

Risk Management

Murata strives to anticipate the risks of accidents or disasters. This helps prevent their occurrence and avoids significant damage to the Company.

Risk Management

Company-wide Countermeasures against Risks

To deal with the various risks inherent in business, within the CSR Management Committee Murata has established the Risk Management Committee, which is an advisory body to the statutory representative directors. This committee has the vice president as 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 discusses and fixes Company-wide risk management systems and countermeasures.

In fiscal 2008, we adopted the Business Continuity Plan (BCP), Information Security Countermeasures, Fire Countermeasures and Countermeasure against New Strains of Influenza as important themes that require Company-wide attention. Section meetings were held on each of these themes, and action was taken.



Comprehensive disaster drill

Information risk—strengthening of Information Security

In recent years, a large amount of important information has been converted into electronic form, and the risk of easy leakage is increasing. To continue sustainable growth, Murata needs to strengthen the management of technological expertise and other trade secrets. At the research and development division, personal computer operation logs are

recorded and monitored, and employees receive instructions regarding information handling. Moreover, we have introduced an encrypting file system to protect important information. In fiscal 2009, we will expand the scope of application of these measures to product divisions, sales and marketing divisions and administrative divisions.

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. In fiscal 2009, we will implement these measures also in overseas locations.

Disaster Risks—Ensuring Business Continuation

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 2008, the Business Continuity Plans (BCPs) were formulated at our major factories in Japan, and our conventional countermeasures were reviewed from the BCP perspective. We also deployed the earthquake quick report system at all factories in Japan. The Head Office has started to introduce an emergency information service system that facilitates quick confirmation of

employees' safety in the event of a disaster. Murata recognizes fires as a major risk and has promoted measures to reduce the risk and minimize the damage of fires. In fiscal 2008, we emphasized the prevention of fires caused by static electricity in processes that use organic solvents. In such efforts, we invited experts from outside the Company to give guidance to shop-floor employees at domestic and overseas factories. At the same time, our factories were equipped with automatic fire extinguishing systems to prepare for a fire emergency. In cooperation with local governments, fire brigades and police, Murata implements wide-area disaster drills in response to anticipated large-scale natural disasters and fires.

Efforts to Prevent Fire Risk at Production Sites

Many fire risks occur in production sites, and it is important for individual employees working there to raise their awareness and sensibility about disaster prevention. We therefore place emphasis on hazard prediction training, in addition to training to increase knowledge about disaster prevention, so as to develop our abilities to swiftly sense a fire risk occurring in the production site. It is difficult to identify fire risks if our production site is complex and disorderly. With this recognition, we have established the production site principles, to maintain our worksite in conditions that are simple, tidy and in order, focusing on "5S," which stands for five Japanese words that start with the letter 'S': Seiri (tidiness), Seiton (orderliness), Seiso (cleanliness), Seiketsu (standardization), and Shitsuke (discipline). We recognize that this measure will contribute not only to disaster prevention but also to reduction of risks in terms of quality control and occupational health/safety.



Yuichiro Nakagawa
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New Strains of Influenza—Giving Top Priority to Safety of Human Life

A mutation of the avian influenza virus (H5N1) has opened the possibility for transmission from person to person, causing a worldwide pandemic. Murata has formulated the Basic Policies for Countermeasure against New Strains of Influenza, to be applied to all Murata sites around the world. While promoting

knowledge-sharing about new strains of flu and disseminating the proactive measures against them, we are creating concrete action plans in accordance with the WHO phases of pandemic alert. Moreover, Murata has prepared a brochure on countermeasures against new strains of influenza for employees, to heighten

awareness of preventing infection and storing provisions among employees and their families.



Brochure on countermeasures against new strains of influenza