

Murata strives to provide a working environment in which all employees can work with pride. As part of such efforts, we have established a personnel system that demonstrates respect for each individual employee in order to ensure that all employees can fully express their abilities.

## Respect for Human Rights

Murata has established a personnel system to provide a working environment free from discriminatory treatment on the basis of race, beliefs, gender, religion, nationality, language, disease, birthplace or other reason, so that the personality and individuality of each employee can be respected. Our Company complies with laws and regulations concerning all our business operations in each country where Murata conducts its business activities. No overseas Murata plant or subsidiary employs child labor or forced labor. We also seek to establish a working environment based on mutual understanding and trusting relationships among employees.

## Stable Labor-management Relations

While building up labor-management relations of mutual trust based on a labor agreement, we aim to foster both the development of the Company and stabilization of the livelihood of Murata employees.

## Equal Opportunity and Diversity in Employment

While complying with relevant laws and regulations, Murata has improved its employment environment to ensure that no disparity is generated in employment, treatment and education due to gender, race, physical disability or other similar factors. We thus provide a working environment where diverse employees can fully express their capabilities.

**DATA** Ratio of disabled persons' employment

### Employment of Female Workers

Murata employs persons who can play an active role on a global basis, regardless of gender. In recent years, Murata has had a policy of actively hiring female workers in particular. In fact, female workers account for half of all new employees who joined Murata Manufacturing in fiscal 2006 as general white-color staff.

## Supporting Employees in Juggling both Work and Family

Murata also makes special efforts to support its employees in juggling both work and family. We have established systems to help motivated employees improve their careers, overcoming situations in which family responsibilities have increased because of childbearing, childcare, elderly care, etc.

**DATA** Number of employees who took family care/childcare leave

Support systems for balancing work and family	
<b>Special leave for fertility treatment</b>	Up to 20 days of special leave (with pay) can be taken to receive fertility treatment. *Fertility treatment is included in the scope of disease/injury treatments that qualify for special leave.
<b>Maternity leave before and after childbirth</b>	Up to 8 weeks before and 8 weeks after childbirth
<b>Paternity leave</b>	A male employee whose spouse gives birth can take up to five days off within one week before and two weeks after childbirth, including the day of childbirth.
<b>Child leave</b>	(1) Of the following periods, whichever is longer: -Until the end of the fiscal year when the employees' baby becomes one year old. It is possible to extend this period by one month (maximum period: 2 years and 1 month). -Until the end of the fiscal year when the employees' child becomes 18 months old. (2) Until the child becomes one year old, childcare leave can be taken even if the employee's spouse can take care of the child.
<b>Decreased working hours for childcare</b>	Until the employee's child enters an elementary school, the employee can shorten her/his working hours by up to 2 hours per day.
<b>Sick or injured childcare leave</b>	Up to five days off per year to take care of a preschool-aged child when he/she is sick or injured.
<b>Family care leave</b>	A total of up to 365 days off to take care of a family member. The number of care leaves is counted by each condition of the family member in need of nursing care.
<b>Decreased working hours for family care</b>	Employees can shorten their working hours by up to 2 hours per day, up to a maximum of 365 days, combined with their family care leave.

## Active Local Employment and Human Resource Development

Murata operates over 50 subsidiaries in Japan and in overseas countries. We carry out our business activities with the idea that we should play a role in the development of the electronics industry in countries where our subsidiaries are located, and therefore conduct organizational operations by employing various types of personnel. At overseas sites, we are also active in employing and recruiting local people, and implementing management training programs for locally hired managerial staff, ranging from newly appointed managers to senior managers, with the aim of sharing our ideas with them.



Overseas local manager training

**Re-employment System for Retired Workers**  
In advance of the revision of the April 2006 Law for the Stabilization of Employment of the Aged, in April 2003 Murata introduced a re-employment system for employees who resigned upon reaching the mandatory retirement age. This system was introduced in response to phased postponement of the age at which public pensions can be received in Japan, and to make use of the expertise and skills of older workers. Since April 2006, Murata has begun to apply this system in its domestic subsidiaries, so as to make the system common to Murata Group companies in Japan.

DATA Number of persons re-employed

## Personnel Systems

Murata has introduced a fair personnel system based on the principles of merit (employees' abilities and performance) and human dignity. As an electronic component manufacturer, Murata has various types of workplaces and business staffs, such as R&D, production, sales, and functional staff. We provide opportunities for each employee to express his/her abilities to the fullest, in an environment that is suitable for individual employees.

### Job Rotation

At Murata, after one year of service in departments to which new graduates have been assigned, our personnel division staff holds a meeting with them to review their aptitudes, intentions and the job contents at their currently assigned departments, in order to verify the appropriateness of their assignment. We have also adopted a career development program, under which most employees, three to five years after joining the Company, are provided with opportunities to experience various tasks and working environments. The purposes of this program are to make these employees aware of their potential that even they themselves may not have recognized, and to make use of the know-how and perspectives they have developed through their previous work experience, for the job at their newly assigned departments.

