Murata's key issues originating from social issues

With the digitization of all types of objects, the potential for business opportunities that will lead to future growth is greatly expanding. Meanwhile, environmental and social risks are becoming increasingly serious, and in order for companies to grow sustainably, we believe that it is our duty to incorporate non-financial issues such as ESG into our management strategies and prioritize harmonization with Murata's stakeholders as we do business. Therefore, we believe that fiscal 2019 is the time for us to review Murata's relationship with social issues and the scope of contributions thereto. Accordingly, we have started identifying key issues (hereinafter "material issues") originating from social issues.

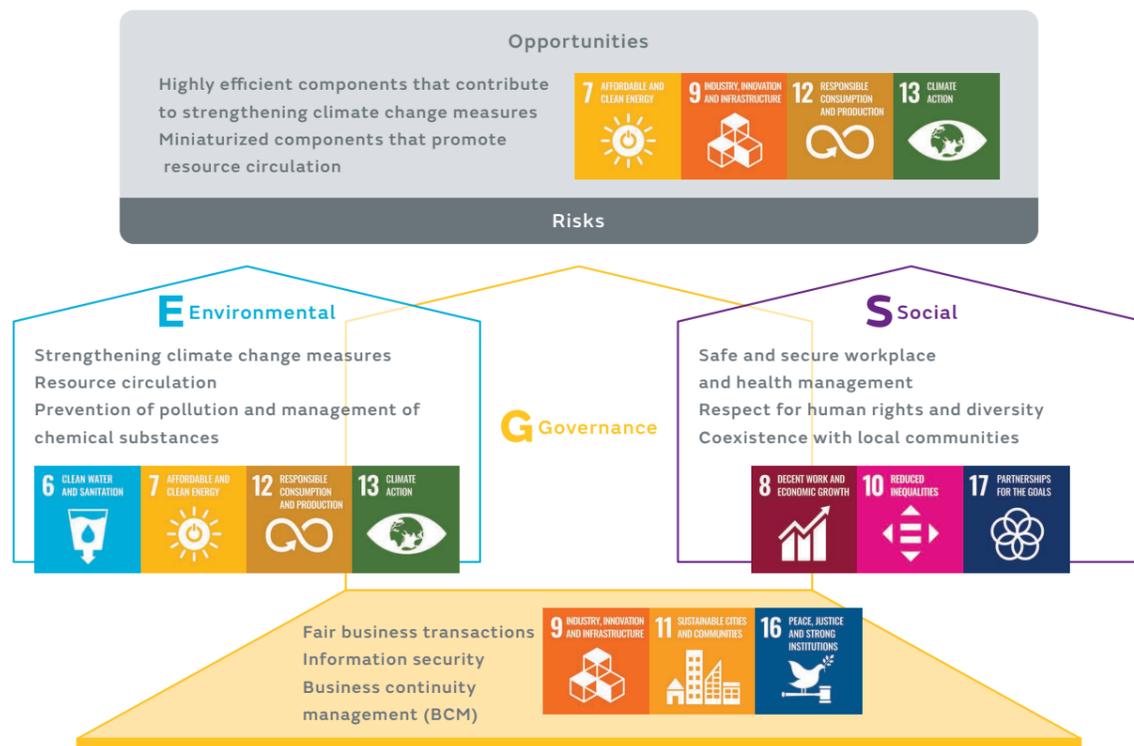## Basic policies on identifying material issues

In our work on social issues thus far, Murata has adopted an approach of "taking the initiative for the better environment and society" defined by our identity "Innovator in Electronics." This identity shall be shared and valued by all employees of the Murata Group around the world. We will continue to value this ideal. Murata's basic policy is to contribute to resolving social issues through its business operation.

