Murata’s components are everywhere. Though often unseen, our products are essential parts of the electronic devices you are using throughout each and every day: mobile phones, computers, cars, home appliances.

More and more, Murata products are found in many new kinds of applications, such as healthcare devices, automobiles, and energy management systems.

Innovator in Electronics

The world keeps on changing. The world of electronics is changing even faster. As an Innovator in Electronics, Murata has always followed its corporate philosophy of contributing to the advancement of society and the electronics industry. Moving forward, we will continue to anticipate and consider the needs of the global society and our customers, and to develop advanced technologies and high-value applications. We will keep on innovating and shaping the future of the world of electronics.

Innovator in Electronics
The First Year of Mid-Term Direction 2018
—Strengthening Our Foundation

Murata aims to maintain sustainable growth as the world’s top supplier of components, and to guide the company’s activities we have created Mid-Term Direction 2018 as a three-year plan. Murata’s business has doubled in the last five years. With this and other significant changes taking place in the business environment, we utilized FY2016—the first year of the plan—to strengthen our business foundation.

In Murata’s core market—communications—growth has slowed in the production of standard cellular phones, but with a shift toward more advanced features, we are seeing strong growth in components for smartphones. Various types of module technology and RF technology form the basis for the extensive range of Murata’s product lines, from individual components to modules, through which we provide new value to customers on a daily basis. We answer the demand from customers with a deep catalog of products and a steady system of supply enabled by good supply chain management.

Combining technologies with the strengths of our personnel to take us into the future

We plan to strengthen our core business—communications—while working to expand business in such key markets as automotive, energy, and healthcare. Murata has recently entered into new partnerships and made acquisitions. Our aim now is to integrate newly acquired technologies and ideas with our own technologies and expertise built up over time to achieve sustainable growth.

We will also work to enhance our monozukuri (manufacturing), technology development, and human resources development, along with other fundamental areas of doing business. Murata is a global enterprise and we employ people in many locations worldwide. We therefore actively embrace a policy of diversity and inclusion that we are promoting groupwide. At the same time, we continue to treasure the Murata Philosophy, the foundation of our corporate culture.

As an innovator in the electronics industry, we put our full effort into supporting our customers to allow them to carry out their vision. I would like to once again express my sincere gratitude to our customers and many other stakeholders for their support, which has led to Murata’s growth. We will do everything in our power to continue to build the future of electronics together with you all.

Chairman of the Board and President
Shaping the future of electronics

Murata has built an integrated system of production from raw materials to finished products, and we are continuously developing and accruing our fundamental technology base, such as materials technology, front-end process technology, back-end process technology, and analytical technology. We also aim at creating new markets and innovations by actively collaborating with outside partners and by developing core technologies and products that anticipate the future.

Materials technology

“New electronic devices begin with new electronic components; new electronic components begin with new materials...” Based on that concept, Murata has created functional ceramic materials with outstanding characteristics. And we continuously further advance our technology through the development of new materials with even better characteristics.

Front-end process technology

Front-end process technologies enable us to produce designed functions in the best possible way, and it plays an important role in the miniaturization, slimming down, and high functionality of electronic components.

Back-end process technology

Thanks to our own production facilities and strong manufacturing “monozukuri” expertise, we possess numerous technologies and know-how to mass-produce products stably and efficiently.

Analytical technology

Efficient use of scientific analytical methods to confirm physical and electrical properties, composition and structure of materials, together with Murata’s advanced failure analysis systems, provide peace of mind to our customers.

Product design technology

From single-function components to modules and on to total solution proposals, the value that Murata has provided over the years continues to evolve. We are involved in development of the technologies and products that can promptly respond to customer needs with an eye on the future.
The smartphone is a gadget that hardly ever leaves one’s hand. It allows us to communicate not only by voice, but by exchanging emails, interacting through social media, playing games, sharing pictures and video, and so on. Data transmission speeds and phone storage capacities continue to improve, and as communications services expand, smartphones are bound to become more advanced in terms of performance and functionality.

RF components, with their modular design and compact structure, sensors that improve functionality and operability, and low-loss capacitors and power inductors all help Murata contribute to the evolution and growth of the communications sector.

**Technologies with applications far beyond the smartphone. So special we call them “magic wand” technologies.**

--- Murata is prepared for the coming boom in connectivity. ---

The smartphone is a gadget that hardly ever leaves one's hand. It allows us to communicate not only by voice, but by exchanging email, interacting through social media, playing games, sharing pictures and video, and so on. Data transmission speeds and phone storage capacities continue to improve, and as communications services expand, smartphones are bound to become more advanced in terms of performance and functionality.

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**Products by application**

**Communications**

**Chip multilayer ceramic capacitors**
Indispensable to electronic circuits, these components serve to store and adjust flows of electricity. They are key to the advanced functionality of smartphones and other mobile devices, and as they continue to become thinner and more compact, are increasingly being incorporated into such information devices.

**Inductors (coils)**
When electricity flows through these inductors, which are also called coils, a magnetic field develops and that current is affected. These inductors are used in radio circuits, power supply circuits, and more.

**Microwave coaxial connectors**
Microwave coaxial connectors transmit radio frequency signal between circuits. They contribute to the development of high-performance communication equipment, such as smartphones, tablets and wearable devices with smaller and thinner size.

**RF modules for cellular phones**
These modules support the multiple frequency compatibility of smartphones. They center on power amplification (PA) function with the conventional function for changing and filtering frequencies. By adding even more functions, they contribute to reducing the thickness and improving the transmission speed of smartphones.

**SAW filters**
The filters that extract only the required portion of a radio signal are key devices in high frequency circuits. With its unique miniaturization technology, Murata helps RF circuit downsizing.

**Connectivity modules**
Enabling various devices to access the Internet via radio signals, these modules lead the trend towards increasing multifunctionality and IoT in smartphones and in-vehicle equipment.

**MetroCirc™**
A multilayer bendable resin substrate that combines Murata’s monolithic multilayer production technologies with organic material. It can be used for RF and digital signal transmission wires, antennas, and much more, enabling the development of components of any shape with exceptional RF characteristics.

**NFC (near field communication) antennas**
Used in equipment that provides electronic payment services—convenient systems for quick cashless payments at the point of sale. The data exchange takes place using an NFC antenna in the consumer’s personal device (mobile phone etc.) and the payment terminal.

**Low ESL chip multilayer ceramic capacitors**
Capacitors with low equivalent series inductance (ESL) and superb RF characteristics are ideal for power supply decoupling in high-speed electronic devices.

**Shock sensors**
These are electronic components that apply piezoelectric ceramics to change acceleration and vibration into an electrical signal. They are used mainly with HDDs as sensors for preventing the writing of data when an impact is received from an external source.

**Actuators**
Piezoelectric actuators employ piezoelectric ceramics that deform under a voltage, making them ideal for the microscopic positioning of the magnetic head in hard disk drives.