Moreover, Murata has a unique human resource development system that specifies a key job category in which each employee will be mainly engaged, in the course of developing his/her career from a long-range perspective. We plan and carry out job rotation for individual employees in view of their key job category, so as to expand their job categories and increase their abilities.

### Management by Business Objectives

Murata supports the individual initiatives of its employees. To provide a working environment where each employee can be motivated and fully express his/her abilities, since 1991 we have utilized a system of management by business objectives. Under this system, in line with Company, department and section policies, employees set themes for themselves regarding their jobs, and draw up measures and plans to achieve their objectives, through discussions with their superiors. After six months have passed, employees conduct self evaluations of how far they have implemented their measures and plans and the results they have obtained. Their superiors then evaluate the submitted results and the processes employees have gone through, and reflect the evaluation results in their bonus. The evaluation results are fed back to the employees so that they can utilize the results to plan their future tasks toward further developing their capabilities.

### System for Highly Specialized Personnel

A conventional personnel system is based on the idea that if someone gets promoted to a certain level, he/she would eventually become a manager, so are thus focused on a managerial career track. However, while some employees are indeed suited as managers, some are suited as specialists, who will pursue specific professional technologies. We have therefore introduced this system, which allows employees to select their career track leading to either management or as a highly advanced specialist, at a certain stage of promotion. In the future, we will continue reviewing our personnel systems, and strengthening our efforts to create a work environment where employees can adequately express their abilities and play active roles.

### Discretionary Work System

At Murata we take an approach of evaluating personnel not by the number of hours worked but by their job performance. Murata has therefore introduced a discretionary work system for engineers who are deemed eligible by the Company. This system leaves the methods of doing the work and distribution of work hours, to the discretion of these eligible workers. This system allows the employees to work flextime as well as work at home. Above all, this system values their creativity.

### In-house Staff Recruitment System

Murata introduced the in-house staff recruitment system in April 2006. By providing employees with opportunities to select their career path by themselves, this system cultivates a corporate culture that maximizes employees' venturesome spirit and independence, and that realizes timely assignment of personnel in response to various business needs.

## Education and Training Systems

### Human Resource Development to Maximize Employees' Capabilities

Murata believes that the key aspects of human resource development are: self-directed personnel, personnel who display individuality with a venturesome spirit, and personnel who value customer satisfaction and cooperation. To strongly and effectively support individual employees in developing their capabilities, Murata operates its own education system, which offers employees specialized training at each rank, from entry level to management level. In its training programs for newly hired employees, Murata helps new employees acquire the knowledge and skills required to become professional personnel who can play active roles in the business world. Even after this basic training period, various training programs are provided, such as education according to each job step, and functional training by type of job. By combining these various training programs, Murata facilitates the development of all its employees' expertise, skills and management capabilities.

### Training for Core Management Staff

The roles to be played by management staff have expanded and become more sophisticated, thereby assuming greater importance. As part of our level-based training programs, we also provide training for management staff. We have introduced programs to train business leaders who are able to promote business globally from the same viewpoint

as that of top executives. We have also adopted a coaching style that values interactive communication to help management staff improve their own capabilities while developing their subordinates' abilities. Through these education programs, Murata aims to enhance the ability level of its entire workforce.

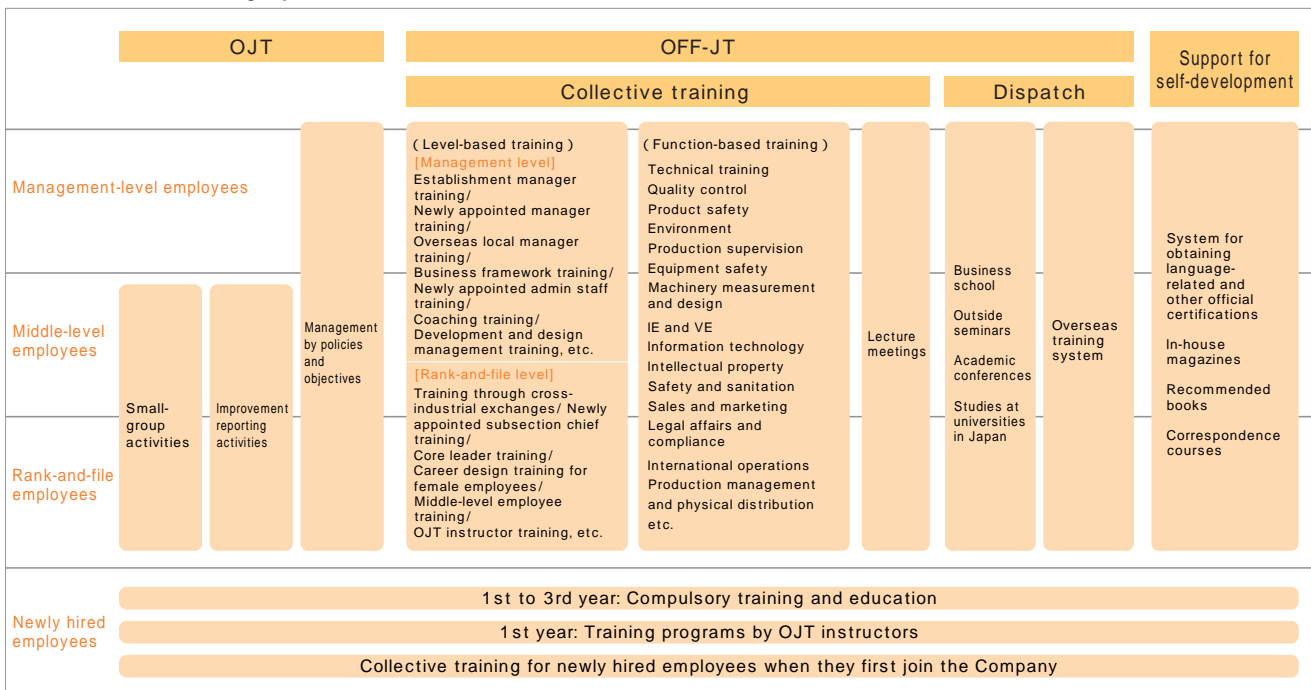
### Training for World Class Technicians and Engineers

