

Interview Responsibility for the Future

How Does Murata Look at Corporate Social Responsibility (CSR)?

Mr. Takashi Kiuchi: In recent years, there's been much discussion about CSR. What do you consider is the CSR for the Murata Group?

Yasutaka Murata: I believe that the role that our company should play in society is summarized in the phrase from the Murata philosophy, which was established on the 10th anniversary of our company: "To Contribute to the Worldwide Development of Industry and Culture while Continuously Introducing Innovative Products." This expresses our corporate philosophy, which aims to create excellent products and technologies so as to contribute toward the development of both the electronics industry and society. In this sense, it can be said that since its founding Murata has carried out its business activities based on this social mission.

Kiuchi: Do you think there's a difference between what's now required for your company to fulfill its CSR and what was required to do so when Murata was founded?

Murata: I believe that, for Murata, there is no major difference between now and at the time of our founding. However, one possible reason why CSR is becoming called into question today is that, as companies enlarge their operational scales and globalize their business activities, their presence is much more greatly felt,

thereby expanding their scope of responsibilities. In particular, issues concerning the global environment are our most urgent challenge. Given this situation, Murata believes we should conduct our business so we can sustainably make profits, while keeping two aspects always in mind: to conserve resources and to have a public nature in social development.

Key phrases... "Resources" and "Public Nature in Social Development."

Kiuchi: What do you mean by "resources"? Please explain specifically.

Murata: What I mean by "resources" here are natural resources that exist on and in the earth, and that we should effectively use these resources in a way that enables sustainable development of humankind while conserving the global environment. As a manufacturer, Murata conducts its business operations by giving priority to using the least possible resources, enhancing energy efficiency, producing products that contain no hazardous substances that will accumulate in ecosystems, and taking measures to achieve high levels of safety and pollution control that can meet universal standards. While promoting product downsizing and energy savings, our company has been quick to take actions to comply with the European RoHS Directive and other laws and regulations to control environmentally hazardous substances. In terms of production, we've also implemented many measures, including acquisition of ISO 14001 certification for all our plants.

Kiuchi: Here, let me ask if you've ever had any personal experiences where you felt the direct effects of changes in the environment?

Murata: I enjoy studying butterflies as a hobby. I think that the number of butterflies I can see now in my close environment has decreased to about two thirds or less compared to what I remember seeing when I was a junior high school student. Moreover, in recent years I've seen some southern species of butterflies that had not been found before in Japan. From this, I've become more aware of changes in the global environment from my own personal experience.

Kiuchi: In recent years, there has been an emerging concept of "biomimicry," a new science that studies



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nature's models and patterns, including butterflies like you've just mentioned, and then imitates or takes inspiration from these designs and processes to solve human problems.

Murata: The capabilities of the natural world and life forms are so great that they are beyond human imagination and technologies. I believe that the natural world provides many insights for us to achieve "sustainability." For example, spiders have an excellent technique for producing a strong and completely recyclable thread. Another example is the glow of a firefly, which is a clean, self-luminous glow that does not depend on energy from outside.

Kiuchi: We humans must pay more respect to Nature's wisdom, and have the humility to learn more from it. Next, I'd like to ask you to explain more about what you mean by "public nature in social development"?

Murata: What I mean by "public nature in social development" is that we have to consider whether Murata's products and technologies can change people's living for the better, given the development of our electronics-oriented society. The development of electronics has made our lives dramatically more comfortable. For example, in the information and communication fields, the trends toward faster and higher-capacity information access continue to accelerate, bringing about a ubiquitous network society that allows us to communicate with anyone, anywhere, any time. On the other hand, though, it's a fact that the digital divide, namely, the disparity between who has information and who does not, is widening. In addition, there are new emerging problems such as the leakage of information. What our company can do to help resolve these problems is, I believe, to offer Murata's products featuring high quality and high performance to ensure that as many people as possible are able to optimally use electronic devices.

Gaining Trust from Our Stakeholders

Kiuchi: As a consumer myself, I expect that Murata will do so. Now, I'd like to ask you what kinds of stakeholders the Murata Group have?

Murata: Our company is an electronic component manufacturer, and our customers are electronics manufacturers who use Murata products. Murata has thus been involved in society through its products, which are used by our customers. Our company has a wide variety of stakeholders, including our own employees who provide their skills and labor to Murata, our shareholders and investors, governments, and local

residents. For example, Murata has approximately 26,000 employees on a consolidated basis, and if we include their family members, this number reaches about 100,000, which itself is a significant figure.

Kiuchi: If there is such a variety of stakeholders, it should be important to communicate with them properly. What measures has Murata taken for this?

Murata: Recently, we've received requests from customers to meet their procurement standards in view of CSR, as well as requests from investors to explain about Murata's visions for five to ten years into the future. I'm therefore well aware that we've become more frequently required to pursue wide-ranging and long-term communications in regard to CSR and global environmental issues. Although we can't always quickly meet these requests, I believe that it's most important for us to have many more opportunities for communication with our stakeholders and sincerely respond to their requests, so as to improve the trusting relationships we have with those stakeholders.

Kiuchi: Toward this end, transparency and information disclosure have become more crucial than ever before, in various aspects.

Murata: Just as you say. This fiscal year, we have been working to disclose information related to our stakeholders as much as possible, so that they can deepen their understanding of Murata's social responsibilities. I hope that as many people as possible will read this CSR Report, and give us their feedback. I would very much appreciate it if we could obtain frank opinions from our stakeholders after they've read this report.



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