muRata
INNOVATOR IN ELECTRONICS

Murata Report 2014

Corporate Report
CSR Report

muRata
INNOVATOR IN ELECTRONICS

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Innovator in Electronics

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

Innovator in Electronics

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

Contents

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

Murata's Philosophy

Sharing Our Ideas Globally in Order to Become the Company that We Seek to Be

We contribute to the advancement of society

by
enhancing technologies and skills
applying scientific approach
creating innovative products and solutions
being trustworthy
and, together with all our stakeholders,
thankful for the increase in prosperity.

Pursuing the possibilities in electronics for 70 years

In October of this year, Murata will celebrate the 70th anniversary of its establishment. Since our founding in Kyoto in 1944, we have created various technologies and products in our pursuit of fine ceramics. Throughout those 70 years, we have been supported by our customers as well as all our various stakeholders, and, today, we have grown into an enterprise composed of 101 companies in 23 nations worldwide. We extend our heartfelt appreciation to all of those who have cooperated with and supported us through the years.

Toward emerging markets and new applications

Murata summarizes the company that we seek to be in our "Corporate Grand Design". And, as a part of our "Mid-Term Strategy" that is used to realize that goal, we are providing greater value to Murata's strongholds, such as the mobile communications and automotive markets, and are further accelerating the measures that we are implementing toward emerging markets and new applications. We are continually building stronger relations with local manufacturers in emerging countries, working to promptly grasp the needs of those markets, and providing new value in those emerging markets that drive the global economy. In addition to the automotive market that we have conventionally concentrated on, today we are also enthusiastically injecting new Murata technology and products into applications for the environment, energy, and health care markets.

Renewing our stance as an "Innovator in Electronics"

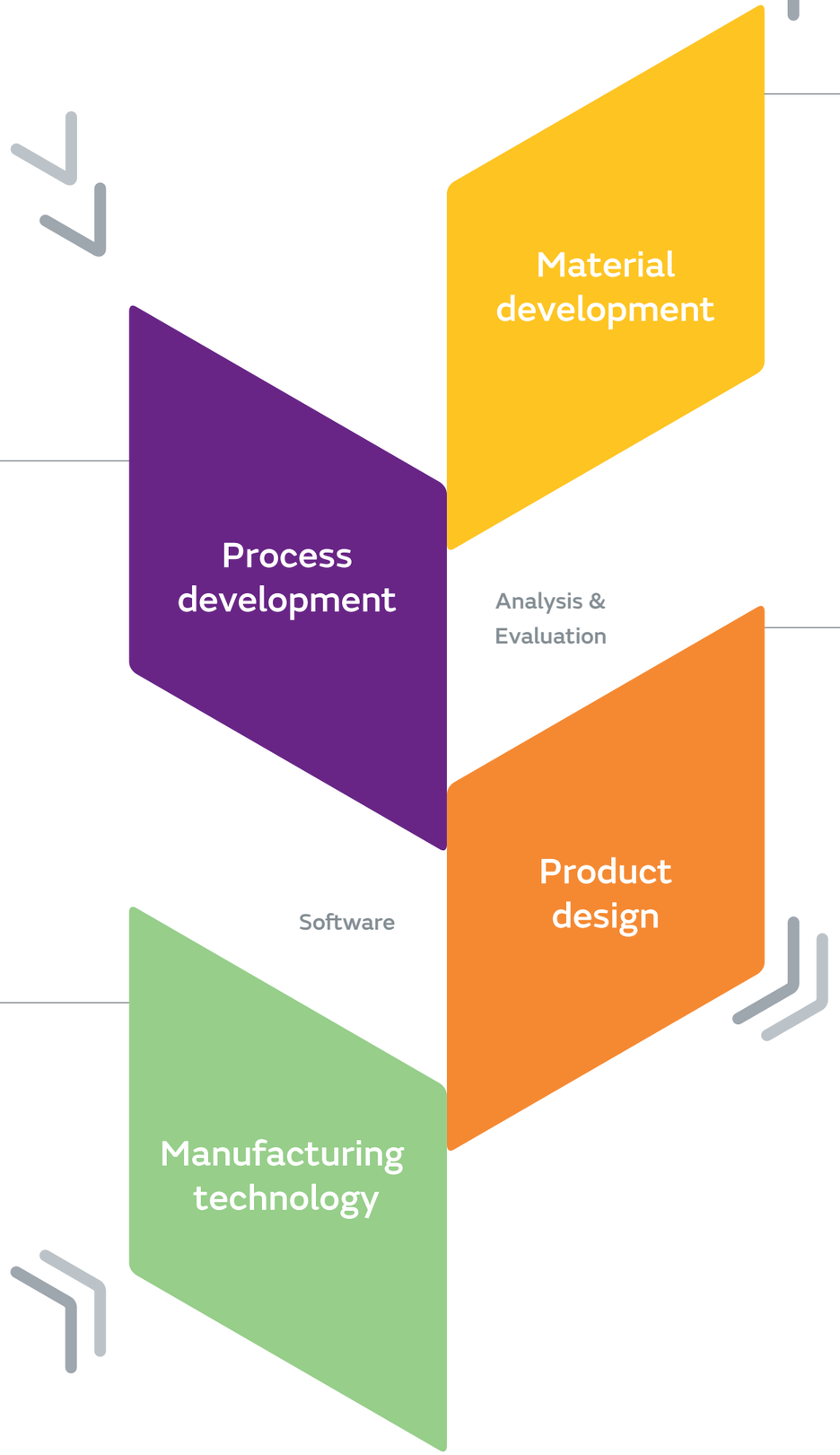
At Murata, we are strengthening the measures for all Murata members who dot the globe to share the "Murata's Foundation" (our "Philosophy"), which is the basis for all of our judgments and actions. Our "Visual Identity" (VI), which expresses that Foundation, was renewed this April, in order for all global Murata members to firmly reflect upon that Foundation as well as towards our "Innovator in Electronics" slogan. In order to rapidly respond to changes in the times and to answer our customers' needs in a timely fashion, all members will continue to share the same goals and purpose and to cooperate closely. In the future as well, Murata will continue contributing to the advancement of society through product development and creating high value-added goods that are ahead of their times.

Tsuneo Murata
President
Representative Director

Murata's Technology

Constant Evolution: Technology that Creates Customer Value

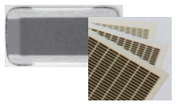
Murata has built an integrated system of production from raw materials to finished products, and we are consistently developing and accruing our proprietary technological base, such as in material development, process development, product design, manufacturing technology and the software, analysis and evaluation that supports that content. We develop such technologies flexibly through their mutual linkage and the close cooperation between engineers in each field in order to promptly satisfy our customers' needs. We also aim at creating new markets and innovation by actively collaborating with outside partners and by developing technologies and products that anticipate the future.



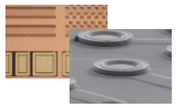
Process development

Process development is designing the best manner of manufacture in order to concretely manifest the designed functions, and it plays an important role in the miniaturization, slimming down, and high functionality of electronic components. For example, the smallest monolithic ceramic capacitor in the world (0.25 x 0.125 mm) that we developed was realized using technology that Murata has accumulated for laminating and multi-layering of ceramic sheets in micron units. Our thin film and ultra-fine processing technology are also utilized in surface acoustic wave devices and MEMS application sensors.

＜Our core technologies＞



Sheet casting and stacking technology



Deposition and fine processing technology

- **Ceramic sheet lamination and stacking technology**
  Technology for casting thin dielectric sheets of uniform and minute crystalline particles, and precisely stacking hundreds of those sheets to a height of less than 1 mm
- **Printing technology**
  Technology for forming thin, dense internal electrodes and high-density wiring circuits on ceramic sheets
- **Deposition and fine processing technology**
  Technology for forming smooth, flat membranes at a micron-nano level and enabling processing with nano level accuracy. At Murata, we are also utilizing more highly evolved three-dimensional ultra-fine finishing technology for MEMS application devices.

Manufacturing technology

Murata employs in-house production facilities toward producing the optimal environment for *monozukuri* (manufacturig). Due to this, we currently possess numerous technologies and know-how in regard to mass-producing products stably and efficiently. Implementing development of that equipment right from the product development stage has also led to stable quality. Such manufacturing technology is what supports the foundation of *monozukuri* at Murata.

＜Our core technologies＞

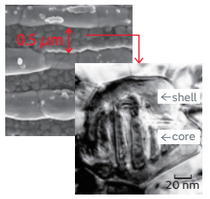
Automatic machinery design technology

- **Automatic machinery design technology**
  Technology for designing production equipment that can deliver, with high precision and at high speed, the optimal in processing and assembly for making smaller products, thinner products, and products with more advanced features
- **Industrial Engineering**
  Technology for improving productivity by scientifically analyzing and managing the manufacturing site

Material development

"New electronic devices begin with new electronic components; new electronic components begin with new materials..." Based on that concept, by constantly revisiting the sought-after functions, considering things all the way down to the material, and adhering to a posture of "management at the source and development from the source", Murata has achieved the creation of functional ceramic materials with outstanding characteristics. And the technology that we have cultivated with those ceramic materials is being further advanced through the development of even new materials that produce even new functions.

＜Our core technologies＞



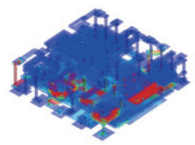
Ceramic particle core shell structure

- **Material design technology**
  Technology for designing the material composition and structure that delivers the characteristics and functions required of a particular material
- **Powder technology**
  Technology for synthesizing and manufacturing powder material by controlling the particle diameter and crystal structure of ceramics

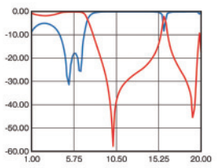
Product design

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. Furthermore, the high frequency design technology that we accumulated from early on enables rapid product design and is behind the mobile device innovations that are evidenced by the rapid evolution of smartphones and tablets.