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"The Global share indicated on each page refers to the worldwide share of that particular product. The Global share is calculated by estimates made by Murata and may differ depending upon the market or the application."
Enhancing your home, Murata is a hidden partner making life better.

— Smart, economical and stylish. —

A TV that remembers your favorite shows. Air conditioning that cools only those areas where people are and that emits negative ions into the air. Sensors, ionizer modules, and high conversion efficiency power supply modules support the latest systems to make your home and life “smart” and ecological.

Chip EMI suppression filters
(Chip EMFI[L]®)

Digitization of audio-visual equipment and home appliances is advancing and the high-speed clock signal that flows inside those devices may sometimes have a negative influence as electromagnetic noise. Chip EMI suppression 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.

Thermostors

Elements whose resistance changes with temperature fluctuations used in heat sensors, circuit protectors, heat-sinks, and other systems. They are components that protect ICs, power supply circuits, batteries, and the like from excessive current and overheating by maintaining control and proper operation based on temperature.

Ionizers / active oxygen modules

Ozonizers / Ionissimo®

This device ionizes air molecules, giving them a plus or minus electric charge. Desodorization, disinfection, anti-mold, anti-odor, anti-static, etc. can be achieved by ionizing the air and adding certain characteristics.

Polymer aluminum electrolytic capacitors

These are high capacity capacitors that are characterized by having a low profile and low ESR. They handle the stabilization of voltage in circuits where serious voltage control is demanded, and contribute to the advanced features in audio-visual equipment.

Connectivity modules

Murata’s communication modules are based on proprietary materials technology and processing technology, and meet customer’s needs for improved functionality and compactness of sat products with high reliability.

Audio and visual / Home appliances

Sensors, heat radiation sensors, and high conversion efficiency power supply modules support the latest systems to make your home and life “smart” and ecological.

Chip multilayer ceramic capacitors

Maximizing the heat resistance of ceramics, these highly reliable capacitors are able to demonstrate their excellent performance even under harsh usage environments. They are, thus, naturally utilized in applications that require high reliability, such as in automotive electronics, such as in safety, control, or sensor devices, as well as being widely used for refinement like audio and navigation.

Power inductors

Electronic control systems are becoming standard in more vehicles today. Power inductors are used to efficiently produce the various voltages needed by circuits. They are also designed to control the noise generated by electronic devices.

Timing devices

These are component parts that generate the clock signal in combination with the IC. As electronic outfitting of automobiles progresses, communication between ECUs is needed and timing devices that deliver a highly accurate, high quality clock signal are called for.

Ceramic resonators

Global share 75%

Crystal units

Global share 35%

Combined gyro sensors and accelerometers

Changes in acceleration and in gravity can be handled as changes in capacitance in order to detect acceleration values and the angle of rotation. This sensor is used in areas in connection with the basic performance of automobiles, such as in the Electronic Stability Control (ESC) for the chassis and the car’s Anti-lock Brake Systems (ABS).

Ultrasonic sensors

This sensor can measure distance according to the reflex time of the ultrasonic waves that are generated by oscillating piezoelectric ceramics. It is used especially for the rear sonar in parking assistance systems.

DC-DC converters

This thin, lightweight DC-DC converter uses a Murata-proprietary control circuit and sheet transformer. Using this one DC-DC converter, voltage can be supplied to the circuit unit of each block that requires insulation (the low-voltage battery input circuit unit, high-voltage battery input circuit unit, and AC commercial voltage input circuit unit).

Products by application

Automotive electronics

Vehicles that are eco-friendly and easy to drive rely on advances in electronics.

— This gives Murata plenty of opportunity for the future. —

Society is moving toward providing all citizens with safe freedom of movement while protecting the environment. The goal ahead is autonomous vehicle technology. Murata is accelerating the pace of technical innovation to make self-driving cars practical.

Murata’s electronic components are used in various automotive systems, including safety equipment, driver assistance, power trains, and telecommunications, evolving together with vehicles to deliver high reliability under extreme conditions.

Global share 35%
Target markets

Shaping the future
With the increase of digitization and IoT providing connectivity across industries, the boundaries of electronics are expanding. New needs for the smart society are emerging. In response to these expanding needs, Murata will strive to provide new value based on deep know-how in sensing, telecommunication, miniaturization and other technologies.

In addition to the communications market, we supply unique products and solutions to the automotive, energy and healthcare markets, and contribute to the advancement of a safer, healthier, and more enjoyable society.

Murata contributes to the advancement of a safer, healthier, and more efficient society.

Safety on the road 🚗
In the very near future, fully-or semi-autonomous, environmentally friendly vehicles will safely connect the driver, road, other cars, various networks and travel services. Murata is contributing to this future vision by supplying components and solutions for advanced driver assistance systems, connectivity and electric vehicles. Because of the high reliability of our products, we help provide peace of mind to our customers.

Smart healthcare 🧥
Aging populations in developed countries and expanding medical services in emerging countries are increasing the demand for better and more efficient healthcare. Murata contributes to the development of medical technology by bringing together our own proprietary technologies and continually providing customers with new value. We meet our customers' needs with compact, highly reliable products, from non- or less-invasive medical devices to medical IT solutions.

By sensing and communicating patient information, such as biological data, in real time, Murata makes more effective prevention and earlier treatment possible. In addition to in-hospital care, the utilization of in-home and remote monitoring services is also expected to grow.

Expanding boundaries of electronics... ...

...increasing market opportunities

Energy savings 🏞️
In a world where sustainable energy solutions are spreading, smart sensing and communications technologies are needed to make energy systems more efficient. Murata contributes to this energy-saving movement by working to miniaturize components, develop high conversion efficiency power supply modules, and compact, high output stationary batteries. We also utilize communications and sensing technologies that enable, for example, management systems that make power consumption visible.

A smart home energy management system (HEMS) allows the free choice of energy source based on various conditions to optimize energy consumption overall.

Target markets

Advanced Driver Assistance Systems (ADAS) improve road safety. These systems combine various technologies such as software, sensing and connectivity to help detect driving environment, communicate with other cars or services, and control the whole driving process.

Social infrastructure

Industry

Consumer appliances

Home

Solar power system

Battery

Smart controller

Transmission system

Cloud

Social

Infrastructure

Expanding boundaries

of electronics...
Murata is constantly developing new products for a world of connectivity.

Demand is moving toward electronic components that are smaller and thinner with higher performance and reliability.

Today, smartphones account for close to 90% of the mobile phones in use worldwide. With the spread of LTE handsets that support multiple frequency bands and carrier aggregation, higher data rates are anticipated in the future, along with even higher performance and more multifunctional uses. Also anticipated in the field of automotive electronics, as the range of electronic components grows, are improved safety features like Electronic Stability Control (ESC) and conveniences like information and entertainment.

