

Message from the President

“Contribute to development of a needed by customers and society

future to be achieved by electronics, continuing to be a company in any era”

Changes in the society surrounding us

Digitization of every type of “object” and Murata’s expanding business opportunities

The appearance of electronics symbolizing the times – radios, color televisions, cameras, computers, mobile phones, and smartphones – has improved people’s quality of life. The history of Murata has been with rooted in such progress in society. By supporting achievement of product functions to be required in each age, Murata has contributed to society and continued to be needed by society. Now, in this age, every type of “object” in our surroundings is being digitized and Murata is required to create new value by making use of its innovation.

Regarding smartphones which have driven the recent electronic parts market and rapid growth of Murata, volume growth has been moderate, but the number of functions increases, the number of electronic parts used per unit has drastically increased. Also, thanks to increasing speed and functions of communication due to movements such as the introduction of 5G, this is an area where growth is expected as a pillar of our business in the future.

The automobile industry is also seeing changes which Murata must not overlook. In Europe, China, India and other countries, entire nations are moving to shift the

Chairman of the Board and President



industry from gasoline and diesel vehicles to electric vehicles (EVs). Due to an accelerated shift to EVs, some estimates suggest that in 2040, EVs will account for more than 50% of global new car sales. Furthermore, in parallel with the shift to EVs, development of autonomous vehicles is accelerating. Automation to maintain lanes and distance between cars on expressways as well as to follow the vehicle ahead during congestion has started to come into wide use as a part of advanced driver-assistance systems (ADAS). Consequently, the number of sensors to be used for safe travel is increasing. In addition, high-speed wireless communication (V2X) associated with an increase of data traffic between cars and the outside world will be a requirement, alongside computer processing systems for large amounts of data inside a car in real-time. In terms of demand for parts over the medium term, it is said that with shifts to EVs and autonomous cars, the number of electronic parts used per vehicle will significantly increase compared to vehicles with internal-combustion engines.

In addition to further digitization of smartphones and cars, development of an IoT society is a trend to be noted. Against a background of an expanding IoT society where every type of object is connected via networks, an increasing number of devices will be connected to networks. Moreover, considering the expanding demand for base stations and servers which process and store data collected from those devices and high-speed computers which are used for new value creation using AI, demand for electronic parts used for these items will also grow by an order of magnitude faster than before, creating new demand for a significant amount of electronic parts.

Murata’s strengths ensure we can seize business opportunities (chances)

Networks, technology development capacity, monozukuri capabilities, and organizational cooperation to integrate these elements

I believe that Murata has three strong points which enable us to steadily seize these expanding business opportunities and sustain growth.

The first is “a global network and deep customer base through which we can speedily understand customer needs.” Since its foundation, Murata’s mainstay business has been capacitors and other general-purpose electronic parts. A large number of these general-purpose electronic parts are used for various kinds of electronic devices and Murata contacts customers in various fields all around the world. Therefore, we can quickly see the latest market information and needs. Murata has satisfied various customer needs worldwide and established a structure under which products and services are supplied stably. Currently, sales in overseas markets account for more than 90% of total sales and a large variety of products have captured the largest or second largest share in the global market. Furthermore, Murata’s global network mostly consists of networks at our group organizations, enabling strong cooperation. Thus, we are able to communicate with many customers in various industries and quickly understand their demands and emerging needs.

The second is “technology development capacity” which realizes customer needs.” As trends in electronics markets change, to satisfy customer needs which are increasingly diversified with the times, Murata has expanded the boundaries of value that we can offer,

from smaller, higher performance single-function components to more highly functional device components, and further to modules incorporating those components and solutions. To create unique and highly competitive products, we are conducting technology development ahead of competitors and internally developing materials, processes, products and production technology for many products. These are vertically integrated for realizing rapid product commercialization.

The third is “monozukuri (manufacturing) capabilities’ ensuring mass production and timely delivery to customers.” At Murata, each plant has independently and uniquely improved its processes over many years to enhance productivity and cost competitiveness. Through these accumulated technologies and expertise, reliable production can be realized on a large scale. Particularly, the production volume of multilayer ceramic capacitors, one of the core products of Murata, exceeds one trillion per year despite its highly complex production process, placing them on the largest scale in the manufacturing industry.

And then, the three strong points described above of networks, technology development capacity, and monozukuri capabilities are integrated through Murata’s organizational cooperation. At Murata, each function of the value chain closely works together and by integrating individual strong points into that of the entire organization, Murata is making efforts to provide better value to customers.

Driving forces supporting strength

Penetration of the “Murata Philosophy” and innovation driven by CS/ES

As stated above, Murata has continued to demonstrate its unique strengths since its foundation, because the ideals and values shared by all employees work as driving forces.

Sharing of the “Murata Philosophy” as prescribed by our founder is placed in the most important position. Murata regards the “Murata Philosophy” as a philosophy which serves as a major guideline for its business activities. As the scale of business expands and employees are diversified, to demonstrate collective strength through cooperation among employees with a sense of unity, it is important that all employees understand the “Murata Philosophy” well as a common ideal. For example, innovation described in Murata Philosophy indicates that development of a pioneering spirit is important for any job in addition to avoidance of price competition through unique products with higher added value. Also, regarding contribution to the advancement of society, it links to continued awareness of the social significance of our company’s existence.

The recent focus on “CS” and “ES” that Murata set out as important values is also a concept derived from a passage of Murata Philosophy – thankful for the increase in prosperity – in addition to the above.

We define “CS” as continuing “to create and provide value that customers appreciate” and “ES” as ensuring “each and every employee feels rewarded and continues to grow through his or her work.”

Murata creates a virtuous cycle in its business activities by placing importance on the values of CS and ES

to create new innovation. This virtuous cycle is a driving force for reinforcing Murata’s strengths even further.

What we should be

Contribute to development of a new future as an “Innovator in Electronics”

In addition to contribution to society through products and services, Murata has established a CSR Charter with the Murata Philosophy as a benchmark and a CSR Management Committee to fulfill various types of social responsibility. For ongoing contribution to realization of a sustainable society, Murata needs to be a sustainable company. To this end, we need to face various social problems such as climate change and other environmental problems, as well as issues in human rights that should not be violated.

Sustainable Development Goals (SDGs) that are global issues to be achieved by 2030 are also great social issues that Murata should face. We believe that Murata’s mission is to contribute to solving these issues

and create new value for society through business activities.

We at Murata aim to contribute to realization of true quality of life for people. For this purpose, we express what we should be through the words of “Innovator in Electronics,” and enthusiastically commit ourselves to lead innovation in the electronics industry and take autonomous action for the environment and society.

Currently, Murata’s network has expanded globally. Creation of innovation through connection of each and every employee in the world is important for Murata to provide the value which customers worldwide appreciate and continue to make our future richer and better. We will write the story of Murata, which continues to contribute to a new future, placing importance on ideas embodied in Murata Philosophy.