＜Our core technologies＞



Electromagnetic wave analysis



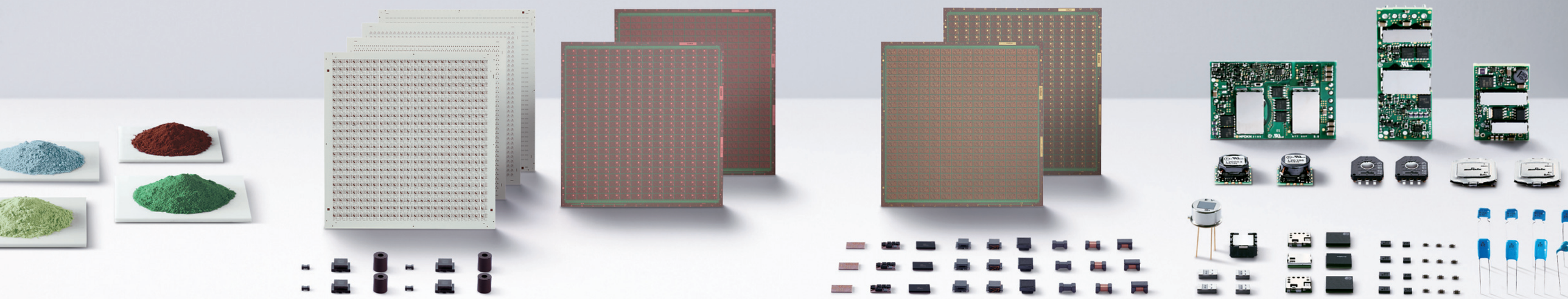
Passage and reflection characteristics of high frequency devices

- **High frequency design technology**
  Design technology that takes into consideration both the parasitic components that have minimal effect in the low frequency waveband and the complex electromagnetic coupling that exists between the circuits and its elements... In the design of components that are used in the high frequency band, we were able to achieve downsizing and greater functionality for high-frequency compatible products through a design process that considered such effects.
- **Simulation technology**
  Technology for performing virtual design and analysis in order to embody the concept design... Technologies into circuit simulation, electromagnetic field analysis, thermal analysis, and stress analysis result in an increase in the speed and efficiency of development and are widely utilized for solving a variety of other technological issues.
- **Modular design technology**
  Design technology for proposing circuit configurations that offer the required function by bringing out the ultimate in performance of each component, and that embodies the modular structure of the required size... As high capacity, higher speed communications services become more and more in demand, we are proposing smaller sized, lower profile, high functionality wireless communication modules.
- **Sensor element design technology**
  Design technology that uses functional materials and structures to embody the elements that can measure the present state of and changes in physical and spatiotemporal characteristics, etc... As miniaturization and high sensitivity progresses, numerous sensor elements are combined in various devices and the information acquired by those sensor elements is utilized in a diversity of applications.

Integrated Production System

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

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

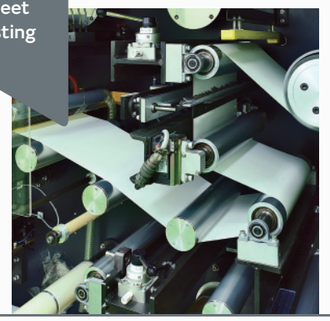


Murata's manufacturing technologies

Materials

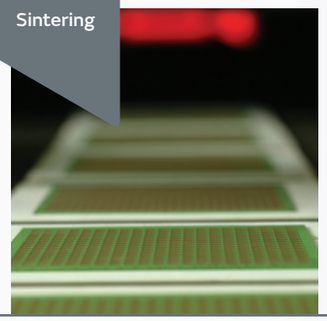
Murata has established a technology to precisely control ceramic materials and electrode materials that critically determine the property of electronic components.

Sheet casting



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

Sintering



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

Finishing and assembling

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

Inspection and packaging

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

Communications

The world, the future, and security at your fingertips

—With Murata, connection takes up a brand new meaning—

Mobile phones and smartphones are presently in use all around the world. Higher speed, higher capacity communication services are constantly being introduced, and multifunctionality and ever-smarter products are advancing. The miniaturization and modular design of high frequency parts, sensors and functional modules that improve functionality and operability, etc., all contribute to their evolution and diffusion.

Monolithic Ceramic Capacitors

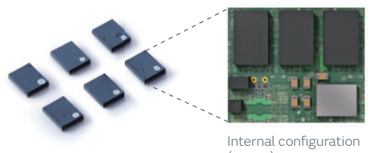
Indispensable to electronic circuits, these components serve to store electricity and handle the electric flow. The number of these units being incorporated is increasing along with the miniaturization, reduced thickness, and high functionality of mobile devices like smartphones, as well as PCs.

High Frequency 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.

RF Modules for Cellular Phones

These modules support the multiple frequency compatibility of smartphones. They combine a 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.



Internal configuration (image)

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

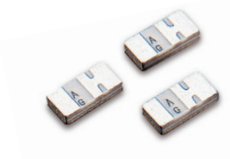
Enabling mobile phones to access the Internet via radio signals, these modules lead the trend towards increasing multifunctionality in those phones.

Low ESL Monolithic Ceramic Capacitors

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

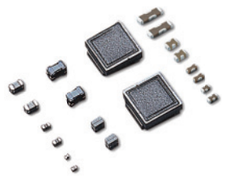
Shock Sensors

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.



Chip EMI Suppression Filters (Chip EMIFIL®)

Components for removing the noise that is generated from electronic devices, these filters are useful for preventing the malfunction of such devices. They contribute to the countermeasures for and improvement in electromagnetic wave noise that is made more complex in accordance with the miniaturization, multi-functionalization, and higher frequencies of today's electronic devices.



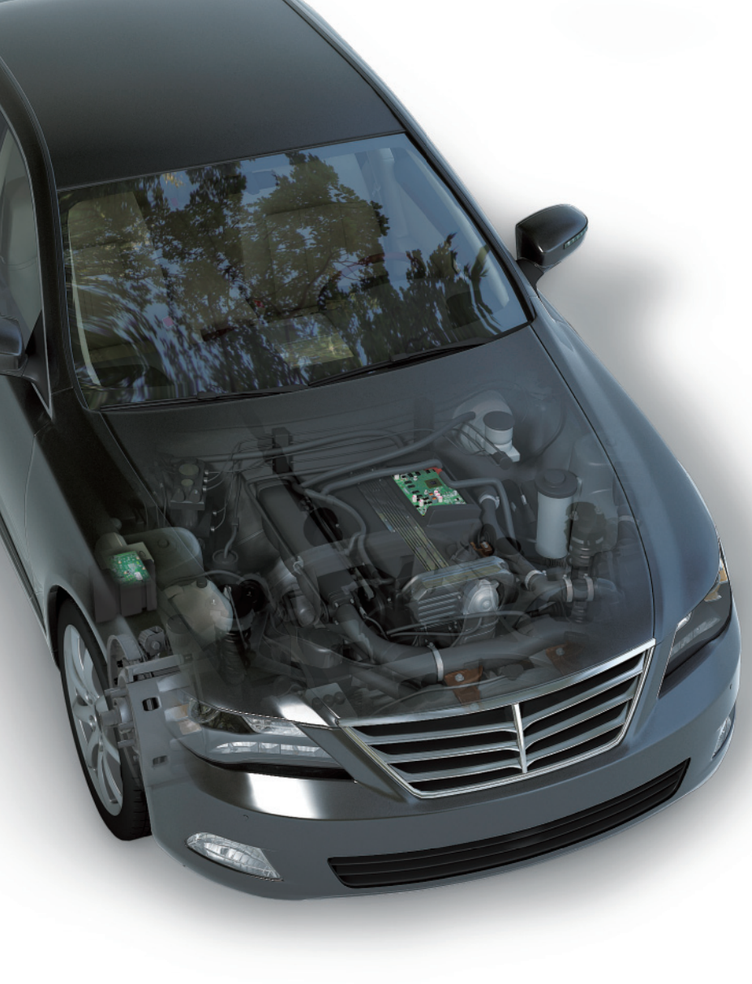
Computers

Ubiquitous computing in the true sense

—Murata makes things "simple" with not-so-simple technologies—

Easy to carry and simple to connect, highly mobile PCs and tablet computers are drawing attention with the spread of high-speed wireless communications and cloud computing services. Murata is responding to the need for high performance and high functionality in PCs with our downsizing technology for electronic components, high-density package technology, and sensing technology, etc. We are also supporting new-age computing with wireless communication modules that provide connectivity with reducing power consumption and with sensors that deliver high reliability and operating comfort.

* The "Global share" indicated on each page refers to the worldwide share of that particular industry, and is not the share of any corresponding application. Furthermore, the noted shares are merely estimates made by Murata and may differ depending upon the market or the application.



Automotive Electronics

Automotive technology is going through transformation for our Earth and people

—Thus, Murata's missions abound...—

The greater intelligence and electrification of our automobiles is progressing into the next generation, such as with vehicles in which we can travel more safely and comfortably, in coping with environmental issues, and in possessing the entertainment functions with which we can enjoy the driving experience even more. Murata's electronic components have evolved right along with those automobiles from all angles, including safety equipment, the power train and telecommunications, in order to realize the miniaturization, high performance and high reliability of in-vehicle electronic devices and various modules.

Combined Gyroscope and Accelerometer

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 in the car's Anti-lock Brake Systems (ABS).

Ultrasonic Sensor

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 Converter

This thin, lightweight DC-DC converter uses a Murata-original sheet transformer. Using this one DC-DC converter, voltage can be supplied to the control 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).

Monolithic Ceramic Capacitors

Maximizing the heat resistance of ceramics, Murata's highly reliable capacitors are able to demonstrate their excellent performance even under harsh usage environments, and are utilized in ECUs, drive control, safety devices, etc.

Global share 35%

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.

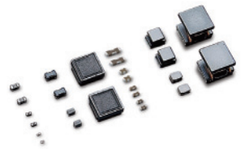
Crystal Units

Ceramic Resonators (CERALOCK®)

Global share 70%

Chip EMI Suppression Filters (Chip EMIFIL®)

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.



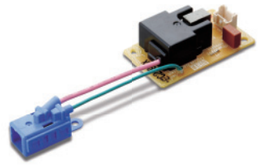
Global share 35%

Thermistors

These are parts whose resistance changes with fluctuations in voltage and current. They monitor overheating in and the charge of circuits, and are useful in protecting those circuits from overheating or excessive current, like in ICs, power supply circuits and batteries.