Murata's material issues

We have defined the fields that we should focus on as issues of materiality. At the same time, we have identified key issues by classifying them into two aspects; resolution of social issues through business (opportunities) and handling of social issues in business processes (risks). We will continue to improve our corporate value by contributing to the resolution of social issues through innovation generated by Murata's technologies as well as by constantly monitoring and improving the impact on society to be caused through our business activities.
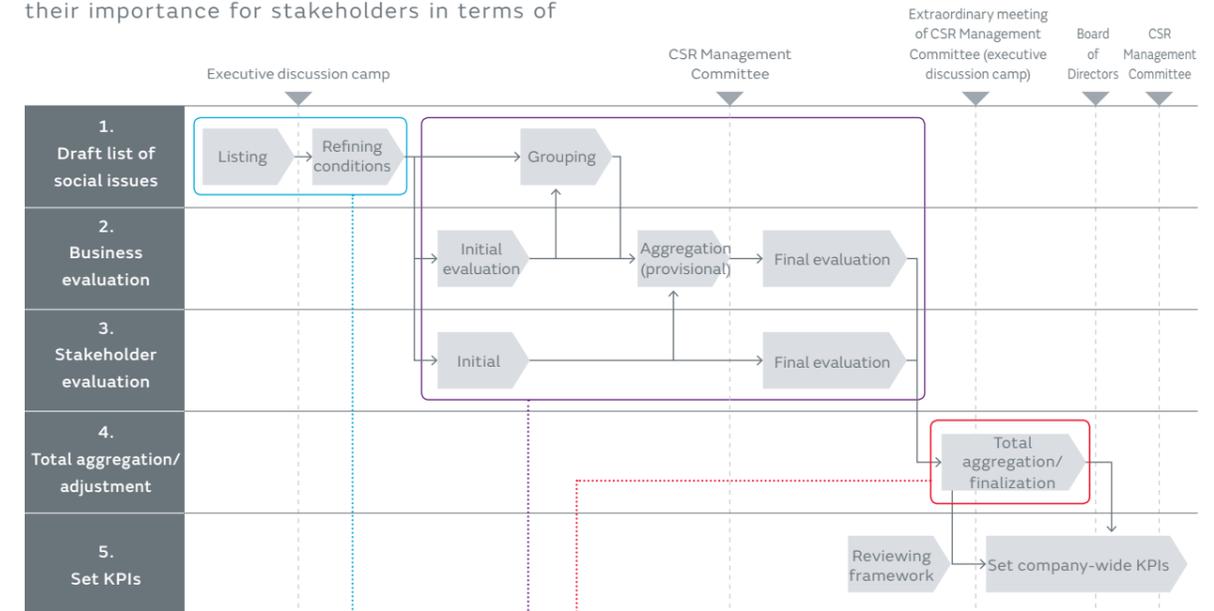

* For details on corporate governance, please see p.39.

Material issues identification process

About 100 specific social issues have been identified based on the SDGs, global risks, and issues faced by Murata. We scored these issues in accordance with their importance for Murata's business and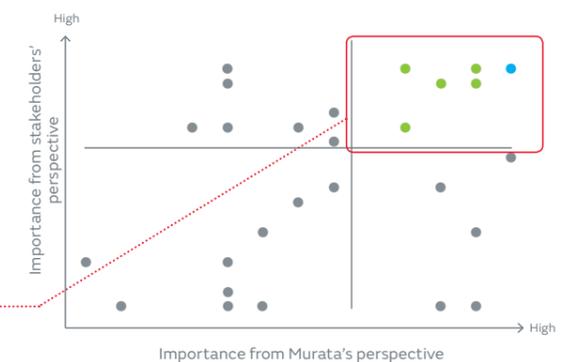 their importance for stakeholders in terms of both risks and opportunities. In addition, the CSR Management Committee (please see p40) chaired by Representative Director held repeated discussions and identified 11 key issues (material issues).

Future activities

We will determine the level that Murata should strive for in regard to the identified materiality, and the responsible departments and business divisions will cooperate with each other in order to make steady progress. We will strive to achieve integration with management by ensuring PDCA cycles for these initiatives as a company and continuously improving both our activities and the frameworks that supports these activities.