The demand for electronic components supports the trend toward smaller and thinner dimensions, higher performance, and higher reliability. In fiscal 2016, with the rapid rise in the value of the Japanese yen against other currencies and a decline in sales of communication modules, we experienced a decrease in income and profit from the previous year in a sector that had been looking strong. In fiscal 2017, we will steadily launch new products, focusing on our core area of chip multilayer ceramic capacitors and piezoelectric components, as well as component products. Also, we will be expanding our lineup of communication products, focusing on our core area of chip multilayer ceramic capacitors and piezoelectric components, as well as component products. Also, we will be expanding our lineup of communication modules, that integrate component embedding and multilayer construction technologies.

Sales by product
Murata’s strength is in modules and compact, high-performance components.

Communications
The widespread use of LTE smartphones and evolution of carrier aggregation¹ are driving higher data rates. At the same time, demand is increasing for a wide range of component parts such as small and mini-size high-capacity, high-end capacitors, SAW filters, and high frequency coils, as well as modular components like RF modules for cellular phones and connectivity modules, and functional components like MetroE². Sales volume declined in fiscal 2016 due to the rise in the yen and stagnant sales of communication modules, but in fiscal 2017 we will launch and promote unique, new products to capture demand and expand sales.

Automotive electronics
With the increasing use of electronics in vehicles, there has been a concurrent increase in sales of automotive capacitors that feature high reliability. MEMS sensors for electronic stability control (ESC), systems, and the ultrasonic sensors used in driver assistance systems. We also anticipate increased sales of connectivity modules for information in the future. These trends indicate a strong demand for automotive electronic components that is offsetting the growth of actual units sold.

Audio-visual, home and other
There was growth in sales of connectivity modules for digital cameras, but a decline in sales of capacitors and EMI suppression filters for game consoles. The rise of the yen resulted in sluggish sales overall.

Financial highlights
Murata is currently concentrating on:
1. The automotive market, where the demand for electronic components is growing quickly due to the advancing use of electronics in vehicles, the diffusion of advanced driver assistance systems, and the expansion of IX2 communication.
2. The energy market, where efforts are being made toward achieving efficient energy utilization and ensuring energy supply to society.
3. The healthcare market, where growth is expected as a result of an aging population having diverse health concerns and electronic and information technologies being further integrated into medical treatments.
4. The spread of IoT and its resulting growth in 5G, 6G and the development of advanced components and modules for communication systems. Murata is working to expand its presence on the cutting edge to bring new and significant enhancements to society.

New applications
For automotive, energy, and healthcare markets and the coming IoT society — Murata will more actively propose new value in all of these new markets.

¹ Carrier aggregation: a service that enables a network operator to combine multiple frequency bands to achieve much higher data rates.
² MetroE: an electronic version of a mechanical system.
Global network

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

Over 90% of Murata products are sold outside of Japan; in Asia, North and South America, and 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.

Net Sales 1,132.6 (billion yen)

Sales by area

<table>
<thead>
<tr>
<th>Region</th>
<th>Net sales</th>
<th>Number of employees</th>
<th>Subsidiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>84.2 (7.4%)</td>
<td>1,001</td>
<td>11</td>
</tr>
<tr>
<td>Europe</td>
<td>83.6 (7.4%)</td>
<td>1,510</td>
<td>13</td>
</tr>
<tr>
<td>The Americas</td>
<td>102.6 (9.0%)</td>
<td>17,084</td>
<td>31</td>
</tr>
<tr>
<td>Greater China</td>
<td>647.3 (57.2%)</td>
<td>15,424</td>
<td>25</td>
</tr>
<tr>
<td>Asia and Others</td>
<td>214.8 (18.9%)</td>
<td>24,966</td>
<td>21</td>
</tr>
</tbody>
</table>

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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.

Globally, Murata's Business Engineering departments strive to provide innovation and service that people require is always evolving. Our business is based on trying to ascertain the needs of customers and markets around the world in every field, then developing and supplying products. To achieve sustainable growth under highly volatile market conditions requires that we collaborate well with related departments, customers, and suppliers. We need to further improve these working relationships if Murata is to create technologies that are consistently a step ahead. We aim to achieve progress for both the company and society by supplying appealing products that embody the total intellectual capital of Murata.

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Within the Murata Philosophy that has guided the company since its foundation, it states: “We contribute to the advancement of society by... creating innovative products and solutions...” This is an expression of our strong desire to bring about more affluent, higher quality living for everyone through our products.

Murata’s products have played a key role in the miniaturization and increased capabilities of communication devices like smartphones, which have become an essential part of the social infrastructure. In the automotive sector, Murata already contributes to safer, more environmentally friendly driving. In the energy sector, we help find solutions to limited resources and environmental issues, and in the healthcare field, we support health and improvements in people’s quality of life. Electronics are vital to providing solutions, and Murata’s technologies play a big role toward that end. We also anticipate a societal transformation in the future with the evolution of wearable devices and the coming maturation of the Internet of Things/Everything, so we actively pursue technology development in these areas.

In addition to making contributions to society through our business, we must also work to resolve important global issues if we are to bring sustainability to society—addressing such issues as protection of the environment, human rights, and so on. One such area that the electronics industry has been involved in from early on is trying to solve the problem of mineral resources that come from regions of conflict. Murata has been earnestly trying to solve the problem of mineral resources that come from regions of conflict. Murata has been earnestly tackling these issues in cooperation with our supply chain.

Furthermore, as a company that does business around the globe, we promote Diversity and Inclusion, and try to create a work environment in which people can thrive without partiality to gender, nationality, etc. We respect everyone’s background and values, carry out personnel exchanges between our business sites in Japan and other parts of the world, and aim to provide the greatest value to society by sharing the Murata Philosophy and our direction with all of our employees worldwide.

In 2015, the Japanese government introduced the Corporate Governance Code, which calls for greater transparency in corporate management. With the Ordinary General Meeting of Shareholders held in June 2016, Murata transitioned to a corporate structure that includes an Audit and Supervisory Committee. Based on the spirit of the company’s philosophy, Murata is committed to building trust as we comply with all aspects of ethics in business, and we will continue to fulfill our social responsibility in cooperation with our stakeholders.

In promoting CSR management, we have established a CSR Management Committee that is based on a CSR Charter whose benchmark is that same Murata Philosophy. Murata will continue striving to be an open presence in the community and in society as a whole, endeavoring to remain worthy of people’s trust and respect as an enterprise so that our customers know they are in good hands when they do business with Murata. And through the ongoing activities of the CSR Management Committee, we will systematically promote CSR management aimed at the sustainable development of society.

Chairman of the Board and President
Chairman of the CSR Management Committee

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**CSR report 2017**

In line with the “Murata Philosophy”, 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.

**We will respect the human rights and dignity of individuals.**

We will respect the human rights and dignity of individuals.

**We will meet standards of accountability and enhance management efficiency and transparency, so as to remain open to our communities and society; and continue to be a reliable and respectable company.**

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**We will respect the human rights and dignity of individuals.**

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**We will maintain the highest standards of ethics, so as to be a company that fulfills its social responsibility and wins social trust.**

We will maintain the highest standards of ethics, so as to be a company that fulfills its social responsibility and wins social trust.