Ionizer (Ionissimo®)

This device ionizes air molecules (gives them a plus or minus electric charge). Deodorization, disinfection, anti-mold, antivirus, anti-static, electrification and other effects can be achieved by ionizing the air and adding certain characteristics.



Conductive Polymer Aluminum Electrolytic Capacitors

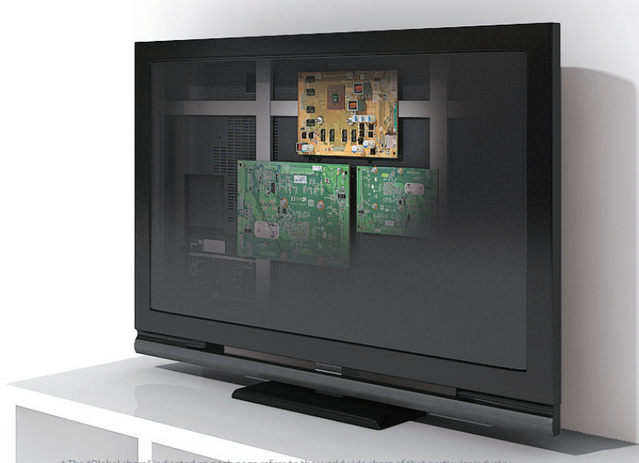
These are high capacity capacitors that are characterized by having a low profile and low ESR. They handle the stabilization of voltage in circuits where serious voltage control is demanded, and contribute to the advanced features in audio-visual equipment.

Audio and Visual / Home Appliances

At home, there's your family, and then there's Murata...

—Smart and economical; the epitome of stylish—

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



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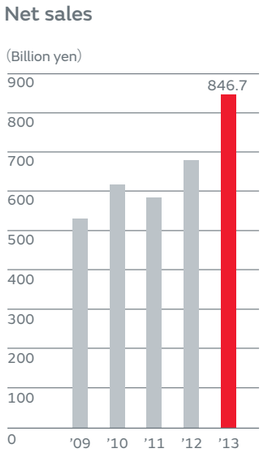
Financial Highlights

The Key Word is “Connected”.

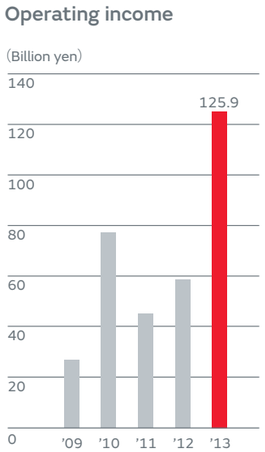
**The spread of smartphones and tablet computers,
and the electrification of automobiles...
Sales of Murata’s electronic components are growing increasingly
in these areas that serve to contribute to the development of our society.**

Smartphones currently account for as many as half of the mobile phones sold worldwide. And it is predicted that this will expand to 75% or more in three years. Along with the spread of hybrid cars and electric vehicles, electrification is also progressing in the field of automotive electronics through improved safety features like Electronic Stability Control (ESC). And the overall demand for electronic components, including for these applications, is trending toward smaller sizes, higher performance, and higher reliability... At Murata, in addition to the monolithic ceramic capacitors that have been our core product since our foundation, sales of communication modules and the piezoelectric components are growing more and more.

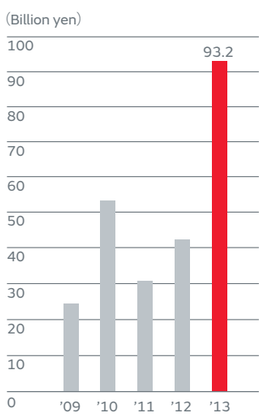
Net sales



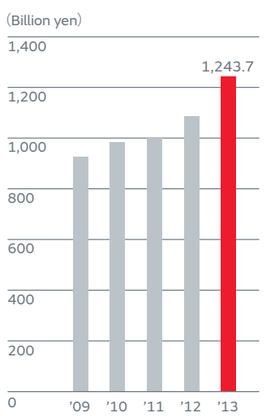
Operating income



Net income



Total assets



Sales by Product

Sales of modules and small, high performance component parts that support a “connected” society are growing by leaps and bounds.

Capacitors

Sales increased for our super-miniature capacitors and small, high capacity, high-end capacitors that are used in smartphones and tablet computers, and, in automotive electronics, for those high reliability capacitors that are required due to the advancing electrification of vehicles brought about by the spread of hybrid cars and electric vehicles.

Piezoelectric Components

Sales of SAW filters expanded in accordance with the multiband functionality of mobile phones. With piezoelectric sensors, sales for the shock sensors that are used in hard disk drives grew. The demand for quartz crystal devices in home appliances and automotive electronics also trended upward.

Other Components

Sales for high frequency coils and connectors for smartphones and tablet computers grew, sales of EMI suppression filters for automotive electronics and smartphones trended well, and, in automotive electronics, sales of MEMS sensors used for Electronic Stability Control (ESC) expanded was well.

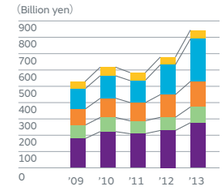
Communication Modules

Sales of RF and connectivity modules increased sharply along with the higher functionality, multi-functionalization and improved transmission speed for smartphones and tablet computers.

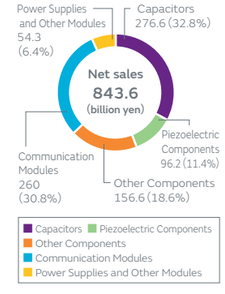
Power Supplies and Other Modules

Sales for servers and automotive electronics increased.

Trend in sales by product



Sales by product



Sales by Application

Sales were good over a broad range of products that deliver convenience, enjoyment and safety in communications and automotive electronics, etc.

Communications

Demand expanded over a wide product range, including modular components such as RF and connectivity modules for smart phones, and component parts like super-miniature capacitors and small, high capacity, high-end capacitors, SAW filters, high frequency chip coils, and connectors.

Computers and Peripherals

Just as with smartphones, the spread of tablet computers has caused the demand for a large array of products like communication modules and capacitors to grow.

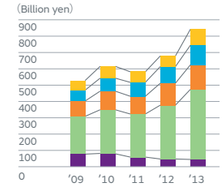
Automotive Electronics

With the advance of electronics for automobiles, sales grew for high-reliability capacitors as well as for the MEMS sensors in Electronic Stability Control (ESC) systems, and the demand for such automotive electronic components is expected to even exceed the pace of expanding sales.

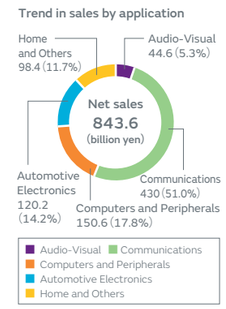
Audio-Visual, Home and Others

Sales of connectivity modules fell due to a reduction in the demand for portable media players.

Trend in sales by application



Trend in sales by application



New Applications

**The automotive, energy, and health care markets...
Murata is proposing new value for new applications.**

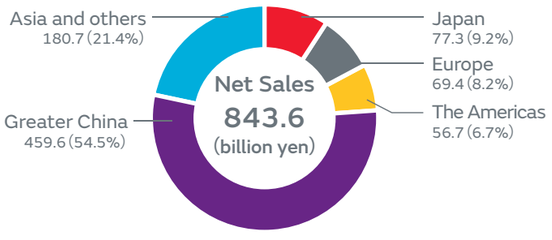
Murata is currently concentrating on three particular fields: ① The automotive market where the demand for electronic components is expanding rapidly due to the spread of hybrid cars and electric vehicles, ② The field of energy where the building of “smart communities” that take full advantage of the growth of renewable energy and energy-saving technologies is being forecast, and ③ The health care market where growth is expected as a result of more and more generations being conscious of health and from the introduction of IT and the conversion to electronics in medical technologies. These are markets where change is being called for. By taking advantage of the technology (the realization of smaller sizes and reduced thickness, sensors, and the core technology of wireless communications) and know-how in electronics that we have cultivated to-date, Murata is bringing about such change by providing new value in our continued efforts to contribute, more than ever before, towards the realization of a new society, a better society.

Global Network

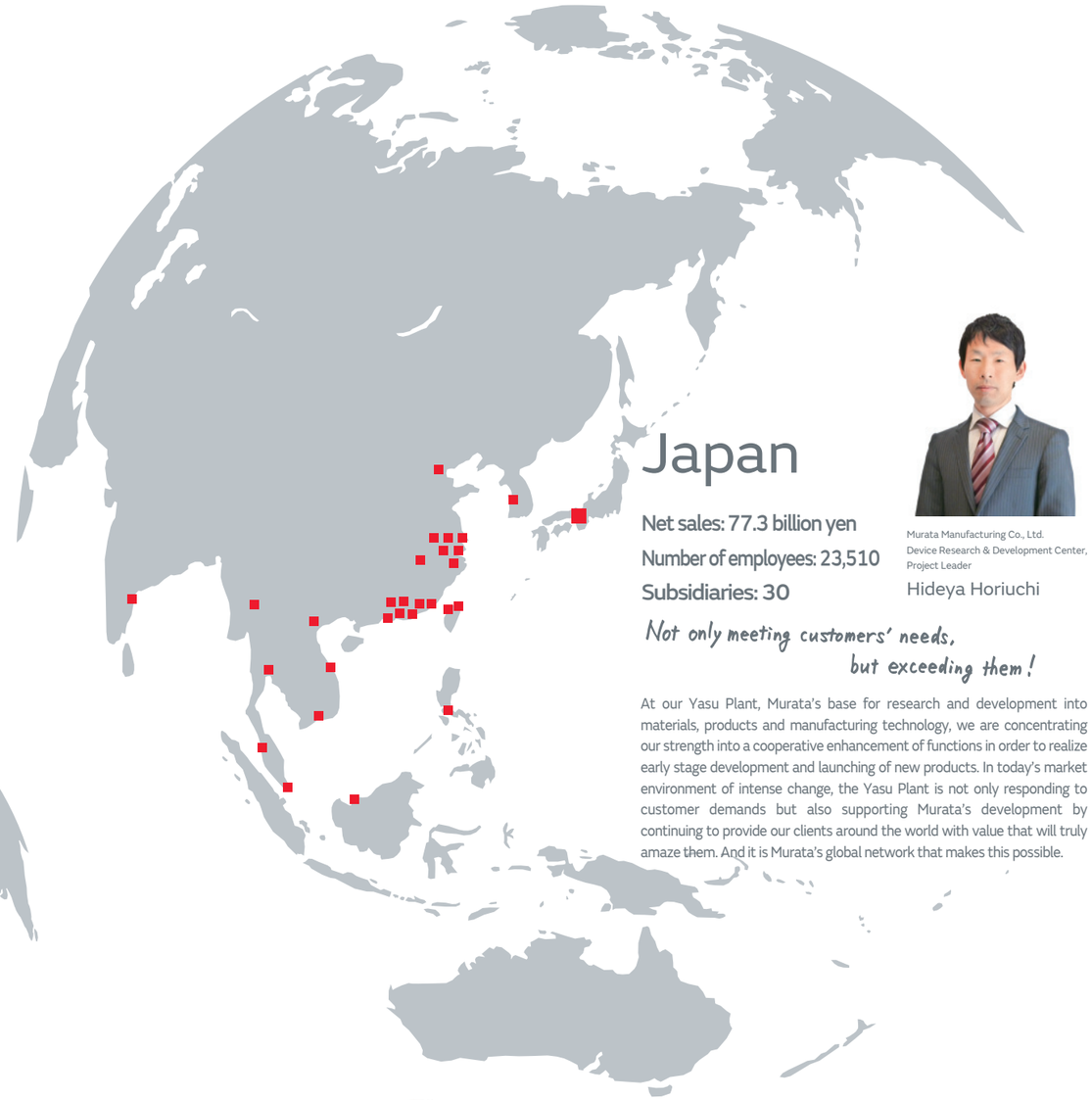
101 companies in many regions of the world. Wherever you find us, we are always Murata, ever innovative.

