

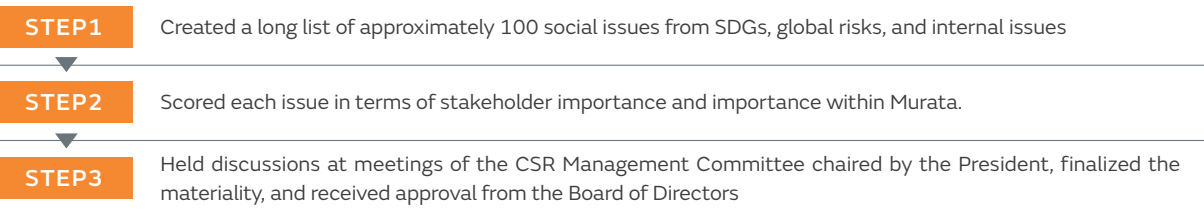
# Murata's materiality

We have declared what Murata wants to be in our “Vision 2030”: creating a continuous cycle of social value and economic value and contributing to the enrichment of society by providing the essentials, enabling the future, and evolving through innovation via co-creation with stakeholders.

We will realize both profit creation and contribution to the realization of a sustainable society, by creating and continuing

to provide value to customers and society through innovation, and reinvesting the profits generated to further create value. To this end, we have determined 13 key issues (materialities) based on social issues from two categories, namely, “contribution to solving social issues through our business” and “initiatives on social issues through business activities overall,” and will be carrying out initiatives to address them.

## Process of identifying materiality

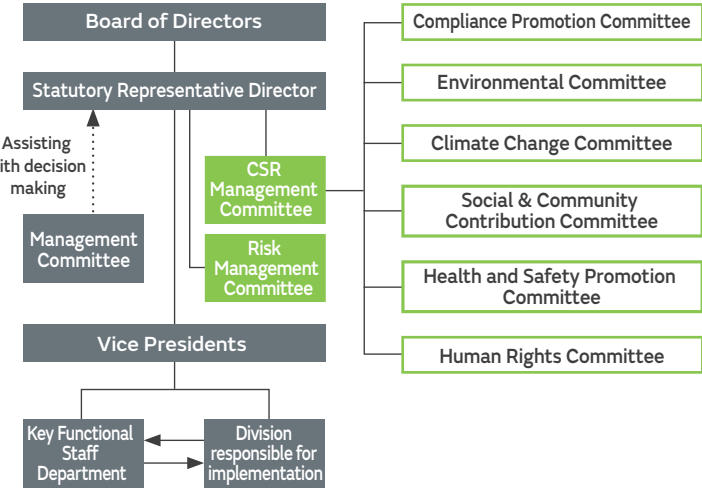


## Promotion framework

Murata has established the CSR Management Committee to put together a structure for CSR management and set a direction for activities.

In fiscal 2022, we set up the Human Rights Committee as a subordinate committee of the CSR Management Committee, while in fiscal 2023, we put the Risk Management Committee,

which was also a subordinate committee of the CSR Management Committee, under the direct supervision of the Statutory Representative Director. Through this organizational structure, we are moving forward with the discussion of themes that require cross-organizational activities and carrying out initiatives to tackle the materiality.



### CSR Management Committee

The CSR Management Committee has been established to continuously and systematically promote CSR management, including initiatives related to sustainability, and further entrench CSR internally. It also serves as the committee in charge of dealing with external parties

