

[CSR Activities: Targets and Results]

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

○: Achieved
△: Nearly achieved
×: Not Achieved

■ 4th Environmental Action Plan: Results for Fiscal 2010

Major Activities		Targets for FY2010	Results for FY2010	Achievement
Environmental Management	Environmental Management System	• Unify structure of ISO14001 throughout Murata. • Start publication of environmental cost management results at OSA factories.	• 5th Environmental Action Plan formulated. • Completed development of the organization aimed at achieving ISO 14001 certification at Murata (China) Investment Co., Ltd. • Established new rules for environmental cost aggregation to increase efficiency.	○
	Environmentally conscious design	Build a manufacturing structure with a focus on reducing the environmental impact of the entire life cycle.	• Updated the Product Assessment Guide on the basis of the life cycle-based guidelines on eco-friendly product design, such as the RoHS directive, REACH directive, ErP directive, EPEAT standards, and Carbon Footprint of Products. • Selected and announced eco-products for 2010.	○
Supplying environmentally friendly products	Reducing the use of environmentally hazardous substances in products	• Introduce alternative substances and switch to alternative technology for RoHS exemptions. • Cope with revision of the list of application RoHS exclusions.	In response to the revised use prohibitions* that will be introduced from 2013, the following activities were conducted: • Sharing trends in rule-making through working group activity for product departments. • Worked with product departments to determine the policy for products covered by the revised regulations. • The staff responsible for handling revised regulations started activities in response to regulations. • Revised technical standards by adding provisions related to use prohibitions that will take effect from January 2013. *Lead in low-voltage dielectric ceramic will be prohibited from January 2013, preceding other exemptions.	○
		Reduce the use of polyvinyl chloride (PVC) .	Reduced 5.6% from FY2007 in products sold. Despite the initial plan to entirely eliminate PVC, the expected legal regulations were not introduced. There were only requests for regulations from some customers. Therefore, prohibitions of hard-to-replace use items (components in vehicles and electric wire covering) were addressed through reductions.	○
		Reduce consumption of brominated flame retardants (Targets are as follows :) ① Reduce consumption of brominated flame retardants by 4% compared to FY2006 levels. ② Within FY2010, establish alternative technology that can achieve a 50% reduction in the use of brominated flame retardants from FY2006.	The expected legal regulations were not introduced. There were only requests for regulations from some customers. Work on reductions was continued. • Consumption in FY2010 is expected to be reduced by 14.7% from FY2006 levels. • Established an alternative technology that can reduce 50% of brominated flame retardant consumption compared to FY2006 levels.	○
	Managing information related to environmentally hazardous chemical substances	• Ensure cooperation between product database and reporting tool demanded by e-business and realize timely reporting. • Strengthen cooperation with e-business.	• A new integrated chemical substance management database system (Tri-E system) was built to start providing information on chemical substances contained in products for customers (system started operation in January 2011), and started providing information for the EU authorities as required by the European REACH Regulations (function introduced in March 2011). • Started registration on the open database for external parties (JAMP-GP). Ingredients of all 14,000 Murata products with open product part numbers will be registered before the end of FY2011.	○
	Reducing the use of packaging materials and saving energy in logistics	Reduce the amount of packaging materials used for chip monolithic ceramic capacitors or chip ferrite beads per unit of production by more than 50% compared to FY2000 levels.	Reduced 48% from FY2000. Thanks to reductions in product size, the target was achieved with a 51% reduction in the fourth quarter of FY2010. For the full-year period, however, the savings (48%) fell short of the target.	△
		Reduce CO2 emissions from logistics per unit of net production in Japan by more than 38% compared to FY2000 levels.	Reduced 55% from FY2000. Efforts to reduce unused vehicle loading capacity and total distance traveled made it possible to make significant progress toward the target.	○
