

Human resources

Murata regards “employee motivation and growth,” which is the driving force of innovation, as the most important value regarding human resources. Employee growth and innovation will be achieved by creating an environment in which collective strength as Murata is demonstrated by diverse employees working autonomously and cooperating as a team.

Recruiting diverse personnel

Murata regards diversification of methods to approach potential recruits and improving the quality of recruitment interviews as an important issue, with the aim of recruiting human resources who will support Murata’s growth.

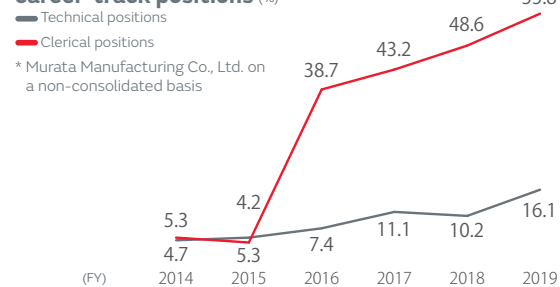
Recruiting international students from Greater China

As our business grows, it is becoming important to recruit personnel who can connect and deepen businesses in Japan and China. Accordingly, we have strengthened our efforts to recruit Chinese international students who live in Japan. Multiple locations in China have cooperated together to conduct joint briefing sessions and interviews within Japan by local Chinese employees. As a result, the number of recruits increased significantly, to roughly triple the number in a typical year. We will analyze this year’s results and continue our efforts more strategically.

Supporting the success of women

We have set a female ratio target for recruiting new graduates for career-track positions. By conducting a variety of recruitment activities specifically targeting female recruits, such as conducting “Seminars for Rikejo (Rikejo is woman who majors in science)” at each university, distributing “Pamphlets for Rikejo,” and holding “Job fair” with only female recruiters, we achieved a ratio of 16.1% for technical and 55.8% for clerical positions in fiscal 2019. Because we have been able to stably recruit women with a ratio of at least 40% for clerical positions, we have determined that we are beyond the phase in which initiatives should be implemented with a set target. Going forward, we will promote initiatives by focusing on recruitment targets for female students in technical positions.

Ratio of females in new graduate, career-track positions (%)



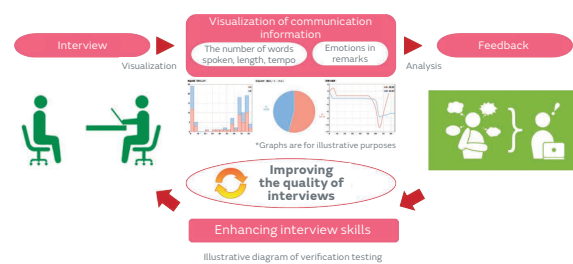
Improving the quality of interviews by using NAONA

Improving the quality of interviews is an important factor in recruiting diverse human resources. We have begun to introduce NAONA, a sensing data platform developed at Murata, to recruitment interviews.

NAONA visualizes communication* by sensing factors such as the number of words spoken at interviews, tempo, and emotional values. We have learned through verification testing that promotion of mutual understanding between applicants and interviewers at interviews is affected by the way interviewers communicate.

Going forward, we will implement interviewer training programs with the aim of improving interviewers’ skills, referencing NAONA’s data. Through these initiatives, we will conduct interviews of higher quality.

*NAONA conducts edge processing on the device side, and deletes the original data after converting the contents of conversations into voice characteristic data. Accordingly, it does not record the contents of conversations or personal data on servers.



Developing human resources globally

Murata calls for improvement of Ability to grow by individual employee, Ability to Foster by superior, and Ability to Nurture by Company to foster in its Policy on Human Resource Development.

Based on this policy, Murata implements measures to create a corporate culture for growing and developing together.

Promotion of global talent management

Due to the expansion of production and mergers and acquisitions outside of Japan, the ratio of employees outside of Japan has reached 60%. Accordingly, it has become our urgent mission to strengthen human resources development not only in Japan, but also globally. Consequently, we have held global human resources meetings since fiscal 2013 in order to discuss and execute various measures including promotion of talent management along with staff in charge of human resources at offices outside of Japan.