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.

Sales by Area



* Net sales, number of employees, and number of subsidiaries for each area are as of March 31, 2014.
* Net sales for each area are for electronic components and related products.



The Americas

Murata Americas
Director
Human Resources
Suzanne Oesau

Net sales: 56.7 billion yen
Number of employees: 676
Subsidiaries: 14

Building Organizational Capability Through People

Murata Group is united in its focus on meeting the demands of a dynamic global marketplace. This includes the strategic development of a diverse global talent network required to innovate and meet the ever-changing needs of our customers worldwide. Murata Americas is passionate about developing its employees and collaborating in the Company's extraordinary efforts to share and deploy its talent worldwide. Core to the Murata Group fulfilling its mission, vision, and philosophy is the power of its collective talent – placing the right people, in the right place, at the right time.

Europe

Murata Europe
General Sales Manager
Business Unit Distribution
David Whiteley

Net sales: 69.4 billion yen
Number of employees: 1,187
Subsidiaries: 13

Together we will be strong

Business channels these days are highly sophisticated and our Distributors are a key partner to our growing success. Murata is taking its distributors on new voyages, pioneering new technologies that drive our sales into new areas and markets. The MEHD team is at the forefront of this, working hard as the explorers in this new age of discovery.

Japan

Murata Manufacturing Co., Ltd.
Device Research & Development Center,
Project Leader
Hideya Horiuchi

Net sales: 77.3 billion yen
Number of employees: 23,510
Subsidiaries: 30

Not only meeting customers' needs, but exceeding them!

At our Yasu Plant, Murata's base for research and development into materials, products and manufacturing technology, we are concentrating our strength into a cooperative enhancement of functions in order to realize early stage development and launching of new products. In today's market environment of intense change, the Yasu Plant is not only responding to customer demands but also supporting Murata's development by continuing to provide our clients around the world with value that will truly amaze them. And it is Murata's global network that makes this possible.

Greater China

Taiwan Murata Electronics Co., Ltd.
General Manager
Planning & Marketing Dept.
Jack Wu

Net sales: 459.6 billion yen
Number of employees: 11,056
Subsidiaries: 27

Sensing, Challenge and positive thinking

The industrial world is rapidly changing, with the lifecycle of being #1 becoming shorter and shorter. The mission of market coverage, expansion and creation becomes one of knowing key facts to keep growing. Not only to share the new tech/application, but also to create certain biz. Let's fulfill marketing by everyone.

Asia and Others

Murata Electronics (Thailand), Ltd.
Deputy General Manager
Sensor Production Dept.
Chawala Boonsophonkarn

Net sales: 180.7 billion yen
Number of employees: 11,859
Subsidiaries: 17

Being "New Value Creator" to strengthen Murata Globalization

The New Value Creator is considered to add to our value through the concept of Paradigm Shift base on customer-oriented stance. As the site of production, we are strengthening GENBA Power and becoming involved in activities of the Product Division, sales, and customers.In these ways, we are becoming closer with all of Murata. Through borderless regions, various activities and a variety of ideas, it will become the base for "Murata True Globalization."

CSR Report 2014

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

Within the Philosophy that Murata has held up as the company's ideal since our foundation, it states that “We contribute to the advancement of society by ... creating innovative products and solutions...”
It is our strong desire to contribute to more affluent, higher quality living through our products. For example, the remarkable increase in the use of smartphones and tablet computers makes it possible to now consider them to be a part of the social infrastructure, and our company's product lineup has played a part in the miniaturization and higher performance capabilities of those smartphones and tablet computers. Wearable devices, which are presently attracting a great deal of attention, also present the possibility of having the potential to greatly change society even further in the future.
The fields in which electronics play an active part will expand significantly from here on. And Murata is already contributing to a safer and more environmentally-friendly automotive field. In the energy field, we are providing solutions to the problems of limited resources and to environmental issues, and we are supporting human health and improvements in quality of life in the health care and medical fields. In addition to making a social contribution through our business, there are still many issues around the world that must be resolved in order to realize a sustainable society, including those related to the environment, human rights, etc. So, the electronics industry has, for example, been involved from early on towards solving the problem of mineral resources in regions of conflict, and Murata has earnestly tackled this problem in cooperation with our supply chain.
Furthermore, in developing our business on a global scale, our company has also placed a focus on the training of global human resources. We respect a diversity of backgrounds and values, we globally share our Philosophy and the direction that we are aiming at while carrying out mutual exchange of personnel between bases both in and outside Japan, and we are implementing various measures towards the realization of the global business that offers the best value to society.
Another part of Murata's Philosophy declares, “together with all our stakeholders, thankful for the increase in prosperity.” Both inside and outside of the countries where Murata develops its business, regardless of the country or the region, we are involved in business operations under the thought that we want the existence of Murata to be the pride of that area. In promoting CSR Management, our company has established a CSR Management Committee on the basis of a CSR Charter whose benchmark is that Philosophy. Murata will continue to aim at “being an open presence in our community and in society as a whole, and to remain a corporation that is worthy of trust and respect” so “that our customers know they are in good hands when they do business with Murata”, and, through the activities of the CSR Management Committee and each of the related subcommittees under its umbrella, we will continuously and systematically promote CSR Management toward the sustainable development of society.

Tsuneo Murata

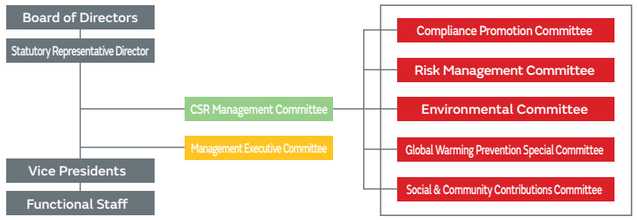
President
Representative Director
Chairman of the CSR Management Committee

CSR Charter (Outline)

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

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

[CSR-related committee organizational chart]



[Our CSR Charter and CSR-related policy list]

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

[Scope of report and information disclosure system]

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

[Term of this report]

Between April 1, 2013 and March 31, 2014
* Some activities taking place before March 2013 or after April 2014 are covered in the report as well.

[Organizations reported on]

Murata Manufacturing Group
(Murata Manufacturing Co., Ltd. and 101 subsidiaries inside and outside of Japan)

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

Bluetooth® Smart Module

Always connected, Always vigilant. New security and safety for society made possible through communication technology.

Photo (from left)
Murata Manufacturing Co., Ltd.
Solution Service Department
Communication Business Unit
Tetsu Nishimura

Murata Manufacturing Co., Ltd.
Connectivity Module Products Department
Communication Business Unit
Yuichi Ito
Masato Iemura

Everything connectable wirelessly through super miniature size components that fit on the tip of your little finger... That sums up Murata's technology and ideals.

Offering solutions for people who need the assistance of technology that is connected at all times, in all places, without them needing to be conscious of it.

The wearable devices that have recently been a hot topic, like smart watches and smart glass, are also attracting the attention of medical and nursing sites. These devices have the requisite ability to connect wireless to smartphones, etc., and our Bluetooth® Smart Module delivers that desired short-range wireless communication function. By, for example, having it attached to the body at all times, it becomes possible to monitor information on bodily functions, including body temperature, blood pressure, heart rate, etc., for up to 24 hours. That information can then be transmitted to a hospital or care provider through a smartphone to assist in timely and detailed home care, such as with the early detection of signs of illness. Moreover, if built into a pedometer or body composition meter, etc., it can also be used as an aid in maintaining and improving health and fitness, as well as in safety control.

It is presumed that such wearable devices will be used in situations in which they are in a state of constant wireless connection without the user needing to even be conscious of them. And, in order for such devices to be wearable, the communication module must also be sufficiently small. At 5.4 mm × 4.4 mm, the Bluetooth® Smart Module offered by Murata is super small. And its super-low power consumption means several years of operation life is possible with a coin cell battery. The fact that frequent battery exchange is thus also unnecessary is an important point in order for the product to be continuously usable without the user even being aware of it.

A society in which short range and long range wireless communications comprise cooperative networks, and vigilantly watch over us. There, people can enjoy the merits of advanced technology, without even being conscious of having accessed that technology. At Murata, we feel that such a social infrastructure is indispensable, especially for those who need the assistance of such technology, like the elderly, the disabled, etc. And our Bluetooth® Smart Module will contribute to the security and safety of humankind as a key device in the infrastructure of the future.