Eco-Friendly Business Activities	Green procurement	Continue and promote material greenness survey in response to the laws and regulations of each nation. Maintain a 100% green procurement rate for materials used for production.	It has taken time to recover survey sheets for some materials; however, the green procurement ratio for materials used for production remains at 100%.	○
	Global warming prevention	Reduce CO2 emissions per unit of net production in Japan by more than 35% compared to FY1990 levels.	Reduced 62% compared with FY1990. Strengthening the company-wide energy-saving activity helped achieve the target. An increase in productivity due to a higher operating ratio and improvement in power company emission coefficients also contributed to the effort.	○
		Reduce total CO2 emissions at overseas production sites.	Reduction of 8,400 tons/year from FY2007. The target was achieved through the continuous implementation of various energy-saving measures.	○
		Switch all company-owned cars in Japan to low-emission vehicles.	Maintained a 93% share of low-emission vehicles in the fleet of company-owned cars. Replacement of trucks and vans used on the premises of plants was not completed; however, it is expected to be completed in not more than 5 years.	△
	Resource conservation and waste reduction, reuse, recycling	Reduce total waste emissions per unit of net production in Japan by more than 55% compared to FY2000 levels.	Reduced 37% compared to FY2000. A sudden increase in production made it impossible to achieve the target. However, ways to achieve significant reductions in FY2011 and after were examined and work is under way to develop effective measures.	×
		Reduce total waste emissions per unit of net production at overseas production sites by more than 10% compared to FY2006 levels.	Reduced 36% compared to FY2006. Overseas sites are also strongly committed to achieving reductions from FY2006 levels in absolute terms.	○
		Achieve zero waste emissions at overseas factories.	Achieved zero-emission targets at Beijing, Wuxi, Taiwan, Thai, and Shenzhen sites.	△
		Reduce water consumption per unit of net production in Japan by more than 55% compared to FY2000 levels.	Reduced 54% from FY2000. Water consumption per unit of production in Japan was reduced by 21%, a fairly good achievement.	△
	Controlling and reducing environmentally hazardous chemical substances used in production processes	Reduce atmospheric emissions of volatile organic compounds (VOC) in Japan by more than 30% compared to FY2000 levels.	A 25% increase from FY2000. Implementation of measures against VOCs, such as the use of RTOs (regenerative thermal oxidizers), was started even before the reduction of VOCs was defined as a goal. There has been solid progress in reducing atmospheric emissions.	×
		Reduce atmospheric emissions of PFCs in Japan by more than 60% compared to FY2002 levels.	Reduced 62% compared to FY2002. A successful switch to alternative products made it possible to achieve the target.	○
	Risk management	Maintain the system for the continuing treatment of soil and groundwater pollution and the minimization of environmental risks.	The effects of remediation measures were confirmed at plants where such measures were implemented.	○
		Reduce environmental risks such as soil pollution during construction work performed to change the characteristics of land.	Conducted soil investigations at the relevant project sites.	○
Social activities	Environmental communications	Continuously promote information disclosure to ensure that business is deeply rooted in the communities and societies where Murata operates.	Continued to disclose information by publishing the Murata Report and organizing plant tours for local residents to ensure that business is deeply rooted in the communities and societies where Murata operates.	○
	Community / social contribution activities	Continually promote social/community contribution activities and the greening of plants, and ensure that business is deeply rooted in the communities and societies where Murata operates.	Projects such as environmental education for elementary and junior high school children, an initiative for the conservation of domestic woodlands (<i>satoyama</i>) named "Murata Forest," and the greening of plants to ensure that business is deeply rooted in the communities and societies where Murata operates.	○