Setting Global Leadership Competency (GLC)

- Clarifying required competencies for global leaders of Murata

Establishing leader development programs for the next generation

- Creating a structure in which matters regarding leader development is shared throughout the world with programs at the Head Office and each region
- Participation by employees from all over the world in programs at the Head Office

Introducing global unified evaluation system for managers

- Introducing a system that incorporates GLC in order to instill a culture that values human resource development

Going forward, we will continue to disseminate GLC as globally shared human resource requirements while applying it to global human resource development and allocation of the right people in the right positions.

Human resource development through regional cooperation

We recommend initiatives in which our Group companies cooperate to develop human resources, promoting growth through mutual learning.

In fiscal 2007, we established a job rotation system that seeks to put the right person in the right place on a global level. As of fiscal 2018, this system has dispatched a total of 517 local employees at locations outside of Japan to Japan or to subsidiaries in other countries.

Another activity conducted by region is the “Murata ASEAN Alliance” (MAA). MAA began with the purpose of strengthening value creation capabilities by further enhancing the strengths each company has. In the beginning, we conducted mutual visits among Singapore, Malaysia, and Thailand, enabling them to learn from each other’s examples and incorporate them. Later, more countries such as Philippines and Vietnam joined, conducting initiatives to improve competencies of personnel, organizations, and functions strategically. Specifically, we are conducting leadership development programs and jointly developing programs in which next-generation leaders in the ASEAN region can learn the shared values of Murata and gain business execution capabilities as leaders.

Going forward, we will continue personnel rotation on a global scale so that Murata as a whole can achieve improved cooperation.



Creating an environment in which employees can work comfortably

Murata's growth foundation is based on each and every employee across the world working safely and vibrantly, both in terms of physical and mental health. Accordingly, we are implementing the following measures.

Health and Productivity management

In order to sincerely engage in nurturing employees' physical and mental health, which is a foundation of a company, amid the changing business environment, we established the Murata Healthy Management Plan in fiscal 2019 as a medium-term policy.

In Japan, we have strived to secure full-time occupational physicians, and we currently have 14 physicians in place. In addition, we have completed combining the health insurance cooperatives and established an environment to practice collaboration with the health insurance cooperative. With the President's health declaration as the first step, we will aim to nurture the health of employees and their families and create workplaces in consideration of workability. We have established a system for healthy management, practicing and evaluating health measures based on scientific analysis, enhancing stress management, and improving health literacy as our pillars of initiatives.

Health and safety

We have promoted health and safety activities in order to create a workplace environment in which employees can work comfortably. While the number of industrial accidents has improved since fiscal 2017, it has not decreased dramatically. We have recognized some issues to be addressed as a company, including the fact that safety education is not sufficiently keeping up with the rapid increase in the number of employees as a result of a drastic expansion of business due to mergers and acquisitions, as well as a shortage of managers and supervisors.

Accordingly, we will deploy measures from various aspects going forward, including holding of health and safety events, fostering of safety culture through

the Health and Productivity management approach, improvement of the health and safety training system, review of the risk assessment system, implementation of safety evaluations by outside consultants, and development of staff to take responsibility for the next generation. We will aim for a workplace environment in which health and safety comes first and improvement of employees' sensitivity toward dangers and risks, through both "obligation of safety consideration" whose responsibilities lie with management and "obligation of self-health" whose responsibilities lie with the employees themselves.