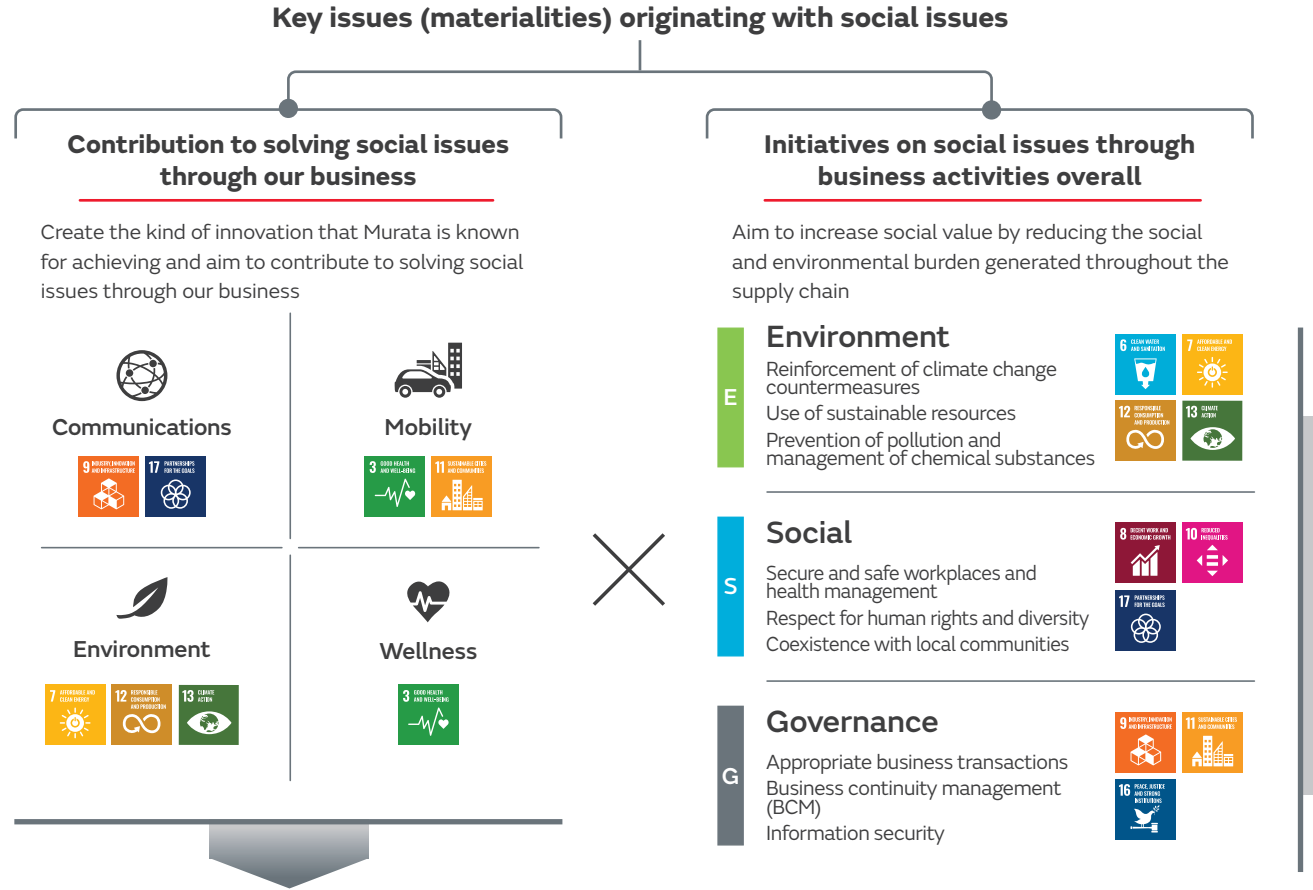
### Risk Management Committee ▶ P.86

Committee that identifies and assesses company-wide risks that may affect Murata's business activities and deliberates on corresponding countermeasures.

### Human Rights Committee ▶ P.81

Committee established to coordinate cross-organizational action to address company-wide issues in the field of human rights

## Overview of materiality



Initiatives on social issues through business activities overall

Environment



Reinforcement of climate change countermeasures

▶P.65

Web https://corporate.murata.com/en-global/csr/environment\_murata/climate\_change

