



# Employees

Murata places great emphasis on employee satisfaction. Based on a policy of respect for human rights and fair treatment of employees, we have created a workplace environment in which our employees can display their abilities in a safe and healthy environment.

## Respect for Human Rights

### Creating a Workplace Environment and Personnel System Free from Discrimination

Universal and individual human rights are valued and respected at Murata. While respecting the personality and individuality of every employee, we do not allow any violation of human rights by any employee. On that basis, Murata has established a working environment and personnel system free from discriminatory treatment based on race, beliefs, gender, religion, nationality, disease, or other reasons. Moreover, to raise employee awareness of these issues, our graded training programs include human rights education content.

Throughout the Murata Group's offices and plants, both in Japan and overseas, child and forced labor are strictly prohibited.

## Personnel System and Human Resource Development

### Under Our System of Emphasis on Ability and Performance, Employees Set their Business Targets

Under a working ethos of valuing the independence and enabling employees to use their own initiative and abilities, we have incorporated a business target management system for our human resources, based on the principles of abilities and performance.

Under this system, employees set their business targets and plans according to Company policy, in consultation with their line managers. They then carry out midterm self-evaluations about progress and results. Their line managers evaluate these results and processes properly and reflect training and remunerations for each employee.

The results and basis of employee evaluations, issues arising in the course of duties, and future directions are discussed three times a year at feedback meetings between employees and their line managers.

In fiscal 2007, we show the competence and behaviors that we expect to our employees, the basis for the Company's evaluation process, and through which it aims to improve ways of working and motivate employees to develop themselves. We have also reformed our evaluation system so that it enables employees who have changed their mindsets and behaviors and have contributed to business growth to be positively evaluated.

## Self-selected Career Paths according to Aptitude

Murata provides employees with opportunities in their work that enable them to maximize their potential by using their personal skills.

For younger employees, we offer a career path program featuring deployment in diverse roles at various locations, enabling them to plan their careers in line with their personal skills. For those opting out of managerial channels, we have established a system to facilitate progression as highly specialized professionals, and a system for in-house staff recruitment in which employees select their own career track\*.

In fiscal 2007, we introduced a career path changing program for fourth-year recruits in which they can apply to alter their current paths after consulting with their managers, and a new transfer system that offers training courses of up to two years.

\* For details, please see our website.

### Employee Perspective

#### Studying Abroad



**Yasuko Yoshinaga**

Planning Sec. 1,  
Corporate Planning  
Dept.

When I was involved in research and development management at the Technology Management Dept., I realized the importance of technology and the necessity of knowing our business from every perspective.

Through the overseas study program, I studied at the University of Michigan in the United States from 2006, and graduated with a Masters in Business Administration (MBA). Because of my overseas studies, I improved my ability to understand matters from multiple perspectives, and today careful consideration of possible responses

has become second nature to me.

I am currently a staff member in the Corporate Planning Dept., where my job involves formulating tasks in response to environmental changes, developing Long-term Vision approaches, and creating specific policy options.

## Supporting Skills Advancement at Every Career Step

Murata aims to foster people who are self-starters, who value customer satisfaction, who display individuality and a pioneering spirit, and who are skilled at cooperating with fellow employees. Accordingly, we are building training systems that offer employees specialized training, from entry level to management, in order to provide powerful, effective support to employees in developing their capabilities.

In line with amendments we made in fiscal 2007 to our personnel evaluation system, we provide training to employee evaluation officials at all grades, from management to shopfloor supervisors. This is not just a matter of teaching evaluation techniques, as we aim to promote a companywide understanding of the ideal Murata employee, and to teach managers how to address the development and training of employees, individual by individual. In fiscal 2008, under our philosophy that "business comes down to people," we are planning sweeping changes to our training systems to ensure well-rounded training of the staff, the source of our future strength as a business.