Note: The 4th Environmental Action Plan was completed in FY2010. This is followed by the new 5th Environmental Action Plan, which defines medium-term targets to be achieved by FY2015. See the Murata website for further information.

○: Achieved
△: Nearly achieved
×: Not Achieved

■ Social Activity: Targets and Results for Fiscal 2010 and Targets for Fiscal 2011

Major Activities	Targets for FY2010	Results for FY2010	Achievement	Targets for FY2011
Promoting development of an internal control system	Promote internal controls aimed at ensuring the appropriateness of operations, as well as continuously promote operational standardization, visualization, improvement and reforms.	In addition to developing internal controls aimed at ensuring the appropriateness of operations, Murata continuously promoted operational standardization, visualization, improvement and reforms. The Company has also been expanding the scope of the internal control system since the previous fiscal year. Moreover, the company continued to improve the internal control system to ensure compliance and operational effectiveness and efficiency.	○	Vigorously promote internal controls aimed at ensuring the appropriateness of operations, as well as continuously promote operational standardization, visualization, improvement and reforms.
	Improve monitoring functions to ensure operational appropriateness to increase the transparency and effectiveness of the corporate governance system.	The number of group companies both in and outside Japan covered by monitoring was increased step-by-step. Taking a risk approach, a separate internal audit department evaluates and monitors priority items to increase transparency and effectiveness.	○	Further improve monitoring functions to ensure operational appropriateness to achieve greater increases in the transparency and effectiveness of the corporate governance system.
Promoting compliance	Eliminate redundancy and superfluous practices while maintaining the effectiveness of internal control. Reestablish the compliance system from a cross-group perspective to streamline operation throughout the system. ① Conduct a survey of compliance and test understanding of the Code of Conduct. ② Internally publish how the reporting system has been used. ③ Prepare and distribute a textbook describing the compliance program and ensure the use thereof.	① Conducted a survey of compliance and tested the understanding of the Code of Conduct. ② Internally published how the reporting system has been used at Murata Manufacturing and domestic affiliates. ③ Prepared a textbook describing the compliance program and used it in workshops hosted by Compliance Leaders at plants in Japan.	○	Reestablish the compliance system from a cross-group perspective to further streamline the operation of the system. ① Continue to conduct surveys of compliance and test the understanding of the Code of Conduct. ② Periodically communicate information on compliance promotion activities. ③ Firmly establish the Compliance Month in the corporate calendar.
Strengthening risk management	Effectively execute the business risk management cycle of "identification," "analysis and assessment," "formulation and implementation of measures," "monitoring," and "improvement." The Risk Management Committee must continue to implement measures against risks in key areas such as information security and BCPs (Business Continuity Plans) in preparation for earthquakes and outbreaks of pandemic influenza.	Checked the progress of implementation of measures against significant risk items and made continuous improvements. Responded to the Eastern Japan earthquake on a company-wide basis and reviewed traditional measures against disasters.	○	Study company-wide business risks for which response requires enhancement and continuously follow up on the response to risks made by responsible departments to strengthen risk management activity. Learn lessons from the Eastern Japan earthquake to reevaluate the effectiveness of measures against disasters such as emergency response and quake-resistant solutions for buildings and production equipment in order to enhance overall crisis management.
Society and community	Continue social/community contribution activities with a focus on priority fields.	Plants held more educational programs for elementary and junior high school children such as science education programs, electronic craft workshops and plant tours.	○	Provide support for the development of future human resources as innovators through science education programs for elementary and junior high school children.
	Strengthen social/community contribution activities with a focus on employee ideas and involvement.	Many employees participated as volunteers in open plant events and elementary school visits organized by plants.	○	Aggressively conduct regional contribution activities to ensure that business is deeply rooted in the communities and societies where Murata operates.