Background of setting the material issues	Climate change has caused a variety of environmental issues around the world in recent years. Murata aims for a continuous cycle of social value and economic value by promoting climate change countermeasures from the perspective of both its own environmental initiatives and its business activities, in accordance with the Murata Philosophy. Murata has set this in order to contribute to the decarbonization of society.
Our goal	We aim to reduce the amount of greenhouse gases (GHG) emitted during manufacturing, by operating in accordance with RE100*1 and SBT*2.
Medium- to long-term goals	Fiscal 2024 targets GHG emissions (Scope 1 + Scope 2): 20% reduction vs. fiscal 2019 (1.28 million t-CO2e or less) Renewable energy sourcing: 25% Fiscal 2030 targets GHG emissions (Scope 1 + Scope 2): 46% reduction vs. fiscal 2019 (0.87 million t-CO2e or less) GHG emissions (Scope 3): 27.5% reduction vs. fiscal 2019 (3.25 million t-CO2 or less) Renewable energy sourcing: 50% Fiscal 2050 targets Renewable energy sourcing: 100%
Fiscal 2022 results	● Took measures such as conserving energy, switching to renewables, and purchasing renewable energy certificates, and achieved a reduction of 16% (1.34 million t-CO2e) in GHG emissions (Scope 1 + Scope 2) from fiscal 2019 and 24% of renewable energy sourcing in fiscal 2022. ● Began verifying a modal shift*3 in fiscal 2022 through discussions with major suppliers and cooperative efforts with transport operators, with the goal of reducing CO2 in our upstream value chain (fiscal 2022 Scope 3 emissions: 4.21 million t-CO2). ● Installed new systems combining solar panels and storage batteries in four domestic plants, achieving a cumulative annual total CO2 reduction of 1,897 t-CO2e across the four plants. ● Implemented approximately 570 individual energy-saving measures throughout Murata (estimated reduction of 47,000 t-CO2e per year). ● Constructed a multistory parking garage with a green design, which is equipped with double-sided solar panels and wall-mounted solar panels at a plant in Wuxi Murata Electronics Co., Ltd. (China). This is the first such structure built by Murata. ● Signed an agreement to procure power derived from additional renewable energy (70MW), through a virtual power purchase agreement (PPA*4) scheme from Mitsubishi Corporation. ● As a response to TCFD, in addition to the qualitative evaluation performed in fiscal 2022, Murata implemented quantitative analyses for transition risks and opportunities during 4°C scenarios (IPCC RCP*5 8.5, IEA/STEPS*6) and 1.5/2°C scenarios (IPCC RCP 1.9 and 2.6, IEA/SDS*7).
Current issues and initiatives	● We will implement effective energy conservation measures and engage in initiatives to calculate our CFP*8, with the main objective of visualizing our energy usage. ● We will utilize the Sustainability Investment Promotion System (internal carbon pricing system, easing investment payout periods, etc.) to accelerate the promotion of energy conservation and renewable energy. ● We will investigate the long-term procurement of renewable energy from power companies and from off-site. ● We will work with suppliers to explore methods of refining and utilizing data, and will work with transport operators to determine the scope and benefits of implementing a modal shift. ● Based on renewable energy promotion and greenhouse gas reduction initiatives, Murata will continue to consider establishing roadmaps and strategies to achieve carbon neutrality.

\*1 An international initiative run by an international NGO called The Climate Group, in which globally influential companies aim for 100% renewable energy.  
\*2 Science Based Targets: Quantitatively based scientific goals regarding long-term scenarios for greenhouse gas reductions.  
\*3 Switching from means of transportation such as trucks to ones with a smaller environmental impact, such as trains and ships, for the purpose of reducing CO2 emissions in the transportation sector.  
\*4 Virtual Power Purchase Agreement A mechanism for trading the environmental value of renewable energy power rather than the power itself. It is one of the methods of procuring additional renewable energy.  
\*5 Representative Concentration Pathways Greenhouse gas concentration trajectory scenarios  
\*6 Stated Policies Scenario Published policy scenarios compiled by the International Energy Agency (IEA) that incorporate the current plans of national governments.  
\*7 Sustainable Development Scenario Sustainable development scenario.  
\*8 Carbon Footprint of Product GHG emissions throughout the lifecycle of a product.

Use of sustainable resources

▶P.71

Web https://corporate.murata.com/en-global/csr/environment\_murata/resource

Background of setting the material issues	As the global population increases, pressing social issues such as resource depletion and increased waste have become more severe. Murata has set this in order to address these social issues and to contribute to cultural development by achieving the sustainable use of resources in its own business activities.
Our goal	Realize sustainable resource usage within Murata’s business activities, and contribute to the development of culture through co-creation with partners.
Medium- to long-term goals	Fiscal 2024 targets Rate of use of sustainable resources*1: 1% improvement from fiscal 2021 results Resource recovery rate*2: 5% improvement from fiscal 2021 results Fiscal 2030 targets Rate of use of sustainable resources: 25%; resource recovery rate: 50% Fiscal 2050 targets Rate of use of sustainable resources: 100%; resource recovery rate: 100%
Fiscal 2022 results	● In order to determine our rate of use of sustainable resources and resource recycling rate, we continued to survey the amount of our procured resources, their recycling ratio, and actual waste treatment results. ● We continued to implement measures to reduce waste. ● We began horizontal recycling of PET film used in manufacturing processes for multilayer ceramic capacitors at some business sites, in order to recycle resources.
Current issues and initiatives	● We will continue initiatives to determine the rate of use of sustainable resources among suppliers. ● We will continue initiatives to determine the resource recycling rate for each business division. ● We will continue to implement initiatives at each business division and business site to serve as leading examples in achieving our medium- to long-term goals.