人事制度のてびき



人事考課評価マニュアル

1. 人事考課の目的と意義

そもそも人事考課制度において「評価」とは何を目的に行うものか。その目的は、従業員の能力を向上させること、業務の効率化を図ること、そして、従業員のモチベーションを高めることにある。また、評価を通じて、従業員の業務内容や成果を把握し、適切な指導や支援を行うことが、人事考課の重要な役割である。

Murata's Personnel  
System Guidebook



- Career Development (Job Rotation, Highly Specialized Professional System and In-house Staff Recruitment System)
- Human Resource Development Strategy (Managerial Education Programs, Cultivating World-class Engineers and Global Personnel Rotation)

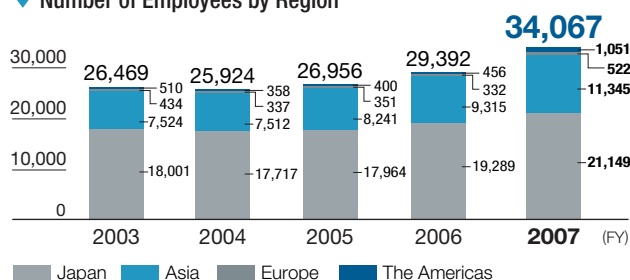
## Equal Opportunities and Workplace Diversity

### An Open Attitude toward Diversity, in an Organization of Diversity

To creatively develop businesses in a changing global market, it is important to build an organizational culture in which the ability and individuality of staff of different backgrounds can be fully utilized.

At Murata, we offer our people equal opportunities, in hiring and after they take up their positions. Regardless of gender, race, or physical ability, employees enjoy an environment free from discrimination in treatment or training.

#### ▼ Number of Employees by Region



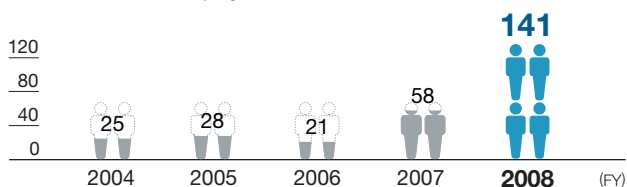
### Reemployment Program for Retirees

In April 2003, Murata introduced a system under which retired employees can rejoin the workforce. This system complies with recent legislation progressively pushing back the age at which initial state pension payments can be drawn, and it helps us better harness and hand down the know-how and skills of veteran employees. Under this reemployment program, employees who have reached 60 may, if certain requirements are met, continue working at the Company for a maximum of four more years.\* In April 2006, this measure was extended to subsidiaries in Japan.

As of March 31, 2007, 56 employees at Murata and another 85 at subsidiaries and affiliates of the Group had rejoined the workforce under the arrangement.

\* From April 2009, the maximum period of reemployment will be extended to five years.

#### ▼ Numbers of Reemployed (Groupwide total for Murata operations in Japan)



Sign language translation of president's policy speech (given at the head office in a fiscal 2007 event to commemorate the Company's founding)

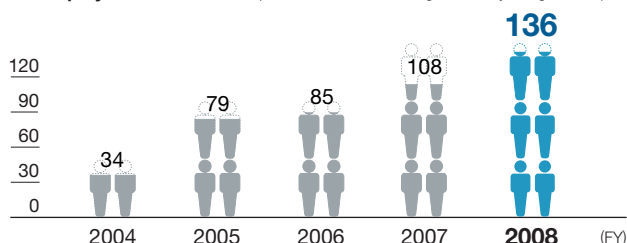


Murata supports wider roles for women

### Expansion of Opportunities for Women

At Murata, we seek out highly talented staff members who can function on a global stage, regardless of gender. We have actively recruited women and opened up more management positions for them under an initiative in recent years to increase female representation at the top. In fiscal 2007 hiring, approximately half of general administrative positions were filled by women.

#### ▼ Employment of Women (number of new female graduates joining Murata)

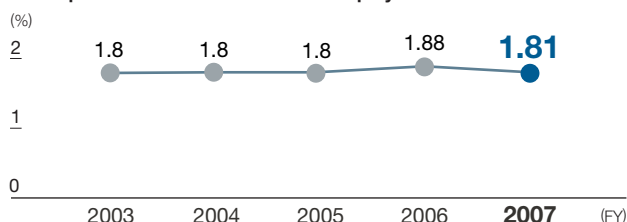


### Employment of disabled persons

Based on a philosophy of treating all members of society equally, Murata is committed to expanding employment opportunities and improving the workplace environment for the physically challenged.