One important element that supports Murata is the Company's advanced technologies, which are applied in materials, finished products, production equipment and so forth. Murata focuses on nurturing personnel who are knowledgeable regarding the world's top-level techniques. As part of our function-based training, we provide programs to train technicians and engineers in scientific and practical perspectives and expertise so that they can make full use of these abilities in their specialized fields. These programs cover various topics, from general technological education to training toward practical-level expertise in specialized areas. Moreover, to improve the level of Murata's essential technologies, we promote technical information sharing in coordination with our original set of offline activities\* called "STEP (Strategic Technology Program)."

\*Offline activities: Activities conducted in small groups that carry out R&D and hold discussions by technical field, among employees who gather

DATA Level-based training, function-based training, and other training programs

Education and Training Systems



### Training to Develop Personnel with Global Capabilities

Murata has an overseas training system for young employees, who will play a leading role in the Company in the future. By allowing them to live in and experience business in foreign countries, this system trains young engineers and businesspersons to develop international-level capabilities. Not only do we dispatch young engineers to overseas universities and research institutes; we also send other young staff overseas to enable them to acquire MBAs, languages and other skills. In today's increasingly borderless business world, regardless of job type, our employees should develop the capabilities they need to engage in overseas business. Murata therefore encourages our employees to accumulate a variety of experiences so as to develop a global perspective and become internationally minded.

### Occupational Health and Safety

Murata established its Basic Rules for Occupational Health and Safety in 1987. We carry out activities to realize a workplace free from work-related injuries and deaths, as well as to create a pleasant working environment for all.

#### Addressing Work-related Risk Reduction

It is said that the fundamentals of manufacturing lie in the "4Ms" (men, machines, materials, and methods). Focusing attention on the 4Ms, Murata takes measures to assess potential work-related risks in advance and prevent work-related accidents from occurring.

Regarding work that humans are involved in (men and methods), we have compiled a list of work entailing potential risks of accidents. We have estimated the levels of damage that may be suffered should an accident occur, and have expressed these damage levels numerically.

For task whose potential damage level is deemed not permissible, we have taken measures to reduce the risk by improving relevant equipment, revising the work, wearing protective gear, and other means.

Concerning equipment (machines), we have established a check system for inspecting equipment health and safety. Before introducing new equipment, we examine if it complies with Murata's safety rules as well as relevant laws and regulations. Therefore, only equipment whose safety has been confirmed can be installed.

As for materials, we use our safety review system to inspect all materials to be used in producing Murata products. Under this system, we check the

safety of all materials that Murata uses based on Murata's own rules as well as relevant laws and regulations.

#### Eliminating Work-related Injuries and Fatalities

At Murata, fiscal 2005 saw the occurrence in Japan of five work-related accidents (requiring four or more days off). Murata's frequency rate for work-related injuries and deaths is lower than the average for the manufacturing industry in Japan. We will continue to further improve our work environment, with the aim of reducing work-related injuries and fatalities to zero.

Frequency rate for work-related injuries and fatalities

### Employee Health Management

Promoting the health management and fitness of every employee will make our Company healthy. In other words, a healthy company is created by having healthy employees. Murata therefore endeavors to create a work environment where each employee can cheerfully work with hopes and dreams, while giving consideration to fostering positive mental health and preventing overwork.



Medical room  
(Head office)

#### Mental Health Initiatives

Promoting mental health is important so that employees have a sense of self-fulfillment and are able to conduct creative activities. It can also contribute toward enhancing the productivity and vitality of the workplace.

For these reasons, Murata continues to strengthen its mental health consultation system. Additionally, we have commenced a mental health counseling service by using an external organization to support employees' positive mental health.