\*1 Ratio of resources with lower risk of depletion that can be used sustainably by building a recycling scheme, etc. (Potentially depletable resources: Ag, Ni, etc.)  
\*2 Percentage of Murata’s emissions (waste + valuable material) that are recycled as circulating resources

Prevention of pollution and management of chemical substances

Web

https://corporate.murata.com/en-global/csr/environment\_murata/pollution\_chemical

Background of setting the material issues	Recently, stricter environmental regulations have been enacted in many countries. Murata has set this in order to pursue sustainable business processes, such as reducing environmental burden as much as possible by promoting initiatives to proactively prepare for these regulatory changes.
Our goal	Murata aims to reduce environmental burden and realize manufacturing that harmonizes with society by pursuing sustainable business processes that are not restricted to conventional frameworks.
Medium- to long-term goals	Fiscal 2024 targets Serious environmental incidents: 0 Amount of VOC*1 emissions: Equal to or lower than fiscal 2021 emissions Chemicals used for cleaning do not contain specified VOCs Fiscal 2030 targets Serious environmental incidents: 0 Amount of VOC emissions: 30% reduction vs. fiscal 2021
Fiscal 2022 results	● During fiscal 2022, 4*2 serious environment incidents occurred. We determined “what Murata wants to be” in order to reduce the risk of serious environment incidents occurring, and defined issues and measures for meeting the fiscal 2024 target. ● We calculated VOC emissions from each business division and business site and determined our current situation, in order to work toward reducing VOC emissions. ● We built a system for checking whether chemicals used for cleaning contain specified VOCs prior to using the chemicals. The system is now in operation on a trial basis. Each business division has begun formulating alternate measures and schedules.
Current issues and initiatives	● We will tackle the issues and take the measures to reduce the risk of serious environment incidents occurring that we defined in fiscal 2022. In fiscal 2023, based on past incidents, we will review the system to enable each business site to identify and take measures to mitigate all risks of incidents. ● We will formulate and implement VOC emission reduction measures and schedules at applicable business sites. ● We will implement initiatives to build a scheme for replacing chemicals used for cleaning that contain specified VOCs.

\*1 Volatile Organic Compound: One of the causes of air pollution  
\*2 Although this was an incident in which a small amount of diesel oil and household wastewater leaked and caused legal limits to be exceeded at the property boundary, no administrative penalties, such as an order to suspend production, the imposition of a fine, or instructions to conduct a cleanup, were imposed.

Social



Secure and safe workplace and health management

▶P.78

Web https://corporate.murata.com/en-global/csr/people/safe\_secure

Background of setting the material issues	A foundation of CS and ES, which are Murata’s important values, is the physical and mental health of employees. Based on this recognition, Murata has set this in order to implement health management that ensures safety and security.
Our goal	We aim to provide employees with safe workplaces where each and every employee can feel healthy and work with peace in mind.
Medium- to long-term goals	Fiscal 2024 targets Fatal serious incidents: 0 Annual incident rate (per 1,000 workers)*1: Less than 1.35 Fire incidents: 30% reduction compared with average for fiscal 2019–2021 Self-rated health*2: 80% (with 14% reporting extremely good health) Fiscal 2030 targets No fatal serious incidents, no employee injuries or incidents, and a vibrant workplace Fatal serious incidents: 0 Annual incident rate (per 1,000 workers): Less than 1.0 Fire incidents: 0 Self-rated health: 80% (with 20% reporting extremely good health)
Fiscal 2022 results	● In fiscal 2022, we had no serious fatal incidents, and achieved an industrial incident rate per 1,000 workers of 1.44. We implemented initiatives to reduce industrial incidents, through such measures as sharing incident information, holding meetings, and introducing new risk assessments that encompass more types of risk. ● In fiscal 2022, we were able to reduce fire incidents by 30% compared with the average number of incidents from fiscal 2019 to fiscal 2021. We analyzed the causes of fire incidents and then implemented measures to prevent recurrence. ● The self-rated health for fiscal 2022 was 77%. We implemented initiatives based on our Health Management Plan, shared examples, and conducted discussion meetings.
Current issues and initiatives	● We will continue to introduce new risk assessments and implement measures to support the health of workers ahead of the start in fiscal 2024 of a system for extending the retirement age to 65 years, in order to further reduce industrial incidents. ● In order to ensure that new risk assessments suit workplaces, we will build a training system capable of allowing training to be conducted within business sites. ● By implementing various initiatives based on our Health Management Plan, such as establishing systems to promote health management, implementing health measures, enhancing stress management, and increasing health literacy, we will aim to increase the figure for self-rated health.