In addition to taking on physically challenged new graduates, Murata has long had a proactive policy of accepting mid-career hires. We have cleared the legal minimum for the percentage of disabled person's employees in the total workforce in each of the last five years. In fiscal 2007, the ratio was 1.81%.

#### ▼ Proportion of Disabled Persons Employed at Murata



# Employees

## Localized Hiring and Employment at Overseas Units

We believe we play a role in the development of the electronics industries in, and contribute to, the economic growth of each of the 18 countries worldwide in which our offices and subsidiaries are located. Localized hiring and employment are part of that commitment.

In fiscal 2007, in line with our expansion of overseas businesses including our facilities at Shenzhen and Wuxi, we increased hiring of personnel in the China and wider Asia region in order to strengthen marketing in the greater China economic sphere. To encourage better deployment of local talent, we compiled a three-year localization plan for overseas bases in 2007. We are systematically committed to localization, and have set numerical targets for management-level hires from the local talent pool in each overseas location.

For all regular employees hired locally by overseas facilities, from young employees to senior management, we provide management training to ensure a shared commitment to Murata's principles and to foster the knowledge and skills needed for their realization.

### Foreign Employees at Murata Business Locations in Japan

Head Office	9
Yasu	3
Tokyo	2
Kanagawa	1

## Creating a Relaxing Working Environment

### Support for Striking a Balance between Work and Family Life

Murata has a range of support mechanisms for highly-motivated employees who want to develop their career while striking a balance between work and family obligations such as maternity and care of children and elders.

In response to the enactment of Japan's Law for Measures to Support the Development of the Next Generation, we formulated an action plan from April 2005 that includes improving maternity leave and short-time employment arrangements, introducing special leave for infertility treatment and providing support to encourage paternity leave. We made further improvements to the system in fiscal 2007 to encourage its use. As a result, we have been recognized as a business that meets the basic requirements of the Law for Measures to Support the Development of the Next Generation, and were awarded the Second Kyoto Prefecture Award for Support for Child-rearing.

Looking ahead, we plan further policies and awareness-raising activities to encourage use of this system, based on a three-year action plan launched in fiscal 2008. These activities include efforts to create a corporate environment that strikes the right balance between work and family life, establishment of related

guidelines, and organization of visits by employees' families to Company-sponsored events.

### About the Law for Measures to Support the Development of the Next Generation

A law formed in July 2003 and enacted in April 2005 to promote healthy bearing and rearing of children to support future societies. It obligates companies to have action plans to create environments and working conditions that enable employees to keep a balance between work and family life.

### Number of Employees Taking Family- and Child-care Leave

	FY2006	FY2007
Family-care leave	9	10
Maternity (pregnancy and childcare)	183	210
Childcare ((%) = those actually taking such leave compared with eligible total)	176 (96%)	201 (96%)

### Introduction of Discretionary Work Plan for Technical Specialists

Murata operates a "discretionary plan" for technical specialists engaged in research and development of particularly promising products. Under this plan, creativity is encouraged by entrusting the individual technical specialists with decision-making regarding approaches and allocation of time to projects. This enables appraisal based not on number of hours put in, but on results.

At the moment, this discretionary system covers 43 employees throughout the Group. Applicants for eligibility state their case to the Personnel & Industrial Relations Dept., which makes the final decision on whether they qualify, based on the perceived necessity of vesting in the applicant decision-making powers concerning the execution and duration of the work.

## Surveys on the Challenges and Rewards of Work

### Improvement Policies Based on Survey Results

For a company to grow, it is necessary to achieve certain standards of employee and customer satisfaction. In fiscal 2005, Murata launched its biennial employment satisfaction surveys aimed at measuring variables such as organizational vitality and employee motivation.

Earlier surveys revealed that job grade was what dictated how comfortable employees felt at the Company, and that major causes of stress were tiredness and being too busy. As a result, we are making qualitative and quantitative improvements through dialog between management and regular employees.

We obtained replies from 15,623 employees in the survey carried out in fiscal 2007 (a response rate of 97.4%). Although company policy was better known than in earlier surveys, we realized there was an awareness deficit with this method of communication. In future, we will increase opportunities for employees of all departments to discuss their ambitions with superiors, and create workplaces where people really feel motivated.