We will establish a system that ensures compliance with this CSR Charter, and continuously improve the system.

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**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 Policy for Contributions to Society and Local Community**
- **Basic Policy for Prevention of Cartels and Bribery**

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**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.”

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**Term of this report**

Between April 1, 2016 and March 31, 2017

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**Organizations reported on**

Murata Manufacturing Group
Murata Manufacturing Co., Ltd. and its subsidiaries inside and outside of Japan

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We contribute to the advancement of society through the spirit of the Murata Philosophy.

A message regarding CSR

We fulfill our responsibility to society by embodying the Murata ideals

What is the most important responsibility toward society that Murata has? It is a responsibility to people. The electronics industry is a key Japanese industry that employs large numbers of people. As a leading enterprise in the field of electronic parts, Murata considers it essential both to provide a safe, pleasant work environment for workers in manufacturing and to train personnel on an ongoing basis. Also, as an enterprise doing business globally, we have stakeholders around the world who urge us to take action that will help to solve issues facing society. At Murata, we consider such calls for action to be an opportunity for growth. We therefore engage in various efforts, while carrying out business activities, aimed at protecting the environment, supporting human rights, and ensuring compliance to fulfill our social responsibility.

“We contribute to the advancement of society by... creating innovative products and solutions...”

This key line from the Murata Philosophy provides the perspective based on which we carry out business in the four areas of Communications, Automotive Electronics, Healthcare, and Energy.

Communications

Murata’s products allow manufacturers to make smartphones and tablets more compact and consume less power. Our products will also drive the building of IoT infrastructure, and eventually the IoT infrastructure of the future.

Automotive electronics

Murata develops technologies with the long-term goal of achieving fully autonomous, self-driving vehicles to make the roads safer and more secure everywhere. We also aim to contribute to the development of electric vehicles in the future that emit no carbon dioxide.

Healthcare

Murata’s sensing technologies are used in medical equipment to help keep people healthy. In the future, we will be working to promote home healthcare enabled by network connectivity.

Energy

The zero-emissions home that incorporates high-efficiency energy management systems is already a reality. Going forward, we will work to reduce the cost of such systems, and promote their adoption through factory showrooms and other means.

Murata would like to see a safe, convenient, and abundant world of the future. Critical to this effort is the Murata Philosophy, whose spirit we share with Murata employees around the world. Implementing the management principles embodied in the philosophy will ultimately lead to resolving societal issues, we believe. Also, we plan to utilize the talents of a diverse range of individuals to engage wholeheartedly in business activities for the advancement of society as a whole.

We are also putting a lot of effort into protecting the environment. Many production facilities in the Murata Group employ compressors for compressed air. At Okayama Murata, we have taken measures to reduce the supplied pressure of compressed air, thereby leading to energy savings. We are replacing all lighting fixtures with LED bulbs and working to save energy with pumps, fans, and the like, which help to limit CO₂ emissions. Additionally, we are working to reduce the amount of water used in various processes and raise awareness of environmental protection within the scope of daily duties.

At Okayama Murata, we have been deepening our ties with the local community based on the ideal of “Wanting the presence of Murata to be the pride of that area.” We greatly value customer satisfaction and employee satisfaction, to which we have added local satisfaction (CS, ES and LS). Our business site and its citizens are open to the public, and our employees travel to local schools to give lessons to children on the environment and science. Also, we participate in community events. Through these endeavors, we are trying to develop relationships with local communities. Our goal at Okayama Murata is to raise the status of our business builds over the last 25 years even higher and be even more open to society and the local community.

Our employees implement CSR efforts in the field with a high degree of awareness.

At Okayama Murata Manufacturing Co., Ltd. (hereafter, Okayama Murata), employees in the Administration Department, Production Department, and others have been proactive in carrying out CSR activities. Okayama Murata was established in April 1992. This year marks its 25th anniversary, making it still one of the newer manufacturing plants in the Murata Group. CSR activities allow us to contribute to the local community and fulfill our duty to humanity and the environment, and we see the activities as important means of creating a bright future for Okayama Murata.

One important effort is creating a safe working environment in which people can feel comfortable. To raise awareness of the need to reduce overtime work and lead balanced work styles, we have officially designated every Wednesday as “Refresh Day” (no overtime day) for indirect workers. We also communicate to our direct workers that we don’t let them work more than 60 hours a week.

On top of this, we promote Murata’s group-wide policy of “Diversity and Inclusion”. At Okayama Murata, we have given great thought to and have implemented measures that reflect our commitment to making the workplace comfortable especially for women and people with disabilities.

In the area of occupational health and safety, we found that a large percentage of work-related injuries were being caused by human error, so we pursued safety management vigorously with the goal of zero accidents under the slogan, “Follow the rules every time.” As part of that safety effort, we give risk simulation training to young, inexperienced workers, aiming to improve overall safety.

In the area of occupational health and safety, we have also been deepening our ties with the local community based on the ideal of “Wanting the presence of Murata to be the pride of that area.” We greatly value customer satisfaction and employee satisfaction, to which we have added local satisfaction (CS, ES and LS). Our business site and its citizens are open to the public, and our employees travel to local schools to give lessons to children on the environment and science. Also, we participate in community events. Through these endeavors, we are trying to develop relationships with local communities. Our goal at Okayama Murata is to raise the status of our building over the last 25 years even higher and be even more open to society and the local community.

We employ employees to carry out CSR activities.

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We employ employees to carry out CSR activities.

At Okayama Murata, employees in the Administration Department, Production Department, and others have been proactive in carrying out CSR activities. Okayama Murata was established in April 1992. This year marks its 25th anniversary, making it still one of the newer manufacturing plants in the Murata Group. CSR activities allow us to contribute to the local community and fulfill our duty to humanity and the environment, and we see the activities as important means of creating a bright future for Okayama Murata.

One important effort is creating a safe working environment in which people can feel comfortable. To raise awareness of the need to reduce overtime work and lead balanced work styles, we have officially designated every Wednesday as “Refresh Day” (no overtime day) for indirect workers. We also communicate to our direct workers that we don’t let them work more than 60 hours a week.

On top of this, we promote Murata’s group-wide policy of “Diversity and Inclusion”. At Okayama Murata, we have given great thought to and have implemented measures that reflect our commitment to making the workplace comfortable especially for women and people with disabilities.

In the area of occupational health and safety, we found that a large percentage of work-related injuries were being caused by human error, so we pursued safety management vigorously with the goal of zero accidents under the slogan, “Follow the rules every time.” As part of that safety effort, we give risk simulation training to young, inexperienced workers, aiming to improve overall safety.