\*1 At Murata, this ratio is managed per 1,000 people and includes both incidents that require time off from work and those that do not.  
\*2 The self-rated health means a subjective evaluation of an individual’s own state of health, instead of a numerical result from a medical examination. This table presents the percentage of employees who answered in the affirmative when asked if they regard themselves as healthy.

Respect for human rights and diversity ▶P.75 ▶P.81

Web https://corporate.murata.com/en-global/csr/people/hr/capital  
Web https://corporate.murata.com/en-global/csr/people/human\_rights

Background of setting the material issues	As stated in the Murata Philosophy, “We contribute to the advancement of society by creating innovative products and solutions,” Murata has grown together with our customers through innovation. Murata has set this because we recognize that innovation is the result of diverse individuals helping each other to improve, and that it is essential for the development of culture to respect human rights of all stakeholders involved, including those in the supply chain.	
Our goal	We aim for sustainable growth leveraging diverse human resources globally, while understanding and respecting the concept of human rights.	
Medium- to long-term goals	Fiscal 2024 targets	Percentage of overseas indirect employees* with experience working at other sites: 7% Ratio of women in managerial positions: 4% (Murata Manufacturing Co., Ltd. on a non-consolidated basis) A PDCA cycle according to the human rights management system must be implemented at each worksite.
	Fiscal 2030 targets	Percentage of overseas indirect employees with experience working at other sites: 10% Ratio of women in managerial positions: 10% (Murata Manufacturing Co., Ltd. on a non-consolidated basis)
Fiscal 2022 results	<ul style="list-style-type: none"><li>● The percentage of overseas indirect employees with experience working at other sites reached 5.3% in fiscal 2022. We expanded systems and measures for employees to gain diverse global work experience.</li><li>● The ratio of women in managerial positions (Murata Manufacturing Co., Ltd. on a non-consolidated basis) was 3.5% in fiscal 2022. In order to increase the ratio of women in managerial positions, we implemented measures to plan appropriate training, and conducted lectures for organization managers and dialog sessions for female employees.</li><li>● We implemented operations according to our human rights management system at all domestic business sites, and also began expanding these to overseas business sites.</li><li>● In addition to conducting training on the topic of “Business and Human Rights,” we continued to engage in initiatives aimed at raising awareness of human rights among employees.</li><li>● We established the Human Rights Committee as a subcommittee of the CSR Management Committee.</li></ul>	
Current issues and initiatives	<ul style="list-style-type: none"><li>● We will take measures such as boosting the recruitment of women, creating a development plan for managerial candidates, and transforming attitudes among managers.</li><li>● To accompany the human rights management systems for each business site, which have been in operation for some time, we will identify human rights risks for the Murata Group as a whole including the supply chain, through a company-wide human rights risk assessment conducted together with external experts.</li><li>● In addition to operating human rights management systems at domestic and overseas business sites, we will further strengthen to reflect recent international trends through measures such as conducting human rights training for site managers, supervisors, and personnel.</li></ul>	

\* Applies to overseas local staff, excluding those transferred from Japan to overseas