Energy System Demonstration Test

In order to build a sustainable society. The challenge of a next-generation “smart house”.

Photo (from left)
Murata Manufacturing Co., Ltd.
Device Research & Development Center,
Makoto Fujita
Kaori Watanabe
Hiroyuki Miyamoto

The balance of supply-and-demand for electric power equalized through the effective use of natural energy sources... That is one way that Murata contributes to the spread of harmonious, decentralized power source networks.

Constructing energy management systems that make “local production for local consumption” of electric power possible

After the Great East Japan Earthquake, the consciousness in Japan in regard to the issue of energy has heightened further. And various trials and attempts in order to accelerate the introduction of natural energy sources have been carried out around the globe as well. It is a “local production for local consumption” type of decentralized power source structure that is said to be the most sound in the case of a disaster and to be most compatible with natural energy. The “Yokohama Smart Community”, founded in June of 2011 with the idea of “building a town that supports life and culture through science and technology while learning from and utilizing Nature”, aims at that kind of sustainable society using “local production for local consumption” type of energy sources that does not pose a burden on the environment.

As a member of its community, Murata has developed an energy system for next-generation smart houses in conjunction with Smart Energy Laboratory Co., Ltd. and dSPACE Japan K.K. and installed it in a building called a “Smart Cell”. There, we have conducted a demonstration test in search of the optimal methods for energy use in the future. In order to realize the “generation”, “storage” and “wise utilization” of electric power, the system that is installed in that Smart Cell freely mixes ① the electric power supplied by the electric company (co-operative energy), ② electric power from solar power generation, and ③ the electric power stored in storage batteries.

Its main features include the storing of normally unstable and difficult-to-use solar energy in a storage battery during the day, enabling its stable use at night. Also, even if a number of electrical machines and equipment are inadvertently operated all at once, this technology is able to transfer surplus power in an instant to those locations where the supply of electricity is low, so that there is no downtime due to either insufficient power supply or a breaker tripping. It also has a self-sustaining function that can supply electric power even during a power outage in times of a disaster. In this way, Murata is involved in technical development that contributes to security and safety in living, and the realization of a sustainable society.

Murata Eco Management

Contributing to reducing the environmental impact through technology, products and services

Murata Manufacturing Co., Ltd.
Senior Executive Vice President,
Member of the Board of Directors
Koji Makino

Thinking and acting on our own in order to live together with the local community, together with the Earth

Eco management at Murata involves contributing to the reduction of the environmental impact through our technology, products and services, and reducing as much as possible the environmental burden that is generated when these outputs are produced. Our corporate activity is comprised of "inputting something, converting it into something of value, and outputting it", and we think that it is important to raise this conversion efficiency even further. First of all, in regard to output, we are currently focusing on whether we can contribute to a reduction in the environmental burden that results from the use of Murata products. For example, in the field of energy saving, we are contributing to this by providing parts and services for systems like HEMS[1] and BEMS[2], in addition to supplying parts that require minimal energy consumption. It is Murata's view that, when offering a product, we should actively offer proposals so that our customers can produce even better goods. Such active proposals not only contribute to reducing the environmental impact, they also lead to other business opportunities. On the other hand, Murata also places a load in the environment during the processes in which our products are produced. Thus, we also feel that we must surely follow those measures that need to be followed toward a reduction in our environmental impact at the time of production. At Murata, since we carry out integrated production from the material to the product, we use a lot of both energy and materials. In order to minimize the input resources, we positively promote increased efficiency toward saving energy, saving resources, etc. We have established an in-company standard for environmentally-harmful chemical substances, and are working to minimize the amounts used, such as by developing alternative technologies. For exhaust, drainage and waste, more than merely doing what is necessary to simply obey the law, we also consider symbiosis with the local area, and have established and managed independent standards. In order to realize these ideals, we make determinations with a long-term view and are invested in both environmental impact reduction and economical efficiency. And, in order to continue such activities, it is necessary for top management to persist in transmitting their thoughts to employees as well as for those employees to understand the viewpoint of the company and then think and act on their own. From here on, the company as a whole will act as one in order to continue to reduce the environmental burden as much as possible while also offering attractive products.

1: Home Energy Management System
2: Building Energy Management System

Mechanisms for managing the energy in homes and buildings and achieving the coexistence of comfort and energy saving

Global Warming Prevention (compressed air)

Eliminating waste in the use of compressed air, further heightening its usage efficiency, and contributing to the prevention of global warming

Photo (from left)
Murata Manufacturing Co., Ltd.
Administration Department
Takashi Uemura

Murata Manufacturing Co., Ltd.
Yokaichi Production
Engineering Department
Masanori Fukushima

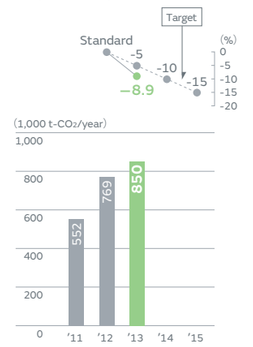
Murata Manufacturing Co., Ltd.
Ceramics Production Department
Naoto Yoshikawa

Bringing "Team Air" measures to all of Murata with an enthusiasm toward accomplishment

Our Yokaichi Plant is a core factory for manufacturing raw materials and ceramic electronic components, but it can also be noted that its CO_2 emissions are amongst the highest in the Murata Group. Our point of view was shifted from company-wide activities to prevent the leakage of compressed air* in the manufacturing process to the prevention of global warming, resulting in the Yokaichi Plant challenging comprehensive activities to reduce waste in the use of that compressed air. The amount of electricity consumed by the utility equipment that produces compressed air accounts for about 60 percent of the total electricity consumed by all of the utility equipment at the Yokaichi Plant. So, through a greater reduction of the waste that occurs in the use of compressed air and by heightening the efficiency of its usage, we can expect a large energy-saving effect for that equipment. As a start to those activities, our Manufacturing, Production Technology, and Environment Divisions came together to form "Team Air", they decided on a model line in the manufacturing process, and, in order to visualize values related to compressed air, took detailed measurements on the usage application and the amount of compressed air used in that model line. As a result, the fact that compressed air was being consumed regardless of whether a piece of production equipment was in operation or offline emerged as one issue to deal with. And, as this activity was related to production equipment that require compressed air, there was also a concern about the effect on stoppage of that production equipment as well as aspects of quality, etc. Ultimately, we were able to share both knowledge and technology from the standpoints of each of the departments that produce the compressed air, the departments that use it, and the departments that provide the corresponding technical assistance towards a comprehensive reduction of waste in the use of compressed air. A great deal of know-how was thus acquired through that model line, and the effect of the measures implemented with that line resulted in a reduction of 100 tons per year in CO_2 emissions and millions of yen in costs. From here on, and with "Team Air" serving as the nucleus, the knowledge and results that were obtained with this model line will be developed so that corresponding measures can be advanced throughout all of our plants and the whole of the Murata Group.

* Compressed air: Air to which pressure is applied using a compressor etc., thus reducing its volume and making it highly pressurized. Along with electricity, compressed air is the most useful form of energy for a factory. Used as the source of power for various tools and production equipment, it thus plays an important role in any factory.

Trend of total CO_2 emissions and the rate of improvement in quantitative basic units



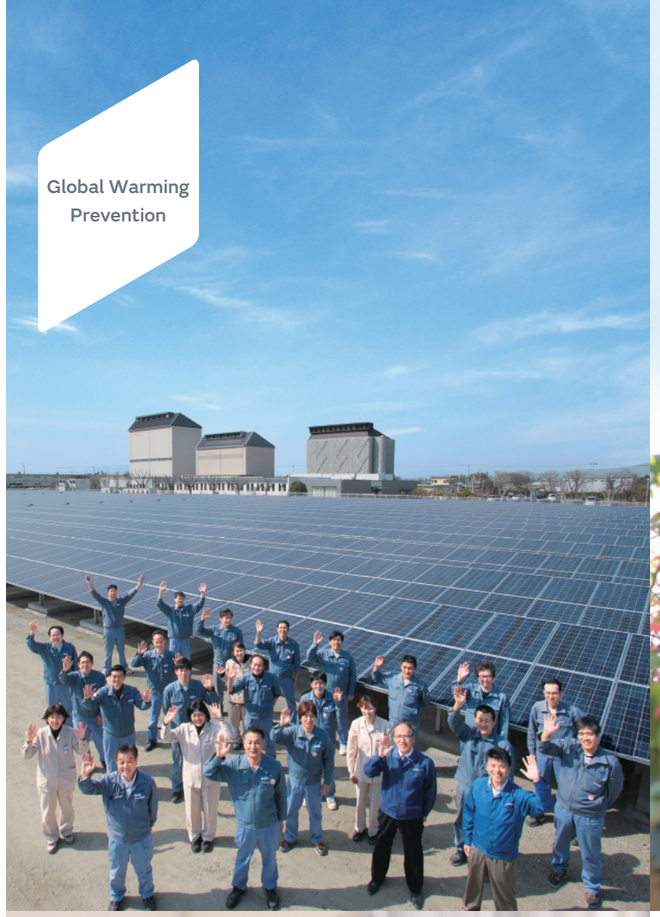
Promoting Environmental Management

“Mega Solar Gunma” completed
Further expanding our contributions through renewable energy

Murata’s 3rd large-scale solar power system has been completed and power generation has begun. In August of 2013, with Tokyo Denpa Co., Ltd. becoming a member of the Murata Group, that system was installed onsite at the Tokyo Denpa Gunma Plant in order to contribute to the spread of renewable energy and the stable supply of electric power in Japan’s Kanto region. Electrical power can be generated there on a scale of about 1.6 MW, the largest in our Group, bringing the level of solar power generation throughout the whole Murata Group to about 3.6 MW. “Mega Solar Gunma” is able to produce about 1.84 million kWh of electric power per year, equivalent to the amount of electricity used by 540 ordinary homes. Although the Kanto area was hit by a record heavy snowfall in February of that same year while construction was still ongoing, thanks to the cooperation of all of the contractors, we were able to complete the system and initiate power generation as originally planned. From here on, we will continue to work on increasing the use of renewable energies, on saving energy, and on the reduction of our environmental impact in order to contribute to a stable electric power supply for this area.