In the area of occupational health and safety, we have also been deepening our ties with the local community based on the ideal of “Wanting the presence of Murata to be the pride of that area.” We greatly value customer satisfaction and employee satisfaction, to which we have added local satisfaction (CS, ES and LS). Our business site and its citizens are open to the public, and our employees travel to local schools to give lessons to children on the environment and science. Also, we participate in community events. Through these endeavors, we are trying to develop relationships with local communities. Our goal at Okayama Murata is to raise the status of our building over the last 25 years even higher and be even more open to society and the local community.

We employ employees to carry out CSR activities.
MetroCirc™

Unique manufacturing is the spirit of our philosophy. MetroCirc™—its concept, implementation, and production are cutting-edge.

MetroCirc™ is a new multilayer resin substrate that combines Murata’s monolithic, multilayer and design technologies with the high-performance resin materials of Ise Murata Manufacturing Co., Ltd. (formerly Primatec Inc.), a company newly added to the Murata Group. It has superior RF characteristics, is thin and bendable, and allows great freedom in circuit design. It has great potential for applications in wearable devices and IoT devices, and promises to give rise to new markets and new lifestyles.

**Philosophy**

Murata’s core business is ceramic materials, but we also have been pursuing organic materials and the acquisition and commercialization of applied technologies. These directions have led to the opening up of a new market for a substrate that allows electronic components to be built onto it—MetroCirc™. This development is based on our founder’s desire for the company to do business not by interfering with rival companies but by innovating in the electronics industry.

**Origami-Concept**

MetroCirc™ substrates are manufactured at a smart factory that employs world-class equipment, a state-of-the-art security system, and other cutting-edge facilities. Because of their thinness and ability to be formed into any product shape, MetroCirc™ substrates have become known as “origami” substrates.

**Diversity**

Murata sends Japanese employees out into the world to do business, accepts loaned staff from overseas, and utilizes the talents of people from many different nationalities and backgrounds. Also, to achieve integrated production starting with materials, we acquired Primatec Inc. (now Ise Murata Manufacturing Co., Ltd.) in November 2016, bringing it in as new member of the corporate group.

Murata naturally wants to satisfy customers; we also value creating a sense of purpose among the members of the MetroCirc™ team. We are proud that a group of women autonomously formed a promotion team that provides attentive customer support and is making customers very happy.

Using our philosophy as a guide, we have integrated a different corporate culture to create something that had never existed before. While welcoming these new employees into our fold, we are looking forward to seeing MetroCirc™ contribute to the advancement of society.
**Health, safety and reduction in accidents**

We are systematizing and restructuring occupational health and safety education.

Occupational health and safety education consists of training and hands-on education aimed at preventing workplace accidents. Workers are made to understand the dangers of various working environments and are taught to take actions that ensure their safety.

Currently, the people in charge of health and safety at every Murata plant are working together to restructure education in this area.

We are currently in the process of reworking the company’s safety education system by first collecting all of the information on education being conducted at each plant and determining which things every employee in the company needs to know, and which things people handling specific tasks need to know. Then, we will be reviewing all of that information to produce more effective training, improve the educational content, and provide more focused training according to specific accident risks.

We are working to introduce hands-on safety education that simulates actual workplace risks such as pinchng, entanglement, and electric shock. Through the experience we hope to raise awareness toward safety among all of our employees.

**Prevention of global warming**

Contributing to the mitigation of global warming through energy-saving activities that demonstrate our strength as an organization.

Murata Electronics (Thailand) Ltd. (“Thailand Murata” below), located in Chiang Mai in Thailand’s north, is Murata’s second manufacturing base in the ASEAN region. Thailand is displaying rapid economic growth, and as a result, the nation’s energy consumption is increasing annually. The government’s energy policy has increased energy efficiency by almost 40% in one decade, and Thailand Murata is also actively working to conserve energy. An energy-saving framework, comprising such initiatives as the introduction of high-efficiency equipment such as LED lighting and operating improvements to increase the efficiency of the company’s air conditioning system, has been implemented throughout the entire company organization, thereby reducing annual CO2 emissions by 880 tons. This represents 2.5% of Thailand Murata’s total CO2 emissions. In the future, Thailand Murata will continue to fulfill its social responsibilities as a company doing business in Thailand, while working to provide a positive inspiration to the entire Murata Group with bases across the globe.

**Conservation of resources and reduction of waste**

Securing multiple waste processing routes for times of emergency.

Murata contracts with a waste disposal firm to handle industrial waste generated through production activities, and also carries out recycling. If an emergency situation were to arise, such as an earthquake or flood in which processing facilities are damaged, it is possible that Murata would be unable to get rid of its waste. In such a case, if the storage area became full, Murata’s production would have to be halted.

To avoid this potential situation, Murata is securing other additional processing routes at all of its factories so that production activities will not be affected in an emergency. Waste processing not only takes care of unusable resources, but it plays an important role in supporting manufacturing. We are working with waste disposal firms to make sure that function is provided.

**Reduction in water usage**

Effectively utilizing water resources with an awareness of water risks.

Water is a fundamental resource in people’s lives; it is similarly essential to plant manufacturing. Water risks are therefore causing concern worldwide, as water shortages and water pollution become more serious due such factors as climate change and a rising global population.

At Toyama Murata Manufacturing, we take great care to use water resources efficiently. To improve our water recycling rate we have overhauled our coolant water system, and taken steps to optimize the use of water temperatures. Such efforts have resulted in a usage reduction of 60,000 tons of water annually, approximately 3% in our factories overall.

Toyama Murata Manufacturing’s plant is set in a location within Japan that is particularly blessed with an abundance of water. Especially for this reason, we are committed to taking thorough measures to protect water resources on into the future.

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In order to prevent industrial accidents, Murata combines “tangible” efforts such as training to improve the social responsibilities related to health and safety. The frequency rate for industrial accidents at Murata is low in comparison with the average for the manufacturing industry*, but we remain committed to continually lowering it even further.

* Number of casualties caused by industrial accidents per 10,000 employees working hours.

<table>
<thead>
<tr>
<th>Workplace accident frequency rate and number of accidents</th>
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Note: “Industrial” includes accidents caused by industrial accidents per one employee working hour.

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**Trends for waste and comparative unit ratio of real production**

At Murata, we are introducing a global warming prevention plan toward reducing the total amount of greenhouse gases emitted from our business activities. Centered on the Global Warming Prevention Special Committee, these measures are being implemented throughout the Murata Group toward achieving the corresponding goals.

**Trends for water use and comparative unit ratio of real production**

Water is a fundamental resource in people’s lives; it is similarly essential to plant manufacturing. Water risks are therefore causing concern worldwide, as water shortages and water pollution become more serious due such factors as climate change and a rising global population.