Coexistence with local communities ▶P.80

Web https://corporate.murata.com/en-global/csr/people/society

Background of setting the material issues	Under our founder’s philosophy, Murata hopes to continue to be a company whose presence in local communities is a source of pride and joy to those communities as well as a company that our employees are proud and happy to work for. To this end, Murata has contributed to society as a member of local communities. Murata has set this because we recognize that given the increased expectations of us from the local communities in which we operate, we need to reinforce our initiatives to achieve the philosophy.	
Our goal	We aim to keep in harmony with local communities regardless of changes in the business environment and to be a company that makes communities proud.	
Medium- to long-term goals	Fiscal 2024 goals	Must continue to value communication with local residents and promote contribution activities with the goal of resolving local issues.
	Fiscal 2030 goals	Must continue to value communication with local residents and promote contribution activities with the goal of resolving local issues.
Fiscal 2022 results	<ul style="list-style-type: none"><li>● We identified our impact in regions where group companies are located, identified local issues and needs, and independently planned and implemented contribution activities, in accordance with our Guidelines of Contribution Activities for Society and Community.</li><li>● We presented our initiatives and approach concerning social and community contribution activities on our website, and shared information on activities we conducted via a dedicated blog.</li><li>● We contributed to boosting employee morale and revitalizing communities by conducting activities that contribute to society through sports. For example, we signed an affiliation agreement with Haruka Kawasaki, a professional golfer from the same area as our headquarters.</li><li>● Since 2019 we have been partnering local educational institutions and other organizations to conduct school visits that enable students to develop programming and logical-thinking skills by solving problems by themselves. These visits include the “Move, Sensei Robot!!” activity, a hands-on computer programming lesson. In fiscal 2022 we visited 20 schools and 784 children took part.</li><li>● To support Japanese language instruction and improve communication, Fukui Murata Manufacturing (Fukui Prefecture) and Izumo Murata Manufacturing (Shimane Prefecture), following dialogue with government authorities, dispatched interpreters and donated interpretation equipment to elementary and junior high schools with many Brazilian children of Japanese ancestry, whose parents are engaged in manufacturing at our partner companies.</li></ul>	
Current issues and initiatives	<ul style="list-style-type: none"><li>● Through dialogue with local communities, we will work with our employees to implement measures required in each region to address local issues and needs confronting Murata’s sites.</li><li>● We will increase recognition of Murata’s regional contribution efforts by engaging in initiatives to release internal and external information at each site, and thereby make Murata a company that communities are proud to host.</li></ul>	

Governance



Appropriate business transactions ▶P.89

Web https://corporate.murata.com/en-global/csr/governance/compliance

Background of setting the material issues	Murata’s CSR Charter and Corporate Ethics Policy and Code of Conduct define how we engage in appropriate transactions with suppliers, how we comply with antitrust laws, and how we prevent bribery and other corruptions. We aim to engage in fair business transactions with these practices serving as a foundation for our daily business activities and duties. Murata has set this because we recognize the importance of conducting fair business transactions in order to realize healthy sustainable growth and to earn social trust while expanding business globally.	
Our goal	We aim to maintain zero occurrence of major violation of appropriate business transactions and continue to be a company trusted by society.	
Medium- to long-term goals	Fiscal 2024 targets	<Antitrust laws> Laws, regulations, and internal rules/procedures must be deployed and thoroughly implemented on a global basis. <Bribery> In regions with a high corruption index, bribery management and prevention systems compliant with company policy must function and systems for reporting to headquarters must be established.
	Fiscal 2030 targets	<Antitrust laws> Laws, regulations, and internal rules/procedures must be deployed and thoroughly implemented on a global basis. <Bribery> All affiliated companies must establish bribery management and prevention systems compliant with company policy, and must maintain zero incidents of bribery/corruption.
Fiscal 2022 results	<Antitrust laws> <Bribery>	<ul style="list-style-type: none"><li>● We improved how information on internal rules and procedures is made known throughout the company, in order to help ensure that internal rules and procedures for preventing violations of Antitrust laws are administered properly.</li><li>● We conducted practical training on preventing cartels, domestically and overseas.</li><li>● We continued to expand our bribery management systems.</li><li>● We engaged in initiatives to enhance employee training on bribery, in order to enhance the understanding of our employees.</li></ul>
Current issues and initiatives	<Antitrust laws> <Bribery>	<ul style="list-style-type: none"><li>● We will continue to provide information and training on internal rules and procedures related to preventing cartels, and will raise awareness and improve compliance among employees.</li><li>● We will finish introducing our bribery management systems, and then will establish a monitoring system.</li><li>● We will conduct training to enhance employee understanding of bribery, and will continue to prevent bribery and corruption from occurring.</li></ul>

