

Third-party Comments

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After Reading the CSR Report 2006 of the Murata Group

The Murata Group's CSR Report centers on three aspects: Economic Review, Environmental Review and Social Review. This configuration is appropriate for management in pursuit of triple bottom lines.

Regarding Economic Review

Murata discloses its "Economic Relations with Stakeholders" as part of its economic information. This idea is indeed appropriate. Regrettably, however, the section regarding employees presents only the number of employees, and discloses no data on economic distribution. Even among Japanese enterprises, there is an increasing trend toward disclosure of added value distribution statements. I therefore hope that in the future Murata will clarify its ideal state of economic relationships as part of its social responsibility, and embody the ideal as part of the Company's management.

Regarding Environmental Review

With regard to environmental activities, Murata has achieved most of its targets for fiscal 2005. For targets not yet attained, a tendency toward improvement has been indicated. I can therefore rate Murata's environmental management as making steady progress. As stated in the message from the President, now that the Head Office has obtained ISO 14001 certification. Murata has established group-wide environmental management, raising our expectations for further advancement. I also highly rate the fact that Murata has introduced

LCA even at the stage of product development /design, and has voluntarily established hazardous substance eliminating criteria more stringent than those of the RoHS Directive, and has made efforts to meet those criteria.

The Company provides detailed reports in individual fields of environmental measures. However, if a unified reporting form were used, I believe that the Company could send a clearer message. To be more specific, concrete progress achieved in environmental management can be disseminated by clarifying the targets and results for the current fiscal year and targets for the next fiscal year in each relevant section. I recommend that Murata consider better coordination between the CSR Report and the separate data book (Performance Data). In my opinion, important information such as medium- and long-term environmental plans should be explained in the CSR Report.

Priority challenges for Murata in the future will be enrichment of respective site data and overseas information. I am certain that enriching site data, while expanding the scope of environmental reports, will lead to strengthened environmental management across the Murata Group.

Regarding Social Review

Concerning the Company's social activity, its attitudes toward wide disclosure of information make a favorable impression. However, Murata's social activity report has not yet reached the same level as its environmental report, which establishes specific targets that guide the Company's environmental efforts. This point is a future task to be addressed by the Company.

The top priority of CSR activities is to identify what social issues are indispensable for a company. To this end, the company must establish a mechanism for soliciting the opinions of stakeholders. I also believe that the company should make efforts to cope with the identified social issues, by establishing certain indicators for those issues. Such efforts will help strengthen the corporate management capability.