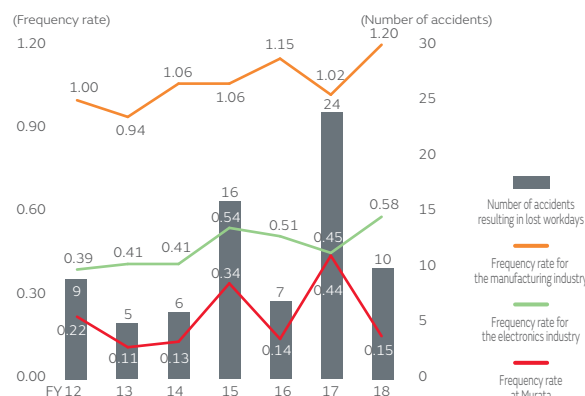
Promoting work style innovation

In order for Murata to sustainably develop going forward, it is essential to further improve productivity and create an environment in which value creation can be conducted by employees who are healthy both physically and mentally, working for the appropriate number of hours. We believe we can achieve an environment in which diverse human resources can work actively with a sense of fulfillment by promoting a work style that does not rely easily on overtime work. To this end, Murata Manufacturing Co., Ltd. has introduced a remote working system to improve productivity, implemented measures to improve work process and workplaces, and created opportunities to exchange opinions on work styles at the workplace.

Additionally, in April 2019, the Company opened "the Kaede nursery" in Nagaokakyo City and "the muRata Yumenomori nursery" in Izumo City as company-run nurseries. They are aimed at supporting a smooth return to work for employees that took maternity or childcare leave, and supporting diverse work styles for employees who wish to work while raising their children.



Frequency rate of industrial accidents



Culture of leveraging diverse individual strengths and collaboratively working together

Murata regards diversity and inclusion as accepting and leveraging not only visible diversity such as gender, age and race, but also invisible qualities and strengths such as thoughts, knowledge, experiences, and viewpoints. We are implementing initiatives to develop a culture focused on mutual trust and cooperation.

Instilling the Murata Philosophy that connects diverse individuals

We are working on instilling the Murata Philosophy in order to create a foundation for diverse individuals to demonstrate their abilities in teams.

In February 2019, we collected examples of practicing the Murata Philosophy at a global meeting. At many locations, thoughts were given to which element of the Murata Philosophy is valued in each employee's work. For example, Kanazu Murata Manufacturing Co., Ltd. offered an example of introducing a new system in cooperation with a business partner. As a result of mutual efforts, they achieved streamlining and energy-saving in material intake, production, and shipping work, creating a win-win relationship. Looking back, this was an achievement stemming from the "scientific approach" and "together with all our stakeholders" in the Murata Philosophy.

In addition, when we welcome new employees who have joined Murata as a result of recruitment or mergers and acquisitions, we value cultivating the understanding of and empathy toward the Murata Philosophy. We have worked to instill the Murata Philosophy at companies that joined the Group in recent

years through mergers and acquisitions, such as Ise Murata Manufacturing Co., Ltd. and Tohoku Murata Manufacturing Co., Ltd. We will have the entire Group recognize the importance of sharing common values and promote these activities in order to create new value through cooperation between individuals.



Interview

"What the Murata Philosophy and Primatec's philosophy both strive to achieve"

Because I was fond of Primatec's philosophy, I could not bring myself to read the Murata Philosophy for a while. Because I had thought a company's philosophy is the judgement criteria for everything about work rather than something superficial, I could not take the change in philosophy lightly. When I participated in a training with this feeling in mind, I saw an executive from the Head Office speak his thoughts on the Murata Philosophy with a strong passion. Learning that Murata also has people who feel strongly passionate about the company's philosophy like myself, I decided to carefully read the Murata Philosophy again.

I realized there are several things in common between the Murata Philosophy and Primatec's philosophy, which are "to create innovative products and solutions," "to create and provide new value that has not existed so far," and "to enrich oneself and others." I particularly like "together with all our stakeholders, thankful for the increase in prosperity," which stresses a humanizing element. I truly felt that the two companies, which were separate companies, are facing the same



Ise Murata Manufacturing Co., Ltd. (former Primatec Inc.)
Toshikazu Amaoka

direction. With this passion, I made a speech about the feeling of gratitude as the employee representative at the recruitment ceremony this year. I hope I was able to convey a part of the vision engrained in the Murata Philosophy to the new employees. By understanding the Murata Philosophy together with my colleagues, I would like to utilize our respective experience and knowledge under the shared values.