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"Diversity and Inclusion" is part of our corporate culture, allowing everyone to thrive

Murata’s employees come from all kinds of backgrounds. "Diversity" and "inclusion" (mutual acceptance) are considered so essential to the innovation process that we have set up a committee in Japan to promote D&I—the Murata Diversity and Inclusion Plaza (M-DIP). The diversity that Murata promotes cannot be considered visible, like gender or race, but is rather the acceptance of individual differences, experiences, abilities, ways of thinking and work styles—those invisible qualities that define a person’s character. At the same time, we do not shy away from conflict. We encourage a willingness to hear people out, and by so doing aim to bring about innovation. When people work with one another toward a common goal, even if their opinions differ, ideas get put forward that might never have occurred on a person’s own. This is what leads to enterprise growth and is the reason we promote D&I.

Of the 50 people on the M-DIP committee, we spoke with three well-informed staff members who shared their thoughts with us based on their unique experiences.

Ms. Yoshikawa, who worked outside of Japan, expressed the importance of accepting different world views and ways of thinking: “When you work in another country, there are really so many unknowns. In such an environment you have no choice but to observe others very closely. Since Murata does business globally, it is essential to have the desire to understand the people you are dealing with.”

Ms. Kitao, a female engineer, described a significant shift in her thinking: “When I started working, I was the only female engineer in the division, and I was quite nervous and unsure of myself. But I was the only female engineer in the division, and I was quite nervous and unsure of myself. But I was able to overcome my concerns by discussing things freely and openly with energy, knowing that differing views enhance the company’s ability to respond quickly to business needs, and that innovation is sure to emerge when the individual talents of each person are brought out. At the end of the discussion, the three of us spoke about M-DIP’s hopes for D&I at Murata. D&I means bringing together the approaches, experiences, and abilities of diverse individuals, and allowing the clash of ideas to recombine in new ways that spark innovation. M-DIP therefore sees it as something important to Murata’s growth and success, as it will enable us to bring about innovation. When people work with one another toward a common goal, even if their opinions differ, ideas get put forward that might never have occurred on a person’s own. This is what leads to enterprise growth and is the reason we promote D&I. Following the acquisition of VTI Technologies Oy, the Finnish MEMS technology company, now renamed Murata Electronics Oy, a special program was started to share the Murata Philosophy with all employees.

The purpose of the Philosophy Sharing program was to introduce the Murata Philosophy to all employees, and to help them understand how they can contribute to customer satisfaction and the overall success of Murata. Several workshops were held, with presentations of Murata’s history, values and philosophy, followed by discussions and group workshops with the participation of all employees, from management to shop-floor workers. Feedback from employees was positive and encouraging, and also very revealing. We realized we have a lot to do. It was recognized that applying the Murata Philosophy in our daily work and decision-making will truly help us to improve.

These workshops were complemented by an e-learning module, enabling especially new employees to further self-study the meaning of the Murata Philosophy. Several workshops have been implemented with great success.

Case 1) Enhancing manufacturing skills

In 2016, a group of MEMS manufacturing workers from Murata Finland visited the Kanazawa factory. The purpose was to learn how the Murata Philosophy is applied to enhance manufacturing and utilize those learnings to improve our operations in Finland. “We were truly impressed by our observations,” commented the participants. “It is obvious that at Murata, manufacturing comes first; it is a real strength, and all employees on site continuously innovate better ways of working, in the spirit of Murata Philosophy.”

As a result, numerous improvement proposals were brought back to Finland to further enhance the MEMS manufacturing operations, and several major improvement programs have been implemented with great success.

Case 2) Scientific approach to improve quality

A scientific approach, which is one key principle of the Murata Philosophy, has been fully implemented at Murata Finland to improve quality. With the help of Murata’s extraordinary analysis capabilities, and strong quality mindset embedded in the Philosophy, we succeeded in identifying root causes behind some major quality issues we had had in the past, to take corrective actions and achieve a huge improvement in our product quality. We apply our philosophy across activities called “Know your process” and “Cross-functional team work,” enabling us to efficiently utilize the best know-how in-house.

Our journey as a trustworthy member of Murata continues, and we will continue to contribute to the advancement of culture by providing unique MDM components in the spirit of the Murata Philosophy.
A focus on the environment, human rights, and other CSR issues in collaboration with suppliers

Murata aims to build mutual trust with our suppliers and achieve mutual prosperity by promoting socially responsible procurement. This effort aligns well with this section of the Murata philosophy: “We contribute to the advancement of society ... together with all our stakeholders, thankful for the increase in prosperity.”

Companies today are getting called upon to take socially responsible action from stakeholders in various spheres. Murata is no exception. We conduct a variety of CSR-related activities, and through our supply chain urge suppliers to do the same, with the ultimate goal of achieving sustainability in society. In addition to established green procurement efforts to protect the environment, recently we have implemented socially responsible procurement that extends to ensuring that our suppliers respect human rights (preventing discrimination, etc.) and establish occupational health and safety measures. We are also getting called upon to ensure that our suppliers themselves proactively pursue responsible procurement.

We confirm how our suppliers are carrying out responsible procurement by having them fill out a risk assessment questionnaire based on the Electronic Industry Citizenship Coalition® (EICC®) Code of Conduct. In the future, we are planning to take the results of the questionnaire, perform an audit to confirm the details with each supplier, and if any problem is found, to work with the supplier to improve the situation. In addition, Murata has positioned the issue of conflict minerals/conflict-free sourcing, which has come under greater scrutiny recently, as part of our CSR initiatives, which we plan to address in collaboration with our suppliers.

We will steadily and earnestly implement these initiatives for society’s benefit, and by so doing deliver Murata products to customers together with greater safety and peace of mind.

How CSR Procurement Works

1. CSR procurement agreement
2. Self-assessment
3. Audit

Permeation of CSR through supply chain

Murata’s woodland preservation activities

Murata receives the Forestry Agency Minister’s Award for ongoing activities

Our head office has been engaged in Murata Forest woodland preservation activities since Fiscal 2007. About once a month, employees and their families participate as volunteers, actively cooperating with local residents near the forest in Kozaki-ku, Kameoka, Kyoto prefecture to help thin the forest. Last autumn, at the 40th Annual Zenkoku Ikujusai (nationwide tree-planting event) held in Kyoto, the company was recognized by Kyoto prefecture for efforts to preserve the forest. In addition, Murata was recognized by the company’s minister in charge of forestry for efforts to uphold the honor of being a recipient of the award.

Murata Forest was the first forest in the woodland preservation activities carried out in Japan as part of the Model Forest Movement proposed by Canada at the Earth Summit held in 1992 as a practical movement to build a sustainable global environment.

Class lessons for children by Murata employees

Raising the curiosity and aspirations of children in China

Since 2006, Murata has been sending employees to elementary schools, junior high schools and other learning institutions in Japan and other countries to show children what kind of work engineers do and how interesting the job is of supporting micromotors (the art of manufacturing) at a company like Murata. At Wuxi Murata Electronics in China, efforts were begun in December 2016 to give lessons to kids at a nearby elementary school. The children were given a demonstration of MURATA BOY, a bicycle-riding robot, and MURATA GIRL, a unicycle-riding robot. They were shown the mechanisms that make the robots self-balancing and shown scenes of the robots while still under development. The objective was to stimulate children’s intellectual curiosity in science and technology and to show how important the work of an engineer is, and the importance of never giving up, even after failing.

