

## To Our Employees: Our Personnel System

Murata has introduced a personnel system based on the principles of merit and human dignity. This approach adheres to Murata's philosophy of "pursuing innovation and mutual prosperity with our associates." Since its establishment, Murata has believed in the pursuit of "creating unique products through innovation, not imitation"; therefore, we have adopted a merit-based approach to our personnel system and our product development. Our perspective is that we must always engender feelings of gratitude by ensuring the prosperity of our associates; moreover, we must manage our personnel by maintaining respect and positive sentiment.

### Rewarding Merit

#### A Personnel System that Disregards Seniority

In order to prevail amid global competition and produce unique products with significant added value, we must cultivate a corporate culture in which each employee can respond to environmental change and display his or her abilities to the full. Murata's wage system relegates seniority to a relatively minor consideration so that employees are evaluated in a manner that reflects their abilities. By basing our evaluation system and promotion system on this principle, we are managing our personnel according to the above policy by clearly rewarding those who demonstrate their value to the company.

#### A Fair and Highly Transparent Rating System

A fair and transparent rating system is required in order to ensure rational treatment of all employees. In responding to this reality, we must ensure correct observation of results; however, we must also consider how the process itself affected the achievement of theme of the project, and not simply determine whether the employee has completed the particular project they have been assigned. We are endeavoring to operate our system fairly by feeding back results, including the employee's abilities, merit as reflected in performance, and areas requiring improvement.

With this rating system, we are diligently urging our employees to take on creative work by increasing the evaluation weight of an individual's spirit of challenging positive initiatives and by advocating a willingness to take on new fields and tasks with which one is unfamiliar.

### Human Dignity

#### A Personnel System that Promotes Individual Growth

By demonstrating respect for each individual employee, Murata helps to ensure that all can adequately display their abilities. For this reason, we have established a personnel system that supports an individual's growth and provides an environment in which individuals can achieve their dreams. This system incorporates a training assignment system that reviews, after one year of service, the choice of departments to which new graduates have been assigned; a self-reporting system under which an employee formulates his or her own transfer plan and decides a key line of work; and an international training dispatch system for young employees, who represent the driving force of the future.

#### A Substantial Human Resource Development Program

We have identified the three-year term following entry into the company as the freshman employee training period. We consider this the starting period for cultivation of future business leadership skills. Thereafter, we continue to provide the necessary training under a systematic program that trains deserving employees for each rank up to the management level. Moreover, we endeavor to cultivate human resources and invigorate the workplace through in-house training to refine Murata's proprietary world-leading elemental technology, career support for female employees, and management training that cultivates the unique skills of each employee, among other efforts.