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 Special Global Warming Prevention Committee, these measures will be implemented throughout the Murata Group toward achieving the corresponding goals.

Murata Manufacturing Co., Ltd.
Tokyo Denpa Co., Ltd. Gunma Plant
Mega Solar Gunma Planning & Implementation Group



Establishing an “impressive” factory, open to the community, and where plants, insects, and birds can be experienced

At Fukui Murata Manufacturing, we plant trees and flowers that have a connection with the local area, and use landscaping materials that can be obtained locally, such as stones and gravel, in carrying out greening activities that are rooted in the local region. We are also tackling other various greening projects like a rose garden where 150 plants of 70 varieties bloom in all their glory, a biotope that is frequented by butterflies and small birds, a greenhouse where tropical plants are cultivated and a cold room where alpine plants are grown, and more. In events like plant tours, these zones are open to all residents of the community, and the trees and flowers can be enjoyed throughout the seasons. We also invite local schoolchildren and, as they experience the living things, flowers and trees that inhabit these areas, they also learn the importance of Nature. These areas are also useful for environmental study. A leading-edge technology factory that is harmonized and coexists with a richness of Nature... This is just another form of social contribution by Murata.

“Wanting the existence of Murata to be the pride of that area”

In order to actualize business management that is in a close relationship with the area, with the community, we are continuously conducting environmental study projects for elementary and junior high school students, natural woodland preservation activities, and factory greening activities, etc., called “Murata Woods”.

Photo (from left)
Fukui Murata Manufacturing Co., Ltd., Administration Department
Shigeki Saito
Yoshito Iwao

Managing the risks of waste that sways our production activities

Murata generates various waste in connection with our production activities. That waste is maintained appropriately by us and then processed by a subcontractor. If, for any reason, the acceptance and processing of that waste by the subcontractor is temporarily unavailable, it is necessary for us to reluctantly stop production once a state is attained wherein the waste has continued to accumulate and the storage limit is reached. Murata regards this as a “waste risk” and is striving to reduce that risk. To that end, we are advancing risk management according to the level of effect that is exerted on production, such as by going directly to the subcontractor’s site and confirming the status of processing, but also by securing other processing routes.

At Murata, “zero emissions”* was attained in the domestic group during FY2003. We are currently tackling zero emissions overseas and the overall reduction of waste generation itself. We are also aiming at strengthening our waste management organization in order to more surely and more stably process that waste.

* Murata defines “zero emissions” as generating no solid landfill waste, including direct and intermediate processing, and having a 100% recycling rate. (This does not include waste that cannot be handled solely with in-company measures, such as excess septic tank sludge.)

Trend of the comparative unit ratio of waste output and consolidated adjusted production

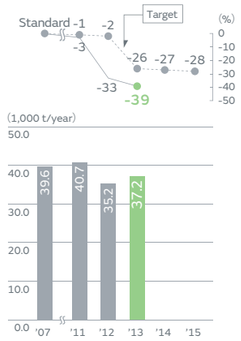


Photo (from left)
Sabae Murata Manufacturing Co., Ltd., Administration Section
Michiko Yabuuchi

Kanazu Murata Manufacturing Co., Ltd., Administration Section
Yuko Miyamae

Murata Manufacturing Co., Ltd., Environment Department
Wataru Kushioka

Strengthening the structure for cooperation across borders and promoting continued improvement in our environmental activities

Individuals in charge of environmental management for the Murata Group in each ASEAN country gathered at Murata Electronics (Thailand) Ltd., and held a meeting on their environmental activities. By actually being able to discuss the issues thoroughly, face-to-face, there were many instances that lead to the discovery of and solutions to problems, and they were able to renew and deepen their understanding of those issues. This became an opportunity to further strengthen the bonds between those in charge at each plant, and they have been able to continue the information exchange through Internet conferences, etc., even after that. In the Murata Group, our overseas production ratio is increasing and the level of influence of plants abroad has grown larger than ever before. Thus, communication not only between headquarters and plants but between the plants themselves as well is being invigorated, the structure for mutual cooperation is being strengthened, and further improved and even more efficient environmental activities are being advanced.

At Murata, an integrated framework for eco management is being built globally to include all plants in Japan and all overseas production bases. The aim is to share information in connection with environmental management, promote highly effective and efficient environmental activities, and strengthen governance.

Photo (from left)
Murata Electronics (Thailand), Ltd. Administration Department Environmental Control Section
Supathat Thippanya

Murata Electronics (Malaysia) Sdn. Bhd. Administration Department
Tham Yoke Wan

Murata Electronics Singapore (Pte.) Ltd. Quality & EHS System Department
Anand Ariyarathinam

Effective Utilization of Global Human Resources

A diversity of people working in a diversity of ways. Workplace environments that encourage a spirit of challenge.

Murata Manufacturing Co., Ltd.
Sales & Marketing Department
Xin Lu

The number of employees at Murata Manufacturing alone whose nationality is other than Japanese (including assigned workers)

Approx. 80

Supporting individuals who are working to play an active part globally by employing and utilizing personnel of various backgrounds

I come from Suzhou City (Jiangsu Province) in China. After graduating from university in China, I went on to graduate school in Japan as well and did research in connection with earthquake risk analysis, etc. Because Suzhou had many Japanese companies, and there were many people connected with Japan around me, I was interested in Japan and its leading technological capabilities, etc., from the time I was a child. So the natural flow for me was to find a job at a Japanese company after finishing my Master's study at graduate school. Although electronics is different than my specialized field of research into earthquake risk analysis, the conclusive factors behind me getting a job at Murata were that Murata is placing a focus on global deployment and I imagined an environment in which I could play an active part in the future, I was impressed by Murata's warm and open corporate culture, and also, while I was hunting for a job, they were the only ones to hold a human resource seminar for Chinese speakers.

My present job is in domestic Japanese sales. What I am especially concentrating on is exploring future needs through technological exchange with our customers, etc., and tying that to product and technical development. Such business cannot be materialized if company-to-company and person-to-person relationships are not formed on a basis of trust. I think that is one very valuable "invisible asset" that Japanese companies possess.

At Murata, in addition to employing exchange students from overseas, they offer an environment where person-to-person exchange occurs at bases both inside and outside Japan, and where global-oriented human resources are poised to grow even more. I would also like to take advantage of this environment and grow as a global employee who can be helpful not only in the Chinese bloc but anywhere in the world as well. After gaining experience in domestic sales in Japan and clarifying my strengths, I would like to cultivate business in various different countries in the future.

Occupational Health and Safety

Realizing a safe and comfortable workplace with the same ideas everywhere around the world

Photo (from left)
Shenzhen Murata Technology Co., Ltd.
Administration Department
Chao Huang
Jianli Zhao

OHSAS18001 acquisition at Murata Group plants

Japan: 26 plants
Overseas: 5 plants

Recurring education and communication toward heightening an awareness for safety and acquiring OHSAS18001 certification

OHSAS (Occupational Health and Safety Assessment Series) is an international standard on Occupational Health and Safety. Some manufacturers even make obtaining this certification a condition of doing business with them, and at Shenzhen Murata Technology we commenced our activities toward that acquisition in 2010. We visited and toured Wuxi Murata Electronics, which was already at the forefront in this area in the Chinese bloc, we studied their related documentation, and then began working toward our goal by also receiving further consultation from outside sources, etc.

Since the average age of employees at Shenzhen Murata is relatively young and there is also a high level of mobility among local human resources, we had the problem of it being rather difficult to establish an overall consciousness toward health and safety. At first, when asked about workplace health and safety, almost all reactions were like "What for?" and "As long as we're careful not to be injured at work, that's enough, right?" However, after several months of carrying out repeated safety and health education, and endeavoring to actively communicate with workers on-site and get their opinions, we began to hear suggestions and proposals for improvement from those workers. We were extremely happy just to be able to get their proposals. That was because we felt like it was evidence of a rise in worker awareness and an indication of their desire in regard to improving their workplace environment.

Equipment was incorporated gradually, such as securing safety ladders for work in high places, and masks and goggles for chemical work being distributed and their use confirmed. Documents were also prepared in both Japanese and Chinese language versions, and Shenzhen Murata ultimately acquired OHSAS18001 certification in January of 2014. And with that, in addition to naturally giving us greater confidence in dealing with customers, more than anything else, the fact that the corresponding PDCA cycle for improving the safety and comfort of our employees has began to function is our greatest joy.

Community Contributions & Activities

So that the existence of Murata is the pride of the area

The number of science and environment classes organized for elementary and junior high school students at Murata group domestic plants

163

Environmental study, creation of a forest, recycling bottle caps, participation in a city-sponsored industrial festival... Establishing a factory for the area, together with the area

Compared with other production bases in the Murata Group, Tome Murata Manufacturing is a small plant, but we have organized a CSR Committee and are developing dynamic local contribution activities aimed at events with full employee participation. Requests, for example, for the "environmental study" program that goes to elementary schools in Tome City are increasing every year, we plan to hold it 20 times in FY2014, and we are eagerly involved every day toward incorporating the opinions of the children and teachers in order to make the content better still. Our bottle cap recycling activities were introduced to the local newspaper, and a large number of PET bottle caps have been received via parcel delivery from people of the area and even from Sendai City, located quite a distance away. With the "Murata Forest" project currently being carried out in the woods in Tome City, we are aiming at preparing a place where people of the area can relax in the future, and are promoting the planting of wild cherry trees, etc. Through the preservation of this forest, we are also making it our purpose to contribute to the revival of an abundant sea for the Sanriku area that was spoiled by the tsunami. In a Tome City-sponsored industrial festival, Murata was allocated a large exhibition space and presented various content in order to meet the expectations of people of the area, like demonstrations of "MURATA BOY", games, and a workshop corner. In this way, Tome Murata's various local community contributions and activities are being carried out under strong bonds with the local people. On March 11, 2011, the earthquake that hit the Tohoku district brought serious damage to the overall community, and Tome Murata also suffered a great deal of damage. "We want to do what we can for this area..." And that basic desire grew even stronger after the earthquake disaster. "Wanting the existence of Murata to be the pride of the area..." Tome Murata is developing its community contributions and activities on the basis of that slogan. We develop our activities for the area, together with the area. "Thank you for coming to our school!" It is letters that we receive like that from schoolchildren that give us strength.