The company also donated books to be of assistance in the children’s school careers. Murata aims to be the kind of company that enables children to have high hopes and dreams.
**Social Targets**

<table>
<thead>
<tr>
<th>Item</th>
<th>Targets for FY2016</th>
<th>Results for FY2016</th>
<th>Results for FY2018</th>
<th>Targets for FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Promotion of “Diversity &amp; Inclusion” initiatives</td>
<td>- Establish a committee/committee; - Continue promotion of “Diversity &amp; Inclusion” activities (e.g., workshops, seminars, etc.)</td>
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</tr>
<tr>
<td>2. Efforts to promote career formation and growth</td>
<td>- Implement measures to promote career formation and growth; - Strengthen support for career education</td>
<td>- No significant progress</td>
<td>- No significant progress</td>
<td>- No significant progress</td>
</tr>
<tr>
<td>3. Strengthening the foundation of global compliance operations</td>
<td>- Continue promoting “management system for ensuring the establishment and operation of the Compliance Promotion Committee”</td>
<td>- No significant progress</td>
<td>- No significant progress</td>
<td>- No significant progress</td>
</tr>
<tr>
<td>4. Employees</td>
<td>- Conduct annual evaluation of human rights education conducted in training (new employees); - No significant progress</td>
<td>- No significant progress</td>
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</tbody>
</table>

**Environmental Targets**

<table>
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<tr>
<th>Item</th>
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<th>Results for FY2016</th>
<th>Results for FY2018</th>
<th>Targets for FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Improvement in performance of core products</td>
<td>- Improve the efficiency of core products; - No significant progress</td>
<td>- No significant progress</td>
<td>- No significant progress</td>
<td>- No significant progress</td>
</tr>
<tr>
<td>2. Global warming countermeasures</td>
<td>- Set and implement FY2025 global warming countermeasures; - No significant progress</td>
<td>- No significant progress</td>
<td>- No significant progress</td>
<td>- No significant progress</td>
</tr>
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<td>3. CSR activities: Targets and results</td>
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**Results for fiscal 2016 environmental targets and social targets; medium-term targets for fiscal 2016 to 2018, and targets for fiscal 2017**

**Social Targets**

1. Promotion of “Diversity & Inclusion” initiatives
   - Establish a committee/committee
   - Continue promotion of “Diversity & Inclusion” activities (e.g., workshops, seminars, etc.)

2. Efforts to promote career formation and growth
   - Implement measures to promote career formation and growth; - Strengthen support for career education

3. Strengthening the foundation of global compliance operations
   - Continue promoting “management system for ensuring the establishment and operation of the Compliance Promotion Committee”

4. Employees
   - Conduct annual evaluation of human rights education conducted in training (new employees)

**Environmental Targets**

1. Improvement in performance of core products
   - Improve the efficiency of core products

2. Global warming countermeasures
   - Set and implement FY2025 global warming countermeasures

3. CSR activities: Targets and results
   - CSR activities: Targets and results

Results for fiscal 2016 environmental targets and social targets; medium-term targets for fiscal 2016 to 2018, and targets for fiscal 2017. Murata commits itself to continual improvement in priority themes through the integration of a broad range of measures.
Taking a close look at CSR at Murata

CSR at Murata emphasizes being socially responsible in the company’s business activities. It embodies a strong determination to maintain stable employment and address social issues. This report, however, contains many abstract explanations to maintain stable employment and address social issues, such as the Sustainable Development Goals (SDGs) adopted by the United Nations. When we see the ways in which the socially responsible execution of Murata’s business activities are connected to specific social issues, and how those topics are placed at the center of CSR activities, it becomes clear how Murata is working hard to be a world leader in corporate social responsibility.

“Diversity and inclusion” is another topic of this report. Promoting greater diversity is an important thing to do at every level of society, and is something that Murata is actively pursuing; it is an area in which I would like to see Murata make good progress. A concrete action plan is necessary for proper implementation. Gender, age, and nationality are not the only focuses for diversity. So it is good to see that Murata aims to implement measures that diversify working styles themselves. This will in turn strengthen the company’s resilience and make life better for its employees. Yet it is important to establish a number of indicators to provide specific objectives to meet.

Murata can also be commended for the measures it has taken in its supply chain. It has become clear in the last several years that CSR and environmental measures cannot be managed properly without implementing them throughout the entire supply chain. Year by year there has been increasing pressure from buyers in this regard. Murata’s main relationships are with suppliers close to the raw materials, so it has the ability to do much more for the social good in terms of careful supply chain coordination than a manufacturer that only works from assembly to the finished product.

In the world of CSR, there is a growing trend toward producing “integrated reports”. An integrated report covers more financial capital. It includes the value that is produced from other forms of capital—manufactured, intellectual, human, social and relationship, and natural. I believe this report style is a good match with Murata’s CSR spirit, and look forward to seeing such reports issued in the future. At such time, an important focus will be the indicators selected to measure the creation of value to society. In financial matters there are Key Performance Indicators (KPIs), so it will be critical to establish non-financial KPIs, to manage objectives, and to communicate Murata’s progress as the company moves forward.

### Sites in Japan

<table>
<thead>
<tr>
<th>Murata Manufacturing/ Head Office/Branch/Plant and Division/Sales Office</th>
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<th>Branch</th>
<th>Plants and Division</th>
<th>Sales Office</th>
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<tr>
<td>Murata Manufacturing Co., Ltd.</td>
<td>Tokyo</td>
<td>Yokohama Technical Center / Yasu Division</td>
<td>Sendai / Hiro / Sakai / Tokyo / Techkiwa / Hamamatsu</td>
<td></td>
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<tr>
<td>Murata Manufacturing Co., Ltd.</td>
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<td>Nagoya / Azumino / Kyoto / Kobe / Okayama / Fukushima</td>
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### Sites outside of Japan

#### North & South America

- **U.S.A.** Murata Electronics North America, Inc. Peregrine Semiconductor Corp.
- **Canada** Murata Power Solutions (Toronto) ULC
- **Mexico** Murata Electronics Trading Mexico, S.A. de C.V.
- **Brazil** Murata World Comercial Ltda.

#### Europe

- **Netherlands** Murata Electronics Europe B.V.
- **U.K.** Murata Power Solutions (Milton Keynes) Limited
- **France** Murata Electronique SAS
- **Finland** Murata Electronics Oy

### Asia

- **China** Murata (China) Investment Co., Ltd.
- **Hong Kong** Murata Power Solutions (Hong Kong) Limited
- **Taiwan** Taiwan Murata Electronics Co., Ltd.
- **Korea** Korea Murata Electronics Company, Limited
- **Singapore** Murata Electronics Singapore Pte. Ltd.
- **Thailand** Murata Electronics (Thailand), Ltd.
- **Malaysia** Murata Electronics (Malaysia) Sdn. Bhd.
- **Philippines** Murata Electronics Philippines Inc.
- **India** Murata Electronics (India)/Private Limited
- **Vietnam** Murata Electronics (Vietnam) Co., Ltd.