### About ES

ES refers to employee satisfaction, which is a complementary benefit to CS, or customer satisfaction. At Murata, we define employee satisfaction as employee motivation and personal development. We aim to be a company in which employees can really feel such development through their work while at the same time enjoy strong morale.

Training for managers



Managers hired at overseas bases are sent to Japan for management training.





- Labor Relations
- Paid Leave
- Welcome Back System
- Utilizing the Expertise of Seniors
- Measures to Prevent Sexual Harassment
- Murata reduce the Risk of Occupational Accidents
- Initiatives at Some Facilities
- Health Checkup

## Intellectual Property Rights of Employees

### Rewarding Individual Innovation

Murata materially rewards employees who have invented new technologies. Payments are made to the inventor under certain conditions, such as when applications for patents are made or patents are registered or applied for in-house, or if other companies use the patent.

In evaluating new technologies, a review is undertaken by an invention remuneration review committee. To ensure fairness of the system, employees may lodge a complaint if they disagree with a committee decision.

In fiscal 2007, payments were made to a total of 2,756 employees under the program.

## Occupational Health and Safety

### Creating Workplaces Free from Injury

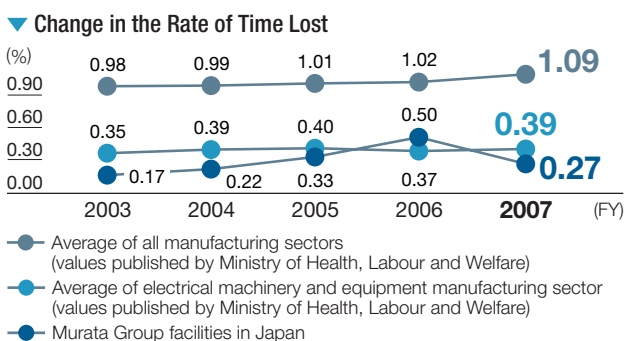
Murata is committed to providing all employees with a pleasant workplace free from accidents or disasters. In fiscal 2007, the rate of time lost due to work-related injuries (a figure which shows the accident frequency rate) was 0.27% at Murata Group facilities in Japan (0.36% on a nonconsolidated basis). This is significantly lower than the previous fiscal year level of 0.50% (0.35% on a nonconsolidated basis). We believe that we achieved this improvement because Murata Group facilities have been sharing information on past accidents.

We will continue to share information and put safety first on a Companywide basis in order to realize even safer and more pleasant workplaces.



#### Rate of Time Lost due to Work-related Injuries

This is the number of employees killed or injured in accidents, per one million hours. It shows the frequency of incidents.



## Employee Perspective

### Two Precious Years Spent Close to My Child



**Yuki Koike**

Logistics Control  
System Design Sec.,  
Manufacturing System  
Design Dept.

After two years of maternity leave (including pregnancy), I returned to the workforce. After being away so long, I felt uneasy at first. Raising a child is more demanding and tougher than I was expecting, but almost every day was one of discovery and learning. The moment I was sure that I would make good use of this precious experience in my career, the feeling of unease faded. Those two years spent close to my child were an invaluable asset, giving me vitality when I returned to work.



Morning "Welcome" campaign at Yasu Plant



Hazard prediction training



Muralympics

## Murata Supports Mental Healthcare for Employees

Murata views physical and mental healthcare for employees important not only for the employees but also for the Company.

Of particular social concern is mental health, which we are addressing through education and awareness-raising activities using in-house newsletters and manuals. In fiscal 2007, seminars were held and attended by 4,531 employees. Furthermore, Murata supports in-house consultation systems by bringing in industrial healthcare (including psychiatry) experts and using external consultants.

## Asbestos Medical Examination

With asbestos-related health problems becoming a social concern, Murata in 2005 launched machinery and building contamination checks, taking remedial measures when necessary.

Murata provided checkups for all employees who wanted to undergo asbestos examinations, but there were no confirmed cases of damage to health.

In October 2007, one retired employee was recognized as having suffered an industrial disease.

All employees who have had asbestos exposure in their work were urged to undergo examinations in July and November 2007, with those expressing interest doing so.