Photo (from left)
Tome Murata Manufacturing Co., Ltd.
Product Design Section
Masahiro Bando

Industrial Engineering Section
Rumiko Sato

Planning Section
Maslinna Intan

Administration Section
Tadami Kanno

Production Section
Hisayoshi Saito

Quality Control Section
Miku Chiba

Administration Section
Kanami Oboshi

Engineering Section
Chikara Mitsuzuka

Production Section
Keiichi Kikawada

Murata Electronics (Malaysia) Sdn. Bhd.

Photo:
MURATA BOY pedaling around while being watched by numerous children

20 years after advancing into Malaysia, using MURATA BOY to communicate with the community...

At Murata Electronics (Malaysia) Sdn. Bhd., we held an event in March of 2014 that commemorated the 20th anniversary of our establishment. As a part of that event, we took MURATA BOY to schools around the State of Perak where our plant is located. At that time, we mainly visited vocational schools and universities with their many students who were studying technology, and demonstrated MURATA BOY to them. In order to deepen their understanding of technology even further, we also introduced the principle behind it not falling down and the parts that are used to that end. The fervent attention of those many students was focused on the detailed movement of MURATA BOY, and we look forward to continuing to convey the fun of science through MURATA BOY in a variety of countries and regions.


1


2


3

Traditional fire brigade activities at Komoro Murata Manufacturing

The fire brigade at Komoro Murata has a long tradition of 47 years since its inauguration in June 1967 at the former Hitachi Komoro Plant and, to-date, it has supported the disaster prevention activities at our plant. Consisting of 28 members, this unit observes the foundations of Japan's fire-fighting methods, and strives for practical training through regular drills, in-company water operation competitions, as well as exercises with the local fire department towards improving their skill, etc., in order that they may take disciplined, quick and sure action when called upon. While also cooperating in community activities, they take all measures possible so that they can take the lead at the workplace in fire extinguishing and rescue operations, even in unexpected situations such as a fire or earthquake. They also take part in emergency disaster drills and annual fire brigade reviews that are held in Komoro City, cooperate with local fire-fighting forces and the police, and also endeavor to be of assistance in raising the awareness of disaster prevention activities in the area.

Photos
1 Annual fire brigade review sponsored by Komoro City
2 Fire fighting drill at the plant
3 Disaster relief training with fire fighting in mind

Komoro Murata Manufacturing Co., Ltd.

[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

■ 5th Environmental Action Plan (FY2011 to FY2015): Results for Fiscal 2013 and Targets for Fiscal 2014

Item		Targets for FY2013	Results for FY2013	Achievement	Targets for FY2014
1. Environmentally considerate products		Continue to expand the lineup of environmentally-considerate products and environmentally-considerate technologies (production methods)	The miniaturization and energy saving of products was promoted and the lineup of environmentally-considerate products was expanded by setting goals for design and development that consider the environment.	○	Continue to expand the lineup of environmentally-considerate products and environmentally-considerate technologies (production methods)
		Continue to reduce and replace environmentally hazardous chemical substances contained in products	The reduction and replacement of environmentally hazardous chemical substances was advanced as planned.	○	Continue to reduce and replace environmentally hazardous chemical substances contained in products
		Increase sales of environmentally considerate products to help shape a society with a low environmental impact	Activities towards proposing, obtaining approval for, and increasing sales of environmentally considerate products were advanced. Approval was obtained from many users and sequential replacement of existing products is ongoing.	○	Increase sales of environmentally considerate products to help shape a society with a low environmental impact
2. Global warming countermeasures	(1) Production sites	Grasp CO_2 emissions and quantitative basic units by product at production sites	The system for grasping CO_2 emissions and quantitative basic units by product at production sites continued to operate.	○	Grasp CO_2 emissions and quantitative basic units by product at production sites
		Implement and monitor measures to reduce CO_2 emissions from production	Plans were drafted to implement measures to reduce CO_2 emissions from production and those measures were implemented according to those plans. Target for FY2015: 15% reduction from FY2012 quantitative basic units Results for FY2013: 8.9% reduction from FY2012 quantitative basic units	○	Implement and monitor measures to reduce CO_2 emissions from production
	(2) Logistics	(In Japan) 39% reduction from FY2007 in CO_2 emissions per unit of real production from logistics	By consolidating the previously scattered warehousing functions, transportation efficiency was improved and CO_2 emissions were reduced by just under 5% from the previous fiscal year. As a result, CO_2 emissions per unit of real production were reduced 57% from FY2007.	○	(In Japan) 49% reduction from FY2007 in CO_2 emissions per unit of real production from logistics
		(Overseas) Grasp CO_2 emissions from logistics and set targets	Totaling of CO_2 emissions from logistics at overseas plants for every half year was made routine, and the setting of reduction targets CO_2 emissions from logistics was established at each main overseas plant.	○	(Overseas) Implement measures to reduce CO_2 emissions from logistics.
	(3) Green purchasing	(In Japan) Achieve a green purchasing ratio of 95%	Although, at 92.8%, results improved 5.1 point from the previous year, the target was not attained. Measures to improve the green purchasing ratio for office supplies will be continued in the next fiscal year.	△	(In Japan) Achieve a green purchasing ratio of 95%
3. Chemicals		(In Japan) Reduce the use of environmentally hazardous chemical substances per unit of net production by 1% from the previous fiscal year	Environmentally hazardous chemical substances per unit of net production were reduced by 18.6% from the previous fiscal year.	○	Reduce the use of environmentally hazardous chemical substances per unit of net production by 1% from the previous fiscal year
		(Overseas) Promote a reduction in the use of environmentally hazardous chemical substances	Measures for reducing use in Wuxi, Shenzhen, Malaysia and Thailand were implemented.	○	
4. Saving resources & recycling	(1) Waste	Reduce waste emissions per unit of net production by 1% from the previous fiscal year	Waste emissions per unit of net production were reduced by 10% from the previous fiscal year.	○	Reduce waste emissions per unit of net production by 1% from the previous fiscal year
		(Overseas) Continue efforts to achieve zero emissions	Zero emissions were maintained at 4 sites: Wuxi, Shenzhen, Taiwan and Thailand.	○	(Overseas) Continue efforts to achieve zero emissions
	(2) Containers and packaging	Increase the ratio of eco-containers made of internally produced materials to more than 60%	100% replacement was achieved.	○	Propose one or more improvements to packaging material in connection with reducing the environmental impact
	(3) Production processes	Reduce raw material loss ratios	Measures for improvement (e.g., higher yields) were implemented in each individual process.	○	Reduce raw material loss ratios
5. Biodiversity		Continue to provide employees with biodiversity education	Incorporated content on biodiversity in the materials for new employee education and implemented that education.	○	Continue to provide employees with biodiversity education
		Provide environmental education in biodiversity for elementary and junior high school children	Under the subject of the forest, implemented education in regard to the relationship between trees and people in the "Murata Forest" activities at our Head Office.	○	Provide environmental education in biodiversity for elementary and junior high school children
6. Environmental & social contribution activities		Continue environmental & social contribution activities	Towards business management that is in a close relationship with local communities and societies, environmental education for elementary and junior high school children was continually implemented, along with activities for the preservation of the domestic woodlands known as the "Murata Forest" and for the greening of our plants and offices.	○	Continue environmental & social contribution activities

○: Achieved
△: Nearly achieved
×: Not achieved

■ Social Activities: Targets and Results for Fiscal 2013 and Targets for Fiscal 2014