Suppliers	Japan: Include CSR in education programs for the Purchasing Dept. and implement an annual in-house education program and test. Overseas: Create textbooks and tests for overseas sites. Implement in-house training programs and operational diagnosis regarding compliance group-wide.	Japan: • Conducted a test of the understanding of CSR procurement for all purchasing representatives in Japan. • Conducted an operational diagnosis of two purchasing sites to strengthen compliance. • Held a total of 9 sessions of the training program for purchasing departments to strengthen compliance (attended by approximately 140 people) Overseas: • Completed the preparation of CSR procurement textbooks and tests for overseas purchasing sites. • Provided an in-house training program on CSR procurement and conducted a test of understanding for the overseas purchasing site with the highest purchase amount.	○	Conduct a test of the understanding of compliance and CSR procurement for all purchasing representatives in and outside Japan. Conduct in-house training and operational diagnosis for purchasing sites to strengthen compliance.
	Japan: Increase CSR agreement share to more than 90% of partners. Overseas: Increase CSR agreement share to 80% of partners starting with pilot sites with the highest purchase amounts. Formulate procedures for concluding and applying the CSR agreement.	Japan: • Some 90% of all suppliers trading with domestic purchasing sites signed the CSR agreement. Overseas: • 85% of all suppliers trading with the overseas purchasing site with the highest purchase amount signed the CSR agreement. • Completed the formulation of procedures for concluding the CSR agreement at overseas sites.	○	All overseas materials sites will start concluding CSR agreements with their suppliers.
Employees	Continue to implement the system to enable employees to select carrier paths according to their aptitudes. Promote acceptance of employees on loan from overseas (15 in FY2010) .	• Implemented an in-house open recruitment program for one position and transferred 9 individuals. • The personnel department held individual interviews with 100 young employees that had not been transferred for a long period to ask them about their ideas for their future career development and use them in the future personnel reshuffling. • 37 employees accepted on loan from overseas.	○	• Continue to implement the system to enable employees to select carrier paths according to aptitude. • Expand the in-house open recruitment system. • Evaluate employees who entered Murata as new graduates and have entered their second year at the company to examine the appropriateness of their appointment, and follow up on these employees. • Introduce a self-declaration system and a carrier development program for employees who joined Murata as new graduates and have entered their fourth year at the company. • Increase the number of foreign employees on loan to 20 in FY2011.
	Promote education and awareness-raising programs to prevent harassment (10 such programs are planned for FY2010).	A total of 23 sessions held at Head Office, Tokyo Branch and plants.	○	• Promote education and awareness-raising programs to prevent harassment. • Continue to promote education for all managers who have not been educated on moral/sexual harassment. Five training sessions are planned for FY2011.
	Develop a benefit package with a focus on ensuring diversity and independence.	Established a selective benefit package with three pillars of support (for independence, health promotion, and work-life balance) and decided to introduce it in FY2011.	○	Introduce and firmly establish a benefit package with a focus on diversity and independence.
	Promote measures to reduce total working hours and promote diverse ways of working.	Introduced the Murata Increasing Productivity (MIP) System as a new discretionary work plan for planners and technical specialists. • 225 employees are participating in this system as of March 2011.	○	Promote and support diverse ways of working according to the nature of jobs and customers.
	Enhance and establish a system to help employees strike a balance between work and family life (work-life balance).	Implemented a general employer action plan under the Act for Measures to Support the Development of the Next Generation. • Created a "Work-life Balance Handbook." • Held job experience events for the children of employees.	○	Further improve and solidify a system to help employees strike a balance between work and family life (work-life balance) .
	Provide a simulated production training program for new employees	Implemented a plant training program for new employees. 60 individuals participated in the 6-month-long simulated production training program.	○	Promote manufacturing education including development of personnel that can work on a global basis.
	Hold training and employ the PDCA cycle to improve management skills.	Implemented a group training program (Murata Management Basic) for 285 individuals to improve management ability, and followed up on 47 participants. Ran a 5-phase follow-up PDCA cycle for firmly acquiring skills.	○	Provide continuous training to improve management skills and practice PDCA.
	Achieve certification for the occupational health and safety management system at the Head Office.	The Head Office achieved certification by the Occupational Health and Safety Management System (OHSAS) in December 2010.	○	Implement procedures for the achievement of external certification for the occupational health and safety management system at 10 plants in Japan. Strengthen readiness to confirm the safety of employees and their family members in a timely fashion in the event of an emergency.