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**Profile**

Graduate School of Business Administration, Kobe University

Professor Katsuhiro Kokubu

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**CSR at Murata**

- **Taking a close look at CSR at Murata**
- **Opinion from a third party**
- **Problems, such as the Sustainable Development Goals (SDGs)**
- **Internationally, solutions are needed for specific issues. This report, however, contains many abstract explanations to maintain stable employment and address social issues, such as the Sustainable Development Goals (SDGs) adopted by the United Nations.**
- **Gender, age, and nationality are not the only focuses for diversity. So it is good to see that Murata aims to implement measures that diversify working styles themselves. This will in turn strengthen the company’s resilience and make life better for its employees.**
- **An integrated report covers more financial capital. It includes the value that is produced from other forms of capital—manufactured, intellectual, human, social and relationship, and natural.**
- **Promoting greater diversity is an important thing to do at every level of society, and is something that Murata is actively pursuing; it is an area in which I would like to see Murata make good progress. A concrete action plan is necessary for proper implementation.**
- **In the world of CSR, there is a growing trend toward producing “integrated reports”. An integrated report covers more financial capital. It includes the value that is produced from other forms of capital—manufactured, intellectual, human, social and relationship, and natural.**

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**Murata sites worldwide**

**Head Office** Murata Manufacturing Co., Ltd.

**Branch** Tokyo Branch

**Plants and Division** Yokohama Technical Center / Yasu Division / Yokaishi Plant / Nagaoka Plant

**Sales Office** Sendai / Hiro / Sakai / Tokyo / Techkiwa / Hamamatsu / Nagoya / Azumino / Kyoto / Kobe / Okayama / Fukushima

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**Taking a close look at CSR at Murata**

- **CSR at Murata emphasizes being socially responsible in the company’s business activities. It embodies a strong determination to maintain stable employment and address social issues. This report, however, contains many abstract explanations to maintain stable employment and address social issues, such as the Sustainable Development Goals (SDGs) adopted by the United Nations.**
- **Gender, age, and nationality are not the only focuses for diversity. So it is good to see that Murata aims to implement measures that diversify working styles themselves. This will in turn strengthen the company’s resilience and make life better for its employees.**
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**Opinion from a third party**

- **problems, such as the Sustainable Development Goals (SDGs) adopted by the United Nations.**
- **internationally, solutions are needed for specific issues. This report, however, contains many abstract explanations to maintain stable employment and address social issues, such as the Sustainable Development Goals (SDGs).**
- **gender, age, and nationality are not the only focuses for diversity. So it is good to see that Murata aims to implement measures that diversify working styles themselves. This will in turn strengthen the company’s resilience and make life better for its employees.**
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**Promoting greater diversity is an important thing to do at every level of society, and is something that Murata is actively pursuing; it is an area in which I would like to see Murata make good progress. A concrete action plan is necessary for proper implementation. Gender, age, and nationality are not the only focuses for diversity. So it is good to see that Murata aims to implement measures that diversify working styles themselves. This will in turn strengthen the company’s resilience and make life better for its employees. Yet it is important to establish a number of indicators to provide specific objectives to meet.**

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**Murata can also be commended for the measures it has taken in its supply chain. It has become clear in the last several years that CSR and environmental measures cannot be managed properly without implementing them throughout the entire supply chain. Year by year there has been increasing pressure from buyers in this regard. Murata’s main relationships are with suppliers close to the raw materials, so it has the ability to do much more for the social good in terms of careful supply chain coordination than a manufacturer that only works from assembly to the finished product.**

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**In the world of CSR, there is a growing trend toward producing “integrated reports”. An integrated report covers more financial capital. It includes the value that is produced from other forms of capital—manufactured, intellectual, human, social and relationship, and natural. I believe this report style is a good match with Murata’s CSR spirit, and look forward to seeing such reports issued in the future. At such time, an important focus will be the indicators selected to measure the creation of value to society. In financial matters there are Key Performance Indicators (KPIs), so it will be critical to establish non-financial KPIs, to manage objectives, and to communicate Murata’s progress as the company moves forward.**
Executives, Stock Information and Major Shareholders

**Executives As of July 1, 2017**

**Board Members**
- **Chairman of the Board and President** Tsuneo Murata
- **Vice Chairman of the Board** Yoshitaka Fujita
- **Board Member** Toru Inoue
- **Board Member Audit and Supervisory Committee Member** Junichi Tanaka
- **Board Member Audit and Supervisory Committee Member** Hiroaki Yoshihara
- **Board Member Audit and Supervisory Committee Member** Hiroshi Iwatsubo
- **Vice Presidents**
  - **Senior Executive Vice President** Toru Inoue
  - **Executive Vice President** Satoshi Sonoda
  - **Senior Vice President** Masahiro Ishitani
  - **Vice President** Takeshi Konoike

**Stock Information As of March 31, 2017**

- **Number of shares outstanding at the end of current term**: 225,263 thousands of shares
- **Number of shareholders at the end of current term**: 56,576

<table>
<thead>
<tr>
<th>Ownership (unit: one thousand)</th>
<th>Number of shareholders</th>
<th>Number of shares outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Institutions</td>
<td>25,422 (56.0%)</td>
<td>85,439</td>
</tr>
<tr>
<td>Foreign Companies</td>
<td>20,422 (45.0%)</td>
<td>98,370</td>
</tr>
<tr>
<td>Domestic Companies</td>
<td>20,422 (45.0%)</td>
<td>8,507</td>
</tr>
<tr>
<td>Individual Investors &amp; Others</td>
<td>20,422 (45.0%)</td>
<td>2,067</td>
</tr>
</tbody>
</table>

**Major Shareholders As of March 31, 2017**

- **JP Morgan Chase Bank**: 38,000 shares, 8.7% ownership
- **Japan Trustee Services Bank, Ltd.** (Trust Account): 11,389 shares, 5.4% ownership
- **The Master Trust Bank of Japan, Ltd.** (Trust Account): 7,699 shares, 3.6% ownership
- **Nippon Life Insurance Company**: 7,361 shares, 3.5% ownership
- **State Street Bank and Trust Company**: 6,977 shares, 3.3% ownership
- **The Bank of Kyoto, Ltd.**: 5,240 shares, 2.5% ownership
- **Meiji Yasuda Life Insurance Company**: 5,240 shares, 2.5% ownership
- **JPMorganOppenheimer JASDEC Lending Account**: 4,836 shares, 2.3% ownership
- **Japan Trustee Services Bank, Ltd.** (Trust Account S): 3,854 shares, 1.8% ownership
- **The Shiga Bank, Ltd.**: 3,551 shares, 1.7% ownership

**Note:**
The company holds 12,525 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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