Business Continuity Management (BCM\*) ▶P.87

Web https://corporate.murata.com/en-global/csr/governance/risk

Background of setting the material issues	Companies are expected to prioritize human life and safety while quickly resuming product supply and to fulfill social obligations, even if an emergency arises with a significant impact on business. Murata has set this because we recognize that to become the components manufacturer in the world and always be selected as the best choice by customers and society, ensuring business continuity is a key task.	
Our goal	We aim to build BCM organizations in domestic and overseas business sites and plants, in order to prepare for disaster.	
Medium- to long-term goals	Fiscal 2024 targets	Business continuity plan (BCP) that satisfies requirements must be established at domestic worksites and plants.
	Fiscal 2030 targets	BCP for handling disasters that might occur in our overseas locations must be formulated at each worksite and plant. A company-wide BCM must be established so that, if a disaster occurs, sites not affected by the disaster can cooperate quickly in order to maintain the business continuity of the entire Murata Group. Autonomous BCM activities must be performed, such as conducting periodic trainings at worksites and plants to verify and improve BCP effectiveness. Measures must be taken for a Nankai Trough earthquake, which is expected to cause major damage.
Fiscal 2022 results	<ul style="list-style-type: none"><li>● Domestically, we continued to develop BCPs. For example, we revised our assumptions concerning damage to infrastructure at each business site and plant in the event of natural disasters, estimated the resultant manufacturing stoppage and recovery periods for each process, and formulated plans for advance measures to prevent supplies to customers from being interrupted.</li><li>● Overseas, we began initiatives to revise BCPs in the same way as in Japan, after considering natural disaster risks and other data in each country.</li></ul>	
Current issues and initiatives	<ul style="list-style-type: none"><li>● We will continue to review natural disaster risks and damage assumptions, and modify BCPs to make them effective for preventing halts in the supply of products to customers from domestic and overseas business sites and plants.</li></ul>	

\* Business Continuity Management: Management activities conducted on an ongoing basis to formulate, maintain, and update BCPs for ensuring business continuity, to implement advance measures, and to conduct education and training for disseminating initiatives.

Information security ▶P.88

Web https://corporate.murata.com/en-global/csr/governance/security

Background of setting the material issues	The risks of information leaks caused by internal fraud targeting information retained by companies and by disruptions to business activities caused by cyber attacks have been increasing in recent years. Murata has set this because we recognize that in order to provide reassurance to all stakeholders, it is important to protect the various types of information we retain, including technical, management, and personal, which is the source of Murata’s competitiveness. This includes both information handled by the company and information provided by clients, customers, and partners.	
Our goal	We aim to minimize risks by routinely implementing the information security risk management PDCA cycle, in order to prevent potentially serious incidents from happening.	
Medium- to long-term goals	Fiscal 2024 targets	Incidents determined to be potentially serious: 0 Employee training ratio*1 : 100%
	Fiscal 2030 targets	Incidents determined to be potentially serious: 0 Employee training ratio: 100%
Fiscal 2022 results	<ul style="list-style-type: none"><li>● In fiscal 2022, we had one incident*2 determined to be potentially serious.</li><li>● We achieved an employee training ratio of 96% in fiscal 2022.</li></ul>	
Current issues and initiatives	<ul style="list-style-type: none"><li>● We continue to implement human, technical, and physical measures based on international standards (ISO27001), in order to address new risks and persistent risks, and to maintain and improve our information security level.</li><li>● In response to the growing importance of information security in the automotive industry, our major domestic and overseas sites (including our headquarters) have been certified under TISAX*3, an information security evaluation conducted by the German Association of the Automotive Industry. Going forward, we will continue to get more of our sites certified and further enhance our information security level.</li></ul>	

\*1 Ratio = (Number of sites that have conducted training) / (Total number of sites)

\*2 Notification of Unauthorized Access to File Server (Second Report) https://corporate.murata.com/en-global/newsroom/news/company/general/2023/0613

\*3 Trusted Information Security Assessment Exchange