

# Risk Management

Murata strives to anticipate the risks of accidents or disasters. This helps prevent their occurrence and avoids negative repercussions for stakeholders.



- Export Risks
- Intellectual Property Management and Spillage Risks
- Pandemic Influenza Risks

## Risk Management

### Focus on the Business Continuity Plan, Fire Countermeasures, and Information Security Countermeasures

To deal with the various risks inherent in business, within the Internal Control Committee Murata has established the Risk Management Subcommittee, which is an advisory body to the statutory representative directors. This committee appoints the vice president as the committee chairperson and comprises directors from the departments of General Affairs, Personnel & Industrial Relations, Corporate Communications, Intellectual Property, Environmental Management, Information Systems, Legal Affairs, and Production Technologies. This committee examines company-wide risk management systems and countermeasures.

In fiscal 2007, the Risk Management Subcommittee adopted the Business Continuity Plan (BCP), Information Security Countermeasures and Fire Countermeasures as important themes that required companywide attention. Section meetings were held for each of these, and action was taken.

## Major Risks and Management Systems

### Information Risks—Reinforced Information Security

In March 2005, Murata established its Privacy Policy and Privacy Policy Basic Rules, and has strengthened information security.

Because personal information in electronic form is subject to an increased risk of leakage, departments that handle this data have designated data security control officers who implement a range of countermeasures. Murata has issued a Data Security Guidebook aimed at promoting appropriate understanding and actions among employees. We also have self-check testing and education so employees can evaluate their comprehension of information security.

Starting in fiscal 2008, we are promoting increased information security using IT measures that include recording personal computer operating logs and encrypting documents.



Extinguisher drill

Fire drill with Company fire brigade



### Natural Disaster Risks—Establish BCP to Ensure Stable Supply

Manufacturing lines may be halted due to earthquakes, typhoons, floods, and other natural disasters. Consequently, Murata has put in place a range of measures to enable it to provide a stable supply of products to customers. We have ensured earthquake resistance and safety for buildings and production facilities, constructed backup frameworks for our information systems and implemented stockpiling.

In fiscal 2007, Murata started the formulation of the BCP, designed so that the Company can ensure rapid recovery in the event of damage. We have ensured that preparations for contingencies are always in place, so that operations are not interrupted and that, even if operations are interrupted, they can be quickly and smoothly recommenced. In fiscal 2007, Head Office and Okayama Murata Manufacturing Co., Ltd. started documentation of the earthquake BCP, and this was put into application. In fiscal 2008, this will be expanded to other major subsidiaries.

Disaster Prevention Committees have been established at domestic manufacturing locations. Comprising the Disaster Prevention Promotion Committee and Company Fire Brigades, the Disaster Prevention Committee has members who periodically discuss accident prevention and the protection of human life and property in times of disaster. The Disaster Prevention Promotion Committee holds periodic disaster drills in response to anticipated earthquakes and the subsequent fires so that it can act in an appropriate manner in emergencies. These drills include Company Fire Brigades and all employees. Joint training exercises with local fire brigades are also held.

### Fire Risk—Analyzing Causes of Fires and Establishing Preventative Measures

Murata recognizes fires as a major risk and has established a Fire Risk Special Interest Group under the umbrella of the Risk Management Subcommittee. This new group investigates past cases, analyzes fires and promotes measures to reduce the risk of fires.

In fiscal 2007, we emphasized the prevention of fires originating from static electricity in processes that use organic solvents.

#### Employee Perspective

#### Increasing Awareness of Fire Prevention through Ongoing Education and Training



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Organic solvents are used on a daily basis in manufacturing plants, and if used incorrectly, can be the cause of major fires. We are analyzing the causes of past fires by seeking guidance from specialists, holding information exchanges with other factories and working to minimize risks.

To increase individual employee knowledge and awareness, we are constantly educating employees on how fires start through static electricity and holding training that simulates static electricity disasters.

We will continue to take fire prevention initiatives that focus on strengthened safety measures.