Item	Targets for FY2013	Results for FY2013	Achievement	Targets for FY2014
1. Internal control systems	Aim at expanding the scope of the internal control system (new and M&A companies)	Two overseas bases were newly added to the targets of the internal control system and efforts to expand that scope were continued.	○	Advance an internal control system that is compatible with globalization (including deployment in newly established bases and M&A companies)
	Conduct efficient and comprehensive audits that utilize data	In order to improve the validity and efficiency of audit procedures, audit tools using a computer (Computer Assisted Auditing Techniques = CAAT) were introduced and an environment wherein illegalities, mistakes, inefficiencies in the work process, etc., can be detected was improved by analyzing all transaction data.	△	Conduct efficient and comprehensive audits that utilize data
	Further improve the effectiveness and efficiency of business and promote consulting activities	In addition to internal control targeting the propriety of business, the standardization and visualization of business, and the improvement and reform of business were supported, and a reexamination of work procedures in accordance with new risks was proposed.	○	Further improve the effectiveness and efficiency of business and promote consulting activities
2. Promoting compliance	Aim at an enhanced, restructured and streamlined compliance system from a cross-group perspective (1) Regularly communicate information on compliance promotion activities Publish a monthly email magazine on compliance awareness Publish a quarterly email magazine on compliance promotion activitie (2) Firmly establish Compliance Month (October) • Hold group discussions • Conduct verification tests • Post awareness posters • Conduct surveys	(1) An email magazine on compliance awareness and an email magazine on compliance promotion activities were published regularly. (2) October was made Compliance Month at Murata and domestic affiliated companies, and group discussions, verification tests, posting of awareness posters and surveys were comprehensively implemented.	○	(1) Permeate compliance awareness • Continue to regularly communicate information on compliance promotion activities (monthly) • Conduct compliance awareness tests and surveys (2) Implement compliance education • Hold group discussions using case methods, etc. • Implement comprehensive education (for sales and business units inside and outside Japan) with emphasis on the Competition Law and corruption regulations (3) Strengthen the foundation of global compliance • Partially revise the Corporate Ethics Policy and Code of Conduct ("observance of the Anti-Monopoly Law" and "entertainment and gifts") • Distribute guidelines for observance of the Competition Law and corruption regulations
3. Strengthening risk management	Strengthen company-wide preventative measures as well as measures to minimize loss when a risk materializes in relation to significant risks that may impede the continuation of Murata business	The situations regarding the risks surrounding Murata were confirmed through regular evaluation of significant risk items and measures were implemented.	○	Implement continuous risk reduction measures in relation to significant risks that may impede the continuation of Murata business, and observe and implement prompt action in regard to the appearance of any new risks accompanying changes in the business environment at a global level
4. Society and community	Continue social and local contribution activities that are firmly rooted in and appreciated by local communities and society	• The elementary and junior high schools targeted for visiting classes and workshops were expanded. • Community clean-up, forest preservation, and greening activities were continued.	○	Continue social and local contribution activities that are firmly rooted in and appreciated by local communities and society, such as hands-on learning in relation to the science and environment that are offered as educational support for the children who are our future, promoting the local community, greening of our factories, forest preservation, etc.
5. Suppliers	In continuation from the previous fiscal year, as responses to the problem of mineral resources in regions of conflict, investigate the circumstance behind conflict mineral problems (smelter information) with suppliers, and built an in-house conflict mineral resource control mechanism	In continuation from the previous fiscal year, additional research into information on smelters whose resources are being used in Murata parts, and updating of that information, was performed and an organization was constructed that shares and deliberates on the status of measures for conflict minerals with top management through the CSR Management Committee.	○	As responses to the conflict mineral problems, cooperate closely with industry organizations, investigate information on mineral resources in regions of conflict (smelter information) with suppliers, and continue efforts to use low risk materials
	Conduct classes on Japan's "Subcontract Act" at core plants, deepen the awareness of each and every employee of departments requesting materials towards dealing with subcontractors, and foster human resources who are able to conduct education on the "Subcontract Act" at core plants	Classes on Japan's "Subcontract Act" were conducted for departments requesting materials at core plants, efforts were made to deepen the awareness of that "Subcontract Act", audiovisual education material (a DVD) on the "Subcontract Act" was introduced, and implementation of deeper and more extensive classes on the "Subcontract Act" was made possible by watching that DVD.	○	Conduct classes on Japan's "Subcontract Act" at core plants, deepen the awareness of each and every employee of departments requesting materials towards dealing with subcontractors, enhance "Subcontract Act"-related education tools such as class materials and videos, and construct a foundation upon which wide ranging education on the "Subcontract Act" can be performed.
	Determine the response guideline at overseas bases when there is a report from a supplier, and enhance and strengthen the compliance system at overseas bases as well	Distributed "Notice of response guidelines when a supplier submits a report of a dishonest act" at overseas bases and aimed at enhancing the compliance system at overseas bases as well.	○	Make it possible to respond to emergencies based on highly accurate information by organizing information on material production sites that can be referenced in times of disaster or accidents, and by timely updating of that information
6. Employees	• Implement a system to enable employees to select career paths according to their aptitude: Practice reshuffling through a career development program • Promote employment of disabled persons: Employment rate: 2.0% or more • Support active roles for senior-level employees: Hold 10 career management training sessions during FY2013	• Self-declaration was conducted for employees in their fourth year at the company, and the participation rate in the career development program for employees who entered Murata in 2009 reached 56%. • The employment rate for disabled person was 2.17% (as of 3/31/2014). • 10 career management training sessions were held.	○	• Implement a system to enable employees to select career paths according to their aptitude: Practice reshuffling through a career development program • Support active roles for senior-level employees: Hold 9 career management training sessions during FY2014
	• Continue awareness and education to prevent harassment: Hold 4 training sessions during FY2013 for those managers who have not undergone training on sexual and power harassment and 1 session for general employees • Continue human rights education: Hold once a year as social class education	• Training sessions were held 7 times at Murata's Yasu Plant for managers (who have not undergone training) and 2 times for general employees. • One human rights class was held as social class education.	○	• Continue awareness and education to prevent harassment: Hold 4 training sessions during FY2014 for those managers who have not undergone training on sexual and power harassment. • Continue human rights education: Hold once a year as social class education
	• Enhance and firmly establish a support system to help employees strike a balance between work and family life ("work-life balance"): Hold 1 visitation day for children of employees	A visitation day was held for children of employees as noted below: Date and time: August 8, 2013, 13:00 to 17:00 Participants: 24 (5th and 6th grade elementary school children) Contents: Work experience, workplace tour, namecard exchange, etc.	○	• Enhance and firmly establish a support system to help employees strike a balance between work and family life ("work-life balance"): Hold 1 visitation day for children of employees
	• Promote permeation of "Murata's Foundation" and the sharing of measures: Hold manager-sponsored training: 30 times Hold idea-sharing discussions: 4 times • Promote increasing the number of foreign employees on loan: 30 in FY2013 • Increase the number of foreign employees: Number of overseas university graduates hired: 2 • Provide education on globalization (strengthen ability in English): Offer an English improvement course for each half-year	• Manager-sponsored training was held 55 times. • Idea-sharing discussions were held 10 times. • 29 foreign employees were received on loan in FY2013. • 4 overseas university graduates were hired. • An English improvement course was held in Japan (total participants: 505).	○	• Promote permeation of "Murata's Foundation" and the sharing of measures: Hold manager-sponsored training: 35 times • Continue employing foreign workers: Hire 3 new employees • Promote increasing the number of foreign employees on loan: 20 in FY2014 • Provide education on globalization (strengthen ability in English and Chinese): Offer an English and a Chinese improvement course for each half-year
	Position safety simulation education as one pillar of safety and health education, and aim at full-scale introduction and development	The education curriculum for simulation training of supervisors and operators was created and will be implemented from FY2014. At the Yasu Plant, education that simulates the dangers inherent in work and the dangers when equipment is in use was continued with a focus on new employees.	△	• Strengthen measures to prevent the recurrence of industrial accidents • Strengthen measures to improve consciousness for health and safety: Continue and promote health and safety education Implement simulations, "KYT" (accident prediction training) and risk assessment education Implement measures to improve consciousness of managers

Opinion from a Third Party

Taking a close look at CSR at Murata

A major feature of Murata's CSR Report is that it shows the faces of their employees, and I feel that this year especially those faces are being shown from the standpoint of a global consciousness. Last year, Murata expressed their stance for social consciousness deeply in content entitled "Business and CSR", and this year makes it clear that they are taking a further step forward in pointing toward solutions for social issues. That is indicated in this Report by the message from the Representative Director on the "CSR Commitment" page, and that theme is also taken up in the two articles of the "Business and CSR" section. While remaining conscious of the company's social mission in this way, it is also very important that new technology and products be developed right along with the promotion of CSR management. I look forward to the business activities of the Murata Manufacturing Group continuing to have a positive influence on society.

The 70th anniversary of Murata's foundation will be celebrated in 2014, and, within its CSR Report for the current fiscal year, I sense the direction in which Murata is attempting to further develop. In that regard, I think that people's understanding might be deepened further if the company indicated their commitment to society by offering something more like a road map that clarified their mid- and long-term management plan, their concrete image for the future, and the process they plan to take in order to achieve that. Although detailed information is indeed disclosed on their website, I think that, as a method of disseminating that information that would be more easily understood and visualized, it might be even better if information on their overall image was provided in booklet form as well. Important related numerical values like the amount of CO_2 emissions are indicated in one article this year. Through that, we can see the concrete status of the activities written about in that article. I think that, in regard to this point as well, if the positioning of the activities in their overall plan was indicated more clearly, that content would be understood even better.

The first half of this Report is an introduction of the company's business, and the second half is its CSR Report. Thus, it presents a composition wherein the CSR-related information will be read after the content of the company is taken in. While this may make it easier to understand for those individuals who are picking up a Murata report for the first time, I think it is necessary to consider an explanation that is geared to annual readers a bit more. To that end, it is important to clarify the relationship between the overall image of a company shown in the first half and the articles on each CSR activity that are described in the second half, as well as to clarify the chronology more.
The "Integrated Reports" that are presently gaining global attention are advocating reporting with a more concise association between business activities and CSR activities, and I think that it would become an even more effective means of information disclosure if Murata's reports were also developed in that type of direction.

Graduate School of Business Administration,
Kobe University

Professor

Katsuhiko Kokubu

Profile

List of Domestic and Overseas Sites

[List of domestic sites]

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

Domestic subsidiaries

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

TOKO Inc. Group consists of 3 domestic companies (including TOKO Inc. itself) and 21 companies abroad.

[List of overseas sites]

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

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

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

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

muRata
INNOVATOR IN ELECTRONICS

Members of Directors
As of July 1, 2014

Representative Director
President Tsuneo Murata
Executive Deputy President Yoshitaka Fujita

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

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

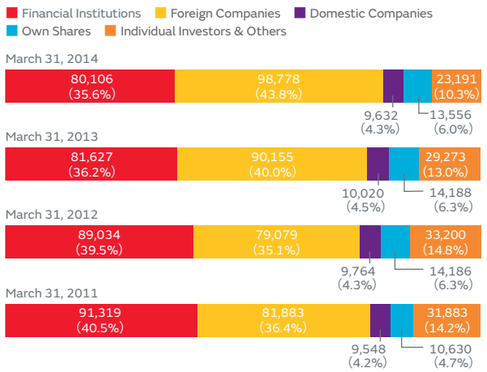
Vice Presidents
Senior Executive Vice Presidents
Koji Makino
Yukio Hamaji
Executive Vice Presidents
Toru Inoue
Norio Nakajima
Senior Vice Presidents
Yuichi Kojima
Satoshi Sonoda
Hiroshi Iwatsubo
Vice Presidents Takekazu Okada
Toshihiro Maegawa
Yoshito Takemura
Takehiro Konoike
Hideki Maruyama
Yutaka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

Stock Information
As of March 31, 2014

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

Number of shareholders at the end of current term
57,421

Number of Shares Outstanding (unit: one thousand)



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

Major Shareholders
As of March 31, 2014

Name	Number of shares (unit: one thousand)	Ownership (%)
JP Morgan Chase Bank 380072	19,913	9.4
State Street Bank and Trust Company	14,517	6.9
Japan Trustee Services Bank, Ltd. (Trust Account)	8,594	4.1
Nippon Life Insurance Company	8,281	3.9
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,106	3.4
The Bank of Kyoto, Ltd.	5,260	2.5
Meiji Yasuda Life Insurance Company	5,240	2.5
The Shiga Bank, Ltd.	3,551	1.7
JP Morgan Chase Bank 380055	3,179	1.5
Mizuho Bank, Ltd.	3,000	1.4

(Note)
The company holds 13,555 thousand shares of its own stock. As these shares do not confer voting rights, they are excluded from the above table.