

Compliance

To ensure that all Group corporate officers and employees comply with laws and regulations and act in an ethical manner, Murata is working to expand its Compliance Promotion System, making the best use of measures such as its Corporate Ethics Policy and Code of Conduct in Japan and overseas.

Corporate Ethics Policy and Code of Conduct

Revisions in Light of CSR, and Notifying Locations Worldwide

In July 2002, Murata established the Corporate Ethics Policy and Code of Conduct. In April 2007, this was revised in light of CSR. All Group corporate officers and employees pledged to work as one, in order that they could act in accordance with what needed to be done for stakeholders and society.

This revised edition of the Corporate Ethics Policy and Code of Conduct has been distributed to officers and employees of Murata and its domestic affiliates. We have also created English and Chinese versions, which were distributed to our overseas locations in September 2007. These were adjusted to take into account laws and ordinances and social systems in our overseas locations. As of March 2008, local versions of the Corporate Ethics Policies and Codes of Conduct have almost been completed for each overseas location.



Corporate Ethics Policy and Code of Conduct



Compliance meeting



Compliance Promotion

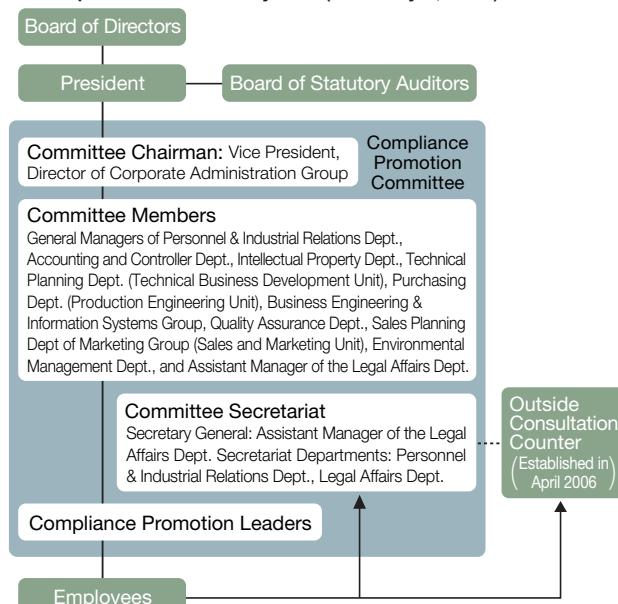
Creating a Compliance Promotion System

Murata has created the Compliance Promotion Committee as an advisory body to report to the president. We are deliberating on, and making decisions regarding, the basic direction for revisions to the Corporate Ethics Policy and Code of Conduct, and the draft and implementation of publicity activities.

Compliance promotion leaders are appointed for a period of one year in each department and keep employees notified of the Corporate Ethics Policy and Code of Conduct. These leaders take correspondence courses and participate in group training and other programs, and share their knowledge with other members in their divisions via compliance meetings.

The Compliance Promotion Committee met twice in fiscal

▼ Compliance Promotion System (as of July 1, 2008)

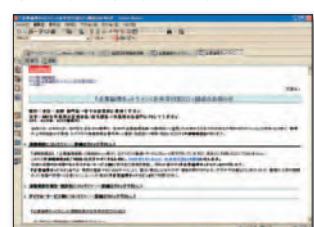


Reporting and Consultation Channels

Available not Only to Employees But Also to Their Families and Business Partners' Employees

Murata has established two types of reporting and consultation channels for concerns or problems relating to compliance, and these can be accessed by telephone and email: an internal channel using the Compliance Promotion Committee Secretariat; and the Corporate Ethics Hotline (external channel) using Dial Service Co., Ltd. All calls are handled by specialists. Both of these channels can be used anonymously and have procedures that protect the privacy of the consulter and the informer and are not prejudicial to either.

These channels can be used by Murata employees (corporate officers, employees, temporary employees, part-timers, and contractors, but not retired staff), employees from temporary staffing companies that are working at Murata facilities, employees from contracted companies, employees from client and supplier companies, and family members of all aforementioned employees.



Details of the Corporate Ethics Hotline are also given on the Company Intranet

Who Is a Temporary Employee?

Persons other than employees as specified by the employment regulations and who are employed for two months or more on a work contract. Of these, part-time employees have shorter official working hours than regular employees.

Employee Perspective

Putting Compliance into Practice on an Individual Level



Sayaka Baba

Legal Affairs Sec., Legal Affairs Dept.

More than merely being a collection of laws and ordinances, compliance also has the wider meaning of voluntarily acting on one's discretion.

For Murata, compliance means that each and every employee must implement our corporate philosophy. Compliance tends to be viewed as a formal, structured system, so to break away from this stereotype, in our in-house publications we use cartoons showing situations in the workplace. This makes it easy for employees to see the problems that may be encountered and how compliance should be put into practice.