurance Company	9,201	4.4
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,686	3.2
The Bank of Kyoto, Ltd.	5,260	2.5
Meiji Yasuda Life Insurance Company	5,240	2.5
SSBT OD05 Omnibus Account (Treaty Clients)	4,220	2.0
The Shiga Bank, Ltd.	3,551	1.7
Goldman Sachs and Company (Regular Account)	3,277	1.6

(Note)
 The company holds 14,188 thousand shares of its own stock. As these shares do not confer voting rights, they are excluded from the above table.

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 Bluetooth is a trademark or registered trademark of Bluetooth SIG Inc. (U.S.A.)