

On reading Murata Group's Corporate Social Responsibility Report for 2008



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Editorial Direction from the Perspective of a Global Company

Overseas customers account for 75% of Murata's total sales. As befits a global corporation, this is a well put together report, which this year broadened its scope to include not only all employees in Japan but also those at overseas operations. This report, which focuses on its employees as stakeholders, shows clearly that the Company treats them as important as it treat other stakeholders. Looking ahead, the Company will need to work on formulating and systematizing a global concept of corporate social responsibility.

Greater Human Competence in Manufacturing

Murata's "Top Commitment" this year was to contribute to the creation of a more affluent society by supplying the electronic components it needs. To meet this commitment, the Company will need to achieve still higher levels of manufacturing competence. This year's Special Feature argued that raising manufacturing competence at the individual employee level was the key to creating quality through human input. I was greatly impressed by, and gained much insight into, Murata's philosophy of emphasizing creation of the human resources needed for better manufacturing, as evidenced by its production reform activities, the "Meister" (master-craftsman) system and manufacturing dojo (academy) centered on on-site employees. In future, a key point will be what kind of status activities like these should have within corporate social responsibility.

Evolution of Environmental Management

I was able to form a clear idea of the kind of environmental management that Murata aims at in the Special Feature and Environmental Report sections. I clearly sensed the Company's resolve to implement groupwide environmental management after completion in fiscal 2007 of the shift to ISO14001 multi-site certification for the Murata Group in Japan. Currently many targets have been set per unit of production, but in future a much longer horizon will be necessary in considering the global environment, and it would be desirable for reduction targets to be set based on total volumes.

Stepping Up CSR

Murata has put in place a CSR management framework, with a CSR promotion office and committee with the president as its chairman. In the section titled Murata and People, major stakeholders are clearly identified and initiatives focusing on each stakeholder group are explained in an easy-to-understand way. In the future, I believe it will be necessary to further step up CSR activities, to gain a clearer idea of stakeholders' concerns, for example through stakeholder engagement, report-reading sessions and other two-way communication channels, and disclose results of measures to address such concerns when warranted. I believe it would be a good idea to set targets, even if they are qualitative, to reflect these efforts in CSR management, and evaluate the achievement of these targets. I sincerely hope that Murata will further step up its CSR commitments.